NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

THURSDAY, FEBRUARY 18, 2016
ZIA ROOM – LIBRARY

1:30 p.m.

AGENDA

A.	Welcome	Pat Chappelle
B.	Adoption of Agenda	Pat Chappelle
C.	Approval of Minutes of January 21, 2016	Pat Chappelle
D.	President's Report	Steve McCleery
E.	New Business	
	1. Fiscal Year 2015 Audit Report	Cindy Bryan
	2. Monthly Expenditures Report	Dan Hardin
	3. Monthly Revenue Report	Dan Hardin
	4. Oil and Gas Revenue Report	Dan Hardin
	5. Schedule of Investments	Dan Hardin
	6. Fiscal Watch Reports	Dan Hardin
	7. Consideration of Investment Resolution	Dan Hardin
	8. Personnel Consideration – Admission Specialist	Michele Clingman
	9. Personnel Consideration – Instructional Technology Specialist	Steve Hill
F.	Public Comments	Pat Chappelle
G.	Announcement of Next Meeting	Pat Chappelle
H.	Closure of Open Meeting	Pat Chappelle
	10. Consideration of Presidential Finalist	Pat Chappelle
I.	Adjournment	Pat Chappelle

NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
JANUARY 21, 2016
MINUTES

The New Mexico Junior College Board met on Thursday, January 21, 2016 beginning at 1:30 p.m. in the Zia Room of Pannell Library. The following members were present: Mr. Ron Black, Secretary; Mr. Travis Glenn; Mr. Manny Gomez; Mr. Zeak Williams; and Mr. Hector Baeza. Ms. Patricia Chappelle, Madam Chair and Mrs. Mary Lou Vinson were not present.

Mr. Black called the meeting to order and welcomed visitors and guests present: Dorothy Fowler, Hobbs News Sun.

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

Upon a motion by Mr. Glenn, seconded by Mr. Williams, the Board unanimously approved the minutes of December 18, 2015.

Under President's Report, Dr. McCleery provided updates for the 2016 Legislative Session. Significant discussion included the future budgetary concerns with the current downturn of the economy. Dr. McCleery emphasized the importance of recrafting the Strategic Plan and the Master Plan under the new president.

Under New Business, Dan Hardin presented the December, 2015 financial reports. Upon a motion by Mr. Glenn, seconded by Mr. Gomez, the Board unanimously approved the Expenditure Report for December, 2015. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Dan Hardin presented a Resolution to the Board to Consider the Purchase of Certificates of Deposit. The resolution would authorize Mr. Hardin and Mr. Josh Morgan to represent, sign, place and withdraw certificates of deposits for New

Mexico Junior College at local banks. Mr. Black asked if certificates of deposits are insured. Mr. Hardin responded they are insured. Mr. Gomez asked if investments in Treasury Bills had been researched. Mr. Hardin responded no, and stated he would. Upon a motion by Mr. Glenn, seconded by Mr. Baeza, the Board unanimously approved to table the request for further research of Treasury Bill investments.

Dr. McCleery presented a Consideration of Legislative Priorities for the upcoming 2016 Legislative Session for approval. The recommended priorities were 1) Allied Health (Nursing Equipment), 2) Instruction and General Formula funding, and 3) Support the NMHED General Obligation Bond recommendations. Upon a motion by Mr. Gomez, seconded by Mr. Baeza, the Board unanimously approved this request.

Dr. McCleery read and presented a Retirement Resolution to DeEtta J. Duff for twenty five years of service and dedication to New Mexico Junior College.

Mr. Black called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, February 18, 2016 beginning at 1:30 pm.

Mr. Glenn moved the board go into closed session for the discussion of limited personnel matters under the provisions of section 10-15-1-H (2) of New Mexico Statutes Annotated 1978. Mr. Gomez seconded the motion. The roll call vote was as follows: Mr. Baeza – yes; Mr. Williams – yes; Mr. Black – yes; Mr. Glenn – yes; Mr. Gomez – yes.

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

Upon a motion by Mr. Gomez, seconded by Mr. Williams, the board meeting adjourned at 4:50 pm.

____________________________ ____________________________

Pat Chappelle, Chair Ron Black, Secretary

NEW HORIZONS
FOUNDATION

Driving Innovation throughout the Permian Basin.

New Horizons Foundation Briefing

NHF Briefing
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McCleery / Schmidly Editorial

.ewpoint

HNFS

SUNDAY, FEBRUARY 10, 2013

NMJC on right track with New Horizons

The famous American philosopher Yogi Berra once said, "The future ain't what it used to be!" We are certainly seeing that adage play out in New Mexico.

As a result of upcoming federal cutbacks and sequestration, New Mexico could lose up to 20,000 jobs. The State's long-term reliance on federal jobs no longer looks as promising as it once did. However, the billions of dollars of federal research funding that are deployed in New Mexico represent a significant investment in the State, and that research funding should be leveraged to create private sector jobs.

Total R&D as a share of gross state product in New Mexico is around 8 percent, which is three times greater than our competitor states in the Great Plains region and almost three times greater than the U.S average. However, the state is well below the national average in fully leveraging this taxpayer research-funding subsidy into the creation of private sector jobs and startup companies.

Partnering private investment with the vast array of New Mexico's intellectual property and research and development resources will mean more private high-tech and high salaried jobs in NM. Doing this will help alleviate the "brain drain" problem, where supposedly 80 percent of our science and technology graduates leave the state after graduation, by helping to keep these graduates home. Additionally, more private sector jobs will provide opportunities for federal employees who may lose their jobs in New Mexico because of government cutbacks.

Steve McCleery

Commentary

David Schmidly

Commentary

New Mexico does have some technology transfer and startup business successes to share. Two recent issues of Business Outlook Magazine (Dec. 31, 2012, and Jan. 21, 2013) highlight the flurry of startups in recent months that have grown out of UNM technologies thanks to the efforts of STC, the university's technology transfer office. Since July 2012, there have been five biotechnology startups right here in Albuquerque. A group of angel Investors is in the process of forming the "New Mexico Startup Factory, LLC," which wants options on promising UNM technologies to license for business development. Similarly, the State Investment Council has allocated $40 M a year toward local venture capital funding.

This type of economic development does not have to be focused solely in Albuquerque. Technology commercialization has the potential for growth in rural regions of our state, as well.

In Lea County, the County Commissioners and New Mexico Junior College have taken the lead in forming the NMJC Research Foundation, known as "New Horizons Resources." The mission of NHR is "to promote, develop, and administer technological innovations for applied scientific, educational, and economic wealth creation for public benefit and economic growth."

New Horizons hired an expert in rural high-tech, private sector development, and the Research Foundation has already hosted a major military defense contractor to Hobbs with the intended purpose of creating economic activity.

To return to our favorite philosopher, Yogi, "When you come to a fork in the road, take it." New Mexico has reached a fork in the road. The state can take the fork of least resistance or take a new creative fork that leverages a major taxpayer investment in the state. One of New Mexico's greatest potential assets is the opportunity to utilize the vast amount of research and development, technology, patents, and intellectual property to diversify our economy.

Yogi also said, "If you don't know where you are going, you might not get there!" The State of New Mexico needs a blueprint for growing private sector jobs and that blueprint should include growing and incentivizing private-sector technology commercialization.

David J. Schmidly *is a past president of the University of New Mexico*; **Steve McCleery** *is president of New Mexico Junior College.*

NHF Formation Timeline & Key Dates

October 25, 2011

- The NMJC Research Foundation, doing business as New Horizons Foundation, was incorporated by New Mexico Junior College and approved by the New Mexico Public Regulation Commission. The Foundation is a blended component unit of the College presented and reported upon as a part of the basic financial statements of the College.
- The Foundation was organized pursuant to the University Research Park and Economic Development Act, NMSA 1978 Section 21-28-1, et. seq ("Act"). Specifically the 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.

September 1, 2012

- Dale Gannaway is hired as the full time Executive Director succeeding Dr. Robert Rhodes, the part time director who was instrumental in the administrative process for the formation of the New Mexico Junior College Research Foundation.

March 20, 2013

- The foundation receives its "Letter of Determination" from the Internal Revenue Service approving New Horizons Foundation as a tax exempt organization under section 501 (c) (3) of the Internal Revenue Code.

The New Horizons Foundation model has been operational in its current form since May 1, 2013 (33 months)

New Horizons Mission & Funding Sources

The mission of the NMJC Research Foundation, d.b.a., New Horizons Foundation is to promote, develop, and administer technological innovations for applied scientific, educational, and economic wealth creation for public benefit and economic growth. It is a 501 (c)(3) organization that was formed via a partnership between The Lea County Commission and New Mexico Junior College.

NHF Board Members

- **Ron Black (President of the Board)** Ron Black currently serves as a member of the Board of Trustees for New Mexico Junior College. He also serves as the Chairman of the Lea County Commissioners. Mr. Black was a member of the original faculty of New Mexico Junior College and now serves in numerous public leadership capacities across Lea County. Mr. Black is a resident of Hobbs, New Mexico.
- **Steve McCleery, Ph.D.** (Vice President of the Board) Dr. Steve McCleery is in his eighteenth year as president of New Mexico Junior College. He began his tenure in 1998, and previously served as Dean of Arts and Sciences from 1991-1998 and as Director of Athletics from1988-1991. Dr. McCleery is a well-respected higher education leader across the State of New Mexico.
- **Gregg Fulfer** (Secretary of the Board) Gregg Fulfer is a lifelong resident of Jal, NM. He graduated from New Mexico State University in 1984 with a degree in Electrical Engineering. Fulfer returned to Lea County following his graduation to work in his father's oilfield electrification company, which he bought from his father in 1994. Under his leadership, Fulfer grew the company from four to more than 85 employees before selling it in 2006. He currently owns and operates a trucking company and oilfield service company in Lea County, and also owns several oil and gas leases in Lea and neighboring counties.
- **Mike Gallagher** (Treasurer of the Board) Mike Gallagher is in his fifth year as the Lea County Manager. Prior to moving to Lea County, Mr. Gallagher was the financial and grants manager of the New Mexico Department of Transportation in Las Cruces, New Mexico. Mr. Gallagher and his family are residents of Lovington, New Mexico
- **David Schmidly, Ph.D.** (Board Member) Dr. David Schmidly, the immediate past President of the University of New Mexico is very familiar with Southeastern New Mexico and West Texas. He has also served as the President and System CEO of Oklahoma State University and prior to that was the President of his alma mater, Texas Tech University. He currently serves as a Past President and Professor at The University of New Mexico. Dr. Schmidly is a resident of Placitas, New Mexico.
- **Guy Kesner** (Board Member) Guy Kesner served as the Immediate past Chairman of the Board of Trustees for New Mexico Junior College located in Lea County, New Mexico. Mr. Kesner serves in a number of public and private leadership capacities in Lea County. He is a native of Hobbs, New Mexico and is employed by Daniels Insurance.

NHF Key Staff

- **Dr. Steve McCleery** serves as the President of New Mexico Junior College (NMJC) and Vice President of the New Horizons Foundation Board of Directors. As the Chief Administrative Officer for NMJC he oversees daily operations of New Horizons Foundation via the NHF Executive Director, Dale Gannaway.
- **Dale Gannaway** serves as the Executive Director of New Horizons Foundation. As Executive Director, for the 501 (c)(3) organization, Gannaway works closely with the board of directors, and directs the NHF Staff to utilize the foundation's business model and provide unique technology commercialization capabilities for Lea County, New Mexico and the Permian Basin.
- **Tim Wittig** is the NHF Technology Manager and maintains an office for the foundation in Washington DC. Tim is a well-recognized Intellectual Property Attorney who possesses vast knowledge of the DoD Labs and understands how to draft, negotiate, and utilize Cooperative Research & Development Agreements that allow NHF and its clients access to technologies, people, and capabilities within the Department of Defense Labs.
- **Gary Pankonien**, a Texas A&M electrical engineering graduate, serves as the NHF "Entrepreneur in Residence. He has over 35 years of experience at the CEO/COO, President/ and technical management level for both public and private companies focused on creative management in high growth, leading technology industries.
- **Lance Anderson** served for over ten years as in-house counsel and lead intellectual property attorney for both a large research university system (Texas Tech University) and an early stage venture capital company, overseeing all facets of intellectual property development, management, and transactions. His experience and background contribute to skill sets applicable to technology transfer and emerging technology, high-tech, agricultural biotechnology, pharmaceuticals/life sciences, consumer products, oil & gas, and renewable energy.

What is a Cooperative Research & Development Agreement (CRADA)?

- A Cooperative Research and Development Agreement (CRADA) is a written agreement between one or more federal laboratories and one or more non-federal parties under which the government, through its laboratories, provides personnel, facilities, equipment or other resources with or without reimbursement (but not funds to non-federal parties). The non-federal parties provide personnel, funds, services, facilities, equipment or other resources to conduct specific research or development efforts that are consistent with the mission of the laboratory.

- CRADAs are authorized by 15 U.S.C. 3710a. The governing regulation is AR 70-57, Military-Civilian Technology Transfer, dated 26 February 2004.

- CRADAs provide an easy way to collaborate with ARL. CRADAs allow ARL researchers to exchange technical expertise with non-federal partners, and to accept reimbursement for research conducted under the CRADA. CRADAs also protect a researcher's rights and those of ARL to inventions the researcher may make. CRADAs are appropriate when ideas, staff, materials, and equipment are to be exchanged over a period of time for the purpose of collaboration and/or an invention may result. Funds may be provided to ARL under a CRADA.

- CRADAs must involve at least one non-federal party. In addition to ARL scientists, the other participants in a CRADA may be one or more of the following:

    Private corporations (U.S. or foreign)
    Nonprofit and not-for-profit institutions (U.S. or foreign)
    State and local governments (U.S.)
    Other federal agencies (U.S.)

NHF Agreements with DoD

New Horizons Foundation (NHF) & the U.S. Army Research Laboratory (ARL) officials recently signed the following three agreements:

- 1) The NHF/ARL Cooperative Research & Development Agreement (CRADA). This agreement gives the foundation access to ARL and its' people, resources, and capabilities.
- 2) A Scope of Work and license agreement for the Vorticity Muffler technology giving NHF the rights to co-develop the prototype of the muffler in Lea County for use by the military for their vehicles and exclusive use by NHF for all non-vehicular use in the commercial market. The ARL Engineer will be in Lea County, New Mexico the last week of January 2016 to begin work on the development of the prototype with NHF and a local manufacturer.
- 3) An "Open" license agreement with "pre-negotiated" terms for the rights to license any ARL technology that NHF wants to license. This agreement is the "first of its kind" for ARL. ARL has never signed such an agreement with any outside organization. The "Open License Agreement" between ARL & NHF allows any company who wishes to work with NHF full rights to access the labs through the NHF/ARL agreement.

NHF has also previously signed the following agreements with The U.S. Army Armament Research, Development, and Engineering Center (ARDEC):

- 4) NHF also has a Master CRADA in place with the Armament Research, Development, and Engineering Center (ARDEC) at Picatinny Arsenal/Benet Laboratories in Rockaway, New Jersey and Albany, New York respectively. This agreement gives the foundation access to ARDEC and its' people, resources, and capabilities as well.
- 5) NHF has also signed a Partnership Intermediary Agreement with ARDEC (See Attached PIA Brief) that gives it some very unique capabilities for introducing technologies to the Department of Defense from companies and individuals in the private sector.

NHF CRADA's & Licenses with DoD
NHF Rights & Privileges

- Concerning any patentable invention made by NHF - NHF will own the invention if it pays for patenting. The Federal Government can use the invention for Government purpose without cost but only for government, not commercial purpose. No non Federal entity can use the invention without a license from NHF.

- Concerning any patentable invention made by a Federal employee - NHF always gets a no-cost non-exclusive world-wide license to use the invention for any purpose. The Government may itself license its invention to others for commercial use NHF may negotiate for a field of use exclusive license that usually requires an initial payment and royalties for the life of the patent. In that case there are no other users in that field of use.

- Concerning any patentable invention made by both NHF and the Government - NHF will always own an undivided one half interest in the invention at no cost and can use and sublicense the patent without cost or interference. The Government may itself license its half to others for commercial use. NHF may negotiate for a field of use exclusive license that usually requires an initial payment and royalties for the life of the patent. In that case there are no other users in that field of use

Key Point – The NHF CRADAs and Agreements give NHF & its' clients access to the work and inventions of over 8,000 of some of the best scientists and engineers in the world

Current NHF Projects

- Shaped Charges for improvement of oil field fracking process
- Cold Spray Technology for use in oil field & other industrial applications
- Sound Suppression Vorticity Technology for Mufflers

1st Quarter 2016 Activity Focus

- NHF Briefing of Governor Susana Martinez & Lt. Governor Sanchez and his staff at January 25 meeting in Santa Fe.
- Launch the Vorticity Sound Suppression muffler Project and development in Lea County with Mike Scanlon and the Army Research Laboratories
- Finalize and sign Memorandum of Understanding with local manufacturer to launch the Cold Spray service operations in Lea County
- Finalize the NHF/Picatinny Arsenal Technical Services Agreement to launch work between Gary Pankonien, on behalf of New Horizons, and Richard Fong and his team of Energetics Experts at Picatinny Arsenal
- Host the “Innovate Lea County” Community Event at the Larry Hanna Training & Outreach Facility on the NMJC Campus on April 23, 2016

NHF Briefing

Thank you!

Dale Gannaway

New Horizons Foundation

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NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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Phone: (575)492-2770
Fax: (575)492-2768

To: New Mexico Junior College Board members

From: Dan Hardin

RE: FY 15 Audit

Date: February 12, 2016

Board members,

At the February 18th Board meeting, Cindy Bryan with Accounting and Consulting will present the 2015 Audit report for your review and approval. The institutional portion of the 2015 audit has an unmodified opinion, which is the opinion that we strive to obtain. In past years it was called an unqualified opinion. The College paid Accounting and Consulting $58,388.00 for the completion of the audit. The State Auditor's Office did not participate in the FY 15 audit. Each year because of the dollar amount of restricted funds or grant funds that the College receives, the auditors do a review over the federal awards. The opinion of the federal awards was also an unmodified opinion.

In the presentation of the audit at the January board meeting, Cindy will probably talk about the change of the net position of the College. The audit reflects the implementation of GASB 68 and GASB 71, which requires the College to record the Educational Retirement Board (ERB) net pension liability in the amount of $22,293,247.00. GASB stands for the Governmental Accounting Standards Board. This change reflects the deferred ERB outflow of employer contributions. This is a new requirement for all governmental agencies and is disclosed in note 7 of the audit. Cindy will address this in more detail when she presents the audit to the Board. The net position on 6 30 2015 was $70,348,070.00, the net position of the College as of 6 30 2014 was $87,988,441.00.

Included in the audit are five audit findings that Cindy may or may not address in her presentation. In this memo is a listing of the findings and information about the finding. Also, please note that none of the findings are repeats from the 2014 audit.

FS 2015 – 1 Stale Dated Checks – Finding that does not rise to the level of a significant deficiency.

Condition; During test work over the Lea County State Bank instruction and general account, it was noted that there were 87 checks between July of 2013 and June of 2014 that have been outstanding for more than six months, which is the void date printed on the checks. These checks totaled $14,096.94.

College's Response; The College understands there should be a policy regarding the voiding of checks once the checks have become stale dated. The Accountant/Controller has implemented a new procedure beginning in October 2015. As the Accountant/ Controller is reconciling the monthly bank statement, a stale dated check list will be generated and provide to the Accountant/Clerk for voiding in the Banner system.

FS 2015 – 2 Travel and Per Diem – Finding that does not rise to the level of a significant deficiency.

Condition; The College does not have adequate internal controls over travel and per diem expenditures. For 2 out of 8 transactions tested for travel and per diem, the College did not have proper signatures by management on the request for travel slip before the travel was taken.

College's Response; The College understands the importance that travel should be thoroughly documented and the proper approvals obtained before a trip is taken. The College's administration met with the Business Office staff in October 2015 to devise a policy to address this issue. The President emailed all faculty and staff to remind them that all travel must be approved before a trip. The Accounts Receivable Specialist/Head Cashier along with the Accountant/Controller has worked with the Director of Administrative Services to draft a policy in the Business Office Policy and Procedures manual along with the Employee Handbook to address the issue of travel approval occurring before a trip. This policy has been updated and will be brought before the Board of Directors at the March Board meeting. The Accounts Receivable Specialist/Head Cashier will make sure when travel is reconciled, that the proper documentation has been received.

FS 2015 – 3 Internal Controls over Payroll – Finding that does not rise to the level of a significant deficiency.

Condition; For 1 out of 22 transactions tested for payroll expenditures with federal monies, an employee who received special pay for extra services performed did not have a signed and authorized Appointment/Change of Status form by a Vice President, which is College policy.

College's Response: The College understands the importance of proper approvals being obtained for personal requisitions. Departments are made aware by the Human Resources Office that they must have the appropriate Vice President and President signatures on personnel request forms. This policy is documented in the New Mexico Junior College Employee Handbook Policy No. 204 Section II Part B. Every NMJC employee except student workers is required to acknowledge the NMJC Employee Handbook every time a new handbook is published. When personnel requisitions are processed in the Human Resource Office, the Human Resources and Payroll Specialist and the Human Resources Payroll Technician review to ensure all the appropriate approvals have been obtained.

FS 2015 - 4 Controls over the Verification Compliance Requirement – Other Noncompliance.

Condition During testing of verification procedures and documentation in the Student Financial Aid office, it was noted that one student selected for verification had a change in the amount of child support he paid, but this change was not noted in the Banner System. The student originally reported he paid $3,000 in child support but during verification provided documentation that he paid $5,760 in child support. This difference did not affect the amount of aid he was eligible to receive.

College's Response: Upon notification of the issue, the Financial Aid Advisor immediately updated the student's FAFSA to reflect the correct child support paid and submitted the correction to the central processing system. A prevention plan was also immediately implemented. To address such an issue going forward, all completed verifications are being reviewed by the Director of Financial Aid before aid is awarded. The Director of Financial Aid has already reviewed all previously completed verification files for the current 15/16 school year and will continue to review all completed verification files going forward. The College believes that the review by a second person will prevent future verification finds of the nature.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FA 2015 – 1 TRIO Cluster – Performance Reporting – Material Weakness

Federal Program Information:	
Title:	**TRIO Cluster – Student Support Services**
Funding Agency:	**U.S. Department of Education**
Pass Through:	**None**
CFDA Number	**84.042**
Award Year and Number	**P042A100007-14**
Questioned Cost	**None**

Condition: during our test work over reporting, we noted the following:

- The participant's eligibility status was improperly reported on 2 of the 40 tested.
- The participant's date of first project service was improperly reported on 1 of the 40 tested.
- The participant's enrollment status at the end of the academic year was improperly reported on 13 of the 40 tested.
- The participant's academic standing was improperly reported on 1 of the 40 tested.
- The participant's cumulative GPA was improperly reported on 9 of the 40 tested.
- The participant's degree/certificate status was improperly reported in 3 of the 40 tested.

College's Response; Management agrees that proper reporting is essential in the compliance requirements as required by (OMB No. 1840-0525). The Director of Student Support Services and the Vice President for Student Services will review the Annual Performance Report prior to submission to the U. S. Department of Education. This review process will be implemented with the 2014/2015 Annual Performance Report submission done in November 2015.

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

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

Respectfully,

Dan Hardin

NEW MEXICO JUNIOR COLLEGE

FINANCIAL STATEMENTS
With
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Year Ended June 30, 2015

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JUNE 30, 2015

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NEW MEXICO JUNIOR COLLEGE
OFFICIAL ROSTER
JUNE 30, 2015

BOARD MEMBERS

Name	**Title**
Pat Chappelle	Chairman
Manny Gomez	Member
Zeak Williams	Member
Mary Lou Vinson	Member
Ron Black	Secretary
Hector Baeza	Member
Travis Glenn	Member

ADMINISTRATIVE OFFICIALS

Dr. Steve McCleery	President
Dan Hardin	Vice-President for Finance
Dr. Dennis Atherton	Vice-President for Instruction
Phillip Roybal	Vice-President for Student Services
Robert Rhodes	Vice-President for Training and Outreach

NMJC FOUNDATION BOARD MEMBERS

Name	**Title**
Scott Smith	President
John Graham	Vice-President
Dan Hardin	Treasurer
Tina Kunko	Secretary

INDEPENDENT AUDITORS' REPORT

Timothy H. Keller
New Mexico State Auditor
U.S. Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary fund of New Mexico Junior College (the College), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the College's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 College'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 College'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 financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit and the fiduciary fund of New Mexico Junior College, as of June 30, 2015, 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, the budgetary comparisons of the College referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the GASB required supplementary pension schedules on pages 8-15, 50 and 51, respectively, 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 College's financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations,* and Supporting Schedules I through III required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and Supporting Schedule IV 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Hobbs, New Mexico
November 10, 2015

Overview of the Financial Statements and Financial Analysis

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

This report consists of Management's Discussion and Analysis (this part), the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows 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 as a component unit for fiscal year 2015.

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, 2015. This discussion gives a comparative analysis of business-type activity from fiscal year 2014 to fiscal year 2015.

Financial Highlights

The College's assets and deferred outflows exceeded its liabilities, deferred inflows and net position at the close of the June 30, 2015 fiscal year by $70,348,070. The College was required to implement GASB 68 and recorded the net pension liability restatement of $22,293,247 which reduced the unrestricted net assets to ($2,399,569). See Note 7 in the Notes to the Financial Statements for a more detail explanation of the implementation of GASB 68.

The College's financial position decreased in 2014/2015 as compared to prior years. Net Position decreased during the year by $17,640,371 over the previous year. The decrease resulted primarily from the college's implementation of GASB 68 which required the college to record the Educational Retirement Board (ERB) net pension liability of $22,579,247. See Note 7 in the Notes to the Financial Statements for a more detail explanation of the effects of the implementation of GASB 68.

The College's investments reflect $10,593,127 at June 30, 2015, all of which are with the Local Government Investment Pool.

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

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position report the College's Net Position and how they have changed. Net Position—the difference between assets and liabilities—is one way to measure the College's financial health, or position. Over time, increases or decreases in the College's Net Position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors are also important to consider, including student enrollment and the condition of campus facilities. These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private-sector institutions. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The following table summarizes the College's assets, liabilities, and net position as of June 30, 2015, and includes the comparison to the prior year.

Statement of Net Position

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Assets:			
Current assets	$ 23,402,819	$ 21,268,078	$ 733,324
Capital assets, net	72,747,639	70,359,238	-
Noncurrent assets-			
Intangible asset			75,000
Investments	-	-	6,396,901
Capital assets, net			60,024
Restricted cash	-	563,304	-
Deferred Outflows	2,402,183	-	-
Total assets and deferred outflows	$ 98,552,641	$ 92,190,620	$ 7,265,249
Liabilities:			
Current liabilities	$ 3,114,876	$ 3,271,734	$ 31,546
Non-current liabilities	22,699,527	930,445	-
Deferred inflows	2,390,168	-	-
Total liabilities and deferred inflows	28,204,571	4,202,179	31,546
Net Position:			
Net investment in capital assets	72,747,639	69,293,188	60,024
Restricted:			
Nonexpendable endowments	-	-	4,831,205
Expendable grants, bequests and contributions	-	-	2,088,366
Expendable future debt service requirements	-	563,304	-
Unrestricted net assets	(2,399,569)	18,131,949	254,108
Total net position	$ 70,348,070	$ 87,988,441	$ 7,233,703

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 $87,988,441 at the close of June 30, 2014, as compared to the $70,348,070 as of June 30, 2015. As of June 30, 2015, the Net Position consists of investment of capital assets (e.g. land, building, and equipment), net of related debt in the amount of $72,747,639. 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 2015 fiscal year by $2,388,401 net of depreciation expense of $3,830,038. Net Position also consists of unrestricted Net Position of ($2,399,569). The negative unrestricted Net Position is due to the College's implementation of GASB 68 and the recording of net pension liability of $22,579,247. See Note 7 in the Notes to the Financial Statements for a further discussion of the implementation of GASB 68. The Statement of Net Position indicates growth in capital assets. Increases are due to the completion of construction projects and as well as renewal and replacement projects.

The following table summarizes the College's revenues, expenses, and changes in Net Position for the year ending June 30, 2015 and includes a comparison to the year ended June 30, 2014.

Revenues, Expenses and Changes in Net Position

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Operating revenues	$ 9,008,718	$ 7,796,425	$ 392,791
Operating expenses	36,519,957	35,625,788	284,429
Operating (loss) income	(27,511,239)	(27,829,363)	108,362
Non-operating revenues and expenses	29,272,803	31,601,241	58,124
Income before other revenue	1,761,564	3,771,878	166,486
Capital appropriations	2,891,312	1,679,947	-
Increase (decrease) in net position	$ 4,652,876	$ 5,451,825	$ 166,486

Analysis of Changes in Net Position

Before consideration of the restatement for GASB 68 implementation, the College's Net Position increased by $4,652,876 during the 2015 fiscal year as compared to an increase of $5,451,825 for the 2014 fiscal year. Operating revenues were $9,008,718 in 2015, which is an increase of $1,212,293 from fiscal year 2014. Operating expenses were $36,519,957 in fiscal year 2015, which is an increase of $894,169 from fiscal year 2014.

Operating Revenues

The following table summarizes the College's operating revenues of $9,008,718 for the fiscal year ended June 30, 2015, as compared to the operating revenues of $7,796,425 in 2014. Fiscal year 2015 reflects an increase in revenues from student tuition and fees, federal grants and contracts, state and other grants and contracts, auxiliary enterprises and intercollegiate athletics. New Mexico Junior College Foundation revenues for the year total $392,791, which is an increase over fiscal year 2014.

Operating Revenues

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Student tuition and fees, net	$ 3,940,631	$ 3,789,592	$ -
Federal grants and contracts	1,335,248	696,129	-
State and other grants and contracts	723,534	688,218	-
Auxiliary enterprises	2,515,732	2,289,951	-
Intercollegiate athletics	493,573	332,535	-
Gifts, bequests and endowments	-	-	392,791
Total operating revenues	$ 9,008,718	$ 7,796,425	$ 392,791

Operating Expenses

The following table summarizes the College's operating expenses of $36,519,957 for the fiscal year ended June 30, 2015, as compared to the operating expenses of $35,625,788 in 2014. The increase in operating expenses is attributed to the 4% compensation increase, increase for student financial aid, increase in auxiliary enterprises, and increase in intercollegiate athletics. New Mexico Junior College Foundation expenses for the year were $284,429.

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Instruction	$ 10,435,795	$ 9,956,957	$ -
Academic support	2,359,757	2,301,402	-
Student services	2,741,533	2,331,277	-
Institutional support	4,555,208	4,392,509	284,429
Operations and maintenance	3,946,527	3,826,492	-
Depreciation	3,830,039	3,501,754	-
Renewals and replacements	943,702	1,502,319	-
Student aid	3,828,325	4,093,260	-
Private grants	151,608	159,125	-
Intercollegiate athletics	1,422,682	1,367,843	-
Auxiliary enterprises	2,304,781	2,192,850	-
Total operating expenses	$ 36,519,957	$ 35,625,788	$ 284,429

Non-Operating Revenues (Expenses)

The following table summarizes the College's non-operating revenues (expenses) of $29,272,803 for the fiscal year ended June 30, 2015. Local appropriations continue to remain strong and there was a decrease in Federal Pell Grants. Local appropriations were significantly higher than the budget level approved by the governing board. Oil and gas taxes were down $2,415,623. There were no significant or unexpected changes in the other areas of non-operating revenues and expenses.

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Property taxes	$ 7,406,600	$ 6,883,542	$ -
Oil and gas taxes	12,568,920	14,984,543	-
Federal pell grants	2,527,174	2,790,068	-
State appropriations, non-capital	6,189,467	6,067,965	-
Other revenue sources	617,358	1,053,149	-
Investment income	21,444	17,165	28,135
Interest on capital related debt	(31,602)	(57,947)	-
Loss on write-off of capital assets	-	(146,817)	-
(Loss) Gain on sale of capital assets	(26,558)	9,573	-
Production taxes	-	-	(3,428)
Royalties	-	-	33,417
Total non-operating revenues and expenses	$ 29,272,803	$ 31,601,241	$ 58,124

Increase in Net Position

The following table summarizes the College’s increase in Net Position of $5,451,825 for June 30, 2014 compared to the increase in Net Position of $4,652,876 for June 30, 2015.

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Income before capital appropriations	$ 1,761,564	$ 3,771,878	$ 828,378
Capital appropriations	2,891,312	1,679,947	-
Increase (decrease) in Net Position	4,652,876	5,451,825	828,378
Net position - beginning of year	87,988,441	82,536,616	6,238,839
Net position, restatement (Note 17)	(22,293,247)	-	-
Net position, beginning as restated	65,695,194	82,536,616	6,238,839
Net position - end of year	$ 70,348,070	$ 87,988,441	$ 7,067,217

Capital Assets and Debt Administration

At June 30, 2015, the College had $72,747,639 invested in capital assets as compared to $70,359,238 at June 30, 2014. The Foundation had $60,024 for radio equipment.

Capital Assets, Net

	June 30, 2015	June 30, 2014	June 30, 2015 NMJC Foundation
Land Improvements	$ 2,732,535	$ 2,983,529	$ -
Buildings	46,127,926	47,090,304	-
Infastructure	11,408,894	11,724,868	-
Software	1,294,923	176,634	-
Library books	410,934	493,426	-
Furniture and equipment	2,022,847	2,298,000	60,024
Automobiles	637,457	609,724	-
Construction in progress	7,903,860	4,774,490	-
Land	208,263	208,263	-
Net capital assets	$ 72,747,639	$ 70,359,238	$ 60,024

Major capital expenditures during the 2015 fiscal year include the Infrastructure Renewal and Upgrade project, Bob Moran Hall Upgrades project, Mansur Hall Upgrades project, Rodeo Arena Improvements project, Dorms/Apartment renovations, and various landscaping projects and equipment/software and automobile purchases.

The College paid off its outstanding balance of the 2005 Revenue Bonds. The college made debt service payments of $1,066,050 on the principal of the 2005 Revenue Bonds. The College has no debt outstanding at June 30, 2015.

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 (in millions):

	2015	2014
Current funds		
Unrestricted	3.20	3.10
Restricted	0.02	<0.01>
Plant funds	<3.80>	1.70

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Economic Outlook

New Mexico Junior College serves as a community college center for the communities of southeastern New Mexico and portions of West Texas. The College is largely supported by the local mill levy in Lea County and the ongoing financial and political support from the State of New Mexico. Over the past several years the financial support from the State has declined to a level that is less than 20% of the NMJC operating budget. Beginning in 2013 the State funding has leveled off and has remained steady. Early indications from the State Legislative Finance Committee are that the State Funding is projected to continue to be flat at best. The local economy has been strong for several years, but as oil prices tumbled, the local economy has slowed and the College is seeing some layoffs happening with many of the large companies. From what we can determine the local economy in 2016 will stay soft, but there is some optimism for a rebound in the price of oil in 2017. The unemployment rate in Lea County was holding steady at 4% until around June 2015 when we saw a spike to the current 6.2%. The State unemployment level has also risen is now at 6.7%. Historically, the unemployment in Lea County drives the student enrollment at New Mexico Junior College. With the NMJC Board's approval, Management has created different marketing strategies along with the online offerings, low tuition, housing, and athletics and it has been effective in taking the highs and lows out of the student credit hours at the College. The oil and gas industry is still the driving economic factor in Lea County. New technology in the industry has been a revitalization and extension of the projected life of some oil fields in Lea County. Although drilling and exploration have slowed down tremendously in the County, production has remained steady. It is anticipated that if oil prices continue to stay low for a long period of time then production will start declining. Lea County property assessment has increased, allowing property tax revenue to makeup some of the loss in State revenues. Over all, the economic outlook for New Mexico Junior College for the coming year appears to be somewhat stable. At the end of fiscal year 2015 the College was able to retire all debt; this will place the College in a better position to weather most funding issues.

NEW MEXICO JUNIOR COLLEGE
STATEMENT OF NET POSITION
June 30, 2015

ASSETS	**Primary Government**	**NMJC Foundation**
Current assets:		
Cash and cash equivalents	$ 7,331,201	$ 693,819
Short-term investments	10,593,127	-
Accounts receivable, net	4,207,752	39,505
Inventory	806,204	-
Prepaid expenses	307,886	-
Prepaid summer expenses	156,649	-
Total current assets	23,402,819	733,324
Non-current assets:		
Intangible asset	-	75,000
Investments	-	6,396,901
Capital assets, net	72,747,639	60,024
Total non-current assets	72,747,639	6,531,925
Total assets	96,150,458	7,265,249
Deferred outflows		
Deferred outflows - contributions after measurement date	1,567,745	-
Deferred outflows - change in proportion	834,438	-
Total deferred outflows	2,402,183	-
Total assets and deferred outflows	$ 98,552,641	$ 7,265,249
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	$ 764,214	$ 31,546
Accrued expenses	1,091,624	-
Unearned revenues	1,046,988	-
Compensated absences	212,050	-
Total current liabilities	3,114,876	31,546
Non-current liabilities:		
Compensated absences	108,265	-
Net pension liability	22,591,262	-
Total non-current liabilities	22,699,527	-
Deferred inflows		
Deferred inflows - investment experience	2,053,639	-
Deferred inflows - actuarial experience	336,529	-
Total deferred inflows	2,390,168	-
Total liabilities and deferred inflows	28,204,571	31,546
Net position:		
Net investment in capital assets	72,747,639	60,024
Restricted for:		
Nonexpendable endowments	-	4,831,205
Expendable grants and contributions	-	2,088,366
Unrestricted	(2,399,569)	254,108
Total net position	70,348,070	7,233,703
Total liabilities and net position	$ 98,552,641	$ 7,265,249

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, 2015

	Primary Government	NMJC Foundation
Operating revenues:		
Student tuition, fees and trainings	$ 3,940,631	$ -
Federal grants and contracts	1,335,248	-
State and other grants and contracts	723,534	-
Auxiliary enterprises	2,515,732	-
Intercollegiate athletics	493,573	-
Gifts, bequests and endowments	-	392,791
Total operating revenues	9,008,718	392,791
Operating expenses:		
Instruction	10,435,795	-
Academic support	2,359,757	-
Student services	2,741,533	-
Institutional support	4,555,208	284,429
Operations and maintenance	3,946,527	-
Depreciation	3,830,039	-
Renewals and replacements	943,702	-
Student aid	3,828,325	-
Public service	151,608	-
Intercollegiate athletics	1,422,682	-
Auxiliary enterprise expenses	2,304,781	-
Total operating expenses	36,519,957	284,429
Operating loss	(27,511,239)	108,362
Non-operating revenues (expenses):		
Property taxes	7,406,600	-
Oil and gas taxes	12,568,920	-
Federal pell grants	2,527,174	-
State appropriations, non-capital	6,189,467	-
Other revenue sources	617,358	-
Investment income	21,444	28,135
Interest on capital related debt	(31,602)	-
Loss on sale of capital assets	(26,558)	-
Production taxes	-	(3,428)
Royalties	-	33,417
Net non-operating revenues (expenses)	29,272,803	58,124
Income before capital appropriations	1,761,564	166,486
State appropriations, capital	2,891,312	-
Change in net position	4,652,876	166,486
Net position, beginning of year	87,988,441	7,067,217
Net position, restatement (Note 17)	(22,293,247)	-
Net position, beginning as restated	65,695,194	7,067,217
Net position, end of year	$ 70,348,070	$ 7,233,703

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, 2015

	Primary Government
Cash flows from operating activities:	
Tuition, fees and trainings	$ 5,806,395
Federal and state grants and contracts	2,058,782
Auxiliary enterprise charges	2,515,732
Intercollegiate athletics	493,573
Payments to employees and for employee benefits	(18,848,226)
Disbursement of net aid to students	(4,556,434)
Payments to suppliers	(8,953,989)
Net cash (used) by operating activities	(21,484,167)
Cash flows from noncapital financing activities:	
State appropriations	6,189,467
Federal pell grants	2,527,174
Property taxes	7,406,600
Oil and gas taxes	12,568,920
Net cash provided by noncapital financing activities	28,692,161
Cash flows from capital financing activities:	
Principal payments on long-term debt	(1,066,050)
Interest paid	(38,803)
Other revenue sources	617,358
Capital appropriations	2,891,312
Net cash provided by capital financing activities	2,403,817
Cash flows from investing activities:	
Purchase of capital assets	(6,262,503)
Proceeds from the sale of capital assets	17,505
Interest received	21,444
Net cash (used) by investing activities	(6,223,554)
Net increase in cash and cash equivalents	3,388,257
Cash and cash equivalents - beginning of year	14,536,071
Cash and cash equivalents - end of year	$ 17,924,328
Reconciliation to Statement of Net Position	
Cash and cash equivalents	$ 7,331,201
Short-term investments	10,593,127
Cash and cash equivalents - end of year	$ 17,924,328
Operating Loss	$ (27,511,239)
Reconciliation of operating loss to net cash used by operating activities:	
Depreciation expense	3,830,039
Net pension expense	286,000
Changes in assets and liabilities:	
Accrued expenses	(99,199)
Inventory	70,564
Unearned revenues	83,072
Prepaid expenses	(161,999)
Compensated absences	71,449
Accounts payable	38,891
Accounts receivable, net	1,782,692
Prepaid summer expenses	125,563
Net cash (used) by operating activities	$ (21,484,167)

The accompanying notes are an integral part of these financial statements

NEW MEXICO JUNIOR COLLEGE

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2015

		Agency Fund
ASSETS		
Cash and cash equivalents	$	330,193
Accounts receivable		1,277
Total assets	$	331,470
LIABILITIES		
Accounts payable	$	7,526
Due to student organizations		323,944
Total liabilities	$	331,470

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

2. Reporting Entity

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

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

A. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

B. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

C. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Component Unit

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a blended component unit:

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

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

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

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

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

The following is a discretely presented component unit:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 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.

4. Basis of Accounting

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

During the year ended June 30, 2015, the College adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate.

At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects. The Foundation participates in the College's pension plan.

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

5. Management's Estimates and Assumptions

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

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

6. Cash and Cash Equivalents and Statement of Cash Flows

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

Cash and cash equivalents include cash on hand, cash in banks, LGIP, securities subject to overnight sweep repurchase agreements, and certificates of deposit with various financial institutions. For the purposes of the cash flow statement, due to its liquidity and characteristics, the investment on hand at the LGIP is considered a cash equivalent. At June 30, 2015, the amount of cash and cash equivalents reported on the financial statements differs from the amount on deposit with the various financial institutions because of transactions in transit and outstanding checks.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Receivables

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

8. Unearned Revenues and Expenditures

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.

9. Inventories

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

10. Capital Assets

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

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

11. Compensated Absences

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

12. Revenue

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

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

13. 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 $7,406,600 or 18% of total revenue in fiscal year 2015. Oil and gas production and equipment tax revenue fluctuates significantly upon demand and was $12,568,920 or 30% of total revenue in fiscal year 2015.

14. Net position

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

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

Restricted:

Nonexpendable: Net position subject to externally imposed conditions that the College retain them in perpetuity. All amounts for the primary government (if applicable) that are restricted in the statement of net position are considered restricted by enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

15. 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.

16. Budgetary Process

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

17. Interfund borrowing

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

18. 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).

19. 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.

20. 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 Education 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.

21. Reclassifications

Certain reclassifications were made to the 2014 financial statement presentation in order to conform to the 2015 financial statement presentation. The reclassifications had no effect on the previously reported change in net position.

NOTE 2 – DEPOSITS AND INVESTMENTS

State statutes authorize the investment of College funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the College properly followed State investment requirements as of June 30, 2015. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the College. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit. Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and negotiable order or withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

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, 2015, $2,303,004 of the College's bank balances of $2,860,614 was exposed to custodial credit risk. $1,599,452 was uninsured and collateralized by the collateral held by the pledging bank's trust department, not in the College's name. $703,552 of the College's deposits were uninsured and uncollateralized at June 30, 2015.

		Lea County State Bank	Wells Fargo Bank	Western Commerce Bank	Total
Total amount of deposits	$	504,962	2,330,602	25,050	2,860,614
Deposit accounts covered by the FDIC coverage		(282,560)	(250,000)	(25,050)	(557,610)
Total uninsured public funds		222,402	2,080,602	-	2,303,004
Collateralized by securities held by the institution or by its trust department or agent other than the College's name		222,402	1,377,050	-	1,599,452
Uninsured and uncollaterized	$	-	703,552	-	703,552
Collateral requirement (50% of uninsured public funds)		111,201	1,040,301	-	1,151,502
Pledged security		1,842,740	1,377,050	-	3,219,790
Over collateralization	$	1,731,539	336,749	-	2,068,288

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

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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 New Mexico Junior College does not have a policy to manage the credit risk of its investments. The overnight repurchase is the only investment subject to custodial credit risk, as the other investments are external pools. As of June 30, 2015, all of the deposits in the overnight repurchase account were subject to custodial credit risk, however, the entire amount was collateralized by collateral held by the pledging bank's trust department, not in the College's name.

		Wells Fargo Bank
Total amount of deposits	$	5,090,591
Deposit accounts covered by the FDIC coverage		-
Total uninsured public funds		5,090,591
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the College's name		5,090,591
Uninsured and uncollaterized	$	-
Collateral requirement (102% of uninsured public funds)		5,192,403
Pledged security		5,192,403
Over collateralization	$	-

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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.

As of June 30, 2015, 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

	Rating	Fair Value	Weighted Average Maturity
New MexiGROW LGIP	AAAm	$ 10,593,127	54.6 day WAM(R); 77.7 day WAM(F)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's or the Foundation's investment in a single type of security. The College and the Foundation do not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2015, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk.

The following represents the concentration of credit risk regarding the investments of the College at June 30, 2015:

Investment	Market Value	Percent of Investment
New MexiGROW LGIP	$ 10,593,127	100.0%
Total investments	$ 10,593,127	100.0%

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Beginning Cash and Cash Equivalents – Statement of Cash Flows

The College considers all instruments with an original maturity of 90 days or less to be cash equivalents for the purpose of presenting the statement of cash flows. Accordingly, beginning cash and cash equivalents as presented on the statement of cash flows has been adjusted to reflect the $14,536,071.

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

Deposits and overnight repurchase	$	7,951,205
New MexiGROW LGIP		10,593,127
Total deposits and investments		18,544,332
Petty cash		4,236
Add reconciling items		(294,047)
Total cash and cash equivalents and investments	$	18,254,521
Statement of Net Position:		
Cash and cash equivalents	$	7,331,201
Short-term investments		10,593,127
Cash and cash equivalents, end of year per statement of cash flows		17,924,328
Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		330,193
Net deposits and investments	$	18,254,521

NOTE 3 – ACCOUNTS RECEIVABLE

The College's accounts receivable at June 30, 2015 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	$	308,816
Oil and gas taxes		2,496,109
General receivables		737,585
Student receivables		1,523,987
Other taxes receivable		33,673
		5,100,170
Less allowance for uncollectible accounts		(892,418)
Net total accounts receivable	$	4,207,752

NOTE 4 – ACCRUED EXPENSES

The College's accrued expenses at June 30, 2015 are as follows:

Payroll	$	527,627
Payroll taxes and related liabilities		563,997
Total accrued expenses	$	1,091,624

NOTE 5 – CAPITAL ASSETS

The following table summarizes the changes in the College's capital assets during the fiscal year ended June 30, 2015:

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Assets not being depreciated:					
Construction in progress	$ 4,774,490	$ 3,412,880	$ -	$ (283,510)	$ 7,903,860
Land	208,263	-	-	-	208,263
	4,982,753	3,412,880	-	(283,510)	8,112,123
Assets being depreciated:					
Land improvements	6,157,427	57,124	-	-	6,214,551
Buildings	67,545,205	290,306	-	283,510	68,119,021
Infrastructure	14,304,591	363,937	-	-	14,668,528
Software	1,014,789	1,162,676	-	-	2,177,465
Library books	1,179,254	99,064	-	-	1,278,318
Furniture and equipment	10,659,274	666,784	906,391	-	10,419,667
Automobiles	1,785,275	209,733	218,125	-	1,776,883
	102,645,815	2,849,624	1,124,516	283,510	104,654,433
Totals	107,628,568	6,262,504	1,124,516	-	112,766,556
Less accumulated depreciation:					
Land improvements	3,173,898	308,118	-	-	3,482,016
Buildings	20,454,902	1,536,193	-	-	21,991,095
Infrastructure	2,579,723	679,911	-	-	3,259,634
Software	838,155	44,387	-	-	882,542
Library books	685,828	181,556	-	-	867,384
Furniture and equipment	8,361,274	897,875	862,329	-	8,396,820
Automobiles	1,175,551	181,999	218,124	-	1,139,426
	37,269,331	3,830,039	1,080,453	-	40,018,917
Net capital assets	$ 70,359,237	$ 2,432,465	$ 44,063	$ -	$ 72,747,639

Depreciation expense as of June 30, 2015 was $3,830,039. On June 30, 2015, the College's Board of Directors certified an annual inventory of the College's assets and sold assets at an auction so removed a net $44,063 from furniture, equipment and vehicles. The College recognized a loss of $26,558 on the sale of these assets.

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

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

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal member cover plans 3, 4, or 5; municipal fire member cover 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 statutes required each participating employer to contribute 2.50% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary; and each participating employee was required to contribute 1.00% of their salary. In addition, pursuant to Section 10-7C-15(G), NMSA 1978, at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1, NMSA 1978 and the employer and employee contributions to the Authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The College's contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were $250,950, $252,154 and $235,193, respectively, which equal the required contributions for each year.

NOTE 7 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

General Information about the Pension Plan

Plan description. ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer 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 agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. 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 or 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. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date 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.

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.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the Cola would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was 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% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. 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% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%.

NOTE 7 – 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. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

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, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning $20,000 or less contributed 7.90% and employees earning more than $20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning $20,000 or less continued to contribute 7.90% and employees earning more than $20,000 contributed an increased amount of 10.70% of their gross annual salary. The College's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were $1,567,745, $1,487,809 and $1,162,290, respectively, which equal the amount of the required contributions for each fiscal year.

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, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the College and the Foundation reported a total liability of $22,591,262 for their 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the College's proportion was .39594 percent, which was a decrease of .01791 from its proportion measured as of June 30, 2013.

NOTE 7 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (continued)

For the year ended June 30, 2015, the College and the Foundation recognized a total pension expense of $1,853,745. At the June 30, 2015, the College and component unit 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	$ -	$ 336,529
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,053,639
Changes in proportion and differences between contributions and proportionate share of contributions	834,438	-
Employer contributions subsequent to the measurement date	1,567,745	-
Total	$ 2,402,183	$ 2,390,168

$1,567,745 reported as deferred outflows of resources related to pensions resulting from College and its component unit contributions subsequent to the measurement date of June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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:	
2016	$ (340,528)
2017	(340,528)
2018	(361,275)
2019	(513,399)
2020	-
Thereafter	-

NOTE 7 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (continued)

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than $20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.

2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.

3. COLAs for most retirees are reduced until ERB attains a 100% funded status.

4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. 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, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

NOTE 7 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (continued)

The 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. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

	2014	2013
Asset Class	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

NOTE 7 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (continued)

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

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 fiscal year end 2014. 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 (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
Proportionate share of the net pension liability	$ 30,738,019	$ 22,591,262	$ 15,786,423

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 June 30, 2014 and June 30, 2013 which are 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. At June 30, 2015 the College owed the ERB $230,483 for the contributions withheld in the month of June 2015.

NOTE 8 – GROUP INSURANCE PROGRAM

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

NOTE 9 – OPERATING LEASES

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

NOTE 10 – RISK MANAGEMENT

The College currently is party to various litigation and other claims in the ordinary course of business. The College has property and liability insurance coverage with 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.

NOTE 11 – JOINT POWERS AGREEMENTS

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

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

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

Nature of Operations

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

Basis of Accounting

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

Net Position

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

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

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

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

Tax Status

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

Effective October 1, 2009, the Foundation adopted ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended June 30, 2015, the Foundation has no material uncertain tax positions to be accounted for in the financial statements under the new rules. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense and penalties expense, respectively.

The Foundation files its forms 990 in the U.S. federal jurisdiction and a copy is filed with the Attorney General of New Mexico, Registry of Charitable Organizations. The Foundation is generally no longer subject to examination by the Internal Revenue Service for years before 2012.

Intangible Assets

Intangible assets consist of a radio station license that was donated. Licenses are carried at cost, and because they have indefinite useful lives they are not amortized, but tested for impairment when events or circumstances related to the licenses change.

Capital Assets

Equipment for the radio station is recorded at fair market value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the equipment, generally 5 to 7 years for equipment.

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

Cash and Cash Equivalents

The Foundation maintains cash balances in a local bank and an investment company. These cash balances are insured by the Federal Deposit Insurance Corporation up to the standard maximum deposition insurance amount of $250,000 for each demand deposit account. As of June 30, 2015, the Foundation's uninsured cash deposits total was $0.

As of June 30, 2015, there were no balances in excess of insurance coverage.

	First American Bank	Merrill Lynch	Wells Fargo Bank	Total
Total amount of deposits	$ 189,414	$ 364,399	$ 148,815	$ 513,214
Less: FDIC coverage	189,414	250,000	148,815	398,815
Less: SIPC coverage	-	114,399	-	114,399
Total uninsured public funds	-	-	-	-
Collateralized by securities held by the pleding institution or by its trust department or agent in other than the College's name	-	-	-	-
Uninsured and uncollaterized	$ -	$ -	$ -	$ -
Collateral requirement (50% of uninsured public funds)	-	-	-	-
Pledged security	-	-	-	-
Over (under) collateralization	$ -	$ -	$ -	$ -

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's or the Foundation's investment in a single type of security. The College and the Foundation do not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2015, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk. The following represents the concentration of credit risk regarding the investments of the Foundation at June 30, 2015:

Investment	Market Value	Percent of Foundation's Investment
Equities	$ 258,196	4.0%
Mutual funds	6,119,122	95.7%
Royalty Interest	19,583	0.3%
Total Foundation investments	$ 6,396,901	100.0%

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

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

Receivables

The Foundation considers receivables to be 100% collectible; therefore no allowance has been made for uncollectible amounts. The receivable at June 30, 2015 consists of the following:

Golf tournament fundraising pledges receivable	$	3,350
Royalty income receivable		36,155
Accounts receivable, net	$	39,505

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net position unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

During the year ended, June 30, 2015, the Foundation received a donation of a radio station license and call letters along with radio station equipment. The total value of the donated assets included in the Statement of Revenues, Expenses and Changes in Net Position amounts to $135,024.

Institutional support

The Foundation provided the following institutional support to the College during the year ended June 30, 2015:

Scholarships	$	184,869
Program assistance		37,076
Work-study		16,956
Administrative support		27,988
Fundraising expenses		13,540
Awards		4,000
Total institutional support	$	284,429

Related party

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

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

Intangible asset

On April 8th, 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.

NOTE 13 – CONSTRUCTION COMMITMENTS

The College has one big construction project commitment as of June 30, 2015. The commitments related to this project is approximately $2,053,635 as of June 30, 2015. This project cost is as follows:

Project Description	Amount
Infrastructure Renewal & Upgrade	$ 2,053,635

NOTE 14 – COMPENSATED ABSENCES

Accumulated unpaid vacation is accrued when incurred. Employees entitled to earn vacation pay earn it at various rates based on length of employment. Up to 180 hours of vacation may be accrued and paid out upon termination. Sick leave is not paid out upon termination; accordingly, no liability for sick leave is recorded by the College. The College had a liability for accrued vacations as of June 30, 2015 as follows:

Accrued vacation – beginning of year	$ 248,866
Additions	283,499
Deletions	(212,050)
Accrued vacation – end of year	$ 320,315

The College estimates that $212,050 will be due within one year.

NOTE 15 – BONDS PAYABLE

The College issued revenue bonds to provide funds for the construction of student housing on the New Mexico Junior College campus. These bonds were paid off as of June 30, 2015.

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

Long-term liability for the year ended June 30, 2015 was as follows as the liability was paid off by the college:

	July 1, 2014	Additions	Reductions	June 30, 2015	Due within One Year
System Revenue Bonds Series 7/15/2005	$ 1,066,050	$ -	$ 1,066,050	$ -	$ -

NOTE 16 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

A. Deficit equity

The College does not maintain a deficit equity position.

B. Excess of expenditures over appropriations.

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

C. Designated cash appropriation in excess of available balances.

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

NOTE 17 – NET POSITION RESTATEMENT

The College has a prior period adjustment of ($22,293,247) which was required for implementation of Statement No. GASB 68 and GASB 71. The adjustment reflects a beginning net pension liability of $(23,728,372) and a beginning of deferred outflow of resources-employer contributions subsequent to the measurement date of $1,435,125. The changes are as follows:

Fund Name	Fund Balance/ Net Position Originally Reported June 30, 2014	Restate Net Pension Liability	Fund Balance/ Net Position Restated June 30, 2014
Business-type activities	$ 87,988,441	$ (22,293,247)	$ 65,695,194
	$ 87,988,441	$ (22,293,247)	$ 65,695,194

NOTE 18 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2015, have been evaluated for possible adjustment to the financial statements or disclosures is November 10, 2015. Except for the paragraph below, there were no other events occurring after June 30, 2015 that necessitate adjustment to the financial statements or disclosure as of November 10, 2015.

In July 2015, the Foundation received a $100,000 donation. $90,000 of this donation was placed in scholarship endowments and $10,000 will be used for scholarships over the next five years.

In August 2015, the College approved the purchase of a data center upgrade for $342,000 funded from existing cash.

In October 2015, the board approved the New Mexico Junior College Entertainment and Music Technology remodel at the Bob Moran Hall with an estimated cost of $2,500,000 which consisted of $750,000 for equipment and $1,750,000 for construction and was funded by the institution.

The College has been in the process of planning the design and construction of a new allied healthcare facility with estimated costs of $6,955,000 funded by severance and GO bonds.

NOTE 19 – SUBSEQUENT PRONOUNCEMENTS

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application,* was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015 with earlier application being encouraged. The College is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016 with earlier application being encouraged. The College is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* was issued. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The College is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* was issued. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The College is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015 with earlier application being encouraged. The College is still evaluating how this pronouncement will affect the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures,* was issued. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015 with earlier application being encouraged. The College is still evaluating how this pronouncement will affect the financial statements.

NOTE 20 – CONCENTRATIONS

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

NOTE 21 – LEGISLATIVE GRANTS

The College had the following legislative grants funded by Severance Tax Bonds (STB) and General Obligation Bonds (GOB) as of June 30, 2015:

Project	Agency	Grant #	Effective Date	Reversion Date
NMJC Energy Technology Training	Higher Education Department	STB 14-2111	6/24/2014	6/30/2016
NMJC Infrastructure Improvements	Higher Education Department	GOB 12-1241	4/23/2013	6/30/2016
NMJC Health & Wellness Learning Center	Higher Education Department	GOB 14-1298	4/15/2015	6/30/2018

Project	Net Amount	Expenditures to Date	Reverted	Remaining
NMJC Energy Technology Training	$ 425,000	$ 425,000	$ -	$ -
NMJC Infrastructure Improvements	3,300,000	2,634,678	-	665,322
NMJC Portion of Health & Wellness Learning	4,950,000	-	-	4,950,000
	$ 8,675,000	$ 3,059,678	$ -	$ 5,615,322

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COLLEGE'S PROPORTIONATE
SHARE OF THE NEW PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*

	2015
Proportion of the net pension liability (asset)	0.39594%
Proportionate share of the net pension liability (asset)	$ 22,591,262
Covered employee payroll	12,550,181
Proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	180.01%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

* 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 independent auditors' report
See notes to required supplementary information

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*

	2015
Contractually required contribution	$ 1,567,745
Contributions in relation to the contractually required contribution	1,567,745
Contribution deficiency (excess)	-
Covered employee payroll	13,510,416
Contributions as a percentage of covered employee payroll	11.60%

* 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

See independent auditors' report
See notes to required supplementary information

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Changes of Benefit Terms. The COLA and retirement eligibility benefits changes in recent years are described in *Benefits Provided* subsection of the financial statement note disclosure *General Information on the Pension Plan*.

Changes of Assumptions. ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six (6) year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
   a. Lower wage inflation from 4.75% to 4.25%
   b. Lower payroll growth from 3.75% to 3.50%
   c. Minor changes to demographic assumptions
   d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
   a. Investment return will remain at 7.75%
   b. Inflation will remain at 3.00%

Also see the *Actuarial Assumptions* subsection of the financial statement note disclosure *General Information on the Pension Plan*.

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED AND RESTRICTED - ALL OPERATIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance	11,699,060	11,699,060	17,629,201	5,930,141
Unrestricted and restricted revenues:				
State general fund appropriations	6,467,864	6,482,854	6,896,045	413,191
Federal revenue sources	5,825,663	5,809,459	4,590,531	(1,218,928)
Tuition and fees	3,684,200	3,684,200	3,940,631	256,431
Other	6,388,561	5,690,868	6,817,495	1,126,627
Local funding	13,238,500	17,986,829	19,975,520	1,988,691
Private grants	-	51,212	16,956	(34,256)
Total unrestricted and restricted revenues	35,604,788	39,705,422	42,237,178	2,531,756
Unrestricted and restricted expenditures:				
Instruction	10,047,432	11,347,624	10,418,842	928,782
Academic support	2,297,413	2,497,039	2,359,757	137,282
Student services	2,480,930	4,207,554	3,149,224	1,058,330
Institutional support	3,544,126	4,759,614	4,555,208	204,406
Operation and maintenance of plant	3,544,092	3,808,548	3,946,527	(137,979)
Student social and cultural activities	159,500	173,000	151,608	21,392
Auxiliary services	1,800,693	2,157,160	2,135,770	21,390
Intercollegiate athletics	1,029,348	1,425,760	1,209,318	216,442
Internal service	87,145	150,266	169,011	(18,745)
Renewals and replacements	12,737,761	8,957,899	943,702	8,014,197
Retirement of indebtedness	276,000	276,000	31,602	244,398
Student aid, grants and stipends	5,627,019	4,360,146	4,556,434	(196,288)
Private grants	-	-	16,956	(16,956)
Total unrestricted and restricted expenditures	43,631,459	44,120,610	33,643,959	10,476,651
Net transfers	3,335,646	10,370,750	(6,042,745)	(4,328,005)
Change in fund balance (budgetary basis)	(8,026,671)	(4,415,188)	2,550,474	8,680,402
Ending fund balance	$ 3,672,389	$ 7,283,872	$ 20,179,675	$ 14,610,543
Change in net position per statement of revenues, expenses and changes in net position			4,652,876	
Capital outlay expenditures capitalized			(6,262,504)	
Net book value of assets sold			44,063	
Depreciation expense			3,830,039	
Net pension liability			286,000	
Financial statements change in net position reconciled to budgetary basis			$ 2,550,474	

See accompanying independent auditors' report

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED - NON-INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance	$ 10,279,381	$ 10,279,381	$ 14,470,947	$ 4,191,566
Unrestricted revenues:				
Internal service dept	27,000	27,000	21,104	(5,896)
Auxiliary enterprises	2,251,000	2,381,301	2,515,732	134,431
Athletics	483,400	487,298	493,573	6,275
STB/GOB Drawdowns	3,310,000	2,478,108	2,891,312	413,204
Other	-	-	52,389	52,389
Total unrestricted revenues	6,071,400	5,373,707	5,974,110	600,403
Unrestricted expenditures:				
Internal services	87,145	150,266	169,011	(18,745)
Student aid, grants and stipends	593,551	868,551	949,371	(80,820)
Auxiliary services	1,800,693	2,157,160	2,135,770	21,390
Intercollegiate athletics	1,029,348	1,425,760	1,209,318	216,442
Renewals and replacements	12,737,761	8,957,899	943,702	8,014,197
Retirement of indebtedness	276,000	276,000	31,602	244,398
Total unrestricted expenditures	16,524,498	13,835,636	5,438,774	8,396,862
Net transfers	1,206,001	4,206,001	2,252,685	(1,953,316)
Change in fund balance (budgetary basis)	(9,247,097)	(4,255,928)	2,788,021	7,043,949
Ending fund balance	$ 1,032,284	$ 6,023,453	$ 17,258,968	$ 11,235,515

See accompanying independent auditors' report

NEW MEXICO JUNIOR COLLEGE

RESTRICTED - NON-INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance	$ -	$ -	$ -	$ -
Restricted revenues:				
Federal government contracts/grants	5,033,468	3,491,595	3,319,096	(172,499)
State government contracts/grants	159,500	173,000	443,465	270,465
Private grants	-	-	16,956	16,956
Total restricted revenues	5,192,968	3,664,595	3,779,517	114,922
Restricted expenditures:				
Public Service	159,500	173,000	151,608	21,392
Student aid, grants and stipends	5,033,468	3,491,595	3,607,063	(115,468)
Private grants	-	-	16,956	(16,956)
Total restricted expenditures	5,192,968	3,664,595	3,775,627	(111,032)
Net transfers	-	-	(3,890)	(3,890)
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	$ -	$ -	$ -	$ -

See accompanying independent auditors' report

NEW MEXICO JUNIOR COLLEGE

UNRESTRICTED - INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance, as restated	$ 1,419,679	$ 1,419,679	$ 3,158,254	$ 1,738,575
Unrestricted revenues:				
Tuition and fees	3,684,200	3,684,200	3,940,631	256,431
State government appropriations	6,047,200	6,047,200	6,189,467	142,267
Local government appropriations	13,238,500	17,986,829	19,975,520	1,988,691
Federal grants and contracts	55,000	83,978	82,679	(1,299)
Other	317,161	317,161	843,385	526,224
Total unrestricted revenues	23,342,061	28,119,368	31,031,682	2,912,314
Unrestricted expenditures:				
Instruction	9,731,091	11,018,956	10,155,729	863,227
Academic support	2,273,743	2,424,460	2,359,757	64,703
Student services	1,840,687	2,074,588	1,960,468	114,120
Institutional support	3,528,284	4,746,075	4,555,208	190,867
Operation and maintenance of plant	3,541,829	3,808,548	3,946,527	(137,979)
Total unrestricted expenditures	20,915,634	24,072,627	22,977,689	1,094,938
Net transfers	2,129,645	6,164,749	(8,291,540)	(14,456,289)
Change in fund balance (budgetary basis)	4,556,072	10,211,490	(237,547)	(10,449,037)
Ending fund balance	$ 5,975,751	$ 11,631,169	$ 2,920,707	$ (8,710,462)

See accompanying independent auditors' report

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NEW MEXICO JUNIOR COLLEGE
RESTRICTED - INSTRUCTION AND GENERAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance	$ -	$ -	$ -	$ -
Restricted revenues:				
Federal government contracts/grants	737,195	2,233,886	1,188,756	(1,045,130)
State government contracts/grants	261,164	262,654	263,113	459
Private grants	-	51,212	-	(51,212)
Total restricted revenues	998,359	2,547,752	1,451,869	(1,095,883)
Restricted expenditures:				
Instruction	316,341	328,668	263,113	65,555
Academic support	23,670	72,579	-	72,579
Student services	640,243	2,132,966	1,188,756	944,210
Institutional support	15,842	13,539	-	13,539
Operations and maintenance of plant	2,263	-	-	-
Total restricted expenditures	998,359	2,547,752	1,451,869	1,095,883
Net transfers	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	$ -	$ -	$ -	$ -

See accompanying independent auditors' report

NEW MEXICO JUNIOR COLLEGE

AGENCY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Year ended June 30, 2015

	June 30, 2014	Receipts	Disbursements	June 30, 2015
Athletic Summer School	$ 25	$ -	$ -	$ 25
Baseball Booster Club	4,100	17,812	15,744	6,168
Pam Bickerton Family Scholarship	431	-	431	-
Cheerleaders	1,989	-	-	1,989
Athletic Training	301	-	-	301
Golf Booster Club	20,296	7,983	4,180	24,099
Basketball Tournaments	3,739	-	3,739	-
Men's Basketball	6,711	7,894	10,062	4,543
Women's Cross Country	672	1,023	1,127	568
Rodeo Club	12,095	15,030	6,487	20,638
Women's Basketball	15,037	4,075	7,359	11,752
AMP Club	180	-	-	180
ASSET Student Recognition	1,847	-	340	1,507
Backpacking & Camping	271	-	-	271
Burke Poetry Contest	444	-	-	444
Campus Ambassadors	1,305	442	541	1,206
College Democrats	316	-	-	316
Career Connections/Communications	299	-	-	299
Cosmetology Students	4,157	20,051	13,321	10,887
College Republicans	495	979	1,429	45
Drama Club	5,008	2,241	-	7,249
Emergency Services Law Camp	1,762	-	-	1,762
Faculty Senate	1,162	3,008	3,500	670
Fallen Officers Memorial Fund	-	8,649	2,607	6,042
FFA	3,406	-	-	3,406
Fellowship of Christian Athletes	302	47	231	119
FCA Special Events	108	-	-	108
Ford ASSET Helping Hand	400	-	-	400
Geology Club	605	-	-	605
Healthy Active Lifestyle Challenge	94	-	-	94
GM ASEP Student Recognition	606	-	-	606
Law Enforcement Guest Speakers	876	92	367	601
Moran Lecture Series	9,855	411	4,208	6,058
NJCAA Division I Golf Association	43	-	-	43
NMJC Band Club	4,430	3,722	4,449	3,704
NMJC Sensations	4,623	-	-	4,623
NMJC Social Committee	8,879	4,442	3,489	9,832
Nature Trail Sculptures	6,385	-	-	6,385
NM Education Service Center	26,115	-	-	26,115
Phi Beta Lambda-NMJC	239	-	-	239
MU Alpha Theta	972	4,565	5,030	507
Phi Theta Kappa	4,428	6,958	9,017	2,370
Library Contest	100	-	-	100
Rope Climbing and Rappelling Club	635	-	-	635
Short Go Bible Study	56	500	106	450
Sigma Kappa Delta	100	-	-	100
Student Nurses Association	3	-	-	3
Support and Maintenance Council	1,492	1,145	85	2,552
Thunderbird Booster Club	18	1,109	1,107	21
Talent Search	10	-	-	10
VICA Postsec Automotive	74	-	74	-

See accompanying independent auditors' report

	June 30, 2014	Receipts	Disbursements	June 30, 2015
NMJC Skills USA-High School	$ 3,656	$ 22,441	$ 18,233	$ 7,864
Prepaid Tuition Agreement	26,157	2,345	936	27,565
SBDC Program Services	28,670	9,023	6,466	31,228
Student Support Services-SSS	669	372	372	669
NMJC Research Foundation	8,078	-	-	8,078
Upward Bound	10,748	11,807	11,967	10,588
Western Heritage Donations	11,678	7,674	4,101	15,251
Western Heritage Museum Memorial	788	240	6	1,021
Western Heritage Archaeological	649	340	671	318
Western Heritage Museum	6,165	16,058	6,655	15,568
WHM Special Events	40,435	12,147	31,718	20,864
WHM Centennial	8,615	209	209	8,615
WHM Archaeological Memorial	552	-	-	552
WHM Publications Endowment	93	-	-	93
WHM Mammoth Fund Raiser	1,300	-	-	1,300
WhM Discretionary Fund	320	3,530	3,477	373
WHM Titanic Exhibit	-	9,850	251	9,599
Total agency fund cash	306,070	208,214	184,090	330,193
				-
Accounts Payable	(14,373)	(8,003)	(14,851)	(7,526)
Accounts Receivable	777	500	-	1,277
Due to student organizations	$ 292,474	$ 200,710	$ 169,240	$ 323,944

NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
June 30, 2015

Account Name	Type	Western Commerce Bank	New MexiGROW LGIP	Lea County State Bank
NMJC	Checking	$ 25,050	$ -	$ -
Instructional and general	Checking	-	-	-
Instructional and general	Overnight Repurchase	-	-	-
NMFA program funds	Mutual fund	-	-	-
NMFA debt service reserve	State Treasurer	-	-	-
NMJC money market	Deposit	-	-	32,560
Student loan fund	Checking	-	-	-
Pell federal account	Checking	-	-	393,317
Payroll dep account	Checking	-	-	79,085
Agency account	Time Deposit	-	-	-
NMJC	Short-Term Investment	-	10,593,127	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	Cash Fund	-	-	-
NMJC Foundation	CD	-	-	-
NMJC Foundation	CD	-	-	-
NMJC Foundation	Savings	-	-	-
NMJC Foundation	Checking	-	-	-
Amounts on deposit		25,050	10,593,127	504,962
Outstanding items		-	-	(57,500)
		$ 25,050	$ 10,593,127	$ 447,462

See accompanying independent auditors' report

Schedule II

	Wells Fargo Bank	Total	Component Unit Merrill Lynch	Component Unit Wells Fargo Bank	Component Unit First American	Component Unit Total
	$ -	$ 25,050	$ -	$ -	$ -	$ -
	2,001,201	2,001,201	-	-	-	-
	5,090,591	5,090,591	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	32,560	-	-	-	-
	-	-	-	-	-	-
	-	393,317	-	-	-	-
	-	79,085	-	-	-	-
	329,401	329,401	-	-	-	-
	-	10,593,127	-	-	-	-
	-	-	28,543	-	-	28,543
	-	-	33,822	-	-	33,822
	-	-	15,679	-	-	15,679
	-	-	21,403	-	-	21,403
	-	-	9,952	-	-	9,952
	-	-	140,000	-	189,414	329,414
	-	-	115,000	-	-	115,000
	-	-	-	50,520	-	50,520
	-	-	-	98,295	-	98,295
		-				
	7,421,193	18,544,332	364,399	148,815	189,414	702,628
	(236,547)	(294,047)	-	(9,095)	256	(8,839)
		-				
	$ 7,184,646	18,250,285	$ 364,399	$ 139,720	$ 189,670	693,789
Petty cash		4,236				30
		$ 18,254,521				$ 693,819
Reconciliation to the Financial Statements:						
Cash and cash equivalents		$ 7,331,201				$ 693,819
Short-term investment		10,593,127				-
		17,924,328				693,819
Statement of Fiduciary Assets & Liabilities:						
Cash & cash equivelants		330,193				-
Total deposits and investments		$ 18,254,521				$ 693,819

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NEW MEXICO JUNIOR COLLEGE
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY Schedule III
June 30, 2015

Depository	Description of Pledged Collateral	Fair Market Value June 30, 2015	Name and Location of Safekeeper
Wells Fargo Bank			
	FN AE0216 4.000%		Wells Fargo Bank
	CUSIP #31419AG27	$ 646,209	Minneapolis, MN
	FN-30 AED478		Wells Fargo Bank
	CUSIP #31419AQ83	4,856,610	Minneapolis, MN
	FN AT8418 3.000%		Wells Fargo Bank
	CUSIP #3138WWK81	1,066,634	Minneapolis, MN
Total collateral on repurchase agreement deposits at Wells Fargo Bank		6,569,453	
Lea County State Bank			Lea County State Bank
	Roswell NM 3.45%, Due 8/1/2016	303,596	Hobbs, NM
			Lea County State Bank
	Gasden NM ISD, Due 8/15/2018	1,007,419	Hobbs, NM
			Lea County State Bank
	Los Alamos PSD, Due 8/1/2018	531,725	Hobbs, NM
Total Lea County State Bank		1,842,740	
		$ 8,412,193	

See accompanying independent auditors' report

NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING $60,000 (EXCLUDING GRT)

June 30, 2015

RFB#/ RFP#	Type of Procurement	Awarded Vendor	Amount of Awarded Contract	Amount of Amended Contract
114	Request for proposal	Great Western Dining Service	Various	Various
1070	Invitation to Bid	Daniels Insurance Agency, Inc.	343,735	343,735
1068	Invitation to Bid	Daniels Insurance Agency, Inc.	99,251	99,251
1069	Invitation to Bid	Strong Power Electric, LLC	Various	Various

See independent auditors' report

Name and Address of Responders	In-State/ Out-of-State Vendor	In-State Vendor Who Elected Veteran's Preference	Description of Work
Great Western Dining Service PO Box 699 Tipton, MO 65081-0699	N	N	To provide food services
Daniels Insurance Agency, Inc. PO Box 1258 Hobbs, NM 88241	N	N	To provide commercial insurance
Daniels Insurance Agency, Inc. PO Box 1258 Hobbs, NM 88241	Y	N	To provide worker's compensation insurance
Strong Power Electric, LLC PO Box 1868 Lovington, NM 88260	Y	N	To provide on-call electrical services
Cano P. Automation & Electrical 822 West Avenue A, Lovington, NM 88260	Y	N	
Service Electric Company 3716 Commercial NE, Albuquerque, NM 87107	Y	N	

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

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

We have audited, in accordance with 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, the discretely presented component unit, and the fiduciary fund of New Mexico Junior College (the College), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and related budgetary comparisons of the College presented as supplementary information, and have issued our report thereon dated November 10, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College'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 or significant deficiencies. However, material weaknesses or significant deficiencies 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2015-001, FS 2015-002, FS 2015-003 and FS 2015-004.

College's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting + Consulting Group, LLP

Accounting and Consulting Group, LLP
Albuquerque, NM
November 10, 2015

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

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
New Mexico Junior College Board
New Mexico Junior College
Hobbs, New Mexico

Report on Compliance for Each Major Federal Program

We have audited New Mexico Junior College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

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, 2015.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 that a material weakness in internal control over compliance, yet important enough to merit the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item FA 2015-001, that we consider to be a material weakness.

The College's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 10, 2015

NEW MEXICO JUNIOR COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Schedule V

Year ended June 30, 2015

	Federal CFDA Number	Program or Grantor Number	Federal Expenditures
US Department of Education			
Direct programs:			
Student financial assistance cluster: *			
Federal Pell Grant program (1)	84.063	42310	$ 2,527,174
Federal SEOG program (1)	84.007	42325	29,535
Federal work study program (1)	84.033	42511	30,698
TRIO cluster: *			
TRIO-Student support services (2)	84.042A	41131	264,462
TRIO-Upward bound (2)	84.047A	41133	230,723
US Nuclear Regulatory Commission			
US NRC Scholarships	77.006	41142	43,151
US Department of Labor Employement & Training* Administration			
TAACCCT Grant	17.282	41151	650,420
Passed through New Mexico Public Education Department:			
Adult Basic Education Federal	84.002	41310	83,982
Total US Department of Education			3,860,145
US Small Business Administration			
Passed through New Mexico Public Education Department:			
Small Business Development Center	59.037	41220	151,608
Total expenditures of federal awards			$ 4,011,753

* Tested as major program

() Denotes cluster

Federal Direct loans advanced to students in fiscal year 2015 were not included on this schedule.

See accompanying independent auditors' report

See accompanying notes to the schedule of expenditures of federal awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

NOTE 1 Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until earned.

NOTE 2 The period of availability for federal funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provision in Section H-Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.

NOTE 3 This schedule was prepared on the accrual basis of accounting.

NOTE 4 New Mexico Junior College is not a direct participant in federally funded student loan programs where it enables them to track outstanding balances of the loans.

NOTE 5 Federal Direct loans advanced to students in fiscal year 2015 totaled $728,109.

NOTE 6 New Mexico Junior College did not provide any federal awards to subrecipients during the year.

NOTE 7 New Mexico Junior College did not receive any non-cash federal assistance during the year.

NOTE 8 New Mexico Junior College has no federally funded insurance, and no federally funded loans or loan.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1.	Type of auditors' report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	None noted
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
	c. Noncompliance material to the financial statements?	None noted

Federal Awards:

1.	Internal control over major programs:	
	a. Material weaknesses identified?	Yes
	b. Significant deficiencies identified not considered to be material weaknesses?	None noted
2.	Type of auditors' report issued on compliance for major programs	Unmodified
3.	Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes
3.	Identification of major programs:	

CFDA Numbers	Federal Program
	Student Financial Assistance Cluster
84.063	Federal PELL Grant program
84.007	Federal SEOG program
84.033	Federal Work Study program
84.268	Federal Direct Loans
	TRIO Cluster
84.042A	TRIO-Student Support Services
84.047A	TRIO-Upward Bound
	Trade Adjustment Assistance Community College and Career Training
17.282	TAACCCT Grant

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

B. FINDINGS—FINANCIAL STATEMENT AUDIT

FS 2015-001 Stale Dated Checks - Finding that does not rise to the level of a significant deficiency

Condition: During testwork over the Lea County State Bank instruction and general account, it was noted that there were 87 checks between July of 2013 and June of 2014 that have been outstanding for more than six months, which is the void after date printed on the checks. These checks totaled $14,096.94.

Criteria: Chapter 7 Article 8A, NMSA 1978, and related regulations require that the College provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Effect: The College is in violation of state statutes regarding stale-dated checks. Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Cause: The College did not ensure that there weren't any stale dated checks outstanding at the end of the year.

Auditors' Recommendation: The College should establish a policy to void checks after a certain period of time, not to exceed one year from the date the check was written. Bank reconciliations should be reviewed every month to clear out any old checks.

Views of Responsible Officials and Planned Corrective Actions: The College understands there should be a policy regarding the voiding of checks once the checks have become stale dated. The Accountant/Controller has implemented a new procedure beginning in October 2015. As the Accountant/Controller is reconciling the monthly bank statement, a stale dated check list will be generated and provided to the Accounts Payable Clerk for voiding in the Banner system.

FS 2015-002 Travel and Per Diem - Finding that does not rise to the level of a significant deficiency

Condition: The College does not have adequate internal controls over travel and per diem expenditures. For 2 out of 8 transactions tested for travel and per diem, the College did not have proper signatures by management on the request for travel slip before the travel was taken.

Criteria: Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and department of finance and administration (DFA) regulations.

Effect: The College is at risk of being fined and/or otherwise penalized for not complying with government regulations and the College is reimbursing more travel expense than is allowed.

Cause: The College did not maintain policies and procedures to ensure that documentation is properly reviewed to ensure compliance with State Statutes.

Auditors' Recommendation: We recommend the College review all supporting documentation and retain all documents to ensure compliance with NMAC 6.20.2.24 (c) and 6.20.2.11 (c). The policy should be clear, written, and communicated to all to whom it applies and enforced uniformly.

Views of Responsible Officials and Planned Corrective Actions: The College understands the importance that travel should be thoroughly documented and the proper approvals obtained before a trip is taken. The College's administration has met with the Business Office staff in October 2015 to devise a policy to address this issue. The President emailed all faculty and staff to remind them that all travel must be approved before a trip. The Accounts Receivable Specialist/Head Cashier along with the Accountant/Controller has worked with the Director of Administrative Services to draft a policy in the Business Office Policy and Procedures manual along with the Employee Handbook to address the issue of travel approval occurring before a trip. This policy has been updated and will be brought before the Board of Directors at the December Board Meeting. The Accounts Receivable Specialist/Head Cashier will make sure when travel is reconciled, that the proper documentation has been received.

B. FINDINGS—FINANCIAL STATEMENT AUDIT (Continued)

FS 2015-003 Internal Controls over Payroll – Finding that does not rise to the level of a significant deficiency

Condition: For 1 out of 22 transactions tested for payroll expenditures with federal monies, an employee who received special pay for extra services performed did not have a signed and authorized Appointment/Change of Status form by a Vice President, which is a College policy.

Criteria: Per the New Mexico Junior College 2014-2015 Employee Handbook Policy No. 204 Section II Part B: Personnel requisition forms for employment shall be approved by the appropriate Vice President and the President. These requisitions forms are used for new positions and change of status positions. According to the College's Human Resources department, any special compensation or special pay for extra services must be authorized by a Vice President, President, or the Board depending on the level of the employee. A Vice President authorizes part-time employees.

Effect: The lack of documentation and approved contract could result in excessive or incorrect payments.

Cause: The College did not comply with their own policies and procedures to ensure that payroll transactions are properly reviewed.

Auditor's Recommendation: We recommend that the College review all employee contracts and ensure all required signatures are documented and retained to substantiate wages paid.

Views of Responsible Officials and Planned Corrective Actions: The College understands the importance of proper approvals being obtained for personnel requisitions. Departments are made aware by the Human Resources Office that they must have the appropriate Vice President and President signatures on personnel request forms. This policy is documented in the New Mexico Junior College Employee Handbook Policy No. 204 Section II Part B. Every NMJC employee except student workers is required to acknowledge the NMJC Employee Handbook every time a new handbook is published. When personnel requisitions are processed in the Human Resource Office, the Human Resources and Payroll Specialist and the Human Resources Payroll Technician review to ensure all the appropriate approvals have been obtained.

FINDINGS—FINANCIAL STATEMENT AUDIT (Continued)

FS 2015-004 Controls over the Verification Compliance Requirement – Other Noncompliance

Condition: During testing of verification procedures and documentation in the Student Financial Aid office, it was noted that one student selected for verification had a change in the amount of child support he paid, but this change was not noted in the Banner system. The student originally reported he paid $3,000 in child support but during verification provided documentation that he paid $5,760 in child support. This difference did not affect the amount of aid he was eligible to receive.

Criteria: A school must verify any application information that it has reason to believe is incorrect [34 CFR 668.54(a)(3)] or discrepant [34 CFR 668.16(f)} or selected by the Central Processing System (CPS). Students with these applications are considered to be selected for verification. Per the New Mexico Junior College Financial Aid Office Policies and Procedures Section III Student Eligibility – Verification: "If the student's file is selected for Verification, which means certain information the student reported must be verified for accuracy, thus requiring the student to submit additional documents to the office, the process may take longer since in some cases corrections are necessary after the verification is completed." Schools are required to verify 100% of the applicants selected by the CPS.

Effect: If a student selected for verification submitted information that changed their EFC qualification, the amount of aid the student is eligible for could be altered. Though this student's original submission of child support paid was already at the maximum eligibility and therefore his aid was not affected, if verification changes are not submitted into the College's Banner system, a student could receive less or more aid than they are eligible for.

Cause: The College did not maintain their own policies and procedures to ensure that students selected for verification were verified for accuracy and their information was updated in the Banner system.

Auditor's Recommendation: We recommend that the College review all student verification documents and that a second review be done to ensure the information is accurate and all necessary changes have been made.

Views of Responsible Officials and Planned Corrective Actions: Upon notification of the issue, the Financial Aid Advisor immediately updated the student's FAFSA to reflect the correct child support paid and submitted the correction to the central processing system. A preventative plan was also immediately implemented. To address such an issue going forward, all completed verifications are being reviewed by the Director of Financial Aid before aid is awarded. The Director of Financial Aid has already reviewed all previously completed verification files for the current 1516 school year and will continue to review all completed verification files going forward. The College believes that the review by a second person will prevent future verification finds of this nature.

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FA 2015-001 TRIO Cluster – Performance Reporting - Material Weakness

Federal Program information:

Title:	TRIO Cluster-Student Support Services
Funding Agency:	U.S. Department of Education
Pass Through:	None
CFDA Number:	84.042
Award Year and Number:	P042A100007-14
Questioned Cost:	None

Condition: During our testwork over reporting, we noted the following:

- The participant's eligibility status was improperly reported on 2 of the 40 tested.
- The participant's date of first project service was improperly reported on 1 of the 40 tested.
- The participant's enrollment status at the end of the academic year was improperly reported on 13 of the 40 tested.
- The participant's academic standing was improperly reported on 1 of the 40 tested.
- The participant's cumulative GPA was improperly reported on 3 of the 40 tested.
- The participant's degree/certificate status was improperly reported in 3 of the 40 tested.

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

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

Cause: The program management was not properly reporting the participant's eligibility status, date of first project service, college grade level at entry into the project, enrollment status at the end of the academic year, academic standing, cumulative GPA, and degree/certificate status described in the APR instructions when classifying participants to complete the data entry for the annual performance reporting requirements.

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees that proper reporting is essential in the compliance requirements as required by (OMB No. 1840-0525). The Director of Student Support Services and the Vice President for Student Services will review the Annual Performance Report prior to submission to the U.S. Department of Education. This review process will be implemented with the 2014/2015 Annual Performance Report submission done in November 2015.

D. PRIOR YEAR FINDINGS

FS 2014-001: Internal Control over Fuel Cards – Other Matters
Resolved and not repeated.

FS 2014-002: Formal Presentation of Chief Procurement Officer Information to Central Purchasing – Other Matters. Resolved and not repeated.

FA 2014-001: TRIO Cluster – Payroll Distribution Reports – Material Weakness, Material Non-Compliance
Resolved and not repeated.

FA 2014-002: TRIO Cluster – Unsupported and/or Unallowed Costs – Significant Deficiency and Noncompliance). Resolved and not repeated.

FA 2014-003: TRIO Cluster – Performance Reporting – Significant Deficiency
Resolved and not repeated.

OTHER DISCLOSURES
JUNE 30, 2015

FINANCIAL STATEMENT PREPARATION

The financial statements were prepared from the original books and records and with the assistance of the management of New Mexico Junior College as of June 30, 2015 by Accounting and Consulting Group, LLP. The responsibility for these financial statements remains with the College.

EXIT CONFERENCE

The contents of this report and its schedules related to the component unit were discussed on November 13, 2015. The following persons were in attendance:

Foundation Officials

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

College Officials

Pat Chappelle, Board Chairman
Ron Black, Board Secretary
Dr. Steve McCleery, President
Dan Hardin, Vice-President for Finance
Josh Morgan, Accountant/Comptroller

Accounting & Consulting Group, LLP

Cindy Bryan, Partner
Paul Garcia, Supervisor In-Charge

NEW MEXICO JUNIOR COLLEGE
Vice President for Finance

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

From: Dan Hardin

Date: February 11, 2016

RE: Expenditure and Revenue Reports for January 2016

January is month seven or 58% of the budget for the 2015/2016 fiscal year. The expenditure report represents expenditure totals that include funds expended and encumbered. The total year-to-date funds expended and/or encumbered through the month of January is $26,490,569.00.

The total expenditures for Instruction & General through January are $13,141,785.00, which is 60% of the original budget. The year-to-date expenditures for Total Current Unrestricted Funds are $16,920,368.00. As you review the current unrestricted funds many of these areas have expended a large portion of their budget. These departments expend most of their budgets at the beginning of each semester. The Business Office is required to do a monthly transfer from Instruction and General to Computer Services to cover costs in Computer Services. Some months that credit is greater than the expenses for the month in Internal Services. Student Aid is where the tuition is expensed for the high school students enrolled in the dual credit and the ITV classes; it is also where we expense the employee tuition & fee waivers, and the senior citizen tuition waivers.

In the Restricted Funds the expenditures in the grant area is relatively normal for this time of year. Stacey Wynn, the Grants Accountant is very diligent in monitoring grants expenses and drawing funds down in a timely fashion. Restricted Student Aid always has a large financial aid payout in January. This spring the College began offering students the option of receiving their financial aid thru direct deposit, reloadable debit card, or by check. A large percentage of the students elected to use the direct deposit option, but as the students become more familiar with the process we expect the direct deposit option will be the option of choice. Total restricted funds through January of 2016 are $4,693,435.00.

Plant fund expenditures year-to-date is $4,876,766.00, most of which is the infrastructure project, technology upgrade, campus security, and many small projects.

Total expenditures through January 2016 were $26,490,569.00, which is 56% of the original budget.

Total Current Unrestricted revenue received in January 2016 was $4,649,256.00. This consists of the tuition and fees, the monthly allocation from the state, the Oil and Gas mill levy, property tax mill levy, bookstore and housing revenue. Tuition and Fees collected $585,573.00 in January, the State appropriation for January was $510,799.00, and the College received $1,112,634.00 in Oil and Gas and Oil and Gas equipment tax in January. Property tax mill levy revenue received for January was $2,021,051.00. Auxiliary enterprises had revenue of $377,661.00 in January, mostly coming from the bookstore.

Restricted funds drew in $1,175,314.00 for grants and student aid. Most of the funds were for restricted student aid, as the College awards the financial aid for the Spring semester. There will be additional drawdowns in February.

$2,377 was revenue received from the LGIP as reflected in the Plant funds for January.

Total revenue for January 2016 is $5,826,947.00, with year-to-date revenue of $26,308,151.00, which is 67% of the original budget.

The Oil and Gas report reflects the mill levy revenue from Oil and Gas and Oil and Gas equipment taxes. The total Oil and Gas and Oil and Gas equipment revenue through January of 2016 is $6,673,223.00. In January, the College received $704,218.00 in Oil & Gas mill levy revenue, which is the revenue for the month of October. The College also received $408,416.05 in Oil & Gas equipment mill levy revenue.

The investment report is still showing the $10,593,127.00 in LGIP funds as of the end of January 2016. Also, there are $13,597,018.89 in funds designated for capital projects.

This concludes the Financial Report for January 2016.

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
January 2016

58% of Year Completed

Fund	2014-15 Final Budget	2014-15 Year-to-Date Expended or Encumbered	2014-15 Percentage of Budget Expended	2015-16 Budget	2015-16 Current Expended or Encumbered	2015-16 Expended or Encumbered	2015-16 Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	11,018,956	5,514,940	50%	10,103,380	679,941	5,396,212	53%
Academic Support	2,424,460	1,407,247	58%	2,628,124	204,326	1,587,039	60%
Student Services	2,074,588	1,096,449	53%	1,988,062	142,363	1,132,089	57%
Institutional Support	4,746,075	2,577,553	54%	3,694,568	437,265	2,852,996	77%
Operation & Maintenance of Plant	3,808,548	2,210,842	58%	3,658,460	297,455	2,173,449	59%
Subtotal - Instruction & General	24,072,627	12,807,031	53%	22,072,594	1,761,350	13,141,785	60%
Student Activities	0		0%	0	0		0%
Research	0		0%	0	0		0%
Public Service	0		0%	0	0		0%
Internal Service Departments	150,266	194,211	129%	85,520	(17,247)	173,104	202%
Student Aid	868,551	726,103	84%	668,551	86,342	617,132	92%
Auxiliary Enterprises	1,884,288	1,433,595	76%	1,858,486	401,451	1,919,499	103%
Athletics	1,425,760	978,362	69%	1,157,636	321,386	1,068,848	92%
Total Current Unrestricted Fund	28,401,492	16,139,302	57%	25,842,787	2,553,282	16,920,368	65%
CURRENT RESTRICTED FUND							
Grants	2,496,540	1,085,537	43%	2,055,881	95,519	1,349,233	66%
Student Aid	5,033,468	3,168,210	63%	4,989,673	1,385,285	3,344,202	67%
Total Current Restricted Fund	7,530,008	4,253,747	56%	7,045,554	1,480,804	4,693,435	67%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	8,757,760	2,424,301	28%	8,587,117	121,623	3,121,643	36%
Projects from State GOB Funds	3,050,000	2,566,635	84%	5,000,000		317,875	6%
Projects from State STB Funds	0		0%			553,777	0%
Projects from General Fund	0	11,456	0%	0			0%
Projects from Private Funds	0		0%	0			0%
Projects from State ER&R	332,720	293,492	88%	332,720		90,204	27%
Projects from State BR&R	597,281	305,761	51%	597,281		793,267	133%
Subtotal - Capital and BR&R	12,737,761	5,601,645	44%	14,517,118	121,623	4,876,766	34%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	12,737,761	5,601,645	44%	14,517,118	121,623	4,876,766	34%
GRAND TOTAL EXPENDITURES	48,669,261	25,994,694	53%	47,405,459	4,155,709	26,490,569	56%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
January 2016

58% of Year Completed

Fund	2014-15 Final Budget	2014-15 Year-to-date Revenue	2014-15 Percentage of Budget Received	2015-16 Budget	2015-16 Current Revenue	2015-16 Year-to-date Revenue	2015-16 Percentage of Budget Received
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Tuition and Fees	3,684,200	3,464,106	94%	3,692,200	585,573	3,578,520	97%
State Appropriations	6,047,200	3,697,018	61%	6,129,500	510,799	3,675,505	60%
Advalorem Taxes - Oil and Gas	7,235,000	7,910,784	109%	7,235,000	1,112,634	6,673,223	92%
Advalorem Taxes - Property	6,003,500	2,256,822	38%	6,853,725	2,021,051	4,770,457	70%
Interest Income	5,000	1,530	31%	4,000	28	210	5%
Other Revenues	367,161	203,305	55%	330,105		214,176	65%
Subtotal - Instruction & General	23,342,061	17,533,565	75%	24,244,530	4,230,085	18,912,091	78%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	27,000	5,952	22%	27,000	314	5,287	20%
Auxiliary Enterprises	2,251,000	2,125,295	94%	2,288,000	377,661	2,186,250	96%
Athletics	483,400	286,886	59%	487,200	41,196	285,662	59%
Total Current Unrestricted	26,103,461	19,951,698	76%	27,046,730	4,649,256	21,389,290	79%
CURRENT RESTRICTED FUND							
Grants	1,157,859	1,085,537	94%	2,055,881	171,327	1,443,998	70%
Student Aid	5,033,468	3,168,210	63%	4,989,673	1,003,987	2,758,613	55%
Total Current Restricted	6,191,327	4,253,747	69%	7,045,554	1,175,314	4,202,611	60%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	3,300,000	1,308,375	0%	5,000,000		665,322	0%
Projects from State STB Funds	0		0%	0		40,042	0%
Projects from General Fund	0		0%	0			0%
Projects from Private Funds	0		0%	0			0%
Interest Income (LGIP)	10,000	8,387	84%	10,000	2,377	10,886	109%
Total Plant Funds	3,310,000	1,316,762	40%	5,010,000	2,377	716,250	14%
GRAND TOTAL REVENUES	35,604,788	25,522,207	72%	39,102,284	5,826,947	26,308,151	67%

NEW MEXICO JUNIOR COLLEGE
Oil and Gas Revenue Report
January 2016

58% of Year Completed

Month of		OIL		GAS		COMBINED		
Sales	Distribution	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2015-16 Original Budget	Variance Over (Under) Budget
Actual	July	$45.16	5,898,788	$2.85	17,668,988	720,659	465,000	255,659
Actual	August	$35.51	6,117,230	$2.76	17,591,052	678,487	465,000	213,487
Actual	September	$40.02	6,000,461	$2.81	17,818,034	679,100	465,000	214,100
Actual	October	$40.75	6,059,129	$2.75	18,623,279	704,218	465,000	239,218
Accrual	November					465,000	465,000	0
Accrual	December					465,000	465,000	0
Accrual	January					465,000	465,000	0
Accrual	February						465,000	(465,000)
Accrual	March						465,000	(465,000)
Accrual	April						465,000	(465,000)
Accrual	May						465,000	(465,000)
Accrual	June						465,000	(465,000)
Y.T.D. Production Tax Revenue						4,177,464	5,580,000	(1,402,536)
Y.T.D. Equipment Tax Revenue						2,495,759	1,655,000	840,759
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						6,673,223	7,235,000	(561,777)

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE
Schedule of Investments
January 2016

58% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	10,593,127	7102-1348	0.210%	2,377
Plus deposits	0			
Less withdrawals	0			
Total LGIP investments	10,593,127			2,377

Capital Projects	1/31/2016
Vehicles	0.00
Technology Upgrade	234,745.59
JASI	19,967.69
WHM South Gallery	266,594.43
Baseball Field	23,362.95
Luminis Software	2,993.00
Landscaping	334,587.32
Campus Signage	2,801.67
Roof Replacement	27,382.26
Dorm/Apartment Refurbish	16,194.86
Campus Construction	243,420.92
Oil & Gas Training	161,766.39
Public Sector	9,227.00
Campus Security	83,041.27
Lumens Software-Distance Learng	5,000.00
Copier Replacement	274.00
Non-Recurring Compensation	152,169.10
Athletics	142,991.36
Student Life Programming	20,432.28
Warehouse/Cont Ed Remodel	1,464.99
Succession Plan	84,950.46
Energy Technology Equipment	300,000.00
WHM Exhibits	110,798.78
Mansur Hall Upgrades	51,043.75
Senior Warm Water Wellness Ctr	3,500,000.00
Driving Range Upgrades	200,000.00
Cosmetology Remodel	700,000.00
Entertainment Technology	2,473,868.30
Cafeteria Upgrade	217,063.32
Channel 19 Upgrade	32,719.62
FERPA & Title IX	688.50
Equestrian Center	3,000,000.00
Bob Moran Upgrades	82,459.39
Campus/Hospital Fencing	200,000.00
Turf Replacement	184,175.00
Watson Hall Theater	238,511.90
WHM Titanic Exhibit	0.00
Mary Hagelstein Upgrades	100,000.00
HVAC Software-Central Plant	200,000.00
Infrastructure Upgrade	166,422.90
Cadet Supplement	3,152.04
Workforce Training Contingency	3,747.85
TOTAL	13,598,018.89

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

To: Board Members

From: Dan Hardin

RE: Fiscal Watch Reports

Date: February 11, 2016

Attached for your approval are the Fiscal Watch reports for December 2015 to be submitted to the Higher Education Department by the end of February. The Fiscal Watch forms are changing as the new disclosure requirements are implemented. Cindy, with Accounting and Consulting, will explain the pension liability disclosure (Note 7 of the audit) that impacts the Net Position Statement during the review of the 2015 Audit. The first fiscal watch report is the Statement of Net Position for December 31, 2015. The total current assets consist of Cash and Cash Equivalents in the amount of $8,366,181.00, which represents cash in the vault and balances in the bank. Investments totaling $10,593,127.00 are the funds that we have in the Local Government Investment Pool. Accounts Receivable is the gross receivables less allowance for uncollectible. Accounts Receivables are from students, grants, drawdown from the state for capital projects, third party billing, etc. Inventory is held at the bookstore. An example of a prepaid expense would be a maintenance agreement prepaid for the entire year. Total current assets are $22,393,513.00 Non-Current Assets is the capital assets totaling $73,344,832.00. Total Assets are $95,738,345.00. Deferred Outflows of Resources related to pensions (ERB) Education Retirement Board, include employer contributions and the changes in differences between contributions and proportionate share of contributions. Deferred Outflows $2,402,183.00 plus Total Assets equal the Total Assets and Deferred Outflows of $98,140,528.00.

Current Liabilities begin with Accounts Payable of $12,297.00. Under the Banner system, when an invoice is entered into the system there is a credit posted to Accounts Payable, as checks are cut there is a debit made to Accounts Payable. When Financial Aid memo posts an award to a student there is a debit generated in Accounts Payable, an offsetting credit is made when there is an actual award posted to the student. There is a large amount of activity in and out of Accounts Payable. Accounts Payable also includes Gross Receipts. Other Accrued Liabilities include all of the withholding payables for Federal

Income Tax, State Income Tax, ERA, Health Insurance, gross receipts, and other payroll related withholdings. Total Other Accrued Liabilities as of December 31, 2015 are $529,878.00. Deposits held for others or non-institutional accounts are where we house the funds that belong to the different clubs on campus. Deferred income is normally income for tuition and fees that we receive in the Spring semester for the coming Summer and Fall semesters, which are in a different fiscal year. Currently, Deferred revenue is zero. Other Payables is a combination of salaries payable and accrued vacation payables. The total of other payables is $546,882.00. Total Current Liabilities are $1,383,373.00 as of December 31, 2015. Non-Current Liabilities include Net pension liabilities of $22,591,262.00, this is new reporting also having to do with the pension liability. Total liabilities are $23,974,635.00, this total plus Deferred Inflows that include the net difference between projected and actual earnings on pension plan investments. Total Deferred Inflow of Resources $2,390,168.00 and Liabilities is $26,364,803.00. The Net Assets include Invested in Capital Assets, net of related debt, for a total of $73,344,832.00. Unrestricted net position is (1,569,107) with the Total Net Position as of December 2015 $71,775,725.

The next report is the summary of the original FY 16 budget to actual as of December 2015. These numbers are also taken from the monthly Board report that was presented to the Board at the January Board meeting. Revenues are at the 62% of the budget for the two quarters. Tuition and Fees for the first two quarters total $2,992,947.00 and State Appropriations are at 52% of the budget which is normal. The local appropriation total is $8,309,995, which includes three months of accrual for the Oil & Gas mill levy. The expenditure comparison of budget to actual is also the same as Board reports being presented at the January Board meeting. Encumbrances and seasonal expenditures in Internal Services, Student Aid, and Auxiliary Enterprise account for budget areas being over 50% of their budget. As of December 2015, the College has received interest revenue of $8,509.00 and $665,322.00 in drawdowns from the GOB for Infrastructure in Plant fund revenue and had 1,213,848.00 in transfers. Plant Fund expenditures show the amounts that have been expended and/or encumbered for the capital projects. There are several capital projects in progress at this time.

The next fiscal watch report is the Comparison of Operating and Plant Funds. This report was generated using the same numbers from the Board reports that was presented at the January Board meeting. This report compares the December 2014 current revenues to the December 2015 current revenues. Tuition and Fee revenue is slightly higher as of the end of December 2015 as compared to December 2014. State Appropriations are down in comparison to December of 2014. Local appropriations are currently higher as of December of 2015 as compared to December 2014. Auxiliary Enterprises (Sales & Services) revenue is higher for December 2015 as compared to December of 2014. Total operating revenue through December 2014 was $16,296,656.00 as compared to $16,740,034.00 for December 2015.

Unrestricted Expenditures in December 2014 were $13,674,862.00 as compared to $14,367,086.00 in

December of 2015. The increase in Unrestricted Expenditures from December 2014 to December 2015 is a reflection of the increase in salary expense for FY 16.

The Cash Flow statement represents the activity during the first half of the fiscal year.
Cash flows from operating activities indicates the money coming in from tuition and fees, grants, auxiliary enterprises, and other revenues, then the funds going out for salaries and benefits, payouts to students, and vendors. The net result is that it took $7,137,428 more cash than was brought in. The next section shows the amount of cash from non-capital financing activities. The incoming cash from these activities is $10,324,167.00. The third section is cash from capital financing activities, this shows the revenue from State funding for STB and GOB grants, with funds expended for purchase of capital assets. The total is ($2,160,450.00). Basically, we began the fiscal year with $17,924,328.00 in cash; we ended the first two quarters with $18,959,308.00 in cash for a net increase of $1,034,980.00. This gives you a snap shot of the cash in and out for the first six months of FY 16.

The Higher Education Department added a new Fiscal Watch Report called Quarterly Financial Actions Report. This is a yes or no self-disclosure report that would flag problems that an institution might be having that would not be evident in the financial reports.

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

Respectfully,

Dan Hardin

New Mexico Junior College

Statement of Net Position
(Unaudited and Unadjusted)
As of (December 31, 2015)

Assets		
Current Assets:		
Cash and Cash Equivalents	$	8,366,181
Short-Term Investments		10,593,127
Accounts Receivable, net		2,613,917
Inventories		806,204
Prepaid Expenses		14,084
Total Current Assets	$	22,393,513
Non-Current Assets		
Other Long-Term Investments		
Capital Assets, net		73,344,832
Total Non-Current Assets		73,344,832
Total Assets	**$**	**95,738,345**
Deferred Outflows of Resources		
Bond Refund Loss		
Pension Related		2,402,183
Total Deferred Outflows of Resources		2,402,183
Total assets and deferred outflows	**$**	**98,140,528**
Liabilities		
Current Liabilities		
Accounts Payable	$	12,297
Other Accrued Liabilities		529,878
Deposits Held for Others		294,316
Deferred Income		
Other Payables		546,882
Total Current Liabilities	$	1,383,373
Non-Current Liabilities		
Accrued Interest Payable		
Accrued Benefit Reserves		
Net pension liability		22,591,262
Total Non-Current Liabilities		22,591,262
Total Liabilities	**$**	**23,974,635**
Deferred Inflows of Resources		
Pension Related		2,390,168
Total Deferred Inflows of Resources		
Total liabilities and deferred inflows		26,364,803
Net Position		
Invested in Capital Assets, net of Related Debt	$	73,344,832
Restricted for:		
Non-Expendable:		
Endowments		
Expendable:		
General Activities		
Federal Student Loans		
Term Endowments		
Capital Projects		
Related Entity Activities		
Unrestricted		(1,569,107)
Total Net Position		**71,775,725**
Total liabilities and net position		**98,140,528**

New Mexico Junior College

Summary of Operating and Plant Funds
(Unadjusted and Unaudited)
Fiscal Year 2016

Operating Funds		FY 2016 Original Budget		FY 2016 Revised Budget		FY 2016 Actuals as of December 31, 2015		Percentage Earned/Spent
REVENUES								
Tuition & Misc Fees	$	3,692,200	$	3,692,200	$	2,992,947		81.06%
State Appropriations		6,129,500		6,129,500		3,164,706		51.63%
Local Appropriations		14,088,725		14,088,725		8,309,995		58.98%
Sales & Services		2,288,000		2,288,000		1,808,589		79.05%
Other		$848,305		$848,305		463,797		54.67%
Total Revenue		$27,046,730		$27,046,730		$16,740,034		61.89%
BEGINNING BALANCE		$1,791,735		$1,791,735		$1,791,735		
TOTAL AVAILABLE		$28,838,465		$28,838,465		$18,531,769	$	18,531,768
EXPENDITURES								
Instruction & General	$	22,072,594	$	22,072,594		11,380,435		51.56%
Internal Services		85,520		85,520		190,351		222.58%
Student Aid		668,551		668,551		530,790		79.39%
Auxiliary Enterprises		1,858,486		1,858,486		1,518,048		81.68%
Intercollegiate Athletics		1,157,636		1,157,636		747,462		64.57%
Total Expenditures	$	25,842,787	$	25,842,787		14,367,086		55.59%
Net Transfers		$1,213,848		$1,213,848		$1,213,848		
TOTAL EXPENDITURES & TRANSFERS	$	27,056,635	$	27,056,635		15,580,934		57.59%
ENDING FUND BALANCE		$1,781,830		$1,781,830		$2,950,835		

Plant Funds		FY 2016 Original Budget		FY 2016 Revised Budget		FY 2016 Actuals as of December 31, 2015	Percentage Earned/Spent
REVENUES AND TRANSFERS							
Gifts, Grants and Contracts						-	
Interest Income		10,000		10,000		8,509	85.09%
State Appropriation		5,000,000		5,000,000		665,322	13.31%
Other							
Total Revenues and Transfers	$	5,010,000	$	5,010,000	$	673,831	13.45%
BEGINNING BALANCE	$	11,883,110	$	11,883,110	$	11,883,110	
TOTAL AVAILABLE	$	16,893,110	$	16,893,110	$	12,556,941	74.33%
EXPENDITURES							
Capital Projects		13,587,117		13,587,117		3,871,672	28.50%
BR&R & ER&R		930,001		930,001		883,471	95.00%
Total Expenditures	$	14,517,118	$	14,517,118	$	4,755,143	32.76%
NET TRANSFERS		930,001		930,001		930,001	
Ending Fund Balance		3,305,993		3,305,993		8,731,799	

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New Mexico Junior College

Comparison of Operating and Plant Funds
(Unadjusted and Unaudited)
Fiscal Year 2015 and 2016

Operating Funds		FY 2015 Actuals as of December 31, 2014		FY 2016 Actuals as of December 31, 2015	Percentage Increase (Decrease)
REVENUES					
Tuition & Misc Fees	$	2,971,923	$	2,992,947	0.7%
State Appropriations		3,198,529		3,164,706	-1.1%
Local Appropriations		7,926,063		8,309,995	4.8%
Sales & Services		1,765,472		1,808,589	2.4%
Other		434,669		463,797	6.7%
Total Revenue	$	16,296,656	$	16,740,034	2.7%
BEGINNING BALANCE	$	1,801,153		$1,791,735	-0.5%
TOTAL AVAILABLE	$	18,097,809	$	18,531,769	2.4%
EXPENDITURES					
Instruction & General		11,029,255		11,380,435	3.2%
Internal Services		200,729		190,351	-5.2%
Student Aid		621,159		530,790	-14.5%
Auxiliary Enterprises		1,139,322		1,518,048	33.2%
Intercollegiate Athletics		684,397		747,462	9.2%
Total Expenditures		13,674,862	$	14,367,086	5.1%
Net Transfers		1,206,001		$1,213,848	0.7%
TOTAL EXPENDITURES & TRANSFERS	$	14,880,863	$	15,580,934	4.7%
ENDING FUND BALANCE	$	3,216,946	$	2,950,835	-8.3%

Plant Funds		FY 2015 Actuals as of December 31, 2014		FY 2016 Actuals as of December 31, 2015	Percentage Increase (Decrease)
REVENUES AND TRANSFERS					
Interest Income		7,061		8,509	20.5%
State Appropriation		1,072,736		665,322	-38.0%
Other					
Total Revenues and Transfers	$	1,079,797	$	673,831	-37.6%
BEGINNING BALANCE	$	9,897,907	$	11,883,110	20.1%
TOTAL AVAILABLE	$	10,977,704	$	12,556,941	14.4%
EXPENDITURES					
Capital Projects		4,807,974		3,871,672	-19.5%
BR&R and ER&R		554,703		883,471	59.3%
Total Expenditures	$	5,362,677	$	4,755,143	-11.3%
NET TRANSFERS		1,206,001		930,001	-22.9%
TOTAL EXPENDITURES AND TRANSFERS	$	6,568,678	$	5,685,144	-13.5%
ENDING FUND BALANCE		6,821,028	$	6,197,966	-9.1%

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

New Mexico Junior College

Cash Flow Statement

(Unaudited and Unadjusted)

As of December 31, 2015

Cash Flows from Operating Activities		
Receipts from student tuition and fees	$	2,992,947
Receipts from grants and contracts		3,027,297
Other receipts		
Payments to or on behalf of employees		(9,340,914)
Payment to suppliers for goods and services		(4,760,643)
Receipts from Sales and Services		1,808,589
Payments for scholarships		(1,084,035)
Other Operating Revenue		219,331
Net cash (used) by operating activities	$	(7,137,428)
Cash Flows from Non-Captial Financing Activities		
State Appropriations	$	3,409,172
Mill Levy Taxes	$	6,914,995
Other Non-operating Expense		
Net Cash provided (used) for non-capital financing activities	$	10,324,167
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt		
Capital Gifts, Grants and contracts		665,322
Purchase/Construction/Renovation of Capital Assets		(2,825,772)
Principal Received/Paid on Capiutal Debt and Leases		
Interest and Fees Paid on Capital Debt and Leases		
Building Fees Received from Students		
Net Cash provided (used) for capital financing activities	$	(2,160,450)
Cash Flows from Investing Activities		
Investment Earnings	$	8,691
Net Cash provided by Investing Activities	$	8,691
Increase (Decrease) in Cash and Cash Equivalents	$	1,034,980
Cash and Cash Equivalents- beginning of year		17,924,328
Cash and Cash Equivalents- end of reporting period	$	18,959,308

QUARTERLY FINANCIAL ACTIONS REPORT

Fiscal Year__16_____   Today's Date:___2 18 2016__

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 the original fiscal year budget, experience any significant actual or anticipated financial changes that are not reflected in a submitted Budget Adjustment Request (BAR). Significant financial changes refers to fiscal activity that will result in a substantially reduced year-end fund balance or any increase in a fund balance deficit.
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 JUNIOR COLLEGE

Vice President for Finance

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

To: NMJC Board Members

From: Dan Hardin

RE: Cash Management & Investments

Date: 2 11 2016

New Mexico Junior College Board Members,

Dr. McCleery suggested that the current NMJC Board Policy concerning Cash Management be reviewed along with possible changes in investment strategies. The four pages of the Board Policy are attached with this memo.

Per Board member Blacks suggestion, we approached several local banks about Certificates of Deposit. The CD rates at the local banks are running .35 to .57% on a $250,000.00 investment no longer than one year. FDIC insurance is $250,000.00. Board member Gomez also suggested that we look into Treasury Bills. Josh Morgan contacted a local bank that would assist in purchasing and safekeeping Treasury Bills. Treasury Bills are currently running at .54%, but there are fees associated with Treasury Bills. The bank suggested CDARS as a viable alternative to placing multiple CDs or purchasing Treasury Bills. CDARS are designed for entities such as the College to place larger sums of funds and have the full FDIC insurance coverage. Attached is the information about CDARS that you may find attractive. The current rate on CDARS is .65 for one year.

One point that we would like to suggest is that if possible, the College has several millions of dollars committed for projects that have not started. Having access to liquid funds is always a consideration. We would like to wait until we see what the Legislature is going to do with the FY 17 funding and also we are asking if we could be given time to see if we can get a better feel for the impact that falling oil prices are going to have on the Oil and Gas Mill Levy revenue. We know that the revenue is going to be falling, but with the current production we do not have a real sense of where that bottom is going to end up. Your guidance is greatly appreciated.

Respectfully,

Dan Hardin

Dan Hardin

I. Safekeeping

Members of the faculty, staff or student body who receive college monies (i.e., cash, checks, credit card payments, money orders and other negotiable instruments) shall be responsible for its collection, safekeeping, deposit and for the safety of employees who handle the monies.

II. Investment Statement

A. Cash and investment efforts shall be directed in a manner which provides optimal return on deposits given appropriate consideration to safety and liquidity. Primary significance shall be given to the preservation of capital and secondary importance to the generation of income and capital gains.

B. The Vice President for Finance shall have the authority and responsibility to administer the cash and investment management function in accordance with Chapter 6, Article 10, New Mexico Statute 6.10.10 and this policy. The Vice President for Finance and the President of the Board shall be signatories on all accounts.

III. Funds Needed for Operations and Debt Service

A. These funds shall be deposited in a pool of interest bearing accounts, one for deposits and transfer needs, another for disbursements, (i.e., payroll and payables) and another for refunding excess funds on deposit at the College for students. The funds shall be deposited in a federally insured bank designated as checking depositories in Lea County.

B. These checking accounts shall be reviewed every three (3) years in accordance with the New Mexico procurement rules.

IV. Funds Not Required for Immediate Operations

These funds shall be used to purchase:

A. U.S. government obligations with a maturity of not more than one (1) year.

B. All investment securities other than local financial institution certificates of deposit purchased by the College shall be held in third-party safekeeping by an institution acceptable to the College. The safekeeping institution shall issue a safekeeping receipt to the College listing the specific instrument, rate amount, maturity date, instrument number, term and other pertinent information.

C. Certificates of deposit of federally insured banks in Lea County. Classification for collateralization of certificate of deposits shall be based on information from the most recent published quarterly call report of the investment institution.

1. The following ratios shall determine the level of collateralization required for a fifty percent level:
    a. A primary capital to asset ratio (as defined by the Federal Deposit Insurance Corporation (FDIC) of six percent or greater.
    b. A net income (current quarter plus previous three quarters after taxes) to average asset ratio of .61 percent or greater.
    c. A ratio of non-performing loans (defined as loans which are at least ninety (90) days past due) to primary capital ratio of 34.9 percent or less.
2. For a seventy-five percent level of collateralization:
    a. A primary capital to asset ratio of at least five percent.
    b. A net income (current quarter plus previous three quarters after taxes) to average asset ratio of at least .51 percent.
    c. A ratio of non-performing loans (defined as loans which are at least ninety (90) days past due) to primary capital of greater than 49.9 percent.

3. For a one hundred percent level of collateralization.
   a. A primary capital to asset ratio (as defined by the FDIC) of less than five percent.
   b. A net income (current quarter plus previous three quarters after taxes) to average asset ratio less than .51 percent.
   c. A ratio of non-performing loans (defined as loans which are at least ninety (90) days past due) to the bank's primary capital of no more than 49.9 percent.

D. Certificates of deposit from an insured savings and loan association shall be supported with one hundred twenty-five percent collateralization.

E. Other Investment Criteria
   1. All eligible financial institutions shall be given an opportunity to bid for proposed purchase of certificates of deposits.
   2. Those banks and savings and loans being chartered as state institutions with a principal office located in Lea County shall be given an advantage equal to one-half percent of the annual interest rate.
   3. In order to provide an opportunity for all eligible financial institutions in Lea County to participate in the college investment program, a one-half of one percent margin of interest rate shall be allowed when determining which bank shall receive the investment funds.
   4. The margin shall only be applied when the eligible financial institution offering the highest interest rate already has a majority of the college investment pool. This margin shall be offered only for an equitable distribution of funds and is not a mandatory application.
   5. No such deposits shall be made with financial institutions bidding less than one hundred percent of the asked price on U.S. treasury bills of the same maturity date on the day of deposit.
   6. Deposits with any one financial institution shall not exceed twenty-five percent of its equity capital as indicated on the most recently published quarterly call report.

V. Accountability

Status of cash deposits shall be reported at each regular meeting of the College Board. The report shall include the name of the financial institution, the type of investment, the interest rate, the maturity date and the amount of the investment.

CDARS® offers multiple benefits to depositors who want to combine the security of access to FDIC insurance with the convenience of working directly with just one financial institution.

Peace of Mind

Using the CDARS service, you can access multi-million-dollar FDIC insurance on CD investments.[1]

One Relationship

You work directly with a local CDARS Network member – a financial institution you know and trust.

One Rate

You negotiate one interest rate per maturity on CD investments placed through CDARS. There is no need to negotiate multiple rates per maturity or tally disbursements manually for each CD.

One Statement

There is no need to manually consolidate statements. You receive one easy-to-read statement detailing all of your CD holdings.

No Hidden Fees

You will not be charged annual fees, subscription fees, or transaction fees for using CDARS. The rate you see is the rate you get.

No Ongoing Collateralization

Because CDARS deposits are eligible for FDIC protection, you may not need to collateralize your deposits. This can eliminate the time-consuming task of tracking changing collateral values on a recurring basis.[2]

A Wide Variety of Maturities

You can select from various maturities – ranging from 4 weeks to 260 weeks (5 years) – and choose the terms that best suit your investment needs.

Community Investment

Your funds can support lending initiatives that strengthen your local community.[3] See CDARS for Socially Responsible Investors.

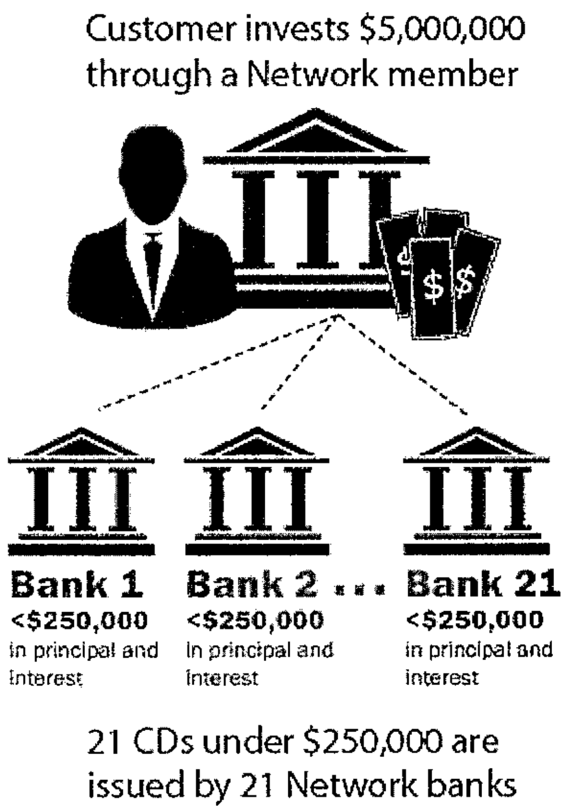
[1] Limits apply. Funds may be submitted for placement only after a depositor enters into a CDARS Deposit Placement Agreement with a CDARS participating institution. This agreement contains important information and conditions regarding the placement of funds.

[2] If a depositor is subject to restrictions with respect to the placement of funds in depository institutions, it is the responsibility of the depositor to determine whether the placement of the depositor's funds through CDARS, or a particular CDARS transaction, satisfies those restrictions.

[3] When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the CDARS Network, the relationship institution can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, the relationship institution may choose to receive fee income instead of deposits from other participating institutions. Under these circumstances, deposited funds would not be available for local lending.

Find CDARS

CDARS



View this short video to learn more about CDARS.

How CDARS Works

Everything is handled through a CDARS® Network member of your choice. The thousands of financial institutions that can offer CDARS are members of a unique network. When you place a large deposit with a CDARS Network member, that institution uses the CDARS service to place your funds into CDs issued by other members of the CDARS Network.

This occurs in increments below the standard FDIC insurance maximum ($250,000) so that both principal and interest are eligible for FDIC insurance. By working directly with just one institution, you can receive coverage from many. And, you receive just one regular, consolidated account statement.

When you're ready to take advantage of CDARS, here's what happens:

1. You sign a CDARS Deposit Placement Agreement and a custodial agreement, and then invest money with a member of the CDARS Network (a relationship institution).
2. Your funds are placed using the CDARS service.
3. Your CDs are issued by other members in the CDARS Network.
4. You receive confirmation of your CDs from your relationship institution.
5. You receive consolidated interest payments and statements through your relationship institution.

For general information, please check our FAQs page.

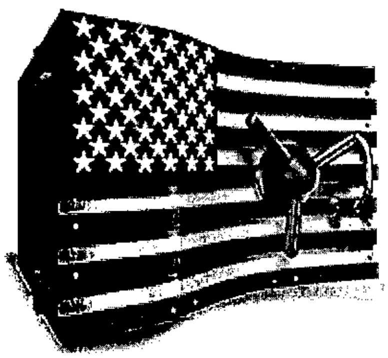
The CDARS service has been designed to satisfy the FDIC's requirements for pass-through deposit insurance coverage.

If a depositor is subject to restrictions with respect to the placement of funds in depository institutions, it is the depositor's responsibility to determine whether the placement of its funds through CDARS satisfies those restrictions.

When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the CDARS Network, the relationship institution can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, the relationship institution may choose to receive fee income instead of deposits from other participating institutions. Under these circumstances, deposited funds would not be available for local lending.

Find CDARS

CDARS



CDARS for Public Funds

As a manager of public funds, your daily efforts work to protect funds for schools, fire and police departments, public hospitals, roads, public utilities, and other public entities. It may not always make headlines, but it does come with challenges. Through CDARS®, you can access multi-million-dollar FDIC insurance on CD investments, making it easier than ever to earn CD-level returns (that often compare favorably to Treasuries) while protecting the public's vital resources.

View this short video to learn how public fund managers can benefit from CDARS and the ICS service.

CDARS

Frequently Asked Questions

Where can I find a list of rates for CDs offered through CDARS®?

Financial institutions that are members of the CDARS Network set the CD rates they offer. This allows them to price competitively for their local markets – and can benefit you, the customer, as a result. Check with your financial institution to see if it participates in the CDARS service, or visit Find CDARS to find a local institution that offers the CDARS service. Depositors of public funds wanting to use the CDARS service can find information on the CDARS for Public Funds page.

How can deposits greater than the standard FDIC insurance maximum be insured by the FDIC?

The standard FDIC insurance maximum is $250,000 per insured capacity, per bank. So, you can run around to multiple institutions to deposit your funds to receive the same coverage you can access through a single relationship using CDARS. When you place your large-dollar deposit with an institution that is a member of the CDARS Network, your deposit is divided into smaller amounts and placed with other CDARS Network members – each an FDIC-insured institution. Then, those member institutions issue CDs in amounts under $250,000, so that your deposit is eligible for FDIC insurance at each member bank. By working directly with one Network member, you can receive insurance through many.

Who has custody of my funds?

Funds placed through CDARS are deposited only in FDIC-insured banks. Your financial institution acts as custodian for your CDARS deposits, and the subcustodian for CDARS deposits is The Bank of New York Mellon (BNY Mellon), the largest custodian in the world with $28.6 trillion in assets under custody and/or administration and $1.7 trillion in assets under management.[1]

Unique to CDARS, you as a depositor can obtain a confirmation of records maintained by BNY Mellon as subcustodian in order to reconcile those records with the statements received from your financial institution. At any time, as often as desired, you as a depositor can obtain a certified statement from BNY Mellon that confirms the exact amount of your CDs, including principal balance and accrued interest, for each FDIC-insured institution that issues a CD through CDARS.

You can submit a request for the certified statement, along with BNY Mellon's processing fee, through your financial institution. BNY Mellon will send the certified statement directly to you or to another party designated by you, such as an auditor.

Who provides the additional FDIC insurance when I place deposits using CDARS?

The CDARS Network members that issue your CDs through CDARS provide you with access to the additional FDIC insurance coverage. Working directly with just one financial institution, you get coverage through many.

How can my funds be used locally if my CDs are from financial institutions all over the country?

When CDARS Network members swap deposits on a dollar-for-dollar basis, the same amount of funds placed through the Network returns to your financial institution. As a result, the total amount of your original deposit can remain with your financial institution and be used for local lending. (CDARS® Reciprocal℠ transactions only.)

Is my account information safe?

Your account information is protected; your relationship remains between you and your financial institution.

What happens when a CDARS Network member bank fails?

Most of the banks that have failed in the United States in recent years were not CDARS Network members or did not hold any CDARS deposits when they failed. When a Network member has failed, the bank's CDs issued using CDARS in most cases have been transferred to a healthy institution – the FDIC's preferred method for handling bank failures. In cases where the FDIC has been unable to find a healthy institution willing to accept such a transfer, it has arranged for the payment of the insured principal and accrued interest to the depositors. This payment has usually occurred in a matter of days.

Please go to http://www.fdic.gov/deposit/index.html to learn more about FDIC insurance.

[1] As reported by BNY Mellon in June 30, 2015. Please see https://www.bnymellon.com/us/en/who-we-are/index.jsp for details.

Find CDARS

NEW MEXICO JUNIOR COLLEGE
Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows: Date January 28, 2016

Candidate's name Sarah P. Rollings

Position title Admission Specialist

☐ 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 *February 22, 2016 Standard contract length ☒ 12 mos. ☐ 9 mos. ☐ other

Funding source Enrollment Management/Recruiting

Paid advertising beyond *standard HighEdJobs.com
(*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 $32,247 to $48,371 Recommended annual salary $33,881 Prorated salary ☒ yes ☐ no

Account number(s) with respective % allocation(s) 11000 3042 61301 125

Recommended and approved by:

Supervisor

Michele Clingman
Dean/Director

Vice President

Steve McCleery
President

Selection Committee Members:
Dr. Michele Clingman – Dean of Enrollment Management
Dr. Steve Hill – Acting Dean of Distance Learning & Professional Studies
Natalia De Jesus – Admission Specialist
Aaron Prebenda – Coordinator of Learning Assistance Center
Nadia Leslie – Professor of Physical Education/Athletic Trainer

Comments: Ms. Rollings, with a Bachelor's degree in History and one year of experience meets and/or exceeds the minimum requirements for this position.

*Pending Background Check

rev. 6-28-01

ABBREVIATED RESUME

Position

Admission Specialist

Personal Data

Name: Sarah P. Rollings

Education

B.S., Eastern New Mexico University, Portales, NM, 2014
Major: History
Minor: Business

A.A., Eastern New Mexico University, Portales, NM, 2013
Major: General Studies

Professional Experience

Pioneer Bank, Hobbs, NM
Teller 06/2015 to present

The Papers of Abraham Lincoln, Springfield, IL
Intern 01/2015 to 04/2015

Philmont Scout Ranch: Philmont Museum & Seton Memorial Library, Cimarron, NM
Archivist 09/2014 to 10/2014

Philmont Scout Ranch: Villa Philmont, Cimarron, NM
Tour Guide 05/2014 to 08/2014

Eastern New Mexico University, Portales, NM
Roosevelt County Museum Student Worker 12/2013 to 05/2014
Language and Literature Department MediaSite Technician 09/2012 to 05/2014
History Department Student Worker/Receptionist 01/2013 to 2/2013

Santa Fe Trail Museum, Springer, NM
Public Relations/Museum Educator 05/2013 to 08/2013

New Mexico Junior College Career Opportunities

Position Announcement • **December 2015**

Position Title: Admission Specialist

Position Description: The position reports to the Dean of Enrollment Management or his/her designee. Duties and responsibilities shall be, but are not limited to, the following: (1) Develops recruitment strategies to include a schedule of events to market college programs; coordinates college-wide recruitment activities and programs with high schools, local businesses, government agencies, and organizations to conduct visits and present briefings to prospective students; organizes presentations for schools and job/college fairs regarding the institution, programs, and any known employment/training opportunity; (2) Maintains responsibility for general office operations, budget, database management, as well as some lead work responsibility for assigned staff; develops, conducts, tracks, and reports recruiting follow-up activities; develops and maintains a strong network of contacts (e.g., high school counselors, instructors, and students) to help identify prospective students; co-sponsors the Campus Ambassadors program; (3) Participates in student orientation programs; creates slide presentations; conducts campus tours and arranges for presenters; assists or works with campus Marketing in the development of recruiting materials such as hard copy ad/or electronic brochures promoting programs and opportunities; confers with college personnel to learn about programs and related job/training opportunities in order to target and motivate prospective students; maintains general knowledge of competitive practices in various program disciplines, including compensation, qualifications, and recommended recruiting strategies; and identifies/develops and utilizes internet online recruiting resources to help prospective students; (4) Develops and maintains a system for tracking correspondence and records for all admissions-related activities; coordinates with faculty in on- and off- campus recruiting events and activities; forwards prospective student information to appropriate faculty members for additional contact; coordinates recruiting efforts with appropriate staff in various departments across campus; travels as assigned to meet recruiting needs of the College; (5) Responds to questions, interprets and implements policies, procedures and processes and resolves issues pertaining to admissions and to the recruitment process; (6) May assist with registration; (7) May serve on various campus committees as assigned; (8) Performs other duties as assigned or required; (9) Travel as assigned to meet recruiting needs; (10) Participate in a process of continual personal and professional improvement; (11) Actively participate in the institutional goals and objectives designed to support the mission of the college; and (12) 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. All degrees must be from a regionally accredited institution. Excellent verbal Bachelor's degree required. All degrees must be from a regionally accredited institution. Excellent verbal and written skills required. Skills at making presentations to groups; strong desire to work with prospective college students required. Prior college experience in recruiting or admission preferred. Knowledge of Banner preferred. Must maintain a valid driver's license and be able to travel. Bilingual with proficiency in Spanish preferred.

Salary/Benefits: This is a twelve-month professional position. Salary range is $32,247 to $48,371. The salary and benefits are commensurate with experience and qualifications.

Application Deadline: Open until filled. To ensure consideration, all application materials must be received as soon as possible.

To Apply: Submit NMJC application on line at www.nmjc.edu (under employment opportunities), letter of application (cover letter), resume, unofficial transcripts for all degrees listed on resume (official transcripts required prior to employment), and three references with current addresses and telephone numbers.

For information concerning employment, please contact the Human Resources Office at (575) 492-2791. For information concerning Section 504 accessibility, contact the Special Needs Coordinator in the Counseling Department at (575) 492-2576.

"Equal Opportunity Education and Employment"

NEW MEXICO JUNIOR COLLEGE
Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows: Date February 3, 2016

Candidate's name Terrence B. Rasco

Position title Instructional Technology Specialist

☐ 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 * February 20, 2016 Standard contract length ☒ 12 mos. ☐ 9 mos. ☐ other

Funding source Institutional

Paid advertising beyond *standard HigherEdJobs.com
(*Standard: The Hobbs News-Sun, Direct Mail to approximately 40 colleges in a 5-state region, NM Dept. of Labor, NMJC Website, KLMA Radio & Lubbock TX Workforce Development Website)

Posted salary range $37,397 to 56,095 Recommended annual salary $41,622 Prorated salary ☒ yes ☐ no

Account number(s) with respective % allocation(s) 11000 2003 61301 101 100%

Recommended and approved by:

Steven Blandin
Supervisor

Steve Hill
Dean/Director

Travis G. Atherton
Vice President

Steve McCleery
President

Selection Committee Members: Dr. Steve Hill – Acting Dean of Distance Learning and Professional Studies

Charles Adams – Canvas Administrator

Steven Blandin – Director of Instructional Technology - Chairperson

Sherhil Alcos – Distance Learning Instructional Designer

George Garcia – Database Administrator/Programmer Analyst

Michelle Echeverria – Administrative Assistant – Distance Learning and Professional Studies

Comments: Mr. Rasco, with a B.S. degree in Computer Science and almost five years of experience meets and/or exceeds the minimum requirements for this position.

***pending background check**

rev. 6-28-01

ABBREVIATED RESUME

Position

Instructional Technology Specialist

Personal Data

Name: Terrence B. Rasco

Education

B.S., Eastern New Mexico University, Portales, NM, 2008
Major: Computer Science
Minor: Art

Professional Experience

Halliburton Energy Services, Hobbs, NM 08/2011 to 11/2015
Senior Lab Technician /Alternate Lab Manager

Towne Crier, Inc., Clovis, NM 02/2008 to 08/2011
Low Voltage Electrician

New Mexico Junior College
Career Opportunities

Position Announcement • December 2015

Position Title: Instructional Technology Specialist

Position Description: The Instructional Technology Specialist shall be responsible to the Director of Instructional Technology, and is a member of the Distance Learning Department. The Instructional Technology Specialist position provides support for classroom and distance learning technology. The Instructional Technology Specialist will primarily assist in the support and maintenance of the Lea County Distance Education Consortium iTV System. Due to required frequent travel throughout Lea County, a valid driver's license and insurable driving record is required. Duties and responsibilities shall be, but are not limited to, the following: 1) Regularly test and troubleshoot functionality of video conferencing and iTV systems; 2) Provide faculty and monitor training for the technical usage of the iTV, video conferencing, Smart Classroom systems, and other distance learning related technologies; 3) Maintain iTV and video conference classrooms; 4) Support the delivery of iTV classes; 5) Schedule and coordinate video conferences involving NMJC; 6) Provide after-hours support for distance learning technologies; 7) Support the NMJC video network, including but not limited to the connections to area high schools for the purpose of video conferencing; 8) Document iTV issues and failures; 9) Provide both on-site and remote support for the day-to-day operations of the iTV system; 10) Maintain and track video conferencing and iTV related inventory and ensure proper working order of all equipment; 11) Arrange technical setup for video conference meetings; 12) Installation/moving portable video conference systems; 13) Coordinate with internal and external customers to schedule video conferences; 14) Coordinate with external vendors and support as needed; 15) Ensure that scheduled video conference connections are established; 16) Create and modify user documentation; 17) Answer basic level video conference equipment / systems related questions; 18) Ability to troubleshoot issues over the phone; 19) Any other duties assigned by the Director or Dean to further the mission of the Distance Learning Department or New Mexico Junior College; 20) Participate in a process of continual personal and professional improvement; 21) Actively participate in the institutional goals and objectives designed to support the mission of the college; 22) Serve on college committees as assigned; and, 23) 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: Associate's degree or higher in a technology related field preferred, but will consider experience in the areas of video conferencing, audio/visual equipment, and/or computer networking in lieu of a degree. Technical certificates focusing on careers in the audio/visual industry such as Certified Technology Specialist (CTS) preferred, but not required. All degrees must be from a regionally accredited institution. Training and/or knowledge in maintaining and using classroom technology to fully support the wide range of ever-changing multimedia technologies available for classroom (including data projectors, control panels, etc.) and distance learning instruction. Demonstrated knowledge of instructional technology. Demonstrated abilities in the following areas — Microsoft Office, Microsoft Operating Systems such as Windows 7, 8, and 10, Server 2008, systems administration in a domain environment, Canvas or other learning management platform, networking, and videoconferencing (including H.323 and H.320 networks). Cisco router programming and configuration experience is strongly preferred. AMX or Crestron controls programming preferred, but not required. Strong skills in building and maintaining good working relationships with college and high school faculty and staff are required. Quickly troubleshoot and repair or replace distance learning equipment. Ability to work independently with minimal supervision. Ability to read and translate technical documentation into user-friendly documentation. Ability and willingness to support and collaborate with others. Effective verbal and written communication competence. Valid driver's license is required. Frequent travel throughout Lea County is required. Must be willing and able to attend regional and/or national conferences or training as described by Director. Must be committed to excellence and promoting success through learning.

Salary/Benefits: This is a twelve-month position. Salary range is $37,397 to $56,095. The salary and benefits are competitive and commensurate with experience and qualifications.

Application Deadline: Open until filled. To ensure consideration, all application materials must be received as soon as possible.

To Apply: Submit NMJC application form on line at www.nmjc.edu (under Employment Opportunities) and attach the following: a letter of application (cover letter), your resume, unofficial transcripts for all degrees listed on resume (official transcripts required prior to employment), and three references with current addresses and phone numbers.

Human Resources, New Mexico Junior College, 1 Thunderbird Circle, Hobbs, NM 88240

New Mexico Junior College is an Equal Opportunity Affirmative Action Employer and does not discriminate in its educational and employment policies and procedures with regard to race, color, religion, sex, sexual orientation, national origin, age, disability, genetic information, or veteran status. Qualified minority applicants are encouraged to apply.

For information concerning employment, please contact the Human Resources Office at (575) 492-2791. For information concerning Section 504 accessibility, contact the Special Needs Coordinator in the Counseling Department at (575) 492-2576.