

OATH

I, Travis Glenn, do solemnly swear that I will support the Constitution of the United States of America and the Constitution and the laws of the State of New Mexico and that I will faithfully and impartially discharge the duties of a Board of Director of New Mexico Junior College on which I am about to enter, to the best of my ability, so help me God.

Travis Glenn

(Seal)

Subscribed and sworn to before me on
this 20th day of January, 2022.

Notary Public

My commission expires: 9/14/24

OATH

I, Manny Gomez, do solemnly swear that I will support the Constitution of the United States of America and the Constitution and the laws of the State of New Mexico and that I will faithfully and impartially discharge the duties of a Board of Director of New Mexico Junior College on which I am about to enter, to the best of my ability, so help me God.

Manny Gomez

(Seal)

Subscribed and sworn to before me on
this 20th day of January, 2022.

Notary Public

My commission expires: 9/14/24

OATH

I, Guy Kesner, do solemnly swear that I will support the Constitution of the United States of America and the Constitution and the laws of the State of New Mexico and that I will faithfully and impartially discharge the duties of a Board of Director of New Mexico Junior College on which I am about to enter, to the best of my ability, so help me God.

Guy Kesner

(Seal)

Subscribed and sworn to before me on
this 20th day of January, 2022.

Notary Public

My commission expires: 9/14/24

OATH

I, Evelyn Rising, do solemnly swear that I will support the Constitution of the United States of America and the Constitution and the laws of the State of New Mexico and that I will faithfully and impartially discharge the duties of a Board of Director of New Mexico Junior College on which I am about to enter, to the best of my ability, so help me God.

Evelyn Rising

(Seal)

Subscribed and sworn to before me on
this 20th day of January, 2022.

Notary Public

My commission expires: 9/14/24

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, January 20, 2022
Ben Alexander Building – Daniels Room
1:30 pm

AGENDA

- | | |
|---|-----------------|
| A. Welcome | Pat Chappelle |
| B. Oath of Office | Scotty Holloman |
| C. Adoption of Agenda | Pat Chappelle |
| D. Re-Organization of Board | Steve McCleery |
| E. Canvass Election Approval | Board Chair |
| F. Approval of Minutes of December 16, 2021 | Board Chair |
| G. President's Report | Steve McCleery |
| H. New Business | |
| 1. Fiscal Year June 30, 2021 Audit Report | Josh Morgan |
| 2. Monthly Expenditure Report | Josh Morgan |
| 3. Monthly Revenue Report | Josh Morgan |
| 4. Oil and Gas Revenue Report | Josh Morgan |
| 5. Schedule of Investments | Josh Morgan |
| 6. Fiscal Watch Report | Josh Morgan |
| 7. Consideration of Change in Title - Charley Carroll | Steve McCleery |
| 8. Consideration of NMJC Retiree Card | Steve McCleery |
| 9. Consideration of General Maintenance Foreman Position | Steve McCleery |
| 10. Consideration of Open Meetings Act Resolution | Scotty Holloman |
| 11. Consideration of Transfer of Radio Tower Lease | Scotty Holloman |
| 12. Consideration of Change of Status for Head Women's Volleyball Coach | Deron Clark |
| 13. Consideration of Candidate for Men's Head Golf Coach | Deron Clark |
| I. Public Comments | Board Chair |
| • Phone Number (575) 492-2595 | |
| • Fax Number (575) 492-2559 | |
| J. Determination of Next Meeting | Board Chair |
| K. Closure of Open Meeting | |

- Discussion of Limited Personnel Matters Pursuant to NMSA 1978 §10-15-1 H (2) Regarding the Hiring Promotion, Demotion, Discipline or Dismissal of Two Employees, and
- Regarding Litigation in which New Mexico Junior College is a Defendant, Casarez vs. NMJC US District Court No. 21-CV-00813, as authorized by NMSA 1978 § 10-15-1 H (7).

L. Adjournment

Board Chair

- C. Vacancies: All vacancies caused in any other manner than by the expiration of the term of office shall be filled by appointment by the remaining members. An individual appointed by the remaining members of the board to fill a vacancy in office shall serve until the next election as required by applicable law, at which time candidates shall file for and be elected to fill the vacant position to serve the remainder of the unexpired term in accordance with applicable law.

III. Organization

- A. Board Officers--Designation: At its first regular meeting following the election, the Board shall select from its members a chairperson and secretary who shall serve in these offices until the next regular board election. After each election, Board members shall re-organize in this manner:
1. Chairperson: The duties of the Chairperson of the Board shall be:
 - a. To preside at board meetings;
 - b. To call special or emergency meetings as required or to change the time and/or date of a regular meeting; and
 - c. To perform such other duties as may be prescribed by law or by action of the Board.
 2. Secretary: The duties of the Secretary of the Board shall be:
 - a. To preside over board meetings in the absence of the Chairperson; and
 - b. To perform such other duties as the Board may prescribe.
- B. The President shall serve as Chief Executive to the Board. A Board Recorder shall be appointed for clerical assistance.
1. Chief Executive to the Board: The duties of the President shall be:
 - a. To provide adequate notice to board members and the public of all meetings;
 - b. To call all regular meetings;
 - c. To attend all board meetings except during that portion of a meeting when his salary or performance is being discussed among members;
 - d. To arrange for recording of minutes of the board meetings and transmit a copy of the previous meeting minutes to each board member before each ensuing meeting;
 - e. To arrange to have the board agenda prepared; and
 - f. To have charge of all records, proceedings and documents of the Board.



CERTIFICATION OF CANVASS RESULTS

We, the undersigned Board of County Commissioners acting as the Board of Canvassers of Lea County, State of New Mexico, canvass the Local Election held in said county, November 2, 2021, certify that the canvass results text file sent to the office of secretary of state is a correct canvass of returns of said election.

WITNESS the Honorable Board of County Commissioners, November 10, 2021

Date

ATTEST:

Keith Mames

Clerk

Rebecca Long

Chairman

Dean Jackson

Member

Ray B. Adams

Member

Jonathan Sena - Voted by phone

Member

Member

Member



	BRADLEY C BISHOP ()	TRAVIS L GLENN ()	MANUEL R GOMEZ ()	GUY G KESNER ()	EVELYN J RISING ()	JEREMY F GONZALES ()	CODY CARL HUDSON ()	WAYLON DENTON CROZIER ()	CHARLES M HOBBS JR ()	CARI N COY ()	WANLUSS E ARMSTRONG ()	DAVID JESUS RODRIGUEZ ()	SHANNON RAE CUMMINS ()	ALMA LINDA SANCHEZ ()	MANUEL QUIROZ JR ()	JULIA ANN MYERS ()	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Precinct
		0				0	0	0																							002
2		7				4	5	2																						003	
2		1				2	0	1							4		4	0												009	
0						2	0	1									1	1												010	
2						2	0	2									1	0												011	
1		2				2	1	0									0	0												012	
2						4	4	1				1					0	1												013	
3						3	1	0									3	1												014	
1						0	0	1							0		1	2												015	
0						0	0	0									1	0												016	
0		0				0	0	0								0	0	0												017	
						0	0	0								0	0	0													018
2		2				2	0	0																						019	
						0	0	0									0	2													020
						4	0	3																							021
						0	0	1																							022
						0	0	0																							023
						0	0	0																							024
						0	0	0																							025
						0	0	0																							026
						0	0	0																							027
						1	1	1																							028
						2	2	0																							029
						0	0	0																							030
						0	0	0																							031
						0	0	0																							032
						0	0	0																							033
						1	1	0																							034
						0	0	0																							035
						0	0	0																							036
						0	0	0																							041
						0	0	0																							042
						0	0	0																							043
						0	0	0																							044
						2	2	0																							051
						1	1	0																							052
						0	0	0																							053
						0	0	0																							054
						0	0	0																							055
						1	1	1																							056
						0	0	0																							057
						0	0	0																							058
						1	1	0																							059
						0	0	0																							061
						4	4	0																							062
						0	0	1										2													071
						0	0	0									5	0													072
						0	0	0									0	0													073
						0	0	0									0	0													074
15	12	5	4	4	43	28	12	6	4	0	4	8	0	8	1	11	7	7	3	6	3	0	0	0	0	6	3	0	0		

BRADLEY C BISHOP ()	MUNICIPAL SCHOOL BOARD	College Board Member 1 NEW MEXICO JUNIOR	College Board Member 3 NEW MEXICO JUNIOR	College Board Member 4 NEW MEXICO JUNIOR	College Board Member 6 NEW MEXICO JUNIOR	Soil & Water Supervisor 3 LEA SOIL & WATER	Soil & Water Supervisor 4 LEA SOIL & WATER CONSERVATION BOARD	Hospital Board Member 3 EUNICE SPECIAL HOSPITAL DISTRICT	Hospital Board Member 3 JAL SPECIAL	Hospital Board Member 3 NOR LEA HOSPITAL 3	Hospital Board Member 4 EUNICE SPECIAL	Hospital Board Member 4 JAL SPECIAL	Hospital Board Member 4 NOR LEA HOSPITAL 4	Hospital Board Member 5 NOR LEA HOSPITAL 5	PUBLIC SCHOOL BUILDINGS (2 MILL) TAX	QUESTION: Shall the Lovington Municipal School District School District No. CAPITAL IMPROVEMENTS (2 MILL) TAX QUESTION: Shall the Board of	PUBLIC SCHOOL BUILDINGS (2 MILL) TAX	QUESTION: Shall the Board of Education of the	PUBLIC SCHOOL CAPITAL OUTLAY (2 MILL) TAX	QUESTION: Shall the Jal Public School District No. SPECIAL HOSPITAL DISTRICT (2 MILL) TAX QUESTION: Shall the Eunice Special Hospital	Precinct				
0						0	0															002			
23						14	13	3														003			
62						59	40	19														009			
43	36					37	32	9					24		41		27					010			
13						10	7	2							12		6					011			
12						13	7	6							7		6					012			
53	57					55	33	12							38		17					013			
37						33	18	15		50					26		13					014			
55						48	28	18		14					33		23					015			
12						10	7	3					17		7		5					016			
8						6	5	1						7	7		5					017			
19	16					15	9	5						6	5		3					018			
		9				9	6	3						19	14		6					019			
6	7					7	7	1														020			
		20				19	12	7							6		3					021			
		14				13	10	1														022			
			6			6	5	1														023			
			12			10	5	5														024			
	4					4	3	1														025			
		8				6	8	1														026			
	0		1			1	1	0														027			
						10	6	4														028			
			13			10	9	2														029			
			3			3	1	2														030			
			6			4	6	0														031			
						4	1	3														032			
			7			6	2	5														033			
				2		2	2	0														034			
						4	2	1														035			
						9	10	5														036			
						9	6	3														041			
						5	3	3														042			
						5	5	1														043			
				2		1	1	0														044			
						4	4	0														051			
						6	3	1														052			
						4	4	3														053			
						0	0	0														054			
		4				4	3	1														055			
		7				7	6	2														056			
						1	1	1														057			
						0	0	0														058			
				2		2	1	1														059			
						1	1	0														061			
						28	21	5	18	27												062			
						52	44	14	35	44				41								071			
						9	7	2	0	0	9			68								072			
						2	1	2	0	0	3			10								073			
320	143	68	50	19	573	410	174	53	71	12	64	109	13	133	32	213	127	83	39	80	42	8	5	82	41

BRADLEY C BISHOP ()	TRAVIS L GLENN ()	MANUEL R GOMEZ ()	GUY G KESNER ()	EVELYN J RISING ()	JEREMY F GONZALES ()	CODY CARL HUDSON ()	WAYLON DENTON CROZIER ()	CHARLES M HOBBS JR ()	CARI N COY ()	WANLUSS E ARMSTRONG ()	DAVID JESUS RODRIGUEZ ()	SHANNON RAE CUMMINS ()	ALMA LINDA SANCHEZ ()	MANUEL OUIROZ JR ()	JULIA ANN MYERS ()	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Precinct
10					9	4	5																							002
136					109	87	37																							003
49					45	28	13																							009
75	62				65	52	21							46		40	16													010
12					13	7	7									8	7													011
12					13	9	8									13	4													012
62	65				61	41	22				63					48	19													013
34					41	29	12				27					38	15													014
70					68	45	28							66		57	20													015
3					5	4	0									4	5	1												016
15					17	17	4									19	13	7												017
32	32				30	20	13									31	22	13												018
		13			13	12	2																							019
		12			12	6	7																							020
7	7				8	7	1									7	1													021
		21			19	13	6																							022
		17			17	10	7																							023
			21		21	11	9																							024
			15		15	8	6																							025
					16	16	3																							026
		6			6	3	4																							027
		1	2		1	3	0																							028
					15	11	5																							029
			8		8	3	3																							030
			9		8	6	4																							031
			16		15	12	3																							032
					7	11	1																							033
			5		4	2	3																							034
				2	3	3	0																							035
					6	5	1																							036
					14	8	6																							041
					15	9	6																							042
					9	7	1																							043
					10	12	3																							044
					7	6	5	2																						051
					6	4	2																							052
					2	8	7	0																						053
					5	5	4	1																						054
					6	6	3	2																						055
		6			5	5	2																							056
		10			7	5	7																							057
					1	1	0																							058
					1	1	0	0																						059
				2	2	3	0																							061
					11	12	0																							062
					96	82	23	36	122																					071
					121	94	27	46	146																					072
					30	16	13	0	0	45																				073
					19	15	4	0	1	24																				074
371	329	86	78	30	1042	777	334	82	269	69	90	252	67	133	54	284	145	216	116	218	130	90	62	108	79	0	0	0	0	074

BRADLEY C BISHOP	MUNICIPAL SCHOOL BOARD	College Board Member 1 NEW MEXICO JUNIOR	College Board Member 3 NEW MEXICO JUNIOR	College Board Member 4 NEW MEXICO JUNIOR	College Board Member 6 NEW MEXICO JUNIOR	Soil & Water Supervisor 3 LEA SOIL & WATER	Soil & Water Supervisor 4 LEA SOIL & WATER CONSERVATION BOARD	Hospital Board Member 3 EUNICE SPECIAL HOSPITAL DISTRICT	Hospital Board Member 3 JAL SPECIAL	Hospital Board Member 3 NOR LEA HOSPITAL 3	Hospital Board Member 4 EUNICE SPECIAL	Hospital Board Member 4 JAL SPECIAL	Hospital Board Member 4 NOR LEA HOSPITAL 4	Hospital Board Member 5 NOR LEA HOSPITAL 5	PUBLIC SCHOOL BUILDINGS (2 MILL) TAX	QUESTION: Shall the Lovington Municipal School CAPITAL IMPROVEMENTS (2 MILL) TAX	QUESTION: Shall the Board of Education of the PUBLIC SCHOOL CAPITAL OUTLAY (2 MILL) TAX	QUESTION: Shall the Jal Public School District No. SPECIAL DISTRICT (2 MILL) TAX	QUESTION: Shall the Eunice Special Hospital	Precinct					
TRAVIS L GLENN	MANUEL R GOMEZ	GUY G KESNER	EVELYN J RISING	JEREMY F GONZALES	COODY CARL HUDSON	WATSON DENTON CROZIER	CHARLES M HOBBS JR	CARI N COY	WANLISS E ARMSTRONG	DAVID JESUS RODRIGUEZ	SHANNON RAE CUMMINS	ALMA LINDA SANCHEZ	MANUEL QUIROZ JR	JULIA ANN MYERS	Yes	No	Yes	No	Yes	No	Yes	No			
10				9	4	5															002				
166				127	105	42																003			
113				108	70	33							116		85	43						009			
120	99			104	84	31									58	61						010			
25				24	14	10									21	13						011			
26				28	18	16									20	10						012			
116	124			118	75	34				114					88	37						013			
73				78	51	27				44				38	67	29						014			
128				119	74	46								120	91	45						015			
16				16	11	4									12	13	6					016			
23				23	22	5									25	18	10					017			
51	48			45	29	18									50	36	19					018			
		22		22	18	5																019			
		18		19	13	8																020			
15	16			19	16	4									13	6						021			
		41		38	25	13																022			
		35		34	23	9																023			
			27	27	16	10																024			
			28	26	14	11																025			
	21			20	19	4																026			
		14		12	11	5																027			
		1	3	2	4	0																028			
				26	18	9																029			
			23	20	14	5																030			
			12	11	7	8																031			
			22	19	18	3																032			
				11	12	4																033			
			12	10	4	8																034			
				5	8	5	1															035			
				10	7	2																036			
				23	18	11																041			
				24	15	9																042			
				14	10	4																043			
				15	17	4																044			
				9	7	6	2															051			
				12	12	10	2															052			
				9	12	8	2															053			
				9	9	7	2															054			
				6	6	3	2															055			
				10	9	8	3															056			
				18	15	12	9															057			
				2	2	2	0															058			
				1	1	0	0															059			
				5	5	4	1															061			
					12	13	0															062			
					124	103	28	59	149						128	69	131	69			120	79	071		
					177	141	42	82	194						177	89	172	106			166	106	072		
					39	23	15	0	0	54					0	0	0	0			0	0	0	073	
					21	16	6	0	1	27					1	0	1	0	41		20	0	0	074	
706	484	159	132	53	1658	1215	520	141	344	81	158	369	80	274	87	508	279	306	158	304	175	58	33	287	185

**NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
DECEMBER 16, 2021
MINUTES**

The New Mexico Junior College Board met on Thursday, December 16, 2021, beginning at 1:30 p.m. in the Ben Alexander Building, Daniels Room. The following members were present: Ms. Patricia Chappelle, Chair; Mr. Travis Glenn, Secretary; Ms. Evelyn Rising; Mr. Hector Baeza; Mrs. Erica Jones; Mr. Guy Kesner, and Mr. Manny Gomez.

Ms. Chappelle called the meeting to order and welcomed guests attending via Facebook Live due to COVID-19 and the current Public Health Order requiring social distancing. Ms. Chappelle stated in response to the Governor's order, guidelines continue to be followed. Ms. Chappelle encouraged the public to participate and provide public comments at the end of the formal agenda to either (575) 492-2595 or by fax to (575) 492-2559.

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

Upon a motion by Mr. Gomez, seconded by Mr. Glenn, the Board unanimously approved the minutes of November 18, 2021.

Under President's Report, Dr. McCleery announced the retirement of Mrs. Mary Lyle, Director of Education of the Western Heritage Museum. The Board thanked Mrs. Lyle for her contribution to the success of the museum. Ms. Chappelle noted the educational programs provided by Ms. Lyle over the years were exceptional and a tremendous asset to the museum. Mrs. Lyle's last day will be March 31, 2022. Mrs. Lyle's resignation was accepted, with regrets.

Mr. Steve Saucedo, Mrs. Kim Latimer, Program Planner for Continuing Education, and Marco Rios, Document Center Coordinator joined the meeting. Mr. Saucedo introduced Mrs. Latimer and Mr. Rios and reported they were instrumental in the development of the Training & Outreach catalog which was submitted to the Learning Resource Network and won National Printed Publication of the Year. In addition, Mr. Saucedo noted Mr. Brian Davis, Graphic Designer, who was also instrumental in the development of the catalog was unable to attend. The Board congratulated and thanked the team for their contribution and efforts in this success.

Mr. Saucedo announced Non-Credit Workforce Training ranked #2 in the State of New Mexico Number in the last fiscal year for: 1) new clients served; 2) total people served; and 3) number of training hours. He stated with the effects of COVID in the last fiscal year, Workforce Training hours did not go down but instead went up in spite of various restraints to include limitations to classes at 25% and the cancellation of the Workforce Training CDL classes. In addition, Mr. Saucedo announced Workforce Training was #1 in New Clients Served. Mr. Gomez asked for the reason of the increase in training hours. Mr. Saucedo responded with the cancellation of CDL classes and the immediate need for frontline first responders, healthcare training classes were increased with additional Medical Assistance (MA) programs offered. Mr. Baeza asked what the

future holds with the new hospital. Mr. Saucedo responded preliminary conversations are ongoing and noted commitments have been made between Covenant and NMJC for the MA program as well as additional classes that are not currently being offered. Mr. Baeza recommended this information be shared so future students will know what will be available. Mr. Saucedo responded Workforce Training has been proactive by inviting human resources directors from local hospitals to meet with MA students to discuss possible future employment. The Board thanked Mr. Saucedo for his leadership.

Mr. Charley Carroll joined the meeting to provide an update on the campus-wide food drive. Mr. Carroll reported a total of 10,048 cans of food were collected. He further reported approximately 60 NMJC students assisted with unloading of the canned goods.

Mrs. Stephanie Ferguson, Dean of Applied Sciences & Learning Technology and Mrs. Dianne Marquez, Dean of Arts, Sciences & Learning Support, and Mr. Kelley Williams, Professor of Automotive Technology/Ford Asset Department joined the meeting. Dean Ferguson and Dean Marquez announced Professor Williams was recently recognized for a 2021 ASSET \$5,000 Performance Award. Mr. Williams provided significant discussion of the program regarding the 6 criteria that must be met to win the award to include the sponsorship of students by a Ford Dealership and a class size of 14 students per year. Mr. Williams reported NMJC currently has 37 students. In addition, Mr. Williams noted there are 38 programs in the nation with only 7 receiving this award. Mr. Kesner congratulated Mr. Williams for the student count. Mr. Glenn asked for the number of dealerships he currently deals with. Mr. Williams responded he deals with 12/13 dealerships. Mr. Gomez asked what NMJC could do to further support the program. Mr. Williams responded the program is in a good place with the focus remaining on the growth of the program. In addition, Mr. Williams stated all graduate students during COVID have been invited to participate in the upcoming graduation. Board members were also invited to attend. The Board and Dr. McCleery expressed their appreciation for the work and dedication to the program.

Dean Ferguson and Dean Marquez, co-chairs of the Steering Committee, provided an HLC Accreditation Process update. Dean Marquez reported the creation of a Steering Committee, a diverse committee from across campus, has been accomplished and have committed to three major projects that will be presented to HLC for approval: 1) Quality Project involving student voice/engagement in the class room; 2) Co-curricular Assessment - Assessment of all other programs outside of academics; and 3) Taskforce - Review of assumed practices and audit of all processes. Dean Ferguson added embedded in this process is the Faculty Evaluation Process and the Program Review Process. Dr. McCleery noted as the process moves forward, Dean Ferguson and Dean Marquez will continue to provide updates.

Under New Business, Mr. Josh Morgan joined the meeting to present the November 2021 financial reports. Upon a motion by Mr. Kesner, seconded by Ms. Rising, the Board unanimously approved the Expenditure Report for November 2021. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Mr. Morgan, Dr. McCleery, and Mr. Matt McKim with DPS Design who joined in via Zoom, provided consideration and recommendation of three NMJC Capital Projects: 1) Planning, Design, FF&E, Demolition and Construction of the NMJC Cafeteria and Kitchen Area Project estimated

at \$8,905,000; 2) Planning, Design, Demolition and Construction of a 100-Bed Campus Housing Project estimated at \$13,658,400; and 3) Planning, Design, Demolition and Construction of Landscaping, Security, Lighting, and Water Usage Project estimated at \$9,247,500. The first two projects are necessary for the expansion of the athletic programs, alignment with Title IX issues and alignment to the Mission, Vision, and Values of NMJC. Upon approval, administration will request approval to move funds from reserves to bring projects to the requested levels as follows: 1) \$5,900,000 transfer to the Cafeteria and Kitchen Remodel; 2) \$4,160,000 transfer to the Campus Housing Project; and 3) \$8,120,000 transfer to the Landscaping Fund. In addition, NMJC will contract with DPS Architects for the design, FF&E, and planning and construction documents. Once construction documents are at 90% completion, documents will be provided to HED for approval. Final construction documents and the recommended general contractor will be presented for Board review and approval. Mr. Gomez asked which of the projects would be considered priority. Dr. McCleery responded the cafeteria and kitchen project. Significant discussion followed. Upon a motion by Mr. Kesner, seconded by Mrs. Jones, the Board unanimously approved the three Capital Projects and the transfer of funds from reserves as presented.

Mr. Morgan, Dr. McCleery, and Mr. McKim presented consideration of a Master Plan Addendum. Mr. Morgan reported an amendment became necessary following recent NMJC Capital Project Planning Sessions held in November. First, a list of future capital project goals was identified and need to be added to the Master Plan. Second, the Higher Education Department has recently revised their evaluation criteria for annual capital outlay funding requests requiring a level of planning NMJC is performing but wasn't documented in the Master Plan. Josh provided amendments to the Master Plan with significant discussion following. Upon a motion by Mr. Glenn, seconded by Ms. Rising, the Board unanimously approved the Master Plan Addendum as presented.

Mr. Jeff McCool joined the meeting to present consideration of amending the NMJC Thanksgiving Holiday to add Monday and Tuesday prior to Thanksgiving as part of the NMJC Thanksgiving Holiday. This will align the NMJC campus holidays to mirror the same schedule as the public schools. In addition, the alignment will help with faculty and staff with child care problems, create a better environment for the Dual Credit students, and lessen confusion with students. Mr. Gomez asked if there are special requirements from HED to make up for the added holiday days. Mr. McCool responded there are no specific requirements from HED and the additional days will not impact instruction. Upon a motion by Mr. Gomez, seconded by Mrs. Jones, the Board unanimously approved this request.

Dr. McCleery presented a consideration of Performance Appraisal Goal Settings for the NMJC staff and faculty. Once approved, the Performance Appraisal Goal Setting will be implemented for in the 2022 Spring Academic Session. Dr. McCleery reviewed each of the appraisals for faculty and staff and noted an amendment will be made to include "Community Involvement" under the Mission/Vision/Values of the staff appraisal. Discussion followed with questions and answers. Upon a motion made by Mr. Gomez, seconded by Mrs. Jones, and the Board unanimously approved the Performance Appraisals as amended.

Mrs. Geni Cavanaugh, Director of Communications, joined the meeting to recommend Ms. Raquel B. Valenzuela for the Media Production Coordinator position at a twelve-month salary of \$40,000.

Upon a motion by Mr. Kesner, seconded by Mr. Gomez, the Board unanimously approved the employment of Ms. Valenzuela, effective January 3, 2022.

Mr. Jeff McCool joined the meeting to recommend Mr. Vance Onsurez for a full-time cosmetology faculty position at an annual salary of \$41,488. Mr. Onsurez has a familial connection on campus with sister Valerie Onsurez-Guana, employed at the NMJC Foundation office. There would be no direct or ancillary reporting line between the siblings as Mr. Onsurez reports to the Director of Cosmetology, Robyn Price and Dean of Applied Sciences & Learning Technology, Stephanie Ferguson and Mrs. Onsurez-Guana reports to Mr. Scotty Holloman.

Ms. Chappelle called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, January 20, 2022 beginning at 1:30 pm.

Mr. Glenn moved the board go into closed session for the discussion of Limited Personnel Matters Regarding the Demotion, Discipline or Dismissal of Employee as Authorized by NMSA 1978 § 10-15-1 H (2). We will re-convene in open session at the conclusion of the closed session. The roll call was as follows: Mr. Baeza - yes; Ms. Rising - yes; Mr. Glenn - yes; Mrs. Jones - yes; Mr. Kesner - yes; Mr. Gomez - yes; Ms. Chappelle - yes.

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

Upon a motion by Ms. Rising, seconded by Mr. Gomez, the board meeting adjourned at 4:08 pm.

Pat Chappelle, Chair

Travis Glenn, Secretary



**State of New Mexico
New Mexico Junior College**

**Financial Statements and
Supplementary Information**

For the Year Ended June 30, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section

**New Mexico Junior College
Table of Contents
June 30, 2021**

INTRODUCTORY SECTION

Table of Contents	4-5
Official Roster	6

FINANCIAL SECTION

Independent Auditors' Report	9-11
Management's Discussion and Analysis	12-18

BASIC FINANCIAL STATEMENTS

Statement of Net Position	20-21
Statement of Revenues, Expenses and Changes in Net Position	22-23
Statement of Cash Flows	24-25
Notes to Financial Statements	27-66

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the College's Proportionate Share of the Net Pension Liability	68-69
Schedule of the College's Contributions	70-71
Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Act Plan	72
Schedule of Employer Contributions	73
Notes to Required Supplementary Information	74

SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual	
Unrestricted and Restricted - All Operations	76
Unrestricted - Non-Instruction and General	77
Restricted - Non-Instruction and General	78
Unrestricted - Instruction and General	79
Restricted - Instruction and General	80

New Mexico Junior College
Table of Contents
June 30, 2021

SUPPORTING SCHEDULES

Schedule of Deposit and Investment Accounts	82-83
Schedule of Collateral Pledged by Depository	85

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	88-89
Report on Compliance for each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	90-91
Schedule of Expenditures of Federal Awards	92-93
Notes to the Schedule of Expenditures of Federal Awards	95
Schedule of Findings and Questioned Costs	96-98
Other Disclosures	99

**New Mexico Junior College
Official Roster
June 30, 2021**

<u>Name</u>	<u>Title</u>
BOARD MEMBERS	
Pat Chappelle	Chairman
Travis Glenn	Secretary
Manny Gomez	Member
Erica Jones	Member
Hector Baeza	Member
Guy Kesner	Member
Evelyn Rising	Member
ADMINISTRATIVE OFFICIALS	
Dr. Kelvin Sharp	President
Larry Sanderson	Vice President for Instruction
Cathy Mitchell	Vice President for Student Services
Jeff McCool	Vice President of Training and Outreach
Josh Morgan	Vice President for Finance
Scotty Holloman	General Counsel/Executive Director of Administrative Services
Norma Faught	Executive Assistant to the President
Stacy Wynn	NMJC Controller

Financial Section

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
U.S. Office of Management and Budget
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of New Mexico Junior College (the "College"), as of and for the year ended June 30, 2021, 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 schedules presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2021, 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 fraud or error.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 and the discretely presented component units of the College, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budgetary schedules of the College referred to above present fairly, in all material respects, the respective budgetary schedules for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Fund Balance and Net Position

As discussed in Note 2 to the basic financial statements, the prior year statements have been restated in the amount of \$111,935 in the business-type activities related to the implementation of GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 18, GASB required pension schedules, the GASB required other-post employment benefit schedules, and the notes to the required supplementary information on pages 68 through 74 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. The introductory section, the supporting schedules, as listed in the table of contents, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other disclosures are

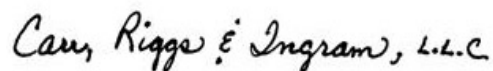
presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supporting schedules, as listed in the table of contents, and the schedule of expenditures of federal awards 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 supporting schedules, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and other disclosures have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, 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 solely 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 effectiveness of the College's 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 the College's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
October 29, 2021

New Mexico Junior College Management’s Discussion and Analysis June 30, 2021

For financial reporting purposes, New Mexico Junior College (the “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, the Statement of Cash Flows, the Statement of Fiduciary Assets and Liabilities and the Notes to the Financial Statements. 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 (the “Foundation”) and the New Horizons Foundation (“New Horizons”) as discretely presented component units for fiscal year 2021.

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, 2021. This discussion gives a comparative analysis of business-type activity from fiscal year 2020 to fiscal year 2021.

Financial Highlights

The College’s assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the June 30, 2021 fiscal year by \$124,395,010.

The College’s financial position increased in fiscal year 2021 as compared to prior years. Net position after restatement due to GASB Statement No. 84 implementation increased in fiscal year 2020 by \$17,812,740 over fiscal year 2020. The increase resulted primarily from an increase in local mill levy funding.

The College’s investments reflect \$53,000,000 at June 30, 2021 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, deferred outflows of resources, liabilities, and deferred inflows of resources—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, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2021, and includes the comparison to the prior year.

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

Statement of Net Position

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Assets				
Current assets	\$ 70,368,661	\$ 58,506,981	\$ 1,877,439	\$ 639,309
Noncurrent assets				
Intangible asset	75,000	-	-	67,122
Investments	-	-	11,842,472	-
Capital assets, net	115,069,740	94,053,953	-	-
Other assets, net	-	-	249,915	-
Deferred outflows of resources	37,050,168	6,102,231	-	-
Total assets and deferred outflows	\$ 222,563,569	\$ 158,663,165	\$ 13,969,826	\$ 706,431
Liabilities				
Current liabilities	\$ 4,516,269	\$ 3,949,291	\$ 34,259	\$ 1,098
Non-current liabilities	85,980,608	38,051,423	-	-
Deferred inflows of resources	7,671,682	10,080,181	-	-
Total liabilities and deferred inflows	98,168,559	52,080,895	34,259	1,098
Net position				
Net investment in capital assets	115,144,740	94,053,953	-	-
Restricted				
Nonexpendable endowments	-	-	7,520,555	-
Expendable grants and contributions	-	-	6,234,004	-
Unrestricted	9,250,270	12,528,317	181,008	705,333
Total net position	124,395,010	106,582,270	13,935,567	705,333
Total liabilities, deferred inflows, and and net position	\$ 222,563,569	\$ 158,663,165	\$ 13,969,826	\$ 706,431

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 \$124,395,010 at the close of June 30, 2021, as compared to the \$106,582,270 as of June 30, 2020. As of June 30, 2021, net investment in capital assets totaled \$115,144,740. 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 2021 fiscal year by \$21,090,787, net of depreciation expense of \$5,044,144. Net position also consists of unrestricted net position of \$9,250,270. Unrestricted net position includes the recording of net pension liability of \$74,823,690 and the recording of OPEB liability of \$11,156,918. See note 11 in the notes to the financial statements for a further discussion of the pension and note 12 of the notes to the financial statements for a further discussion of the OPEB. The statement of net position indicates growth in current assets due to an increase in local mill levy funding, an increase in capital assets due to the addition of capital projects and an increase in the ERB pension and OPEB liabilities.

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

The following table summarizes the College's revenues, expenses, and changes in net position for the year ending June 30, 2021 and includes a comparison to the year ended June 30, 2020.

Revenues, Expenses, and Changes in Net Position

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Operating revenues	\$ 8,297,984	\$ 9,346,780	\$ 354,904	\$ -
Operating expenses	51,403,518	25,392,707	545,054	225,807
Operating (loss)	(43,105,534)	(16,045,927)	(190,150)	(225,807)
Non-operating revenues and expenses	57,879,861	46,508,783	2,390,710	411,968
Income before other revenue	14,774,327	30,462,856	2,200,560	186,161
Capital appropriations	2,926,478	2,747,848	-	-
Increase in net position	\$ 17,700,805	\$ 33,210,704	\$ 2,200,560	\$ 186,161

Analysis of Changes in Net Position

The College's net position increased by \$17,700,805 during the 2021 fiscal year as compared to an increase of \$33,210,704 for the 2020 fiscal year. The increase resulted primarily from an increase in local mill levy funding. Operating revenues were \$8,297,984 in 2021, which is a decrease of \$1,048,796 from fiscal year 2020. Operating expenses were \$51,403,518 in fiscal year 2021, which is an increase of \$26,010,811 from fiscal year 2020.

Operating Revenues

The following table summarizes the College's operating revenues of \$8,279,984 for the 2021 fiscal year as compared to the operating revenues of \$9,346,780 for the 2020 fiscal year. The decrease in operating revenues for Fiscal Year 2021 is related to the effects of the COVID pandemic impacting operations. The Foundation revenues for the year total \$354,904 which is a decrease from fiscal year 2020. New Horizons revenues for the year total \$0 which is a decrease from fiscal year 2020.

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Student tuition, fees and trainings	\$ 3,498,764	\$ 3,983,573	\$ -	\$ -
Federal grants and contracts	1,481,312	1,363,132	-	-
State and other grants and contracts	949,597	764,516	-	-
Auxiliary enterprises	2,145,055	2,878,210	-	-
Intercollegiate athletics	-	-	-	-
Other operating revenues	223,256	357,349	-	-
Gifts, bequests, and endowments	-	-	354,904	-
Total operating revenues	\$ 8,297,984	\$ 9,346,780	\$ 354,904	\$ -

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

Operating Expenses

The following table summarizes the College's operating expenses of \$51,403,518 for the fiscal year ended June 30, 2021, as compared to the operating expenses of \$25,392,707 in 2020. The increase in operating expenses is attributed to an increase in the net pension and OPEB liabilities based on the actuarial reports provided by the Educational Retirement Board of New Mexico and the New Mexico Retiree Health Care Authority. The Foundation expenses for the year total \$545,054 which is an increase from fiscal year 2020. New Horizons expenses for the year total \$225,807 which is a decrease from fiscal year 2020.

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Instruction	\$ 15,555,291	\$ 4,038,390	\$ -	\$ -
Academic support	3,523,379	1,034,509	-	-
Student services	3,039,541	778,551	-	-
Institutional support	5,602,900	2,494,776	532,848	207,744
Operations and maintenance	3,716,261	2,167,446	-	-
Public service	1,043,696	100,763	-	-
Auxiliary enterprise expenses	2,693,402	2,486,521	-	-
Intercollegiate athletics	4,273,853	1,844,700	-	-
Internal service	427,763	(459,410)	-	-
Student aid	4,498,563	4,520,200	-	-
Renewals and replacements	1,984,725	1,752,754	-	-
Amortization	-	-	-	4,624
Depletion	-	-	12,206	-
Depreciation	5,044,144	4,633,507	-	13,439
Total operating expenses	\$ 51,403,518	\$ 25,392,707	\$ 545,054	\$ 225,807

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

Non-Operating Revenues (Expenses)

The following table summarizes the College's non-operating revenues (expenses) of \$57,879,861 for the fiscal year ended June 30, 2021. Property and oil and gas taxes remained strong in fiscal year 2021 totaling \$49,257,819, an increase of \$12,691,386 compared to fiscal year 2020. Local appropriations were 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.

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Property taxes	\$ 13,817,722	\$ 11,485,781	\$ -	\$ -
Oil and gas taxes	35,440,097	25,080,652	-	-
Federal pell grants	2,191,941	2,866,500	-	-
State appropriations, non-capital	6,553,729	6,862,197	-	-
Other revenue sources	56,660	117,904	4,675	-
Net transfer from NMJC Foundation	75,000	-	(75,000)	-
Net transfer to New Horizons	(350,000)	(450,000)	-	350,000
Investment income	95,748	539,832	2,445,479	-
(Loss) gain on sale of capital assets	(1,036)	5,917	-	61,968
Production taxes	-	-	(2,167)	-
Royalties	-	-	17,723	-
Total non-operating revenues and expenses	\$ 57,879,861	\$ 46,508,783	\$ 2,390,710	\$ 411,968

Increase in Net Position

The following table summarizes the College's increase in net position of \$17,812,740 for June 30, 2021 compared to the increase in net position of \$33,210,704 for June 30, 2020. The increase resulted primarily from an increase in local mill levy funding.

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Income before capital appropriations	\$ 14,774,327	\$ 30,462,856	\$ 2,200,560	\$ 186,161
Capital appropriations	2,926,478	2,747,848	-	-
Increase (decrease) in net position	17,700,805	33,210,704	2,200,560	186,161
Net position, beginning of year, as originally stated	106,582,270	73,371,566	11,606,524	519,172
Net position, restatement	111,935	-	128,483	-
Net position, beginning of year after restatement	106,694,205	73,371,566	11,735,007	519,172
Net position - end of year	\$ 124,395,010	\$ 106,582,270	\$ 13,935,567	\$ 705,333

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

Capital Assets and Debt Administration

At June 30, 2021, the College had \$115,069,740 invested in capital assets as compared to \$94,053,953 at June 30, 2020.

Capital Assets, Net

	June 30, 2021	June 30, 2020	June 30, 2021 NMJC Foundation	June 30, 2021 New Horizons
Land Improvements	\$ 5,444,700	\$ 2,063,394	\$ -	\$ -
Buildings	64,617,624	65,453,960	-	-
Infrastructure	12,193,292	13,089,677	-	-
Software	648,168	615,279	-	-
Library books	363,969	420,527	-	-
Furniture and equipment	2,766,328	2,686,959	-	-
Vehicles	358,819	427,200	-	-
Construction in progress	28,504,277	9,124,394	-	-
Land	172,563	172,563	-	-
Net capital assets	\$ 115,069,740	\$ 94,053,953	\$ -	\$ -

Major capital expenditures during the 2021 fiscal year include the Fire Alarm Upgrade, McLean Hall Remodel, Facilities Management System, Caster Center Upgrades, Golf Building, and the Heidel Hall Air Handler Replacement.

The College has no debt outstanding at June 30, 2021.

Budget Comparison

The Board of Directors approves the operating budget of the College. The budget is reviewed and amended as needed due to changing circumstances. The budget is prepared using the basis of accounting prior to implementation of GASB Statement No.'s 34 and 35. Accordingly, budgets are adopted for unrestricted current funds, restricted current funds and plant funds. During the year, expenditure budgets were amended to increase and decrease as follows:

	2021	2020
Current funds		
Unrestricted Non-I&G	\$ (1,888,188)	\$ (2,812,577)
Restricted Non- I&G	847,231	71,511
Unrestricted I&G	3,045,678	1,237,503
Restricted I&G	331,367	33,069

**New Mexico Junior College
Management's Discussion and Analysis
June 30, 2021**

Economic Outlook

New Mexico Junior College is the community college, early college, dual credit, and vocational training college center for the communities of Lea County, 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. Fourteen years ago, the financial support from the State of New Mexico represented 45% of the NMJC operating budget. Today the level of State funding has declined to less than 20% of the NMJC operating budget. Funding expectations from the State Legislative Finance Committee for fiscal year 2023 were projected to be slightly higher. The local economy in Lea County was very busy, especially in the oil and gas sector. The oil and gas production have remained strong with production levels steadily increasing. The price for oil and gas has increased from the forty dollar a barrel range to above the sixty-five dollar a barrel range. At the end of June 2021, the unemployment rate in Lea County was 11% while the state unemployment level was 8.4%. Historically, the unemployment rate in Lea County drives the student enrollment at the College. The NMJC Board and Administration continue to look for better methods of providing learning opportunities for full-time students and especially part-time students with different class times, online offerings, vocational training, low tuition, housing, and athletics.

The oil and gas industries remain the driving economic factor in Lea County. New technology in the industry has led to a revitalization and extension of the projected life of some oil fields in Lea County. Currently, the price of oil remains in the sixty-five to seventy dollar a barrel range. Production in the County remains very strong. It appears that the economy in Lea County for the remainder of 2021 and through 2022 will remain steady with the view that the current price of oil will increase some and the current level of production will continue through 2022. Lea County property assessment has increased, allowing property tax revenue to make up some of the loss in State revenues. Over all, the economic outlook for the College for the coming year appears to be positive. In 2020, the College developed a new Master Plan to use as the road map for the next ten years for maintaining and upgrading the College campus. The College does not have any debt to service, placing the College in a better position to weather most funding issues.

Basic Financial Statements

**New Mexico Junior College
Statement of Net Position**

June 30, 2021	Primary Government	NMJC Foundation	New Horizons Foundation
Assets			
Current assets			
Cash and cash equivalents	\$ 3,086,450	\$ 1,864,629	\$ 200,242
Short-term investments	53,000,000	-	-
Accounts receivable, net	13,277,951	12,810	6,120
Due from NMJC	-	-	418,961
Inventory	433,296	-	-
Prepaid expenses	382,277	-	13,986
Prepaid summer expenses	188,687	-	-
Total current assets	70,368,661	1,877,439	639,309
Noncurrent assets			
Intangible asset	75,000	-	67,122
Investments	-	11,842,472	-
Other assets, net of depletion	-	249,915	-
Non-depreciable capital assets	28,676,840	-	-
Depreciable capital assets, net	86,392,900	-	-
Total noncurrent assets	115,144,740	12,092,387	67,122
Total assets	185,513,401	13,969,826	706,431
Deferred outflows of resources			
Deferred outflows - pension	34,556,546	-	-
Deferred outflows - OPEB	2,493,622	-	-
Total deferred outflows of resources	37,050,168	-	-
Total assets and deferred outflows of resources	\$ 222,563,569	\$ 13,969,826	\$ 706,431

The accompanying notes are an integral part of these financial statements.

June 30, 2021	Primary Government	NMJC Foundation	New Horizons Foundation
Liabilities			
Current liabilities			
Accounts payable	\$ 1,249,748	\$ 34,259	\$ 1,098
Accrued expenses	1,179,416	-	-
Due to New Horizons Foundation	418,961	-	-
Unearned revenues	1,427,587	-	-
Compensated absences	240,557	-	-
Total current liabilities	4,516,269	34,259	1,098
Noncurrent liabilities			
Net pension liability	74,823,690	-	-
Net OPEB liability	11,156,918	-	-
Total noncurrent liabilities	85,980,608	-	-
Total liabilities	90,496,877	34,259	1,098
Deferred inflows of resources			
Deferred inflows - pension	1,943,767	-	-
Deferred inflows - OPEB	5,727,915	-	-
Total deferred inflows of resources	7,671,682	-	-
Net position			
Net investment in capital assets	115,144,740	-	-
Restricted for			
Nonexpendable endowments	-	7,520,555	-
Expendable grants and contributions	-	6,234,004	-
Unrestricted	9,250,270	181,008	705,333
Total net position	124,395,010	13,935,567	705,333
Total liabilities and net position	\$ 222,563,569	\$ 13,969,826	\$ 706,431

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, 2021	Primary Government	NMJC Foundation	New Horizons Foundation
Operating revenues			
Student tuition, fees and trainings	\$ 3,498,764	\$ -	\$ -
Federal grants and contracts	1,481,312	-	-
State and other grants and contracts	949,597	-	-
Auxiliary enterprises	2,145,055	-	-
Other operating revenues	223,256	-	-
Gifts, bequests and endowments	-	354,904	-
Total operating revenues	8,297,984	354,904	-
Operating expenses			
Instruction	15,555,291	-	-
Academic support	3,523,379	-	-
Student services	3,039,541	-	-
Institutional support	5,602,900	532,848	207,744
Operations and maintenance	3,716,261	-	-
Public service	1,043,696	-	-
Internal service	427,763	-	-
Student aid	4,498,563	-	-
Auxiliary enterprise expenses	2,693,402	-	-
Intercollegiate athletics	4,273,853	-	-
Renewals and replacements	1,984,725	-	-
Amortization	-	-	4,624
Depletion	-	12,206	-
Depreciation	5,044,144	-	13,439
Total operating expenses	51,403,518	545,054	225,807
Operating (loss)	(43,105,534)	(190,150)	(225,807)
Non-operating revenues (expenses)			
State appropriations, non-capital	6,553,729	-	-
Property taxes	13,817,722	-	-
Oil and gas taxes	35,440,097	-	-
Federal pell grants	2,191,941	-	-
Investment income	95,748	2,445,479	-
(Loss) gain from the sale of capital assets	(1,036)	-	61,968
Other revenue and expenses	56,660	4,675	-
Net transfer from NMJC Foundation	75,000	(75,000)	-
Net transfer to New Horizons	(350,000)	-	350,000
Production (taxes)	-	(2,167)	-
Royalties	-	17,723	-
Net non-operating revenues (expenses)	57,879,861	2,390,710	411,968

The accompanying notes are an integral part of these financial statements.

For the Year Ended June 30, 2021	Primary Government	NMJC Foundation	New Horizons Foundation
Income (loss) before capital appropriations	\$ 14,774,327	\$ 2,200,560	\$ 186,161
State appropriations, capital	2,926,478	-	-
Change in net position	17,700,805	2,200,560	186,161
Net position, beginning of year, as originally stated	106,582,270	11,606,524	519,172
Net position, restatement (Note 2)	111,935	128,483	-
Net position, beginning of year after restatement	106,694,205	11,735,007	519,172
Net position, end of year	\$ 124,395,010	\$ 13,935,567	\$ 705,333

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, 2021	Primary Government
Cash flows from operating activities	
Tuition, fees and trainings	\$ 5,157,949
Federal and state grants and contracts	2,814,234
Auxiliary enterprise charges	2,145,055
Other operating revenues	223,256
Payments to employees and for employee benefits	(17,869,552)
Disbursement of net aid to students	(4,816,264)
Payments to suppliers	(9,261,206)
Net cash (used in) operating activities	
	(21,606,528)
Cash flows from noncapital financing activities	
State appropriations	6,553,729
Federal pell grants	2,191,941
Property taxes	13,817,722
Oil and gas taxes	27,056,456
Net cash provided by noncapital financing activities	
	49,619,848
Cash flows from capital financing activities	
Capital appropriations	2,926,478
Purchase of capital assets	(26,064,663)
Proceeds from sale of capital assets	3,696
Transfer to New Horizons	(350,000)
Other revenue sources	56,660
Net cash (used in) capital financing activities	
	(23,427,829)
Cash flows from investing activities	
Purchase of investments	(9,283,393)
Interest received on investments	95,748
Net cash provided by investing activities	
	(9,187,645)
Net increase in cash and cash equivalents	(4,602,154)
Cash and cash equivalents - beginning of year, as originally stated	7,576,669
Restatement of cash due to GASB 84	111,935
Cash and cash equivalents - end of year	
	\$ 3,086,450

The accompanying notes are an integral part of these financial statements.

For the Year Ended June 30, 2021	Primary Government
Operating (loss)	\$ (43,105,534)
Reconciliation of operating loss to net cash (used in) operating activities	
Depreciation expense	5,044,144
Noncash pension expense	15,663,560
Noncash OPEB benefit	(1,235,024)
Assets, deferred outflows, liabilities, and deferred inflows	
Accounts receivable, net	1,298,270
Prepaid expenses	22,179
Prepaid summer expenses	(23,364)
Inventory	18,050
Accounts payable	(268,538)
Accrued expenses	148,665
Due to New Horizons Foundation	418,961
Deferred outflows - subsequent contributions - pension	130,582
Deferred outflows - subsequent contributions - OPEB	13,631
Unearned revenues	360,915
Compensated absences	(93,025)
Net cash (used in) operating activities	\$ (21,606,528)
Supplemental cash flow information	
Loss from the sale of capital assets	\$ (1,036)

The accompanying notes are an integral part of these financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

New Mexico Junior College

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The College offers a variety of educational opportunities and services to meet needs in the lifelong process of personal and professional development. The College 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.

This summary of significant accounting policies of the College is presented to assist in the understanding of the College’s financial statements. The financial statements and notes are the representation of College’s management who is responsible for their integrity and objectivity. The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities.

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 College and the statement of net position, statement of revenues, expenses, and changes in net position of its discretely presented component units.

In evaluating how to define the College, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion, for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

The College has two component units required to be reported under GASB Statements No. 14, No. 39, No. 61, No. 80, and No. 90 as there are two discretely presented component units. The discretely presented component units do not have separately issued financial statements. The College does not have any related organizations, joint ventures or jointly governed organizations.

Discretely Presented Component Units

On October 25, 2011, the New Horizons Foundation was incorporated by New Mexico Junior College. The New Horizons 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 New Horizons 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 New Horizons Foundation serves 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 are aimed toward promoting collaboration between various entities to eliminate or reduce duplicate research efforts. The New Horizons Foundation seeks 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 New Horizons Foundation:

- Works with faculty and staff of the College to develop and administer research, training and community service grants, contracts and self-service programs;
- Develops and manages major centers, institutes, community partnerships, and programs;
- Provides technology transfer services;

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units (Continued)

- Acquires, develops and manages real property to provide space for sponsored research programs; and
- Administers fellowships and financially manages and invests gifts, trusts, and endowments, as they relate to the primary function of the Research Foundation.

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 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.

Basis of Accounting and 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.

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. 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.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Financial Statement Presentation (Continued)

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

Budgetary Information

Budgetary basis of accounting

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. 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.

To amend the budget, the College requires the following order of approval: (1) College President, (2) College Board Members, (3) Higher Education Department, 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.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and cash equivalents

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 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.

Investments

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 are readily available to the College when needed and are recorded at cost, which approximates fair value. The College considers cash deposited at the State Treasurer's Office to be investments.

Receivables and Payables

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 oil and gas sales, 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.

Interfund Activities and Transactions

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.

Inventory

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.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Prepaid Expenses

Prepaid expenses include insurance and summer federal pell grants which reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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. There was no interest expense capitalized by the College during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the College are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land improvements and infrastructure	20
Building	40
Software	5-10
Library books	5
Furniture and equipment	5-7
Vehicles	5

Intangible Asset

On April 8, 2015 the Foundation entered into an agreement with a company that donated a license for a FM Broadcast Station in Eunice, New Mexico valued at \$75,000 at the date of donation. During 2021 this license was transferred from the Foundation to the College for \$75,000. The license is carried at cost, and because it has indefinite useful life it is not amortized, but tested for impairment when events or circumstances related to the license changes. No impairments were noted during 2021 as the original cost could be recovered if necessary.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a use of fund balance or net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The College has four types of items that qualify for reporting in this category related to reporting under GASB 68 and three types that related to reporting under GASB 75, which total \$34,556,546 and \$2,493,622, respectively, in the statement of net position. The amounts are further detailed in Note 11 and Note 12. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

Deferred Inflows of Resources

In addition, the College has two types of items present on the statement of net position that qualify for reporting in this category related to reporting under GASB 68 and three types that related to reporting under GASB 75. The deferred inflows of resources total \$1,943,767 and \$5,727,915, respectively, in the statement of net position, and are further detailed in Note 11 and Note 12. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Unearned Revenues

Unearned revenue relates to student tuition, fees, and bookstore sales received during the current fiscal 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.

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 of vacation each year. According to College policy, conversion of sick leave accrual to cash is not permitted and no liability is recorded for non-vesting accumulating rights to receive sick leave.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and postemployment expense, information about the fiduciary net position of the Retiree Health Care Act (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Categories and Classification of Fund Equity

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 – Net position is reported as restricted when constraints placed on net asset use are either (1) externally imposed by creditors, grantors, contributions or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

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.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenses

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.

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.

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 Research Foundation and the Foundation are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

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.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$13,817,722 or 20% of total revenue in fiscal year 2021. Oil and gas production and equipment tax revenue fluctuates significantly upon demand and was \$35,440,097 or 51% of total revenue in fiscal year 2021.

Use of Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the College are management's estimate of depreciation on assets over their estimated useful lives, net pension liability and related deferred inflows and outflows of resources, and the current portion of accrued compensated absences.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 29, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

The College has implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of this statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. The College has evaluated these criteria and determined that all funds previously reported as fiduciary funds should now be classified as proprietary funds. Additional information can be found in Note 2.

The College also implemented GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of this Statement had no impact on the College's reporting in the current fiscal year.

The College further implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The implementation of this Statement had no impact on the College's reporting in the current fiscal year.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.) Earlier application is encouraged and is permitted by topic.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

New Mexico Junior College Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In May 2020, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. GASB 96 will be effective for the fiscal years beginning after June 15, 2022.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

The College is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

In fiscal year 2021, the College implemented GASB Statement No. 84, *Fiduciary Activities*. The College has a prior period adjustment of \$111,935 which was required for restating the prior period balance of fiduciary net position. In addition, \$128,483 was transferred to the New Mexico Junior College Foundation while the remaining \$100,750 was transferred to the Booster Club. The June 30, 2020 net position was previously classified as a liability “deposits held in trust for others” instead of custodial net position as required under GASB Statement No. 84. In addition, due to the implementation of the standard the College had to reclassify \$111,935 to cash during fiscal year 2021.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits

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, 2021.

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.

New Mexico Junior College
Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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. All of the College's accounts at an insured depository institution, including non-interest bearing accounts are insured by the up to the standard maximum deposit insurance amount of \$250,000.

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. The College does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2021, \$4,169,942 of the College's bank balances of \$4,697,743 was exposed to custodial credit risk. Of this amount, \$4,169,942 was uninsured and collateralized by the collateral held by the pledging bank's trust department, not in the College's name and \$0 of the College's deposits were uninsured and uncollateralized at June 30, 2021.

	DataPath Card Services	Lea County State Bank	Wells Fargo Bank	Western Commerce Bank	Total
Total amount of deposits	\$ 2,716	\$ 437,914	\$ 4,232,028	\$ 25,085	\$ 4,697,743
Deposit accounts covered by the FDIC coverage	(2,716)	(250,000)	(250,000)	(25,085)	\$ (527,801)
Total uninsured public funds	-	187,914	3,982,028	-	4,169,942
Collateralized by securities held by the trust department or agent other pledging institution or by its than the College's name	-	187,914	3,982,028	-	4,169,942
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -	\$ -
Collateral requirement (50% of uninsured public funds)	\$ -	\$ 93,957	\$ 1,991,014	\$ -	\$ 2,084,971
Pledged security	-	2,021,762	13,940,946	-	15,962,708
Over collateralization	\$ -	\$ 1,927,805	\$11,949,932	\$ -	\$13,877,737

New Mexico Junior College Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The collateral pledged is listed on Schedule of Collateral Pledged by Depository of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the state of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

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.

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 College does not have a policy to manage the credit risk of its investments.

The College invests excess cash in the New MexiGROW Local Government Investment Pool (LGIP). The LGIP investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not Securities and Exchange Commission (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 6-10-10P and Sections 6-10-10.1A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, 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.

Interest Rate Risk Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an instrument. The College and its component units do not have a formal investment policy that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

New Mexico Junior College Notes to Financial Statements

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2021, the College's investment in the State Treasurer Local Government Investment Pool was rated as AAAM by Standard & Poor's.

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

Investment Type	Weighted Average Maturity	Fair Value	Rating*
<i>New MexiGROW</i> LGIP	48 days	\$ 53,000,000	AAAM

*Based off Standard & Poor's rating

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's investment in a single type of security. The College does not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2021, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk.

Fair Value Measurements

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

New MexiGROW LGIP is valued at the daily closing price as reported by the fund. These investments held by the College are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the College are deemed to be actively traded.

Investment	Level 1	Level 2	Level 3	Total
<i>New MexiGROW LGIP</i>	\$ 53,000,000	\$ -	\$ -	\$ 53,000,000

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

Deposits	\$ 4,697,743
<i>New MexiGROW LGIP</i>	53,000,000
Total deposits and investments	57,697,743
Petty cash	6,396
Less reconciling items	(1,617,689)
Total cash and cash equivalents and investments	\$ 56,086,450
Statement of net position	
Cash and cash equivalents	\$ 3,086,450
Short-term investments	53,000,000
Cash and cash equivalents, end of year per statement of cash flows	56,086,450
Net deposits and investments	\$ 56,086,450

New Mexico Junior College Notes to Financial Statements

NOTE 4: ACCOUNTS RECEIVABLE

The College's accounts receivable at June 30, 2021 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. 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	\$ 659,812
Oil and gas taxes	10,839,453
General receivables	781,165
Student receivables	2,183,876
Other receivable	170,413
	<hr/> 14,634,719
Less allowance for uncollectible accounts	(1,356,768)
	<hr/> <hr/> \$ 13,277,951

New Mexico Junior College
Notes to Financial Statements

NOTE 5: CAPITAL ASSETS

The following table summarizes the changes in the College's capital assets during the fiscal year ended June 30, 2021. Land and construction in progress are not subject to depreciation.

	June 30, 2020	Additions	Deletions	June 30, 2021
Assets not being depreciated				
Construction in progress	\$ 9,124,394	\$ 23,158,178	\$ (3,778,295)	\$ 28,504,277
Land	172,563	-	-	172,563
Total assets not being depreciated	9,296,957	23,158,178	(3,778,295)	28,676,840
Assets being depreciated				
Land improvements	6,890,574	3,581,778	-	10,472,352
Buildings	95,691,012	1,605,816	-	97,296,828
Infrastructure	21,019,343	157,261	-	21,176,604
Software	2,190,487	167,261	-	2,357,748
Library books	883,115	98,968	(99,064)	883,019
Furniture and equipment	11,189,492	1,038,796	(151,916)	12,076,372
Vehicles	2,165,243	34,900	-	2,200,143
Total assets being depreciated	140,029,266	6,684,780	(250,980)	146,463,066
Less accumulated depreciation				
Land improvements	(4,827,180)	(200,472)	-	(5,027,652)
Buildings	(30,237,052)	(2,442,152)	-	(32,679,204)
Infrastructure	(7,929,666)	(1,053,646)	-	(8,983,312)
Software	(1,575,208)	(134,372)	-	(1,709,580)
Library books	(462,588)	(155,526)	99,064	(519,050)
Furniture and equipment	(8,502,533)	(954,695)	147,184	(9,310,044)
Vehicles	(1,738,043)	(103,281)	-	(1,841,324)
Total accumulated depreciation	(55,272,270)	(5,044,144)	246,248	(60,070,166)
Total assets being depreciated, net	84,756,996	1,640,636	(4,732)	86,392,900
Net capital assets	\$ 94,053,953	\$ 24,798,814	\$ (3,783,027)	\$ 115,069,740

Depreciation expense as of June 30, 2021 was \$5,044,144.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 6: ACCRUED EXPENSES

The College's accrued expenses at June 30, 2021 are as follows

Payroll	\$	503,734
Payroll taxes and related liabilities		675,682
<hr/>		
Total accrued expenses	\$	1,179,416
<hr/>		

NOTE 7: 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, 2021 as follows:

Accrued vacation – beginning of year	\$	333,582
Additions		230,785
Deletions		(323,810)
<hr/>		
Accrued vacation – end of year	\$	240,557
<hr/>		

The College estimates that the entire amount of \$240,557 will be due within one year.

NOTE 8: 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. The leases are month to month and lease expense as of June 30, 2021 was \$15,758.

NOTE 9: 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 Philadelphia Insurance Company and workers compensation insurance coverage with New Mexico 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.

New Mexico Junior College Notes to Financial Statements

NOTE 10: 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 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

General Information about the Pension Plan

Plan description - The New Mexico Educational Retirement Act ("ERA") was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's Web site at https://www.nmerb.org/Annual_reports.html.

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Benefits provided - A member's retirement benefit is determined by a formula which includes three component parts: (1) the member's final average salary (FAS), (2) the number of years of service credit, and (3) a multiplier, which for those who began employment prior to July 1, 2019, is 0.0235. The multiplier is variable for those who began work after July 1, 2019. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010, and before July 1, 2013, or at any time prior to that date was refunded all member contributions and then became, or becomes, reemployed after July 1, 2010 is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2013. These members must meet one of the following requirements: the member's minimum age is 55 and has earned 30 or more years of service credit; the member's age and earned service credit add up to the sum of 80 or more; or the member's age is 67 and has earned five or more years of service credit.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10.00% COLA reduction; their average COLA will be 1.50%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5.00% COLA reduction; their average COLA will be 1.70%.

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

Contributions - The contribution requirements of plan members and the College are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2020 employers contributed 14.15% of employees' gross annual salary to the Plan. Employees earning \$24,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2019 employers contributed 13.90%, and employees earning 24,000 or less continued to contribute 7.90% and employees earning more than \$24,000 continued contributing at an amount of 10.70% of their gross annual salary. Contributions to the pension plan from the College was \$1,568,839 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2018. At June 30, 2020, the College reported a liability of \$74,823,690 for its proportionate share of the net pension liability. The College's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2020. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2020, the College's proportion was 0.36921 percent, which was a decrease of 0.01177 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the College recognized pension expense of \$17,381,377.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At the June 30, 2021, the College reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 464,503	\$ 288,515
Net difference between projected and actual earnings on pension plan investments	2,540,712	-
Changes in assumptions	29,982,492	-
Changes in proportion	-	1,655,252
Contributions subsequent to the measurement date	1,568,839	-
Total	\$ 34,556,546	\$ 1,943,767

\$1,568,839 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date of June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	\$ 11,925,936
2022	12,422,589
2023	5,918,159
2024	777,256
Total	\$ 31,043,940

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2019. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2020 using generally accepted actuarial principles. The roll forward incorporated the recent legislation changes that were not available for the actuarial valuation performed as of June 30, 2019 but were made during the fiscal year. Specifically, the total pension liability measured as of June 30, 2020 incorporates the following changes to the Plan's provisions:

1. Employers contribute 0.25% more per employees,
2. Short-term substitute teachers working over quarter time and their employers make contributions,
3. Members beginning employment on or after July 1, 2020 have a new tiered retirement calculation increasing the credited service requirement to receive a full benefit,
4. Members who are New Mexico Public Employees Retirement Association are required to make non-refundable contributions,
5. Return to work members are required to make non-refundable contributions, and
6. Reduction of pay spiking in the final average salary calculation.

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2019 to June 30, 2049
Asset Valuation Method	5 year smoothed market
Inflation	2.5%
Salary Increase	Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.25%
Retirement Age	Experience based table rates based on age and service, adopted by the Board on April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.
Mortality	<p>Healthy males: RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB from the table's base year of 2000.</p> <p>Healthy females: GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p>
Other Information	A new set of assumptions was adopted for the June 30, 2020 actuarial valuation. These new assumptions are reflected in the Total Pension Liability as of June 30, 2020, and will be reflected in the ADEC determined for the fiscal year ending 2021. These assumptions can be found in the funding valuation as of June 30, 2020 or in the 2020 experience study report.

The target long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted on August 26, 2016.

Asset Class	After Allocation	Policy Target
Equities		
<i>Domestic Equities</i>		
Large cap equities	15.1%	16.0%
Small- mid cap equities	2.2%	3.0%
Total domestic	17.3%	19.0%
<i>International Equities</i>		
Developed	4.8%	5.0%
Emerging markets	9.2%	9.0%
Total international	14.0%	14.0%
Total equities	31.3%	33.0%
Fixed Income		
Opportunistic credit	17.8%	18.0%
Core fixed income	6.4%	6.0%
Emerging markets debt	1.7%	2.0%
Total fixed income	25.9%	26.0%
Alternatives		
Real estate - REITS	6.8%	7.0%
Real assets	7.8%	8.0%
Private equity	15.2%	13.0%
Global asset allocation	4.1%	4.0%
Risk parity	5.4%	3.0%
Other	2.5%	5.0%
Total alternatives	41.8%	40.0%
Cash	1.0%	1.0%
Total	100.0%	100.0%

New Mexico Junior College Notes to Financial Statements

NOTE 11: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

For the years ended June 30, 2020 the annual money-weighted rates of return on pension plan investments was a negative 0.97%.

Discount rate - A single discount rate of 3.89% was used to measure the total ERB pension liability as of June 30, 2020. This single discount rate was based on an expected rate of return on pension plan investments of 3.89%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2046. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2046 and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2020. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (2.89%) or one percentage point higher (4.89%) than the single discount rate.

	1.00% Decrease (2.89%)	Current Discount Rate (3.89%)	1.00% Increase (4.89%)
Proportionate share of the net pension liability	\$ 94,494,187	\$ 74,823,690	\$ 58,997,500

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued audited financial statements as of and for the year ended June 30, 2020, which is publicly available at www.nmerb.org.

Payables to the pension plan - The College remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld.

New Mexico Junior College Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND

General Information about the Other Post-Employment Benefits Plan

Plan Description - Substantially all of the College's full-time employees are provided with other post-employment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-16, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

The purpose is to provide eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of eligible retirees.

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 plan on the person's behalf, unless that person retires before the employer's 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 Authority 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 NMRHCA at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Benefits provided - The Act authorizes the NMRHCA 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 (\$5) if the eligible participant retired prior to the employer's 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 NMRHCA or viewed on their website at www.nmrhca.state.nm.us.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND

General Information about the Other Post-Employment Benefits Plan (Continued)

Employees covered by benefit terms - At June 30, 2020, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	154,177
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal FTRE	1,966
Educational Retirement Board	49,492
	91,082
	91,082

Contributions - The employer, employee and retiree contributions are required to be remitted to the NMRHCA 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 fund in the amount determined to be appropriate by the Board.

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

General Information about the Other Post-Employment Benefits Plan (Continued)

For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2020, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C- 5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, 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 Act.

The College's contributions to the plan for the year ended June 30, 2020 totaled \$242,598, which equals the required contributions for the year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the College reported a liability of \$11,156,918 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the College's proportion was 0.26571 percent which was a decrease of .01752 percent from June 30, 2019.

For the year ended June 30, 2021, the recognized OPEB benefit of (\$978,485). At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,841	\$ 1,981,170
Changes in proportion	-	1,765,353
Changes in assumptions	2,190,183	1,981,392
Contributions subsequent to the measurement date	242,598	-
Total	\$ 2,493,622	\$ 5,727,915

**New Mexico Junior College
Notes to Financial Statements**

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$242,598 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (1,423,634)
2022	(1,250,885)
2023	(756,216)
2024	(264,176)
2025	218,020
<hr/>	
Total	\$ (3,476,891)
<hr/> <hr/>	

New Mexico Junior College Notes to Financial Statements

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial assumptions - The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2020. The mortality, retirement, disability, turnover, and salary increase assumptions for PERA members are based on the PERA actuarial valuation as of June 30, 2019 and for ERB members are based on the ERB actuarial valuation as of June 30, 2019. The following actuarial assumptions were applied to the actuary's measurement:

Valuation Date	June 30, 2020
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB member, 2.50% for PERA members
Projected payroll increase	3.25% to 13.50% based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Mortality Tables with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females)
	PERA members: RP-2000 Combined Healthy Mortality

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, is used in the derivation of the long-term expected investment rate of return assumptions.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.1%
U.S. equity - large cap	20%	7.1%
Non U.S. - emerging markets	15%	10.2%
Non U.S. - developed equities	12%	7.8%
Private equity	10%	11.8%
Credit and structured finance	10%	5.3%
Real estate	5%	4.9%
Absolute return	5%	4.1%
U.S. equity - small/mid cap	3%	7.1%

Discount rate - The discount rate used to measure the total OPEB liability is 2.86% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2040. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21%) was applied. Thus, 2.86% is the blended discount rate.

Basis for Allocation - The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2020.

**New Mexico Junior College
Notes to Financial Statements**

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the College's proportionate share of the net OPEB liability, calculated using the discount rate of 2.86% as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount Rate (2.86%)	1% Increase (3.86%)
\$ 13,868,096	\$ 11,156,918	\$ 9,061,459

The following presents the Net OPEB Liability of NMRHCA as of June 30, 2020, as well as what the College's Net OPEB Liability would be if it were calculated using a health cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the health cost trend rates used:

1% Decrease	Current Trend Rates	1% Increase
\$ 9,157,744	\$ 11,156,918	\$ 12,673,346

OPEB plan fiduciary net position - Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2020. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Payables to the Pension Plan - The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2021, the College recorded a payable to NMRHCA in the amount of \$210,567 for the contributions withheld in the month of June 2021, which is included in the Accrued Payroll on the Statement of Net Position.

New Mexico Junior College Notes to Financial Statements

NOTE 13: 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 14: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the College is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the College, the liabilities which may arise from such actions would not result in losses, which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the College or results of activities.

New Mexico Junior College Notes to Financial Statements

NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)

The College has commitments as of June 30, 2021 for the following:

Vendor	Project Description	Amount
Jackson Lewis P.C.	Professional Services	\$ 11,792
Bridgers and Paxton	Campus Wide Fire Alarm Upgrade Design Fee	202
Bridgers and Paxton	Campus Wide FMS Upgrade	22,413
Next Gen Web Solutions	Dynamic Form License	14,000
Cooperative Educational Svc	Donner Plumbing PO for General Campus	42,359
Cooperative Educational Svc	Donner Plumbing for Student Housing	15,145
Cooperative Educational Svc	DPS - Caster Renovation Design	22,575
Lynco Electric Co., Inc.	NMJC Fire Alarm System Update	461,551
Pettigrew and Associates PA	Indoor Arena Building Expansion Surveying	4,620
Cooperative Educational Svc	DPS Services for McLean Renovation	20,750
BG Buildingworks, Inc.	Commissioning Services for McLean Remodel	6,948
Cooperative Educational Svc	Bradbury Stamm Renovation of McLean Hall	16,336
Cooperative Educational Svc	DPS - Watson Hall Design	111,098
Cooperative Educational Svc	DPS - Rodeo Arena Programming and Design	18,339
Advanced Data Risk Management	Threat Analysis	13,900
Donner Plumbing & Heating	FMS Upgrade	961,444
Bradbury Stamm Construction, Inc.	CMAR for Cater Renovation and Addition	1,925,111
Imagine Exhibitions, Inc.	Steampunk	12,000
Goodmans Interior Structures	Caster Furniture	1,722
Cooperative Educational Svc	G&G Roofing WHM	138,830
Pettigrew and Associates PA	Caster Activity Center	3,015
Cooperative Educational Svc	Melloy Fleet - 2021 Chevy Tahoe	43,467
Pettigrew and Associates PA	Surveying and FEMA Work for NMJC Rodeo Arena LOMR	2,937
Cooperative Educational Svc	Donner Plumbing Heidel Hall Air Handler Replacement	25,604
Minotaur Mazes	Pollinators Exhibit	60,000
Pluma Construction Systems	WHM Storage Building	119,925
Pettigrew and Associates PA	Geotechnical Services for NMJC Driving Range	5,793
Riverside Technologies, Inc.	17 HP Elitebook Notebooks	29,138
Pettigrew and Associates PA	Civil Engineering required for Museum	4,710
UT/NISOD	Virtual Focus Groups	20,000
Cooperative Educational Svc	Merv 13 Filters	44,470
Bridgers and Paxton	Engineering service for generator back up	4,235
Officewise Furniture and Supply	SSS Furniture	23,654
Pettigrew and Associates PA	NMJC Roping Arena Driveway and Turning Lane Site	5,875
DreamSeat	Athletic Furniture	15,557

New Mexico Junior College Notes to Financial Statements

NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)

Vendor	Project Description	Amount
<i>(Continued)</i>		
Prompter People	Prompter People	4,574
Alert Services	Athletic Training Equipment	44,064
Sister Bay Furniture	Shade Structure Furniture	66,770
Officewise Furniture and Supply	Credenze	1,301
Ellucian Company, PL	HR Consulting	7,480
Molten USA, Inc	Volleyballs	1,829
BSN Sports	Sport Shoes	14,860
Alexander, Marlon	Hay and Alfalfa	4,425
Goodmans Interior Structures	Storage Cabinet and Bookcase	2,395
Officewise Furniture and Supply	HON Furniture	1,728
Panhandle Golf Cars	Golf Cart	4,200
Jordan Engineering, LLC	Develop Template for OCD Permit Applicants	5,740
T-Shirt Printing Plus, Inc.	Athletic Apparel	2,803
TLC Plumbing	De-scale Four Inch Sewer Line	14,080
City Glass & Mirror Company	Window Screen for Dorms	5,593
Rapsodo Inc	Pitching Machine	3,099
D & D Automation and Electric, LLC	Access Control Panel for 6 Doors at Caster	17,334
John Deere Company	2022 Electric John Deer Gator	10,582
Cooperative Educational Svc	Robert Cohen to Furnish/Install Synthetic Tur	25,712
D & D Automation and Electric, LLC	Access Control to Literacy Alliance Building	3,786
Tascosa Office Machines	HON Desk and Chair	2,610
Total		\$ 4,474,477

NOTE 15: JOINT POWERS AGREEMENTS

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.

New Mexico Junior College Notes to Financial Statements

NOTE 16: 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 17: LEGISLATIVE GRANTS

The College had the following legislative grants funded by Severance Tax Bonds (STB) and General Obligation Bonds (GOB) as of June 30, 2021:

Project	Agency	Grant #	Effective Date	Reversion Date
NMJC Fire Alarms and Life Safety System, Fire Sprinkler System	Higher Education Department	GF D3427	7/15/2019	6/30/2023
NMJC Campus Wide Infrastructure	Higher Education Department	GOB C5085	8/1/2019	6/30/2023
NMJC McLean Hall Renovations	Higher Education Department	GOB C5086	8/1/2019	6/30/2023
NMJC Library Acquisitions	Higher Education Department	GOB C5076	8/1/2019	6/30/2023
NMJC Vocational Training Building	Higher Education Department	STB E2836	11/17/2020	6/30/2024
NMJC Heidel Hall, Watson Hall and Mary Hagelstein Air Handler Replacement	Higher Education Department	STB E2835	11/17/2020	6/30/2024

Project	Expenditures			
	Net Amount	to Date	Reverted	Remaining
NMJC Fire Alarms and Life Safety System, Fire Sprinkler System	\$ 400,000	\$ 46,600	\$ -	\$ 353,400
NMJC Campus Wide Infrastructure	2,500,000	2,500,000	-	-
NMJC McLean Hall Renovations	2,250,000	2,250,000	-	-
NMJC Library Acquisitions	36,718	1,810	-	34,908
NMJC Vocational Training Building	150,000	-	-	150,000
NMJC Heidel Hall, Watson Hall and Mary Hagelstein Air Handler Replacement	750,000	498,416	-	251,584
	\$ 6,086,718	\$ 5,296,826	\$ -	\$ 789,892

New Mexico Junior College Notes to Financial Statements

NOTE 18: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the College and Component Units. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The effects of this pandemic continue to have a significant impact on the College and Component Units during the year ended June 30, 2021. However, the economy in which the College and Component Units operate has seen significant changes in the market values of investments, property tax revenues, and revenues derived from the oil and gas industry, all of which are significant sources of revenue for the College.

Required Supplementary Information

New Mexico Junior College
Schedule of the College's Proportionate Share of the Net Pension Liability
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years*

Fiscal Year	June 30,		
	2021	2020	2019
Measurement Date	2020	2019	2018
Proportion of the net pension liability (asset)	0.36921%	0.38098%	0.40443%
Proportionate share of the net pension liability (asset)	\$ 74,823,690	\$ 28,868,005	\$ 48,092,108
Covered payroll	13,019,838	12,560,775	12,992,158
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	574.69%	229.83%	370.16%
Plan fiduciary net position as a percentage of the total pension liability	39.11%	64.13%	52.17%

* The amounts presented were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten 10-year trend is compiled, the College will present information for those years for which information is available.

See notes to required supplementary information.

June 30,			
2018	2017	2016	2015
2017	2016	2015	2014
0.41202%	0.41659%	0.41028%	0.39594%
\$ 45,789,710	\$ 29,979,623	\$ 26,574,937	\$ 22,591,262
13,745,513	13,754,379	13,510,416	12,546,461
333.12%	217.96%	196.70%	180.06%
52.95%	61.58%	63.97%	66.54%

See notes to required supplementary information.

**New Mexico Junior College
Schedule of the College's Contributions
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years***

As of and for the Year Ended June 30,	2021	2020	2019
Contractually required contribution	\$ 1,568,839	\$ 1,699,421	\$ 1,571,101
Contributions in relation to the contractually required contribution	1,568,839	1,699,421	1,571,101
Contribution deficiency (excess)	-	-	-
Covered payroll	12,329,776	13,019,838	12,560,775
Contributions as a percentage of covered payroll	12.72%	13.05%	12.51%

* This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10) year trend is compiled, the College will present information for those years for which information is available.

See notes to required supplementary information.

2018	2017	2016	2015
\$ 1,566,113	\$ 1,651,563	\$ 1,654,037	\$ 1,567,745
1,566,113	1,651,563	1,654,037	1,567,745
-	-	-	-
12,992,158	13,745,513	13,754,379	13,510,416
12.05%	12.02%	12.03%	11.60%

See notes to required supplementary information.

New Mexico Junior College
Schedule of Employer's Proportionate Share of the Net OPEB Liability of
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

Fiscal Year	2021	2020	2019	2018
Measurement Date	2020	2019	2018	2017
New Mexico Junior College's proportion of the net OPEB liability	0.26571%	0.28323%	0.30294%	0.31504%
New Mexico Junior College's proportionate share of the net OPEB liability	\$ 11,156,918	\$ 9,183,418	\$ 13,172,904	\$ 14,276,583
New Mexico Junior College's covered-employee payroll	\$ 13,019,838	\$ 12,560,775	\$ 12,992,158	\$ 13,745,513
New Mexico Junior College's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	85.69%	73.11%	101.39%	103.86%
Plan fiduciary net position as a percentage of the total OPEB liability	16.50%	18.92%	13.14%	11.34%

* The amounts presented were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, New Mexico Junior College will present information for those years for which information is available.

See notes to required supplementary information.

**New Mexico Junior College
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years***

As of and for the Year Ended June 30,	2021	2020	2019	2018
Contractually required contributions	\$ 242,598	\$ 256,229	\$ 258,718	\$ 255,779
Contributions in relation to the contractually required contribution	(242,598)	(256,229)	(258,718)	(255,779)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
New Mexico Junior College's covered-employee payroll	\$ 12,329,776	\$ 13,019,838	\$ 12,560,775	\$ 12,992,158
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	2.00%	2.00%

* The amounts presented were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, New Mexico Junior College will present information for those years for which information is available.

See notes to required supplementary information.

New Mexico Junior College Notes to Required Supplementary Information

Education Retirement Board (ERB) Plan

Changes of benefit terms. The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

Changes of assumptions. There were not assumption changes since the last actuary valuation.

New Mexico Retiree Health Care Authority (NMRHCA) Plan

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY20 audit available at

<https://www.nmrhca.org/wp-content/uploads/2021/05/Retiree-Health-Care-Authority-FINAL-FS-2020.pdf>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2020 report is available at

https://www.nmrhca.org/wp-content/uploads/2020/12/RPTS-05496.013-NMRHCA-6_30_2020-GAS-74-Report.pdf. See the notes to the financial statements beginning on page 18 which summarizes actuarial assumptions and methods effective with the June 30, 2020 valuation.

Supplementary Information

New Mexico Junior College
Unrestricted and Restricted - All Operations
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2021	Budgeted Amounts		Actual (Non-GAAP Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Beginning fund balance	\$ 44,557,630	\$ 54,557,696	\$ 54,545,624	\$ (12,072)
Prior period restatement (Agency)	-	-	111,935	111,935
Prior period restatement	-	-	12,070	12,070
Beginning fund balance	\$ 44,557,630	\$ 54,557,696	54,669,629	111,933
Unrestricted and restricted revenues				
State appropriations	6,282,700	6,282,700	6,553,729	271,029
State capital appropriations	2,955,900	3,166,654	2,926,478	(240,176)
Investment income	120,000	80,000	95,748	15,748
Federal revenue sources	289,951	298,046	779,822	481,776
State grants and contracts	4,342,396	7,187,572	4,056,578	(3,130,994)
Other grants and contracts	-	-	41,902	41,902
Public Service	172,188	167,415	169,775	2,360
Tuition and fees	3,914,806	3,584,774	3,498,764	(86,010)
Local funding	16,435,000	36,900,000	49,257,820	12,357,820
Auxiliary enterprises	2,846,886	2,358,275	2,145,054	(213,221)
Internal service	9,000	3,000	2,564	(436)
Other revenue	171,718	171,718	235,449	63,731
Total unrestricted and restricted revenues	37,540,545	60,200,154	69,763,683	9,563,529
Unrestricted and restricted expenditures				
Instruction	10,643,011	11,787,409	9,358,891	2,428,518
Academic support	2,396,487	3,046,386	2,059,397	986,989
Student services	2,446,254	2,957,761	2,039,937	917,824
Institutional support	4,578,558	5,102,035	4,159,393	942,642
Operation and maintenance of plant	3,983,813	4,531,577	3,466,644	1,064,933
Public Service	222,188	222,415	220,945	1,470
Internal service	109,089	144,929	142,780	2,149
Student aid, grants and stipends	4,572,918	5,424,922	4,858,229	566,693
Auxiliary services	2,160,172	2,484,469	2,561,734	(77,265)
Intercollegiate athletics	2,267,001	2,511,958	1,436,322	1,075,636
Renewal and replacement	33,618,022	31,119,740	27,906,681	3,213,059
Other grants	-	-	23,659	(23,659)
Total unrestricted and restricted expenditures	66,997,513	69,333,601	58,234,612	11,098,989
Net transfers	25,000	-	(350,000)	(350,000)
Change in fund balance (budgetary basis)	(29,431,968)	(9,133,447)	11,179,071	20,312,518
Ending fund balance	\$ 15,125,662	\$ 45,424,249	\$ 65,848,700	\$ 20,424,451
Change in net position per statement of revenues, expenses and changes in net position				
Instruction capital outlay			\$ 17,700,805	
Renewals and replacements capital outlay			(31,066)	
Academic support capital outlay			(98,969)	
Capital outlay transfer from the Foundation			(25,934,628)	
Loss from the sale of capital assets			(75,000)	
Net pension change			1,036	
Net OPEB change			15,794,142	
Depreciation expense			(1,221,393)	
Financial statements change in net position reconciled			5,044,144	
			\$ 11,179,071	

New Mexico Junior College
Unrestricted - Non-Instruction and General
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2021	Budgeted Amounts		Actual (Non-GAAP Basis)	Variance Favorable (Unfavorable)
	Original	Final		Final to Actual
Beginning fund balance	\$ 42,825,102	\$ 51,337,156	\$ 51,326,970	\$ (10,186)
Prior period restatement (Agency)	-	-	40,277	40,277
Prior period restatement	-	-	10,184	10,184
Beginning fund balance, as restated	42,825,102	51,337,156	51,377,431	40,275
Unrestricted revenues				
State appropriations	535,500	535,500	806,529	271,029
State capital appropriations	2,955,900	3,166,654	2,926,478	(240,176)
Investment income	120,000	80,000	95,748	15,748
Internal service	9,000	3,000	2,564	(436)
Auxiliary enterprises	2,846,886	2,358,275	2,145,054	(213,221)
Other	-	-	56,660	56,660
Total unrestricted revenues	6,467,286	6,143,429	6,033,033	(110,396)
Unrestricted expenditures				
Public service	50,000	55,000	51,171	3,829
Internal services	109,089	144,929	142,780	2,149
Student aid	710,880	710,880	745,114	(34,234)
Auxiliary enterprises	2,160,172	2,484,469	2,561,734	(77,265)
Intercollegiate athletics	2,267,001	2,511,958	1,436,322	1,075,636
Renewal and replacement	33,618,022	31,119,740	27,906,681	3,213,059
Total unrestricted expenditures	38,915,164	37,026,976	32,843,802	4,183,174
Net transfers	3,534,025	21,692,996	37,432,482	15,739,486
Change in fund balance (budgetary basis)	(28,913,853)	(9,190,551)	10,621,713	19,812,264
Ending fund balance	\$ 13,911,249	\$ 42,146,605	\$ 61,999,144	\$ 19,852,539

New Mexico Junior College
Restricted - Non-Instruction and General
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2021	Budgeted Amounts		Actual (Non-GAAP Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues				
Public service	172,188	167,415	169,775	2,360
Federal student aid	3,862,038	4,714,042	3,585,095	(1,128,947)
State student aid	-	-	528,019	528,019
Private grants	-	-	23,659	23,659
Total restricted revenues	4,034,226	4,881,457	4,306,548	(574,909)
Restricted expenditures				
Public service	172,188	167,415	169,774	(2,359)
Federal student aid	3,862,038	4,714,042	3,585,095	1,128,947
State student aid	-	-	528,020	(528,020)
Private grants	-	-	23,659	(23,659)
Total restricted expenditures	4,034,226	4,881,457	4,306,548	574,909
Net transfers	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	\$ -	\$ -	\$ -	\$ -

New Mexico Junior College
Unrestricted - Instruction and General
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Beginning fund balance	\$ 1,732,528	\$ 3,220,540	\$ 3,218,654	\$ (1,886)
Prior period restatement (Agency)	-	-	71,657	71,657
Prior period restatement	-	-	1,886	1,886
Beginning fund balance, restated	1,732,528	3,220,540	3,292,197	71,657
Unrestricted revenues				
State appropriations	5,747,200	5,747,200	5,747,200	-
Local funding	16,435,000	36,900,000	49,257,820	12,357,820
Tuition and fees	3,914,806	3,584,774	3,498,764	(86,010)
Federal grants and contracts	33,700	1,703,600	41,093	(1,662,507)
Other revenue	171,718	171,718	178,789	7,071
Total unrestricted revenues	26,302,424	48,107,292	58,723,666	10,616,374
Unrestricted expenditures				
Instruction	10,267,223	11,387,003	8,984,245	2,402,758
Academic support	2,372,925	2,797,824	2,004,669	793,155
Student services	2,121,047	2,550,805	1,768,875	781,930
Institutional support	4,566,506	5,089,983	4,159,393	930,590
Operation and maintenance	3,983,813	4,531,577	3,466,644	1,064,933
Total unrestricted expenditures	23,311,514	26,357,192	20,383,826	5,973,366
Net transfers	(3,509,025)	(21,692,996)	(37,782,482)	(16,089,486)
Change in fund balance (budgetary basis)	(518,115)	57,104	557,358	500,254
Ending fund balance	\$ 1,214,413	\$ 3,277,644	\$ 3,849,555	\$ 571,911

New Mexico Junior College
Restricted - Instruction and General
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues				
Federal government contracts/grants	446,658	769,930	430,390	(339,540)
State government contracts/grants	289,951	298,046	251,803	(46,243)
Other grants and contracts	-	-	18,243	18,243
Total restricted revenues	736,609	1,067,976	700,436	(367,540)
Restricted expenditures				
Instruction	375,788	400,406	374,646	25,760
Academic support	23,562	248,562	54,728	193,834
Student services	325,207	406,956	271,062	135,894
Institutional support	12,052	12,052	-	12,052
Total restricted expenditures	736,609	1,067,976	700,436	367,540
Net transfers	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	\$ -	\$ -	\$ -	\$ -

Supporting Schedules

New Mexico Junior College
Schedule of Deposit and Investment Accounts
June 30, 2021

Account Name	Type	DataPath Card Services	Lea County State Bank	New MexiGROW LGIP	Wells Fargo Bank
NMJC	Checking	\$ -	\$ -	\$ -	\$ -
NMJC	Debit Card Settlement	2,716	-	-	-
Instructional and general	Checking	-	-	-	4,231,998
NMJC money market	Deposit	-	32,864	-	-
Pell federal account	Checking	-	250,380	-	-
Payroll dep account	Checking	-	115,394	-	-
NMJC	Checking	-	39,276	-	-
Agency account	Time Deposit	-	-	-	30
NMJC	Short-Term Investment	-	-	53,000,000	-
Amounts on deposit		2,716	437,914	53,000,000	4,232,028
Outstanding items		-	(12,453)	-	(1,605,236)
Reconciled balance		\$ 2,716	\$ 425,461	\$ 53,000,000	\$ 2,626,792

Petty cash

Total deposits and investments

Reconciliation to the financial statements

Cash and cash equivalents

Short-term investment

Total deposits and investments

**Western
Commerce**

Bank	Total
\$ 25,085	\$ 25,085
-	2,716
-	4,231,998
-	32,864
-	250,380
-	115,394
-	39,276
-	30
-	53,000,000
25,085	57,697,743
-	(1,617,689)
<u>\$ 25,085</u>	56,080,054
	6,396
	<u>\$ 56,086,450</u>
	\$ 3,086,450
	53,000,000
	<u>56,086,450</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**New Mexico Junior College
Schedule of Collateral Pledged by Depository
June 30, 2021**

Depository	Description of Pledged Collateral	Fair Market Value June 30, 2021	Name and Location of Safekeeper
Lea County State Bank			
	Alamogordo NM SD 2.05% CUSIP #011464HY3, due 8/1/2023	\$ 662,162	The Independent Bankers Bank Farmers Branch, TX
	Los Lunas NM SD 3% CUSIP #545562TF7, due 07/15/2021	400,488	The Independent Bankers Bank Farmers Branch, TX
	Clovis NM SD 2% CUSIP #189414MA0, due 08/1/2022	203,762	The Independent Bankers Bank Farmers Branch, TX
	Hobbs NM SD 2.25% CUSIP #43385QBD8, due 09/15/2027	520,525	The Independent Bankers Bank Farmers Branch, TX
	University of NM Valencia County 3% CUSIP #914696DU0, due 8/1/2026	234,825	The Independent Bankers Bank Farmers Branch, TX
Total Lea County State Bank		2,021,762	
Wells Fargo Bank			
	FNMA FNMS 3.5% CUSIP #3132A5D36, due 7/1/2045	1,706,475	Bank of New York Mellon New York, NY
	FNMA FNMS 3.0% CUSIP #3138NYVR3, due 1/1/2043	7,047,781	Bank of New York Mellon New York, NY
	FNMA FNMS 3.5% CUSIP #3140FE5Q3, due 4/1/2047	2,589,751	Bank of New York Mellon New York, NY
	FNMA FNMS 3.0% CUSIP #3133A2BX7, due 2/1/2050	1,160,375	Bank of New York Mellon New York, NY
	FNMA FNMS 3.0% CUSIP #3140K0WP9, due 10/1/2049	1,436,564	Bank of New York Mellon New York, NY
Total Wells Fargo Bank		13,940,946	
Total pledged collateral		\$ 15,962,708	

THIS PAGE INTENTIONALLY LEFT BLANK

Compliance Section

**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 AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

We have audited, in accordance with 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 units of the New Mexico Junior College (the "College"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and the related budgeted schedules of the College, presented as supplementary information, and have issued our report thereon dated October 29, 2021.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain other matter that is required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as item 2021-001.

College's Response to the Finding

The College's response to the finding 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 the financial statements and, accordingly, we express no opinion on it.

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 results 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
October 29, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the New Mexico Junior College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2021.

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 the Uniform Guidance, 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.

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 a 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
October 29, 2021

New Mexico Junior College
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Passthrough Grantor/Program Title	Grant/Pass-Through Number	Federal Assistance Listing Number
U.S. Department of Education		
<i>Direct programs</i>		
Student Financial Assistance Cluster		
Federal Pell Grant Program (1)	N/A	84.063
Federal Supplemental Educational Opportunity Grants (1)	N/A	84.007
Federal Work Study Program (1)	N/A	84.033
Federal Direct Student Loans (1)	N/A	84.268
<hr/>		
Total Student Financial Assistance Cluster		
<hr/>		
TRIO Cluster		
TRIO-Student Support Services	N/A	84.042A
<hr/>		
Total TRIO Cluster		
<hr/>		
Education Stabilization Fund:		
COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund		
Student Aid Portion	N/A	84.425E
<hr/>		
Total CARES Act: Higher Education Emergency Relief Fund		
<hr/>		
COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund II		
Student Aid Portion	N/A	84.425E
<hr/>		
Total CARES Act: Higher Education Emergency Relief Fund II		
<hr/>		
COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund III		
Student Aid Portion	N/A	84.425E
<hr/>		
Total CARES Act: Higher Education Emergency Relief Fund III		
<hr/>		
<i>Passed through New Mexico Higher Education Department</i>		
COVID-19: Education Stabilization Fund: Governor's Emergency Education Relief		
GEER	41117	84.425C
<hr/>		
Total New Mexico Higher Education Department		
<hr/>		
Total Education Stabilization Fund		
<hr/>		
<i>Passed through New Mexico Public Education Department</i>		
Adult Education - Basic Grants to States	V002A190032	84.002
<hr/>		
Total U.S. Department of Education		
<hr/>		
Total federal financial assistance		
<hr/>		

() Denotes Cluster

See accompanying notes to schedule of expenditures of federal awards.

Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
\$ 2,191,941	\$ -	\$ -
74,250	-	-
4,079	-	-
383,325	-	-
2,653,595	-	-
271,061	\$ -	\$ -
271,061	-	-
291,502	-	-
291,502	-	-
560,502	-	-
560,502	-	-
79,496	-	-
79,496	-	-
36,486	-	-
36,486	-	-
967,986	-	-
122,843	-	-
122,843	-	-
\$ 4,015,485	\$ -	\$ -

See accompanying notes to schedule of expenditures of federal awards.

THIS PAGE INTENTIONALLY LEFT BLANK

New Mexico Junior College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of New Mexico Junior College (the "College") and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. **Loans**

The College did not expend federal awards related to loans or loan guarantees during the year. Federal Direct Loans advanced to students in fiscal year 2021 totaled \$383,325.

3. **10% de minimus Indirect Cost Rate**

The College did not elect to use the allowed 10% indirect cost rate.

4. **Federally Funded Insurance**

The College has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements

Total federal awards expended per schedule of expenditures of federal awards	\$	4,015,485
Total expenditures funded by other sources		47,388,033
<hr/>		
Total operating expenditures	\$	51,403,518
<hr/>		

**New Mexico Junior College
Schedule of Findings and Questioned Costs
June 30, 2021**

SECTION I: SUMMARY OF AUDITORS' 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? | None noted |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | None noted |

4. Identification of major programs:

<u>Assistance Listing</u>	<u>Federal Program</u>
<u>Numbers</u>	
84.063	Student Financial Assistance Cluster Federal PELL Grant program Federal SEOG program Federal Work Study program Federal Direct Loans
84.007	
84.033	
84.268	
	COVID-19: Education Stabilization Fund
84.425E	HEERF: Student Aid Portion
84.425C	GEER

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

**New Mexico Junior College
Schedule of Findings and Questioned Costs
June 30, 2021**

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: FEDERAL AWARD FINDINGS

None noted.

SECTION IV: SECTION 12-6-5 NMSA 1978 FINDINGS

None noted

SECTION V: COMPONENT UNIT FINDINGS

New Mexico Junior College Foundation and New Horizons Foundation

2021-001 – Journal entries are not reviewed timely (Other Matter)

Condition: During journal entry testing it was noted review over journal entries was not done timely for the New Mexico Junior College Foundation and the New Horizons Foundation.

Criteria: Sections 6-5-1 through 6-5-6 NMSA, 1978 require internal accounting controls designed to prevent accounting errors and violations of state and federal laws and rules related to financial matters.

Effect: Without proper journal entry controls, the New Mexico Junior College Foundation and New Horizons Foundation might incorrectly book an entry.

Cause: Late review process occurring over journal entries made by the New Mexico Junior College Foundation and New Horizons Foundation.

Auditors' Recommendation: The New Mexico Junior College Foundation and New Horizons Foundation should set up a more timely review process over journal entries.

Views of Responsible Officials and Planned Corrective Actions: The New Mexico Junior College Foundation and New Horizons Foundation management agrees that a policy needs to be in place that allows for more timely approval of journal entries and this was implemented in September 2021.

Responsible Official: Josh Morgan, VP of Finance

**New Mexico Junior College
Schedule of Findings and Questioned Costs
June 30, 2021**

SECTION VI: SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Financial Statement Findings

None noted.

Component Unit Findings

None noted.

**New Mexico Junior College
Other Disclosures
June 30, 2021**

EXIT CONFERENCE

The contents of this report and its schedules related to the component units were discussed on October 29, 2021. The following individuals were in attendance:

New Mexico Junior College Foundation Officials

Tina Kunko	NMJC Foundation Controller
------------	----------------------------

College Officials

Pat Chappelle	Board Chair
Dr. Steve McCleery	Interim President
Josh Morgan	Vice-President for Finance

New Horizons Foundation Officials

Dr. Steve McCleery	Interim President
Tina Kunko	New Horizons Foundation CFO

Carr, Riggs & Ingram, LLC

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Paul Garcia, CPA	Manager

AUDITOR PREPARED FINANCIALS

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes of the College from the original books and records provided to them by the management of the College. The responsibility for these financial statements remains with the College.

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**
From: Josh Morgan
Date: January 13, 2022
RE: Expenditure and Revenue Reports for December 2021

December is month six or 50% of the budget for the 2021/2022 fiscal year. The expenditure report represents expenditure totals that include funds expended and encumbered. The total year to date funds expended and/or encumbered through the month of December is \$24,889,214.

The total current unrestricted fund expenditures through December are \$13,326,232, which is 45% of the projected budget. Instruction and General is tracking similar compared to FY 21. In other Current Unrestricted Funds, expenses are also tracking similar compared to FY 21. Internal Services which consists of the Computer Services and the Document Center continue to receive monthly credits from Instruction & General to cover the operating costs. Over all, expenditures are similar as compared to December 2020.

In the Restricted Funds, the expenditures in the Grant area is up compared to this time last year. The Business Office continues to monitor the expenditures in the Grants and request the drawdown from the state and federal agencies. The year-to-date Restricted Student Aid is higher as compared to December 2020, due to HEERF awards. Total amount of restricted funds expended through December of 2021 is \$3,569,233.

Plant fund expenditures for December were \$859,290; the total year-to-date including encumbrances is \$7,993,749. The expenditures for the month are for smaller projects. The large projects such as the Fire Alarm Upgrade, Facility Management, and the WHM Storage Building are already encumbered and included in the totals.

Total expenditures and or encumbrances through December 2021 were \$24,889,214 or 40% of the budget.

Total Current Unrestricted revenue received in December 2021 was \$13,107,020, with the year-to-date total of 30,350,981. This mostly consists of the tuition and fees, the monthly allocation from the State, the Oil and Gas Income, Oil and Gas Equipment tax income, and property tax revenue. The Tuition and Fees collected in December was

\$379,500 as tuition and fees were collected for the spring semester. Oil and Gas mill levy for the month of December was \$4,680,659 and the equipment tax revenue for December was \$3,505,887. The property tax revenue received in December was \$3,895,101, looking at the past trends in property tax payout, the College should receive additional property tax revenue in January and then again in June. In FY 21, the total for mill levy property tax was \$13,817,722.

\$126,012 was draw in for Student Aid in December. Total restricted fund revenue for the year is \$3,299,673. There should be additional funds drawdown in January and February for restricted student aid.

In Plant Funds, the College received \$70,511 for the FY 21 Non-Credit Workforce Training allocation. LGIP interest income for December was \$6,178.

Total revenue for the month of December 2021 is \$13,368,903, with year-to-date revenue of \$34,586,315 or 82% of projected revenue budget.

The Oil and Gas revenue continues to be strong. The total Oil and Gas and Oil and Gas Equipment Tax revenue received through December of 2021 including the accrual of \$465,000 for each of the three months of October, November and December is \$18,571,973.

The Investment report reflects \$53,000,000 invested with LGIP at the beginning of December with \$20,000,000 being sent to the LGIP during the month resulting in an ending balance of \$73,000,000 at the end of December. Interest income for the LGIP funds for the month of November was \$6,178. At the end of December, there was \$52,705,040 in allocated capital projects.

This concludes the Financial Report for December 2021.

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
December 2021

50% of Year Completed

Fund	2020-21			2021-22			
	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	10,267,223	4,236,134	41%	10,728,520	668,110	4,079,286	38%
Academic Support	2,372,925	979,288	41%	2,418,150	146,600	962,042	40%
Student Services	2,121,047	846,512	40%	2,129,202	140,093	801,127	38%
Institutional Support	4,566,506	2,074,806	45%	4,723,286	372,841	2,254,840	48%
Operation & Maintenance of Plant	3,983,813	1,658,485	42%	4,125,265	208,226	1,869,319	45%
Subtotal - Instruction & General	23,311,514	9,795,225	42%	24,124,423	1,535,870	9,966,614	41%
Research	-	57,707		-	7,801	53,966	
Public Service	50,000	16,600	33%	59,300	3,289	24,455	41%
Internal Service Departments	109,089	153,768	141%	100,174	18,176	162,914	163%
Student Aid	710,880	490,846	69%	760,880	53,094	483,160	64%
Auxiliary Enterprises	2,160,172	1,563,332	72%	2,216,283	280,078	1,569,146	71%
Athletics	2,267,001	800,440	35%	2,466,657	107,267	1,065,977	43%
Total Current Unrestricted Fund	28,608,656	12,877,918	45%	29,727,717	2,005,575	13,326,232	45%
CURRENT RESTRICTED FUND							
Grants	908,797	319,358	35%	972,048	134,753	452,587	47%
Student Aid	3,862,038	1,844,385	48%	3,859,255	8,792	3,116,646	81%
Total Current Restricted Fund	4,770,835	2,163,743	45%	4,831,303	143,545	3,569,233	74%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	29,729,122	25,556,653	86%	20,063,534	684,884	7,004,429	35%
Projects from State GOB Funds	6,416,370	1,816,781	28%	4,000,000		154,315	4%
Projects from State STB Funds	900,000		0%	2,325,000	128,543	174,104	7%
Projects from General Fund	353,400	221,960	63%	150,000		-	0%
Projects from Private Funds			0%	-		-	0%
Projects from State ER&R	1,238,725	148,432	12%	335,000	3,368	134,143	40%
Projects from State BR&R	1,256,545	701,865	56%	598,000	42,495	526,758	88%
Subtotal - Capital and BR&R	39,894,162	28,445,691	71%	27,471,534	859,290	7,993,749	29%
Debt Service							
Revenue Bonds	-	-	0%	-	-	-	0%
Total Plant Funds	39,894,162	28,445,691	71%	27,471,534	859,290	7,993,749	29%
GRAND TOTAL EXPENDITURES	73,273,653	43,487,352	59%	62,030,554	3,008,410	24,889,214	40%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
December 2021

50% of Year Completed

2020-21

2021-22

Fund	2020-21			2021-22			
	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	3,914,806	2,852,507	73%	3,939,025	379,500	3,005,932	76%
State Appropriations	5,747,200	2,904,222	51%	6,404,600	510,717	3,064,300	48%
Advalorem Taxes - Oil and Gas	7,235,000	11,086,581	153%	7,235,000	8,186,547	18,571,973	257%
Advalorem Taxes - Property	9,200,000	3,629,480	39%	9,700,000	3,895,101	3,964,952	41%
Interest Income	9,000	259	3%	9,000	5	29	0%
Other Revenues	196,418	119,087	61%	191,418	38,346	126,009	66%
Subtotal - Instruction & General	26,302,424	20,592,136	78%	27,479,043	13,010,216	28,733,195	105%
Research	-	-	0%	-	-	-	0%
Public Service	-	-	0%	-	-	-	0%
Internal Service Departments	9,000	1,333	15%	9,000	-	1,562	17%
Auxiliary Enterprises	2,846,886	1,522,841	53%	2,756,942	53,512	1,356,116	49%
Athletics	535,500	267,750	50%	530,800	43,292	260,108	49%
Total Current Unrestricted	29,693,810	22,384,060	75%	30,775,785	13,107,020	30,350,981	99%
CURRENT RESTRICTED FUND							
Grants	908,797	373,743	41%	972,048	56,519	658,478	68%
Student Aid	3,862,038	1,960,043	51%	3,859,255	126,012	3,299,673	86%
Total Current Restricted	4,770,835	2,333,786	49%	4,831,303	182,531	3,958,151	82%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	1,702,500	1,502,184	0%	4,000,000	-	-	0%
Projects from State STB Funds	900,000	-	0%	2,325,000	-	22,369	0%
Projects from General Fund	353,400	68,989	0%	150,000	70,511	168,111	112%
Projects from Private Funds	-	-	0%	-	2,663	55,738	0%
Interest Income (LGIP)	120,000	37,145	31%	60,000	6,178	30,965	52%
Total Plant Funds	3,075,900	1,608,318	52%	6,535,000	79,352	277,183	4%
GRAND TOTAL REVENUES	37,540,545	26,326,164	70%	42,142,088	13,368,903	34,586,315	82%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

December 2021

50% 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	2019-20 Original Budget	Variance Over (Under) Budget
Actual	July	\$68.83	22,898,155	\$4.72	71,628,621	4,277,011	465,000	3,812,011
Actual	August	\$65.27	25,303,801	\$5.19	74,903,699	4,424,689	465,000	3,959,689
Actual	September	\$66.03	41,536,921	\$5.64	211,841,672	4,680,659	465,000	4,215,659
Actual	October					465,000	465,000	0
Actual	November					465,000	465,000	0
Actual	December					465,000	465,000	0
Actual	January						465,000	(465,000)
Actual	February						465,000	(465,000)
Actual	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						14,777,359	5,580,000	9,197,359
Y.T.D. Equipment Tax Revenue						3,794,614	1,655,000	2,139,614
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						18,571,973	7,235,000	11,336,973

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

December 2021

50% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	53,000,000	7102-1348	0.071%	6,178
Plus deposits	20,000,000			
Less withdrawals	-			
Total LGIP investments	73,000,000			6,178

Capital Project	12/31/2021
Vehicles	597,972.00
Computer Labs/ITV Upgrade	200,000.00
Campus Vestibules	1,232,180.73
Voc B Airhandler	1,000,000.00
Softball Field	4,790,000.00
National Track Meet	110,577.39
Pi Day	23,487.04
Technology Upgrade	794,496.02
JASI	37,962.93
WHM Storage Building	42,178.79
Baseball Field	530,173.45
Rodeo Arena	119,434.75
Fire Alarm Upgrade	591,752.11
Landscaping	1,098,433.11
Smart Classrooms	313,033.51
Campus Signage	552,142.53
Campus Paving	593,344.98
Roof Replacement	2,000,213.08
Dorm/Apartment Refurbish	237,170.24
Concrete Upgrade	456,753.15
Campus Construction	250,464.96
Oil & Gas Training	88,974.02
Workforce Training & Outreach	250,000.00
Guided Pathways Rob Johnstone	126,947.12
Campus Security	332,173.51
Copier Replacement	73,082.22
Non-Recurring Compensation	1,000,000.00
Athletics	105,094.78
Student Life Programming	20,432.28
Succession Plan	635,341.15
WHM Exhibits	34,806.98
Track Upgrades	203,947.35
Driving Range Upgrades	556,679.32
McLean Hall Renovations	114,187.85
Cafeteria Upgrade	3,050,452.07
Channel 19 Upgrade	2,389.50
Equestrian Center	2,933,949.87
Bob Moran Upgrades	12,260.87
Campus/Hospital Fencing	563,509.84
Turf Replacement	397,527.12
Watson Hall Renovation	2,415,773.70
Facilities Management System	1,124,796.84
Busing Support for Recruiting	5,872.30
Caster Upgrades	3,039,115.56
Workforce Training Center	6,000,000.00
Heidel Hall Renovation	2,000,000.00
Heidel/Hagelstein Air Handlers	400,000.00
Air Handlers	2,000,000.00
Campus Housing Unit	9,500,000.00
Allied Health	144,274.63
Workforce Training Contingency	1,680.64
Total	52,705,040.29

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: Josh Morgan
RE: Quarterly Financial Action Report
Date: January 13, 2022

To comply with the HED (Higher Education Department) mandate that each College Board approve a quarterly financial action statement, attached is the Quarterly Action Statement for the quarter ending on December 31, 2021. This disclosure notifies you as the NMJC Board as well as the HED to any financial problems that might not be evident with an income and expense report. The College has made all required payments, payroll, and scheduled payments to vendors. Please approve the Quarterly Financial Action Report as of December 31, 2021.

Respectfully,



Josh Morgan

QUARTERLY FINANCIAL ACTION REPORT

Fiscal Year 22

Today's Date: 01-13-2022

Period (check one)

1st quarter _____ 2nd quarter X 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: X

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

Yes: _____ No: X

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

Yes: _____ No: X

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

Yes: _____ No: X

(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: X

(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: X

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 Higher Education Department
Institutional Finance Division
Quarterly Financial Certification Template

Please complete and sign the following certification form and submit with Quarterly Financial Statements and Quarterly Financial Actions Report.

I certify that I believe the information provided in the attached (a) Financial Statements, and (b) Financial Actions Report, for the:

1st _____ 2nd X 3rd _____ 4th _____ Quarter, FY 22

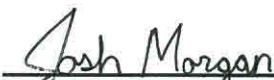
are correct as of the date indicated below, and that

New Mexico Junior College

has a functioning financial accounting system that captures assets, liabilities, revenues, and expenditures on a timely basis, and the Governing Board receives timely notification of any significant actual or projected variances between budgeted and actual revenues and expenditures.

Pat Chappelle Board Chair

Dr. Steve McCleery Interim President



Josh Morgan Vice President for Finance

Memorandum

To: New Mexico Junior College Board
From: Steve McCleery, Ed.D. Interim President
RE: Title Change for Charley Carroll
Date: 1-12-2022

To address a critical and ongoing need to plan for and secure the future plant facility management and day-to-day operation and safety of the NMJC Campus, I am recommending a title change for Charley Carroll.

Effective January 20, 2022 and if the New Mexico Junior College Board approves, I recommend Dr. Carroll's title be changed to Vice President for Operations and Special Projects.

As the need arose and over the course of the past 20 plus years, Charley has accepted the responsibility of seeking and maintaining 10-12 institutional licenses. In most case, the licenses require an immense amount of time for filing paperwork, study, test prep and testing.

Attached you will find Dr. Carroll's current Job Description, a list of the licenses that Charley currently maintains, and a brief summary of a few of the tasks that Charley performs on behalf of NMJC. Additionally, for the past 20 plus years, Dr. Carroll has been and is on 24-hour call 7 days per week.

Based on bringing the appropriate compensation market analysis back to the Board, I recommend that we add value to Charley's current contract dollar amount via a special compensation agreement.

I also recommend that we utilize appropriate compensation market analysis and offer Dr. Carroll a 3-year contract that will be negotiated prior to the 2022 NMJC contract deadline.

DIRECTOR OF PHYSICAL PLANT

Class Code: 1107

PURPOSE OF CLASSIFICATION: Under limited direction, oversees the staff, budgets, and operations of various departments to include general building maintenance, custodial operations, renovation projects, utilities operations, the central mechanical plant, chipping and receiving, campus motor pool, and vehicle maintenance.

DISTINGUISHING CHARACTERISTICS:

TYPICAL DUTIES:

This description is intended to be generic in nature. It is not intended to determine specific duties and responsibilities of any particular position. Individual positions may be assigned responsibility for other duties within the scope of this classification. It is not intended to limit in any way the right of supervisors to assign, direct and control the work of employees under their supervision. Essential functions and overtime eligibility may vary based on the specific tasks assigned to the position.

- Manages assigned staff members; addresses and works to resolve any issues that arise.
- Negotiates purchases and construction projects for the campus; meets with outside businesses, contractors, and engineering firms
- Oversees and operates the Physical Plant and other assigned budgets; purchases goods and services; approves expenditures and verifies compliance with New Mexico State Procurement guidelines.
- Operates a State mandated recycling program; maintains program log books; files reports the State as required.
- Performs asbestos and lead paint abatements across campus; manages all construction, plumbing, and mechanical projects.
- Operates buses, trucks, and pull trailers to transport equipment, passengers, and other freight to and from campus.
- Manages hazardous waste from chemistry labs and nursing labs.
- Attends various meetings and serves on committees as appropriate.
- Performs other duties as assigned or required.

Nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified in order to meet the needs of New Mexico Junior College.

KNOWLEDGE, SKILLS, AND ABILITIES:

- Knowledge of College and department policies and procedures.
- Knowledge of State building codes.
- Knowledge of abatement processes, procedures, and requirements.
- Knowledge of ADA regulations and compliance requirements.
- Knowledge of New Mexico procurement guidelines.
- Skill in establishing and maintaining effective working relationships.P
- Skill in asbestos and lead paint abatements.
- Skill in contract negotiation.
- Skill in project and budget management.
- Skill in providing effective supervision, leadership, and direction.
- Ability to operate a personal computer, including standard software and some specialized software.
- Ability to operate commercial grade trucks and equipment.

MINIMUM QUALIFICATIONS:

- Bachelor's degree in Business Management or related field.
- Five (5) years of experience in construction and manufacturing; OR an equivalent combination of education, training, and experience.
- New Mexico issued GB-98 Commercial Builder's license.
- New Mexico issued MM-98 Commercial Contractor's license.
- Valid New Mexico issued Class A commercial driver's license.

Charley Carroll

December 2021

Sharing with the Board things that I do as Physical Plant Director. The Physical Plant is everything you can see on this campus and beyond

Job Description:

- 1. Oversee the following departments and functions: General building maintenance, custodial operations, renovation projects and construction, grounds department, utilities operations, central mechanical plant, central receiving/shipping, campus motor pool and vehicle maintenance;**
- 2. Establish and maintain operational and capital renovation budgets for the above functions;**
- 3. Purchase goods/services and approve expenditures for the physical plant in accordance with the New Mexico procurement code;**
- 4. Oversee and direct warehouse operations, including central shipping, receiving, deliveries, etc.**
- 5. Oversee central mechanical plant and utilities operations;**
- 6. Responsible for fleet vehicle maintenance, motor pool coordination and dispatch;**
- 7. Coordinate and oversee campus renovations, building renewal and replacement projects, A.D.A. compliance, building code compliance, and capital construction projects in accordance with administrative priorities;**
- 8. Identify, survey, assess and prioritize deferred maintenance needs for all buildings, grounds and campus infrastructure;**
- 9. Coordinate with architects, engineers and contractors in renovations and construction projects;**
- 10. Assist NMJC administration in identifying and preparing capital funding request; and**
- 11. Screen, hire, train and direct employees necessary for the operation of the Physical Plant.**

In order to achieve these functions, it requires various licenses which I have:

- MM-1 License Covers all Plumbing**
- MM-2 License Covers Natural Gas**
- MM-3 License Covers HVAC**
- MM-4 License Covers Underground Processing Pipe/Fittings**
- MM-98 License is a Mechanical Contractors License**
- High Pressure Boiler/Chiller License**
- Pesticide License (must have to spray for COVID)**

- **GB-98 License is a General Contractors License (must have for pulling construction permits)**
- **Journeyman's Pipe Fitters License (must have to pull annual maintenance and mechanical permits)**
- **State Food Managers License (must have for concession permits and gathering)**
- **CDL Class A Driver's License with air brake certification and passenger endorsement**
- **30-hour OSHA Certification**

In addition to these functions above I am a representative of New Mexico Junior College in the community building relationships with the Cities, Schools and County. I have driven many entertainers Lea County has brought in for entertainment such as: Clint Black, Wynonna Judd, Larry the Cable Guy, Traces Adkins, Tracey Lawrence, Bill Cosby, Alan Jackson, Willie Nelson and others. I have picked up State Legislatures at the airport and driven them to the Country Club and Casino charged with getting them back to their motel safely. I have picked up the Uranium Enrichment Scientists and CEO's and drove them to Eunice then back to Hobbs for entertainment and motel stays. I taught the first Uranium Enrichment Maintenance Class on our campus. I have served on the CES (Cooperative Educational Services) Evaluators Board for the past 20-years and getting local businesses on board was one of my priorities as it helps NMJC with our purchases to meet State Procurement while keeping money in local Lea County businesses. I negotiate tremendous savings on construction projects and purchases across campus. Actually, over the years those negotiated savings has paid my salary in full and the College President's salary in full. I have a watchful eye dealing with Architects, Engineers and Contractors insuring we are getting fair pricing as we spend local tax dollars. We are accountable to our tax payers for all expenditures and they must have confidence in our ability to get the best pricing possible. I drive Student Athletics out of town when necessary and I have flown in to various cities to rescue our Students when our driver has become ill or if the bus has broken down. I do most of my College Purchasing on Fridays and I take golf carts to and from the repair center in our enclosed trailer. When COVID cases were high no trucking firm would cross the State Line into New Mexico because they had to quarantine for 14-days. I would route these freight trucks to unload at the Lubbock Terminal and I would take our 18-Wheeler/CDL Truck over and pick up our items and drive them to campus. I work with and support every department and professor across campus to some degree as they all call me needing help with many issues. I have a great relationship with the Hobbs Schools Superintendent, Gene Strickland and I have hauled several loads of books from Albuquerque to Hobbs saving them tens of thousands of dollars. If someone asked me what all I do, I would have to tell them I do not sign the checks but my hands are involved in everything else to some degree on this campus. Anyone can call me with anything pertaining to New Mexico Junior College and if I cannot meet their needs I know exactly who to call which keeps positive communication always open and keeps us compliant with our Master Plan and

HLC Requirements. I do have an endless list of things I do but this is a snap-shot of a few activities and responsibilities because I truly "Love" New Mexico Junior College.

Thanks,

Charley Carroll

Memorandum

To: New Mexico Junior College Board

From: Steve McCleery, Ed.D. Interim President

RE: Board Policy No. 511
Section: Retirees
Policy Topic: NMJC Retiree Privileges

Date: 1-8-2022

Please consider approving the following NMJC Board Policy.

New Mexico Junior Colleges recognizes the importance of the NMJC employees who have retired from NMJC. In an effort to establish a more consistent approach to recognizing the NMJC Retirees and managing the retiree privileges in a consistent manner, the Board wants the college to provide/present faculty or staff with a “Faculty Emeritus” or “Staff Emeritus” Privilege Card at the annual retirement gathering.

Front of Card:

Name: Father Time

Title: Faculty Emeritus or Staff Emeritus

Retiree Privilege Card/ID

Back of Card:

NMJC Home Athletic Events (**No Charge Entry**)

NMJC Home Band Concerts (**No Charge Entry**)

NMJC Home Chorale Concert (**No Charge Entry**)

NMJC Performing Arts Productions (**No Charge Entry**)

WHM and LCCHOF Events (**Free Regular Admission**)

10% discount at the WHM Store

10% discount on NMJC Bookstore purchases

9 credit hours per semester (tuition free - fees paid by retiree)

1 Community Education class per semester (tuition free)

Utilization of Pannell Library NMJC Email Account

Access to an NMJC Retiree Email Account. Six months of nonuse will result in cancellation.

Memorandum

To: New Mexico Junior College Board
From: Steve McCleery, Ed.D. Interim President
RE: Title Change and Special Compensation Agreement for the General Maintenance Foreman
Date: 1-12-2022

To address a critical area of vulnerability, I think we need to **“over hire” immediately** for Dr. Carroll’s potential replacement position. I recommend we put a salary range and title in place as if we are trying to hire another Charley Carroll. I am recommending the General Maintenance Foreman be changed to Associate Vice-President for Operations and Special Projects.

As we look at the compensation analysis for Dr. Carroll’s position, I recommend we utilize the analysis to adjust the salary range for this position.

NEW MEXICO JUNIOR COLLEGE

RESOLUTION NO. 2022-001

WHEREAS, Section 10-15-1(B) of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to -4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) of the Open Meetings Act requires the Board to determine annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT RESOLVED that:

1. All meetings shall be held at the Zia Board Room, Pannell Library on the campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico at 1:30 p.m., or as indicated in the meeting notice.

2. Unless otherwise specified, regular meetings shall be held on the third Thursday of each month. The agenda will be available at least seventy-two hours prior to the meeting from the office of the President of New Mexico Junior College, whose office is located in the John Shepherd Administrative Center, on the Campus of New Mexico Junior College, Hobbs, New Mexico. The agenda will also be posted in the John Shepherd Administrative Center on the Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico and on New Mexico Junior College's website at www.nmjc.edu.

3. Notice of regular meetings other than those described in Paragraph 2 will be given ten (10) days in advance of the meeting date. The notice will include a copy of the agenda or information on how a copy of the agenda may be obtained. If not included in the notice, the agenda will be available at least seventy-two (72) hours before the meeting and posted in the John Shepherd Administrative Center on the

Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico and on New Mexico Junior College's website at www.nmjc.edu.

4. Special meetings may be called by the Chair or a majority of the members upon three (3) days' notice. The notice for a special meeting shall include an agenda for the meeting or information on how a copy of the agenda may be obtained. The agenda will be available at least seventy-two (72) hours before the meeting and posted in the John Shepherd Administrative Center on the Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico and on New Mexico Junior College's website at www.nmjc.edu.

5. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Board will avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members with twenty-four hours' prior notice, unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda. Within ten days of acting on an emergency matter, the Board will notify the Attorney General's Office; provided that the requirement to report to the Attorney General is waived upon the declaration of a state or national emergency.

6. For the purposes of regular and special meetings described in Paragraphs 3 and 4 of this resolution, notice requirements are met if notice of the date, time, place and agenda or information on how the public may obtain a copy of such agenda is posted on the New Mexico Junior College website, posted in the John Shepherd Administrative Center on the Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico and provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

7. For the purposes of emergency meetings described in Paragraph 5, notice requirements are met if notice of the date, time, place and agenda is posted on the New Mexico Junior College website and posted in the John Shepherd Administrative Center on the Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico. Telephone notice also shall be given to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

8. In addition to the information specified above, all notices shall include the following language:

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the President's office John Shepherd Administrative Center on the Campus of New Mexico Junior College, 1 Thunderbird Circle, Hobbs, New Mexico telephone number (575)392-5004 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the President of New Mexico Junior College if a summary or other type of accessible format is needed.

9. The Board may close a meeting to the public only if the subject matter of such discussion or action is excepted from the open meeting requirement under Section 10-15- 1(H) of the Open Meetings Act.

(a) If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Board taken during the open meeting. The authority for the closed meeting and the subjects to be discussed shall be stated with reasonable specificity in the motion to close and the vote of each individual member on the motion to close shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.

(b) If a closed meeting is conducted when the Board is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity, is given to the members and to the general public.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

(d) Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the Board in an open public meeting.

10. The Board of New Mexico Junior College may, by Resolution adopt additional rules and regulations regarding the conduct of the meetings of the New Mexico Junior College Board.

Passed by the Board of New Mexico Junior College this 20th day of January, 2022.

New Mexico Junior College Board

Patricia Chappelle, Chair

Travis Glenn, Secretary

Guy Kesner, Member

Manny Gomez, Member

Erica Jones, Member

Evelyn Rising, Member

Hector Baeza, Member

memo

New Mexico Junior College

To: Board of Directors
From: Scotty Holloman
Date: January 10, 2022
Re: Transfer of Tower Lease

At its March 19, 2020 meeting the NMJC Board agreed to accept the transfer of KNMJ Radio Station from New Mexico Junior College Foundation.

Part of the operation of the Radio Station is tower rental for housing of a transmitter and other equipment. Currently the Tower Space Lease is in the name of New Mexico Junior College Foundation. This lease needs to be transferred to New Mexico Junior College, as the owner of the radio station. An Assignment and Assumption Agreement of the Tower Lease is attached for consideration. Also attached is the Tower Lease Agreement being transferred to New Mexico Junior College.

It is requested the NMJC Board approve the assignment of the lease from the New Mexico Junior College Foundation to New Mexico Junior College.

Assignment and Assumption of Lease

This Assignment and Assumption of Lease (this "Assignment") dated as of the ___ day of January, 2022 is entered into by and between **NEW MEXICO JUNIOR COLLEGE FOUNDATION**, a New Mexico nonprofit corporation ("Assignor"), and **NEW MEXICO JUNIOR COLLEGE** ("Assignee").

WITNESSETH:

WHEREAS, Vanguard Wireless, LLC, a Delaware limited liability company, as “Lessor,) and Assignor as “Lessee” have entered into that certain Communications Lease Agreement dated November 24, 2020, for Lessor Site NM092 Eunice 2CC, Lessee Site ASR: 1262008/JKNMJ-FM (the "Lease") with respect to installation, maintenance and operation of radio communication equipment on Lessor’s site for the use and operation of KNMJ-FM, the radio station owned and operated by Assignee(the “Radio Station”);

WHEREAS, Assignor has previously transferred to Assignee all Assignor’s right, title and interest in and to the Radio Station to Assignee and Assignor desires to transfer the Lease to the Assignee as part of the operation of the Radio Station.

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the parties hereby agree as follows:

1. Effective as of the date hereof, Assignor hereby assigns to Assignee all of its right, title and interest under the Lease. Effective as of the date hereof, Assignee hereby assumes all of the Assignor's obligations under the Lease.
2. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
3. This Assignment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Assignment, and all of which, when taken together, will be deemed to constitute one and the same Assignment. The facsimile, email or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first above written.

ASSIGNOR:

ASSIGNEE:

**NEW MEXICO JUNIOR COLLEGE
FOUNDATION**

NEW MEXICO JUNIOR COLLEGE

A New Mexico nonprofit corporation

By: _____

By: _____

Guy Kesner, President

Steve McCleery, Interim President

LESSOR'S CONSENT

LESSOR consents to the assignment of the Lease to Assignee. Lessor further releases and discharges Assignor from and against any and all claims, demands, causes of actions, suits, liabilities and obligations, and all costs and expenses, under the Lease whether heretofore arising and/or as of the date hereof existing.

Dated: _____, 2022

Vanguard Wireless, LLC

By: _____

Name: _____

Title: _____

LESSOR SITE: NM092 Eunice 2 CC
LESSEE SITE: ASR: 1262008 / KNMJ-FM
LESSEE: New Mexico Junior College Foundation

COMMUNICATIONS LEASE AGREEMENT

11/24/2020

This Communications Lease Agreement ("Agreement") is entered into this _____ day of _____, 2020 (the "Effective Date") by and between **Vanguard Wireless, LLC**, a Delaware limited liability company ("LESSOR"), a wholly owned subsidiary of InSite Towers, LLC, and **New Mexico Junior College Foundation**, a New Mexico corporation ("LESSEE").

1. Scope of Lease. As of the Commencement Date, this Agreement shall supersede and replace that certain Antenna Tower Space Rental Contract dated November 1, 2010, as amended, between LESSOR, as successor in interest to Holsum Bakers Inc. dba Caprock Communications, and LESSEE, as successor in interest to FiveStar Enterprises ("Prior Agreement"), which Prior Agreement shall be made void and shall have no further effect. Subject to the terms and conditions of this Agreement and the underlying Master Lease, a redacted copy of which is attached hereto as Exhibit "E", LESSOR hereby grants permission to LESSEE to install, maintain and operate the radio communications equipment described in attached Exhibit "A" (the "Equipment"), annexed hereto, at LESSOR's communication site described in Exhibit "B" (the "Site"), annexed hereto, at the location described in Exhibit "C" (the "Leased Premises"), annexed hereto.

2. Term. (a) The "Initial Term" of this Agreement shall be for a period of five (5) years beginning on the "Commencement Date" which shall be November 1, 2020. (b) The "Renewal Term(s)" of this Agreement shall be five (5) additional periods of five (5) years each. The Renewal Term(s) shall commence automatically without further action on the part of LESSOR or LESSEE; provided, however, that either party may terminate this Agreement at the expiration of the Initial Term or at the expiration of any Renewal Term(s) by giving the other party written notice of not less than ninety (90) days prior to the expiration of the then current term. For purposes of this Agreement, the Initial Term and Renewal Term(s) are collectively referred to herein as the "Term."

3. Rent. (a) Beginning on the Commencement Date, LESSEE shall pay to LESSOR a monthly fee of One Thousand and 00/100 Dollars (\$1,000.00) (the "Rent"). The Rent shall be payable in equal monthly installments in advance on the first day of each month to LESSOR and shall be sent to the attention of Vanguard Wireless, LLC, ATTN: NM092 New Mexico Junior College Foundation, P.O. Box 759178, Baltimore, MD 21275-9178, or to such other address as designated in writing by LESSOR. The Rent shall be prorated for any partial month occurring during the then current term on the actual number of days in such month.

(b) LESSEE shall pay any charges to install utilities to the Leased Premises, including emergency power generators, and shall pay all utility charges for utilities consumed by LESSEE at the Leased Premises.

(c) Effective on the first anniversary of the Commencement Date, the Rent shall increase to One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) per month, and on each annual anniversary of the Commencement Date thereafter during the Term, the then current Rent payable by LESSEE to LESSOR shall be increased by an amount equal to three percent (3%) over the Rent payable by LESSEE for the preceding twelve (12) month period.

(d) If LESSEE remains in possession of the Leased Premises at the expiration of the Term, such tenancy shall be deemed to be a month-to-month lease under the same terms and conditions of this Agreement, except that the Rent payable during such holdover period shall be one hundred fifty (150%) percent of the Rent payable during the last year of the immediately preceding term.

(e) LESSEE shall pay all personal property taxes or other taxes assessed against LESSEE's personal property that is located within the Leased Premises, and LESSOR shall pay all real property taxes and all other similar taxes and assessments in the amount(s) currently levied against the Site or personal property and improvements thereon owned and maintained by LESSOR. LESSEE shall pay, as an additional fee, its pro-rata share of any increase in real property taxes and other similar taxes and assessments levied against the Site over the real estate taxes and other similar taxes and assessments paid by LESSOR prior to the Commencement Date of this Agreement, and LESSOR agrees to furnish proof of any such increase to LESSEE. If applicable, LESSEE further agrees to pay any sales or use tax assessed by local and/or state jurisdictions with respect to any revenues paid by LESSEE to LESSOR hereunder.

(f) LESSEE agrees that payment of Rent or other sums due hereunder shall be due and paid without the necessity of a demand or invoice from the LESSOR, and that LESSEE shall pay as an additional fee a late charge equal to ten percent (10%) of each installment or sum made more than ten (10) days after its due date.

4. Inspection of Leased Premises. The Leased Premises shall be provided in "AS IS" condition by LESSOR. LESSEE has visited and inspected the Leased Premises and accepts the physical condition thereof and acknowledges that no representations or warranties have been made to LESSEE by LESSOR as to the condition of the Leased Premises, including the tower or towers, as the case may be, and/or the storage facilities, or as to any engineering data. LESSEE is responsible for determining all aspects as to the acceptability, accuracy and adequacy of the Leased Premises for LESSEE's use. LESSOR shall have no obligation to obtain licenses for LESSEE, or to maintain, insure, operate or safeguard LESSEE's Equipment.

5. Permitted Use, Installation, Operating Procedures. (a) The Leased Premises may be used by LESSEE for the transmission and reception of communications signals, including wireless communication purposes and uses incidental thereto. LESSEE shall, at LESSEE's expense, (i) conduct any and all engineering tests, environmental tests, and all other feasibility studies which LESSEE deems necessary or desirable for its use of the Leased Premises, and (ii) obtain all licenses, certificates, permits, authorizations or approvals from all applicable government and/or regulatory entities (the "Governmental Approvals"). LESSOR agrees to reasonably cooperate with LESSEE to obtain all required Governmental Approvals and any and all local public utility easements requested by LESSEE, but shall not be responsible for incurring any out of pocket expenses in such regard.

(b) LESSEE shall, at its expense, install, construct, and maintain the Equipment on the Leased Premises as defined and consistent with Exhibit A and Exhibit C during the Term hereof in compliance with all local, State and Federal regulations. All installations, operation and maintenance of Equipment must be in accordance with LESSOR's policies as set forth in attached Exhibit "D". Prior to the installation of LESSEE's Equipment or any modifications, supplement, replacement, upgrade or relocation to the Equipment within the Leased Premises at any time during the Term:

(i) LESSEE shall submit, in writing, all plans for such installation, modifications or changes for LESSOR's approval, such approval not to be unreasonably withheld or delayed by LESSOR. In order to ensure LESSEE's compliance with the provisions of this Agreement, the plans and specifications for LESSEE's Equipment and any modifications thereto shall be submitted to engineers and consultants selected by LESSOR for review and approval. LESSEE shall reimburse LESSOR for LESSOR's reasonable out of pocket expenses incurred in connection with such review and approval.

(ii) All work performed at the Leased Premises in connection with such installation, maintenance, operation, modification and removal of LESSEE's Equipment shall be performed at LESSEE's sole cost and expense by LESSEE's employees or by contractors approved by LESSOR, such approval not to be unreasonably withheld or delayed. LESSEE shall require all contractors, as a condition to their engagement, to agree to be bound by provisions identical to those included in this Agreement, specifically those relating to the indemnification of LESSOR and insurance requirements. The engagement of a contractor by LESSEE shall not relieve LESSEE of any of its obligations under this Agreement.

(iii) No work performed by LESSEE, its contractors, subcontractors or materialsmen pursuant to this Agreement, whether in the nature of construction, installation, alteration or repair to the Leased Premises or to LESSEE's Equipment, will be deemed for the immediate use and benefit of LESSOR so that no mechanic's lien or other lien will be allowed against the property and estate of LESSOR by reason of any consent given by LESSOR to LESSEE to improve the Leased Premises. If any mechanic's or other liens will at any time be filed against the Leased Premises or the property of which the Leased Premises is a part by reason of work, labor, services, or materials performed or furnished, or alleged to have been performed or furnished, to LESSEE or to anyone using the Leased Premises through or under LESSEE, LESSEE will forthwith cause the same to be discharged of record or bonded to the satisfaction of LESSOR. If LESSEE fails to cause such lien to be so discharged or bonded within ten (10) days after it has actual notice of the filing thereof, then, in addition to any other right or remedy of LESSOR, LESSOR may bond or discharge the same by paying the amount claimed to be due, and the amount so paid by LESSOR, including reasonable attorneys' fees incurred by LESSOR either in defending against such lien or in procuring the bonding or discharge of such lien, together with interest thereon at the statutory rate, will be due and payable by LESSEE to LESSOR as an additional fee hereunder.

(iv) All of LESSEE's Equipment shall be clearly marked to show LESSEE's name, address, telephone number and the name of the person to contact in case of emergency, FCC call sign, frequency and location. All coaxial cable relating to the Equipment shall be identified in the same manner at the bottom and top of the line. At LESSOR's request, LESSEE shall promptly deliver to LESSOR written proof of compliance with all applicable Federal, State, and local laws, rules and regulations in connection with any installations or modifications of Equipment.

Notwithstanding anything in the foregoing Paragraph 5(b), LESSOR acknowledges that the Equipment enumerated in Exhibit A was installed and constructed under the terms of the Prior Agreement, and that as of the Commencement Date such Equipment is fully operational and is and has been in long-term active use by LESSEE at the Site.

(c) LESSOR agrees that LESSEE shall have the right to nonexclusive access to the Leased Premises over and across the Property ("Access") twenty-four (24) hours per day, seven (7) days per week, during the Initial Term and any and all Renewal Terms thereof for the purpose of ingress, egress, maintenance and operation of the Equipment and any associated utilities. .

(d) LESSEE shall not sublease or share, in whole or in part, its Equipment, its frequencies or its interests pursuant to this Agreement.

6. Interference. (a) The installation, maintenance and operation of LESSEE's Equipment shall not interfere electrically, or in any other manner whatsoever, with the equipment, facilities or operations of LESSOR or with any other licensee(s) or tenant(s) at the Property on the

Commencement Date. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that if the installation or operation of LESSEE's Equipment shall interfere:

(i) with other radio communications systems and equipment installed prior to the Commencement Date of this Agreement, LESSEE shall upon written request immediately suspend its operations (except for intermittent testing) and do whatever LESSOR deems reasonably necessary to eliminate or remedy such interference. If it is determined that such interference cannot be rectified by LESSEE within fifteen (15) days after written notice of said interference, then LESSOR may, at its option, terminate this Agreement upon written notice to LESSEE unless LESSEE commences curing the interference within said fifteen (15) day period and thereafter continuously and diligently pursues to cure the interference ("Cure Period"). In the event the interference is not cured during the initial fifteen (15) day notification period or any Cure Period, LESSOR may, at its option, terminate this Agreement upon written notice to LESSEE, whereupon LESSEE shall remove the Equipment at its sole cost and expense and in accordance with Paragraph 8 herein. If LESSEE fails to take possession of its Equipment within thirty (30) days after notice of termination, said Equipment will be deemed abandoned; or

(ii) with any other radio communications systems and equipment installed at the Leased Premises after the Commencement Date of this Agreement, LESSEE shall cooperate fully with LESSOR and any future licensee or tenant injured by LESSEE's interference ("Future Party") to remedy the interference. LESSEE shall do whatever LESSOR deems reasonably necessary to cure such interference, provided, however, that all costs related to remedying such interference shall be the responsibility of the Future Party, unless such interference is due to failure, defects or deficiencies in LESSEE's system, Equipment, or installation.

(b) LESSEE hereby acknowledges that LESSOR has leased, and will continue to lease, space at and upon the Site to third parties for the installation and operation of radio communication facilities. LESSEE accepts this Agreement with this knowledge and waives any and all claims against LESSOR resulting from or attributable to interference caused by present or future equipment, facilities or methods of operation employed by LESSOR in its business upon the Site. LESSEE also waives any and all claims against LESSOR arising from interference resulting to LESSEE by virtue of equipment, facilities or operations employed by any other licensee or tenant of LESSOR in its business upon the Site. In the event that any such interference occurs that materially interferes with LESSEE's utilization of the Leased Premises, LESSEE, as its sole remedy, in lieu of any and all other remedies at law, or in equity, may terminate this Agreement at any time thereafter by giving LESSOR thirty (30) days prior written notice to that effect, and such termination shall be effective at the end of such thirty (30) day period, provided, however, that such termination will not be effective if LESSOR substantially eliminates such interference within thirty (30) days of LESSEE's termination notice. LESSEE shall pay LESSOR any fees due for the period up to the termination of this Agreement. Any advance payments for periods after the termination of this Agreement will be reimbursed to LESSEE.

(c) Any dispute relating to the interpretation of this Section 6 pertaining to harmful or detrimental interference shall be interpreted and resolved in accordance with applicable FCC rules, regulations and policies.

(d) LESSOR reserves the right to require LESSEE to relocate one or more of its antenna(s) and/or equipment within the building or shelter, and LESSEE agrees to relocate said antenna(s) and/or equipment at LESSOR's expense, provided that said relocation does not substantially change the operation of LESSEE's Equipment.

7. Structural Modifications and Repairs. In the event LESSOR, in its sole discretion, determines that any structural modifications or repairs are necessary to any portion of the Leased Premises due to the presence of LESSEE's Equipment or other improvements, LESSOR shall notify LESSEE of the needed structural modifications or repairs, and the following procedures shall apply:

(a) If structural modifications are necessary prior to LESSEE's installation or modification of the Equipment, then either: (i) LESSEE shall, at its sole cost and expense, promptly make all such noticed modifications in accordance with Paragraph 5 hereof; or (ii) If such noticed modifications are not completed within sixty (60) days of such notice either party shall have the right to terminate this Agreement by giving the other party thirty (30) days' prior written notice.

(b) If repairs are necessary due to the presence of LESSEE's Equipment, LESSEE shall, at its sole cost and expense, promptly make all such noticed repairs in accordance with Paragraph 5 hereof; provided, however, that in the event of an emergency, LESSOR shall have the right to make such modifications or repairs at LESSEE's expense, upon notice to LESSEE, and such sum shall be immediately due upon the rendering of an invoice as an additional fee hereunder.

8. Removal of LESSEE's Equipment. Provided that LESSEE is not in default in the performance of its obligations hereunder, at the expiration of this Agreement or earlier termination thereof, LESSEE shall remove any and all of the Equipment. Such removal shall be performed pursuant to the guidelines set forth in Paragraph 5 of this Agreement, without any interference, damage or destruction to any other equipment, structures or operations at the Site or any equipment of other LESSEE or tenants thereon. LESSEE shall submit a removal plan for LESSOR's written approval, such approval not to be unreasonably withheld or delayed. Any and all interference or damage caused to the LESSOR's equipment or equipment of other LESSEEs or tenants by such removal shall be immediately repaired or eliminated by LESSEE. If LESSEE fails to make such repairs, at LESSEE's sole cost and expense, within ten (10) days after the occurrence of such

damage, injury or interference, LESSOR may perform all the necessary repairs at LESSEE's cost and expense and such sum shall be immediately due upon the rendering of an invoice as an additional fee hereunder.

9. Indemnification. (a) LESSEE shall indemnify and hold LESSOR harmless from (i) all costs of any damage done to the facilities or equipment of the LESSOR, Master Lessor, and/or other licensees or tenants located at the Site, to the extent caused by the installation, operation or maintenance of LESSEE's Equipment or other improvements; and (ii) any claims, demands, or causes of action for personal injuries, including any payments made under any workers compensation law or any plan of employee disability and death benefits, to the extent caused by LESSEE's installation, maintenance and operation or removal of LESSEE's Equipment at, or use of, the Leased Premises, except for damages, costs, claims, causes of action or demands caused by the negligence or willful misconduct of LESSOR.

(b) LESSEE shall also indemnify and hold LESSOR harmless from any losses, liabilities, claims, demands or causes of action for property damage or personal injuries, including any payment made under any workers compensation law or any plan of employees disability and death benefits, arising out of or resulting from any claims, damages, losses, liabilities or causes of action caused by or resulting in any way from RF radiation emissions from LESSEE's Equipment or any other harmful effect caused by or resulting from LESSEE's Equipment.

(c) LESSOR shall not be responsible or liable to LESSEE for any loss, damage or expense that may be occasioned by, through, or in connection with any acts or omissions of other licensees or tenants occupying the Site. LESSEE hereby assumes the risk of the inability to operate as a result of any structural or power failures at the Leased Premises or failure of LESSEE or LESSEE's Equipment for any reason whatsoever, and agrees to indemnify and hold LESSOR harmless from all damages and costs of defending any claim or suit for damages of any kind, including but not limited to business interruption and attorneys fees, asserted against LESSOR by reason of such failure.

(d) Subject to Section 9(c) above, LESSOR shall indemnify and hold LESSEE harmless from any claims, demands, or causes of action for property damage or personal injuries, including any payments made under any worker's compensation law or any plan of employees disability and death benefits, to the extent caused by LESSOR's installation, maintenance, operation or removal of equipment that is under the exclusive control of LESSOR, except for damages, costs, claims, causes of action or demands caused by the negligence or willful misconduct of LESSEE.

10. Damage or Destruction. LESSOR and LESSEE agree that LESSOR shall in no way be liable for loss of use or other damage of any nature arising out of the loss, destruction or damage to the Leased Premises or to LESSEE's Equipment located thereon, by fire, explosion, windstorms, water or any other casualty or acts of third parties. In the event the Leased Premises or any part thereof is damaged or destroyed by the elements or any other cause, LESSOR may elect to repair, rebuild, or restore the Leased Premises or any part thereof, to the same condition as it was immediately prior to such casualty. In such event, the payments required herein shall cease as of the date of such casualty until the Leased Premises, in LESSEE's reasonable opinion, is restored to a usable condition for LESSEE's operation. If LESSOR chooses not to repair, restore or rebuild the Leased Premises, LESSOR shall send to LESSEE a notice of cancellation of this Agreement within thirty (30) days of such casualty. If this Agreement is canceled, the payments required herein shall terminate as of the date of such casualty.

11. Condemnation. In the event that any public or quasi-public authority under a power of condemnation or eminent domain takes any part of the Leased Premises or any access way required by LESSEE for the conduct of its telecommunications facility, this Agreement shall terminate as of the date title to the Leased Premises vests in the condemning authority. Sale of all or part of the Leased Premises to a purchaser with the power of eminent domain in the face of the exercise of that power shall be deemed a taking by condemnation. If any condemnation occurs within six (6) months prior to the expiration of the then current term of this Agreement, then this Agreement may be terminated by either party upon written notice to the other.

12. Insurance and Subrogation. (a) LESSEE shall keep in full force and effect during the Term a commercial general liability insurance policy, including blanket contractual and completed operations coverage, with the limits of liability of at least Two Million (\$2,000,000.00) Dollars in respect to bodily injury, including death, arising from any one occurrence, and Two Million (\$2,000,000.00) Dollars in respect to damage to property arising from any one occurrence and worker's compensation with a limit of not less than the applicable statutory limit. Said insurance policy shall be endorsed to include LESSOR as an additional insured and shall provide that LESSOR will receive at least thirty (30) days prior written notice of any cancellation or material change in such insurance policy. Additionally, LESSEE shall obtain a waiver of subrogation from its insurer on the policies listed above. LESSEE shall be required to furnish to LESSOR, prior to the installation of the Equipment, and for the duration of this Agreement thereafter, current certificates of insurance confirming that the insurance coverage as specified herein is in full force and effect.

(b) Notwithstanding the foregoing insurance requirements, the insolvency, bankruptcy, or failure of any insurance company carrying insurance for LESSEE, or failure of any such insurance company to pay claims accruing, shall not be held to waive any of the provisions of this Agreement or relieve LESSEE from any obligations under this Agreement.

13. Notices. All notices, demands, requests or other communications which are required to be given, served or sent by one party to the other pursuant to this Agreement shall be in writing and shall be mailed, postage prepaid, by registered or certified mail, or forwarded by a reliable overnight courier service with delivery verification, to the following addresses for LESSOR and LESSEE or such address as may be designated in writing by either party:

IF to LESSOR: Vanguard Wireless, LLC
ATTN: Legal Department
1199 N. Fairfax Street, Suite 700
Alexandria, VA 22314
(703) 535-3009
(703) 535-3051 FAX

IF to LESSEE: New Mexico Junior College Foundation Billing Address: same
1 Thunderbird Circle
Hobbs, NM 88240
575-492-2781

Notice given by certified or registered mail or by reliable overnight courier shall be deemed delivered on the date of receipt (or on the date receipt is refused) as shown on the certification of receipt or on the records or manifest of the U.S. Postal Service or such courier service.

14. Default. (a) Any one or more of the following events shall constitute a default ("Default") by LESSEE under this Agreement: (i) the failure by LESSEE to pay monetary amounts due under this Agreement within ten (10) days after LESSOR provides written notice thereof to LESSEE; (ii) If either party fails to observe or perform any non-monetary obligations under this Agreement and does not cure such failure within thirty (30) days from its receipt of written notice of breach or if the breach by its nature cannot be cured within said thirty (30) day period, the defaulting party shall not be in default if it commences curing within said thirty (30) day period and thereafter continuously and diligently pursues the cure to completion; (iii) abandonment of either the Equipment or that portion of the Leased Premises upon which the LESSEE Equipment was installed; (iv) prosecution of any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign relating to bankruptcy, insolvency, reorganization or relief with respect to LESSEE, or seeking reorganization, arrangement, adjustment, winding-up liquidation, dissolution, composition or other relief with respect to LESSEE or LESSEE's debts; or (v) the making by LESSEE of an assignment or any other arrangement for the general benefit of creditors under any state statute.

(b) In the event of a Default, LESSOR shall be entitled at LESSOR's option to terminate this Agreement and to remove all of LESSEE's Equipment, improvements, personnel or personal property located at the Leased Premises at LESSEE's cost and expense. In the event that LESSOR should, as a result of the Default in the performance by LESSEE of its obligations hereunder, incur any costs or expenses on behalf of LESSEE or in connection with LESSEE's obligations hereunder, such sums shall be immediately due to LESSOR upon rendering of an invoice to LESSEE as an additional fee hereunder.

(c) At any time or from time to time after the removal of the LESSEE's property from the Leased Premises pursuant to Subparagraph 14(b) above, whether or not the current term of this Agreement shall have been terminated, LESSOR may (but shall be under no obligation to) re-lease LESSEE's former space at the Leased Premises, or any part thereof, for the account of the LESSOR, for such term or terms (which may be greater than or less than the period which would otherwise have constituted the balance of the current term) and on such conditions (which may include concessions or free rent) and for such uses as LESSOR, in LESSOR's absolute discretion, may determine, and may collect and receive payments therefrom. LESSOR shall not be responsible or liable for any failure to re-lease LESSEE's former space at the Leased Premises or any part thereof or for any failure to collect any payments due upon any such re-leasing.

(d) No Default pursuant to this Paragraph 14, by operation of law or otherwise (except as expressly provided herein), no removal of LESSEE's property from the Leased Premises pursuant to the terms of this Agreement, and/or no re-leasing of LESSEE's former space at the Leased Premises shall relieve LESSEE of LESSEE's obligations or liabilities hereunder, all of which shall survive such Default, removal and/or re-leasing. Without limiting the foregoing, upon LESSEE's removal from the Leased Premises pursuant to this Paragraph 14, LESSEE shall nonetheless remain liable for all Rents and other payments hereunder for the remainder of the then-current term.

(e) All of the rights, powers, and remedies of LESSOR provided for in this Agreement or now or hereafter existing at law or in equity, or by statute or otherwise, shall be deemed to be separate, distinct, cumulative, and concurrent. No one or more of such rights, powers, or remedies, nor any mention or reference to any one or more of them in this Agreement, shall be deemed to be in the exclusion of, or a waiver of, any other rights, powers, or remedies provided for in this Agreement, or now or hereafter existing at law or in equity, or by statute or otherwise. The exercise or enforcement by LESSOR of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise or enforcement by LESSOR of any or all of such other rights, powers, or remedies.

15. Assignment. (a) LESSOR reserves the right to assign, transfer, mortgage or otherwise encumber the Leased Premises and/or its interest in this Agreement. LESSEE shall upon demand execute and deliver to LESSOR such further instruments subordinating this Agreement, as may be required by LESSOR in connection with LESSOR's contemplated transaction.

(b) LESSEE may not assign, transfer, or otherwise encumber its interest in this Agreement without the prior written consent of LESSOR, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, LESSOR agrees that LESSEE may assign this Agreement, upon prior notice to LESSOR but without LESSOR's consent, to (i) LESSEE's parent; or (ii) any entity acquiring a controlling interest of LESSEE's stock or assets, or to any party which acquires substantially all of the assets of LESSEE; provided, however, such assignment shall not relieve LESSEE of its obligations under this Agreement.

16. Master Lease. LESSEE hereby acknowledges that LESSOR leases the Site pursuant to that certain Ground Lease Contract dated March 4, 2008, as amended (hereinafter referred to as "Master Lease"), between Apache Corporation (hereinafter referred to as "Master Lessor") and LESSOR, as successor in interest to Holsum Bakers Inc. dba Caprock Communications. This Agreement shall be subject and subordinate to the Master Lease, and to the matters to which the Master Lease is or shall be subject and subordinate. Nothing contained in this Agreement shall be construed to create privity of estate or of contract between LESSEE and Master Lessor. If for any reason the term of the Master Lease shall terminate prior to the expiration date of this Agreement, this Agreement shall thereupon be automatically terminated and LESSOR shall not be liable to LESSEE by reason thereof.

17. Compliance with Laws. LESSEE shall maintain and operate its Equipment during the term of this Agreement in compliance with all present and future rules and regulations of any local, State or Federal authority having jurisdiction with respect hereto, including without limitation, the rules and regulations of the Federal Communications Commission ("FCC"), the Federal Aviation Administration ("FAA") and the Occupational Safety and Health Administration ("OSHA").

18. RF Emissions Compliance. (a) LESSEE is aware of its obligation to comply with all applicable rules and regulations of the FCC pertaining to RF emissions standards, as well as all applicable rules and/or regulations of any other federal or state agency (including but not limited to OSHA) having jurisdiction over the installation, operations, maintenance and/or working conditions involving RF emissions and/or safety and work standards performed on or near communication towers and antenna Leased Premises. LESSEE agrees to be solely responsible for compliance with all applicable FCC and other governmental requirements with respect to installation, operation and maintenance of its Equipment and for repairs to its Equipment at the Leased Premises. In the event of noncompliance with an RF emissions standard by LESSEE, LESSEE will immediately remedy its operations to comply with such laws, rules and regulations as they apply to its operations and/or the operations of all licensees, tenants, and users taken in the aggregate at the Site.

(b) LESSEE shall take any and all steps required to cooperate with all lessees and users at the Site to comply individually and in the aggregate with all applicable FCC and other governmental RF emissions standards. In this respect, LESSEE agrees to pay LESSOR its pro rata share of the reasonable cost of any engineering studies performed at the request of the LESSOR at the Leased Premises, involving measurement and RF emissions compliance pertaining to the Leased Premises.

19. Replacement and Renovation of Tower. LESSOR reserves the right, in its sole discretion, to renovate, replace or rebuild the tower structure, building or shelter and related improvements thereof. In such event, LESSOR shall provide LESSEE with Tower Space suitable to allow LESSEE to continue to operate the Equipment in a substantially similar manner during any such construction period. LESSOR shall be solely responsible for the costs associated with removing and re-installing the Equipment, including costs associated with the filing of any required applications or requests with the Federal Communications Commission. LESSOR reserves the right to erect one or more towers on the Leased Premises. LESSEE shall have the right to establish a temporary facility on the Leased Premises to provide such services as LESSEE deems necessary during any such renovation, replacement or reconstruction by LESSOR for so long as adequate space is available and such temporary facility does not interfere with such construction or use by the other licensees, tenants and customers on the Leased Premises. The location of such temporary facility shall be subject to LESSOR's approval, which shall not be unreasonably withheld or delayed.

20. Termination. Notwithstanding the foregoing, in the event that LESSEE does not obtain, fails to obtain renewals of or has revoked, through no fault of LESSEE, any license, permit or other approval required by the Federal, state or local government for the construction and operation of the Equipment, LESSEE shall have the right to terminate this Agreement by giving LESSOR ninety (90) days prior written notice. At LESSOR's request, LESSEE shall provide to LESSOR documentation evidencing LESSEE's failure to obtain, or loss of, any such required license, permit or approval.

21. Environmental. LESSOR warrants and agrees that neither LESSOR nor, to LESSOR's actual knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material (as defined below) on, under, about or within the Site in violation of any law or regulation. LESSOR and LESSEE each agree and represent that they will not use, generate, store or dispose of any Hazardous Material on, under, about or within the Site in violation of any law or regulation. LESSEE agrees to defend and indemnify LESSOR and its partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorneys' fees and costs) caused by LESSEE's breach of any warranty or agreement contained in this paragraph. LESSOR agrees to defend and indemnify LESSEE and its partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorneys' fees and costs) caused by LESSOR's breach of any warranty or agreement contained in this paragraph. "Hazardous Material" shall mean any substance, chemical or waste identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (including petroleum and asbestos).

22. Miscellaneous. (a) In the event of litigation between the parties in connection with this Agreement, each party shall be entitled to recover its reasonable attorneys' fees and court costs related to such issue on which that party is the prevailing party, as determined and allocated by the court as part of the judgment. (b) Each party agrees to furnish to the other, within ten (10) business days after request, such truthful estoppel information as the other may reasonably request. (c) This Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Agreement must be in writing and executed by both parties. (d) If either party is represented by a real estate broker in this transaction, that party shall be fully responsible for any fee due such broker, and shall hold the other party harmless from any claims for commission by such broker. (e) Nothing herein contained shall be construed as constituting a partnership, joint venture or agency between LESSOR and LESSEE. (f) Neither this Agreement nor any memorandum hereof shall be recorded in the land records of any county or city or otherwise without the prior written consent of LESSOR. (g) This Agreement shall be construed in accordance with the laws of the state in which the Site is located, without regard to the choice of law rules thereof. (h) If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect. (i) LESSOR and LESSEE each hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter arising out of or in any way related to this Agreement. (j) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute but one instrument. (k) LESSOR acknowledges and agrees that LESSEE's execution of this Agreement and the undertaking by LESSEE of an investigation to determine whether the Leased Premises are suitable for the purpose needed by LESSEE are good and valuable consideration that have been delivered by LESSEE and received by LESSOR in connection with this Agreement. (l) The submission of this Agreement for examination does not constitute an offer to lease the Leased Premises, and this Agreement becomes effective only upon the full execution of this Agreement by the parties hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Communications Lease Agreement to be executed by their duly-authorized representatives as of the Effective Date first above written.

LESSOR: **Vanguard Wireless, LLC**
By: _____
Name: **Bob Johnson**
Title: **COO**

DocuSigned by:
Bob Johnson
E4DE0CEE1E0C9415...

LESSEE: **New Mexico State College Foundation**
By: _____
Name: **Susan Fine**
Title: **Dir. of Communications**

1AD218AD99A...

EXHIBIT A**Equipment**

Site Name and Number: NM092 Eunice 2 CC

LESSEE: New Mexico Junior College Foundation

The mounting method and exact location of the space and equipment listed herein shall be subject to LESSOR's approval.

SYSTEM REQUIREMENTS					
POWER provided by:	Utility Company direct			TELCO provided by:	N/A
Power Requirements:	Amps: N/A	Volts: N/A	No. of Outlets: N/A		
Generator Provided by:	N/A	Make: N/A	Model: N/A	Fuel Type: N/A	Capacity: N/A
Batteries:	Quantity: N/A	Make: N/A	Model: N/A		
Note: audible alarms related to generator and other equipment shall be permanently disabled at unmanned sites					
SPACE REQUIREMENTS & RADIO INVENTORY					
Type of Space Required:	Ground: Yes	Floor: No	Total Square Feet:	160 sq. ft.	
Dimensions of Equipment Floor/Ground Space:	8' x 20'		Equipment Height:	N/A	
Dimensions of Generator Ground Space:	N/A		Dimensions of Fuel Tank Ground Space:	N/A	
No. of Transmitters (Tx):	N/A	Transmitter Make/Model:	N/A	Transmitter Power Output:	N/A
No. of Receivers (Rx):	N/A	Receiver Make/Model:	N/A	Transmitter ERP:	50 kW ERP
Shelter/Cabinet also:	Tenant owned building				
EQUIPMENT LOADING DESCRIPTION (FINAL CONFIGURATION)					
	Antenna 1	Antenna 2	Antenna 3	DISH(ES)	DISH(ES)
Antenna Type:	12-bay	N/A	N/A	Grid	N/A
# of Antennas/ Sector:	One (1)	None	None	One (1)	None
Tx, Rx or Both:	Transmit	N/A	N/A	Receive	N/A
Antenna Manufacturer:	SWR	N/A	N/A	mWave Mark	N/A
Antenna Model:	FM 3/12	N/A	N/A	P-9A48GN-U	N/A
Antenna Dimensions:	110' L	N/A	N/A	Six Feet (6')	N/A
Antenna Weight:	Unknown	N/A	N/A	112 lbs	N/A
Antenna Rad Cr:	420' R/C AGL	N/A	N/A	295' (Az: 310 degrees)	N/A
Transmit Frequencies:	100.9 MHz	N/A	N/A	N/A	N/A
Receive Frequencies:	N/A	N/A	N/A	950 MHz	N/A
# of Lines/ Sector:	One (1)	None	None	One (1)	None
Line Size:	1-5/8"	N/A	N/A	1/2"	N/A
Mount Type:	Pipe Mount	N/A	N/A	Pipe Mount	N/A
Mount Size:	110' w/36" SO	N/A	N/A	Six Feet w/12" SO	N/A

NOTE: ANY (i) CHANGE IN THE NUMBER, SIZE, PLACEMENT, ARRAY, OR LOCATION OF THE EQUIPMENT LISTED ABOVE IN THIS EXHIBIT A, (ii) CHANGE IN FREQUENCY FROM THAT LISTED ABOVE IN THIS EXHIBIT A, OR (iii) INCREASE IN THE SIZE OR FOOTPRINT OF THE LEASED PREMISES SHALL REQUIRE THE WRITTEN CONSENT OF THE LESSOR AND A WRITTEN AMENDMENT TO THIS AGREEMENT.

NOTE: AUDIBLE ALARMS RELATED TO GENERATOR AND HVAC EQUIPMENT SHALL BE PERMANENTLY DISABLED AT UNMANNED SITES.

EXHIBIT B

The Site

Site Name: **NM092 Eunice 2 CC**

The Site consists of the telecommunications tower and equipment shelter located in Lea County, New Mexico at:

Approximately 2 Miles North of Eunice on County Road 18
Eunice, New Mexico 88231

The geodetic coordinates of the Site are:

North Latitude: 32° - 28' - 05.3"

West Longitude: 103° - 09' - 28.6"

EXHIBIT C

Leased Premises¹

¹ The parties agree that this Exhibit "C" will be replaced with a new Exhibit "C" which shall more particularly describe the location and dimensions of the Equipment and Leased Premises, when the "AS-BUILT" drawings have been completed.

EXHIBIT D**Installation and Maintenance Standards**

Purpose: The purpose of these Standards is to insure that the installation of all LESSEE's Equipment at LESSOR's tower sites meets or exceeds established Electronics Industry Association (EIA) standards. These Standards have been developed to insure a safe, interference free operating environment for all LESSOR tower site licensees and tenants. LESSOR reserves the right to make changes and/or modifications to these standards, from time to time, and shall provide LESSEE with thirty (30) days prior written notice of any such changes or modifications.

General Considerations:

- All RF equipment installed must be FCC Type Accepted for Radio Service and frequencies proposed in the Agreement.
- All 929/931 MHz PCP/RCC paging LESSEEs are **REQUIRED** to install a bandpass filter on the final output of their transmitter. The bandpass filter should provide a minimum of 40dB attenuation at 896-901 MHz.
- Repeater systems shall have, as a minimum requirement, a single stage isolator and a bandpass/reject type duplexer. Notch type duplexers are not acceptable.
- All installed equipment shall be housed in suitable EIA approved enclosure(s) or equipment rack(s). All enclosure doors and covers shall remain closed and locked at all times except during actual equipment servicing.
- Site keys obtained by a LESSEE will not be duplicated.
- LESSEE will refrain from making any adjustments to any on site LESSOR equipment (heating, ventilation, air conditioning, generator, etc.)

Installation Standards:

- All LESSEE installations require the use of certified electronics technicians, steeplejacks, electricians or licensed contractors that have received LESSOR approval prior to commencing any installation work. All installation work shall be in accordance with a previously approved installation plan. LESSOR at its sole discretion shall have the right to supervise the installation of any and all equipment. Certificates of Insurance may also be required by LESSOR of any installer.
- All installation work shall conform to established EIA/TIA and manufacturer's installation standards, as well as any special standards imposed by LESSOR. All work shall be performed in a neat and workmanlike manner. Any new installation will not cause mechanical, electrical or electronic interference to other LESSEE RF equipment, other associated LESSEE equipment, or any LESSOR equipment located in the equipment shelter, generator shelter, tower structure or anywhere else on the site.
- All installations shall comply with all applicable local, state and federal requirements. In the absence of any applicable government standards, applicable BOCA and NEC Codes, as well as EIA and TIA Standards will apply.
- Equipment shall be installed in locations and positions determined by LESSOR. LESSOR will designate the exact locations for the installation of electronic equipment, transmission lines and antennas. If, for any reason, the proposed installation cannot conform to these instructions, LESSOR shall be contacted prior to any further work.

Transmission Line(s):

- All transmission lines shall be Heliac® Low Density Foam (LDF) Cable or approved equal with a minimum diameter of 0.5 inch (Andrew LDF4-050A or approved equal).
- All transmission lines will be attached to tower waveguide ladders using stainless steel hangers (Andrew 42396A Series or approved equal) secured to waveguide ladders with stainless steel barrel bolts (Andrew 31769 Series or approved equal). The use of stainless steel angle adapters (Andrews 31768-A or approved equal) is authorized. Cable ties, either metal or plastic, are not approved.
- Transmission lines shall be connected through an acceptable lightning arrester (Polyphaser ISPT50HN series or approved equal) located inside the equipment room and connected to the internal building "halo" ground buss.
- All transmission lines of less than 300 FT AGL overall length shall be equipped with three (03) standard grounding kits (Andrews 204989 Series or approved equal) mounted at the top and bottom of the vertical waveguide ladder and at the waveguide entry port on provided "halo" ground busses.
- All transmission lines of more than 300 FT AGL overall length shall be equipped with four (04) standard grounding kits (Andrews 204989 Series or approved equal) mounted at the top midpoint and bottom of the vertical waveguide ladder and at the waveguide entry port on provided "halo" ground busses.
- All transmission lines shall enter the equipment room through the provided four (4) or five (5) inch diameter waveguide entry port. LESSEE is responsible for providing the appropriately sized waveguide entry port boot and boot cushion (Mircoflex B Series or approved equal).
- All transmission lines shall be tagged at the top and bottom of each run near the connector with an identification tag containing the LESSEE's name, FCC or IRAC call sign, and the frequency assigned. Brass tags with copper wire are preferred. Plastic tags with vinyl labels or indelible ink markings are acceptable.
- Interior routing of transmission line(s) shall be via LESSOR provided "unistrut" waveguide supports and using LESSEE provided stainless steel hangers (Andrews 42396A Series or equal) to a point directly above LESSEE's equipment and should terminate in the required lightning arrester. Cabling from the lightning arrester to LESSEE's equipment shall be by "Superflex"® cable, Heliac® transmission line no larger than 0.5 inch (LDF4-50A) or approved equal. The installed waveguide ladders shall not be utilized to

route transmission line(s) where overhead Unistrut® is installed, but may be used to route cabling from the lightning arrester to LESSEE's Equipment.

Power Cable Installations:

- Power cables will be connected to designated electrical outlets. At many tower sites, all available electrical outlets are reserved for test equipment use only, due to circuit breaker size. If an outlet of suitable size is not available, the installation of a suitable outlet by a qualified electrician is the responsibility of the LESSEE. One circuit breaker per cabinet is preferred. Installation of overhead outlets attached to the side of the cable ladder above LESSEE's Equipment by through bolting or by electrical box clamp is preferred.
- All electrical wiring shall be routed via electrical conduit or electrical metal tubing (EMT) using WATERTIGHT flexible jumpers. Wall runs are not authorized except to get to and from the cable or wire trays or ladder, where necessary. The use of Romex cable, BX cable or equal requires permission of LESSOR.
- EIA or TIA approved lightning surge protection is required on all AC electrical circuits, in addition to any such protection provided by the utility.

Grounding Requirements:

- All installed equipment cabinets and racks shall be grounded to the equipment room interior overhead "halo" ground buss. Termination to equipment to be via lug bolt. Termination to "halo" ground buss to be by split bolt or by "micropress" pressure clamp.
- All equipment ground wires to be No. 6 AWG copper wire or better.
- Routing ground wire(s) via overhead cable ladders and trays is approved.

Equipment Identification:

- All installed RF equipment will be equipped with an ID pouch/holder. This ID container shall display, as a minimum, the LESSEE's Name, FCC or IRAC Call Sign, frequency, address, Point-of-Contact name and telephone number, as well as a copy of the FCC Station License.

Equipment Maintenance:

- LESSEE shall be responsible for all maintenance of its installed equipment in accordance with all applicable rules, regulations, and laws.
- Maintenance work shall be performed by certified electronics technicians, steeplejacks, licensed electricians and contractors previously approved by LESSOR.
- All equipment shall be maintained within normal operating parameters, as specified by the equipment manufacturer and in accordance with the FCC Type Acceptance certification(s). LESSEE's equipment will not be maintained or operated in a manner that will cause harmful interference or be the source of a hazard to other licensees and tenants using the tower site.
- Upon entering or exiting any shelter, building or tower site, all fence gates and doors opened shall be closed and securely locked behind the person entering or exiting the facility. In addition, any alarms disabled upon entry must be enabled upon exiting. It is the responsibility of the LESSEE or his designated representative to see that the Site is securely locked and the premises is clean before departing the Site. At sites that are centrally monitored, LESSEE or his agent must notify the Central Monitoring Station of each entry and exit, disabling and resetting any applicable alarm device(s) installed. Any problems encountered should be reported to LESSOR at (866) 886-8807.

Removal of Installed Equipment:

- Any or all removal of LESSEE's Equipment shall be performed by certified electronics technicians, steeplejacks, licensed electricians or licensed contractors previously approved by LESSOR. All removal operations shall be in accordance with a previously approved removal plan. Removal operations shall be accomplished in a workmanlike manner without any interference, damage or destruction of any other equipment, structures or operations at the site or to any other equipment installed therein. All trash, scrap or debris shall be removed from the site along with all LESSEE's Equipment. The premises shall be left in a clean and orderly condition.
- Any equipment left by LESSEE upon final departure from the Site (all keys turned in) becomes the property of LESSOR to do with as determined by LESSOR.

Additional Fees:

- Any work not performed or performed incorrectly by LESSEE may be corrected in a timely manner by LESSEE at its sole cost and expense after notification by LESSOR.
- If LESSEE fails to correct an installation discrepancy in a timely manner, after proper notification by LESSOR reserves the right to correct the discrepancy by other means and bill the LESSEE for all costs associated with that action.

EXHIBIT E

Master Agreement

Reilly Schladt

From: Reilly Schladt
Sent: Sunday, November 29, 2020 10:45 PM
To: TOWERSagreements
Cc: Amanda Shaikh
Subject: AGREEMENT SIGNED AND COMMENCED: NM092 Eunice 2 CC - New Mexico Junior College Foundation - Communications Lease Agreement
Attachments: NM092 Eunice 2 CC New Mexico Junior College Foundation Agreement FE 11-24-20.pdf

SALES REGION: Central

SITE: NM092 Eunice 2 CC

CUSTOMER: New Mexico Junior College Foundation

DATE EXECUTED: November 24, 2020

FEE: \$1,000 / month*

COMMENCEMENT DATE: November 1, 2020

FEE COMMENCEMENT DATE: November 1, 2020

NOTES:

*Effective on the first anniversary of the Commencement Date, the License Fee shall increase by \$500 / month (to \$1,500 / month).

Reilly Schladt | Legal Administrator

InSite Wireless Group LLC | 1199 North Fairfax Street, Suite 700, Alexandria, VA 22314

office: 703.258.1740 | fax: 703.535.3051

reilly.schladt@insitewireless.com | www.insitewireless.com

This E-Mail is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. Unintended transmission shall not constitute waiver of the attorney-client or any other privilege. If you have received this communication in error, please do not distribute it and notify us immediately via telephone: 703-535-3009 and delete the original message. Unless expressly stated in this e-mail, nothing in this message or any attachment should be construed as a digital or electronic signature or as a legal opinion.

NEW MEXICO JUNIOR COLLEGE Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows: Date 1/10/2022

Candidate's name Holli Reyna

Position title Head Volleyball Coach

New position Existing position Classification Faculty Professional Other _____

Is candidate related to another NMJC employee? yes no If so, to whom _____

Effective date of employment * 2/1/2022 Standard contract length 12 mos. 9 mos. other _____

Funding source Athletics

Paid advertising beyond *standard _____
(*Standard: The Hobbs News-Sun, Direct Mail to approximately 51 colleges in a 5-state region, NM Dept. of Labor, NMJC Website, KLMA Radio & Lubbock TX Workforce Development Website)

Posted salary range _____ Recommended annual salary \$47,502 Prorated salary yes no

Account number(s) with respective % allocation(s) 11000-2821-61101-101

Recommended and approved by:

Deron Clark
Supervisor
Cathy Mitchell
Vice President

DocuSigned by:
Dr. Steve McLeary
President

Selection Committee Members: _____

Comments: Holli Reyna is current Assistant Volleyball Coach, reclassified to Head Volleyball Coach. Coaching stipend will be adjusted to reflect change. Base salary will stay the same.

*Pending background check

JOB DESCRIPTION

TITLE: HEAD VOLLEYBALL COACH
REPORTS TO: DIRECTOR OF ATHLETICS
RESPONSIBLE OR: ASSISTANT VOLLEYBALL COACH



SUMMARY OF POSITION:

To satisfactorily perform the job of Head Volleyball Coach for New Mexico Junior College.

DUTIES & RESPONSIBILITIES

- To recruit players;
- To conduct all practices of the volleyball team;
- To coach the team for all scrimmages and games each year;
- To provide academic counseling and advisement for all team players;
- To prepare all budgets related to the volleyball program;
- To coordinate and plan all team travel;
- To secure game officials for all home games;
- To assist in dormitory supervision;
- To coordinate all publicity for the volleyball team;
- To arrange the speaking appearances related to the volleyball team;
- To arrange the schedule for all games;
- To arrange emergency medical treatment for athletes;
- To supervise student/athletes;
- To assume all other responsibilities that may arise related to the volleyball team;
- To manage the volleyball equipment;
- To follow and abide by NJCAA and WJCAC rules, guidelines, and/or policies; and
- Performs other duties as assigned or required.
- Nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified in order to meet the needs of New Mexico Junior College.

QUALIFICATIONS

Bachelor's degree required, master's degree preferred. All degrees must be from a regionally accredited institution. Successful community college coaching experience preferred. Applicant must be committed to excellence in coaching.

Holli Reyna

Education:

Notre Dame College, South Euclid, OH
Masters in Education- May 2015

Notre Dame College, South Euclid, OH
Bachelor of Arts in Sports Management, May 2009
Minor in Coaching with emphasis in Health Education

Midland College, Midland, TX
Associate of Science, May 2006

Coaching Experience:

Assistant Volleyball Coach New Mexico Junior College
Hobbs, NM February 2019 - Present

Athletics Coach/AVID Teacher Wilson & Young MOH Middle School
Odessa, TX July 2018 – January 2019

Assistant Volleyball Coach Midland College
Midland, TX January 2014 – March 2018

Head Volleyball Coach Clarendon College
Clarendon, TX June 2012 – January 2014

Assistant Volleyball Coach Vernon College
Vernon, TX January 2011 – May 2012

This document is now complete.

CLOSE

NEW MEXICO JUNIOR COLLEGE Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows: Date 1/13/2022

Candidate's name Jay Rees

Position title Head Golf Coach

New position Existing position Classification Faculty Professional Other

Is candidate related to another NMJC employee? yes no If so, to whom

Effective date of employment • 1/24/2022 Standard contract length 12 mos. 9 mos. other

Funding source Athletics

Paid advertising beyond *standard

(*Standard: The Hobbs News-Sun, Direct Mail to approximately 51 colleges in a 5-state region, NM Dept. of Labor, NMJC Website, KLMA Radio & Lubbock TX Workforce Development Website)

Posted salary range 42,087 - 65,702 Recommended annual salary \$62,500 Prorated salary yes

Account number(s) with respective % allocation(s) 11000-2821-61101-101

Recommended and approved by:

Deron Clark
Supervisor
Cathy Mitchell
Vice President

Dr. Steve Melaney
President

Selection Committee Members: Deron Clark

Sarah Patterson

Michelle Jimenez

Holli Reyna

Comments:

*Pending background check



NEW MEXICO JUNIOR COLLEGE
invites applications for the position of:

Head Golf Coach/Professor

SALARY: \$42,087.00 - \$65,702.00 Annually

OPENING DATE: 12/16/21

CLOSING DATE: Continuous

DESCRIPTION:

The Head Golf Coach/Professor shall be responsible to the Director of Athletics. The duties and responsibilities shall be, but not limited to, the following: 1) To recruit players; 2) To conduct all practices of the golf team; 3) To coach the team for all duals and tournament play; 4) To provide academic counseling and advisement for all team players; 5) To prepare all budgets related to the golf team; 6) To schedule all competition for golf team; 7) To coordinate and plan all team travel; 8) To secure personnel for all home matches and/or tournaments; 9) To manage the golf equipment and supplies; 10) To assist in dormitory supervision; 11) Manage and maintain the indoor practice facility and driving range; 12) To supervise student/athletes; 13) To assume all responsibilities that may arise related to the golf program; 14) Discipline, as necessary, student athletes participating in golf; 15) To cooperate with the supervisors of Rockwind Golf Course, Hobbs Country Club, Lovington Country Club, and other golf course supervisors, and to follow the rules and regulations of those courses; 16) To follow and abide by NJCAA and WJCAA rules guidelines, and/or policies; and, 17) Nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified in order to meet the needs of New Mexico Junior College.

QUALIFICATIONS:

Bachelor's degree required, master's degree preferred. All degrees must be from a regionally accredited institution. Successful community college coaching experience preferred. Applicant must be committed to excellence in coaching.

ADDITIONAL QUALIFICATIONS:

This is a nine-month faculty position. Salary is based on the NMJC faculty salary schedule and is commensurate with education and experience. Coaching stipend of \$10,500 will be added to base salary. Standard employee benefits apply.

ADDITIONAL INFORMATION:

To apply, submit an NMJC application online and attach the following: a letter of interest, resume, three references, and unofficial transcripts conferring your degrees listed on your resume.

Interviews will be conducted by a selection committee and will commence upon receipt of complete applications by qualified candidates.

Jay Rees
10000 CR #307
Abilene, TX 79601
rees.jay@mcm.edu
817-657-6984

PROFESSIONAL EXPERIENCES – ATHLETICS

McMurry University Head Men's Golf Coach

Abilene, Texas-2015-Present

- + 2020 #1 ranked team in the ASC with a 288 scoring average (School Record), COVID YEAR
- + 2019 Men's ASC Championship Runner-Up
- + 2017 Men's NCCAA Southwest Regional Champions
- + 2016 Men's NCCAA Southwest Regional Runner-Up
- + Finished 5th in the 2016 Men's NCCAA National Championship
- + Finished 4th in the 2017 Men's NCCAA National Championship
- + NCCAA SW Regional: Coach of the Year-2017 & 2018, ASC Coach of the Year: 2019, 2020
- + Top G.P.A for the last 4 years in the Athletic Department. (3.5-3.85) Presidents Award GCAA

The University of Texas at Arlington Head Golf Coach

Arlington, Texas – 1999-2015

- + 3-Time Southland Conference Coach of the Year – 2005, 2009, and 2011
- + 3-Time Southland Conference Champions-2005, 2009, and 2011
- + 3 Southland Conference Individual Championships-Adam Babb (2000), Jordan Krantz (2005), Zack Fischer (2009)
- + 1 Western Athletic Conference Coach of the Year-2013
- + 1 Western Athletic Conference Individual Championship-Paul McConnell (2013)
- + 3 NCAA All-Americans: Bobby Massa, Zack Fischer, Paul McConnell
- + Qualified teams for the NCAA Division I Regionals- 2002, 2005, 2006, 2008, 2009, 2011, 2012
- + Individuals that qualified for the NCAA Division I Regionals-Adam Babb (2000), Shad Muth (2001), Anthony Estorga (2003), Zack Fischer (2010), Paul McConnell (2013)
- + 45 All-Conference selections, 24 First Team All-Conference selections
- + 12 Academic All-Americans
- + Annually raised \$50,000/year through our Chip-N-Club, our golf booster club
- + All-Time Winningest Coach at UT-Arlington with a .600 winning percentage
- + Mentored 2001, 2013 & 2021 PGA Tour School Medalists Pat Perez & -Zack Fischer

Texas Lutheran University

Head Men's and Women's Golf Coach

Seguin, Texas – 1996-1999

- + NAIA National Tournament qualifier in 1997, 1998 and 1999
- + Started the Women's Golf program and made the transition from NAIA to NCAA Division III
- + Mentored 1999 NAIA National Individual Champion-Elizabeth Hoffman
- + #1 ranked NAIA Women's team in the nation in 1999
- + 2-Time Heart of Texas Conference, Team Championships-1998 and 1999
- + 2-Time Heart of Texas Coach of the Year-1998 and 1999
- + 15 Heart of Texas, All-Conference selections
- + 10 NAIA All-Americans

Scottsdale Community College

Associate Head Golf Coach

Scottsdale, Arizona - 1995-1996

- + #1 ranked Junior College team in nation
- + Mentored PGA Tour Winner-Robert Garrigus
- + Tournament Director for the 1996 NJCAA National Golf Championship

Arizona State University

Tempe, Arizona –1994-1995

Assistant Men's and Women's Golf Coach

- + ASU Women won the 1995 NCAA National Championship
- + ASU Women set an NCAA record by winning every tournament they competed in
- + ASU Men won the Pac-10 Championship & West Regional Championship
- + ASU Men finished 4th at the NCAA Championship
- + Served as Recruiting Coordinator for both Men's and Women's golf programs
- + Mentored PGA Tour Winner-Pat Perez & LPGA Tour winner-Wendy Ward
- + Director of ASU Golf Camps
- + Director of the annual ASU Golf Alumni Day, a fundraising event that generated \$100,000 annually
- + Tournament Director for the Men's and Women's ASU/Sun Devil Invitational

Louisiana State University

Baton Rouge, Louisiana – 1993-1994

Assistant Men's Golf Coach

- + Recruiting Coordinator
- + Mentored PGA Tour winner-Brian Bateman
- + LSU Men finished the season 22nd at the NCAA Championship
- + Director of LSU Golf Camps

Emporia State University

Emporia, Kansas – 1989-1993

Head Golf Coach

- + At 21 years old, was the youngest head coach ever in college athletics
- + 4-Time CSIC Conference Champions-1990, 1991, 1992, 1993
- + 4-Time CSIC Coach of the Year-1990, 1991, 1992, 1993
- + 12 CSIC All-Conference selections

PLAYING EXPERIENCE

- + Emporia State University, 1987-89, NAIA National Championship participant 1988 and 1989
- + 2-Time Team Captain. 2-Time CSIC Conference Champion, won 8 tournaments from 1987-89, 2-Time District Champion, career leader in tournament victories and scoring average (72.3)
- + John A. Logan College, 1985-87, 2-Time All-Conference, 2-Time All-Region, Inducted into the John A. Logan College Hall of Fame in 1997. NJCAA National Championship participant in 1986 and 1987, 2-Time Team Captain, won 5 tournaments from 1985-87

EDUCATION

- + Bachelor's Degree-1990 Bachelor of Science, emphasis in Business, Emporia State University, Emporia, KS
- + Master's Degree-1992 Master of Science (Health, Physical Education, and Recreation), emphasis in Sports Psychology, Emporia State University, Emporia, KS