

## HLC Addendum Request

12. It's evident they have done multi-year planning and improved governance since HLC's last visit. Are there more recent athletics audits than 2018? Foundation financials? Several years of CFI ratios? Or other evidence that can be provided?
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### Institutional Response:

- 1. Are there more recent athletics audits than 2018?**

Since the 2018 audit, a follow-up memo was issued by the UNM Director of Internal Audit in 2021 that all recommendations have been fully implemented and verified. Also, UNM recently received a memo from the Secretary of New Mexico Higher Education Department (HED) that Athletics has been removed from the Enhanced Fiscal Oversight Program. Given the continued oversight of the department, additional audits have not been required. Please see attached memos.

- 2. Foundation financials?**

If referencing the UNM Foundation, financial statements and other useful financial information can be found on their website link:

<https://www.unmfund.org/s/1959/22/interior.aspx?sid=1959&gid=2&pgid=516>

As stated on the UNM Foundation webpage:

<https://www.unmfund.org/s/1959/22/interior.aspx?sid=1959&gid=2&pgid=487>

“...the University’s Board of Regents established the UNM Foundation Inc. in 1979 as an incorporated nonprofit corporation... In 2008, at the request of the Regents, the Foundation transitioned to a stand-alone organization with expanded fiduciary duties to include fiscal, human resources and treasury functions. Since its creation, and in accordance with University policy, all private gifts are received through the Foundation, which has the responsibility for managing contributions to all University programs. Gifts to the UNM Foundation are tax-deductible to the extent allowed by law.”

- 3. Several years of CFI ratios?**

Please see attached 20-year history.

- 4. Or other evidence that can be provided?**

A lot of information was submitted demonstrating multi-year planning over the last several years, which were in the files titled “Multi-Year Planning and New Funding Requests,” which are presented as strategic initiatives in the “Budget Presentations and New Resource Allocations,” developed into the “UNM Combined Enterprise 10 Year” and “UNM Core Fund Plan.”

Documents in all these files should demonstrate the significant efforts the university has made towards developing strategic integrated multi-year financial plans. See the Assurance Argument.

To: Dr. Jeff Rosen, Higher Learning Commission  
From: Victor Griego, Interim Director of Internal Audit  
Date: July 26, 2021  
Subject: Department of Athletics Audit Recommendation Follow-up

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Greetings Dr. Rosen. This memo is to report the status of the Department of Athletics (Athletics) internal audit recommendations. The Athletics Internal Audit report dated May 16, 2018 reported a total of 20 audit recommendations. Corrective action has been fully implemented and verified by UNM Internal for all 20 recommendations. Internal Audit has continued to monitor two (2) recommendations related to Athletics Business Processes (Recommendation 1) and Deficit Reduction Plan (Recommendation 3).

The University has moved the accumulated deficit of \$4.5M out of Athletics' operational budget and has taken responsibility to pay down the deficit over 10 years centrally. In addition, Athletics had an accumulated deficit from FY20 of \$1.6M, which has been fully paid off resulting in the department having a positive \$1.4M ending balance for FY21. Given, that the department no longer has an accumulated deficit, Internal Audit intends to close Recommendation 3- Deficit Reduction Plan for reporting at the upcoming August 5<sup>th</sup> Audit and Compliance Committee meeting.

Furthermore, Internal Audit has verified continued improvements in business process and updates to its Business Operations Manual and intends to also close Recommendation 1- Business Processes. Athletics business operation manual is updated frequently and reflects NCAA and University compliance requirements and procedures. This manual has been utilized by the department since 2019. In addition, the department's fiscal operations were moved to UNM Fiscal Shared Services within Academic Affairs in 2018 and has been reporting to the Board of Regents quarterly financial reports to ensure transparency and demonstrate fiscal management. If you have any questions or would like further information, feel free to contact me at 505-710-0561

Cc: Eddie Nunez, Director of Intercollegiate Athletics  
Nicole Dopson, Director of Financial Operations



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**Date:** April 17, 2023

**Subject:** University of New Mexico  
Enhanced Fiscal Oversight Program  
Notification of Designation Removal

**To:** Dr. Garnett Stokes, President  
University of New Mexico

**From:** Stephanie M. Rodriguez, Cabinet Secretary  
New Mexico Higher Education Department

Dear President Stokes,

This letter serves as formal notice that the New Mexico Higher Education Department (NMHED) is removing the Enhanced Fiscal Oversight Program (EFOP) designation placed upon the University's Athletic Department in October of 2017. The designation was originally made based upon a continued budget deficit within Intercollegiate Athletics and the findings pertaining to the Athletics Department by the State Auditor's Office (2017 Special Audit) and the New Mexico Attorney General's Office (2018 Transparency Report).

This decision to immediately remove the designation is based upon the following:

- The university's cooperation and due diligence in communicating with the agency's Institutional Finance Division
- Providing quarterly budget exhibits and deficit reduction statements
- Strengthening of internal controls within the Athletics Department
- Clearing of the remaining budget deficit of the Athletics Department

Thank you for your commitment and partnership in addressing and resolving these issues in a cohesive manner.

Sincerely,

A handwritten signature in black ink that reads "Stephanie M. Rodriguez". The signature is written in a cursive, flowing style.

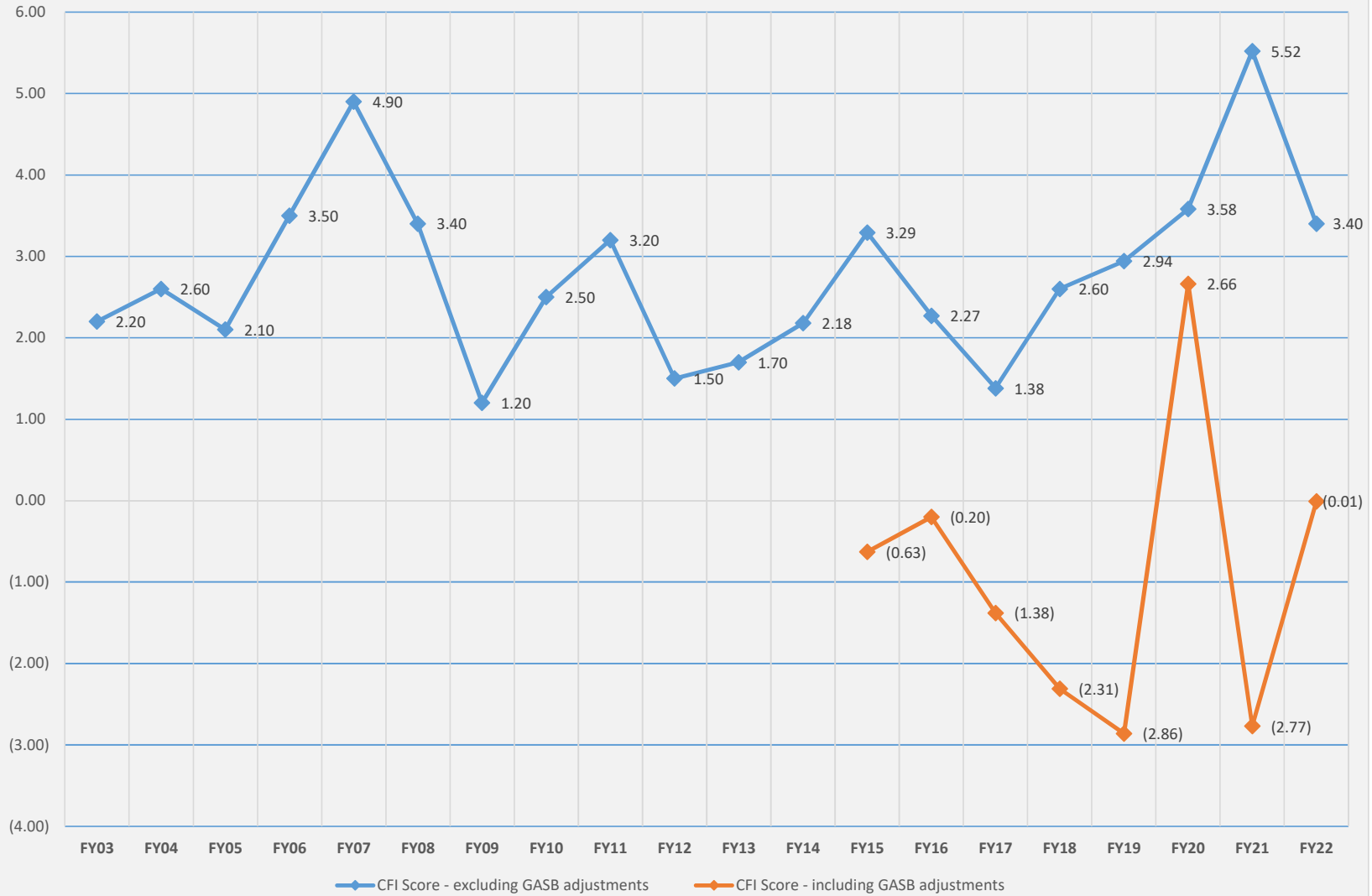
Stephanie M. Rodriguez  
Cabinet Secretary



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cc: Dr. Patricia Trujillo, Deputy Cabinet Secretary, New Mexico Higher Education Department  
Wayne Propst, Cabinet Secretary, Department of Finance & Administration  
Mario Suazo, Chief Financial Officer, New Mexico Higher Education Department  
Dr. Harrison Rommel, Academic Finance Director, New Mexico Higher Education Department  
Gerald Hoehne, Capital Projects Director, New Mexico Higher Education Department  
Peter Kovnat, General Counsel, New Mexico Higher Education Department  
Nicole Macias, Principal Analyst, Department of Finance & Administration  
Ashley Leach, Director, State Board of Finance  
David Abbey, Director, Legislative Finance Committee  
Connor Jorgensen, Fiscal Analyst, Legislative Finance Committee  
Zach Waymer, Government Affairs Officer, Higher Learning Commission  
Kim Sanchez Rael, Chair, Board of Regents, University of New Mexico  
Teresa Constantinidis, Vice President of Finance & Administration, University of New Mexico  
Eddie Nuñez, Director of Athletics, University of New Mexico

## Composite Financial Indicator (CFI) Score



	CFI Score - excluding GASB adjustments	CFI Score - including GASB adjustments	Notes:
FY03	2.20		
FY04	2.60		
FY05	2.10		
FY06	3.50		
FY07	4.90		
FY08	3.40		
FY09	1.20		
FY10	2.50		
FY11	3.20		
FY12	1.50		
FY13	1.70		
FY14	2.18		
FY15	3.29	(0.63)	GASB 68 implementation - pension
FY16	2.27	(0.20)	
FY17	1.38	(1.38)	GASB 80 implementation - blending of certain component units. GASB 74 implementation - OPEB.
FY18	2.60	(2.31)	GASB 75 implementation - OPEB
FY19	2.94	(2.86)	
FY20	3.58	2.66	
FY21	5.52	(2.77)	
FY22	3.40	(0.01)	