

# NEW MEXICO JUNIOR COLLEGE

## BOARD MEETING

**Thursday, November 17, 2016**

**Zia Room – Library**

**1:30 p.m.**

### AGENDA

- |   |               |
|---|---------------|
| A. Welcome                                    | Pat Chappelle |
| B. Adoption of Agenda                         | Pat Chappelle |
| C. Approval of Minutes of October 20, 2016    | Pat Chappelle |
| D. President's Report                         | Kelvin Sharp  |
| E. New Business                               |               |
| 1. Monthly Expenditures Report                | Dan Hardin    |
| 2. Monthly Revenue Report                     | Dan Hardin    |
| 3. Oil and Gas Revenue Report                 | Dan Hardin    |
| 4. Schedule of Investments                    | Dan Hardin    |
| 5. Fiscal Watch Reports                       | Dan Hardin    |
| 6. Consideration of Budget Adjustment Request | Dan Hardin    |
| 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  
OCTOBER 20, 2016  
MINUTES**

The New Mexico Junior College Board met on Thursday, October 20, 2016, 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; Mr. Zeak Williams; and Mr. Hector Baeza. Mrs. Mary Lou Vinson was absent.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Dorothy Fowler, Hobbs News-Sun.

Upon a motion by Mr. Glenn, seconded by Mr. Gomez, the agenda was unanimously adopted.

Upon a motion by Mr. Gomez, seconded by Mr. Williams, the Board unanimously approved the minutes of September 15, 2016.

***Under President's Report,*** Dr. Sharp congratulated Mr. David Hooten, NMJC Grounds Supervisor, for his work on the pond and nature trail at the Western Heritage Museum which has earned recognition from the National Wildlife Council's as a "Certified Wildlife Habitat". Mr. Hooten provided detailed information of the criteria involved to receive this award and described the Nature Trail Landscape Project as an outdoor learning lab for all visitors. In addition, identification of all trees and shrubs on the NMJC campus is near completion and will become an arboretum. Mr. Hooten thanked the Board, Dr. Carroll, and Dr. Beauchamp for their support in making these projects a success. Dr. Sharp and Board members expressed their appreciation for the time and work devoted to these projects and to the NMJC campus.

Dr. Beauchamp provided updates on the Titanic Exhibit. He reported with only 18 days remaining, visitors who have signed in have come from 287 cities, 11

countries and 39 states. To date, there have been a total of 25,028 visitors to the Titanic averaging 290 people a day and 1,800 to 2,000 people a week with sales continuing to be robust. If able to stay on course, approximately 30,000 people will have visited the Titanic by the end of the exhibition. The tear down of the Titanic is scheduled for November 7<sup>th</sup> and Christmas Traditions will open on December 1<sup>st</sup>.

Dr. Stephanie Ferguson reported on the recent naming of NMJC as one of the top online vocational schools for 2016/2017. She reported after information was gathered from college websites and publicly available data from the Federal Department of Education, the Community of Accredited Online Schools ranked NMJC as 6<sup>th</sup> in the nation for online vocational schools from a total of 50 two-year schools from 25 states. Schools were ranked by cost, financial aid, number of programs and offerings. A handout provided by Dr. Ferguson reflected detailed information of the process.

Dr. Sharp reported results of the Special Session was a 5% cut to Higher Institutions amounting to \$322,000 for NMJC. He stated further cuts at the Legislative Sessions beginning in January will be dependent on the recovery of oil and gas prices. Dr. Sharp thanked Board members for attending the ACCT Leadership conference in New Orleans. Significant discussion was provided on various sessions attended which included Legal Issues, Policies for Drones, Campus Security, First Amendment Rights, Residence Halls, Institutional Efficiency and Student Free Speech.

***Under New Business***, Dan Hardin presented the September, 2016 financial reports. Upon a motion by Mr. Glenn, seconded by Mr. Gomez, the Board unanimously approved the Expenditure Report for September, 2016. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Dr. Dennis Atherton requested approval for employment of Mrs. Sandra K. Clark, relative (spouse) of Mr. Deron Clark, Director of Athletics, for the Administrative Secretary for Nursing position as per the NMJC Employee Handbook Policy No. 203 – Employment of Relatives. Upon a motion made by Mr. Black, seconded by

Mr. Glenn, the Board unanimously approved the employment of Saundra K. Clark effective November 1, 2016.

Mr. Deron Clark requested approval for the emergency hiring of Ms. Alexandria (Alexis) Furr for the Assistant Women's Basketball Coach position pending completion of a background check. Upon a motion made by Mr. Gomez, seconded by Mr. Black, the Board unanimously approved the employment of Alexis Furr.

Ms. Chappelle called for comments from the public. Mr. James Britsch, Director of Library Services, encouraged everyone to vote for GO Bond B which will provide funding to New Mexico libraries for the purchase of books and library resource materials.

The next regular board meeting was scheduled for Thursday, November 17, 2016 beginning at 1:30 pm.

Mr. Glenn 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; 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. Baeza, the board meeting adjourned at 3:40 pm.

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Pat Chappelle, Chair

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Ron Black, Secretary

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# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

From: Dan Hardin

Date: November 10, 2016

RE: Expenditure and Revenue Reports for October

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The October expense report represents month four or 33 percent of the 2016/2017 fiscal year. The expenditure report reflects expenditure totals that include funds expended and encumbered. The total year-to-date funds expended and/or encumbered through October 2016 is \$21,331,665.00.

Instruction and General had total expenditures of \$7,422,707.00 through October of 2016, which is 33% of budget. In the other unrestricted funds Internal Services is well above the budget, there will be credits posting each month and this should be within budget by the end of the fiscal year. Student Aid, Auxiliary Enterprises, and Athletics also are above the 33% budget for the year. All of these areas have expenses that are tied to the beginning of the semester. Total current unrestricted funds expended year-to-date is \$9,667,106.00, which is 37% of the budget for unrestricted funds.

Expenditures year-to-date for grants under the restricted funds is \$458,013.00, which is 23% of the budget for grants. Restricted student aid has expenditures of \$2,102,795.00 which is 53% of the budget for student aid. Financial Aid has leveled off from its downward trend and is more consistent with the previous year. In FY 13 and FY 14 there was a decrease in Student Aid which was matching the downward trend in Student Credit Hours.

Expenditures for plant funds include expenses for Institutional projects BR&R and ER&R. The several major projects that make up most of the expense for FY 17, Technology Upgrades, Campus Security, and the Entertainment Technology remodel. The Health Wellness Learning Center is encumbered and construction is moving forward. There are also several other smaller projects that are ongoing and several projects not yet started.

Total expenditures for the month of October 2016 was \$2,729,105.00, the year-to-date total of expended and/or encumbered funds is \$21,331,665.00.

The total current unrestricted revenue is higher than the revenue total at this time last

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year. Tuition and Fee revenue is consistent with last year while Oil and Gas revenue is down from this time last year. Property tax revenue will be funded in December or January. The other revenue streams seem to be on track or higher for the first four months of the fiscal year. Total year-to-date current unrestricted revenue is \$8,160,822.00 as compared to \$7,804,672.00 in FY 16.

In restricted funds revenue is down as comparable to last year with Grant fund revenue substantially lower than at this time last year. This is because of the activity in the TAACCCT (Trade Adjustment Assistance Community College and Career Training) Grant is less than it was last year.

Plant fund revenue for the month is \$3,903.00 in interest revenue from the LGIP funds. The College did not receive any drawdowns from STB or GOB funds.

Total year-to-date revenue is \$10,379,984.00

The Oil and Gas report shows the first month of revenue for this fiscal year was \$669,124.00 as compared to the \$720,659.00 for the month of July in 2015. The months of August thru October have the monthly accrual of \$465,000.00 each month. Total Oil and Gas revenue through October including three months of accrual is \$2,064,551.00.

In reviewing the investment report, the LGIP fund remains at \$10,539,127.00 for the end of October. Currently, there is \$13,265,225.04 in designated capital projects.

This is the Financial Report for October 2016.

# NEW MEXICO JUNIOR COLLEGE

## Expenditure Report

### October 2016

33% of Year Completed

Fund	2015-16			2016-17			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Instruction	10,103,380	2,851,924	28%	10,189,730	863,382	2,891,062	28%
Academic Support	2,628,124	912,027	35%	2,520,941	257,132	954,437	38%
Student Services	1,988,062	644,613	32%	1,996,717	165,507	679,661	34%
Institutional Support	3,694,568	1,648,167	45%	3,847,809	359,871	1,696,177	44%
Operation & Maintenance of Plant	3,658,460	1,275,293	35%	3,653,853	268,674	1,201,370	33%
<b>Subtotal - Instruction &amp; General</b>	<b>22,072,594</b>	<b>7,332,024</b>	<b>33%</b>	<b>22,209,050</b>	<b>1,914,566</b>	<b>7,422,707</b>	<b>33%</b>
Student Activities	0		0%	0	0		0%
Research	0		0%	0	0		0%
Public Service	0		0%	0	0		0%
Internal Service Departments	85,520	176,529	206%	85,520	95,718	129,051	151%
Student Aid	668,551	333,687	50%	668,551	5,622	371,871	56%
Auxiliary Enterprises	1,858,486	1,032,576	56%	2,038,349	291,032	1,158,600	57%
Athletics	1,157,636	537,506	46%	1,191,478	63,566	584,877	49%
<b>Total Current Unrestricted Fund</b>	<b>25,842,787</b>	<b>9,412,322</b>	<b>36%</b>	<b>26,192,948</b>	<b>2,370,504</b>	<b>9,667,106</b>	<b>37%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	2,055,881	1,011,150	49%	1,977,141	132,018	458,013	23%
Student Aid	4,989,673	1,926,189	39%	3,989,359	125,780	2,102,795	53%
<b>Total Current Restricted Fund</b>	<b>7,045,554</b>	<b>2,937,339</b>	<b>42%</b>	<b>5,966,500</b>	<b>257,798</b>	<b>2,560,808</b>	<b>43%</b>
<b>PLANT FUNDS</b>							
<b>Capital Outlay / Bldg. Renewal &amp; Repl.</b>							
Projects from Institutional Funds	8,587,117	2,649,500	31%	11,519,140	86,368	3,401,641	30%
Projects from State GOB Funds	5,000,000	317,875	0%	4,955,549		4,950,000	100%
Projects from State STB Funds		553,777	0%	785,072		500,900	0%
Projects from General Fund	0		0%	0			0%
Projects from Private Funds	0		0%	0			0%
Projects from State ER&R	332,720	79,127	24%	332,720	4,215	57,849	17%
Projects from State BR&R	597,281	753,926	126%	597,281	10,220	193,361	32%
Subtotal - Capital and BR&R	14,517,118	4,354,205	30%	18,189,762	100,803	9,103,751	50%
<b>Debt Service</b>							
Revenue Bonds	0	0	0%	0	0	0	0%
<b>Total Plant Funds</b>	<b>14,517,118</b>	<b>4,354,205</b>	<b>30%</b>	<b>18,189,762</b>	<b>100,803</b>	<b>9,103,751</b>	<b>50%</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>47,405,459</b>	<b>16,703,866</b>	<b>35%</b>	<b>50,349,210</b>	<b>2,729,105</b>	<b>21,331,665</b>	<b>42%</b>

**NEW MEXICO JUNIOR COLLEGE**  
**Revenue Report**  
**October 2016**

33% of Year Completed

Fund	2015-16			2016-17			
	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Tuition and Fees	3,692,200	2,086,654	57%	3,667,000	57,926	2,091,766	57%
State Appropriations	6,129,500	2,043,331	33%	5,982,400	573,520	2,069,495	35%
Advalorem Taxes - Oil and Gas	7,235,000	2,115,660	29%	7,235,000	669,124	2,064,551	29%
Advalorem Taxes - Property	6,853,725	0	0%	7,052,621			0%
Interest Income	4,000	118	3%	15,000	76	137	1%
Other Revenues	330,105	104,958	32%	347,984	133,284	345,674	99%
<b>Subtotal - Instruction &amp; General</b>	<b>24,244,530</b>	<b>6,350,721</b>	<b>26%</b>	<b>24,300,005</b>	<b>1,433,930</b>	<b>6,571,623</b>	<b>27%</b>
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	27,000	4,379	16%	39,170	3,749	6,417	16%
Auxiliary Enterprises	2,288,000	1,288,113	56%	2,586,000	63,792	1,425,549	55%
Athletics	487,200	161,459	33%	477,300	39,308	157,233	33%
<b>Total Current Unrestricted</b>	<b>27,046,730</b>	<b>7,804,672</b>	<b>29%</b>	<b>27,402,475</b>	<b>1,540,779</b>	<b>8,160,822</b>	<b>30%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	2,055,881	915,637	45%	1,977,141	6,664	338,305	17%
Student Aid	4,989,673	1,739,747	35%	3,989,359	21,488	1,868,949	47%
<b>Total Current Restricted</b>	<b>7,045,554</b>	<b>2,655,384</b>	<b>38%</b>	<b>5,966,500</b>	<b>28,152</b>	<b>2,207,254</b>	<b>37%</b>
<b>PLANT FUNDS</b>							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	5,000,000	665,322	0%	4,955,549			0%
Projects from State STB Funds	0		0%	785,072	0	0	0%
Projects from General Fund	0		0%	0	0	0	0%
Projects from Private Funds	0		0%	0	0	0	0%
Interest Income (LGIP)	10,000	4,778	48%	10,000	3,903	11,908	0%
<b>Total Plant Funds</b>	<b>5,010,000</b>	<b>670,100</b>	<b>13%</b>	<b>5,750,621</b>	<b>3,903</b>	<b>11,908</b>	<b>0%</b>
<b>GRAND TOTAL REVENUES</b>	<b>39,102,284</b>	<b>11,130,156</b>	<b>28%</b>	<b>39,119,596</b>	<b>1,572,834</b>	<b>10,379,984</b>	<b>27%</b>

# NEW MEXICO JUNIOR COLLEGE

## Oil and Gas Revenue Report

### October 2016

33% of Year Completed

		OIL		GAS		COMBINED		
Sales	Month of Distribution	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2015-16 Original Budget	Variance Over (Under) Budget
Actual	July	\$39.01	6,018,599	\$2.97	20,943,874	669,124	465,000	204,124
Accrual	August					465,000	465,000	0
Accrual	September					465,000	465,000	0
Accrual	October					465,000	465,000	0
Accrual	November						465,000	(465,000)
Accrual	December						465,000	(465,000)
Accrual	January						465,000	(465,000)
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						2,064,124	5,580,000	(3,515,876)
Y.T.D. Equipment Tax Revenue						427	1,655,000	(1,654,573)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>2,064,551</u>	<u>7,235,000</u>	<u>(5,170,449)</u>

Source: New Mexico Taxation and Revenue Department

# NEW MEXICO JUNIOR COLLEGE

## Schedule of Investments

### October 2016

33% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	10,593,127	7102-1348	0.147%	3,903
Plus deposits	0			
Less withdrawals	0			
<b>Total LGIP investments</b>	<u>10,593,127</u>			<u>3,903</u>

Capital Projects	10/31/2016
Vehicles	50,000.00
Technology Upgrade	232,493.05
JASI	17,493.54
WHM South Gallery	266,594.43
Baseball Field	23,362.95
Rodeo Arena	46,001.31
Luminis Software	2,993.00
Landscaping	229,732.22
Campus Signage	601.67
Dorm/Apartment Refurbish	32,128.55
Campus Construction	202,423.17
Oil & Gas Training	154,069.55
Public Sector	9,227.00
Campus Security	23,832.19
Lumens Software-Distance Learnig	5,000.00
Copier Replacement	274.00
Non-Recurring Compensation	152,169.10
Athletics	11,939.28
Student Life Programming	20,432.28
Warehouse/Cont Ed Remodel	669.00
Succession Plan	52,014.15
WHM Exhibits	121,780.00
Mansur Hall Upgrades	15,509.95
Senior Warm Water Wellness Ctr	5,000,000.00
Driving Range Upgrades	200,000.00
Entertainment Technology	2,244,160.01
Cafeteria Upgrade	210,531.12
Channel 19 Upgrade	32,719.62
FERPA & Title IX	8,564.50
Equestrian Center	3,000,000.00
Bob Moran Upgrades	60,803.91
Turf Replacement	82,781.47
WHM Titanic Exhibit	-4,102.71
HVAC Software-Central Plant	200,000.00
Busing Support for Recruiting	6,000.00
HED Faculty Development	20,000.00
Allied Health	530,000.00
Workforce Training Contingency	3,026.73
<b>Total</b>	<b>13,265,225.04</b>

NOTE: Capital projects total does not include encumbered funds

# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

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To: Board Members  
From: Dan Hardin  
RE: Quarterly Financial Action Report  
Date: November 10, 2016

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Attached for your review is the Quarterly Financial Action report for September 2016. This is a yes or no self-disclosure report that would flag problems that an institution might be having that would not be evident in the financial reports. Even though the economy of Lea County has slowed down tremendously, the College continues to remain viable and in good financial standing.

The remaining reports are for your information and are disclosed as they are in the annual audit. The Statement of Net Position for September 30, 2016. The total current assets consist of Cash and Cash Equivalents in the amount of \$2,940,396.00, which represents cash in the vault and balances in the bank. Investments totaling \$10,593,127.00 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 \$15,777,163.00, with Non-Current Assets is the capital assets totaling \$76,319,363.00. Total Assets are \$92,096,526.00. Deferred Outflows of Resources related to pensions (ERB) Education Retirement Board, include employer contributions and the changes in differences between contributions and proportionate share of contributions. Deferred Outflows \$1,567,745.00 plus Total Assets equal the Total Assets and Deferred Outflows of \$94,498,709.00.

Current Liabilities begin with Accounts Payable of \$1,499,209.00. 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. Accrued Expenses include all of the withholding payables for Federal Income

Tax, State Income Tax, ERA, Health Insurance, gross receipts, and other payroll related withholdings. Total Accrued Expenses as of September 30, 2016 are \$668,338.00. Unearned income is normally income for tuition, fees, or housing that we receive in the Spring semester for the coming Summer and Fall semesters, which are in a different fiscal year. Currently, Unearned income is \$8,635.00, which is unearned income for ABE textbook. Compensated absences is a combination of salaries payable and accrued vacation payables. The total of compensated absences is \$296,816.00. Total Current Liabilities are \$1,499,209.00 as of September 30, 2016. Non-Current Liabilities include Net pension liabilities of \$22,591,262.00. Total liabilities are \$24,101,356.00, this total plus Deferred Inflows that include the net difference between projected and actual earnings on pension plan investments. Total Deferred Inflow of \$2,390,168.00 and Liabilities is \$26,491,524.00. The Net Assets include Invested in Capital Assets, net of related debt, for a total of \$76,319,363.00. Unrestricted net position is (8,312,178) with the Total Net Position as of September 2016 \$68,007,185.

The next report is the Statement of Revenues, Expenses and Change in Net Position as of September 30, 2016. These numbers were presented at the October Board meeting. Operating revenues were \$4,497,920, with operating expenses of \$11,110,609, please keep in mind that this report is a combination of unrestricted and restricted revenue and expenses. Non-operating revenues is \$3,872,097.00 for a total loss before capital appropriations or change in net position of (2,740,592.). As you know large portions of the revenue comes at different times of the year, for example revenue from mill levy for property tax comes normally in December and May or June.

The Cash Flow statement represents the activity during the first quarter 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 \$8,675,842 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 \$3,602,995.00. The third section is cash from capital financing activities, this shows the revenue from State funding for STB and GOB grants, with funds expended for purchase of capital assets. The College began the fiscal year with \$18,595,471.00 in cash and cash equivalents; and ended the first quarter with \$13,533,523.00 in cash and cash equivalents for a net decrease of \$5,061,948.00. This gives you a snapshot of the cash in and out for the first three months of FY 17. We hope this explanation gives you a complete understanding of the financial standing of New Mexico Junior College as of September 30, 2016.

Dan Hardin

## QUARTERLY FINANCIAL ACTION REPORT

Fiscal Year 17

Today's Date: 11-17-2016

Period (check one)

1st quarter

2nd quarter

3rd quarter

4th quarter

Institution: New Mexico Junior College

### DURING THE TIME PERIOD COVERED BY THIS REPORT, DID YOUR INSTITUTION:

(1) Request an advance of state subsidy? Yes:  No:

(2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)?

Yes:  No:

(3) Fail to make its payroll payments, as scheduled?

Yes:  No:

(4) Fail to make its scheduled debt service payments?

Yes:  No:

(5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system?

Yes:  No:

(6) Relative to its original budget for the fiscal year, experience any actual or anticipate any projected financial changes (such as unbudgeted decreases in revenues or unbudgeted increases in expenditures) that will result in a substantially reduced year-end fund balance or larger deficit this fiscal year?

Yes:  No:

If the answer to any of the above is "Yes," please describe in a separate document: (i) the reason for the occurrence, (ii) the actions taken by your institution to resolve this particular occurrence, and (iii) the actions taken by your institution to prevent events such as this from occurring again.

In addition, if the answer to number 6 is "Yes," please describe in a separate document the nature of the financial changes and describe and assess the impact that the changes will have on your institution's planned year-end financial position.

**NEW MEXICO JUNIOR COLLEGE****STATEMENT OF NET POSITION****September 30, 2016**

<b>ASSETS</b>	<b>Primary Government</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 2,940,396
Short-term investments	10,593,127
Accounts receivable, net	1,564,123
Inventories	666,590
Prepaid expenses	12,927
<b>Total current assets</b>	<b>15,777,163</b>
<b>Non-current assets:</b>	
Capital assets, net	76,319,363
<b>Total non-current assets</b>	<b>76,319,363</b>
<b>Total assets</b>	<b>92,096,526</b>
<b>Deferred outflows</b>	
Deferred outflows - contributions after measurement date	1,567,745
Deferred outflows - change in proportion	834,438
<b>Total deferred outflows</b>	<b>2,402,183</b>
<b>Total assets and deferred outflows</b>	<b>\$ 94,498,709</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 525,420
Accrued expenses	668,338
Unearned revenue	8,635
Compensated absences	296,816
<b>Total current liabilities</b>	<b>1,499,209</b>
<b>Non-current liabilities:</b>	
Compensated absences	10,885
Net pension liability	22,591,262
<b>Total non-current liabilities</b>	<b>22,602,147</b>
<b>Total liabilities</b>	<b>24,101,356</b>
<b>Deferred inflows</b>	
Deferred inflows - investment experience	2,053,639
Deferred inflows - actuarial experience	336,529
<b>Total deferred inflows</b>	<b>2,390,168</b>

**Total liabilities and deferred inflows**

26,491,524

**Net assets:**

Invested in capital assets, net of related debt

76,319,363

Unrestricted

(8,312,178)

**Total net position**

68,007,185

**Total liabilities and net position**

\$ 94,498,709

**NEW MEXICO JUNIOR COLLEGE****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION****September 30, 2016**

	<u>Primary Government</u>
<b>Operating revenues:</b>	
Student tuition, fees and trainings	\$ 2,035,803
Federal grants and contracts	665,157
State and other grants and contracts	244,955
Auxiliary enterprises	1,434,080
Intercollegiate athletics	117,925
<b>Total operating revenues</b>	<u>4,497,920</u>
<b>Operating expenses:</b>	
Instruction	2,102,235
Academic support	710,558
Student services	766,487
Institutional support	1,367,628
Operations and maintenance	994,454
Renewals and replacements	1,356,381
Student aid	2,343,265
Public service	38,890
Intercollegiate athletics	536,775
Auxiliary enterprise expenses	893,937
<b>Total operating expenses</b>	<u>11,110,609</u>
<b>Operating income (loss)</b>	<u>(6,612,690)</u>
<b>Non-operating revenues (expenses):</b>	
Property taxes	
Oil and gas taxes	669,552
Federal pell grants	1,437,468
State appropriations, non-capital	1,495,975
Other revenue sources	257,058
Investment income (Loss)	12,045
<b>Net non-operating revenues (expenses)</b>	<u>3,872,097</u>
<b>Income (loss) before capital appropriations</b>	(2,740,592)
<b>State appropriations, capital</b>	<u>-</u>
<b>Change in net position</b>	(2,740,592)
<b>Net position, beginning of year</b>	<u>70,747,777</u>
<b>Net position, end of year</b>	<u>68,007,185</u>

## NEW MEXICO JUNIOR COLLEGE

### STATEMENT OF CASH FLOWS

For the year ended September 30, 2016

	<u>Primary Government</u>
Cash flows from operating activities:	
Tuition, fees and trainings	\$ 2,035,803
Federal and state grants and contracts	910,112
Auxiliary enterprise charges	1,365,832
Intercollegiate athletics	117,925
Payments to employees and for employee benefits	(4,608,623)
Disbursement of net aid to students	(2,296,181)
Payments to suppliers	(6,200,710)
<b>Net cash (used) by operating activities</b>	<u>(8,675,842)</u>
Cash flows from noncapital financing activities:	
State appropriations	1,495,975
Federal pell grants	1,437,468
Oil and gas taxes	669,552
<b>Net cash provided by noncapital financing activities</b>	<u>3,602,995</u>
Cash flows from capital financing activities:	
Other revenue sources	325,306
<b>Net cash provided by capital financing activities</b>	<u>325,306</u>
Cash flows from investing activities:	
Purchase of capital assets	(326,451)
Interest received	12,044
<b>Net cash (used) by investing activities</b>	<u>(314,407)</u>
<b>Net increase in cash and cash equivalents</b>	(5,061,948)
<b>Cash and cash equivalents - beginning of year</b>	18,595,471
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 13,533,523</u></u>
<b>Reconciliation to Statement of Net Position</b>	
<b>Cash and cash equivalents</b>	\$ 2,940,396
<b>Short-term investments</b>	10,593,127
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 13,533,523</u></u>
Operating Loss	\$ (6,612,690)
Reconciliation of operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Accrued expenses	(448,191)
Unearned revenues	(1,138,466)
Prepaid expenses	529,196

Accounts payable	(2,833,560)
Accounts receivable, net	1,673,814
Prepaid summer expenses	154,055
<b>Net cash (used) by operating activities</b>	<u><u>\$ (8,675,842)</u></u>

# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

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To: NMJC Board  
From: Dan Hardin  
RE: Budget Adjustment Request  
Date: November 17, 2016

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NMJC Board,

During the New Mexico Legislative Special Session in October, the New Mexico Junior College FY 17 budget was cut by 5% or \$322,705.00. The Higher Education Department (HED) is requiring all institutions to do a mid-year Budget Adjustment Request (BAR) that reflects the funding cut. The 5% cut was made to the following areas in the NMJC Budget;

I&G Base Funding	\$5,480,500.00	(274,025.00)	\$5,206,475.00
Nursing Expansion	\$ 300,800.00	( 15,040.00)	\$ 285,760.00
Oil & Gas Training	\$ 171,900.00	( 8,595.00)	\$ 163,305.00
Lea County Distance Ed	\$ 29,200.00	( 1,460.00)	\$ 27,740.00
<u>Athletics</u>	<u>\$ 471,700.00</u>	<u>( 23,585.00)</u>	<u>\$ 448,115.00</u>
State I&G Funding	\$6,454,100.00	(322,705.00)	\$6,131,395.00

During the November 8<sup>th</sup> election, Bond C was passed approving the \$4,000,000.00 GOB funds for the NMJC Allied Health Building. With Board approval the Administration is asking for your approval to move \$1,500,000.00 from I&G fund balance to the capital fund for the construction of the Allied Health Building. With this allocation the following would be available for construction of the Allied Health Building;

GOB	Allied Health Building Construction	\$3,960,000.00
STB	Allied Health Building Construction	\$ 705,000.00
Institutional	Allied Health Building Construction	\$ 530,000.00
<u>Proposed</u>	<u>Allied Health Building Construction</u>	<u>\$1,500,000.00</u>
	Total	\$6,695,000.00

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The preliminary estimates for construction, equipment, and furniture for the Allied Health Building is somewhere between eight and ten million.

The request is for your approval of the Budget Adjustment Request that will show the cut in State funding and the transfer of \$1,500,000.00 fund balance from I&G to the Allied Health Building Construction fund.

Respectfully,

Dan Hardin