

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, May 19, 2011

Zia Room - Library

2:00 p.m.

AGENDA

- | | |
|--|----------------|
| A. Welcome | Guy Kesner |
| B. Adoption of Agenda | Guy Kesner |
| C. Approval of Minutes of April 21, 2011 | Guy Kesner |
| D. President's Report | Steve McCleery |
| E. Public Comments | Guy Kesner |
| F. New Business | |
| 1. Monthly Expenditures Report | Dan Hardin |
| 2. Monthly Revenue Report | Dan Hardin |
| 3. Oil and Gas Revenue Report | Dan Hardin |
| 4. Schedule of Investments | Dan Hardin |
| 5. Fiscal Watch Reports | Dan Hardin |
| 6. Consideration of Tuition Waiver | John Gratton |
| 7. Closure of Open Meeting | Steve McCleery |
| 8. Consideration of Contract | Steve McCleery |
| G. Announcement of Next Meeting | Guy Kesner |
| H. Adjournment | Guy Kesner |

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

APRIL 21, 2011

MINUTES

The New Mexico Junior College Board met on Thursday, April 21, 2011, 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; Mr. Phillip Jones; Mr. Ron Black; Mr. Hector Baeza; Mrs. Mary Lou Vinson; and Mrs. Yvonne Williams.

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

Upon a motion by Mr. Jones, seconded by Mrs. Williams, the agenda was unanimously adopted.

Upon a motion by Mrs. Williams, seconded by Mrs. Vinson, the Board unanimously approved the minutes of March 16, 2011.

Under President's Report, Robin Porter introduced the Skills USA students who recently competed at state. Coach J. R. Black introduced the winners of the district golf tournament. Kay Goad, Faculty Senate president, reported on faculty contributions made for scholarships. She also expressed appreciation for maintaining the level of technology in the classroom. Delores Thompson reported on the 100% pass rate for nursing, as well as the full eight year accreditation.

Under New Business, Dr. McCleery administered the Oath of Office to Mr. Ron Black and Mr. Hector Baeza. Mr. Black nominated Guy Kesner to serve as Chairman of the Board. Mr. Jones seconded the nomination. Mrs. Williams nominated Ms. Chappelle to serve as Secretary of the Board. Mr. Black seconded the nomination.

Dan Hardin presented the March financial reports and with a motion by Mr. Jones, seconded by Mrs. Vinson, the Board unanimously approved the expenditures for March, 2011.

Mr. Hardin presented a recommendation to increase the meal plans by \$25 per semester, effective in the fall, 2011 semester. Upon a motion by Mr. Jones, seconded by Mr. Black, the Board unanimously approved the recommendation.

Michele Clingman presented a request to increase the fee for retaking the COMPASS and ASSET placement tests. There will be no charge to NMJC students for the first test and \$5.00 (each test) for re-testing. Non-NMJC students will pay \$15.00 for the COMPASS and \$15.00 for the ASSET. Upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously approved the request.

John Gratton presented a request to increase the GED testing fees. The increase includes \$10.00 for the battery and \$2.00 for the re-takes, which would then raise the costs to \$50 and \$10. Upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously approved the request.

Regina Choate presented Bid #1049 – Purchase of Vehicle. The administration recommended acceptance of the bid from Tillery Chevrolet of Moriarty, New Mexico for \$30,551 for a 2011 ½ ton, 4WD, short bed, 4 door truck. Upon a motion by Mr. Black, seconded by Mr. Jones, the Board unanimously accepted the recommendation.

Don Worth recommended Kevin Waters for the Professor of Physical Education/Assistant Women's Track Coach position at a nine month salary of \$38,371. Upon a motion by Ms. Chappelle, seconded by Mrs. Vinson, the Board unanimously approved the employment of Mr. Waters, effective August 15, 2011.

Dr. McCleery presented the 2011/2012 budget for Board consideration. After some discussion and upon a motion by Mr. Jones, seconded by Mrs. Vinson, the board unanimously approved the 2011/2012 budget, as presented.

The next regular board meeting was scheduled for Thursday, May 19, 2011, beginning at 3:00 p.m.

Upon a motion by Mr. Jones, seconded by Ms. Chappelle, the board meeting adjourned at 5:20 p.m.

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**

From: Dan Hardin

Date: May 5, 2011

RE: Expenditure and Revenue Reports for April 2011

April is month ten or 83% of the budget for the 2010/2011 fiscal year. The expenditure report represents funds expended and encumbered. The total year-to-date funds expended and/or encumbered through the month of April is \$36,679,647.00. Current Unrestricted Expenditures for the month of April are \$1,990,138.00. The total YTD Current Unrestricted Funds through April are \$19,001,798.00, which is 83% of the original budget. We are currently over budget in Student Aid, which is due to the tuition waivers. We are showing a credit for the month in Internal Services Department due to the monthly charge outs being greater than the expenditures. The other unrestricted departments are expending normally as compared to prior year.

In the Restricted Funds Grants continue to expend their budget, most grants do not end their year until September or October. Year-to-date expenditures for the Grants are \$1,202,734.00 which is 72% of their budget. Restricted student aid has expended \$5,731,123.00 for the year. Total restricted funds expended through April 2011 is \$6,933,857.00

The Plant Fund expenditures for the year include the last part of the Central Plant remodel, the roofing project, the warehouse project & several smaller projects. The total year to date expenditures or encumbrances in Plant Funds is \$10,743,992.00.

Total expenditures for the month were \$2,334,250.00, with year to date expenditures of \$36,679,647.00.

Revenue generated in April was \$2,308,720.00. Most of the revenue came from the monthly allocation from the state, the oil and gas and oil and gas equipment tax income, property tax, drawdowns on grant funds, and we received the drawdown on the Severance Tax Bonds.

Restricted Funds had \$145,720.00 in revenue for April, the result of drawdowns from grants and student aid for students.

Total revenue for April 2011 is \$2,308,720.00, with year-to-date revenue of \$31,254,460.00 or 94% of projected budget.

The actual oil and gas tax revenue for February was \$676,881.00, the accrual for March and April was \$366,666.00 for each month. Total oil & gas and oil & gas equipment tax revenue year-to-date is \$7,159,194.00, which is \$1,659,202.00 over the projected budget through ten months of the budget.

The investment report shows an ending balance in the Local Governmental Investment Pool of \$11,625,000.00, as \$2,000,000.00 was sent to the LGIP in April. The balances for capital projects are currently \$12,634,119.00.

The HED (Higher Education Department) budget was delivered on time to the department staff. I would like to thank the Board for your diligent work on the budget and for allowing the time to complete the HED budget.

For Your Information;

In 2004, after a lengthy RFP process, New Mexico Junior College selected Xerox Corporation for our copier solution, for two reasons. Xerox was the only company that offered the Docutech system and because of the maintenance and service capabilities. Now, we are at the point that we need to start replacing some of the copier units. Xerox has a GSA (Government Services Administration) contract that allows the College to purchase equipment without going out to bid. We are very satisfied with the Xerox equipment and service. We would like to continue with the Xerox equipment. Dana Martin, the Director of the Document Center, has negotiated to purchase a new color copier for the Document Center. This is a large copier that is used to mass produce the many documents for the College. The new Xerox X700X copier will communicate and tie in with the existing Xerox equipment. The cost of this machine is \$73,960.00. The maintenance agreement on this new color copier is about \$20,000.00 a year less than the existing color copier, so we should start seeing a reduction in our maintenance costs. Also, we are going to replace the small copy machine in the President's office area, which will cost about \$15,010.00. If you will remember that in the April budget approval for capital projects, \$100,000.00 was allocated for the purchase of copiers. In the next budget cycle, we will request funds to start saving for the replacement of the big Docutech machine in FY 14.

Also, nearly all of the faculty and staff have expressed their thanks and gratitude for the Board approving the one time allocation this May. So, on behalf of the faculty and staff, we all thank you very much for the one time allocation. It is greatly appreciated.

This concludes the Financial Report for April 2011.

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
April 2011

83% of Year Completed

Fund	2009-10			2010-11			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Current Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	7,820,784	7,171,054	92%	9,317,684	860,655	7,447,169	80%
Academic Support	3,285,463	1,998,824	61%	2,317,545	193,795	1,995,069	86%
Student Services	1,430,105	1,405,520	98%	1,750,937	133,271	1,357,041	78%
Institutional Support	3,344,861	2,535,273	76%	3,142,261	226,749	2,523,788	80%
Operation & Maintenance of Plant	3,050,775	2,294,736	75%	2,721,275	458,985	2,340,877	86%
Subtotal - Instruction & General	18,931,988	15,405,407	81%	19,249,702	1,873,455	15,663,944	81%
Student Activities	0	0	0%	0	0	0	0%
Research	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	204,800	123,883	60%	187,487	(13,913)	135,478	72%
Student Aid	473,713	692,658	146%	524,551	13,486	580,638	111%
Auxiliary Enterprises	1,696,741	1,695,158	100%	1,802,735	82,089	1,607,849	89%
Athletics	1,003,644	993,052	99%	1,123,579	35,021	1,013,889	90%
Total Current Unrestricted Fund	22,310,886	18,910,158	85%	22,888,054	1,990,138	19,001,798	83%
CURRENT RESTRICTED FUND							
Grants	1,857,643	1,197,261	64%	1,667,926	99,565	1,202,734	72%
Student Aid	4,050,000	5,523,603	136%	5,355,730	39,332	5,731,123	107%
Total Current Restricted Fund	5,907,643	6,720,864	114%	7,023,656	138,897	6,933,857	99%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	12,746,856	7,343,216	58%	16,924,226	81,748	6,027,696	36%
Projects from State GOB Funds	4,007,556	3,784,969	94%	383,833	7,488	111,679	29%
Projects from State STB Funds	1,938,068	1,740,732	90%	3,000,000	0	3,000,000	100%
Projects from General Fund	98,380	36,049	37%	312,972	65,150	247,421	79%
Projects from Private Funds	176,487	92,523	52%	183,383	20,076	149,146	81%
Projects from State ER&R	340,024	221,117	65%	318,919	30,551	206,535	65%
Projects from State BR&R	1,268,966	35,548	3%	1,830,699	202	1,001,515	55%
Projects from Auxiliary BR&R	0	0	0%	0	0	0	0%
Subtotal - Capital and BR&R	20,576,337	13,254,154	64%	22,954,032	205,215	10,743,992	47%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	20,576,337	13,254,154	64%	22,954,032	205,215	10,743,992	47%
GRAND TOTAL EXPENDITURES	48,794,866	38,885,176	80%	52,865,742	2,334,250	36,679,647	69%

NEW MEXICO JUNIOR COLLEGE

Revenue Report

April 2011

83% 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	3,313,000	3,481,513	105%	3,523,000	36,368	3,810,875	108%
State Appropriations	7,676,400	6,267,380	82%	6,290,500	451,093	5,599,460	89%
Advalorem Taxes - Oil and Gas	5,200,000	8,008,978	154%	5,500,000	680,356	7,159,194	130%
Advalorem Taxes - Property	3,504,278	3,561,025	102%	4,129,578	214,944	3,683,710	89%
Interest Income	287,000	19,101	7%	20,000	0	7,433	37%
Other Revenues	271,100	294,384	109%	323,308	0	592,352	183%
Subtotal - Instruction & General	20,251,778	21,632,381	107%	19,786,386	1,382,761	20,853,024	105%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	24,000	16,125	67%	24,000	446	15,753	0%
Auxiliary Enterprises	2,298,000	2,194,567	95%	2,202,000	21,535	2,261,356	103%
Athletics	310,400	246,239	79%	428,100	22,248	225,420	53%
Total Current Unrestricted	22,884,178	24,089,312	105%	22,440,486	1,426,990	23,355,553	104%
CURRENT RESTRICTED FUND							
Grants	1,857,643	1,384,963	75%	1,667,926	99,565	1,535,657	92%
Student Aid	4,050,000	5,404,801	133%	5,355,730	46,155	5,560,737	104%
Total Current Restricted	5,907,643	6,789,764	115%	7,023,656	145,720	7,096,394	101%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	4,007,556	3,103,024	77%	383,833	49,291	99,257	0%
Projects from State STB Funds	1,790,668	830,678	46%	3,000,000	597,869	597,869	20%
Projects from General Fund	140,621	132,446	94%	312,972	88,850	88,850	0%
Projects from Private Funds	118,987	0	0%	183,383	0	0	0%
Interest Income (LGIP)	0	0	0%	80,000	0	16,537	0%
Total Plant Funds	6,057,832	4,066,148	67%	3,960,188	736,010	802,513	0%
GRAND TOTAL REVENUES	34,849,653	34,945,224	100%	33,424,330	2,308,720	31,254,460	94%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

April 2011

83% 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
Actual	November	\$73.88	2,845,013	\$5.78	15,732,662	680,420	366,666	313,754
Actual	December	\$75.69	2,743,341	\$5.69	14,691,744	590,254	366,666	223,588
Actual	January	\$80.27	2,688,602	\$5.82	14,664,434	751,615	366,666	384,949
Actual	February	\$83.17	2,788,420	\$7.65	14,546,945	676,881	366,666	310,215
Accrual	March	\$84.88	2,808,164	\$7.75	14,519,750	366,666	366,666	0
Accrual	April					366,666	366,666	0
Accrual	May						366,666	(366,666)
Accrual	June						366,666	(366,666)
Y.T.D. Production Tax Revenue						5,911,675	4,399,992	1,511,683
Y.T.D. Equipment Tax Revenue						1,247,519	1,100,000	147,519
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						7,159,194	5,499,992	1,659,202

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE
Schedule of Investments
April 2011

83% 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	11,625,000	N/A	N/A	N/A	7102-1348	0.238%	0
Total investments	11,625,000						0

Summary of Current Month's Activity	
Beginning amount	9,625,000
Plus: deposits	2,000,000
Less: withdrawals	0
Capital Projects	12,634,120
Reserves Invested	-1,009,120
Total LGIP Investment	11,625,000

Capital Projects	4/30/2011
Technology Upgrade	650,418.93
JASI	89,274.10
WHM South Gallery	292,901.22
Baseball Field	1,000,000.00
Rodeo Arena	1,043,323.75
Original Entrance Landscaping	1,248,022.98
Student Housing Construction	552,601.59
Frame & Door Replacement	103,433.91
Luminis Software	11,568.00
Electrical Upgrade	124,643.15
Campus Signage	184,993.82
Campus Paving	207,561.17
Roof Replacement	546,070.75
Interior Lighting-Energy Retrofit	52,346.52
Old Dorms Renovation	150,939.38
Millen Dr. Sewer & Water	150,000.00
Concrete Upgrade	12,418.46
Campus Construction	250,975.25
Oil & Gas Training Center	500,000.00
Public Sector	1,826.53
Campus Security	151,297.10
Track/Arena Area Enhancement	65,044.46
Roadway Entrance-Rodeo/CDL	60,000.00
Lumens Software-Distance Learning	5,000.00
Welding Lab	41,246.53
Copier Replacement	113,967.00
Non-Recurring Compensation	1,169,600.00
Athletics	900,044.51
Student Life Programming	2,440.37
Title V (Institutional)	118,611.47
Warehouse/Cont Ed Remodel	368,285.41
Succession Plan	150,000.00
Energy Technology Equipment	700,000.00
Watson Hall Stage Lighting	100,000.00
WHM Exhibits	100,000.00
Remodel McLean/Mansur/VocB/H	600,000.00
Shade Structure/Landscape AIPP	50,000.00
Natatorium	700,000.00
Central Plant Upgrade	41,121.48
Workforce Training Contingency	1,946.57
Banner 8	22,195.37
Total	12,634,119.78

NOTE: Capital projects total does not include encumbered funds

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

To: Board Members
From: Dan Hardin
RE: Fiscal Watch Reports
Date: May 5, 2011

Attached for your approval are the Fiscal Watch reports to be submitted to the Higher Education Department by the end of May. The first report is the Statement of Net Assets for March 31, 2011. The total current assets consist of Cash and Cash Equivalents in the amount of \$4,875,953.00, which represents cash in the vault and balances in the bank. Investments totaling \$11,589,592.00 are the funds that we have in the Local Government Investment Pool. Accounts Receivable is the gross receivables less allowance for uncollectible. Accounts Receivables are from students, grants, drawdown from the state for capital projects, third party billing, etc. Inventory is held at the bookstore. Prepaid expense is the college insurance and maintenance agreements prepaid for the entire year. Total current assets are \$18,375,111.00

Non-Current Assets are the same as is in the 2010 audit for Capital Assets, which is \$59,366,390. Total Assets are \$78,242,926.00

Current Liabilities begin with Accounts Payable of \$2,516.00. Under the Banner system, when an invoice is entered into the system there is a credit posted to Accounts Payable, as checks are cut there is a debit made to Accounts Payable. When Financial Aid memo posts an award to a student there is a debit made to Accounts Payable, an offsetting credit is made when there is an actual award posted to the student. There is a large amount of activity in and out of Accounts Payable. Other Accrued Liabilities included all of the withholding payables for Federal Income Tax, State Income Tax, ERA, Health Insurance and other payroll related withholdings. Total Other Accrued Liabilities as of March 31, 2011 are \$916,914.00. Deferred revenue is normally income for tuition and fees that we receive in the Spring semester for the coming Summer and Fall semesters, which are in a different fiscal year. Currently, Deferred revenue is zero. Other Payables is a combination of gross receipts payable, voluntary payables, agency accounts, and scholarships

payables. Agency accounts are funds held for the various clubs and organizations around campus. The total of other payables is \$211,092.00. Long term liabilities – current portion is the remaining principal portion of the long term liabilities to be paid in the fiscal year. Total Current Liabilities are \$1,180,991.00 as of March 2011. Non-Current Liabilities include accrued interest payable of 36,917.00, which is the interest to be paid in the remaining portion of the fiscal year on the John Watson Student Apartments. Accrued benefit reserves of \$419,474.00 is the salaries payable and accrued vacation payables. Other Long Term Liabilities of 3,440,113.00 is the principal portion of the Student Apartments loan. Total liabilities are \$5,077,495.00.

The Net Assets include Invested in Capital Assets, net of related debt, for a total of \$56,340,316.00. Unrestricted net assets have a total as of March 2011 of \$16,825,115.00, with the total net assets of \$73,165,431.00.

The next fiscal watch report is the Comparison of Operating and Plant Funds. This report was generated using the same numbers that were presented in the Board reports for March 2011. This report compares the March 2010 current revenues to the March 2011 current revenues. Tuition and Fee revenue is higher in March 2011 as compared to March 2010 due to the increase in student credit hours. State Appropriations are showing to be lower in 2011 as compared to 2010. Local appropriations are also lower in 2011 as compared to 2010, as Oil & Gas revenues began the fiscal year lower than what was received in 2010. Sales and Service revenue as of the end of March 2011 is slightly higher than 2010. Other revenues are also higher than in the previous year. Other revenues include indirect revenue from grants, GEO revenue, copier, interest, and vending. Total operating revenue through March 2011 was \$21,928,563.00 compared to \$22,227,631.00 as of March 2010.

In comparing the year-to-date operating expenditures as of March 2011 to the year-to-date operating expenditures for March 2010, we have some variances. The Instruction and General expenditures are down by \$470,684.00 as compared to March of 2010. Internal Services department expenditures are also less at this time than in March of 2010. Student Aid and Auxiliary expenditures are less than in 2010. Athletics expenditures have increases compared to this time last year. Total expenditures for operating funds as of March 2010 were \$17,733,865.00 compared to \$17,011,660.00 as of March 2011 for a reduction in expenditures of \$722,205.00.

In comparing the Plant funds revenue from March 2010 to March 2011, the College has not received the funds that it did in 2010 because of the type of projects in progress in 2011. Also, as you compare the Plant

expenditures you will see a decline in expenditures for fiscal year 2011 as compared to 2010. This is the result of completing several large projects in 2010.

The next report is the summary of the budget to actual as of March 2011. These numbers are also taken from the Board reports that were presented at the April Board meeting. Revenues are good, with most revenue areas above budget as of the end of March. Tuition and Fees are ahead of the budget projections, with the increase in student credit hours. State Appropriations are steady, but we had a \$225,300.00 cut in the FY 11 budget. The local appropriations have remained steady. The expenditure comparison of budget to actual is also the same as was presented in the April Board meeting. Encumbrances and seasonal expenditures in Student Aid, Auxiliary Enterprise, and Athletics account for budget areas being over 75% of their budget. As of March 2011, the College has received \$66,503.00 in Plant fund revenue and had 359,026.00 in transfers. Plant Fund expenditures show the amounts that have been expended and/or encumbered for the capital projects. As previously mentioned there are several capital projects in progress at this time.

The Cash Flow statement represents the activity during the first nine months of the fiscal year. Cash flows from operating activities indicates the money coming in from tuition and fees, grants, and auxiliary enterprises, then the funds going out for salaries and benefits, payouts to students, and vendors. The net result is that it took \$9,277,848.00 more cash than was brought in. The next section shows the amount of cash from non-capital financing activities. The incoming cash from these activities is \$14,565,811.00. The third section is cash from capital financing activities, this shows the fund expended for debt service and purchase of capital assets. The total is (\$5,250,726.00). You can see the cash and cash equivalents as of March 2011 are \$16,465,545.00. Basically, we began the fiscal year with \$16,404,338.00 in cash; we ended the first three quarters with \$16,465,545.00 in cash for a net increase of \$61,207.00. This gives you a snap shot of the cash in and out for the first three quarters of FY 2011.

Also, included in your Board packet for your information are various ratios generated from the FY 10 audit. As was indicated by Cindy Bryan with Accounting and Consulting, New Mexico Junior College has a strong financial statement and these ratios verify that fact. These ratios include the Foundation in the calculations as a component unit.

We hope this explanation gives you a good understanding of the Fiscal Watch reports we are asking you to approve.

Respectfully,

Dan Hardin

New Mexico Junior College

Statement of Net Assets (Unaudited and Unadjusted) As of (March 31 2011)

Assets		
	Current Assets:	
	Cash and Cash Equivalents	\$ 4,875,953
	Short-Term Investments	11,589,592
	Accounts Receivable, net	991,790
	Inventories	394,064
	Prepaid Expenses	523,712
	Loans Receivable, net	-
	Total Current Assets	\$ 18,375,111
	Non-Current Assets	
	Restricted Cash and Cash Equivalents	
	Restricted Short Term Investments	-
	Investments Held by Others	-
	Other Long-Term Investments	-
	Prepaid Expenses	-
	Capital Assets, net	59,867,815
	Total Non-Current Assets	59,867,815
	Total Assets	\$ 78,242,926
Liabilities		
	Current Liabilities	
	Accounts Payable	\$ 2,516
	Other Accrued Liabilities	916,914
	Deferred Income	-
	Other Payables	211,092
	LT Liabilities - Current Portion	50,469
	Total Current Liabilities	\$ 1,180,991
	Non-Current Liabilities	
	Accrued Interest Payable	36,917
	Accrued Benefit Reserves	\$ 419,474
	Other LT Liabilities	3,440,113
	Total Non-Current Liabilities	3,896,504
	Total Liabilities	\$ 5,077,495
Net Assets		
	Invested in Capital Assets, net of Related Debt	\$ 56,340,316
	Restricted for:	
	Non-Expendable:	
	Endowments	
	Expendable:	
	General Activities	
	Federal Student Loans	
	Term Endowments	
	Capital Projects	
	Related Entity Activities	
	Unrestricted	16,825,115
	Total Net Assets	73,165,431
	Total Liabilities & Net Assets	78,242,926

New Mexico Junior College

Summary of Operating and Plant Funds (Unadjusted and Unaudited) FY 2011

Operating Funds	FY 2011 Original Budget	FY 2011 Actuals as of March 31, 2011	Percentage Earned/Spent
REVENUES			
Tuition & Misc Fees	\$ 3,523,000	\$ 3,774,507	107.14%
State Appropriations	6,943,900	5,148,367	74.14%
Local Appropriations	9,404,278	9,947,604	105.78%
Gifts, Grants & Contracts	62,000	55,287	89.17%
Sales & Services	2,202,000	2,239,821	101.72%
Other	305,308	762,977	249.90%
Total Revenue	\$22,440,486	\$21,928,563	97.72%
EXPENDITURES			
Instruction & General	\$ 18,558,237	13,790,489	74.31%
Internal Services	24,000	149,391	622.46%
Student Aid	469,785	567,152	120.73%
Auxiliary Enterprises	1,696,058	1,525,760	89.96%
Intercollegiate Athletics	974,729	978,868	100.42%
Total Expenditures	\$ 21,722,809	17,011,660	78.31%
Net Transfers			
TOTAL EXPENDITURES & TRANSFERS	\$ 21,722,809	17,011,660	78.31%
Increase (Decrease) in Fund Balance	\$ 717,677	\$4,916,903	

Plant Funds	FY 2011 Original Budget	FY 2011 Actuals as of March/31/2011	Percentage Earned/Spent
REVENUES AND TRANSFERS			
Required Student Fees			
Bond Proceeds			
Gifts, Grants and Contracts		-	
Interest Income	80,000	16,537	
State Appropriation	-		
Debt Service Transfers	359,026	359,026	
Other	3,744,772	49,966	
Total Revenues and Transfers	\$ 4,183,798	\$ 425,529	
EXPENDITURES			
Capital Projects	16,656,069	9,361,480	56.20%
Building Renewal	1,830,699	1,001,313	
Internal Service Renewal/Replacement			
Auxiliary Renewal/Replacement			
Debt Retirement	359,026	269,270	
Total Expenditures	\$ 18,845,794	\$ 10,632,063	56.42%
Increase (Decrease) in Fund Balance	(14,661,996)	(10,206,534)	

New Mexico Junior College

Comparison of Operating and Plant Funds (Unadjusted and Unaudited) Fiscal Year 2010 and 2011

Operating Funds	FY 2010 Actuals as of March/31/2010	FY 2011 Actuals as of March/31/2011	Percentage Increase (Decrease)
REVENUES			
Tuition & Misc Fees	\$ 3,451,385	\$ 3,774,507	9.4%
State Appropriations	5,540,195	5,148,367	-7.1%
Local Appropriations	10,544,526	9,947,604	-5.7%
Gifts, Grants & Contracts		55,287	
Sales & Services	2,146,806	2,239,821	4.3%
Other	544,719	762,977	40.1%
Total Revenue	\$ 22,227,631	\$ 21,928,563	-1.3%
EXPENDITURES			
Instruction & General	14,261,173	13,790,489	-3.3%
Internal Services	239,018	149,391	-37.5%
Student Aid	669,589	567,152	-15.3%
Auxiliary Enterprises	1,623,996	1,525,760	-6.0%
Intercollegiate Athletics	940,089	978,868	4.1%
Total Expenditures	\$ 17,733,865	\$ 17,011,660	-4.1%
Net Transfers			
TOTAL EXPENDITURES & TRANSFERS	\$ 17,733,865	\$ 17,011,660	-4.1%
Increase (Decrease) in Fund Balance	\$ 4,493,766	\$ 4,916,903	

Plant Funds	FY 2010 Actuals as of March/31/2010	FY 2011 Actuals as of March/31/2011	Percentage Increase (Decrease)
REVENUES AND TRANSFERS			
Required Student Fees			
Bond Proceeds			
Gifts, Grants and Contracts			
Interest Income		16,537	
State Appropriation	4,066,148		
Debt Service Transfers	359,014	359,026	
Other	-	49,966	
Total Revenues and Transfers	\$ 4,425,162	\$ 425,529	
EXPENDITURES			
Capital Projects	\$ 12,832,872	9,361,480	-27.1%
Building Renewal	27,817	1,001,313	
Internal Service Renewal/Replacement			
Auxiliary Renewal/Replacement			
Debt Retirement	269,259	269,270	
Total Expenditures	\$ 13,129,948	\$ 10,632,063	-19.0%
Increase (Decrease) in Fund Balance	\$ (8,704,786)	\$ (10,206,534)	

Some revenues are reported on a seasonal basis or by semester and therefore may affect the Increase/(Decrease) to Fund Balance

New Mexico Junior College

Cash Flow Statement (Unaudited and Unadjusted) As of March 31 2011

Cash Flows from Operating Activities		
Receipts from student tuition and fees	\$	3,774,507
Receipts from grants and contracts		6,950,674
Other receipts		
Payments to or on behalf of employees		(13,601,093)
Payment to suppliers for goods and services		(5,279,659)
Receipts from Sales and Services		2,239,821
Disbursement of net aid to students		(3,977,190)
Other Operating Revenue		615,092
Net cash (used) by operating activities	\$	(9,277,848)
Cash Flows from Non-Capital Financing Activities		
State Appropriations	\$	5,351,539
Mill Levy Taxes	\$	9,214,272
Private Gifts for Endowment		
Other Non-operating Expense		
Net Cash provided (used) for non-capital financing activities	\$	14,565,811
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt		-
Capital Gifts, Grants and contracts		-
Purchase/Construction/Renovation of Capital Assets		(4,981,456)
Principal Received/Paid on Capital Debt and Leases		(147,961)
Interest and Fees Paid on Capital Debt and Leases		(121,309)
Building Fees Received from Students		-
Net Cash provided (used) for capital financing activities	\$	(5,250,726)
Cash Flows from Investing Activities		
Investment Earnings	\$	23,970
Net Cash provided by Investing Activities	\$	23,970
Increase (Decrease) in Cash and Cash Equivalents	\$	61,207
Cash and Cash Equivalents- beginning of year		16,404,338
Cash and Cash Equivalents- end of reporting period	\$	16,465,545

**Primary Reserve Ratio
New Mexico Junior College**

Compares expendable net assets to total expenses from the 6-30-10 Audit.

Audit Statement dated:	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010
Statement of Net Assets					
GASB Unrestricted Net Assets	11,071,035.00	14,236,400.00	19,704,533.00	17,673,111.00	17,910,573.00
GASB Expendable Restricted Net Assets (excluding plant)					
GASB Expendable Net Assets					
Total Expendable Net Assets	11,071,035.00	14,236,400.00	19,704,533.00	17,673,111.00	17,910,573.00
Statement of Revenues, Expenses and changes in Net Assets					
GASB Operating Expenses	25,896,343.00	28,703,057.00	30,912,041.00	31,683,646.00	33,034,185.00
GASB Nonoperating Expenses	0.00	0.00	(52,257.00)	(612,880.00)	-
Total Expenses	25,896,343.00	28,703,057.00	30,859,784.00	31,070,766.00	33,034,185.00
Total Expenses	25,896,343.00	28,703,057.00	30,859,784.00	31,070,766.00	33,034,185.00
Primary Reserve Ratio	43%	50%	64%	57%	54%

The Primary Reserve Ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. The ratio decreased from 57% to 54% from 2009 to 2010.

In the ration analysis in Higher Education the acceptable level is 40% or greater, in 2010 the Primary Reserve Ration for New Mexico Junior College was 54%. It was noted that reserves are often required for capital expansion, which would result in a decline in the Primary Reserve Ratio. 2006, 2009, & 2010 are examples of that when New Mexico Junior College experienced a decline in the Primary Reserve Ratio due to construction projects.

Return on Net Assets Ratio						
New Mexico Junior College						
Determines whether the Institution is financially better off than in previous years.						
Audit statement dated:		6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010
Statement of Net Assets						
GASB Change in Net Assets		5,812,011.00	6,083,346.00	9,272,415.00	5,216,060.00	10,418,619.00
	Total Change in Net Assets	5,812,011.00	6,083,346.00	9,272,415.00	5,216,060.00	10,418,619.00
Statement of Net Assets						
GASB Total Net Assets		40,759,050.00	46,156,416.00	61,541,411.00	67,863,190.00	78,281,809.00
	Total Net Assets	40,759,050.00	46,156,416.00	61,541,411.00	67,863,190.00	78,281,809.00
	Return on Net Assets Ratio	14%	13%	15%	8%	13%
Return on Net Assets Ratio measures total economic return.						
Total Net Assets increased from 2009 to 2010, the Return on Net Assets ratio increased from 8% to 13% from 2009 to 2010.						
Comparing the Return on Net Assets from 2009 to 2010 indicates that the Institution is financially better off in 2010 as we were in 2009.						

Net Operating Revenues Ratio					
New Mexico Junior College					
Ratio indicates whether total operating activities resulted in a surplus or deficit.					
Audit Statement dated:	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010
Statement of Revenues, Expenses, and Changes in Net Assets					
GASB Operating Income (Loss)	(14,114,315.00)	(18,090,901.00)	(19,353,203.00)	(18,685,229.00)	(18,742,071.00)
GASB Net Nonoperating Revenues (Expenses)	19,881,173.00	22,135,698.00	26,925,256.00	23,670,465.00	24,122,886.00
GASB Nonoperating Expense	0.00	0.00	0.00	0.00	0.00
Total Adjusted Net Operating Revenues	5,766,858.00	4,044,797.00	7,572,053.00	4,985,236.00	5,380,815.00
Statement of Revenues, Expenses, and Changes in Net Assets					
GASB Operating Revenues	11,782,028.00	10,612,156.00	11,558,838.00	12,998,417.00	14,292,114.00
GASB Nonoperating Revenues	19,881,173.00	22,135,698.00	26,925,256.00	23,670,465.00	24,122,886.00
Adjusted Total Income	31,663,201.00	32,747,854.00	38,484,094.00	36,668,882.00	38,415,000.00
Net Operating Revenues Ratio	18%	12%	20%	14%	14%
Net Operating Revenues Ratio indicates if a institution is operating in a surplus or deficit. A positive ratio indicates that the institution is experiencing an operating surplus and that the institution is living within available resources. In 2009 the operating revenue ratio was 14% in 2010 the operating revenue was also 14%.					

Viability Ratio								
New Mexico Junior College								
Measures the availability of expendable net assets to cover debt.								
Audit Statement dated:		6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010		
Statement of Net Assets								
GASB Expendable Net Assets		11,071,035.00	14,236,400.00	19,704,533.00	17,673,111.00	17,910,573.00		
	Total Expendable Net Assets	11,071,035.00	14,236,400.00	19,704,533.00	17,673,111.00	17,910,573.00		
Statement of Net Assets								
GASB Long term debt		4,589,369.00	4,484,589.00	8,868,675.00	3,929,017.00	3,390,793.00		
	Total Long Term Debt	4,589,369.00	4,484,589.00	8,868,675.00	3,929,017.00	3,390,793.00		
	Viability Ratio	2.42%	3.17%	2.21%	4.5%	5.3%		
The Viability Ratio indicates if a institution has sufficient expendable net assets to satisfy debt obligations. New Mexico Junior College incurred debt in 2005/2006 with the financing of the construction of the John Watson Student Apartments.								
In 2008 New Mexico Junior College secure financing for the Carroll Leavell Student Apartments. This funding was booked but never used.								
In 2009 \$4,563,720.00 came off of the GASB Long Term debt.								
In the ratio analysis in Higher Education the acceptable ration is between 1.25 and 2.00, New Mexico Junior College exceeds that range.								

CONSIDERATION OF TUITION WAIVER

New Mexico Junior College currently offers its basic math and elementary algebra classes as sixteen week offerings which last the entire semester. The mode of teaching in these classes has been predominantly teacher-centered with the faculty presenting mathematical material that would assist the student(s). All students moved through the materials at the same pace and no student was offered the opportunity to move through the material at a faster pace. The success rate of these classes is less than stellar with only about 56% of the students earning an A, B, or C. Also, many of these students do not persist through college algebra as we do not retain the students.

However, beginning with the fall 2011 semester, NMJC will embark upon a new approach in its basic mathematics courses. These courses will become module-based in that each student will view materials in preparation for each class and then use class times to work on the math modules using MyMathLab materials. The faculty will be present to guide and assist the students but each student will be afforded the opportunity to move at their own pace of learning. As soon as one module is mastered, the student would move to the next module in sequence. At the most recent NADE conference, this approach was praised as exhibiting best practices in developmental education.

Our plans are for a cohort of students to begin the basic math courses and as soon as the students complete the basic math materials we would like to allow the students to continue into the elementary algebra materials during this same class session and by the same format. We will track each student's progress and advise the students accordingly. Those students who did not complete the basic math course would be required to retake the course while those students who only complete basic math would take elementary algebra in its entirety during the spring. However, those students who completed a portion of the modules in elementary algebra would register for elementary algebra in the spring but would start where they finished in the fall and thus not have the entire course to master. One final category would be those students who are able to complete both basic math and elementary algebra within the same 16 week semester. We request that the tuition for these students be waived for the elementary algebra course. This would alleviate financial aid issues for these students and prevent the need for multiple parts of term classes while still allowing the credit to be earned during the winter break. The cost of the tuition waiver would be \$99.00 in tuition and \$48.00 in general usage fees for a total of \$147.00 per student. The math professors estimate that 10 – 20 students would be able to complete both courses in one semester for a total cost to the institution of \$1,470.00 to \$2,940.00. However, in our opinion, the possibility of completing the two courses in one semester would provide sound motivation for students and would enhance the retention rates of these students. The additional student retention should make up for the loss of tuition monies in short order.