

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, February 19, 2015

Zia Room – Library

1:30 p.m.

AGENDA

- | | |
|--|----------------|
| A. Welcome | Pat Chappelle |
| B. Adoption of Agenda | Pat Chappelle |
| C. Approval of Minutes of January 15, 2015 | Pat Chappelle |
| D. President's Report | Steve McCleery |
| E. New Business | |
| 1. Fiscal Year 2014 Audit | Cindy Bryan |
| 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. Fiscal Watch Reports | Dan Hardin |
| 7. Consideration of TAACCCT Evaluation Plan & Budget | Jeff McCool |
| 8. Consideration of Bid #1069 | Josh Morgan |
| F. Public Comments | Pat Chappelle |
| G. Announcement of Next Meeting | Pat Chappelle |
| H. Closure of Open Meeting | Pat Chappelle |
| I. Adjournment | Pat Chappelle |

**NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
JANUARY 15, 2015
MINUTES**

The New Mexico Junior College Board met on Thursday, January 15, 2015, beginning at 1:30 p.m. in the Zia Room of Pannell Library. The following members were present: Ms. Patricia Chappelle, Madam Chair; Mr. Ron Black, Secretary; Mr. Travis Glenn; Mr. Manny Gomez, Mrs. Mary Lou Vinson, Mr. Zeak Williams; and Mr. Hector Baeza.

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

Agenda item E. 5. June 30, 2014 Audit was tabled. Upon a motion by Mr. Glenn, seconded by Mr. Gomez, the agenda was unanimously adopted, as amended.

Upon a motion by Mrs. Vinson, seconded by Mr. Williams, the Board unanimously approved the minutes of December 18, 2014.

Under President's Report, Darrell Beauchamp provided updates on the 2014 attendance at the Western Heritage Museum and Lea County Cowboy Hall of Fame. Visitors for 2014 were reported at 25,227, an 86% increase over the previous year which had 13,523 visitors. Success was attributed to the staff of professionals, volunteers, JF Maddox Foundation, and the new "One Membership" program. Other attributing factors to the success was a number of events such as "Bigger than TREX", "Andy Warhol", "Arte en la Charrería", "Saddle Up", "Staked Plains Roundup", and "Christmas Traditions from Around the World".

Jeff McCool provided NMJC non-credit workforce training numbers which reflected NMJC to be number one in the State of New Mexico in all three categories that are submitted; headcount, new clients served, and student contact hours or training hours. Mr. McCool recognized Steve Saucedo, August Fons, and Angela Byrd for this success.

Larry Sanderson provided a timeline of critical dates for the Higher Learning Commission Accreditation visit which is scheduled for November 9th & 10th, 2015. Mr. Sanderson asked the Board to place the April 13th and 14th, 2015 mock visit and the November 9th and 10th, 2015 HLC Accreditation visit on their calendars. A handout was provided which reflected the events taking place through November in preparation of the visit.

Under New Business, Dan Hardin presented the December financial reports. Upon a motion by Mr. Black, seconded by Mr. Glenn, the Board unanimously approved the Expenditure Report for December, 2014. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Dr. McCleery presented a Consideration of Resolution of the New Mexico Junior College Board. The Resolution will authorize the President to work with Lea County and the College's legal counsel to make cosmetic changes and modifications to the Memorandum of Understanding and the Quitclaim Deed as deemed necessary by the State Board of Finance.

Jeff McCool presented a request to purchase equipment for the Instrumentation & Control Training being developed under the TAACCCT Grant. The purchase price for the system is \$539,297.00. Upon a motion by Mr. Gomez, seconded by Mr. Williams, the Board unanimously approved the request.

Ms. Chappelle called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, February 19, 2015 beginning at 1:30 pm.

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 New Mexico Statutes Annotated 1978. Mr. Gomez seconded the motion. The roll call vote was as follows: Mr. Baeza – yes; Mr. Williams – yes; Mr. Black – yes; Mrs. Vinson – yes; Mr. Glenn – yes; Mr. Gomez – yes and Ms. Chappelle - yes.

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

Upon a motion by Mr. Black, seconded by Mr. Williams, the board meeting adjourned at 2:45 pm.

Pat Chappelle, Chair

Ron Black, Secretary

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: FY 14 Audit

Date: February 6, 2015

Board members,

At the February 19th Board meeting, Cindy Bryan with Accounting and Consulting will present the 2014 Audit report for your review and approval. The institutional portion of the 2014 audit has an unmodified opinion, which is the opinion that we strive to obtain. In past years it was called an unqualified opinion. As it was with the 2013 audit, the 2014 audit was a challenge because personnel from the State Auditor's office are doing a portion of the audit as a joint review. We paid Accounting and Consulting \$43,740.00 and the State Auditor was paid \$14,648.00 for the completion of the audit. Fiscal year 2015 will be the last year of the joint audit review with the State Auditors staff.

Each year because of the dollar amount of restricted funds or Grant funds that the College receives, the auditors do a review over the Federal Awards. The opinion of the Federal Awards was a qualified opinion, which means that there were issues that had material weaknesses and deficiencies. Steps have been taken to remedy and resolve these problems and we expect that these issues will not be repeated in the next audit. If you will remember the director moved to a teaching position and a new director was hired last summer. Since that time that director resigned and Phillip Roybal is the acting director of the Upward Bound program.

In the presentation of the Audit at the February board meeting, Cindy will probably talk about the change of the net position of the College. This is the change in the amount of assets less liabilities. The net position on 6 30 2013 was \$81,660,484.00, the net position of the College as of 6 30 2014 was \$87,988,441.00. The two major factors that increased the net position is the Accounts Receivables moving from \$2,831,259.00 in 2013 to \$5,990,444.00 as of 6 30 2014. The reason for the increase in Accounts Receivables is the booking of the three months of Oil & Gas Mill Levy taxes and the amount of the monthly Oil & Gas Mill Levy funding at that time. The other factor that increased the net position is the booking of capital assets. Capital assets increased by more than four

million dollars in FY 14. Most of the increase was from the Infrastructure project. Operating & non-operating revenues in FY 14 were \$39,397,666.00, in FY 13 the same revenues were \$34,234,526.00. Operating Expenses in FY 14 were \$35,625,788.00 as compared to \$32,174,996.00 in FY 13.

Included in the audit are five 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. Also, please note that none of the findings are repeats from the 2013 audit.

FS 2014 – 1 Internal Control over Fuel Cards (Other Matter)

Condition; The College did not have adequate controls in place over reviewing fuel card transactions. For 2 fuel transactions tested totaling \$87.77 (based on the invoice) the supporting receipts indicated a total of \$86.99.

College’s Response; Management agrees that the College must have adequate controls in place in reviewing fuel card transactions. In this case the fuel card vendor had been charging a .03 per gallon fee since 2007, if the College fueled at locations that were not affiliated with the previous fuel card vendor. The fuel card vendor changed ownership in June of 2013. Staff did not question the new vendor as they continued to impose the .03 cent per gallon fee. After this was in question, staff contacted the new vendor. The new vendor changed their policy and was no longer charging the off-site fee, but they failed to discontinue the fee to the College. College staff requested and received a reimbursement for the fee that they were no longer charging.

FS 2014 – 2 Formal Presentation of Chief Procurement Officer Information to Central Purchasing Office (Other Matter)

Condition; The College did not formally communicate the name of its Chief Procurement Officer to the Central Purchasing Office by January 1, 2014.

College’s Response; Management corrected this deficiency during the audit and the College’s Procurement Officer has been identified with the Central Purchasing Office.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FA 2014 – 1 TRIO Cluster – Payroll Distribution Reports (Material Weakness, Material Non-Compliance)

Federal Program Information:

Title:	TRIO Cluster – Upward Bound Program
Funding Agency:	U.S. Department of Education
Pass Through:	None
CFDA Number	84.047
Award Year and Number	P047A120083-13
Questioned Cost	\$93,181

Condition; For 2 employees whose salaries were charged to the Upward Bound program, the employees were in professional full-time positions and did not document their distribution of salaries and wages with support after-the-fact activity records.

College's Response: Management agrees that all the activities of the two professional staff must document for time and effort. A new director of the Upward Bound grant has been employed for fiscal year 2015. The new Director has already put in place time and effort forms and participation forms that will address this deficiency.

FA 2014 – 2 TRIO Cluster – Unsupported and/or Unallowed Costs (Significant Deficiency and Noncompliance)

Federal Program Information:

Title:	TRIO Cluster – Upward Bound Program
Funding Agency:	U.S. Department of Education
Pass Through:	None
CFDA Number	84.047
Award Year and Number	P047A120083-13
Questioned Cost	\$104.57

Condition; during our test work of expenses, we noted the following:
For 2 of 25 sample items tested, the expenses were not allowable or reasonable per review of the grant requirements. The total amount of the expenses was \$105.
For 1 of 25 sample items tested, the expense was not approved using a Purchase Order. The total amount of the expenses was \$1,590.00

College's Response; Management agrees that all purchases must follow OMB Circular A-21 and A-133. The Upward Bound grant has a new Director in place for fiscal year 2015 and the new Director has established purchase and request forms to control unauthorized purchases. Item two concerning the expense that did not use a purchase order was to the institution's Bookstore. Internal department charges are posted to the various departments and grants through the SCT Banner software system internal feed.

FA 2014 – 3 TRIO Cluster – Performance Reporting (Significant Deficiency)

Federal Program Information:

Title:	TRIO Cluster – Student Support Services Prog.
Funding Agency:	U.S. Department of Education
Pass Through:	None
CFDA Number	84.042
Award Year and Number	P042A100007-12
Questioned Cost	None

Condition; We noted that for one out of nineteen participants selected from the Student Support Services Annual Performance Report (APR), that the participant's academic standing was incorrectly reported as a 2.000 grade point average (GPA). The student's academic standing should have been reported as a 9.999 to indicate the student as a new participant who did not earn college credits; however, program personnel input a mid-term grade (GPA) that was for transitional (no credit) remedial courses in the summer. Based on further review, all new participants were reported with an incorrect academic standing. The total misreported students were 15. The APR was reviewed and approved by management; however, the misclassification was not identified during the internal review.

College's Response; Management agrees that proper reporting is essential in the compliance requirements as required by (OMB No. 1840-0525). The director for the Student Support Services acknowledges the using of 9.999 for new participant who has not earned college credits is the correct procedure. This had not been a problem in the past because the report had not been due until February. After the first participant had been noted to have the incorrect grade point, the Director self-reported to the auditors the 14 participants during her review of the report. This error has been identified and corrected.

I would like to recognize Josh Morgan, Beth Hancock, Stacey Winn, Regina Choate and Amy Solano from the Business Office, Sheryl Pounds in Payroll, the Financial Aid staff, and Tina Kunko with the Foundation for their hard work and cooperation in getting this audit complete.

We appreciate Cindy Bryan, Paul Garcia, and Bobby Cordova and their staff at Accounting & Consulting for submitting the audit on time and for being very professional in working with the NMJC staff.

Respectfully,

Dan Hardin



NEW MEXICO JUNIOR COLLEGE
FINANCIAL STATEMENTS
WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2014

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NEW MEXICO JUNIOR COLLEGE
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JUNE 30, 2014

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NEW MEXICO JUNIOR COLLEGE
OFFICIAL ROSTER
JUNE 30, 2014

Name	BOARD MEMBERS	Title
Guy Kesner		Chairman
Pat Chappelle		Member
Zeak Williams		Member
Mary Lou Vinson		Member
Ron Black		Member
Hector Baeza		Member
Travis Glenn		Member
	ADMINISTRATIVE OFFICIALS	
Dr. Steve McCleery		President
Dan Hardin		Vice-President for Finance
Dr. Dennis Atherton		Vice-President for Instruction
Phillip Roybal		Vice-President for Student Services
Dr. Robert Rhodes		Vice-President for Training and Outreach

Name	NMJC FOUNDATION BOARD MEMBERS	Title
Betty Rickman		President
Scott Smith		Vice-President
Dan Hardin		Treasurer
Tina Kunko		Secretary



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary fund of New Mexico Junior College (the College) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary fund of New Mexico Junior College, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, Supporting Schedules I through III required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through III required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Award and Supporting Schedules I through III required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering New Mexico Junior College's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Hobbs, New Mexico
November 13, 2014

Overview of the Financial Statements and Financial Analysis

For financial reporting purposes, New Mexico Junior College (College) is considered a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

This report consists of Management's Discussion and Analysis (this part), the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements provide both long-term and short-term financial information for the College. Included in the reports and discussion is the New Mexico Junior College Foundation as a component unit for fiscal year 2014.

The discussion and analysis of the College's financial statements provides an overview of its financial activities as of and for the year ended June 30, 2014. This discussion gives a comparative analysis of business-type activity from fiscal year 2013 to fiscal year 2014.

Financial Highlights

- The College's assets exceeded its liabilities at the close of the June 30, 2014 fiscal year by \$87,988,441. Of this amount, \$18,131,949 is unrestricted and may be used for the College's ongoing operations.
- The College's financial position improved in 2013/2014 as compared to prior years. Net Position increased during the year by \$5,451,825 over the previous year. The increase resulted primarily from unbudgeted revenue from local mill levy.
- The College's investments reflect \$9,589,592 at June 30, 2014, all of which are with the Local Government Investment Pool.

The Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position report the College's Net Position and how they have changed. Net Position—the difference between assets and liabilities—is one way to measure the College's financial health, or position. Over time, increases or decreases in the College's Net Position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors are also important to consider, including student enrollment and the condition of campus facilities. These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private-sector institutions. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The following table summarizes the College's assets, liabilities, and net position as of June 30, 2014, and includes the comparison to the prior year.

NEW MEXICO JUNIOR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014 NMJC Foundation</u>
Assets:			
Current assets	\$ 21,268,078	\$ 18,593,462	\$ 662,303
Capital assets, net	70,359,238	66,575,200	-
Noncurrent assets-			
Investments	-	-	6,410,770
Restricted cash	563,304	563,797	-
Total assets	<u>\$ 92,190,620</u>	<u>\$ 85,732,459</u>	<u>\$ 7,073,073</u>
Liabilities:			
Current liabilities	\$ 3,271,734	\$ 2,705,925	\$ 5,856
Non-current liabilities	930,445	1,366,050	-
Total liabilities	<u>4,202,179</u>	<u>4,071,975</u>	<u>5,856</u>
Net Position:			
Net investment in capital assets	69,293,188	64,989,562	-
Restricted:			
Nonexpendable endowments	-	-	4,578,708
Expendable grants, bequests and contributions	-	-	2,360,385
Expendable future debt service requirements	563,304	563,797	-
Unrestricted net assets	18,131,949	16,107,125	128,124
Total net position	<u>\$ 87,988,441</u>	<u>\$ 81,660,484</u>	<u>\$ 7,067,217</u>

Analysis of Net Position

As noted earlier, Net Position may serve as a useful indicator of the College's financial position. For the College, assets exceeded liabilities by \$82,536,616 at the close of June 30, 2013, as compared to the \$87,988,441 as of June 30, 2014. As of June 30, 2014, the Net Position consists of investment of capital assets (e.g. land, building, and equipment), net of related debt in the amount of \$69,293,188 or 79%. The College uses these capital assets in its mission to provide postsecondary educational services to the College' service area; consequently, these assets are not available for future spending. Net Capital Assets increased in the 2014 fiscal year by \$3,784,038, net of depreciation expense of \$3,501,754. Net Position also consist of 20.6% unrestricted Net Position, or \$18,131,949. Restricted Net Position includes \$563,304, or .6% of expendable future debt service funds. The Statement of Net Position indicates growth in capital assets. Increases are due to the completion of construction projects and as well as renewal and replacement projects.

NEW MEXICO JUNIOR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table summarizes the College's revenues, expenses, and changes in Net Position for the year ending June 30, 2014 and includes a comparison to the year ended June 30, 2013.

Revenues, Expenses and Changes in Net Position

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014 NMJC Foundation</u>
Operating revenues	\$ 7,796,425	\$ 8,259,349	\$ 178,870
Operating expenses	35,625,788	32,174,996	277,745
Operating (loss) income	<u>(27,829,363)</u>	<u>(23,915,647)</u>	<u>(98,875)</u>
Non-operating revenues and expenses	<u>31,601,241</u>	<u>25,975,177</u>	<u>927,253</u>
Income before other revenue	3,771,878	2,059,530	828,378
Capital appropriations	<u>1,679,947</u>	<u>7,102</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 5,451,825</u>	<u>\$ 2,066,632</u>	<u>\$ 828,378</u>

Analysis of Changes in Net Position

The College's Net Position increased by \$5,451,825 during the 2014 fiscal year as compared to an increase of \$2,066,632 for the 2013 fiscal year. Operating revenues were \$7,796,425 in 2014, which is a decline of \$462,924 from fiscal year 2013. Operating expenses were \$35,625,788 in fiscal year 2014, which is an increase of \$3,450,792 from fiscal year 2013.

Operating Revenues

The following table summarizes the College's operating revenues of \$7,796,425 for the fiscal year ended June 30, 2014, as compared to the operating revenues of \$8,259,349 in 2013. Fiscal year 2014 reflects a decrease in federal grants and contracts, specifically a decrease in ABE, Carl Perkins, and Federal Workstudy funding. New Mexico Junior College Foundation revenues for the year total \$178,870, which is a decrease over fiscal year 2013.

Operating Revenues

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014 NMJC Foundation</u>
Student tuition and fees, net	\$ 3,789,592	\$ 3,779,883	\$ -
Federal grants and contracts	696,129	1,135,186	-
State and other grants and contracts	688,218	673,756	-
Auxiliary enterprises	2,289,951	2,342,563	-
Intercollegiate athletics	332,535	327,961	-
Gifts, bequests and endowments	<u>-</u>	<u>-</u>	<u>178,870</u>
Total operating revenues	<u>\$ 7,796,425</u>	<u>\$ 8,259,349</u>	<u>\$ 178,870</u>

NEW MEXICO JUNIOR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses

The following table summarizes the College's operating expenses of \$35,625,788 for the fiscal year ended June 30, 2014, as compared to the operating expenses of \$32,174,996 in 2013. The increase in operating expenses is attributed to the 4% compensation increase, increase for student financial aid, increase in auxiliary enterprises, and increase in intercollegiate athletics. New Mexico Junior College Foundation expenses for the year were \$277,745.

Operating Expenses

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014 NMJC Foundation</u>
Instruction	\$ 9,956,957	\$ 8,970,880	\$ -
Academic support	2,301,402	2,137,903	-
Student services	2,331,277	2,295,015	-
Institutional support	4,392,509	3,403,917	277,745
Operations and maintenance	3,826,492	3,511,435	-
Depreciation	3,501,754	3,234,638	-
Capital outlay	1,502,319	1,311,548	-
Student aid	4,093,260	3,896,958	-
Private grants	-	-	-
Student activities	159,125	162,212	-
Intercollegiate athletics	1,367,843	1,186,626	-
Auxiliary enterprises	2,192,850	2,063,864	-
Total operating expenses	<u>\$ 35,625,788</u>	<u>\$ 32,174,996</u>	<u>\$ 277,745</u>

NEW MEXICO JUNIOR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Non-Operating Revenues (Expenses)

The following table summarizes the College's non-operating revenues (expenses) of \$31,601,241 for the fiscal year ended June 30, 2014. Local appropriations continue to remain strong and there was an increase in Federal Pell Grants. Local appropriations were significantly higher than the budget level approved by the governing board. There were no significant or unexpected changes in the other areas of non-operating revenues and expenses.

Non-operating Revenues (Expenses)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u> <u>NMJC Foundation</u>
Property taxes	\$ 6,883,542	\$ 6,204,764	\$ -
Oil and gas taxes	14,984,543	10,867,046	-
Federal pell grants	2,790,068	2,561,689	-
State appropriations, non-capital	6,067,965	5,989,296	-
Other revenue sources	1,053,149	397,613	-
Investment income	17,165	21,577	879,380
Interest on capital related debt	(57,947)	(66,808)	-
Loss on write-off of capital assets	(146,817)	-	-
Gain (Loss) on disposal of assets	9,573	-	-
Production taxes	-	-	(5,174)
Royalties	-	-	53,047
	<u> </u>	<u> </u>	<u> </u>
Total non-operating revenues and expenses	<u>\$ 31,601,241</u>	<u>\$ 25,975,177</u>	<u>\$ 927,253</u>

Increase in Net Position

The following table summarizes the College's increase in Net Position of \$2,066,632 for June 30, 2013 compared to the increase in Net Position of \$5,451,825 for June 30, 2014.

Increase in Net Position

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u> <u>NMJC Foundation</u>
Income before capital appropriations	\$ 3,771,878	\$ 2,059,530	\$ 828,378
Capital appropriations	1,679,947	7,102	-
	<u> </u>	<u> </u>	<u> </u>
Increase (decrease) in Net Position	5,451,825	2,066,632	828,378
Net position - beginning of year	82,536,616	79,593,852	6,238,839
Net position, restatement (Note 17)	-	876,132	-
	<u> </u>	<u> </u>	<u> </u>
Net position, beginning as restated	82,536,616	80,469,984	6,238,839
	<u> </u>	<u> </u>	<u> </u>
Net position - end of year	<u>\$ 87,988,441</u>	<u>\$ 82,536,616</u>	<u>\$ 7,067,217</u>

NEW MEXICO JUNIOR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

At June 30, 2014, the College had \$70,359,238 invested in capital assets as compared to \$66,575,200 at June 30, 2013.

Capital Assets, Net

	June 30, 2014	June 30, 2013	June 30, 2014 NMJC Foundation
Land Improvements	\$ 2,983,529	\$ 1,759,715	\$ -
Buildings	47,090,304	47,405,642	-
Infrastructure	11,724,868	8,449,783	-
Software	176,634	137,527	-
Library books	493,426	647,015	-
Furniture and equipment	2,298,000	2,638,199	-
Automobiles	609,724	219,070	-
Construction in progress	4,774,490	5,109,986	-
Land	208,263	208,263	-
Net capital assets	<u>\$ 70,359,238</u>	<u>\$ 66,575,200</u>	<u>\$ -</u>

Major capital expenditures during the 2014 fiscal year include the Track Upgrades project, the Original Entrance Landscaping project, the Equine Program project, the Infrastructure Renewal & Upgrade project, and Technology upgrade and various remodel projects.

The College disbursed a debt service payment on the principal of the 2005 Revenue Bonds. The payment was for \$519,588 in accordance with the amortization schedule and the outstanding balance of the revenue bonds at June 30, 2014 was \$1,066,050.

Budget Comparison

The significant variation between the original budget and the final budget is in the area of State Funding for capital projects. The original budget included all of the available funding from the State for capital projects. The final budget reflects the anticipated draws on the available State funding through the end of the fiscal year. The capital outlay was increased from the original budget to the final budget to reflect the Board approved designation of funds for capital projects. The other significant increase in the original budget to the final budget was in Local Government Appropriations. The Board and Management are very conservative in the original budgeting of Local Government Appropriations of oil and gas mill levy revenue. The increase in the final budget reflects only what is received over the budget with three months remaining in the fiscal year.

The impact of the variances in State Funding and Local Government Appropriations on future services or liquidity is positive. The State Funding for capital projects is available for use in future fiscal years for new and ongoing projects. The capital outlay will also be available for use in future years for new and ongoing projects, to maintain and improve facilities and services for students. The conservative approach to the Local Government Appropriations by the Board and Management will have a positive effect on future services and liquidity. The conservative approach minimizes a negative effect on the budget by a drop in revenue from oil and gas, and provides means to maintain and upgrade the campus facilities and infrastructure when oil and gas revenue is high.

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Economic Outlook

New Mexico Junior College serves as a community college center for the communities of southeastern New Mexico and portions of West Texas. The College is largely supported by the local mill levy in Lea County and the ongoing financial and political support from the State of New Mexico. Over the past several years the financial support from the State was declining, but in 2013 and 2014 State funding has remained steady. Early indications from the State Legislative Finance Committee are that the State Funding is seeing a slowdown due to the decline in the price of Oil, possibly signaling the further reduction in funding from the State in the coming fiscal year. The local economy has been strong and, from all forecasts, the economic outlook for Lea County will remain steady to strong. The unemployment rate in Lea County remains around 4%, which is well below the State and National percentages. Historically, the unemployment in Lea County drives the student enrollment at New Mexico Junior College. With the NMJC Board's approval Management has created different marketing strategies along with the online offerings, low tuition, housing, and athletics and it has been effective in taking the highs and lows out of the student credit hours at the College. The oil and gas industry is still the driving economic factor in Lea County. Because of new technology in the industry, there has been revitalization and extension of the projected life of some oil fields in Lea County. Drilling and exploration continue to be strong in the county and all information signals this will continue. Lea County property assessment continues to increase and construction is steady in the County. Property tax revenue for the College has increased by 21% over the past five years. The increases in property tax revenue have largely been the offset for any declining State support and for the increases in operational expense. Over all, the economic outlook for New Mexico Junior College for the coming year appears to be optimistic and stable.

NEW MEXICO JUNIOR COLLEGE

STATEMENT OF NET POSITION

June 30, 2014

ASSETS	Primary Government	NMJC Foundation
Current assets:		
Cash and cash equivalents	\$ 4,383,175	\$ 654,906
Short-term investments	9,589,592	-
Accounts receivable, net	5,990,444	7,397
Inventory	876,768	-
Prepaid expenses	302,536	-
Prepaid summer expenses	125,563	-
Total current assets	21,268,078	662,303
Non-current assets:		
Restricted cash and cash equivalents	563,304	-
Investments	-	6,410,770
Capital assets, net	70,359,238	-
Total non-current assets	70,922,542	6,410,770
Total assets	\$ 92,190,620	\$ 7,073,073
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	\$ 725,323	\$ 5,856
Accrued expenses	1,190,823	-
Interest payable	7,201	-
Unearned revenues	963,916	-
Compensated absences	156,410	-
Current maturity of bonds payable	228,061	-
Total current liabilities	3,271,734	5,856
Non-current liabilities:		
Compensated absences	92,456	-
Bonds payable	837,989	-
Total non-current liabilities	930,445	-
Total liabilities	4,202,179	5,856
Net position:		
Net investment in capital assets	69,293,188	-
Restricted for:		
Nonexpendable endowments	-	4,578,708
Expendable grants and contributions	-	2,360,385
Expendable future debt service requirements	563,304	-
Unrestricted	18,131,949	128,124
Total net position	87,988,441	7,067,217
Total liabilities and net position	\$ 92,190,620	\$ 7,073,073

The accompanying notes are an integral part of these financial statements

NEW MEXICO JUNIOR COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2014

	<u>Primary Government</u>	<u>NMJC Foundation</u>
Operating revenues:		
Student tuition and fees	\$ 3,789,592	\$ -
Federal grants and contracts	696,129	-
State and other grants and contracts	688,218	-
Auxiliary enterprises	2,289,951	-
Intercollegiate athletics	332,535	-
Gifts, bequests and endowments	-	178,870
Total operating revenues	<u>7,796,425</u>	<u>178,870</u>
Operating expenses:		
Instruction	9,956,957	-
Academic support	2,301,402	-
Student services	2,331,277	-
Institutional support	4,392,509	277,745
Operations and maintenance	3,826,492	-
Depreciation	3,501,754	-
Capital outlay	1,502,319	-
Student aid	4,093,260	-
Student activities	159,125	-
Intercollegiate athletics	1,367,843	-
Auxiliary enterprise expenses	2,192,850	-
Total operating expenses	<u>35,625,788</u>	<u>277,745</u>
Operating loss	<u>(27,829,363)</u>	<u>(98,875)</u>
Non-operating revenues (expenses):		
Property taxes	6,883,542	-
Oil and gas taxes	14,984,543	-
Federal pell grants	2,790,068	-
State appropriations, non-capital	6,067,965	-
Other revenue sources	1,053,149	-
Investment income (loss)	17,165	879,380
Interest on capital related debt	(57,947)	-
Loss on write-off of capital assets	(146,817)	-
Gain on sale of capital assets	9,573	-
Production taxes	-	(5,174)
Royalties	-	53,047
Net non-operating revenues (expenses)	<u>31,601,241</u>	<u>927,253</u>
Income before capital appropriations	3,771,878	828,378
State appropriations, capital	<u>1,679,947</u>	<u>-</u>
Change in net position	5,451,825	828,378
Net position, beginning of year	81,660,484	6,238,839
Net position, restatement (Note 17)	<u>876,132</u>	<u>-</u>
Net position, beginning as restated	<u>82,536,616</u>	<u>6,238,839</u>
Net position, end of year	<u>\$ 87,988,441</u>	<u>\$ 7,067,217</u>

The accompanying notes are an integral part of these financial statements

NEW MEXICO JUNIOR COLLEGE**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2014

	Primary Government
Cash flows from operating activities:	
Tuition and fees	\$ 1,563,483
Federal and state grants and contracts	1,384,347
Auxiliary enterprise charges	2,289,951
Intercollegiate athletics	332,535
Payments to employees and for employee benefits	(18,621,206)
Disbursement of net aid to students	(5,243,288)
Payments to suppliers	(7,878,130)
Net cash (used) by operating activities	<u>(26,172,308)</u>
Cash flows from noncapital financing activities:	
State appropriations	6,067,965
Federal pell grants	2,790,068
Property taxes	6,883,542
Oil and gas taxes	14,984,543
Net cash provided by noncapital financing activities	<u>30,726,118</u>
Cash flows from capital financing activities:	
Principal payments on long term debt	(519,588)
Interest paid	(61,452)
Other revenue sources	1,053,149
Capital appropriations	1,679,947
Net cash provided by capital financing activities	<u>2,152,056</u>
Cash flows from investing activities:	
Purchase of capital assets	(7,432,609)
Proceeds on sale of capital assets	9,573
Interest received	17,165
Net cash (used) by investing activities	<u>(7,405,871)</u>
Net decrease in cash and cash equivalents	(700,005)
Cash and cash equivalents - beginning of year	15,236,076
Cash and cash equivalents - end of year	<u>\$ 14,536,071</u>
Reconciliation to Statement of Net Position	
Cash and cash equivalents	\$ 4,383,175
Short-term investments	9,589,592
Restricted cash and cash equivalents	563,304
Cash and cash equivalents - end of year	<u>\$ 14,536,071</u>
Operating Loss	\$ (27,829,363)
Reconciliation of operating loss to net cash used by operating activities:	
Depreciation expense	3,501,754
Changes in assets and liabilities:	
Accrued expenses	178,663
Inventory	(255,104)
Unearned revenue	56,944
Prepaid expenses	40,161
Compensated absences	28,393
Accounts payable	389,297
Accounts receivable, net	(2,283,053)
Net cash (used) by operating activities	<u>\$ (26,172,308)</u>
Supplemental Disclosure of Cash Flow Information	
Loss on write-off of capital assets	<u>\$ (146,817)</u>

The accompanying notes are an integral part of these financial statements

NEW MEXICO JUNIOR COLLEGE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 306,070
Accounts receivable	<u>777</u>
Total assets	<u><u>\$ 306,847</u></u>
LIABILITIES	
Accounts payable	\$ 14,372
Due to student organizations	<u>292,475</u>
Total liabilities	<u><u>\$ 306,847</u></u>

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Organization*

New Mexico Junior College (the College) was established in 1965, in accordance with laws of the State of New Mexico to serve the needs of the residents of Lea County, New Mexico. The College has grown into a comprehensive community college. New Mexico Junior College (NMJC) offers a variety of educational opportunities and services to meet needs in the lifelong process of personal and professional development. NMJC offers programs for students to develop basic academic skills for successful post-secondary study; courses and programs that prepare individuals for employment, career updating, and job advancement; the first two years of study for those seeking transfer to a four-year college; public service activities, including workshops, seminars, forums, and cultural arts programs; comprehensive student development services which provide student support and assistance; and courses for personal growth and cultural enrichment. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

2. *Financial Statement Presentation*

The accounting and reporting policies of the College reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a public institution, the College is considered a special purpose government under the provisions of GASB Statement No. 35. The College records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the College to be reported in a single column in each of the financial statements, accompanied by the financial information for the Foundation. The effect of internal activity between funds or groups has been eliminated from these financial statements.

3. *Reporting Entity*

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, the accompanying financial statements present the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows of the New Mexico Junior College and its discretely presented component unit.

In evaluating how to define the government for financial reporting purposes, the College has considered all potential component units. The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. Organizations that are legally separate tax-exempt entities that meet *all* of the criteria should be discretely presented as component units.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

- A. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- B. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- C. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Component Unit

Component units are legally separate organizations for which the primary organization is financially accountable. Component units can also be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entities financial statements to be misleading or incomplete. In addition, component units can be organizations that raise and hold economic resources for the direct benefit of a primary unit. Because of the closeness of their relationships with the primary organization, some component units are blended as though they are part of the primary organization. However, most component units are discretely presented. The College has one blended and one discretely presented component unit. The College does not have any related organizations, joint ventures or jointly governed organizations.

The following is a blended component unit:

On October 25, 2011, the NMJC Research Foundation (the Research Foundation) was incorporated by New Mexico Junior College. The Research Foundation is a blended component unit of the College presented and reported upon as a part of the basic financial statements of the College.

The Research Foundation was organized pursuant to the University Research Park and Economic Development Act, NMSA 1978 Section 21-28-1, et. seq (“Act”). Specifically, the Research Foundation is organized to engage in cooperative ventures of innovative technological significance that will advance education, science, research, conservation, health care and/or economic development within New Mexico. The Research Foundation will serve as a resource, source of information, conduit and liaison between educational institutions, private industry and governmental entities to promote research in numerous areas including, but not limited to education and science.

The research and education activities will be aimed toward promoting collaboration between various entities to eliminate or reduce duplicate research efforts. The Research Foundation will seek to recruit technical experts, scientists, and other qualified individuals, including community and business leaders to be available for such research.

In addition to the activities set forth above, the Research Foundation will:

- Work with faculty and staff of New Mexico Junior College to develop and administer research, training and community service grants, contracts and self-service programs;
- Develop and manage major centers, institutes, community partnerships, and programs;
- Provide technology transfer services;
- Acquire, develop and manage real property to provide space for sponsored research programs;
- Administer fellowships and financially manage and invest gifts, trusts, and endowments, as they relate to the primary function of the Research Foundation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The following is a discretely presented component unit:

In 1970, the New Mexico Junior College Foundation (the Foundation) was established to advance educational excellence at the College. The Foundation is a component unit of the College discretely presented and reported upon as a part of the basic financial statements of the College. The Foundation engages in fund raising to support the College's academic programs, scholarships, building funds and faculty/staff development. The Foundation coordinates all private capital fund raising for the College, including fund solicitations, gift acceptance, acknowledgements and asset management.

The New Mexico Junior College Foundation (the Foundation) is presented in the financial statements of the College due to the nature and significance of its relationship with the College. The Foundation is discretely presented to allow the financial statement users to distinguish between the College and the Foundation.

4. Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

During the year ended June 30, 2014, the College adopted Governmental Accounting Standards Board (GASB) Statements No. 65, No. 66, and No. 67. GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB 65 is not expected to have a significant impact on the College's financial statements. GASB Statement No. 66, Technical Corrections-2012-An Amendment of GASB Statements No. 10 and No. 62. This objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. GASB Statement No. 67, Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

The Fiduciary Funds are used to account for assets held by the College in a capacity as an agent for various student organizations and outside parties. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

5. Management's Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Actual amounts could differ from those estimates. The more significant estimates included in the financial statements include allowances for uncollectible accounts and the estimated useful lives of capital assets.

6. Cash and Cash Equivalents and Statement of Cash Flows

For purposes of the statement of cash flows, the College considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Immediate cash needs are met with resources deposited at the College's bank. Cash resources not used are swept nightly and invested overnight. Cash resources not needed to meet immediate needs are invested with the New Mexico State Treasurer's Office short-term investment pool (LGIP). Amounts invested with the State Treasurer's LGIP are readily available to the College when needed and are recorded at cost which approximates fair value.

Amounts in the State Treasurer's Reserve Contingency Fund are not currently available to the College and are recorded at their cost value less the estimated loss as provided by the State Treasurer's office.

Cash and cash equivalents include cash on hand, cash in banks, securities subject to overnight sweep repurchase agreements, and certificates of deposit with various financial institutions. For the purposes of the cash flow statement, due to its liquidity and characteristics, the investment on hand at the LGIP is considered a cash equivalent. At June 30, 2014, the amount of cash and cash equivalents reported on the financial statements differs from the amount on deposit with the various financial institutions because of transactions in transit and outstanding checks.

7. Receivables

Receivables consist primarily of amounts due from federal and state governmental entities for grants and contracts, local government entities for unremitted district mill levy collections, and student and third-party payers for student tuition and fees. The allowance for doubtful accounts is maintained at a level which, in the administration's judgment, is sufficient to provide for possible losses in the collection of these accounts.

8. Unearned Revenue and Expenditures

Unearned revenue relates to student tuition, fees, and bookstore sales received during the current physical period for classes to be held in the following period. Similarly, deferred expenditures represent scholarship funds expended in the current period relating to the following period. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts.

9. Inventories

Inventories consist of items held for resale or exchange within the College. The bookstore inventory within the current unrestricted fund is valued at cost, which is lower than market, based on average cost method. The cost method is applied on a basis consistent with prior year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

10. *Capital Assets*

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings costing \$100,000 or more, and infrastructure and land improvements costing \$50,000 or more and that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 years for buildings, 20 years for infrastructure and land improvements, 5 years for library books, 5 years for automobiles, 5 to 7 years for equipment and 5 to 10 years for externally purchased software. Information technology equipment including software is being capitalized in accordance with 2.20.1.9(C)(5) NMAC [9-30-99, recompiled 10/01/01].

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

11. *Compensated Absences*

Accumulated unpaid vacation is accrued when incurred in the current unrestricted fund. Employees entitled to earn vacation may accrue five, ten, or fifteen days vacation each year. According to College policy, conversion of sick leave accrual to cash is not permitted and in accordance with Accounting Standards Codification No. 710, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick leave.

12. *Restricted Assets*

Restricted assets are assets which have third-party limitations on their use. The Debt Service Fund accounts for principal and interest due to the Series 2005 Bonds. Principal and interest on the Series 2005 Bonds are payable solely from the auxiliary activities revenue and from the local Mill Levy pledged to secure the payments. The bond agreement requires the creation and maintenance of a debt service reserve account and a capitalized interest account.

The College's Foundation endowment consists of funds established for tuition assistance and institutional support. As required by generally accepted accounting principles, restricted assets associated with endowment funds, including funds designated by the governing body to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's endowment policy requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor restricted endowment fund that is not classified in permanently restricted assets is classified as temporarily restricted assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with applicable State laws and internal policies.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

13. Revenue

Operating revenue includes activities that have the characteristics of an exchange transaction, such as a) student tuition and fees, net of scholarship discounts and allowances; b) sales and services; and c) contracts and grants.

Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as a) appropriations, b) taxes, c) gifts, and d) investment income. These revenue streams are recognized under GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues are recognized when all applicable eligibility requirements have been met.

14. Economic dependency

The College depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

The College receives a significant portion of their revenue from property tax revenue and oil and gas tax revenue. Property tax revenue was \$6,883,542 or 17% of total revenue in fiscal year 2014. Oil and gas production and equipment tax revenue fluctuates significantly upon demand and was \$14,984,543 or 37% of total revenue in fiscal year 2014.

15. Net position

The College's net position is classified into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted:

Nonexpendable: Net position subject to externally imposed conditions that the College retain them in perpetuity. Net position in this category consist of endowments held by the Foundation. All amounts for the primary government that are restricted in the statement of net position are considered restricted by enabling legislation.

Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the College or the passage of time.

Unrestricted: All other categories of net position. In addition, unrestricted net position may be designated for use by management of the College. This requirement limits the area of operations for which expenditures of net position may be made, and require that unrestricted net position be designated to support future operations in these areas. College housing programs are a primary example of operations that have unrestricted net position with designated uses.

The College has adopted a policy of utilizing restricted – expendable funds, when available, prior to unrestricted funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

16. Revenue Recognition for Derived Tax Revenues

It is the policy of the College to recognize nonexchange revenue for which there are time requirements in the period in which those time requirements are met, regardless of whether the revenues are due or whether an enforceable legal claim exists. If no time requirements are specified in enabling legislation, revenues are recognized when the College has an enforceable legal claim (provided that the underlying exchange transaction has occurred) to the assets or when they are received, whichever occurs first.

17. Budgetary Process

The College follows the requirements established by the New Mexico Higher Education Department (HED) in formulating its budgets and in exercising budgetary control. It is through the HED's policy that, when the appropriation has been made to the College, its Board can, in general, adopt an operating budget within the limits of available income.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appointed in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as restricted fund balance.

To amend the budget, the College requires the following order of approval: (1) College President, (2) College Board Members, (3) Commission on Higher Education, and (4) State Department of Finance and Administration.

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year, and are available for expenditures to the College in subsequent years pursuant to the General Appropriation Act of 2004, Section 4, J (Higher Education).

Budgetary Control. Total expenditures or transfers may not exceed the amount shown in the approved budget. Expenditures used as the items of budgetary control are as follows: (1) unrestricted and restricted expenditures are considered separately; (2) total expenditures in instruction and general; (3) total expenditures of each budget function in current funds other than instruction and general; and (4) within the plant funds budget, the items of budgetary control are major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service.

Budgets are adopted on a basis of accounting that is not in accordance with accounting principles generally accepted in the United States of America. The purpose of the Budget Comparison is to reconcile the change in net position as reported on a budgetary basis to the change in net position as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases.

18. Interfund borrowing

Interfund borrowing is recorded in each fund as due to/due from other funds. Such borrowing is temporary in nature and is authorized in advance by the board or administrative action. The borrowing provides needed working capital. No interest is charged on interfund loans.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

19. Income Tax Status

The income generated by the College, as an instrumentality of the State of New Mexico, generally is excluded from federal income taxes under Section 115(a) of the Internal Revenue Code. However, the College is subject to taxation on income derived from business activities not substantially related to the College's exempt function (unrelated business income under Internal Revenue Code Section 511); such income is taxed at the normal corporate rate. Contributions to the College are deductible by donors as provided under Section 170 of the Internal Revenue Code.

The Foundations are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

20. Property Tax Calendar

Property Taxes are levied on November 1 based on the assessed value of property listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

21. Reclassifications

Certain reclassifications were made to the 2013 financial statement presentation in order to conform to the 2014 financial statement presentation. The reclassifications had no effect on the previously reported change in net assets.

NOTE 2 – DEPOSITS AND INVESTMENTS

State statutes authorize the investment of College funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the College properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the College. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account (including an Interest on Lawyer Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of the College's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – DEPOSITS AND INVESTMENTS, (continued)

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2014, \$1,852,977 of the College's bank balance of \$2,681,775 was exposed to custodial credit risk. \$985,460 was uninsured and collateralized by the collateral held by the pledging bank's trust department, not in the College's name and \$867,517 was uninsured and uncollateralized.

	Wells Fargo Bank	Western Commerce Bank	Lea County Bank	Bank of America	Total
Total amount of deposits	\$ 2,334,643	\$ 25,025	\$ 268,334	\$ 53,773	\$ 2,681,775
Deposit accounts covered by the FDIC coverage	<u>500,000</u>	<u>25,025</u>	<u>250,000</u>	<u>53,773</u>	<u>828,798</u>
Total uninsured public funds	1,834,643	-	18,334	-	1,852,977
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the College's name	<u>971,105</u>	<u>-</u>	<u>14,355</u>	<u>-</u>	<u>985,460</u>
Uninsured and uncollateralized	<u>\$ 863,538</u>	<u>\$ -</u>	<u>\$ 3,979</u>	<u>\$ -</u>	<u>\$ 867,517</u>
Collateral requirement (50% of uninsured public funds)	917,322	-	9,167	-	926,489
Pledged security	<u>971,105</u>	<u>-</u>	<u>1,770,000</u>	<u>286,041</u>	<u>3,027,146</u>
Over (under) collateralization	<u>\$ 53,783</u>	<u>\$ -</u>	<u>\$ 1,760,833</u>	<u>\$ 286,041</u>	<u>\$ 2,100,657</u>

The collateral pledged is listed on Schedule III of this report.

Investments

State statute authorizes the College to invest in direct obligations of the United States or securities that are backed by the full faith and credit of the United States Government or agencies guaranteed by the United States Government. State statute also authorizes the College to invest in bonds or negotiable securities of the United States, the State of New Mexico, or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding.

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The College has no investment policy that would further limit its investment choices.

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – DEPOSITS AND INVESTMENTS, (continued)

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The New Mexico Junior College does not have a policy to manage the credit risk of its investments. The overnight repurchase is the only investment subject to custodial credit risk, as the other investments are external pools. As of June 30, 2014, all of the deposits in the overnight repurchase account were subject to custodial credit risk, however, the entire amount was collateralized by collateral held by the pledging bank's trust department, not in the College's name.

Custodial Credit Risk - Investments

	Wells Fargo Bank
Total amount of deposits	\$ 2,240,560
Deposit accounts covered by the FDIC coverage	<u>-</u>
Total uninsured public funds	2,240,560
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the College's name	<u>2,240,560</u>
Uninsured and uncollateralized	<u><u>\$ -</u></u>
Collateral requirement (102% of uninsured public funds)	2,285,371
Pledged security	<u>2,285,371</u>
Over collateralization	<u><u>\$ -</u></u>

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Section 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares.

Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2014, the College's investment in the State Treasurer Local Government Investment Pool was rated as AAAM by Standard & Poor's and the investment in the State Treasurer Local Government Investment Pool – Reserve Contingency Fund was unrated.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS, (continued)

The College's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Quality and Interest Rate Risk

	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
<i>New MexiGROW</i> LGIP	AAAm	\$ 9,595,523	48.6 days
<i>New MexiGROW</i> LGIP – Reserve Contingency Fund	Not rated	5,931	Does not earn interest
New Mexico Finance Authority	Not rated	360,837	Less than 90 days
State Treasurer's Debt Service	Not rated	202,467	Less than 90 days

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's or the Foundation's investment in a single type of security. The College and the Foundation do not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2014, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk.

The following represents the concentration of credit risk regarding the investments of the College at June 30, 2014:

<u>Investment</u>	<u>Market Value</u>	<u>Percent of Investment</u>
<i>New MexiGROW</i> LGIP	\$ 9,589,592	94%
New Mexico Finance Authority	360,837	4%
State Treasurer's Debt Service	202,467	2%
 Total investments	 \$ 10,152,896	 100.0%

Beginning Cash and Cash Equivalents – Statement of Cash Flows

The College considers all instruments with an original maturity of 90 days or less to be cash equivalents for the purpose of presenting the statement of cash flows. Accordingly, beginning cash and cash equivalents as presented on the statement of cash flows has been adjusted to reflect the \$9,589,592 invested with the *New MexiGROW* LGIP as cash equivalents.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS, (continued)

Reconciliation of Deposits and Investments to the Statement of Net Position and Statement of Fiduciary Assets and Liabilities

Deposits and overnight repurchase	\$ 4,922,335
New MexiGROW LGIP	9,589,592
New Mexico Finance Authority mutual fund	360,837
State Treasurer's debt service	<u>202,467</u>
Total deposits and investments	15,075,231
Petty cash	4,236
Subtract reconciling items	<u>(237,326)</u>
Total cash and cash equivalents and investments	\$ <u>14,842,141</u>
Statement of Net Position:	
Cash and cash equivalents	\$ 4,383,175
Short-term investments	9,589,592
Restricted cash and cash equivalents	<u>563,304</u>
Cash and cash equivalents, end of year per statement of cash flows	14,536,071
Statement of Fiduciary Assets and Liabilities:	
Cash and cash equivalents	<u>306,070</u>
Net deposits and investments	\$ <u>14,842,141</u>

Restricted cash and cash equivalents represent amounts held by the trustee for the System Revenue Bonds Series July 1, 2005 for the bond project and debt service reserve funds.

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 – ACCOUNTS RECEIVABLE

The College's accounts receivable at June 30, 2014 represent revenues earned from student tuition and fees, loans, advances to students, local tax levy, federal government grants and contracts, and State of New Mexico agencies that include pass through federal and state grants. All amounts are expected to be collected within sixty days after year-end with the exception of oil and gas taxes which are a derived tax revenue and assets must be recognized in the period when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever comes first. A receipt was received late September 2014 while the College submits its report to HED by September 15, 2014. Therefore, the revenue recognized for oil and gas taxes from the report sent to HED does not match our report. A receipt received in September 2013 for June 2013 activity was not recorded and will be considered a restatement. A derived tax revenue adjustment was issued for \$876,132. An allowance for uncollectible accounts has been established for student accounts judged to be uncollectible due to the age of the receivables. A schedule of receivables and allowance for uncollectible accounts is as follows:

Property taxes	\$	213,880
Oil and gas taxes		3,555,656
General receivables		1,057,859
Student receivables		1,434,733
Other taxes receivable		535,287
		<u>6,797,415</u>
Less allowance for uncollectible accounts		<u>(806,971)</u>
Net total accounts receivable	\$	<u><u>5,990,444</u></u>

NOTE 4 – ACCRUED EXPENSES

The College's accrued expenses at June 30, 2014 are as follows:

Payroll	\$	493,246
Payroll taxes and related liabilities		<u>697,577</u>
Total accrued expenses	\$	<u><u>1,190,823</u></u>

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 5 – CAPITAL ASSETS

The following table summarizes the changes in capital assets during the fiscal year ended June 30, 2014:

	June 30, 2013	Additions	Deletions	June 30, 2014
Assets not being depreciated:				
Construction in progress	\$ 5,109,986	\$ 5,548,179	\$ 5,883,675	\$ 4,774,490
Land	208,263	-	-	208,263
	<u>5,318,249</u>	<u>5,548,179</u>	<u>5,883,675</u>	<u>4,982,753</u>
Assets being depreciated:				
Land improvements	4,683,972	1,473,455	-	6,157,427
Buildings	66,356,833	1,188,373	-	67,545,206
Infrastructure	10,524,372	3,780,219	-	14,304,591
Software	944,779	80,210	10,200	1,014,789
Library books	3,213,265	115,257	2,149,268	1,179,254
Furniture and equipment	11,332,256	647,647	1,320,629	10,659,274
Automobiles	1,313,215	482,945	10,885	1,785,275
	<u>98,368,692</u>	<u>7,768,106</u>	<u>3,490,982</u>	<u>102,645,816</u>
Totals	<u>103,686,941</u>	<u>13,316,285</u>	<u>9,374,657</u>	<u>107,628,569</u>
Less accumulated depreciation:				
Land improvements	2,924,257	249,641	-	3,173,898
Buildings	18,951,191	1,503,711	-	20,454,902
Infrastructure	2,074,589	505,134	-	2,579,723
Software	807,252	40,083	9,180	838,155
Library books	2,566,250	195,969	2,076,391	685,828
Furniture and equipment	8,694,057	914,925	1,247,708	8,361,274
Automobiles	1,094,145	92,291	10,885	1,175,551
	<u>37,111,741</u>	<u>3,501,754</u>	<u>3,344,164</u>	<u>37,269,331</u>
Net capital assets	<u>\$ 66,575,200</u>	<u>\$ 9,814,531</u>	<u>\$ 6,030,493</u>	<u>\$ 70,359,238</u>

Depreciation expense as of June 30, 2014 was \$3,501,754. On June 20, 2014, the College's Board of Directors certified an annual inventory of the College's assets and wrote-off \$146,817.

NOTE 6 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. New Mexico Junior College contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents and surviving spouse and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

Eligible retirees are 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during the period of time made contributions as a participant in the RHCA plan on the person's behalf unless the person retires before the employers' RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The College's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$252,154, \$235,193 and \$219,979, respectively, which equal the required contributions for each year.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 7 – PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

Plan Description. Substantially all of the College's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy.

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2014, the College was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, New Mexico Junior College will contribute the following percentages of the gross covered salary of employees: 13.9% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the College are established in State statute under Chapter 22, Article 11, NMSA1978. The requirements may be amended by acts of the legislature. The College's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$1,487,809, \$1,162,290 and \$1,052,823, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 8 – GROUP INSURANCE PROGRAM

The College participates in the State of New Mexico Public Schools Insurance Authority group health insurance plan. The Authority's two primary insurance underwriters are Blue Cross/Blue Shield of New Mexico and Presbyterian. The plan covers all full-time employees of the College who choose to participate in the plan. The College pays premiums under the plan and employees contribute based on percentage splits established by 10-7-4 NMSA 1978 for public employees.

NOTE 9 – OPERATING LEASES

The College has entered into various operating leases for equipment. The terms of all leases are one year or less. The College expects that in the normal course of business, such leases will continue to be required.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 10 – RISK MANAGEMENT

The College currently is party to various litigation and other claims in the ordinary course of business. The College has property and liability insurance coverage with Coregis Insurance Company and workers compensation insurance coverage with Mountain States Mutual. The College believes that the outcome of all pending and threatened litigation will not have a material adverse effect on the financial position or operations of the College.

Federal grants received by the College are subject to audit by the grantors. In the event of noncompliance with funding requirements, grants may be required to be refunded to the grantor. College management estimates that such refunds, if any, will not be significant.

NOTE 11 – JOINT POWERS AGREEMENTS

The College has established a joint powers agreement with Lea County, Hobbs Municipal School District, City of Hobbs, City of Lovington, Eunice Municipal School District, Tatum Municipal School District and Jal Municipal School District for the purpose of enabling the parties involved to benefit from substantial savings in the procurement of similar services, construction or tangible personal property. The agreement became effective November 17, 2003, and any party to the agreement can terminate participation by providing thirty days written notice. Any of the participating agencies may act as the Lead Agency whereby that agency shall contact the remaining participating agencies to determine if they are willing to participate in a bid or proposal for quote to be prepared by the Lead Agency.

The College revised a joint powers agreement on February 19, 2004 to include Eastern New Mexico University as a member of the Lea County Distance Education Consortium, Inc. (Consortium). The group consists of every public school system in Lea County, New Mexico, together with New Mexico Junior College and Eastern New Mexico University. The purpose of the Consortium is to purchase a two-way interactive television network to provide educational services between each of the members. This agreement shall continue as mutually agreeable by all parties.

NOTE 12 – NEW MEXICO JUNIOR COLLEGE FOUNDATION (COMPONENT UNIT)

Nature of Operations

The New Mexico Junior College Foundation (the Foundation) is a New Mexico nonprofit corporation, organized to solicit, receive, hold, invest and transfer funds for the benefit of the College.

Basis of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting. The Foundation follows Governmental Accounting Standards Board (GASB) pronouncements. Revenues and expenses are classified for reporting purposes into net position categories according to externally (donor) imposed restrictions. A description of the net position categories follows:

Net Position

Unrestricted net position represent resources whose use is not limited or restricted by donors. Unrestricted net position have arisen from exchange transactions and receipt of unrestricted contributions. Restricted net position represent those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted expendable net position are resources that the Foundation is legally or contractually obligated to spend in accordance with imposed restrictions by third parties, such as donors.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 12 – NEW MEXICO JUNIOR COLLEGE FOUNDATION (COMPONENT UNIT), (continued)

Endowment contributions and investments are permanently restricted by the donor. Investment earnings used for distributions are recorded in unrestricted net position. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net position based on the nature of the restrictions.

Donor Restricted endowment disbursements of the net appreciation of investments are permitted in accordance with the Uniform Prudent Management of Institutional Funds Act [46-9A-1 to 46-9A-12 NMSA], except where a donor has specified otherwise. The investment committee of the Foundation and College management review the investment earnings designed to support distributions from the Endowment and to protect the purchasing power of the endowment principal. Distributions from the Endowment are made available to the College, which benefits from each individual endowment. The annual spending distribution is computed at the end of the year as a percentage of net interest and dividend earnings, investment fees and net capital change for the year. The Investment Committee of the Foundation and College management sets the annual distribution, which endowment donors must approve.

Tax Status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization which is not a private foundation.

Effective October 1, 2009, the Foundation adopted ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2014, the Foundation has no material uncertain tax positions to be accounted for in the financial statements under the new rules. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense and penalties expense, respectively.

The Foundation files its forms 990 in the U.S. federal jurisdiction and a copy is filed with the Attorney General of New Mexico, Registry of Charitable Organizations. The Foundation is generally no longer subject to examination by the Internal Revenue Service for years before 2011.

Cash and Cash Equivalents

The Foundation maintains cash balances in a local bank and an investment company. These cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Accounts held by an official custodian of a government unit will be insured as follows:

- Up to \$250,000 for the combined total of all time and savings accounts (including NOW accounts), and
- Up to \$250,000 for the combined amount of all interest-bearing and noninterest-bearing demand deposit accounts

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 12 – NEW MEXICO JUNIOR COLLEGE FOUNDATION (COMPONENT UNIT), (continued)

As of June 30, 2014, there were no balances in excess of insurance coverage.

	Merrill Lynch	Wells Fargo Bank	First American Bank	Total
Total amount of deposits	\$ 323,482	\$ 167,534	\$ 189,035	\$ 680,051
Less: FDIC coverage	250,000	167,534	189,035	606,569
Less: SIPC coverage	<u>73,482</u>	<u>-</u>	<u>-</u>	<u>73,482</u>
Total uninsured public funds	-	-	-	-
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the College's name	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured public funds)	-	-	-	-
Pledged security	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Over (under) collateralization	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's or the Foundation's investment in a single type of security. The College and the Foundation do not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2014, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk.

NEW MEXICO JUNIOR COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 12 – NEW MEXICO JUNIOR COLLEGE FOUNDATION (COMPONENT UNIT), (continued)

The following represents the concentration of credit risk regarding the investments of the Foundation at June 30, 2014:

Investment	Market Value	Percent of Foundation's Investment
Equities	\$ 4,471,196	70.0%
Mutual funds	1,919,991	30.0%
Total Foundation investments	<u>\$ 6,391,187</u>	<u>100.0%</u>

The Foundation also maintains a royalty interest in the amount of \$19,583; however, it is not a financial instrument subject to credit risk.

Receivables

The Foundation considers receivables to be 100% collectible; therefore no allowance has been made for uncollectible amounts. The receivable at June 30, 2014 consists of the following:

Golf tournament fundraising pledges receivable	\$ 3,250
Oil and gas receivable	<u>4,147</u>
Accounts receivable, net	<u>\$ 7,397</u>

Functional expenses

The Foundation had the following functional expenses during the year ended June 30, 2014:

Program expenses	\$ 259,824
Fundraising expenses	<u>17,921</u>
Total functional expenses	<u>\$ 277,745</u>

Institutional support

The Foundation provided the following institutional support to the College during the year ended June 30, 2014:

Scholarships	\$ 193,036
Program Assistance	20,928
Work-Study	17,437
Administrative Support	24,423
Awards	<u>4,000</u>
Total institutional support	<u>\$ 259,824</u>

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 12 – NEW MEXICO JUNIOR COLLEGE FOUNDATION (COMPONENT UNIT), (continued)

Related party

On July 7, 2003, the Foundation formed Lea County Student Housing, LLC (the LLC). The Foundation is the 100% member of the LLC which was formed for the purpose of building and renting dorm space to the College's students. The LLC has not had any activity since its formation.

NOTE 13 – CONSTRUCTION COMMITMENTS

The College has various construction projects as of June 30, 2014. The commitments related to these projects are approximately \$2,497,293 as of June 30, 2014. These project costs are as follows:

<u>Project Description</u>	<u>Amount</u>
Western Heritage Museum South Gallery	\$ 18,240
Infrastructure Renewal & Upgrade	2,456,022
Original Entrance Landscaping	7,250
Dorm/Apartment Refurbish	12,174
Equine Program	3,607
	<u>\$ 2,497,293</u>

NOTE 14 – COMPENSATED ABSENCES

Accumulated unpaid vacation is accrued when incurred. Employees entitled to earn vacation pay earn it at various rates based on length of employment. Up to 180 hours of vacation may be accrued and paid out upon termination. Sick leave is not paid out upon termination; accordingly, no liability for sick leave is recorded by the College. The College had a liability for accrued vacations as of June 30, 2014 as follows:

Accrued vacation – beginning of year	\$ 220,473
Additions	184,803
Deletions	<u>(156,410)</u>
Accrued vacation – end of year	<u>\$ 248,866</u>

The College estimates that \$156,410 will be due within one year.

NOTE 15 – BONDS PAYABLE

The College issued revenue bonds to provide funds for the construction of student housing on the New Mexico Junior College campus. Bonds outstanding at June 30, 2014 consist of the following issue:

System Revenue Bonds
Series: July 15, 2005
Original Issue: \$4,589,369
Principal: May 1
Interest: May 1 and November 1
Rates: 2.34% to 4.26%
Matures: May 1, 2021

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 – BONDS PAYABLE, (continued)

The Series 2005 Bonds are special limited obligations of the College and the principal and interest on the Series 2005 Bonds are payable solely from the auxiliary activities revenue and from the local Mill Levy pledged to secure the payments. The bond agreement requires the creation and maintenance of a debt service reserve account and a capitalized interest account. The College is not aware of any instances where it is not in compliance with all significant requirements of the bond agreement.

The Series 2005 Bonds do not constitute a debt or pledge of the faith and credit of the College or the State, and the New Mexico Finance Authority, as the owner of the Series 2005 Bonds, has no right to have taxes levied for the payment of debt service.

Long-term liability for the year ended June 30, 2014 was as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2014</u>	<u>Due within One Year</u>
System Revenue Bonds Series 7/15/2005	\$ <u>1,585,638</u>	\$ <u>-</u>	\$ <u>519,588</u>	\$ <u>1,066,050</u>	\$ <u>228,061</u>

The annual debt service requirements to maturity, including principal and interest for System Revenue Bonds Series 2005 long-term debt as of June 30, 2014 are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 228,061	\$ 38,715	\$ 266,776
2016	237,060	29,470	266,530
2017	246,595	19,695	266,290
2018	256,658	9,378	266,036
2019	<u>97,676</u>	<u>2,040</u>	<u>99,716</u>
Totals	\$ <u>1,066,050</u>	\$ <u>99,298</u>	\$ <u>1,165,348</u>

NOTE 16 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

A. Deficit equity

The College does not maintain a deficit equity position.

B. Excess of expenditures over appropriations.

The College is not aware of any expenses in excess of budgetary authority

C. Designated cash appropriation in excess of available balances.

The College is not aware of any designated cash appropriations in excess of available balances.

NOTE 17 – NET POSITION RESTATEMENT

The College has restated net position in the amount of \$(876,132) for a derived tax revenue adjustment for oil and gas taxes. At June 30, 2013, an oil and gas tax revenue stream was received late in the year and the underlying production was for the month of June 2013, therefore the \$876,132 was not recorded.

NOTE 18 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 13, 2014, which is the date on which the financial statements were available to be issued.

NOTE 19 – SUBSEQUENT PRONOUNCEMENTS

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2015 and is expected to have a material impact on the College's financial statements.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. The College is analyzing the effects that this statement will have on their financial statements.

In November 2013, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. This statement will be implemented during the fiscal year ending June 30, 2015.

NEW MEXICO JUNIOR COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 20 – CONCENTRATIONS

The College depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

NOTE 21 – LEGISLATIVE GRANTS

The College had the following legislative grants funded by Severance Tax Bonds (STB) and General Obligation Bonds (GOB) as of June 30, 2014:

Project	Agency	Grant #	Effective Date	Reversion Date
NMJC Energy Technology Training	Higher Education Department	STB 14-2111	6/24/2014	6/30/2016
NMJC Energy Technology Center Equipment	Higher Education Department	STB 12-1521	6/29/2012	6/30/2014
NMJC Infrastructure Improvements	Higher Education Department	STB 13-1882	7/23/2013	6/30/2017
NMJC Infrastructure Improvements	Higher Education Department	GOB 12-1241	4/23/2013	6/30/2016

Project	Net Amount	Expenditures to		
		Date	Reverted	Remaining
NMJC Energy Technology Training	\$ 425,000	\$ -	\$ -	\$ 425,000
NMJC Energy Technology Center Equipment	487,000	487,000	-	-
NMJC Infrastructure Improvements	1,000,000	1,000,000	-	-
NMJC Infrastructure Improvements	3,300,000	192,947	-	3,107,053
	<u>\$ 5,212,000</u>	<u>\$ 1,679,947</u>	<u>\$ -</u>	<u>\$ 3,532,053</u>

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED AND RESTRICTED - ALL OPERATIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Beginning fund balance</i>	\$ 10,403,695	\$ 15,065,883	\$ 15,085,285	\$ 19,402
Prior period restatement	-	-	876,131	876,131
<i>Beginning fund balance, as restated</i>	<u>10,403,695</u>	<u>15,065,883</u>	<u>15,961,416</u>	<u>895,533</u>
<i>Unrestricted and restricted revenues:</i>				
State general fund appropriations	6,327,222	6,353,964	6,738,746	384,782
Federal revenue sources	5,881,006	5,842,192	4,636,225	(1,205,967)
Tuition and fees	3,684,200	3,709,533	3,789,592	80,059
Other	3,343,061	5,283,139	5,404,382	121,243
Local funding	11,910,000	18,869,413	21,868,085	2,998,672
Private grants	-	-	17,437	17,437
<i>Total unrestricted and restricted revenues</i>	<u>31,145,489</u>	<u>40,058,241</u>	<u>42,454,467</u>	<u>2,396,226</u>
<i>Unrestricted and restricted expenditures:</i>				
Instruction	9,376,512	10,701,611	9,939,520	762,091
Academic support	2,283,258	2,375,443	2,301,402	74,041
Student services	2,523,852	2,547,333	2,331,275	216,058
Institutional support	3,353,261	4,499,999	4,392,509	107,490
Operation and maintenance of plant	3,290,590	3,786,723	3,826,492	(39,769)
Student social and cultural activities	167,837	159,500	159,125	375
Auxiliary services	1,799,060	2,157,160	2,043,030	114,130
Intercollegiate athletics	1,019,727	1,310,434	1,367,843	(57,409)
Internal service	84,909	199,571	149,820	49,751
Capital outlay	7,944,014	9,624,742	8,934,928	689,814
Other	-	-	22,066	(22,066)
Retirement of indebtedness	276,000	276,000	57,947	218,053
Student aid, grants and stipends	5,602,019	5,786,548	5,243,288	543,260
Private grants	-	-	17,437	(17,437)
<i>Total unrestricted and restricted expenditures</i>	<u>37,721,039</u>	<u>43,425,064</u>	<u>40,786,682</u>	<u>2,638,382</u>
<i>Net transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Change in fund balance (budgetary basis)</i>	<u>(6,575,550)</u>	<u>(3,366,823)</u>	<u>1,667,785</u>	<u>5,034,608</u>
<i>Ending fund balance</i>	<u>\$ 3,828,145</u>	<u>\$ 11,699,060</u>	<u>\$ 17,629,201</u>	<u>\$ 5,054,010</u>
<i>Change in net position per statement of revenues, expenses and changes in net position</i>			5,451,825	
Capital outlay expenditures capitalized			(7,432,611)	
Loss on disposal of assets			146,817	
Depreciation expense			3,501,754	
<i>Financial statements change in net position reconciled to budgetary basis</i>			<u>\$ 1,667,785</u>	

See accompanying independent auditor's report

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED - NON INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Beginning fund balance</i>	\$ 9,443,413	\$ 12,860,077	\$ 12,879,479	\$ 19,402
<i>Unrestricted revenues:</i>				
Internal service dept	24,000	24,000	27,357	3,357
Auxiliary enterprises	2,213,000	2,330,704	2,289,951	(40,753)
Athletics	330,900	330,900	332,535	1,635
STB/GOB Drawdowns	457,000	1,843,398	1,679,947	(163,451)
Other	-	-	76,282	76,282
<i>Total unrestricted revenues</i>	<u>3,024,900</u>	<u>4,529,002</u>	<u>4,406,072</u>	<u>(122,930)</u>
<i>Unrestricted expenditures:</i>				
Internal services	84,909	199,571	149,820	49,751
Student aid, grants and stipends	568,551	743,551	874,178	(130,627)
Auxiliary services	1,799,060	2,157,160	2,043,030	114,130
Intercollegiate athletics	1,019,727	1,310,434	1,367,843	(57,409)
Capital outlay	7,944,014	9,624,742	8,934,928	689,814
Other	-	-	22,066	(22,066)
Retirement of indebtedness	276,000	276,000	57,947	218,053
<i>Total unrestricted expenditures</i>	<u>11,692,261</u>	<u>14,311,458</u>	<u>13,449,812</u>	<u>861,646</u>
<i>Net transfers</i>	<u>2,248,288</u>	<u>7,201,760</u>	<u>10,635,208</u>	<u>3,433,448</u>
<i>Change in fund balance (budgetary basis)</i>	<u>(6,419,073)</u>	<u>(2,580,696)</u>	<u>1,591,468</u>	<u>4,172,164</u>
<i>Ending fund balance</i>	<u>\$ 3,024,340</u>	<u>\$ 10,279,381</u>	<u>\$ 14,470,947</u>	<u>\$ 4,191,566</u>

See accompanying independent auditor's report

NEW MEXICO JUNIOR COLLEGE

**RESTRICTED - NON INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Beginning fund balance</i>	\$ -	\$ -	\$ -	\$ -
<i>Restricted revenues:</i>				
Federal government contracts/grants	5,033,468	5,042,997	4,016,373	(1,026,624)
State government contracts/grants	167,837	159,500	516,579	357,079
Private grants	-	-	17,437	17,437
<i>Total restricted revenues</i>	<u>5,201,305</u>	<u>5,202,497</u>	<u>4,550,389</u>	<u>(652,108)</u>
<i>Restricted expenditures:</i>				
Public Service	167,837	159,500	159,125	375
Student aid, grants and stipends	5,033,468	5,042,997	4,369,110	673,887
Private grants	-	-	17,437	(17,437)
<i>Total restricted expenditures</i>	<u>5,201,305</u>	<u>5,202,497</u>	<u>4,545,672</u>	<u>656,825</u>
<i>Net transfers</i>	-	-	(4,717)	(4,717)
<i>Change in fund balance (budgetary basis)</i>	-	-	-	-
<i>Ending fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED - INSTRUCTION AND GENERAL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Beginning fund balance</i>	\$ 960,282	\$ 2,205,806	\$ 2,205,806	\$ -
Prior period restatement	-	-	876,131	876,131
<i>Beginning fund balance, as restated</i>	<u>960,282</u>	<u>2,205,806</u>	<u>3,081,937</u>	<u>876,131</u>
<i>Unrestricted revenues:</i>				
Tuition and fees	3,684,200	3,709,533	3,789,592	80,059
State government appropriations	5,933,300	5,933,300	6,067,965	134,665
Local government appropriations	11,910,000	18,869,413	21,868,085	2,998,672
Federal grants and contracts	62,000	62,000	44,600	(17,400)
Other	318,161	754,137	998,310	244,173
<i>Total unrestricted revenues</i>	<u>21,907,661</u>	<u>29,328,383</u>	<u>32,768,552</u>	<u>3,440,169</u>
<i>Unrestricted expenditures:</i>				
Instruction	9,106,822	10,385,270	9,762,870	622,400
Academic support	2,259,588	2,351,773	2,301,402	50,371
Student services	1,823,694	1,907,090	1,778,471	128,619
Institutional support	3,337,419	4,484,157	4,392,509	91,648
Operation and maintenance of plant	3,288,327	3,784,460	3,826,492	(42,032)
<i>Total unrestricted expenditures</i>	<u>19,815,850</u>	<u>22,912,750</u>	<u>22,061,744</u>	<u>851,006</u>
<i>Net transfers</i>	<u>(2,248,288)</u>	<u>(7,201,760)</u>	<u>(10,630,491)</u>	<u>(3,428,731)</u>
<i>Change in fund balance (budgetary basis)</i>	<u>(156,477)</u>	<u>(786,127)</u>	<u>76,317</u>	<u>862,444</u>
<i>Ending fund balance</i>	<u>\$ 803,805</u>	<u>\$ 1,419,679</u>	<u>\$ 3,158,254</u>	<u>\$ 1,738,575</u>

See accompanying independent auditor's report

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NEW MEXICO JUNIOR COLLEGE

RESTRICTED - INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Beginning fund balance</i>	\$ -	\$ -	\$ -	\$ -
<i>Restricted revenues:</i>				
Federal government contracts/grants	785,538	737,195	575,252	(161,943)
State government contracts/grants	226,085	261,164	154,202	(106,962)
Private grants	-	-	-	-
<i>Total restricted revenues</i>	<u>1,011,623</u>	<u>998,359</u>	<u>729,454</u>	<u>(268,905)</u>
<i>Restricted expenditures:</i>				
Instruction	269,690	316,341	176,650	139,691
Academic support	23,670	23,670	-	23,670
Student services	700,158	640,243	552,804	87,439
Institutional support	15,842	15,842	-	15,842
Operations and maintenance of plant	2,263	2,263	-	2,263
<i>Total restricted expenditures</i>	<u>1,011,623</u>	<u>998,359</u>	<u>729,454</u>	<u>268,905</u>
<i>Net transfers</i>	-	-	-	-
<i>Change in fund balance (budgetary basis)</i>	-	-	-	-
<i>Ending fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report

NEW MEXICO JUNIOR COLLEGE

AGENCY FUNDS

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

Year ended June 30, 2014

	<u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2014</u>
Athletic Summer School	\$ -	\$ 65	\$ 40	\$ 25
Baseball Booster Club	19,192	29,372	44,464	4,100
Pam Bickerton Family Scholarship	1,133	-	702	431
Cheerleaders	1,989	-	-	1,989
Athletic Training	389	88	176	301
Golf Booster Club	21,406	31,818	32,927	20,296
Basketball Tournaments	8,475	-	4,736	3,739
Men's Basketball	3,895	13,958	11,142	6,711
Women's Cross Country	1,109	438	875	672
Rodeo Club	13,095	5,848	6,848	12,095
Women's Basketball	18,331	10,221	13,515	15,037
AMP Club	180	-	-	180
ASSET Student Recognition	1,185	3,004	2,342	1,847
Automotive Competition	111	6,111	6,222	-
Backpacking & Camping	271	-	-	271
Burke Poetry Contest	444	-	-	444
Campus Ambassadors	1,369	75	139	1,305
College Democrats	316	-	-	316
Career Connections/Communications	299	-	-	299
Cosmetology Students	9,179	36,675	41,697	4,157
College Republicans	604	119	228	495
Drama Club	3,423	1,585	-	5,008
Emergency Services Law Camp	1,762	-	-	1,762
Faculty Senate	881	2,781	2,500	1,162
FFA	3,406	-	-	3,406
Fellowship of Christian Athletes	413	-	110	302
FCA Special Events	108	-	-	108
Ford ASSET Helping Hand	400	-	-	400
Geology Club	605	-	-	605
Healthy Active Lifestyle Challenge	94	-	-	94
GM ASEP Student Recognition	606	-	-	606
Law Enforcement Guest Speakers	1,000	125	249	876
Moran Lecture Series	5,229	8,000	3,375	9,855
NJCAA Division I Golf Association	43	-	-	43
NMJC Band Club	5,475	1,555	2,600	4,430
NMJC Sensations	4,623	-	-	4,623
NMJC Social Committee	5,624	4,517	1,262	8,879
Nature Trail Sculptures	7,887	850	2,352	6,385
NM Education Service Center	26,115	-	-	26,115
Phi Beta Lambda-NMJC	239	-	-	239
MU Alpha Theta	948	2,049	2,025	972
Phi Theta Kappa	4,750	6,173	6,494	4,428
Library Contest	100	-	-	100
Public Safety Account	-	-	-	-
Rope Climbing and Rappelling Club	635	-	-	635
Short Go Bible Study	103	1,350	1,397	56
Sigma Kappa Delta	-	100	-	100
Student Nurses Association	3	-	-	3
Support and Maintenance Council	1,478	1,046	1,031	1,492
Thunderbird Booster Club	1,000	18,844	19,826	18
Talent Search	10	-	-	10
VICA Postsec Automotive	74	-	-	74
VICA Postsec Cosmetology	-	-	-	-
NMJC Skills USA-High School	2,359	20,705	19,408	3,656

See accompanying independent auditor's report

Schedule I

	<u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2014</u>
Prepaid Tuition Agreement	25,822	1,796	1,461	26,157
SBDC Program Services	21,728	6,942	-	28,670
Student Support Services-SSS	751	83	165	669
NMJC Research Foundation	8,078	-	-	8,078
Upward Bound	8,223	3,182	657	10,748
Western Heritage Donations	22,543	10,901	21,765	11,678
Western Heritage Museum Memorial	-	963	175	788
Western Heritage Archaeological	544	105	-	649
Western Heritage Museum Membership	2,009	21,315	17,159	6,165
WHM Special Events	13,923	116,528	90,017	40,435
WHM Centennial	8,730	516	631	8,615
WHM Archaeological Memorial	552	-	-	552
WHM Publications Endowment	93	-	-	96
WHM Mammoth Fund Raiser	1,300	-	-	1,300
WhM Discretionary Fund	476	2,904	3,060	320
Total agency fund cash	<u>\$ 297,136</u>	<u>\$ 372,705</u>	<u>\$ 363,772</u>	<u>\$ 306,069</u>
Accounts Receivable	970	145	338	777
Less: Accounts Payable	<u>5,290</u>	<u>11,810</u>	<u>2,728</u>	<u>14,372</u>
Due to student organizations	<u>\$ 292,816</u>	<u>\$ 361,040</u>	<u>\$ 361,382</u>	<u>\$ 292,474</u>

NEW MEXICO JUNIOR COLLEGE
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
June 30, 2014

<u>Account Name</u>	<u>Type</u>	<u>Western Commerce Bank</u>	<u>New MexiGROW LGIP</u>	<u>New Mexico Finance Authority</u>
NMJC	Checking	\$ 25,025	\$ -	\$ -
Instructional and general	Checking	-	-	-
Instructional and general	Overnight Repurchase	-	-	-
NMFA program funds	Mutual fund	-	-	202,467
NMFA debt service reserve	State Treasurer	-	-	360,837
NMJC money market	Deposit	-	-	-
Student loan fund	Checking	-	-	-
Pell federal account	Checking	-	-	-
Payroll dep account	Checking	-	-	-
Agency account	Time Deposit	-	-	-
NMJC	Short-Term Investment	-	9,589,592	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	CD	-	-	-
NMJC Foundation	Savings	-	-	-
NMJC Foundation	Checking	-	-	-
Amounts on deposit		25,025	9,589,592	563,304
Outstanding items		-	-	-
		<u>\$ 25,025</u>	<u>\$ 9,589,592</u>	<u>\$ 563,304</u>

See accompanying independent auditor's report

Lea County State Bank	Bank of America	Wells Fargo Bank	Total	Component Unit			
				Merrill Lynch	Wells Fargo Bank	First American	Total
\$ -	\$ -	\$ -	\$ 25,025	\$ -	\$ -	\$ -	\$ -
-	-	2,005,767	2,005,767	-	-	-	-
-	-	2,240,560	2,240,560	-	-	-	-
-	-	-	202,467	-	-	-	-
-	-	-	360,837	-	-	-	-
32,538	-	-	32,538	-	-	-	-
-	25,905	-	25,905	-	-	-	-
235,796	-	-	235,796	-	-	-	-
-	27,868	-	27,868	-	-	-	-
-	-	328,876	328,876	-	-	-	-
-	-	-	9,589,592	-	-	-	-
-	-	-	-	181,891	-	-	181,891
-	-	-	-	74,901	-	-	74,901
-	-	-	-	10,016	-	-	10,016
-	-	-	-	50,315	-	-	50,315
-	-	-	-	6,359	-	189,035	195,394
-	-	-	-	-	100,464	-	100,464
-	-	-	-	-	67,070	-	67,070
268,334	53,773	4,575,203	15,075,231	323,482	167,534	189,035	680,051
(3,979)	(22,712)	(210,635)	(237,326)	-	(25,433)	258	(25,175)
<u>\$ 264,355</u>	<u>\$ 31,061</u>	<u>\$ 4,364,568</u>	<u>14,837,905</u>	<u>\$ 323,482</u>	<u>\$ 142,101</u>	<u>\$ 189,293</u>	<u>654,876</u>
		Petty cash	4,236				30
			<u>\$ 14,842,141</u>				<u>\$ 654,906</u>
Reconciliation to the Financial Statements:							
		Cash and cash equivalents	\$ 4,383,175				\$ 654,906
		Restricted cash and cash equivalents:	563,304				-
		Short-term investment	9,589,592				-
			14,536,071				654,906
Statement of Fiduciary Assets and Liabilities:							
		Cash and cash equivalents	306,070				-
		Total deposits and investments	<u>\$ 14,842,141</u>				<u>\$ 654,906</u>

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NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY

Schedule III

June 30, 2014

Depository	Description of Pledged Collateral	Fair Market Value June 30, 2014	Name and Location of Safekeeper
Wells Fargo Bank			
	FNMA, Due 9/1/2043 CUSIP #3138W9PA2	\$ 971,105	Wells Fargo Bank Minneapolis, MN
	FNMA, Due 2/1/2043 CUSIP #6353977827	<u>2,285,371</u>	Wells Fargo Bank Minneapolis, MN
Total collateral on repurchase agreement deposits at Wells Fargo Bank		<u>3,256,476</u>	
Lea County State Bank			
	Roswell NM 3.45%, Due 8/1/2016	295,000	Lea County State Bank * Hobbs, NM
	Gasden NM ISD, Due 8/15/2018	975,000	* Hobbs, NM Lea County State Bank
	Los Alamos PSD, Due 8/1/2018	<u>500,000</u>	* Hobbs, NM Lea County State Bank
Total Lea County State Bank		<u>1,770,000</u>	
Bank of America			
	FNCL Pool AO0758, Due 04/01/2042 CUSIP #3138LQZY3	<u>286,041</u>	Federal Reserve Bank Richmond, VA
Total Bank of America		<u>286,041</u>	
		<u>\$ 5,312,517</u>	

* As per NMAC 2.2.2.10 (N)(4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See accompanying independent auditor's report



Accounting & Consulting Group, LLP

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of New Mexico Junior College (the College), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise New Mexico Junior College's basic financial statements, and the budgetary comparisons presented as supplementary information, and have issued our report thereon dated November 13, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not consider any of the deficiencies described in the accompanying schedule of finding and questioned costs to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2014-001 and FS 2014-002.

The College's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting + Consulting Group, LLP

Accounting and Consulting Group, LLP
Albuquerque, NM
November 13, 2014



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on Compliance for Each Major Federal Program

We have audited New Mexico Junior College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the College's major federal programs for the year ended June 30, 2014. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Basis for Qualified Opinion on TRIO Cluster-Upward Bound

As described in the accompanying schedule of findings and questioned costs, the College did not comply with requirements regarding CFDA 84.047 Trio Cluster-Upward Bound Program as described in finding number FA 2014-001 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the College to comply with the requirements applicable to that program.

Qualified Opinion on TRIO Cluster-Upward Bound

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Trio Cluster-Upward Bound program for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the College, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 2014-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 2014-002 and FA 2014-003 to be significant deficiencies.

The College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 13, 2014

NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule IV

Year ended June 30, 2014

	<u>Federal CFDA Number</u>	<u>Program or Grantor Number</u>	<u>Federal Expenditures</u>
US Department of Education			
Direct programs:			
Student financial assistance cluster: *			
Federal Pell Grant program (1)	84.063	42310	\$ 2,790,068
Federal SEOG program (1)	84.007	42325	37,043
Federal work study program (1)	84.033	42511	35,433
TRIO cluster: *			
TRIO-Student support services (2)	84.042A	41131	260,831
TRIO-Upward bound (2)	84.047A	41133	247,879
US Nuclear Regulatory Commission			
US NRC Scholarships	77.006	41142	20,021
US Department of Labor Employment & Training Administration			
TAACCCT Grant	17.282	41151	13,552
Passed through New Mexico			
Public Education Department:			
Carl Perkins vocational support services	84.048	41314	10,521
Adult Basic Education Federal	84.002	41310	<u>22,448</u>
Total US Department of Education			<u>3,437,796</u>
US Small Business Administration			
Passed through New Mexico			
Public Education Department:			
Small Business Development Center	59.037	41220	<u>20,689</u>
Total expenditures of federal awards			<u>\$ 3,458,485</u>

* Tested as major program

() Denotes cluster

Federal Direct loans advanced to students in fiscal year 2014 were not included on this schedule.

NEW MEXICO JUNIOR COLLEGE

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014**

- NOTE 1** Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until earned.
- NOTE 2** The period of availability for federal funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provision in Section H-Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
- NOTE 3** This schedule was prepared on the accrual basis of accounting.
- NOTE 4** New Mexico Junior College is not a direct participant in federally funded student loan programs where it enables them to track outstanding balances of the loans.
- NOTE 5** Federal Direct loans advanced to students in fiscal year 2014 totaled \$1,150,028.

NEW MEXICO JUNIOR COLLEGE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|---|-----------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors' report issued on compliance for major programs | Qualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | Yes |
| 3. Identification of major programs: | |

CFDA Number(s)

Federal Program

84.063
84.007
84.033

Student Financial Assistance Cluster
Federal PELL Grant program
Federal SEOG program
Federal Work Study program

84.042A
84.047A

TRIO Cluster
TRIO-Student Support Services
TRIO-Upward Bound

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014

B. FINDINGS—FINANCIAL STATEMENT AUDIT

FS 2014-001 Internal Control over Fuel Cards (Other Matter)

Condition: The College did not have adequate controls in place over reviewing fuel card transactions. For 2 fuel transactions tested totaling \$87.77 (based on the invoice) the supporting receipts indicated a total of \$86.99.

Criteria: Sound internal control practices include the reviewing and reconciling of purchases. Reconciliation activities confirm that you are paying for approved purchases and are being billed correctly. Performing monthly ledger reconciliations will help to catch improper charges and validate transactions.

Effect: The College has been overpaying invoices related to this fuel card vendor since June of 2013.

Cause: The current fuel card vendor acquired the previous fuel card vendor in June of 2013. The previous fuel card vendor charged an additional fee of \$.03 per gallon if the College fueled at locations that were not affiliated with the previous fuel card vendor. The College's staff did not question the additional charges included on the invoice, until it was questioned by the auditor.

Auditors' Recommendation: It is recommended that management ensure all receipts are kept and matched to invoices. If any discrepancies arise management should contact the vendor before the invoice is paid to resolve the issues.

College's Response: Management agrees that the College must have adequate controls in place in reviewing fuel card transactions. In this case the fuel card vendor had been charging a .03 cent per gallon fee since 2007, if the College fueled at locations that were not affiliated with the previous fuel card vendor. The fuel card vendor changed ownership in June of 2013. Staff did not question the new vendor as they continuing to impose the .03 cent per gallon fee. After this was in question, staff contacted the new vendor and requested and received a reimbursement for the fee that they were no longer charging.

FS 2014-002 Formal Presentation of Chief Procurement Officer Information to Central Purchasing Office (Other Matter)

Condition: The College did not formally communicate the name of its Chief Procurement Officer to the Central Purchasing Office by January 1, 2014

Criteria: SB 443 says on or before January 1 of each year beginning in 2014, and every time a chief procurement officer is hired, each state agency and local public body shall provide to the state purchasing agent the name of the chief procurement officer and information identifying the College's central purchasing office.

Effect: The Central Purchasing Office does not have a contact listed for the College.

Cause: The College's staff did not inform the Central Purchasing Office about its Chief Procurement Officer.

Auditors' Recommendation: It is recommended that the Chief Procurement Officer formally communicate to the Central Purchasing Office the information for the College's Chief Procurement Officer.

College's Response: Management corrected this deficiency during the audit and the College's Procurement Officer has been identified with the Central Purchasing Office.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FA 2014-001 - TRIO Cluster – Payroll Distribution Reports (Material Weakness, Material Non-Compliance)

Federal Program information:

Title: TRIO Cluster-Upward Bound Program
Funding Agency: U.S. Department of Education
Pass Through: None
CFDA Number: 84.047
Award Year and Number: P047A120083-13
Questioned Cost: \$93,181

Condition: For 2 employees whose salaries were charged to the Upward Bound program, the employees were in professional full-time positions and did not document their distribution of salaries and wages with supporting after-the-fact activity records.

Criteria: The College must adhere to Appendix A of 2 CFR Part 220 Cost Principles for Educational Institutions (OMB Circular A-21), which indicates that payroll costs charged to federal programs must be supported by records that recognize the principle of after-the-fact confirmation or determination of amounts charged.

Effect: New Mexico Junior College was not in compliance with two CFR part 220, Cost Principles for Educational Institutions (OMB Circular A-21) which could result in the loss of funding.

Cause: The program director was unaware of the requirements for staff to certify time and effort directly related to the Upward Bound program in after-the-fact activity records.

Auditors' Recommendation: It is recommended that the College implement procedures that require the staff to certify after-the-fact activity distribution of time and effort related to the Upward Bound program in compliance with Appendix A of 2 CFR Part 220 Cost Principles for Educational Institutions (OMB Circular A-21).

College's Response: Management agrees that all the activities of the two professional staff must document for time and effort. A new director of the Upward Bound grant has been employed for fiscal year 2015. The new Director has already put in place time and effort forms and participation forms that will address this deficiency.

NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2014

FA 2014-002 TRIO Cluster - Unsupported and/or Unallowed Costs (Significant Deficiency and Noncompliance)

Federal Program information:

Title: TRIO Cluster-Upward Bound Program
Funding Agency: U.S. Department of Education
Pass Through: None
CFDA Number: 84.047
Award Year and Number: P047A120083-13
Questioned Cost: \$104.57

Condition: During our testwork of expenses, we noted the following:

- For 2 of 25 sample items tested, the expenses were not allowable or reasonable per review of the grant requirements. The total amount of the expenses was \$105.
- For 1 of 25 sample items tested, the expense was not approved using a Purchase Order. The total amount of the expenses was \$1,590.

Criteria: The College must adhere to 2 CFR part 220, Cost Principles for Educational Institutions (OMB Circular A-21) which indicates to be an allowable expense under the federal awards, costs must be supported by appropriate documentation, such as approved purchase orders, receiving reports, vendor invoices, cancelled checks, and time and attendance records, and correctly charged as to account, amount, and period. In addition, the College must have internal controls to ensure expenses from grant funds are properly supported in order to demonstrate compliance with OMB Circular A-133 and the grant agreement.

Effect: NMJC was not in compliance with 2 CFR part 220, Cost Principles for Educational Institutions (OMB Circular A-21) which could result in the loss of funding. In addition, proper internal controls were not in place; therefore, expenses were made from federal grant funds that were unallowable and/or unsupported.

Cause: Due to turnover of NMJC's staff in the Upward Bound program, it is unknown why the detailed supporting documentation was not maintained for the expenses.

Auditors' Recommendation: Management should consider providing training opportunities for personnel responsible for grant funds to ensure awareness and compliance with grant requirements and the College's policies and procedures.

College's Response: Management agrees that all purchases must follow OMB Circular A-21 and A-133. The Upward Bound grant has a new Director in place for fiscal year 2015 and the new Director has established purchase and request forms to control unauthorized purchases. Item two concerning the expense that did not use a purchase order was to the institution's bookstore, the policy at the College does not require a purchase order for purchases at the bookstore. Internal department charges are posted to the various departments and grants through the SCT Banner software system internal feed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014

FA 2014-003 TRIO Cluster – Performance Reporting (Significant Deficiency)

Federal Program information:

Title: TRIO Cluster-Student Support Services Program
Funding Agency: U.S. Department of Education
Pass Through: None
CFDA Number: 84.042
Award Year and Number: P042A100007-12
Questioned Cost: None

Condition: We noted that for one out of nineteen participants selected from the Student Support Services Annual Performance Report (APR), that the participant's academic standing was incorrectly reported as a 2.000 grade point average (GPA). The student's academic standing should have been reported as a 9.999 to indicate the student as a new participant who did not earn college credits; however, program personnel input a mid-term grade (GPA) that was for transitional (no credit) remedial courses in the summer. Based on further review, all new participants were reported with an incorrect academic standing. The total misreported students was 15. The APR was reviewed and approved by management; however, the misclassification was not identified during the internal review.

Criteria: Proper internal controls over compliance and compliance requirements for the TRIO Cluster require that program staff review and approve reports and ensure the accuracy of key line item information as required in the annual performance reports (OMB No. 1840-0525).

Effect: The College is not reporting accurate information, which could result in a future loss of funding.

Cause: The program management was not using 9.999 for new participants who had not yet earned GPAs in credit courses as described in the APR instructions when classifying participants to complete the data entry for the annual performance reporting requirements.

Auditors' Recommendation: Management should establish a more detailed review to ensure participants are correctly classified in the Annual Performance Report prior to submission to the U.S. Department of Education.

College's Response: Management agrees that proper reporting is essential in the compliance requirements as required by (OMB No. 1840-0525). The Director for the Student Support Services acknowledges the using of 9.999 for new participant who has not earned college credits is the correct procedure. This had not been a problem in the past because the report had not been due until February. After the first participant had been noted to have the incorrect grade point, the Director self-reported to the auditors the other 14 participants during her review of the report. This error has been identified and corrected.

E. PRIOR YEAR FINDINGS

- FS 2013-001: IPA Recommendation Form and Contract – Other Matter
Resolved and not repeated.
- FS 2013-002: Per Diem Mileage Reimbursement – Other Matter
Resolved and not repeated.
- FS 2013-003: Procurement – Other Matter
Resolved and not repeated.
- FS 2013-004: Fixed Asset Observation Board Certification and Disposals – Significant Deficiency
Resolved and not repeated.
- FS 2013-005: Miscounts during inventory observation – Significant Deficiency
Resolved and not repeated.
- FS 2013-006: Vacation time not being recorded by HR – Significant Deficiency
Resolved and not repeated.

NEW MEXICO JUNIOR COLLEGE

OTHER DISCLOSURES

JUNE 30, 2014

FINANCIAL STATEMENT PREPARATION

The financial statements were prepared from the original books and records and with the assistance of the management of New Mexico Junior College as of June 30, 2014 by Accounting and Consulting Group, LLP.

EXIT CONFERENCE

The contents of this report and its schedules related to the component unit were discussed on November 13, 2014. The following persons were in attendance:

Foundation Officials

Dan Hardin, Foundation Treasurer
Tina Kunko, Foundation Accountant/Controller

College Officials

Pat Chappelle, Board Chairman
Dr. Steve McCleery, President
Dan Hardin, Vice-President for Finance
Josh Morgan, Accountant/Comptroller
Larry Sanderson, Director of Institutional Effectiveness

Office of the New Mexico State Auditor

Sara Specht
Melissa Spangler

Accounting & Consulting Group, LLP

Cindy Bryan, Partner
Paul Garcia, Senior In-Charge

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**
From: Dan Hardin
Date: February 6, 2015
RE: Expenditure and Revenue Reports for January 2015

January is month seven or 58% of the budget for the 2014/2015 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 January is \$25,994,694.00.

The total expenditures for Instruction & General through January are \$12,807,031.00, which is 61% of the projected budget. The year-to-date expenditures for Total Current Unrestricted Funds are \$16,139,302.00. As you review the current unrestricted funds many of these areas have expended a large portion of their budget. These departments expend most of their budgets at the beginning of each semester. We are required to do a transfer from Instruction and General to Computer Services to cover costs in Computer Services. Some months that credit is greater than the expenses for the month in Internal Services. Student Aid is where the tuition is expensed for the High School students enrolled in the dual credit and the ITV classes; it is also where we expense the employee tuition & fee waivers, and the senior citizen tuition waivers.

In the Restricted Funds the expenditures in the Grant area is relatively normal for this time of year. Stacey Winn, the Grants Accountant is very diligent in monitoring grants expenses and drawing funds down in a timely fashion. Restricted Student Aid had the big Pell payout in January, with the Business office issuing several hundred thousand dollars in checks to students. This is a payout after their bills to NMJC were paid. Total restricted funds through January of 2015 are \$4,253,747.00.

Plant fund expenditures year-to-date is \$5,601,645.00, most of which is the Bob Moran Housing project and the Infrastructure project.

Total expenditures through January 2015 were \$25,994,694.00, which is 60% of the projected budget.

Total Current Unrestricted revenue received in January 2015 was \$3,655,041.00. This consists of the tuition and fees, the monthly allocation from the state, the Oil and Gas

Income, bookstore and housing revenue.

Tuition and Fees collected in January was \$492,183.00 as we collect tuition and fees for the spring semester. The College received \$2,240,749.00 in Oil and Gas and Oil and Gas equipment tax in January. Auxiliary enterprises had revenue of \$359,822.00 in January, mostly coming from the bookstore.

Restricted funds had a large drawdown of \$1,457,507.00 in Student Aid, which follows the large expenditure in restricted student aid. We will have additional drawdowns in February.

\$235,639 in GOB funds were drawn in for the Infrastructure project in January. Beth Hancock does an excellent job of keeping funds draw down as quickly as possible.

Total revenue for January 2015 is \$5,459,654.00, with year-to-date revenue of \$25,522,207.00 or 72% of projected budget.

The Oil and Gas report reflects the mill levy revenue from Oil and Gas and Oil and Gas equipment taxes. The total budget for Oil and Gas and Oil and Gas equipment for the year is \$7,080,000.00. The total Oil and Gas and Oil and Gas equipment revenue through January of 2015 is \$6,515,784.00, which is \$564,216.00 under the total Oil and Gas and Oil and Gas Equipment budget for the year.

The investment report is different this month. The New Mexico Local Government Investment Pool deposited into the New Mexico Junior College investment \$3,534.53 on January 30th. This is a recovery from the reserve account leaving a balance in the reserve account of \$2,396.77 as of the end of January and moving the New Mexico Junior College investment to \$9,593,126.58. In February of 2009 the reserve account had a balance of \$415,268.72. The College has been reimbursed from that amount down to the \$2,396.77. There is \$11,941,754.29 in designated capital projects as of the end of January 2015.

This concludes the Financial Report for January 2015.

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
January 2015

58% of Year Completed

Fund	2013-14			2014-15			
	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	9,106,822	5,205,630	57%	9,731,091	706,265	5,514,940	57%
Academic Support	2,259,588	1,332,848	59%	2,273,743	182,196	1,407,247	62%
Student Services	1,823,694	986,884	54%	1,840,687	137,164	1,096,449	60%
Institutional Support	3,337,419	2,378,170	71%	3,528,284	446,746	2,577,553	73%
Operation & Maintenance of Plant	3,288,327	2,123,849	65%	3,541,829	305,405	2,210,842	62%
Subtotal - Instruction & General	19,815,850	12,027,381	61%	20,915,634	1,777,776	12,807,031	61%
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	84,909	226,220	266%	87,145	(6,518)	194,211	223%
Student Aid	568,551	702,613	124%	593,551	104,944	726,103	122%
Auxiliary Enterprises	1,799,060	1,564,996	87%	1,800,693	294,273	1,433,595	80%
Athletics	1,019,727	971,915	95%	1,029,348	293,965	978,362	95%
Total Current Unrestricted Fund	23,288,097	15,493,125	67%	24,426,371	2,464,440	16,139,302	66%
CURRENT RESTRICTED FUND							
Grants	1,179,460	539,944	46%	1,157,859	127,184	1,085,537	94%
Student Aid	5,033,468	4,193,650	83%	5,033,468	1,214,617	3,168,210	63%
Total Current Restricted Fund	6,212,928	4,733,594	76%	6,191,327	1,341,801	4,253,747	69%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	14,435,571	5,833,391	40%	8,757,760	125,054	2,424,301	28%
Projects from State GOB Funds	3,324,582	2,714,359	82%	3,050,000	68,085	2,566,635	84%
Projects from State STB Funds	1,487,000	1,023,485	69%	0	0	0	0%
Projects from General Fund	397,272	25,077	6%	0	1,279	11,456	0%
Projects from Private Funds	0	0	0%	0	0	0	0%
Projects from State ER&R	671,725	323,194	48%	332,720	18,520	293,492	88%
Projects from State BR&R	1,003,998	655,107	65%	597,281	26,030	305,761	51%
Subtotal - Capital and BR&R	21,320,148	10,574,613	50%	12,737,761	238,968	5,601,645	44%
Debt Service							
Revenue Bonds	0	0	0%	276,000	0	0	0%
Total Plant Funds	21,320,148	10,574,613	50%	13,013,761	238,968	5,601,645	43%
GRAND TOTAL EXPENDITURES	50,821,173	30,801,332	61%	43,631,459	4,045,209	25,994,694	60%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
January 2015

58% of Year Completed

Fund	2013-14			2014-15			
	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	3,684,200	3,598,698	98%	3,684,200	492,183	3,464,106	94%
State Appropriations	5,933,300	3,613,215	61%	6,047,200	498,489	3,697,018	61%
Advalorem Taxes - Oil and Gas	6,455,000	7,733,322	120%	7,235,000	2,240,749	7,910,784	109%
Advalorem Taxes - Property	5,455,000	4,275,416	78%	6,003,500	794	2,256,822	38%
Interest Income	5,000	817	16%	4,000	287	1,530	38%
Other Revenues	356,361	161,601	45%	368,161	21,694	203,305	55%
Subtotal - Instruction & General	21,888,861	19,383,069	89%	23,342,061	3,254,196	17,533,565	75%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	24,000	7,775	32%	27,000	0	5,952	22%
Auxiliary Enterprises	2,213,000	1,652,010	75%	2,251,000	359,822	2,125,295	94%
Athletics	330,900	194,499	59%	483,400	41,023	286,886	59%
Total Current Unrestricted	24,456,761	21,237,353	87%	26,103,461	3,655,041	19,951,698	76%
CURRENT RESTRICTED FUND							
Grants	1,179,460	453,715	38%	1,157,859	110,141	1,085,537	94%
Student Aid	5,033,468	3,901,710	78%	5,033,468	1,457,507	3,168,210	63%
Total Current Restricted	6,212,928	4,355,425	70%	6,191,327	1,567,648	4,253,747	69%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	0	0	0%	3,300,000	235,639	1,308,375	0%
Projects from State STB Funds	427,000	109,855	26%	0	0	0	0%
Projects from General Fund	0	0	0%	0	0	0	0%
Projects from Private Funds	0	0	0%	0	0	0	0%
Interest Income (LGIP)	30,000	7,553	25%	10,000	1,326	8,387	84%
Total Plant Funds	457,000	117,408	26%	3,310,000	236,965	1,316,762	40%
GRAND TOTAL REVENUES	31,126,689	25,710,186	83%	35,604,788	5,459,654	25,522,207	72%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

January 2015

58% of Year Completed

		OIL		GAS		COMBINED		
Month of	Sales	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2011-12 Original Budget	Variance Over (Under) Budget
Distribution								
Actual	July	\$75.60	5,043,401	\$5.99	15,571,479	1,232,271	465,000	767,271
Actual	August	\$80.78	4,888,347	\$5.46	15,838,690	1,090,531	465,000	625,531
Actual	September	\$77.29	4,582,238	\$5.46	15,443,043	1,002,059	465,000	537,059
Actual	October	\$72.15	5,068,963	\$4.90	15,511,710	967,962	465,000	502,962
Accrual	November					465,000	465,000	0
Accrual	December					465,000	465,000	0
Accrual	January					465,000	465,000	0
Accrual	February						465,000	(465,000)
Accrual	March						465,000	(465,000)
Accrual	April						465,000	(465,000)
Accrual	May						465,000	(465,000)
Accrual	June						465,000	(465,000)
Y.T.D. Production Tax Revenue						5,687,823	5,580,000	107,823
Y.T.D. Equipment Tax Revenue						2,222,961	1,655,000	567,961
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						7,910,784	7,235,000	675,784

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE
Schedule of Investments
January 2015

58% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	9,589,592	7102-1348	0.104%	1,326
Plus deposits	3,535			
Less withdrawals	0			
Total LGIP investments	<u><u>9,593,127</u></u>			<u><u>8,387</u></u>

Capital Projects	1/31/2015
Vehicles	2,812.94
Technology Upgrade	9,372.49
JASI	45,106.00
WHM South Gallery	266,594.43
Baseball Field	30,162.95
Rodeo Arena	0.00
Original Entrance Landscaping	0.00
Luminis Software	2,993.00
Landscaping	177,722.42
Campus Signage	2,801.67
Roof Replacement	27,382.26
Dorm/Apartment Refurbish	301,205.34
Campus Construction	396,350.90
Oil & Gas Training	237,653.09
Maintenance Equipment	3,452.01
Public Sector	19,227.00
Campus Security	62,758.61
Track/Arena Area Enhancement	15,396.78
Lumens Software-Distance Learning	5,000.00
Copier Replacement	7,104.00
Non-Recurring Compensation	152,169.10
Athletics	150,451.47
Student Life Programming	13,218.63
Warehouse/Cont Ed Remodel	1,640.92
Succession Plan	108,152.25
Energy Technology Equipment	300,000.00
WHM Exhibits	73,648.78
Mansur Hall Upgrades	61,944.00
Senior Warm Water Wellness Ctr	1,500,000.00
Paradigms Users Fees	0.00
Track Upgrades	25,881.39
Driving Range Upgrades	200,000.00
Lockheed Martin Nuclear Training	100,000.00
Cosmetology Remodel	700,000.00
Equine Program	15,108.75
Entertainment Technology	1,300,215.30
Cafeteria Upgrade	44,194.92
Channel 19 Upgrade	25,000.00
FERPA & Title IX	9,459.00
Professional Development HS	14,036.29
Equestrian Center	3,000,000.00
Bob Moran Upgrades	297,722.61
Campus/Hospital Fencing	200,000.00
Turf Replacement	196,500.00
Watson Hall Theater	265,455.52
WHM Titanic Exhibit	75,000.00
Infrastructure Upgrade	1,473,937.50
Cadet Supplement	19,527.54
Workforce Training Contingency	5,394.37
TOTAL	11,941,754.29

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: February 9, 2015

Attached for your approval are the Fiscal Watch reports for December 2014 to be submitted to the Higher Education Department by the end of February. The first report is the Statement of Net Assets for December 31, 2014. The total current assets consist of Cash and Cash Equivalents in the amount of \$4,017,910.00, which represents cash in the vault and balances in the bank. Investments totaling \$9,589,592.00 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. An example of a prepaid expense would be a maintenance agreement prepaid for the entire year. Total current assets are \$17,107,871.00

Non-Current Assets include Restricted Cash and Cash Equivalents; this is the amount of cash at the New Mexico Finance Authority that has not been applied. Also, in Non-Current assets are the capital assets totaling \$71,000,749.00. Total Assets are \$88,787,190.00

Current Liabilities begin with Accounts Payable of \$75,310.00. 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 generated in 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. Accounts Payable also includes Gross Receipts. Other Accrued Liabilities include all of the withholding payables for Federal Income Tax, State Income Tax, ERA, Health Insurance, gross receipts, and other payroll related withholdings. Total Other Accrued Liabilities as of December 31, 2014 are \$440,074.00. Deposit held for others or non-institutional accounts are where we house the funds that belong to the different clubs on campus. Interest payable is the amount of interest due as of December 31, 2014 on the John Watson

Student Apartments debt. Deferred income 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 salaries payable and accrued vacation payables. The total of other payables is \$694,750.00. Long term liabilities – current portion is the remaining principal portion of the long term liabilities to be paid over the 12 months. Total Current Liabilities are \$1,734,013.00 as of December 31, 2014. Other Long Term Liabilities of 537,989.00 is the principal portion of the Student Apartments loan. Total liabilities are \$2,272,002.00. The Net Assets include Invested in Capital Assets, net of related debt, for a total of \$70,234,699.00. Unrestricted net assets have a total as of December 2014 of \$15,601,919.00, with the total net assets of \$86,515,188.00. The next report is the summary of the original FY 15 budget to actual as of December 2014. These numbers are also taken from the monthly Board report that was presented to the Board at the January Board meeting. Revenues are at the 62% of the budget for the two quarters. Tuition and Fees for the first two quarters total \$2,971,923.00 and State Appropriations are at 52% of the budget which is normal. The local appropriation total is \$7,926,063, which includes three months of accrual for the Oil & Gas mill levy. The expenditure comparison of budget to actual is also the same as Board reports being presented at the January Board meeting. Encumbrances and seasonal expenditures in Internal Services, Student Aid, and Auxiliary Enterprise account for budget areas being over 50% of their budget. As of December 2014, the College has received interest revenue of \$7,061.00 and \$1,072,736.00 in drawdowns from the GOB for Infrastructure in Plant fund revenue and had 1,206,001.00 in transfers. Plant Fund expenditures show the amounts that have been expended and/or encumbered for the capital projects. There are several capital projects in progress at this time.

The next fiscal watch report is the Comparison of Operating and Plant Funds. This report was generated using the same numbers from the Board reports that was presented at the January Board meeting. This report compares the December 2013 current revenues to the December 2014 current revenues. Tuition and Fee revenue is slightly down in December 2014 as compared to December 2013. State Appropriations are showing to be higher in FY 15 as compared to FY 14. Local appropriations are currently higher in FY 15 as compared to FY 14. Oil & Gas has three months of accrual in FY 15 as compared to two months of accrual in FY 14. Property tax revenue is higher in FY 15. Auxiliary Enterprises (Sales & Services) revenue is currently higher in FY 15 as compared to FY 14. Total operating revenue through December 2014 was \$16,296,656.00 as compared to \$14,566,312.00 in December 2013.

Unrestricted Expenditures in December 2013 were \$12,904,246.00 compared to \$13,674,862.00 in December of 2014. The increase in Unrestricted Expenditures from December 2013 to December 2014 is a reflection of the increase in salary expense for FY 15.

The Cash Flow statement represents the activity during the first half of the fiscal year.

Cash flows from operating activities indicates the money coming in from tuition and fees, grants, auxiliary enterprises, and other revenues, then the funds going out for salaries and benefits, payouts to students, and vendors. The net result is that it took \$9,586,863 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 \$9,975,455.00. The third section is cash from capital financing activities, this shows the revenue from capital gifts, State funding for STB and grants, with funds expended for debt service and purchase of capital assets. The total is (\$645,652.00). You can see the cash and cash equivalents as of December 2014 are \$14,286,072.00. Basically, we began the fiscal year with \$14,536,071.00 in cash; we ended the first two quarters with \$14,286,072.00 in cash for a net decrease of \$249,999.00. This gives you a snap shot of the cash in and out for the first six months of FY 15.

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

Respectfully,

Dan Hardin

New Mexico Junior College

Statement of Net Assets (Unaudited and Unadjusted) As of (December 31, 2014)

Assets

Current Assets:

Cash and Cash Equivalents	\$	4,017,910
Short-Term Investments		9,589,592
Accounts Receivable, net		2,601,454
Inventories		876,768
Prepaid Expenses		22,147
Loans Receivable, net		

Total Current Assets	\$	17,107,871
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Non-Current Assets

Restricted Cash and Cash Equivalents	\$	678,570
Restricted Short Term Investments		
Investments Held by Others		
Other Long-Term Investments		
Prepaid Expenses		
Capital Assets, net		71,000,749

Total Non-Current Assets	\$	71,679,319
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Total Assets	\$	88,787,190
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Liabilities

Current Liabilities

Accounts Payable	\$	75,310
Other Accrued Liabilities		440,074
Deposits Held for Others		288,618
LT Liabilities - Interest Payable		7,200
Deferred Income		-
Other Payables		694,750
LT Liabilities - Current Portion		228,061

Total Current Liabilities	\$	1,734,013
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Non-Current Liabilities

Other LT Liabilities		537,989
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Total Non-Current Liabilities	\$	537,989
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Total Liabilities	\$	2,272,002
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Net Assets

Invested in Capital Assets, net of Related Debt	\$	70,234,699
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Restricted for:

Non-Expendable:

Expendable:

General Activities

Federal Student Loans

Term Endowments

Capital Projects

Expendable future debt service requirements	678,570
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Unrestricted	\$	15,601,919
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Total Net Assets	\$	86,515,188
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Total Liabilities & Net Assets	\$	88,787,190
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New Mexico Junior College

Summary of Operating and Plant Funds (Unadjusted and Unaudited) Fiscal Year 2015

Operating Funds	FY 2015 Original Budget	FY 2015 Actuals as of December 31, 2014	Percentage Earned/Spent
REVENUES			
Tuition & Misc Fees	\$ 3,684,200	\$ 2,971,923	80.67%
State Appropriations	6,047,200	3,198,529	52.89%
Local Appropriations	13,238,500	7,926,063	59.87%
Sales & Services	2,251,000	1,765,472	78.43%
Other	882,561	434,669	49.25%
Total Revenue	\$26,103,461	\$16,296,656	62.43%
BEGINNING BALANCE	\$1,801,153	\$1,801,153	
TOTAL AVAILABLE	\$27,904,614	\$18,097,809	
EXPENDITURES			
Instruction & General	\$ 20,915,634	11,029,255	52.73%
Internal Services	87,145	200,729	230.34%
Student Aid	593,551	621,159	104.65%
Auxiliary Enterprises	1,800,693	1,139,322	63.27%
Intercollegiate Athletics	1,029,348	684,397	66.49%
Total Expenditures	\$ 24,426,371	13,674,862	55.98%
Net Transfers	\$1,206,001	\$1,206,001	
TOTAL EXPENDITURES & TRANSFERS	\$ 25,632,372	14,880,863	58.05%
Ending Fund Balance	\$2,272,242	\$3,216,946	

Plant Funds	FY 2015 Original Budget	FY 2015 Actuals as of December 31, 2014	Percentage Earned/Spent
REVENUES AND TRANSFERS			
Interest Income	10,000	7,061	
State Appropriations	3,300,000	1,072,736	
Capital Projects Transfer			
Total Revenues and Transfers	\$ 3,310,000	\$ 1,079,797	
BEGINNING BALANCE	\$ 9,897,907	\$ 9,897,907	
TOTAL AVAILABLE	13,207,907	10,977,704	
EXPENDITURES			
Capital Projects	11,807,760	4,807,974	
BR&R & ER&R	930,001	554,703	
State Appropriations			
Debt Retirement	276,000		
Total Expenditures	\$ 13,013,761	\$ 5,362,677	41.21%
Net Transfers	\$ 1,206,001	\$ 1,206,001	
Ending Fund Balance	1,400,147	6,821,028	

New Mexico Junior College

Comparison of Operating and Plant Funds (Unadjusted and Unaudited) Fiscal Year 2014 and 2015

Operating Funds	FY 2014 Actuals as of December 31, 2013	FY 2015 Actuals as of December 31, 2014	Percentage Increase (Decrease)
REVENUES			
Tuition & Misc Fees	\$ 3,010,191	\$ 2,971,923	-1.3%
Federal Appropriations			
State Appropriations	3,110,688	3,198,529	2.8%
Local Appropriations	6,948,288	7,926,063	14.1%
Sales & Services	1,345,771	1,765,472	31.2%
Other	151,374	434,669	187.1%
Total Revenue	\$ 14,566,312	\$ 16,296,656	11.9%
BEGINNING BALANCE	\$1,244,263	\$1,801,153	
TOTAL AVAILABLE	15,810,575	18,097,809	
EXPENDITURES			
Instruction & General	10,253,290	11,029,255	7.6%
Internal Services	203,959	200,729	-1.6%
Student Aid	522,401	621,159	18.9%
Auxiliary Enterprises	1,268,400	1,139,322	-10.2%
Intercollegiate Athletics	656,196	684,397	4.3%
Total Expenditures	12,904,246	13,674,862	6.0%
Net Transfers	(1,206,001)	1,206,001	
TOTAL EXPENDITURES & TRANSFERS	\$ 11,698,245	\$ 14,880,863	27.2%
Increase (Decrease) in Fund Balance	\$ 2,868,067	\$ 3,216,946	

Plant Funds	FY 2014 Actuals as of December 31, 2013	FY 2015 Actuals as of December 31, 2014	Percentage Increase (Decrease)
REVENUES AND TRANSFERS			
Interest Income	6,378	7,061	
State Appropriations	109,855	1,072,736	
Debt Service Transfers			
Other			
Total Revenues and Transfers	\$ 116,233	\$ 1,079,797	
BEGINNING BALANCE	9,159,432	9,897,907	
TOTAL AVAILABLE	9,275,665	10,977,704	
EXPENDITURES			
Capital Projects	4,116,650	4,807,974	16.8%
State Funded Projects			
Private Funds			
Building R&R	562,770	279,731	
Equipment R&R	298,581	274,972	
Total Expenditures	\$ 4,978,001	\$ 5,362,677	7.7%
Net Transfers	\$ 1,206,001	\$ 1,206,001	
Ending Fund Balance	\$ 5,503,665	\$ 6,821,028	

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 12 31 2014

Cash Flows from Operating Activities	
Receipts from student tuition and fees	\$ 2,971,923
Receipts from grants and contracts	2,686,099
Other receipts	
Payments to or on behalf of employees	(10,506,697)
Payment to suppliers for goods and services	(5,588,268)
Receipts from Sales and Services	1,765,472
Payments for scholarships	(1,104,198)
Other Operating Revenue	188,806
Net cash (used) by operating activities	<u>\$ (9,586,863)</u>
Cash Flows from Non-Capital Financing Activities	
State Appropriations	\$ 3,444,392
Mill Levy Taxes	\$ 6,531,063
Other Non-operating Expense	
Net Cash provided (used) for non-capital financing activities	<u>\$ 9,975,455</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Capital Debt	-
Capital Gifts, Grants and contracts	1,072,736
Purchase/Construction/Renovation of Capital Assets	(1,396,787)
Principal Received/Paid on Capital Debt and Leases	(300,000)
Interest and Fees Paid on Capital Debt and Leases	(21,601)
Net Cash provided (used) for capital financing activities	<u>\$ (645,652)</u>
Cash Flows from Investing Activities	
Investment Earnings	\$ 7,061
Net Cash provided by Investing Activities	<u>\$ 7,061</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ (249,999)
Cash and Cash Equivalents- beginning of year	14,536,071
Cash and Cash Equivalents- end of reporting period	\$ 14,286,072

TO: NMJC Board Members
Cc: Dr. Steve McCleery

FROM: Dean Jeff McCool and Dr. Larry Sanderson

DATE: February 5, 2015

RE: Request for Approval of TAACCCT Evaluation Plan and Budget

We are requesting Board approval of the formal third party evaluation plan for the TAACCCT grant currently being administered by NMJC. The agreement for funding from the Department of Labor requires a formal third party evaluation. After reviewing available providers, we are proposing to work with the Center for Education Policy Research (CEPR) at the University of New Mexico. CEPR is currently providing evaluation services for a TAACCCT grant at Santa Fe Community College and will be providing major evaluation services for the new consortium TAACCCT grant that has been awarded this year in New Mexico. The CEPR team is an experienced group well familiar with the particular requirements of the TAACCCT grant and the reporting needs of the Department of Labor.

The evaluation plan is included here for your review. Details of the financial cost are on page 30 of their proposal. The total cost of the evaluation is set at \$185,000 over the period from March 2015 through September 2017. This figure represents roughly 7-7.5% of the total grant. This amount is in line with similar evaluation costs and services for large scale federal grants.

Costs for the evaluation will be paid from TAACCCT funds and will not be paid from college operating accounts. As CEPR at UNM is a New Mexico public agency, the contract is exempt from the requirement for competitive bids.

We ask for your approval to enter into the agreement with CEPR for evaluation services at a contracted amount of \$185,000.

Thank you.



TRADE ADJUSTMENT
ASSISTANCE COMMUNITY
COLLEGE CAREER
TRAINING PROGRAM
(TAACCCT)

New Mexico Junior College, Hobbs, New Mexico
DETAILED EVALUATION PLAN,
REVISED FEBRUARY 3, 2015



Center for Education Policy Research

Trade Adjustment Assistance Community College Career Training Program (TAACCCT)
New Mexico Junior College, Hobbs, New Mexico
Detailed Evaluation Plan, Revised February 3, 2015

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Introduction and Overview

New Mexico Junior College (NMJC) serves a diverse population in southeastern New Mexico, in a significant geographical region known as the Permian Basin. The region is essentially rural. The College is relatively small, enrolling some 3,119 students in fall 2013. In the area served by NMJC—Lea County—there is significant activity in agriculture, corrections, and service businesses, but the dominant industry is oil and gas production, including oil field service and related commercial transportation. A high level of activity in the petroleum industry in recent years has led to high demand for skilled workers, exceeding the normal capacity of the local labor market. These conditions have brought increased opportunity and greater responsibility to New Mexico Junior College, the first-choice provider of postsecondary education and technical training for the immediate region. The TAACCCT-funded NMJC project initiatives are designed to be responsive to critical workforce needs and focus on development of training capacity, flexibility of opportunity for students, and innovations in college access and pedagogy for the purpose of increasing training efficiency to prepare professional technicians for immediate employment in the energy industry.

This evaluation is designed 1) to assess the implementation of key TAACCCT-funded NMJC energy industry professional technician training initiatives, 2) to capture program outcomes, and 3) to measure the impact of implemented programs of study on student attainment, employment and wage-related earnings.

Primary goals of the implementation evaluation are to

- Assess key components of implementation (program design, curriculum development, career

pathway planning, participant assessments, student supports, program management, and leveraging of partner contributions) and identify factors that facilitate or impede successful implementation of each;

- Identify the successes and challenges of innovative strategies used to deliver course content (online course delivery, CDL simulators, and simulation technology and software);
- Examine the extent to which new program capacity was developed in response to workforce needs and is being accessed by students;
- Assess stakeholders' perceptions of the successes, challenges and lessons learned from the TAACCCT-funded initiative;
- Summarize the overall effectiveness of project implementation in order to disclose deficiencies or opportunities, as well as potential strategies for improving outcomes.

Through the use of mixed methods to collect and analyze both qualitative and quantitative data, the implementation evaluation will describe the initiative's implementation activities, successes and challenges, and assess the feasibility of sustainability of the initiative beyond the term of grant funding.

Primary goals of the outcomes and impact evaluation are to:

- Gather outcomes data to ascertain the extent to which program participants have benefitted in credential attainment, increased employment in training-related positions in SE New Mexico and the Permian Basin region, and attained higher wage earnings;

INTRODUCTION AND OVERVIEW

- Analyze comparative outcomes for program participants in relation to pre-project cohorts in the same or similar programs, or current cohorts in related programs, to assess impact of the initiative on attainment, employment and earnings.

The impact evaluation will use a quasi-experimental research design, comparing a participant cohort to a non-participant cohort

undertaking similar programs of study, to determine the impact, if any, of TAACCCT-funded training interventions on participant outcomes.

The evaluators will provide interim implementation and interim outcomes reports midway through each grant-funded year, as well as year-end annual program reports and a final project report at the completion of the contract for services.

Intervention

Program Initiatives and Strategies for Improving Training and Employment Outcomes

The intervention undertaken by New Mexico Junior College creates four new career and technical training programs corresponding to workforce needs in Lea County and the Permian Basin. New or redesigned curricula representing content interventions include the following:

Commercial Driving uses simulation technology to train commercial drivers for greater safety and performance in extraordinary conditions, making drivers more valuable to themselves and their employers. *Credentials:* Short-term Training Certificate attesting to attainment of specified competencies.

Instrumentation and Controls will prepare students to support plant operations through operation and maintenance of automated systems for monitoring and controlling mechanical and other processes in manufacturing, oil and gas production and refining, food processing, and related industries. *Credentials:* Short-term Certificate indicating attainment of specified competencies.

Basic Oil and Gas Production prepares students to understand processes and use equipment to perform work using drilling, pumping, and

pipeline systems to produce and transport crude oil and natural gas to facilities for refining and distribution. *Credentials:* Short-term Certificate indicating attainment of specified competencies.

Electrical Transmission Technology will prepare the student for service as powerline technician or lineworker, which entails construction and maintenance of electric power transmission and distribution facilities. *Credentials:* Short-term Certificate attesting to attainment of specified competencies.

The project also involves interventions relating to student access to programs and to processes of instruction, training, and testing:

Online delivery of some instruction abates barriers of geographical distance and time availability, typical obstacles for oilfield workers, over-the-road truckers, and other potential beneficiaries of training.

Development and use of a CDL simulator will make some lab-based and hands-on experience accessible to working students and will facilitate employer-based and site-based training for which needs have been demonstrated in the Permian Basin region.

Use of simulation technology and software allows students to experience and practice techniques, frequently with some cost savings over “live” practice and demonstration, and with decreased risks in the case of hazardous operations such as those involving heavy machinery, inclement weather conditions, and high voltage.

Creation of plans for stacked and latticed credentials in each area of training capacity to be developed provides trainees with pathways, incentives, and opportunities to add value to their career and professional skillsets. All of the selected fields of training offer opportunities for further training that build on the proposed new programs and provide advanced or related knowledge and skills, including preparation for management in the field.

Initial review will focus on the following scheme, with the intent of identifying other logically related training opportunities that may evolve as the project proceeds.

Evidence-Based Model

The energy industry in southeastern New Mexico and the New Mexico-West Texas Permian Basin is the primary client for all of the program initiatives included in the TAACCCT project. With that in mind, NMJC has adapted core tenets of the Systematic Approach to Training (SAT) model endorsed by the U.S. Department of Energy. (*Training Program Handbook*, DOE-HDBK, 1078-94) The strategies that will guide teaching and learning are strongly influenced by the concept of blended learning, as articulated by J.G. Knowles and A.L. Cole. (“Developing Practice through Field Experiences,” 1996) This concept, emphasizing use of multiple media and approaches to learning, is useful for this project, in which online, campus-based, and extended in-person learning all help meet the ultimate goal of making training more accessible to students who are geographically dispersed, and who may be working all shifts in the oil and gas fields of the Permian Basin.

Table 1. Stacked and Latticed Credentials

Stacked and Latticed Credentials	
Stackable Credentials	Latticed/Related Credentials
Commercial Driving Commercial Driving certificate CDL Instructor’s License Associate of Applied Science, Logistics Bachelor of Business Administration/Management	First Aid and CPR National Safety Council Defensive Driving Commercial Driver’s License (pre-program) Certificate, Basic Diesel Mechanics Forklift operator certification
Instrumentation and Control Short-term certificate program Industrial Technology associate degree Associate of Applied Science, Business Bachelor’s degree, Industrial Engineering	First Aid and CPR National Safety Council Defensive Driving Associate of Applied Science, Electronics Bachelor’s degree, Mechanical Engineering
Basic Oil and Gas Technician Short-term certificate program Associate of Applied Science, Energy Technology Bachelor’s degree, Petroleum Engineering Bachelor’s degree, Industrial Engineering	First Aid and CPR National Safety Council Defensive Driving DOT Pipeline Operator certification Associate of Applied Science, Welding Corrosion Technology certification
Electrical Transmission Short-term certificate program with licensure prep Journeyman Lineman licensure (with experience) Bachelor’s degree, Electrical Engineering Bachelor’s degree, Industrial Engineering	First Aid and CPR National Safety Council Defensive Driving Journeyman Electrician licensure Associate of Applied Science, Welding

INTERVENTION

Building Capacity

New Mexico Junior College will build capacity for the substantive program initiatives by procuring equipment and software needed to offer the new curricula; creating a mobile lab that can deliver hands-on training at remote locations in the region and provide employee training at the work site; and hiring an

instructor who will develop and pilot instruct the certificate program in instrumentation and controls. Programs will use existing spaces on the NMJC campus, as well as an already-developed online learning system with support for students and instructors.

Implementation Analysis Design

The implementation analysis will be aligned with an evaluation logic model for the NMJC TAACCCT project (see Table 1.) It will focus primarily on assessing factors (such as program design, curriculum development, career pathway planning, participant assessments, student supports, program management, and leveraging of partner contributions) important to the successful implementation of activities and achievement of outputs planned, and on evaluating the project's success in achieving its planned short-term outcomes of increased training capacity and improved flexibility of access to programs through innovative modes of content delivery. An overview of the framework for the evaluation, including goals, questions, and methods for data collection and analysis, is provided in Table 2. The evaluation will also provide a summary analysis of the success of efforts to develop capacity for providing training in the future.

Implementation Analysis Research Questions

The central research intent of the implementation evaluation is to assess the effectiveness of implementation of key TAACCCT-funded NMJC energy industry technician training initiatives in facilitating student attainment, employment and wage earnings. The following research questions will guide the implementation analysis. These questions represent both the research questions

required of all TAACCCT grant recipients and those tailored to meet the specific needs of NMJC in evaluating its particular initiative strategies:

1. How was the design of programs improved or expanded using grant funds?
2. How has curriculum development supported training objectives?
3. How have new career pathways been defined to promote ongoing student professional attainment?
4. How were assessment of participant abilities, skills, and interests conducted and used throughout the training initiatives?
5. How have student support and other services enabled initiative objectives?
6. What aspects of project management facilitated successes in implementation, and what aspects created barriers to success?
7. What aspects of stakeholder partner contributions were more or less vital, in the following areas (program design, curriculum development, recruitment, training, placement, program management, leveraging resources, sustainability)?

Table 2. New Mexico Junior College DOL TAACCCT Grant Evaluation Logic Model

Context	Activities	Primary Outputs	Short-term Outcomes	Long-term Outcomes
<ul style="list-style-type: none"> High demand for skilled petroleum industry workforce in Lea County and the SE New Mexico-West Texas Permian Basin NMJC is the region's primary provider of postsecondary education and technical training, serving ~3,000 students annually Limited population in primarily rural setting Anticipate ability to serve a total of 500 students over 4 years (~125 in each of 4 programs) Commitment to follow core energy industry training best practices, including blended learning Intent to train 500 students through grant-funded energy industry-driven training pathways 	<ul style="list-style-type: none"> <u>New Certificate Programs (within pathways):</u> <ul style="list-style-type: none"> Commercial Driving (short-term) Instrumentation and Controls (short-term) Basic Oil and Gas Production (short-term) Electrical Transmission Technology (short-term) <u>Innovations in Content Delivery:</u> <ul style="list-style-type: none"> Online course delivery Mobile training lab Simulation technology and software <u>Creation of Career Pathways:</u> <ul style="list-style-type: none"> Plans for stacked and latticed credentials in each certificate area Articulated curricula Student Pathway and Career Advisement 	<ul style="list-style-type: none"> Number and type of new certificate programs created Number and type of courses offering online delivery, mobile lab training, or simulation technology Stacked and latticed credential plans and for each area pathway Articulated curriculum for each area pathway Number of advisement hours (and other supports) supplied to students in area pathways 	<p><u>College:</u></p> <ul style="list-style-type: none"> Increased training capacity Increased flexibility of student access to training Innovations in pedagogy <p><u>Participant:</u></p> <ul style="list-style-type: none"> Employment and retention in training-related positions in SE NM and Permian Basin region Increased wage earnings Changes in training programs result in improved academic and workforce outcomes 	<p><u>Participant:</u></p> <ul style="list-style-type: none"> Enrollment in, retention in, and completion of pathway certificate, degree, and licensure preparation programs Continued education after program completion Attainment of academic credentials Attainment of industry-recognized licenses and credentials

IMPLEMENTATION ANALYSIS DESIGN

8. What were the strategies adopted to deliver course content, and were they carried out as intended?
9. Which content delivery strategies were more and less effective at expanding capacity and providing new modes of access for students?
10. What new program capacity has been developed, and how fully has it been used?
11. To what extent did assessment of workforce needs inform development of program capacity?
12. What has facilitated or impeded student access to grant-funded training opportunities?
13. What has gone well in the implementation of the TAACCCT initiative? What has made these efforts successful?
14. What successes and challenges have been reported by stakeholders participating in the initiative?
15. Are there systemic obstacles to attainment of projected outcomes, and how could these be abated or mitigated through project modification?

Implementation Data Strategies

Both NMJC administrative systems data and measures developed specifically for the evaluation will be used for data collection. A brief description of each data source and measurement tool is included in Table 2, and also provided here:

- A. Evaluators will undertake regular project **document reviews** to assess the extent to which proposed activities were carried out and the extent to which actual expenditures and timelines reflect those

specified in the proposal. Document review will be conducted on an ongoing basis, with NMJC supplying materials (such as curriculum planning documents, meeting notes, syllabi, etc.) regularly, and at set checkpoints:

- At the end of each term—Fall, Spring and Summer, Fall 2015 - Fall 2017
- B. To understand and document the initiative’s implementation features, the evaluators will conduct **semi-structured interviews** *with key NMJC administrators, staff, faculty, and industry partners*. The small scale of the project will permit interview of all TAACCCT project staff members; executive staff with responsibility for the TAACCCT project; other NMJC staff related directly to the project through roles in workforce development, enrollment management institutional research, or student services; key faculty members; and industry partners identified as central to implementation efforts. Constructs to be assessed in the interviews include: perceptions of program design, curriculum development, career pathway development, participant assessments, student supports, project management structures, stakeholder partner contributions; perceptions of innovations in content delivery strategies; perceptions of initiative responsiveness to industry and student needs; and perceptions of the successes, challenges and lessons learned from initiative implementation efforts. Hour-long interviews of up to eight subjects each year will take place either in person or by phone, be conducted at the following points in time:

IMPLEMENTATION ANALYSIS DESIGN

- At the start of implementation, Spring 2015
- Mid-implementation, Summer 2016
- Near the end of implementation, Summer 2017

C. Evaluators will survey student participants about their experiences with the training initiatives. Students will be asked about their reasons for seeking training, their experiences, the extent to which training is valued, and suggestions for improving the training experience and/or outcomes. Constructs to be assessed include: perceptions of curriculum effectiveness, career pathway development and navigation, use of student assessments, availability and effectiveness of student supports; perceptions of innovations in content delivery strategies; perceptions of adequacy of program capacity and accessibility; and perceptions of the successes, challenges and lessons learned from initiative efforts. Surveys will be administered through NMJC to student participants during each term:

- During Fall, Spring, and Summer terms, Fall 2015 – Fall 2017

D. Evaluators will review **administrative data** documenting outputs of the initiative maintained and provided by NMJC. Systematic analysis of this administrative data will take place at three points in time, annually, upon receipt of data from NMJC:

- At the end of Fall, Spring, and Summer Terms, Fall 2015 - Fall 2017

NMJC will provide CEPR with requisite administrative data by secure transfer protocol. Tabulations and analyses of student information system data and administrative program data will be conducted, and CEPR will

share analyses with the implementation team partners via annual Interim Implementation Reports in Spring 2016 and Spring 2017, and Interim Outcomes Reports in Summer 2016 and Summer 2017, and as needed to inform required quarterly, annual and final reporting at the end of the grant project period.

All survey and interview protocols will be drafted by the evaluation team and shared with NMJC for review and input. Questions will be designed to elicit specific information about implementation and to encourage sharing both successes and challenges of the program. The evaluation team will develop codes for qualitative data and will conduct thematic analysis of the data using NVIVO. Thematic analysis will allow for identification of observations that vary across different sources and those that appear to be reinforced across stakeholder constituencies.

While thematic analysis will be used for qualitative data, frequencies and cross tabulations will be used to analyze quantitative data measuring outputs, practices and any changes over time. A narrative report will summarize results from both qualitative and quantitative methods, and patterns of evidence leading to any conclusions concerning effectiveness of the implementation will be discussed. Where findings suggest possible modifications leading to improved results, these will be summarized for the benefit of the institution.

Project modifications resulting from implementation analysis findings will not occur within the training cycle of the cohort subject to evaluation, but with the beginning of the succeeding cohort. It will be possible to view the experience of each training cohort individually, and to compare the outcomes of each to prior or succeeding training cohorts, as well as to the formulated comparison cohorts.

IMPLEMENTATION ANALYSIS DESIGN

Table 3. Implementation Evaluation: Design and Analysis Framework

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
Goal 1: Assess key features of implementation (program design, curriculum development, career pathway planning, participant assessments, student supports, program management, and leveraging of partner contributions) and identify factors that facilitate or impede successful implementation				
<p>How was design of programs improved or expanded using grant funds?</p> <ul style="list-style-type: none"> • How were program needs determined? • What delivery methods were offered? • What was the program administrative structure? (required) 	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Student participant survey</p> <p>Administrative Data</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>
<p>How has curriculum development supported training objectives?</p> <ul style="list-style-type: none"> • How was curriculum for new program options selected or created? • How was curriculum being used to make training more accessible, to accelerate training, and to make training more effective? (required) 	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>
<p>How have new career pathways been defined to promote ongoing student professional attainment?</p> <ul style="list-style-type: none"> • What plans for stacked and latticed credentials in each certificate area have been put in place? 	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>

Table 3. Implementation Evaluation: Design and Analysis Framework, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<ul style="list-style-type: none"> Have curricula been articulated throughout and across pathways? <p>How were assessment of participant abilities, skills, and interests conducted and used throughout the training initiatives?</p> <ul style="list-style-type: none"> What assessment tools and processes were used? Who conducted the assessment? How were the assessment results used? Were the results useful in determining the appropriate program and course sequence for participants? (required) 	Same as above	Same as above	Same as above	Coding and thematic <i>Same as above</i>
<p>How have student support and other services enabled initiative objectives?</p> <ul style="list-style-type: none"> What student advisement supports have been put in place to facilitate student pathway navigation? Was career guidance provided and if so, through what methods? 	Same as above	Same as above	Same as above	Same as above
<p>What aspects of project management facilitated successes in implementation, and what aspects created barriers to success?</p>	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Employers/ Industry Reps 	Document Review Semi-structured Interviews	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017	Descriptive analyses Coding and thematic analysis of interview data using qualitative software

IMPLEMENTATION ANALYSIS DESIGN

Table 3. Implementation Evaluation: Design and Analysis Framework, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>What aspects of stakeholder partner contributions were more or less vital, in the following areas:</p> <ul style="list-style-type: none"> • Program design • Curriculum development • Recruitment • Training • Placement • Program Management • Leveraging Resources • Sustainability (required) 	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Student participant survey</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p>
<p>Goal 2: Identify the successes and challenges of innovative strategies used to deliver course content (online course delivery, mobile training labs, and simulation technology and software);</p>				
<p>What were the strategies adopted to deliver course content? Were the strategies carried out as intended?</p>	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Student participant survey</p> <p>Administrative Data</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>
<p>Which content delivery strategies were more and less effective at expanding capacity and providing new modes of access for students?</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>

Table 3. Implementation Evaluation: Design and Analysis Framework, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>Goal 3: Examine the extent to which new program capacity was developed in response to workforce needs and is being accessed by students</p>				
What new program capacity has been developed, and how fully has it been used?	Same as above	Same as above	Same as above	Same as above
To what extent did assessment of workforce needs inform development of program capacity?	-NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Employers/ Industry Reps	Document Review Semi-structured Interviews	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017	Descriptive analyses Coding and thematic analysis of interview data using qualitative software
What facilitated or impeded student access to grant-funded training opportunities?	-Student Participants -Completers in the Workforce -NMJC Project Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty	Document Review Semi-structured Interviews Student participant survey Administrative Data	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017 Survey conducted each term, by NMJC NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)	Descriptive analyses Coding and thematic analysis of interview data using qualitative software Tabulations and descriptive analyses of program data

IMPLEMENTATION ANALYSIS DESIGN

Table 3. Implementation Evaluation: Design and Analysis Framework, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
Goal 4: Examine the effectiveness of project implementation in order to disclose deficiencies or opportunities, as well as potential strategies for improving outcomes				
<p>What has gone well in implementation of the TAACCCT project? What has made these efforts successful?</p>	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Student participant survey</p> <p>Administrative Data (NMJC & DWS)</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p> <p>DWS data analyzed upon receipt 2x/yr (requested July and Oct 2016 & 2017)</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>
<p>Which aspects of implementation have been least successful?</p> <ul style="list-style-type: none"> • Were there flaws in design that mitigated against a successful outcome? • Were there unanticipated obstacles? • Can obstacles be abated, or can the implementation/project design be modified? 	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>

Table 3. Implementation Evaluation: Design and Analysis Framework, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>Goal 5: Assess stakeholders' perceptions of the successes, challenges and lessons learned from the TAACCCT-funded initiative</p> <p>What successes and challenges were reported by stakeholders participating in the initiative?</p>	<p>Same as above</p>	<p>Semi-structured Interviews</p> <p>Student participant survey</p>	<p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p>	<p>Coding and thematic analysis of interview data using qualitative software</p>
<p>Are there systemic obstacles to attainment of projected outcomes, and how could these be abated or mitigated through project modification?</p>	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Student participant survey</p> <p>Administrative Data (NMJC & DWS)</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p> <p>DWS data analyzed upon receipt 2x/yr (requested July and Oct 2016 & 2017)</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>

OUTCOMES/IMPACT ANALYSIS DESIGN

Outcomes/Impact Analysis Design

Outcomes for participant and comparison groups will be collected and examined for **impact** in order to determine (1) what academic and workforce outcomes were a result of the newly developed programs, and (2) whether newly developed program options are at least as effective as comparison programs in retaining students to completion, leading to employment, and leading to increased earnings (see Table 4). This outcomes/impact analysis, then, will

involve a two-part process: discovering what **outcomes** of the project interventions were, and then ascertaining the degree of **impact** that those interventions can reasonably be determined to have had. The evaluation will use descriptive statistics to analyze project **outcomes**, and will use a quasi-experimental research design to study the **impact** of the training interventions on participant outcomes.

Table 4. Outcomes/Impact Evaluation: Design and Analysis Framework

Research Question	Data Sources	Data Collection Method and Constructs	Schedule	Analysis Plan
Goal 1: Determine the academic and workforce <u>outcomes</u> of newly developed programs				
What were the academic outcomes of the newly developed programs?	NMJC Student Data System National Student Clearinghouse (transfer data)	Student-level data for matching and cohort development	Data collected from NMJC 3 times per year, following each academic semester	Descriptive analyses to examine outcomes and measure progress toward program goals
What were the workforce outcomes of the newly developed programs?	NM Department of Workforce Solutions	Employee-level data for matching and cohort	Data collected from DWS in July and October of each year	Descriptive analyses to examine outcomes and measure progress toward program goals
Goal 2: Determine whether newly developed program options made an <u>impact</u> on academic and workforce outcomes.				
Were the newly developed program options at least as effective as comparison programs in retaining students to completion, leading to employment, and leading to increased earnings?	NMJC Student Data System & NM Department of Workforce Solutions	Participant cohort student and employee-level data for matching and cohort development Comparison cohort student and employee-level data for matching and cohort development	Regularly collected outcomes data will be used for the impact analysis Comparison cohort data will be provided by NMJC during year one	Quasi-experimental comparison analysis to examine the impact of program interventions

Outcomes Analysis Research Questions

The guiding research question for the outcomes analysis is: *What were the academic and workforce outcomes of the newly developed programs?*

The nine measures required for reporting will inform the primary outcomes exploratory questions: 1) How many unique participants were served? 2) How many students completed programs of study? 3) How many students were retained in programs of study? 4) How many credit hours did students complete in grant-funded programs of study? 5) How many credentials were earned? 6) How many students entered further studies? 7) What were student employment rates post-completion? 8) What were employment retention rates for those students? 9) What wage increases did incumbent workers receive, and what were overall earnings for employed completers?

Outcomes Data Strategies

The key outcomes measures for data collection and analysis are: 1) **unique participants served**; 2) **program completers**; 3) **students retained in programs**; 4) **credit hour completion**; 5) **credentials earned**; 6) **further education undertaken**; 7) **entered employment rates**; 8) **employment retention rates**; 9) **incumbent wage increases**.

Data for the evaluation plan will be collected as indicated in the Table 5. Elements will be collected per student, such that analysis can use unit record data to manipulate variables. Student level data will come from NMJC, using secure student information tracking systems, such as Banner, both during and after student participation in grant-funded programs. As third party evaluator for DOL TAACCCT Round 1, CEPR has developed a successful data collection tool for reporting required academic outcome measures across programs of study that can be modified for appropriate use with

NMJC, and shared with CEPR through a secure FTP sharing protocol. Upon enrollment into a grant-funded program of study, NMJC will be responsible for assigning a program-specific attribute to participants through the academic record system. This attribute will facilitate the tracking of student progress over time.

Use of student data system outputs and New Mexico Department of Workforce Solutions (DWS) UI wage data should ensure a high degree of uniformity and comparability of data used for analysis. DWS has agreed to provide all administrative data needed to track New Mexico DOL TAACCCT participants and comparison group employment and wage outcomes throughout the full grant period. CEPR and DWS will engage in a data-sharing agreement upon approval of the current evaluation. Upon completion of each academic term, NMJC will provide all relevant participant data to CEPR for exchange with DWS for matching with state workforce data and analysis.

Through CEPR and NMJC's working partnerships with DWS, they may also be able to secure similar data for students residing in or locating in the state of Texas following completion of training. Additional follow-up data on program completers will be obtained by means of student surveys and contacts made by the NMJC Career Services coordinator, and supplied to CEPR.

These same elements will be collected for students in the comparison cohort required for the impact study (see below.) Because we anticipate using historical student cohorts for the comparison study, we expect to collect comparison cohort data only once, in year one of the project. If students in the comparison cohort are recent completers, however, it is possible that continued workforce outcomes tracking will be required.

OUTCOMES/IMPACT ANALYSIS DESIGN

Table 5. Tentative Schedule of Data Elements and Sources

Tentative Schedule of Data Elements and Sources			
Data Source	Data Element	Collected When	Responsible
NMJC Student Data System	Student-Level Data Identifying number/SSN Age Gender Race/Ethnicity Distance from NMJC Financial aid status Diploma or GED High School GPA/GED scores Previous college hours/GPA English/Reading/Math placement Program/Major TAA, Veteran, Disability Status Hours earned since cohort formed GPA since cohort formed Retained to Semester 2, 3, 4 Completion of degree/credential(s) Drop-out or withdrawal Complete and continue education	Three times per year, at the end of each academic semester Tentative dates: May 31 st August 10 th December 20 th	Project Director, Admissions and Records, Office of Institutional Effectiveness/IR, Carl Perkins data specialist
NM Workforce Solutions UI Wage Data	Employee-Level Data (by quarter) Employment status Field of employment Place of employment Wage/earnings status	Twice per year, following the closing of DWS quarters Tentative dates: July October (See Reporting Dates Alignment Table Below)	Department of Workforce Solutions, Carl Perkins data specialist, Career Services Office

OUTCOMES/IMPACT ANALYSIS DESIGN

The following table shows the alignment of the end of DWS quarters, NMJC academic data reporting, and DWS data pulls for this project:

Table 6. Tentative Schedule of Data Elements and Sources

End of Quarter for DWS	Academic Data Reporting by NMJC	DWS Data Pull
March 31		
	May 31	
June 30		
		July
	August 10	
Sept 31		
		October
	December 20	
December 31		

A summative analysis of program outcomes in the nine key measures will be reported to NMJC, disaggregated by program, two times per year.

Finally, the evaluation will seek to strengthen its findings through an additional comparison of treatment group outcomes to NMJC and statewide reporting on outcomes of programs assisted by the Carl Perkins Career and Technical Education Act. Where comparable criteria are used to assess outcomes in Perkins-assisted programs, these will be used as reasonable benchmarks for comparison with observed results for the treatment cohorts in the project. These virtues of the criteria as benchmarks include (1) close relationship in aims and purposes of the programs, and (2) availability of tested data templates that include measures of student retention and progress and, in cooperation with the New Mexico Department of Workforce Solutions, reporting on the employment status and wage rates of trainees.

Five of the nine outcome measures designated for the TAACCCT program match well with the outcomes used to assess effectiveness of Perkins-assisted programs, so have been selected for examination in the evaluation process: (1) Student Retention (in TAACCCT- Funded or Similar Program of Study); (2) Technical Skill Attainment (Completion of Program of Study); (3) Credential, Certificate, or Degree Earned; (4) Student Retention in Post-Secondary Education or Transfer; and (5) Student Placement in Workforce. Focus on percentages of treatment and comparison group cohorts meeting each of the criteria will provide a basis for comparison. Findings will potentially give some indication of (1) the effectiveness of new programs in relation to existing career and technical training programs at NMJC and (2) the extent to which existing NMJC programs may or may not be meeting U.S. Department of Labor goals for the TAACCCT program.

OUTCOMES/IMPACT ANALYSIS DESIGN

Table 7. Outcomes Evaluation Analysis Matrix

Outcomes to be Analyzed for Impact				
Outcome Measure	Baseline '10-'11	Program Participants '14 - 15	Program Participants '15 - 16	Program Participants '16 - '17
Student Retention in TAACCCT-Funded or Similar Program of Study	N/A			
Technical Skill Attainment (Completion of Program of Study)	61% ¹			
Credential, Certificate, or Degree Earned	49%			
Student Retention in Post-Secondary Education or Transfer	57%			
Student Placement in Workforce	77%			

¹ Scores shown are for the most recent Perkins reporting year for which results are available, 2010-2011. Data are updated as subsequent year figures are compiled and finalized for publication. For purposes of the TAACCCT evaluation, the most recent available results will serve as baseline measures for comparison of comparable scores for the treatment cohorts in the project.

It is not necessarily anticipated that outcomes will be significantly better for the TAACCCT-developed program options, but it would be an alarming indicator if outcomes for

project-created programs are significantly less favorable; outcomes for the cohorts should be at least comparable.

Impact Analysis Methodology

The quasi-experimental impact analysis of academic and workforce outcomes will bring to light (1) to what extent the project was successful in increasing credential attainment, employment and earnings, (2) what significant differences were apparent between trainee groups designated as the treatment cohort and groups designated as the comparison cohort through the examination of academic and workforce outcomes and (3) what conclusions can be drawn from the results.

Impact Analysis Research Questions

The research question guiding the impact study is:

Were the newly developed program options at least as effective as comparison programs in retaining students to completion, leading to employment, and leading to increased earnings?

Impact Data Collection

The impact study will include academic and workforce outcomes data for TAACCCT program participants and participants in comparable, non-grant-funded career and technical education programs (See Table 5 for data collection sources and timeline).

Impact Analysis

Given the sample size available through NMJC TAACCCT project, an outcomes analysis with quasi-experimental design has been judged most appropriate and most likely to yield reliable and useful results. In a technical assistance webinar, project directors and evaluators were advised that measurement of minimum detectable effect in a test of impact of training programs on students would likely not yield reliable results unless carried out with a

sample size of at least 400, or better yet, 1,000 or 2,000. This technique, developed for testing of new drugs and in other highly controlled settings, is unlikely to produce data of value for a rural community and technical college serving a limited population. NMJC projects an average of 125 participants in the four program initiatives created through the project, over the four years of the project—hardly enough to allow for randomized comparison samples or application of the recommended measure of impact.

To conduct the quasi-experimental study, CEPR will create a statistically rigorous comparison group designed to measure the impact of the programs of study on participants using a Propensity Score Matching (PSM) process. CEPR will design the comparison groups with the following matching restrictions to ensure study fidelity and minimal standardized bias after matching proposed by Rosenbaum and Rubin (1985): 1) Participants will be matched within students in similar programs (e.g. industry and duration) by demographics (e.g. race, gender, education, employment history and wages); and 2) We will address matching power through the use of nearest neighbor matching with and without replacement, and appropriate caliper sizes. PSM is a powerful and effective quasi-experimental study design (Stuart & Rubin, 2008), and one that affords a rigorous and appropriate approach for evaluating the impact of program intervention activities on what is anticipated will be a modest-size participant pool. Student data necessary to track appropriate matching groups throughout the term of the study will be provided by NMJC and will be drawn from students not participating in grant-funded programs to ensure that no treatment condition occurs in the comparison group.

IMPACT ANALYSIS METHODOLOGY

The evaluation will address impact on NMJC’s service to workers and industries in the region in terms of new capacity created (increased number of students and completers) and any effect on total enrollment and completion figures for the College’s career and technical programs as a whole. It will be possible to compare training, credential, employment,

and earnings outcomes for training cohorts in the new program options developed through TAACCCT with cohorts in similar or related programs, or with cohorts from previous iterations of programs that have been revised through the project. Cohorts for comparison of outcomes are as follows:

Table 8. Proposal Treatment and Comparison Training Groups

Treatment Group	Comparison Group
Commercial Driving trainees	Basic Commercial Driving trainees
Instrumentation and Control trainees	Computer Information Systems program
Basic Oil and Gas Technician trainees	Program cohort, Energy Technology
Electrical Transmission trainees	Program cohort, Energy Technology

These cohorts will be compared on the basis of selected TAACCCT-specified outcome measures that lend themselves to comparison, by virtue of availability of data and comparable purposes and student experiences. For the selected TAACCCT measures, percentage of the cohort is calculated in addition to frequency counts. Focus on percentages of treatment and comparison group cohorts meeting each of the criteria will provide a basis for comparison. The evaluation team

will apply tests of significance, including Chi Square and T-tests prior to assigning meaning to the data obtained. Findings will potentially give some indication of (1) the effectiveness of new programs in relation to existing career and technical training programs at NMJC and (2) the extent to which existing NMJC programs may or may not be meeting goals articulated by the U.S. Department of Labor for the TAACCCT program.

Justification for Non-Experimental Design

The methodology selected reflects local conditions and project purposes, mindful of advice of Richard Blundell and Monica Costa Dias (2000), to the effect that an appropriate approach to evaluation depends on: (1) the nature of the program—whether local or national, small-scale or global; (2) the nature of the question or questions to be answered; and (3) the nature of the data available.

All three factors listed above are critical to the selection of evaluation approaches to be applied to the NMJC project. In contrast to TAACCCT projects based in metropolitan areas or involving statewide or multistate consortia—projects likely involving a very large percentage of individual participants—this project is decidedly local and small-scale. It is limited to Lea County, New Mexico and the Permian Basin region, and to trades related in some way to the oil and gas industry that dominates the region’s economy and that is responsible for its recent growth. The questions to be answered include the ones posited in the national TAACCCT evaluation, concerning the relative effectiveness of the training model as a solution to the workforce needs of employers and the employment needs of individuals, and as a good investment for the taxpaying public; as well as more pressing local questions as to the effectiveness of the project in extending access, building capacity, and meeting the training needs of employers and workers. As to the nature of available data, numbers of trainees locally do not support an experimental design, and individual trainee cases are fraught with variables, as students are subject to distractions, interruptions, differences in educational background, differences in motivation, differences in home access to information technology, and countless other differences.

One virtue of the design for quasi-experimental study of student outcomes and the comparison of selected Carl Perkins Vocational and Technical Education program measured outcomes, using results for New Mexico as benchmarks, is that the data to make these comparisons is readily available in the NMJC student database—for current and past students—and through Unemployment Insurance (UI) employment and wage data available through the New Mexico Department of Workforce Solutions (DWS). Examination of major outcomes using these data will provide some indication of results for most of the important research questions, and is not dependent on surveys or other data that cannot well be administered retrospectively to students who have completed training and left the area or dropped out, or who otherwise have exited the orbit of New Mexico Junior College. Data collected by NMJC includes demographic data, pre-program data, and records of all training attempted, grades earned, and credentials awarded under auspices of the College. NMJC and Workforce Solutions data are uniformly collected for all students and employees, and while not in any sense yielding the level of confidence possible with an experimental study, this approach offers the most promising avenue for assessing project results.

Four treatment groups are identified, representing the four curriculum initiatives in commercial driving, instrumentation and control, electrical transmission, and basic oil and gas. Identified comparison groups for these are drawn from existing programs in basic commercial driving, computer information systems, and for the last two TAACCCT project curriculum initiatives, the energy technology program. As an alternative, the evaluation team and NMJC may consider aggregating all of the

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treatment cohorts and all of the comparison cohorts, if enough commonality in variables and expected outcomes can be established across all cohorts. Propensity Score Matching is proposed as a cohort design method, as matching could eliminate identifiable sources of bias and produce a more credible study (see details above).

Argument for the Design Chosen

Neither the project itself nor the environment in which it occurs, including potential sample size and potential for randomness in formation of cohorts, lend themselves to a design producing strong causal indications. The project does not set up a sharp division between students subject to an intervention and those who are not. In this case, emphasis is on creating capacity to offer different vocational and career training options that are in demand, and that are currently lacking in the region. There are some strategies leading to potential gain in student access or “reach” of programs that can be measured, as against programs for which delivery methods such as mobile teaching labs or distance delivery are not applied. The comparison of cohort experiences as suggested above should be able to tell something about the ability of innovations in delivery to extend the reach or accessibility of the programs, and to ensure that qualitative outcomes such as workforce readiness, employability, and earnings for the treatment cohort is at least comparable to those for existing NMJC programs. Otherwise, we want to examine ample evidence to determine that the capacity to offer needed, in-demand career and technical training has been created, is attracting students, and is helping students acquire valuable skills and employers find needed workers; these are outcomes that lend themselves to non-experimental analysis, including audit of employment projections, audit of project plans and activities, interviews with employers, and examination of enrollment,

retention, program completion, employment, and earnings data.

Formation of Cohorts

There is not and cannot be much control in the initial formation of treatment or comparison group cohorts. They are essentially students who enroll in designated programs—new program options created through the TAACCCT project, and existing programs designated as comparison training experiences. The cohorts are comprised of students who enroll in these programs. Most enroll at their own initiative. Some may be referred by current employers or by the New Mexico Department of Workforce Solutions or other agency. All students are assessed for basic academic skills of mathematics, English, and reading, and are referred for skill development if needed preparatory to, or concurrent with, enrollment in career and technical studies. All entering students declaring a program major will possess a high school diploma or a GED certificate. Some programs may have other requirements, such as possession of a valid driver’s license for the basic commercial transportation program, or of a commercial driver’s license for advanced commercial transportation. New Mexico Junior College observes an open enrollment policy. Programs of limited capacity, such as allied health programs, use merit-based selection processes with defined criteria.

The universe for selection of treatment groups and comparison groups likely will be between 15 and 40 students for a cohort beginning any of the four program options, up to as many as 80 to 100 if the training cohort is treated in the aggregate, without regard to the program option. Clearly these numbers do not lend themselves to some of the more sophisticated statistical techniques involving large sample sizes. In order to form comparison cohorts of sufficient size to support the quasi-experimental treatment proposed, NMJC will

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be asked to supply participant data on students in comparable programs from the past three years.

Comparison Group Selection

Comparison groups are selected from existing or recent New Mexico Junior College programs that have similar characteristics to the TAACCCT-supported and newly developed programs that treatment group members will be enrolled in. In a general sense, the cohorts share similar characteristics, in that all are enrolled in career and technical education programs leading to employment; beyond that, students can be expected to vary greatly in age, educational background, employment history, family status, military experience, financial and financial aid status, cultural background, citizenship status, gender, residence or distance from the NMJC campus, any myriad other characteristics. The following table summarizes the rationale for using the selected comparison group for each treatment group.

The choices for a comparison group are quite limited. Programs are small, so it is not possible to compare different sections of the same program. Treatment programs are new rather than revised program options, so it is not possible to compare current with former cohorts. The range of existing programs is limited, and these appear to be the best available matches.

The comparison between these cohorts is augmented by an analysis comparing members of the aggregated treatment group cohorts and comparison group cohorts to benchmarks drawn from statewide results of measurements collected in connection with projects funded annually under the Carl Perkins Vocational and Technical Education Act, relating to outcomes similar to those specified for TAACCCT, including enrollment, completion, employment status, and earnings pre- and post-training.

Numbers permitting, it should be possible to propensity score matching (see above) in order to eliminate as much bias as possible, and to increase chances of identifying differences attributable to intervention.

Fidelity of Implementation with Respect to Integrity of Cohorts and In-Process Improvements

All implementation, outcomes and impact evaluation data and analyses will be summarized and thoroughly reported for the benefit of the training provider (NMJC) and the agency (U.S. Department of Labor). Where deficiencies or potential gains are observed, these will be noted and discussed, with a view to effecting improvements. Changes to the interventions for the purpose of improving outcomes will be timed to occur between training cycles, such

Table 9. Proposal Treatment and Comparison Training Groups

Paired Cohort Affinities		
Treatment Group	Comparison Group	Commonalities
Commercial Driving	Basic Commercial Driving	Career field, nature of skillsets
Instrumentation and Control	Computer Info. Systems	Information technology-based
Basic Oil and Gas Technician	Energy Technology	Both relate to regional industry
Electrical Transmission	Energy Technology	Energy industry, closest match

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that specific procedures are associated with each training cohort and the nature of the intervention does not become a “moving target” for purposes of treatment group-comparison group analyses.

Comparison group programs, if concurrent rather than historical, will be operating independent of treatment group programs, and will not be modified in association with, or in response to, improvements identified and introduced in the treatment group programs. Any changes to comparison group programs made independent of TAACCCT

project experience will be noted and taken into consideration in interpretation of results; those programs will not be prohibited from giving their students the best possible training experiences during the term of the TAACCCT project. Some change is to be anticipated and will be monitored for possible effect. Notable events in the composition of treatment and comparison cohorts, including attrition of participants, will be fully described, and any deviation from original design will be fully described and explained as to reason and rationale.

Limitations

The evaluation is subject to limitations imposed by small sample size, which precludes use of an experimental design involving randomization of treatment and comparison cohorts. In addition, the area in which the study occurs is currently experiencing a boom in the oil and natural gas industry, characterized by an increase of some 3.1% in population for Hobbs, the largest city in the region and home of NMJC, in the last year. (Albuquerque Journal, May 23, 2014) A spike in demand for employees often leads to volatility of enrollment and premature exit from training by students who want or, in many cases, badly need the jobs that are available to them in the oil field. Such turnover may play havoc with cohorts and exaggerate attrition rates in the area under study. In terms of data availability, NMJC and CEPR have a history

of cooperation with New Mexico Workforce solutions. However, the College serves a two-state region in the Permian Basin, and has a more limited experience working with Texas Workforce Commission to obtain data concerning employment and compensation rates for students and graduates residing or working in Texas, making feasibility of tracking of these students uncertain at present.

Countering these limitations, which are pronounced with respect to viability of statistical analysis, the small size of the region and the training cohorts makes possible in-depth interview and survey examination of program implementation and outcomes, including interaction with all trainees, instructors, and employers.

Evaluation Timeline & Reports

The evaluation process will adhere to the following timeline for data collection and reporting:

Table 10. Evaluation Timeline

	Year			
Implementation Evaluation Data Collection	2015	2016	2017	2018
Document Review	Ongoing	Ongoing	Ongoing	Ongoing
Interviews	Spring	Summer	Summer	Spring
Student Surveys	Spring/Fall/Summer	Spring/Fall/Summer	Spring/Fall/Summer	
	Year			
Outcome/Impact Evaluation Data Collection	2015	2016	2017	2018
Comparison Cohort Academic Data	Spring			
Participant Academic Data	Spring/Fall/Summer	Spring/Fall/Summer	Spring/Fall/Summer	
Comparison Cohort Workforce Data	July			
Participant & Workforce Data	July & October	July & October	July & October	TBD
	Year			
Evaluation Reporting	2015	2016	2017	2018
DOL Annual Program Report (Implementation & Outcomes/Impact Analyses)	November	November	November	TBD
Interim Implementation Report		March	March	
Interim Outcomes Report		June	June	
Final Project Report				March

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Statistical findings for the cohort comparison study will be reported in full. These include treatment and comparison group means on measurements of outcome criteria, with all standard deviations, cohort mean differences, sample sizes, number and percent of attrition, and calculated statistical significance for outcome differences.

The evaluation team will provide supporting information, to NMJC, for required quarterly reports to the U.S. Department of Labor. This information will include reports of progress in the evaluation process, continuing training on required or recommended evaluation procedures, and documentation of any modification in procedures or timelines as agreed on with NMJC and, if necessary, submitted to USDOL for approval.

The evaluation team will also provide NMJC with Interim Implementation and Interim Outcomes Reports at midyear, and all data analyses required for year-end Annual Reports due to the Department of Labor. A final project report will be delivered at the completion of the contract for services.

External Evaluator

CEPR Overview

CEPR focuses on public policy and evaluation related to early childhood education, K-12 education, higher education, workforce development, juvenile justice, and school and community health issues. The faculty and staff at CEPR bring a broad base of expertise to their work including education reform; community engagement; data analysis and visualization; executive, legislative, state agency, school district, and postsecondary experience; research design and program evaluation that is relevant to this proposal.

Experience and Capacity

In 2012, Santa Fe Community College contracted CEPR to conduct a four-year evaluation for the New Mexico Skill UP Network (SUN) project, supported by DOL TAACCCT Round 1 funds. CEPR has worked successfully with the SUN Consortium colleges to evaluate all implementation, progress, and outcome measures identified in the grant. CEPR will be conducting the evaluation for the DOL TAACCCT Round 3 funded programs at New Mexico Junior College. Through these and other initiatives, CEPR works with the New Mexico Department of Workforce Solutions to bridge postsecondary and workforce outcomes data. CEPR also advised DOL on essential elements of the DOL TAACCCT Round 4 evaluation plan.

CEPR has completed many studies on student transitions from high school to college and work to inform state and local policy makers, educators and administrators about key issues. These studies provided important insights to help standardize high school graduation requirements, reduce the need for postsecondary remedial coursework, raise minority student participation in postsecondary education and high-quality employment, improve the state's public education funding formula, increase the state's capacity for collecting secondary-postsecondary bridge data, build partnerships between stakeholders, and fill shortages of qualified workers.

Examples of studies similar to the DOL TAACCCT Round 4 evaluation include Mapping the Landscape of Nursing in New Mexico and Education in Dona Ana County: The Challenges, The Choices, The Future Full Report. The Landscape of Nursing Study analyzed survey and secondary data to report in-depth on the health status of New Mexicans, the state's health care needs, pipeline for nursing preparation programs, the outlook

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for nursing careers, faculty qualifications and vacancies, and the role of the New Mexico Nursing Education Consortium in evaluating data on student enrollment, receipt of financial aid and student support services, and program completion. The study on Education in Dona Ana County supported The Bridge of Southern New Mexico, a partnership among the area's top leaders in business, economic development, government, and education, in improving high school graduation rates and increasing career and technical education opportunities for students. This study comprehensively analyzed institutional and secondary data on high school graduation rates and postsecondary enrollment, remediation coursework, persistence, and completion, as well as job placement. The study pointed out areas of urgent need and social returns on investment by improving student outcomes, in light of New Mexico's struggles against poverty, language barriers, academic achievement disparities among racial minorities, and unsafe health behaviors.

Data Security

As part of this work, CEPR regularly works with individual-level data that are subject to the Federal Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA), United States Department of Agriculture National School Lunch Program (USDA-NSLP). Protecting individual privacy while conducting high-

quality analyses are of equal importance to CEPR staff. To that end, CEPR has instituted several levels of data protection.

Physical data protection. Paper-based data (where no electronic copy exists) are kept in secure filing storage, with access limited to authorized project staff. Whenever possible, paper-based data are transformed (scanned) into electronic copies and stored on a secure data server.

Electronic data protection. Electronic data are stored on CEPR's secure data server. CEPR project staff have limited access to only those data that are tied to specific working projects, with the exception of the CEPR Data Director, who administers and oversees the server's organization. Sensitive data are not stored on unsecured flash drives, laptop or desktop computers. Upon completion of projects, individual data are destroyed as directed in project-specific requirements, or if data are required to be kept in long-term storage, they are transferred to dark archive storage, and are accessible only by the Data Director.

Data security training. All CEPR staff have completed data security training, and have signed a Data Stewardship Agreement, which outlines roles and responsibilities for data protection. In addition, all CEPR Principal Investigators have obtained Institutional Review Board CITI certifications for the protection of human subjects.

EVALUATION BUDGET

Evaluation Budget

The budget for this fully burdened fixed price contract will be \$185,000.00.

Term: Upon execution through September 30, 2017.

Payments: 30 monthly payments of \$5,967 starting March 1, 2014; 1 payment of \$5,990 on September 1, 2017.

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Add-on Options

Option #1- \$21,525 (billable monthly)

- A. Evaluators will conduct focus group sessions with 1) principal industry-related stakeholders (including employers, industry representatives and workforce agency representatives who may have been involved in project planning or activities, or who may have a stake in the outcomes of the project); 2) student participants; and 3) program completers in the workforce. Constructs to be assessed in the focus group sessions include: perception of program design and curriculum fit, career pathway development, participant assessments, student career supports, project management, and leveraging of partner contributions; perceptions of innovations in content delivery strategies; perceptions of adequacy of program capacity and accessibility; perceptions of initiative responsiveness to stakeholder needs (industry or student); and perceptions of the successes, challenges and lessons learned from initiative efforts. Focus group sessions of up to two hours in length will be conducted at two time points, for each of the three informant groups:
- Industry partners, in Spring 2016 and Spring 2017
 - Student participants, in Fall 2016 and Fall 2017
 - Completers in the workforce, in Fall 2016 and Fall 2017

The following matrices reflect the addition of focus group sessions.

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>Goal 1: Assess key features of implementation (program design, curriculum development, career pathway planning, participant assessments, student supports, program management, and leveraging of partner contributions) and identify factors that facilitate or impede successful implementation</p>				
<p>How was design of programs improved or expanded using grant funds?</p> <ul style="list-style-type: none"> • How were program needs determined? • What delivery methods were offered? • What was the program administrative structure? (required) 	<p>-NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps</p>	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Focus groups</p> <p>Student participant survey</p> <p>Administrative Data</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Focus groups conducted: -Industry Reps, Spring 2016 and Spring 2017 -Students Participants and Student Completers, Fall 2016 and Fall 2017</p> <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p> <p>Same as above</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>
<p>How has curriculum development supported training objectives?</p> <ul style="list-style-type: none"> • How was curriculum for new program options selected or created? • How was curriculum being used to make training more accessible, to accelerate training, and to make training more effective? (required) 	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>
<p>How have new career pathways been defined to promote ongoing student professional attainment?</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>	<p>Same as above</p>

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<ul style="list-style-type: none"> What plans for stacked and latticed credentials in each certificate area have been put in place? Have curricula been articulated throughout and across pathways? 	Same as above	Same as above	Same as above	Coding and thematic <i>Same as above</i>
<p>How were assessment of participant abilities, skills, and interests conducted and used throughout the training initiatives?</p> <ul style="list-style-type: none"> What assessment tools and processes were used? Who conducted the assessment? How were the assessment results used? Were the results useful in determining the appropriate program and course sequence for participants? <p>(required)</p>	Same as above	Same as above	Same as above	Same as above
<p>How have student support and other services enabled initiative objectives?</p> <ul style="list-style-type: none"> What student advisement supports have been put in place to facilitate student pathway navigation? Was career guidance provided and if so, through what methods? 	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Employers/ Industry Reps 	Document Review	Document review: ongoing	Descriptive analyses
<p>What aspects of project management facilitated successes in implementation, and what aspects created barriers to success?</p>		Semi-structured Interviews	Interviews conducted Spring 2015, Summer 2016, and Summer 2017	Coding and thematic analysis of interview data using qualitative software
		Focus groups	Focus groups conducted: <i>-Industry Reps, Spring 2016 and Spring 2017</i> <i>-Students Participants and</i>	

ADD-ON OPTIONS

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>What aspects of stakeholder partner contributions were more or less vital, in the following areas:</p> <ul style="list-style-type: none"> ● Program design ● Curriculum development ● Recruitment ● Training ● Placement ● Program Management ● Leveraging Resources ● Sustainability (required) 	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Focus groups</p> <p>Student participant survey</p>	<p>Student Completers, Fall 2016 and Fall 2017</p> <p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Focus groups conducted: -Industry Reps, Spring 2016 and Spring 2017</p> <p>-Students Participants and Student Completers, Fall 2016 and Fall 2017</p> <p>Survey conducted each term, by NMJC</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p>
Goal 2: Identify the successes and challenges of innovative strategies used to deliver course content (online course delivery, mobile training labs, and simulation technology and software);				
<p>What were the strategies adopted to deliver course content? Were the strategies carried out as intended?</p>	<ul style="list-style-type: none"> -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Document Review</p> <p>Semi-structured Interviews</p> <p>Focus groups</p>	<p>Document review: ongoing</p> <p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Focus groups conducted: -Industry Reps, Spring 2016 and Spring 2017</p> <p>-Students Participants and Student Completers,</p>	<p>Descriptive analyses</p> <p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
Which content delivery strategies were more and less effective at expanding capacity and providing new modes of access for students?	Same as above	Student participant survey Administrative Data	Fall 2016 and Fall 2017 Survey conducted each term, by NMJC NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms) Same as above	Same as above
Goal 3: Examine the extent to which new program capacity was developed in response to workforce needs and is being accessed by students				
What new program capacity has been developed, and how fully has it been used?	Same as above	Same as above	Same as above	Same as above
To what extent did assessment of workforce needs inform development of program capacity?	-NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Employers/ Industry Reps	Document Review Semi-structured Interviews Focus groups	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017 Focus groups conducted: -Industry Reps, Spring 2016 and Spring 2017	Descriptive analyses Coding and thematic analysis of interview data using qualitative software
What facilitated or impeded student access to grant-funded training opportunities?	-Student Participants -Completers in the Workforce -NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management,	Document Review Semi-structured Interviews	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017	Descriptive analyses Coding and thematic analysis of interview data using qualitative software

ADD-ON OPTIONS

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
	student services, institutional research) -Faculty	Focus groups	Focus groups conducted: - <i>Students</i> <i>Participants and Student Completers</i> , Fall 2016 and Fall 2017	Tabulations and descriptive analyses of program data
		Student participant survey	Survey conducted each term, by NMJC	
		Administrative Data	NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)	
Goal 4: Examine the effectiveness of project implementation in order to disclose deficiencies or opportunities, as well as potential strategies for improving outcomes				
What has gone well in implementation of the TAACCCT project? What has made these efforts successful?	-NMJC Project Staff -NMJC Executive Staff -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps	Document Review Semi-structured Interviews Focus groups	Document review: ongoing Interviews conducted Spring 2015, Summer 2016, and Summer 2017 Focus groups conducted: - <i>Industry Reps</i> , Spring 2016 and Spring 2017 - <i>Students</i> <i>Participants and Student Completers</i> , Fall 2016 and Fall 2017 Survey conducted each term, by NMJC NMJC data	Descriptive analyses Coding and thematic analysis of interview data using qualitative software Tabulations and descriptive analyses of program data

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method & DWS)	Schedule	Analysis Plan
<p>Which aspects of implementation have been least successful?</p> <ul style="list-style-type: none"> Were there flaws in design that mitigated against a successful outcome? Were there unanticipated obstacles? Can obstacles be abated, or can the implementation/project design be modified? 	Same as above	Same as above	<p>analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p> <p>DWS data analyzed upon receipt 2x/yr (requested July and Oct 2016 & 2017)</p> <p>Same as above</p>	Same as above
Goal 5: Assess stakeholders' perceptions of the successes, challenges and lessons learned from the TAACCCT-funded initiative				
<p>What successes and challenges were reported by stakeholders participating in the initiative?</p>	Same as above	<p>Semi-structured Interviews</p> <p>Focus groups</p>	<p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Focus groups conducted: -Industry Reps, Spring 2016 and Spring 2017 -Students Participants and Student Completers, Fall 2016 and Fall 2017</p> <p>Survey conducted each term, by NMJC</p>	<p>Coding and thematic analysis of interview data using qualitative software</p>
<p>Are there systemic obstacles to attainment of projected outcomes,</p>	-NMJC Project Staff -NMJC Executive Staff	Document Review	Document review: ongoing	Descriptive analyses

ADD-ON OPTIONS

Table 11. Implementation Evaluation: Design and Analysis Framework Including Focus Groups, Continued

Research Question	Data Sources	Data Collection Method	Schedule	Analysis Plan
<p>and how could these be abated or mitigated through project modification?</p>	<ul style="list-style-type: none"> -Other NMJC Staff (e.g. workforce development, enrollment management, student services, institutional research) -Faculty -Student Participants -Completers in the Workforce -Employers/ Industry Reps 	<p>Semi-structured Interviews</p> <p>Focus groups</p> <p>Student participant survey</p> <p>Administrative Data (NMJC & DWS)</p>	<p>Interviews conducted Spring 2015, Summer 2016, and Summer 2017</p> <p>Focus groups conducted:</p> <ul style="list-style-type: none"> -<i>Industry Reps</i>, Spring 2016 and Spring 2017 -<i>Students</i> -<i>Participants and Student Completers</i>, Fall 2016 and Fall 2017 <p>Survey conducted each term, by NMJC</p> <p>NMJC data analyzed upon receipt, 3x/yr (end of Fall, Spring, & Summer terms)</p> <p>DWS data analyzed upon receipt 2x/yr (requested July and Oct 2016 & 2017)</p>	<p>Coding and thematic analysis of interview data using qualitative software</p> <p>Tabulations and descriptive analyses of program data</p>

Table 12. Evaluation Timeline with Focus Groups

	Year			
Implementation Evaluation Data Collection	2015	2016	2017	2018
Document Review	Ongoing	Ongoing	Ongoing	Ongoing
Interviews	Spring	Summer	Summer	Spring
Focus Group – Industry	--	Spring	Spring	
Focus Group – Students		Fall	Fall	
Focus Group – Completers		Fall	Fall	
Student Surveys	Spring/Fall/Summer	Spring/Fall/Summer	Spring/Fall/Summer	
	Year			
Outcome/Impact Evaluation Data Collection	2015	2016	2017	2018
Comparison Cohort Academic Data	Spring			
Participant Academic Data	Spring/Fall/Summer	Spring/Fall/Summer	Spring/Fall/Summer	
Comparison Cohort Workforce Data	July			
Participant & Workforce Data	July & October	July & October	July & October	TBD
	Year			
Evaluation Reporting	2015	2016	2017	2018
DOL Annual Program Report (Implementation & Outcomes/Impact Analyses)	November	November	November	TBD
Interim Implementation Report		March	March	
Interim Outcomes Report		June	June	
Final Project Report				March



UNM

Center for Education Policy Research

NEW MEXICO JUNIOR COLLEGE

Invitation to Bid #1069

Electrical Work on Campus

BOARD DOCUMENTS

Date: February 12, 2015
Prepared by: Regina Choate
Purchasing Coordinator

NEW MEXICO JUNIOR COLLEGE

BOARD DOCUMENTS

General Information

1. On February 1, 2015, a legal notice was sent to the following newspaper requesting sealed bids for Electrical Work on NMJC Campus:

Hobbs News Sun
2. Bid packets were sent to four potential bidders.
3. Three bidders submitted their bid within the time frame specified by the bid package.
4. No bidders were present at the opening.
5. The Business Office and Maintenance Department have evaluated the bids received. Their recommendation is shown on Page 3.

NEW MEXICO JUNIOR COLLEGE

BOARD DOCUMENTS

Evaluation and Recommendation

The bidders responding to the Invitation are: Cano P. Automation & Electrical, Lovington, NM; Service Electric, Albuquerque, NM; Strong Power Electric, Lovington, NM.

The NMJC Business office recommends acceptance of the bid as follows

Strong Power Electric, LLC, Lovington, NM

Total Award:

Journeyman

\$26.00 per hour

\$39.00 per hour overtime

Apprentice

\$18.00 per hour

\$27.00 per hour overtime

Trucks & Tools

\$21.00 per hour

\$21.00 per hour overtime

(see page 4 – Bid Tabulation)

Source of Funding: - Fiscal Year 2014/2015

NEW MEXICO JUNIOR COLLEGE

SPECIFICATIONS

New Mexico Junior College is requesting sealed bids with the intent of entering into a contract with an electrician for the purpose of providing various electrical services. Miscellaneous work such as installing electrical circuits/systems 600 volts or less including 3-phase, installing motors ranging from 120 volt single phase to 480 volt 3-phase, installing lighting ranging from 120 volts to 277 volts, troubleshooting and repairing electrical control systems including HVAC controls and being available 24/7 will be required. This service will be from **February 23, 2015 to June 30, 2015** with an option to renew the contract on a year-by-year basis for up to three additional years.

1. A certificate of Insurance will need to be provided with bid. The requirements are:
 - A. General Liability - \$1,000,000
 - B. Excess Liability - \$1,000,000
 - C. Auto Liability - \$1,000,000
 - D. Umbrella Liability - \$1,000,000
 - E. Statutory Worker Compensation
 - F. Waiver of Subrogation Endorsement in favor of NMJC
 - G.

2. The electrician must be properly licensed, under the New Mexico Construction Industries Regulations, for all aspects of work requirements. Actual work shall be performed by workmen properly licensed (EE-98J and EE-98 licenses are required), or appropriately skilled in applicable trade.

3. Apprentice personnel must possess an apprenticeship card.

A. Journeyman

1. Base Hourly Rate: 7:00 am to 5:00 pm, Monday thru Friday excluding weekend and holidays.
\$ _____

2. Overtime Rate: 5:01 pm to 6:59am, Monday thru Friday including weekend and holidays.
\$ _____

B. 1st Year Apprentice

1. Base Hourly Rate: 7:00 am to 5:00 pm, Monday thru Friday excluding weekend and holidays.
\$ _____

2. Overtime Rate: 5:01 pm to 6:59am, Monday thru Friday including weekend and holidays.
\$ _____

C. Trucks and Tools

1. Base Hourly Rate: 7:00 am to 5:00 pm, Monday thru Friday excluding weekend and holidays.
\$ _____

3. Overtime Rate: 5:01 pm to 6:59am, Monday thru Friday including weekends and holidays.
\$ _____