

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, January 13, 2011

Zia Room - Library

4:00 p.m.

AGENDA

- | | |
|---|----------------|
| A. Welcome | Guy Kesner |
| B. Adoption of Agenda | Guy Kesner |
| C. Approval of Minutes of December 13, 2010 | Guy Kesner |
| D. President's Report | Steve McCleery |
| E. New Business | |
| 1. Consideration of Audit Report | Dan Hardin |
| 2. Monthly Expenditures Report | Dan Hardin |
| 3. Monthly Revenue Report | Dan Hardin |
| 4. Oil and Gas Revenue Report | Dan Hardin |
| 5. Schedule of Investments | Dan Hardin |
| 6. Consideration of Bid #1047 – Pre-Engineered Metal Building | Regina Choate |
| F. Public Comments | Guy Kesner |
| G. Announcement of Next Meeting | Guy Kesner |
| H. Closure of Open Meeting | Guy Kesner |
| I. Adjournment | Guy Kesner |

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

DECEMBER 13, 2010

MINUTES

The New Mexico Junior College Board met on Monday, December 13, 2010, beginning at 4:00 p.m. in the Zia Room of Pannell Library. The following members were present: Mr. Guy Kesner, Chairman; Ms. Patricia Chappelle, Secretary; Mrs. Mary Lou Vinson; Mr. Phillip Jones; Mr. Ron Black; and Mr. Hector Baeza. Not present was Mrs. Yvonne Williams.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Beth Hahn, News-Sun.

Upon a motion by Mrs. Vinson, seconded by Mr. Kesner, the agenda was unanimously adopted.

Mr. Kesner suggested the City of Hobbs request be revised in the November 18 minutes. Upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously approved the minutes of November 18, 2010, with changes.

Under Presidents Report, Robert Guthrie reported on the recent Stuff-A-Truck. Dr. McCleery informed the Board that Christmas gifts were given to 120 foster kids at the annual party. John Gratton reported on the \$105,590 Carl Perkins award. Delores Thompson gave the site visit final report for the nursing accreditation.

Under New Business, Mr. Kesner made a motion to appoint Hector Baeza to fill the unexpired Board term for District V. Mr. Black seconded the motion, which carried unanimously. Dr. McCleery administered the Oath of Office to Mr. Hector Baeza. Mr. Black nominated Guy Kesner to serve as Chairman of the Board. Mrs. Vinson seconded the nomination. Mr. Kesner was unanimously elected Chairman of the Board. Mrs. Vinson nominated Ms. Chappelle to serve as Secretary of the

Board. Mr. Kesner seconded the nomination. Ms. Chappelle was unanimously elected Secretary of the Board.

Dan Hardin presented the November financial reports and with a motion by Ms. Chappelle, seconded by Mrs. Vinson, the Board unanimously approved the expenditures for November, 2010.

Dr. McCleery recommended naming the following facilities for the following individuals: Larry Hanna Training and Outreach Center and Dan Berry Rodeo Arena. Upon a motion by Mrs. Vinson, seconded by Ms. Chappelle, the Board unanimously accepted the recommendation.

Dr. McCleery presented the Board Election Resolution. Upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously adopted the resolution.

Mr. Kesner called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, January 13, 2011, beginning at 4:00 p.m.

Mr. Black moved the board go into closed session for the discussion of limited personnel matters under the provisions of section 10-15-1-H (2) of the New Mexico Statutes Annotated 1078. Mr. Jones seconded the motion. The roll call vote was as follows: Mr. Jones - yes; Ms. Chappelle - yes; Mr. Black - yes; Mr. Kesner - yes; Mrs. Vinson – yes; and Mr. Baeza – yes.

Upon re-convening in open meeting, Mr. Kesner stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

Upon a motion by Ms. Chappelle, seconded by Mrs. Vinson, the board meeting adjourned at 6:05 pm.

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

5317 Lovington Highway
Hobbs, NM 88240
Phone: (575)492-2770
Fax: (575)492-2768

To: New Mexico Junior College Board members

From: Dan Hardin

RE: Audit

Date: January 20, 2011

Board members,

At the January 20th Board meeting, Cindy Bryant with Accounting and Consulting will present the 2010 Audit report for your review and approval. The 2010 audit has an unqualified opinion, which is the opinion that we strive to obtain. Included in the audit are several audit findings that Cindy may or may not address in her presentation. In this memo is a listing of the findings and information about the finding.

2007 – 2 Preparation of Financial Statements (College)

The first audit finding is a repeat finding which most public entities are receiving due to the constant changes in Governmental accounting standards. This finding states that the financial statements and related disclosures are not being prepared by the College.

Management agrees that knowledge of financial statement preparation is very important to the accurate reporting of the financial status of the College. In response to this finding, the College has continued to contracted consultants to come to the College to work with Business Office personnel on fixed assets and accounts receivable. Also, Business Office personnel attended professional training classes in government accounting and audit updates. We will continue this emphasis on training for accounts receivable, GASB updates, and concentrate on financial statement preparation during the FY 11 fiscal year.

2009 – 5 Incomplete reconciliations (College)

Not all accounts receivable general ledger accounts are being reconciled with the subsidiary detail.

Last year this finding read; Allowance for Bad Debts and Capital Assets are in need of additional reconciliation to the subsidiary detail and need to be reviewed by College management.

The finding this year is focusing on the accounts receivables and the allowance for Bad Debts. This finding is not due to a lack of effort to do reconciliations, rather it is a problem in reconciling the subsidiary to the general ledger. The differences go back to the original conversion from Poise to Banner. Josh Morgan has spent many hours working on the reconciliation of accounts receivables and allowance for Bad debts. We will continue to address this finding, and have contracted for training and assistance in reconciling of the accounts receivables back to the original conversion.

Management agrees that regular reconciliation is important to the financial stability of the College. Accounting staff will continue to reconcile balance sheet accounts with subsidiary details.

2010 – 1 **Incomplete Time Sheets**

Good internal controls over payroll should require that all wages be properly authorized and approved.

Management agrees that the signing of timesheets by the employee and supervisor is a good practice. Policy will be enforced requiring all timesheets to be signed by the employee and by the supervisor.

2010 – 2 **Lack of Segregation of Duties**

Appropriate segregation of duties in cash disbursing and payroll processing is required to maintain proper and sufficient internal controls and report all expenditures as required by Section 6-6-3, NMSA 1978.

Management agrees segregation of duties is good policy. Procedures have been put in place to provide for segregation of duties for establishing new Accounts Payable vendors and for establishing new employees in the Payroll module. Also, changes have been made to have any undeliverable payroll checks returned to the Business Office, instead of the Payroll Department.

2010 – 3 **Journal Entries**

Systems of internal control with the most favorable designs include procedures to prevent or detect errors due to misclassification of transactions in the accounting records.

This finding is referring to how we book the June purchase card payment, the June Excel payment. For the past six years when we received the June purchase card statement in July, we always expensed the payment back to June to get it in the correct fiscal year. This year the auditors are requesting that we debit cash and credit accounts payable. This is the same for the Xcel payment. We have changed our procedure in handling cash transactions to properly reflect the accounting period.

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**
From: Dan Hardin
Date: January 7, 2011
RE: Expenditure and Revenue Reports for December 2010

December is month six or 50% of the budget for the 2010/2011 fiscal year. The expenditure report represents expenditure totals that include funds expended and encumbered. The total year to date funds expended and/or encumbered through the month of December is \$22,937,739.00.

The total current unrestricted fund expenditures through December are \$11,704,706.00, which is 54% of the projected budget. Instruction and General is running as normal for this time of year. Internal Services has a large amount of maintenance agreements that have been encumbered, that will be covered by charge outs over the course of the year. Student Aid has started making awards for the Spring semester, and Auxiliary Enterprise has a high percentage of budgets spent due to the amount of books and supplies purchased in the bookstore prior to the beginning of the Spring Semester. The same holds for Athletics as they have awarded grant in aid for the Spring semester. Over all, the departments are expending as normal for this time of year.

In the Restricted Funds the expenditures in the Grant area is increasing. We continue to monitor the expenditures in the Grants and request the drawdown from the state and federal agencies. Restricted Student Aid will have the big Pell payout in January. Total amount of restricted funds expended through December of 2010 is \$3,822,920.00.

Year to date Plant funds expended is mainly expenditures for the completion of the Central Plant project, Pannell Library remodel, and the Caster (Old Cowboy Hall of Fame) remodel. Also, the roofing project, which is the STB funds, is moving along as planned.

Total expenditures and or encumbrances through December 2010 were \$22,937,739.00 or 49% of the budget.

Total Current Unrestricted revenue received in December 2010 was \$4,676,040.00, with the year to date total of 14,526,199.00. This mostly consists of the tuition and

fees, the monthly allocation from the state, the Oil and Gas Income, Oil and Gas Equipment tax income, and property tax revenue.

Tuition and Fees collected in December was \$521,619.00 as we collect tuition and fees for the spring semester. Oil and Gas tax revenue is the monthly oil and gas mill levy of \$582,732.00 and the equipment tax revenue for December of \$741,851.69. The property tax revenue for December was \$1,528,187.00; we will receive another large property tax check by June.

Restricted funds had some drawdown revenue in December. Total restricted fund revenue for the year is \$3,470,281.00. There will be another large drawdown in January or February for restricted student aid.

In Plant Funds, we did not receive any revenue in December.

Total revenue for the month of December 2010 is \$4,758,205.00, with year-to-date revenue of \$18,007,411.00 or 55% of projected budget.

The Oil and Gas report reflects some up and down movement in the oil and gas mill levy revenue. The total budget through December for Oil and Gas is \$2,199,996.00. The total Oil and Gas revenue through December of 2010 (which includes an accrual of \$366,666 for November and December) is \$3,212,505.00. This is \$1,012,509.00 over the total Oil and Gas budget for the year. We received \$741,851.69 in December for Oil and Gas Equipment mill levy funds.

The investment report shows an ending balance of \$9,625,000.00, as there was no activity in December.

For the Board's information; effective 1-1-2011 the Social Security tax for individuals has been lowered from the 6.2% to 4.2% the institutions matching portion will remain at 6.2%. So, the cost to the institution will remain the same, staff that participate in Social Security will see an increase in their net pay.

Also, FDIC insurance coverage for non-interest bearing accounts effective 12-31-2010 is unlimited, and will remain unlimited until 12-31-2012. New Mexico Junior College has non-interest bearing accounts at Bank of America for the Federal Grant funds. These accounts will not have specific pledging from Bank of America due to this change in the FDIC coverage. Interest bearing accounts will have the \$250,000.00 FDIC insurance coverage. So, the College will continue to have security pledging on the I & G account at Wells Fargo.

This concludes the Financial Report for December 2010.

NEW MEXICO JUNIOR COLLEGE

Expenditure Report

December 2010

50% of Year Completed

Fund	2009-10			2010-11			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	6,791,331	4,302,075	63%	8,549,845	932,727	4,342,929	51%
Academic Support	3,271,728	1,332,881	41%	2,235,263	201,976	1,198,091	54%
Student Services	1,577,951	810,391	51%	1,681,893	141,623	817,538	49%
Institutional Support	4,594,972	1,622,230	35%	3,067,761	277,724	1,581,464	52%
Operation & Maintenance of Plant	2,914,580	1,432,700	49%	3,023,475	360,583	1,403,043	46%
Subtotal - Instruction & General	19,150,562	9,500,277	50%	18,558,237	1,914,633	9,343,065	50%
Student Activities	0	0	0%	0	0		0%
Research	0	0	0%	0	0		0%
Public Service	0	0	0%	0	0		0%
Internal Service Departments	147,077	114,568	78%	24,000	99,974	226,514	944%
Student Aid	605,800	383,887	63%	469,785	123,125	406,438	87%
Auxiliary Enterprises	1,665,937	1,056,111	63%	1,696,058	194,172	1,147,045	68%
Athletics	1,003,159	573,745	57%	974,729	70,184	581,644	60%
Total Current Unrestricted Fund	22,572,535	11,628,588	52%	21,722,809	2,402,088	11,704,706	54%
CURRENT RESTRICTED FUND							
Grants	1,705,862	722,053	42%	1,417,549	138,398	792,286	56%
Student Aid	4,050,000	2,858,013	71%	5,237,174	43,820	3,030,634	58%
Total Current Restricted Fund	5,755,862	3,580,066	62%	6,654,723	182,218	3,822,920	57%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	12,168,843	6,919,745	57%	12,551,388	136,122	4,432,634	35%
Projects from State GOB Funds	4,007,556	3,776,279	94%	294,047	16,353	71,895	24%
Projects from State STB Funds	1,790,668	1,703,968	95%	3,000,000	253,786	2,293,231	76%
Projects from General Fund	140,621	40,422	29%	226,847	19,808	168,686	74%
Projects from Private Funds	171,487	44,012	26%	183,383	63	93,276	51%
Projects from State ER&R	340,024	134,674	40%	318,919	0	163,693	51%
Projects from State BR&R	1,268,966	0	0%	1,830,699	0	186,698	10%
Projects from Auxiliary BR&R	0	0	0%	0	0	0	0%
Subtotal - Capital and BR&R	19,888,165	12,619,100	63%	18,405,283	426,132	7,410,113	40%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	19,888,165	12,619,100	63%	18,405,283	426,132	7,410,113	40%
GRAND TOTAL EXPENDITURES	48,216,562	27,827,754	58%	46,782,815	3,010,438	22,937,739	49%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
December 2010

50% of Year Completed

Fund	2009-10			2010-11			
	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Tuition and Fees	3,354,500	2,899,102	86%	3,523,000	521,619	3,195,841	91%
State Appropriations	7,676,400	3,723,442	49%	6,290,500	859,017	3,226,233	51%
Advalorem Taxes - Oil and Gas	5,200,000	3,076,839	59%	5,500,000	1,324,584	3,977,247	72%
Advalorem Taxes - Property	3,504,278	1,269,553	36%	4,129,578	1,537,582	1,728,418	42%
Interest Income	287,000	14,218	5%	20,000	0	7,115	36%
Other Revenues	524,363	162,542	31%	323,308	2,700	481,634	149%
Subtotal - Instruction & General	20,546,541	11,145,696	54%	19,786,386	4,245,502	12,616,488	64%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	0	0	0%	24,000	2,514	13,178	0%
Auxiliary Enterprises	2,298,000	1,256,863	55%	2,202,000	405,616	1,760,745	80%
Athletics	310,400	152,330	49%	428,100	22,408	135,788	32%
Total Current Unrestricted	23,154,941	12,554,889	54%	22,440,486	4,676,040	14,526,199	65%
CURRENT RESTRICTED FUND							
Grants	1,705,862	772,280	45%	1,417,549	0	663,971	47%
Student Aid	4,050,000	2,704,334	67%	5,237,179	82,165	2,806,310	54%
Total Current Restricted	5,755,862	3,476,614	60%	6,654,728	82,165	3,470,281	52%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	4,007,556	2,380,025	59%	294,047	0	0	0%
Projects from State STB Funds	1,790,668	830,678	46%	3,000,000	0	0	0%
Projects from General Fund	140,621	132,446	94%	226,847	0	0	0%
Projects from Private Funds	118,987	0	0%	103,383	0	0	0%
Interest Income (LGIP)	0	0	0%	80,000	0	10,931	0%
Total Plant Funds	6,057,832	3,343,149	55%	3,704,277	0	10,931	0%
GRAND TOTAL REVENUES	34,968,635	19,374,652	55%	32,799,491	4,758,205	18,007,411	55%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

December 2010

50% of Year Completed

		OIL		GAS		COMBINED		
Month of		Price	Lea County	Price	Lea County	Monthly	2009-10	Variance
Sales	Distribution	per BBL	BBLs sold	per MCF	MCF sold	Revenue	Original	Over (Under)
							Budget	Budget
Actual	July	\$78.04	2,838,769	\$5.07	16,763,074	580,468	366,666	213,802
Actual	August	\$70.38	2,777,074	\$6.15	16,195,702	640,098	366,666	273,432
Actual	September	\$70.35	2,782,699	\$5.57	15,856,565	675,875	366,666	309,209
Actual	October	\$71.79	2,853,169	\$4.34	15,026,148	582,732	366,666	216,066
Accrual	November	\$73.88	2,845,013	\$5.78	15,732,662	366,666	366,666	0
Accrual	December					366,666	366,666	0
Accrual	January						366,666	(366,666)
Accrual	February						366,666	(366,666)
Accrual	March						366,666	(366,666)
Accrual	April						366,666	(366,666)
Accrual	May						366,666	(366,666)
Accrual	June						366,666	(366,666)
Y.T.D. Production Tax Revenue						3,212,505	4,399,992	(1,187,487)
Y.T.D. Equipment Tax Revenue						764,742	1,100,000	(335,258)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>3,977,247</u>	<u>5,499,992</u>	<u>(1,522,745)</u>

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

December 2010

50% of Year Completed

Financial Institution	Amount Invested	Date Invested	Maturity Date	Period of Investment (Days)	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	9,625,000	N/A	N/A	N/A	7102-1348	0.219%	1,788
Total investments	<u><u>9,625,000</u></u>						<u><u>1,788</u></u>

Summary of Current Month's Activity	
Beginning amount	9,625,000
Plus: deposits	0
Less: withdrawals	0
Capital Projects	9,473,524
Reserves Invested	151,476
Total LGIP Investment	9,625,000

Capital Projects	12/31/2010
Vehicles	4,950.00
Drawings & Master Plan	12,805.63
Technology Upgrade	248,461.92
JASI	93,737.00
Museum Landscaping	300,000.00
Baseball Field	201,377.94
Rodeo Arena	102,882.70
Front Entrance/Turn/Landscape	300,000.00
Equestrian Center	1,816,210.88
Student Housing Construction	552,601.59
Library Remodel	29,866.92
Frame & Door Replacement	138,622.38
Luminis Software	11,568.00
Landscaping	448,022.98
Facility Painting	900.87
Electrical Upgrade	518,768.51
Campus Signage	84,993.82
Campus Paving	207,561.17
Roof Replacement	151,285.16
Interior Lighting-Energy Retrofit	52,346.52
Old Dorms Renovation	200,292.23
Millen Dr. Sewer & Water	150,000.00
Concrete Upgrade	26,110.16
Campus Construction	107,811.19
Oil & Gas Training Center	500,000.00
Public Sector	1,826.53
Campus Security	151,297.10
Caster Old CHOF Remodel	66,618.04
Track/Arena Area Enhancement	65,044.46
Roadway Entrance-Rodeo/CDL	60,000.00
Lumens Software-Distance Learnng	5,000.00
Welding Lab	47,956.61
Copier Replacement	13,967.00
Non-Recurring Compensation	434,800.00
Athletics	626,016.57
Student Life Programming	2,440.37
Title V (Institutional)	118,611.47
Warehouse/Cont Ed Remodel	991,089.67
Radiological Control	18,198.38
Central Plant Upgrade	586,674.31
Workforce Training Contingency	2,407.25
Banner 8	25,349.12
Total	9,473,524.45

NOTE: Capital projects total does not include encumbered funds

NEW MEXICO JUNIOR COLLEGE

Invitation to Bid # 1047

Pre-Engineered Metal Building for the Rodeo Grounds

BOARD DOCUMENTS

Date: January 13, 2011
Prepared by: Regina Choate
Purchasing Coordinator

NEW MEXICO JUNIOR COLLEGE

BOARD DOCUMENTS

General Information

1. On December 17, 2010, a legal notice was sent to the following newspaper requesting sealed bids for a Pre-Engineered Metal Building for the Rodeo Grounds:

Hobbs News Sun
2. Bid packets were sent to five potential bidders.
3. One bidder submitted their bid within the time frame specified by the bid package. No bidders were present at the opening.
4. The Business Office has evaluated the bid received. Their recommendation is shown on Page 3.

NEW MEXICO JUNIOR COLLEGE
BOARD DOCUMENTS
Evaluation and Recommendation

The vendor responding to the Invitation was: Steel Depot, Hobbs, NM.

The Administration recommends acceptance of the bid as follows:

Total Award: \$35,754.01

Source of Funding: - FY 2010/2011
Rodeo Arena Capital Account
Account #: 91508-4002-76012-911

NEW MEXICO JUNIOR COLLEGE

Specifications for Pre-Engineered Metal Building

Scope of Work:

- Pre-Engineered metal building measuring 60' wide x 100' length x 14' eave height.
- 1:12 pitch roof.
- 1 – 12 x 12 framed opening locate in left end wall.
- 1 – 12 x 12 framed opening locate in right end wall.
- 1 – 12 x 12 framed opening locate in back side wall.
- 2 – 3070 walk doors, insulated with panic hardware and door closer, keyed alike.
- 8 – 10'8" noninsual tedsky lights.
- Roof and wall covering 26 GA 20 years PBR.
- Panel – Color TBS.
- Gutter and down spout.
- FOB Hobbs, New Mexico.
- Insulation package for MTL Building.
- 3" vinyl with tape – and wire.
- 3" reinforced with wire and tape.
- 3 – 12' x 12' Roll-up Door white – wind rated. (alternate)

New Mexico Junior College
 Invitation to Bid # 1047 - Tabulation Summary
 Pre-Engineered Metal Building for Rodeo Grounds
 Bid Opening: Thursday, January 6, 2011 @ 11:30 a.m. MST

Description	Campbell Steel Lubbock, Tx	Lasco Hobbs, NM	Minnix Const. Lubbock, Tx	Mueller, Inc Wolfforth, Tx	Steel Depot ** Hobbs, NM
Pre-engineered Metal Building for the Rodeo Grounds measuring 60' wide x 100' length x 14' eave height with pitch roof.	NO BID	NO BID	NO BID	NO BID	\$ 35,754.01
TOTAL					\$ 35,754.01
**LOW BIDDER					