

NEW MEXICO JUNIOR COLLEGE  
BOARD MEETING

Thursday, March 12, 2026  
Zia Board Room - Pannell Library  
1:30 pm

AGENDA

- |                                                                                                                                                                                                                                     |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| A. Welcome                                                                                                                                                                                                                          | Travis Glenn                         |
| B. Adoption of Agenda                                                                                                                                                                                                               | Travis Glenn                         |
| C. Approval of Minutes of February 19, 2026                                                                                                                                                                                         | Travis Glenn                         |
| D. President's Report                                                                                                                                                                                                               | Cathy Mitchell                       |
| E. Information Items                                                                                                                                                                                                                |                                      |
| 1. Retirement Resolution                                                                                                                                                                                                            | Cathy Mitchell                       |
| 2. Board Finance Committee Meeting Update                                                                                                                                                                                           | Guy Kesner                           |
| 3. Facilities Master Plan Update                                                                                                                                                                                                    | Josh Morgan<br>Dekker Architects     |
| 4. Monthly Expenditure Report                                                                                                                                                                                                       | Josh Morgan                          |
| 5. Monthly Revenue Report                                                                                                                                                                                                           | Josh Morgan                          |
| 6. Oil and Gas Revenue Report                                                                                                                                                                                                       | Josh Morgan                          |
| 7. Schedule of Investments                                                                                                                                                                                                          | Josh Morgan                          |
| F. New Business                                                                                                                                                                                                                     |                                      |
| 1. Fiscal Year June 30, 2025 Audit Report                                                                                                                                                                                           | Carr Riggs & Ingram                  |
| 2. Consideration of NMJC Board Travel to ACCT Leadership Conference from October 21 - 24, 2026 in Chicago, IL                                                                                                                       | Travis Glenn                         |
| 3. Consideration of the AAS in Equine Studies - Equine Industry & Training                                                                                                                                                          | Shanna LaCount<br>Stephanie Ferguson |
| G. Public Comments                                                                                                                                                                                                                  |                                      |
| H. Determination of Next Meeting                                                                                                                                                                                                    | Travis Glenn                         |
| I. Closure of Open Meeting                                                                                                                                                                                                          |                                      |
| • Discussion of Limited Personnel Matters Pursuant to NMSA 1978 §10-15-1 H(2) concerning the annual review of the Interim President, the possible annual review of the Interim President's Contract, and the NMJC President Search. |                                      |
| J. New Business (Continued)                                                                                                                                                                                                         |                                      |
| 4. Consideration to take action, if any, on closed session items.                                                                                                                                                                   | Travis Glenn                         |
| K. Adjournment                                                                                                                                                                                                                      | Travis Glenn                         |

**NEW MEXICO JUNIOR COLLEGE  
BOARD MEETING  
FEBRUARY 19, 2026  
MINUTES**

The New Mexico Junior College Board met on Thursday, February 19, 2026, beginning at 1:30 p.m. in the Pannell Library, Zia Board Room. Mr. Travis Glenn, Board Chair; Mr. Hector Baeza, Secretary; Ms. Evelyn Rising; Mr. David Rowser; Mr. Manny Gomez; Mr. Guy Kesner; and Mrs. Erica Jones were present.

Mr. Glenn welcomed guests and called the meeting to order.

Upon a motion made by Ms. Rising, seconded by Mr. Gomez, the Board unanimously adopted the agenda. Upon a recommendation by Mr. Kesner, action item #5, Consideration of Re-Appointment of Cathy Mitchell, NMJC President, to the New Horizons Foundation Board, was moved to action item #1 on the agenda.

Upon a motion by Mr. Gomez, seconded by Ms. Rising, the Board unanimously approved the minutes of January 15, 2026.

***Under President's Report*** Mr. Will Thompson provided an Employees Report for new employees, resignations and retirements. In addition, Mr. Thompson reported NMJC currently has 10 open positions.

Dr. William Brown provided an HLC Accreditation Visit update. The detailed report was from the HLC visit conducted on February 9-10, 2026. Dr. Brown reported there were four peer reviewers on campus from HLC and noted the visit included meetings with the President, the Executive Cabinet Team, NMJC Board Members, faculty, staff, administrators, students, and open sessions. The peer review team noted they observed a strong culture of collaboration among faculty, student-centered practices, instructional quality, and provided constructive feedback. The accreditation team is currently writing a report which will be provided to NMJC for review/corrections within the next two weeks. After review/corrections are made, the report will be sent back to HLC. Upon final agreement of the report, the report will be sent to the Institutional Actions Council, which will complete a final review and reaffirm NMJC's reaffirmation for accreditation. Dr. Brown stated he would continue to keep the Board informed on the progress of the report.

Dr. Brown provided a Spring Enrollment Update. He reported a 3% increase compared to last year and 10 consecutive semesters of enrollment growth, when including summer sessions. For this spring, the number of credit hours taken by students has increased by 5% from last year and over 12% from two years ago with out-of-state enrollment rising by 13% since last spring.

Mrs. Erica Jones, Mr. David Rowser and Mr. Scotty Holloman, attendees of the 2026 Community College National Legislative Summit held in Washington, DC, provided updates of the summit. Key discussions included Workforce Pell Grants, Adult Basic Education, and childcare access within community colleges. Emphasis was made on the importance of continuous communication with representatives and their staffers to maintain advocacy efforts and to address the institution's needs.

***Under Information Items*** President Mitchell provided a Retirement Resolution for recognition. She recognized Virginia A. Mendoza who elected to retire on February 1, 2026 with twenty-six years of service

to NMJC. The Board expressed their appreciation to Mrs. Mendoza for her years of dedicated service to NMJC.

Mr. Josh Morgan presented the Expenditure Report, Revenue Report, Oil & Gas Revenue Report and the Schedule of Investments Report for January 2026. Mr. Kesner recommended consideration of investments to CDARS accounts. Mr. Morgan responded this recommendation is being considered and would provide a follow-up.

***Under New Business*** Mr. Dennis Holmberg requested the reappointment of NMJC President Cathy Mitchell to the Board of New Horizons Foundation (NHF). He noted the by-laws of NHF provides a seat for the president of NMJC and stated President Mitchell's term will run from November 1, 2025 until October 30, 2028. Upon a motion by Mr. Gomez, seconded by Mr. Baeza, the Board unanimously approved this request.

Mr. Holmberg provided an update of the NHF's investments, future plans and the NHF Board's direction to become self-sufficient. Emphasis was made on the need to prepare for future high-tech jobs. He reported the foundation is developing a high-tech workforce and energy challenge in collaboration with the New Mexico Trade Alliance, CNN, and other major companies. The challenge will focus on energy, including wind, solar, and nuclear.

Mr. Morgan presented a consideration of the Agricultural Education Facility GMP. Mr. Morgan reported the Agricultural Education Facility project, approved by the NMJC Board in December 2025 to be presented to the Higher Education Department (HED) for approval at the NMHED Capital Projects Hearing in January 2026, was approved by the NMHED Capital Projects Committee. Administration has been working with Dekker Architects and Bradbury Stamm Construction to finalize the GMP for the Agricultural Education Facility. The GMP for this project from Bradbury Stamm Construction is \$9,019,150. This includes direct construction costs, 3% construction contingency, general conditions, overhead and profit, preconstruction fee, and gross receipts tax. Funding for the construction will come from \$9,019,150 in Institutional Funds. Administration requested the Board's approval of \$9,019,150 GMP for this project. Upon a motion by Mr. Gomez, seconded by Mrs. Jones, the Board unanimously approved this request.

Mr. Morgan presented a consideration of the Indoor Rodeo Expansion GMP. Mr. Morgan reported the Indoor Rodeo Arena Expansion project, approved by the NMJC Board in December 2025 to be presented to HED for approval at the NMHED Capital Projects Hearing in January 2026, was approved by the NMHED Capital Projects Committee. This expansion is designed to support the continued growth of the NMJC men's and women's rodeo programs while enhancing instructional opportunities for related agricultural programs. The GMP for this project from Bradbury Stamm Construction is \$11,105,864. This includes the direct construction costs, 3% construction contingency, general conditions, overhead and profit, preconstruction fee, and gross receipts tax. Funding for the construction will come from \$11,105,864 in Institutional Funds. Administration requested approval of \$11,105,864 GMP for this project. Upon a motion by Mr. Kesner, seconded by Mrs. Jones, the Board unanimously approved this request.

Mr. Morgan presented a consideration of the Rodeo & Agricultural District Loop Road & Utilities GMP. Mr. Morgan reported the Rodeo & Agricultural District Loop Road & Utilities project, approved by the NMJC Board in December 2025 to be presented to HED for approval at the NMHED Capital Projects Hearing in January 2026, was approved by the NMHED Capital Projects Committee. This project will provide essential infrastructure backbone for NMJC's Rodeo and Agricultural District. It is a critical

enabling project that allows existing and future facilities to the district to operate safely, efficiently, and cohesively. The GMP received from Bradbury Stamm Construction is \$10,927,016. This includes the direct construction costs, 3% construction contingency, general conditions, overhead and profit, preconstruction fee, and gross receipts tax. Funding for the construction will come from \$10,927,016 in Institutional Funds. Administration requested approval of \$10,927,016 GMP for this project. Upon a motion by Mr. Rowser, seconded by Mrs. Jones, the Board unanimously approved this request.

Mr. Morgan presented a consideration of Disposal of Inventory through Public Auction. Upon approval, a letter will be sent to the Office of the State Auditor (OSA) and the HED to notify them of NMJC's intent to dispose of such inventory at public auction. NMJC will wait 30 days from the notice to OSA and HED to hold the public auction. Upon a motion by Mr. Gomez, seconded by Mr. Baeza, the Board unanimously approved this request.

President Mitchell presented a proposed revision to NMJC Board Policy 3.2 – Policy Committees. The revision pertained to Policy 3.2, Section C, and included the addition of a new Section 4, establishing a Board Employee Committee for review. Following the review of the revisions presented, Mr. Kesner moved to approve. The motion was seconded by Mr. Gomez and the Board unanimously approved the request as presented.

Mr. Glenn presented a proposed restructuring of the NMJC Board Committees in accordance with the NMJC Board Policy Manual, Policy 3.2 – Committees, Sections C and D. He noted that the policy specifies that committee members are appointed to three-year terms by the Board Chair, with the consent of the Board. At this time, Mr. Glenn moved forward with the re-appointments of the committees.

Mr. Glenn called for comments from the public. Mr. Deron Clark provided brief NMJC athletic updates. The next Regular Board Meeting was scheduled for Thursday, March 12, 2026 at 1:30 pm in the Zia Board Room.

Mr. Baeza moved the Board go into closed session for the discussion of limited personnel matters pursuant to NMSA 1978 §10-15-1 H (2) for the discussion of annual review of the Interim President and the Search for a President. Mr. Kesner seconded the motion. The Board will reconvene in open session at the conclusion of the closed session. The roll call was as follows: Mr. Rowser - yes; Ms. Rising - yes; Mr. Baeza - yes; Mrs. Jones - yes; Mr. Kesner - yes; Mr. Gomez - yes; and Mr. Glenn - yes.

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

Upon a motion by Mr. Baeza, seconded by Mr. Rowser, and by unanimous consent, the meeting adjourned at 4:17 pm.

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Travis Glenn, Chair

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Hector Baeza, Secretary

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# NEW MEXICO JUNIOR COLLEGE

## Vice President for Finance

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**To:** New Mexico Junior College Board Members  
**From:** Josh Morgan  
**Date:** March 6, 2026  
**RE:** February 2026 Financial Reports

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### Expenditure Report

February marks the eighth month of the 2025–2026 fiscal year. The Expenditure Report reflects year-to-date totals that include both actual expenditures and encumbrances. As of the end of February, total year-to-date expenditures and encumbrances stand at \$110,626,834.

#### **Current Unrestricted Funds:**

February expenditures total \$2,104,954. Year-to-date expenditures total \$32,890,488 representing 64% of the projected budget. The majority of these costs are associated with routine payroll and benefit expenses, including the 4% compensation increase. Internal Services (Computer Services, Motor Pool, and Document Center) have monthly credits applied to their accounts and will back within budget by year-end. Operations and Maintenance expenditures are higher than this time last year due to an increase in property insurance. Student Aid, Auxiliary, and Athletic expenditures are tracking as expected.

#### **Current Restricted Funds:**

February expenditures total \$43,765. Year-to-date expenditures total \$5,938,532. Grant-related spending is progressing as anticipated. The Business Office continues to monitor these expenditures closely and submits drawdown requests to the appropriate state and federal agencies. In student financial aid, disbursements have been made for the summer, fall, and spring semesters.

#### **Plant Funds:**

February expenditures and encumbrances total \$10,071,309. Most of this amount results from the encumbrance of the Equine Education Center GMP and the encumbrance of the design costs for the Mary Hagelstein renovation. Year-to-date expenditures total \$71,797,814. Major capital projects in design or construction include:

- Heidel Hall Renovation (Construction)
- Bob Moran and Pannell Library Air Handler Replacements (Equipment on order)
- Baseball Press Box (Construction)

- Site Project – Phase II (Construction)
- Equine Education Center (Construction)
- Agricultural Education Facility (Construction)
- Indoor Rodeo Arena (Construction)
- Rodeo & Agricultural District Loop Road & Utilities (Construction)
- Mansur Hall Renovation (In-Design)
- Mary Hagelstein Renovation (In-Design)
- Campus Housing Unit (In-Design)

## **Revenue Report**

### **Current Unrestricted Revenue:**

Revenue received in February totaled \$6,083,629. This includes tuition and fees for the spring semester, the monthly state allotment, the monthly oil and gas production and equipment, property tax, and auxiliary revenue. Year-to-date revenues total \$76,810,713.

### **Restricted Revenue:**

Revenue for grants and student aid totaled \$111,029 in February. Year-to-date revenues total \$5,583,789.

Grants revenue consists of drawdown of funds for Student Support Services, Adult Education, and SBDC.

Student aid revenue consists of NM Student Incentive Grant, NM Lottery Scholarship, NM Teacher Preparation Scholarship, NM Opportunity Scholarship, NM State Work Study, NM High Demand State Work Study, Federal Pell Grants, Federal Direct Loan Program, and Federal Supplemental Educational Opportunity Grant.

### **Plant Fund Revenue:**

Plant Fund revenue for February totaled \$2,661,905, primarily consisting of general fund draws for the Site Project – Phase 2, interest earnings from LGIP and LCSB CDARS, and the PSP Grant revenue for Workforce Development. Year-to-date Plant Fund revenues total \$13,196,963.

### **Overall Revenue:**

Total revenue for February was \$8,856,563. Year-to-date revenues total \$95,591,465.

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## **Oil and Gas Revenue Report**

The Oil & Gas Report reflects the fifth month of revenue for FY26. In February, the College received \$4,958,237 in oil and gas revenue for November 2025. The months of December through February each reflect the monthly accrual amount of \$1,064,583.

Including these three months of accruals, total Oil and Gas Production and Equipment Tax revenue through February is \$46,941,702.

## **Investment Report**

At the beginning of February, the College held a balance of \$335 million in the Local Government Investment Pool (LGIP). There was no activity during the month. Interest earnings for February totaled \$953,605, reflecting a net yield of 3.661%. We are beginning to see rates decline due to the recent Federal Reserve actions. The Federal Reserve reduced interest rates by 25 basis points in September, October, and December.

The College also holds \$50 million in CDARs through Lea County State Bank. Interest earned on these accounts in January was \$140,881.

As of January 31, \$275,438,088 is allocated to capital projects.

The NMJC Educational Success Endowment Fund has been allocated \$50 million, as of December 31. The fund is established to be retained for long-term investment with a view toward providing long-term stability and funding for the operations of NMJC. The formal resolution creating the endowment can be changed or canceled in the future. The fund constitutes a restricted fund of NMJC into which funds may be deposited from time-to-time, as determined by the Board. Earnings from the investment may be budgeted and appropriated by the NMJC Board for expenditures to support the operations of NMJC in furtherance of providing educational services or may be reinvested in the fund. The Board may, by resolution, adopt additional rules and regulations regarding the investment and expenditure of the earnings of the fund.

# NEW MEXICO JUNIOR COLLEGE

## Expenditure Report

### February 2026

67% of Year Completed

Fund	2024-25			2025-26			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Instruction	15,418,806	8,840,397	57%	16,025,655	663,711	8,927,732	56%
Academic Support	3,623,118	2,175,505	60%	3,653,581	179,247	2,149,684	59%
Student Services	4,482,875	2,795,581	62%	4,364,948	197,604	2,869,520	66%
Institutional Support	8,657,077	5,331,192	62%	8,755,533	346,040	5,673,009	65%
Operation & Maintenance of Plant	6,916,756	3,720,143	54%	6,729,458	379,180	4,261,321	63%
<b>Subtotal - Instruction &amp; General</b>	<b>39,098,632</b>	<b>22,862,818</b>	<b>58%</b>	<b>39,529,175</b>	<b>1,765,782</b>	<b>23,881,266</b>	<b>60%</b>
Internal Service Departments	276,722	174,405	63%	238,571	(81,392)	406,250	170%
Student Aid	1,567,616	920,426	59%	1,050,880	12,214	930,857	89%
Auxiliary Enterprises	4,941,194	3,074,366	62%	4,191,877	89,472	3,262,849	78%
Athletics	6,377,452	4,001,071	63%	6,529,645	318,878	4,409,266	68%
<b>Total Current Unrestricted Fund</b>	<b>52,261,616</b>	<b>31,033,086</b>	<b>59%</b>	<b>51,540,148</b>	<b>2,104,954</b>	<b>32,890,488</b>	<b>64%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,060,978	586,144	55%	1,170,304	194	806,445	69%
Student Aid	5,632,647	4,779,529	85%	5,337,000	43,571	5,132,087	96%
<b>Total Current Restricted Fund</b>	<b>6,693,625</b>	<b>5,365,673</b>	<b>80%</b>	<b>6,507,304</b>	<b>43,765</b>	<b>5,938,532</b>	<b>91%</b>
<b>PLANT FUNDS</b>							
<b>Capital Outlay / Bldg. Renewal &amp; Repl.</b>							
Projects from Institutional Funds	310,353,226	52,631,019	17%	294,662,390	9,899,992	65,991,961	22%
Projects from State GOB Funds	28,956	1,034	4%	86,237	-	14,623	17%
Projects from State STB Funds	888,536	659,321	74%	229,215	-	-	0%
Projects from General Fund	2,545,000	1,125,000	44%	4,395,901	-	3,383,497	77%
Projects from Other State Funds	550,690	466,865	85%	857,524	3,010	50,050	6%
Projects from Private Funds	1,750,000	-	0%	2,912,450	59,698	571,333	0%
Projects from State BR&R I&G	820,799	510,454	62%	1,628,019	28,974	1,009,013	62%
Projects from State BR&R Non I&G	-	-	0%	1,000,000	62,708	449,697	45%
Projects from State IR&R	-	-	0%	727,073	1,547	6,515	1%
Projects from State ER&R	1,385,259	438,791	32%	1,330,852	15,380	321,125	24%
Subtotal - Capital and BR&R	318,322,466	55,832,484	18%	307,829,661	10,071,309	71,797,814	23%
<b>Debt Service</b>							
Revenue Bonds	-	-	0%	-	-	-	0%
<b>Total Plant Funds</b>	<b>318,322,466</b>	<b>55,832,484</b>	<b>18%</b>	<b>307,829,661</b>	<b>10,071,309</b>	<b>71,797,814</b>	<b>23%</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>377,277,707</b>	<b>92,231,243</b>	<b>24%</b>	<b>365,877,113</b>	<b>12,220,028</b>	<b>110,626,834</b>	<b>30%</b>

# NEW MEXICO JUNIOR COLLEGE

## Revenue Report

### February 2026

67% of Year Completed

**2024-25**

**2025-26**

Fund	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Tuition and Fees	4,562,200	4,494,821	99%	4,500,000	83,914	4,450,883	99%
State Appropriations	9,608,816	6,444,230	67%	8,744,600	716,165	6,561,727	75%
Advalorem Taxes - Oil and Gas	85,349,512	49,553,867	58%	17,675,000	4,987,306	46,941,702	266%
Advalorem Taxes - Property	14,470,153	13,993,456	97%	14,500,000	146,646	15,170,292	105%
Other Revenues	197,600	140,178	71%	321,536	32,257	122,566	38%
<b>Subtotal - Instruction &amp; General</b>	<b>114,188,281</b>	<b>74,626,552</b>	<b>65%</b>	<b>45,741,136</b>	<b>5,966,288</b>	<b>73,247,170</b>	<b>160%</b>
Internal Service Departments	29,910	1,473	5%	-	-	1,725	0%
Auxiliary Enterprises	3,363,318	3,080,894	92%	3,000,000	66,739	3,156,998	105%
Athletics	608,550	413,083	68%	722,630	50,602	404,820	56%
<b>Total Current Unrestricted</b>	<b>118,190,059</b>	<b>78,122,002</b>	<b>66%</b>	<b>49,463,766</b>	<b>6,083,629</b>	<b>76,810,713</b>	<b>155%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,023,893	624,025	61%	1,141,804	79,794	811,276	71%
Student Aid	5,632,647	4,072,790	72%	5,337,000	31,235	4,772,513	89%
<b>Total Current Restricted</b>	<b>6,656,540</b>	<b>4,696,815</b>	<b>71%</b>	<b>6,478,804</b>	<b>111,029</b>	<b>5,583,789</b>	<b>86%</b>
<b>PLANT FUNDS</b>							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	28,957	3,000	10%	82,237	-	-	0%
Projects from State STB Funds	888,536	823,430	93%	229,215	-	-	0%
Projects from General Fund	2,545,000	-	0%	4,395,901	1,043,969	2,664,985	61%
Projects from Private Funds	1,750,000	1,750,000	0%	2,489,000	523,450	1,262,450	51%
Interest Income (LGIP & CDARs)	14,289,465	9,409,617	66%	2,400,000	1,094,486	9,269,528	386%
<b>Total Plant Funds</b>	<b>19,501,958</b>	<b>11,986,047</b>	<b>61%</b>	<b>9,596,353</b>	<b>2,661,905</b>	<b>13,196,963</b>	<b>138%</b>
<b>GRAND TOTAL REVENUES</b>	<b>144,348,557</b>	<b>94,804,864</b>	<b>66%</b>	<b>65,538,923</b>	<b>8,856,563</b>	<b>95,591,465</b>	<b>146%</b>

# NEW MEXICO JUNIOR COLLEGE

## Oil and Gas Revenue Report

### February 2026

67% of Year Completed

		OIL		GAS		COMBINED		
Month of	Sales	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2025-26 Original Budget	Variance Over (Under) Budget
Distribution								
Actual	July	\$65.77	37,509,882	\$2.17	162,366,064	6,140,575	1,064,583	5,075,992
Actual	August	\$62.72	35,536,525	\$1.79	163,969,884	6,031,117	1,064,583	4,966,534
Actual	September	\$61.87	36,475,612	\$1.77	137,599,287	5,528,354	1,064,583	4,463,771
Actual	October	\$58.41	37,758,065	\$1.76	134,089,040	5,384,410	1,064,583	4,319,827
Actual	November	\$57.62	35,024,124	\$1.62	150,687,918	4,958,237	1,064,583	3,893,654
Actual	December					1,064,583	1,064,583	0
Actual	January					1,064,583	1,064,583	0
Accrual	February					1,064,583	1,064,583	0
Accrual	March						1,064,583	(1,064,583)
Accrual	April						1,064,583	(1,064,583)
Accrual	May						1,064,583	(1,064,583)
Accrual	June						1,064,583	(1,064,583)
Y.T.D. Production Tax Revenue						31,236,442	12,774,996	18,461,446
Y.T.D. Equipment Tax Revenue						15,705,260	2,750,000	12,955,260
<b>Total Year-to-Date Oil &amp; Gas and Equipment Tax Revenue</b>						<b>46,941,702</b>	<b>15,524,996</b>	<b>31,416,706</b>

# NEW MEXICO JUNIOR COLLEGE

## Schedule of Investments

### February 2026

67% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
<b>State of New Mexico</b>				
Local Government Investment Pool	335,000,000	7102-1348	3.661%	953,605
Plus deposits	-			
Less withdrawals	-			
<b>Total LGIP investments</b>	<b>335,000,000</b>			<b>953,605</b>
<b>Lea County State Bank CDAR</b>				
2 Yr. 07/25/24 - 07/23/26	1,000,000	1029404077	4.270%	3,425
2 Yr. 08/01/24 - 07/30/26	1,000,000	1029441436	4.260%	3,413
2 Yr. 08/08/24 - 08/06/26	1,000,000	1029475756	4.310%	3,452
1 Yr. 08/25/25 - 08/27/26	12,000,000	1031761359	3.790%	34,846
1 Yr. 09/04/25 - 09/03/26	12,000,000	1031796403	3.750%	34,454
1 Yr. 09/18/25 - 09/17/26	8,000,000	1031879643	3.510%	21,474
2 Yr. 09/04/25 - 09/02/27	3,000,000	1031796462	3.550%	8,155
2 Yr. 09/11/25 - 09/09/27	2,500,000	1031836197	3.530%	6,753
2 Yr. 09/18/25 - 09/16/27	4,200,000	1031879651	3.420%	10,985
2 Yr. 09/25/25 - 09/23/27	1,900,000	1031931734	3.420%	4,966
3 Yr. 09/04/25 - 08/31/28	1,000,000	1031796497	3.520%	2,695
3 Yr. 09/11/25 - 09/07/28	500,000	1031836219	3.500%	1,339
3 Yr. 09/18/25 - 09/14/28	900,000	1031879678	3.390%	2,333
3 Yr. 09/25/25 - 09/21/28	1,000,000	1031931696	3.390%	2,591
<b>Total Lea County State Bank CDAR</b>	<b>50,000,000</b>			<b>140,881</b>

<b>Capital Project</b>	<b>2/28/2026</b>
Vehicles	459,254.35
Campus Master Plan	141,455.68
WHM North Gallery Renovation	500,000.00
Softball Field	500,000.00
National Track Meet	145,765.00
Technology Upgrade	271,244.31
Fire Alarm Upgrade	573.38
Website Upgrade	175,793.10
Std Ctr & Bob Moran Roof Replacement	1,500,000.00
Site Improvements - Phase 1	2,420,369.60
Workforce Development	72,195.12
Higher Learning Commission	59,024.36
Public Sector	50,000.00
Campus Security	125,226.72
Copier Replacement	104,165.95
Non-Recurring Compensation	773,658.48
Athletics	252.75
Succession Plan	194,417.60
WHM Exhibits	78,701.20
Track Upgrades	53,900.00
Indoor Rodeo Arena Expansion	13,036,127.05
Watson Hall Renovation	169,367.49
Industrial Training Center	43,345.75
Heidel Hall Renovation	11,478,220.10
Campus Housing Unit	79,249,999.33
Cafeteria Construction	20,000,000.00
Mansur Hall Remodel	9,368,015.83
Mary Hagelstein Remodel	12,568,150.25
Campus Wide Access Control	260,442.23
Dorm/Apartment Furniture Replacement	500,095.84
CORE	1,500,000.00
Quality of Life (ENMT)	245,000.00
Indoor Athletic Facility	50,000,000.00
WHM Exterior Improvements	76,702.92
Bob Moran & Pannell Library Air Handler	1,139,501.75
Perimeter Security Fencing	2,673,806.29
Rodeo Feed/Livestock	137,691.56
Rodeo Improvements	456,615.76
Equine Education Center	9,027,912.83
Campus-Wide Wireless Access Points	152,593.65
Site Improvements - Phase 2	20,178,315.78
Covenant Hospital	7,079,978.70
Baseball Field Press Box	912,478.93
John Shepherd Administration Renovation	1,717,997.70
Agricultural Education Facility	10,945,844.32
Rodeo & Ag Ed District Loop Road & Utils	12,391,619.88
Hobbs Health Walk	2,500,000.00
Workforce Training Contingency	2,266.67
<b>Total</b>	<b>\$275,438,088.21</b>

<b>Board Restricted Fund</b>	<b>2/28/2026</b>
Educational Success Endowment Funds	\$50,000,000.00



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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2025

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# INTRODUCTORY SECTION



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**BOARD MEMBER CHAIRMAN**

Travis Glenn

**BOARD MEMBER SECRETARY**

Hector Baeza

**BOARD MEMBERS**

Manny Gomez

Erica Jones

Guy Kesner

Evelyn Rising

David Rouser

**PRESIDENT**

Cathy Mitchell

**EXECUTIVE ASSISTANT TO THE PRESIDENT**

Norma Faught

**VICE-PRESIDENT FOR FINANCE**

Josh Morgan

**VICE-PRESIDENT FOR STUDENT SERVICES**

Nick Alvarado

**VICE-PRESIDENT FOR INSTITUTIONAL RESEARCH**

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**VICE-PRESIDENT FOR WORKFORCE DEVELOPMENT**

Steve Saucedo

**VICE-PRESIDENT FOR OPERATIONS & SPECIAL PROJECTS**

Charley Carroll

**VICE-PRESIDENT OF ADVANCEMENT**

Rachel Gallagher

**GENERAL COUNSEL/CHIEF COMMUNITY LIAISON**

Scotty Holloman

**CHIEF INFORMATION OFFICER**

Bill Kunko

**CONTROLLER**

Stacey Wynn

**DIRECTOR OF FINANCIAL AID**

Kerrie Mitchell

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# FINANCIAL SECTION





**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**  
2424 Louisiana Boulevard NE  
Suite 300  
Albuquerque, NM 87110

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505.884.6719 (fax)  
CRLadv.com

## **INDEPENDENT AUDITOR'S REPORT**

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and  
The Office of Management and Budget and  
New Mexico Junior College Board  
New Mexico Junior College  
Hobbs, New Mexico

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of New Mexico Junior College (the "College"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We also have audited the budgetary schedules presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2025, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the College, as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the accompanying budgetary schedules referred to above present fairly, in all material respects, the respective budgetary position of the College, as of June 30, 2025, and the respective changes for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 22, the GASB required pension schedules on pages 70 through 73, the GASB required other post-employment benefit schedules on pages 74 through 77, and the notes to the required supplementary information on page 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supporting schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules, as identified in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, L.L.C.  
Albuquerque, New Mexico  
December 1, 2025

**New Mexico Junior College  
Management's Discussion of Analysis  
June 30, 2025**

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

This report consists of Management's Discussion and Analysis (this part), the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, the Statement of Fiduciary Assets and Liabilities and the Notes to the Financial Statements. These statements provide both long-term and short-term financial information for the College. Included in the reports and discussion is the New Mexico Junior College Foundation (the "Foundation") and the New Horizons Foundation ("New Horizons") as discretely presented component units for fiscal year 2025.

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, 2025. This discussion gives a comparative analysis of business-type activity from fiscal year 2024 to fiscal year 2025.

**Financial Highlights**

The College's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the June 30, 2025 fiscal year by \$487,598,876.

The College's financial position increased in fiscal year 2025 as compared to prior years. The increase resulted primarily from continued strong local mill levy funding and investment income.

The College's investments reflect \$342,000,000 at June 30, 2025 with the Local Government Investment Pool.

**New Mexico Junior College**  
**Management's Discussion of Analysis**  
**June 30, 2025**

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

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position report the College's net position and how they have changed. Net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the College's financial health, or position. Over time, increases or decreases in the College's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors are also important to consider, including student enrollment and the condition of campus facilities. These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private-sector institutions. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The following table summarizes the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2025, and includes the comparison to the prior year.

**Statement of Net Position**

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
<b>Assets</b>				
Current assets	\$ 369,953,524	\$ 307,857,221	\$ 2,196,362	\$ 1,018,651
Noncurrent assets				
Intangible asset	-	-	-	77,516
Investments	3,053,161	-	14,092,581	-
Capital assets, net	160,045,882	137,384,899	-	-
Other assets, net	-	-	207,976	25,000
Deferred outflows of resources	14,611,540	8,723,865	-	-
<b>Total assets and deferred outflows</b>	<b>\$ 547,664,107</b>	<b>\$ 453,965,985</b>	<b>\$ 16,496,919</b>	<b>\$ 1,121,167</b>
<b>Liabilities</b>				
Current liabilities	\$ 10,493,255	\$ 5,757,387	\$ 44,114	\$ 16,647
Non-current liabilities	42,880,461	36,419,353	-	-
Deferred inflows of resources	6,691,515	12,474,576	-	-
<b>Total liabilities and deferred inflows</b>	<b>60,065,231</b>	<b>54,651,316</b>	<b>44,114</b>	<b>16,647</b>
<b>Net position</b>				
Net investment in capital assets	159,316,650	136,721,476	-	77,516
Restricted				
Nonexpendable endowments	-	-	8,271,860	-
Expendable grants and contributions	-	-	7,699,479	-
Unrestricted	328,282,226	262,593,193	481,466	1,027,004
<b>Total net position</b>	<b>487,598,876</b>	<b>399,314,669</b>	<b>16,452,805</b>	<b>1,104,520</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 547,664,107</b>	<b>\$ 453,965,985</b>	<b>\$ 16,496,919</b>	<b>\$ 1,121,167</b>

**New Mexico Junior College  
Management's Discussion of Analysis  
June 30, 2025**

**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 and deferred outflows exceeded liabilities and deferred inflows by \$487,598,876 at the close of June 30, 2025, as compared to the \$399,314,669 as of June 30, 2024. As of June 30, 2025, net investment in capital assets totaled \$159,316,650. 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 2025 fiscal year by \$22,604,497, net of depreciation expense of \$7,169,103. Net position also consists of unrestricted net position of \$328,282,226. Unrestricted net position includes the recording of net pension liability of \$37,214,524 and the recording of net OPEB liability of \$5,290,565. See note 10 in the notes to the financial statements for a further discussion of the pension and note 11 of the notes to the financial statements for a further discussion of the OPEB. The statement of net position indicates growth in current assets due to an increase in local mill levy funding and investment income.

The following table summarizes the College's revenues, expenses, and changes in net position for the year ending June 30, 2025 and includes a comparison to the year ended June 30, 2024.

**Revenues, Expenses, and Changes in Net Position**

The College's net position increased by \$88,284,207 during the 2025 fiscal year as compared to an increase of \$108,014,947 for the 2024 fiscal year. The increase resulted primarily from a continued strong local mill levy funding and investment income. Operating revenues were \$10,913,716 in 2025, which is an increase of \$1,556,218 from fiscal year 2024. Operating expenses were \$57,969,681 in fiscal year 2025, which is an increase of \$11,939,480 from fiscal year 2024.

**Operating Revenues**

The following table summarizes the College's operating revenues of \$10,913,716 for the 2025 fiscal year as compared to the operating revenues of \$9,357,498 for the 2024 fiscal year. Operating revenues for Fiscal Year 2025 increased since the 2024 fiscal year. The Foundation revenues for the year total \$883,671 which is an increase from fiscal year 2024. New Horizons revenues for the year total \$15,000 which is an increase from fiscal year 2024.

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
Student tuition, fees and trainings	\$ 5,080,592	\$ 4,401,653	\$ -	\$ -
Federal grants and contracts	629,132	629,520	-	-
State and other grants and contracts	1,575,813	1,268,997	-	-
Auxiliary enterprises	3,381,206	2,870,691	-	-
Other operating revenues	246,973	186,637	-	15,000
Gifts, bequests, and endowments	-	-	883,671	-
<b>Total operating revenues</b>	<b>\$ 10,913,716</b>	<b>\$ 9,357,498</b>	<b>\$ 883,671</b>	<b>\$ 15,000</b>

**New Mexico Junior College**  
**Management's Discussion of Analysis**  
**June 30, 2025**

**Operating Expenses**

The following table summarizes the College's operating expenses of \$57,969,681 for the fiscal year ended June 30, 2025, as compared to the operating expenses of \$46,030,201 in 2024. The increase in operating expenses is attributed to an increase in staff and increase in employee benefit expenses paid in fiscal year 2025. The Foundation expenses for the year total \$795,653 which is an decrease from fiscal year 2024. New Horizons expenses for the year total \$446,298 which is an increase from fiscal year 2024.

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
Instruction	\$ 11,695,146	\$ 7,862,141	\$ -	\$ -
Academic support	2,668,072	1,698,390	-	-
Student services	3,985,920	2,999,336	-	-
Institutional support	7,044,260	5,360,748	786,136	439,235
Operations and maintenance	5,201,182	5,242,051	-	-
Public service	40,478	112,621	-	-
Internal service	32,872	69,927	-	-
Student aid	6,210,240	4,988,087	-	-
Auxiliary enterprise expenses	4,503,270	3,282,441	-	-
Intercollegiate athletics	4,935,743	3,855,042	-	-
Renewals and replacements	4,077,065	3,214,737	-	-
Amortization	-	-	-	7,063
Depletion	-	-	9,517	-
Depreciation and Amortization	7,575,433	7,344,680	-	-
<b>Total operating expenses</b>	<b>\$ 57,969,681</b>	<b>\$ 46,030,201</b>	<b>\$ 795,653</b>	<b>\$ 446,298</b>

**Non-Operating Revenues (Expenses)**

The following table summarizes the College's non-operating revenues (expenses) of \$134,428,752 for the fiscal year ended June 30, 2025. Property and oil and gas taxes remained strong in fiscal year 2025 totaling \$106,830,788, a decrease of \$6,666,802 compared to fiscal year 2024. Local appropriations were higher than the budget level approved by the governing board. Investment income for the fiscal year ended June 30, 2025 was strong totaling \$14,305,588, an increase of \$1,581,852 compared to fiscal year 2024. The increase resulted primarily from an increase in investments. There were no significant or unexpected changes in the other areas of non-operating revenues and expenses.

**New Mexico Junior College  
Management's Discussion of Analysis  
June 30, 2025**

**Non-Operating Revenues (Expenses) (Continued)**

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
State appropriations, non-capital	\$ 10,144,455	\$ 9,138,399	\$ -	\$ -
Property taxes	18,508,803	16,909,020	-	-
Oil and gas taxes	88,321,985	96,588,570	-	-
Federal pell grants	3,500,006	2,933,595	-	-
Investment income	14,305,588	12,723,736	1,516,760	-
(Loss) gain on disposal of capital assets	6,664	(8,459)	-	-
Other revenue sources	99,994	70,218	162,865	-
Interest expense	(58,743)	(39,366)	-	-
Net transfer to New Horizons	(400,000)	(400,000)	-	400,000
Production taxes	-	-	(1,435)	-
Royalties	-	-	13,160	-
<b>Total non-operating revenues and expenses</b>	<b>\$ 134,428,752</b>	<b>\$ 137,915,713</b>	<b>\$ 1,691,350</b>	<b>\$ 400,000</b>

**Increase in Net Position**

The following table summarizes the College's increase in net position of \$88,284,207 for June 30, 2025 compared to the increase in net position of \$108,014,947 for June 30, 2024. The increase resulted primarily from continued strong local mill levy funding and investment income.

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
Income before capital appropriations	\$ 87,372,787	\$ 101,243,010	\$ 1,779,368	\$ (31,298)
State appropriations, capital	911,420	6,771,937	-	-
<b>Increase (decrease) in net position</b>	<b>88,284,207</b>	<b>108,014,947</b>	<b>1,779,368</b>	<b>(31,298)</b>
Net position, beginning of year	399,314,669	291,299,722	14,673,437	1,135,818
<b>Net position - end of year</b>	<b>\$ 487,598,876</b>	<b>\$ 399,314,669</b>	<b>\$ 16,452,805</b>	<b>\$ 1,104,520</b>

**New Mexico Junior College  
Management's Discussion of Analysis  
June 30, 2025**

**Capital Assets and Debt Administration**

At June 30, 2025, the College had \$159,204,681 invested in capital assets as compared to \$136,600,184 at June 30, 2024.

***Capital Assets, Net***

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
Land Improvements	\$ 3,331,592	\$ 3,858,455	\$ -	\$ -
Buildings	78,509,356	80,923,277	-	-
Infrastructure	22,786,023	12,951,474	-	-
Software	168,483	316,955	-	-
Library books	462,051	418,450	-	-
Furniture and equipment	2,021,446	1,985,290	-	-
Vehicles	1,373,093	1,130,179	-	-
Construction in progress	50,380,074	34,843,541	-	-
Land	172,563	172,563	-	-
<b>Net capital assets</b>	<b>\$ 159,204,681</b>	<b>\$ 136,600,184</b>	<b>\$ -</b>	<b>\$ -</b>

	June 30, 2025	June 30, 2024	June 30, 2025 NMJC Foundation	June 30, 2025 New Horizons
Subscription assets, net	\$ 841,201	\$ 784,715	\$ -	\$ -

Major capital expenditures during the 2025 fiscal year include the Watson Hall remodel, Industrial Training Facility, Heidel Hall renovation, campus wide access control, Western Heritage Museum recladding, NMJC site improvements Phase 1.

The College has no debt outstanding at June 30, 2025.

**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:

	2025	2024
Current funds		
Unrestricted Non-I&G	\$ (94,991,128)	\$ (46,919,608)
Restricted Non- I&G	1,192,006	4,381,669
Unrestricted I&G	2,345,436	4,727,111
Restricted I&G	70,879	(177,115)

**Economic Outlook for New Mexico Junior College**

New Mexico Junior College (NMJC), a community college in southeastern New Mexico, continues to benefit from its low tuition rates, athletic programs, student housing, workforce training, and strong local support. NMJC remains well-positioned with significant financial resilience and a stable fiscal foundation. Much of NMJC’s operating budget is supported by a local mill levy funded by oil and gas taxes and property taxes, which provides both stability and exposure to risk due to the cyclical nature of these sectors.

**Key Economic Drivers**

- Local Mill Levy and Oil & Gas Dependence:** NMJC’s primary source of funding through the local mill levy remains closely tied to the oil and gas sector, with funding levels reflecting fluctuations in these industries. Lea County, where NMJC is located, sits in the heart of the Permian Basin—one of the most productive oil and gas regions in the United States. Recent years have seen sustained activity in the Basin, supporting strong tax revenues and a favorable financial environment for NMJC. The college’s reserves continue to serve as a safeguard against market downturns, but this reliance on a single industry underscores the importance of ongoing monitoring and long-term financial planning to manage potential volatility.

The college is also evaluating ways to capitalize on its existing reserve balances by creating a stable, long-term revenue source from investment earnings that could supplement future declines in oil and gas and state revenues. This initiative is still in the early stages of development, but NMJC is actively exploring opportunities that would allow current reserves to support the college’s long-term financial sustainability.

### **Key Economic Drivers (Continued)**

- **Property Tax Revenue Stability:** Property tax revenues have remained steady as the regional economy has continued to perform well, driven primarily by oil and gas activity. While property values remain strong, any sustained reduction in energy prices or production could negatively affect valuations and tax collections. NMJC's disciplined fiscal approach and healthy reserve balances provide flexibility to navigate such fluctuations, though continued efforts to diversify revenue sources would further enhance financial stability.
- **Enrollment and Tuition Revenue:** NMJC's low tuition rates and diverse academic offerings continue to make it an attractive choice for regional students. Enrollment is trending in a positive direction, with approximately 5.4% growth from Fall 2023 to Fall 2024 and 7.1% growth from Fall 2024 to Fall 2025. This steady increase reflects the college's strategic focus on workforce training, dual credit opportunities, online learning options, and outreach to adult learners. While tuition represents a smaller portion of NMJC's overall budget, maintaining this upward trend is important for sustaining operational balance and fulfilling the college's mission of accessibility and affordability.
- **Athletic Programs and Student Housing:** NMJC's athletic programs and student housing facilities continue to play a vital role in attracting and retaining students, enhancing the overall campus experience, and contributing to enrollment stability. The college's ongoing investment in these areas supports student engagement and reinforces NMJC's reputation as a comprehensive community college serving both academic and extracurricular needs.
- **Workforce Training Programs:** Workforce training remains a strategic strength for NMJC, particularly as the region continues to demand skilled labor in the energy, healthcare, and technical sectors. NMJC's partnerships with local employers and industry groups help align training with workforce needs and create opportunities for state and federal workforce development funding. These programs also strengthen NMJC's position as a key contributor to regional economic development.

### **Economic Challenges and Risks**

- **Oil and Gas Market Volatility:** NMJC's dependence on oil and gas revenues continues to present a financial risk, as mill levy revenues and property tax collections are sensitive to changes in market conditions. Although energy prices have remained favorable, potential declines in production or global demand could affect future revenues. Maintaining strong reserves, pursuing diversified investment opportunities, and creating new revenue streams through investment income will be critical to mitigating this exposure.

### **Economic Challenges and Risks (Continued)**

- **Inflationary Pressures:** Inflation continues to impact construction, utilities, and operating expenses. NMJC's proactive budget management and use of guaranteed maximum price (GMP) contracts for capital projects have helped limit exposure to cost escalation, but continued attention to rising labor and materials costs will be necessary to maintain balanced budgets.
- **Demographic and Enrollment Shifts:** Like many institutions, NMJC faces the ongoing challenge of demographic changes that could affect future enrollment. However, recent trends show encouraging growth, and continued emphasis on targeted recruitment, and outreach to adult and workforce learners will help sustain that momentum in the years ahead.

### **Long-Term Outlook**

NMJC's long-term outlook remains positive. The institution's local mill levy revenue, disciplined fiscal management, and investment in facilities and workforce programs provide a solid foundation for continued success. The college's early efforts to leverage reserve balances for long-term investment income reflect a proactive approach to sustaining financial health and reducing reliance on oil and gas revenues over time.

While the regional economy remains influenced by the energy sector, NMJC's ongoing commitment to innovation, diversification, and strategic planning ensures the institution will remain financially resilient and continue serving as a leader in education and workforce development in southeastern New Mexico.



# BASIC FINANCIAL STATEMENTS



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

<b>June 30, 2025</b>	<b>Primary Government</b>	<b>NMJC Foundation</b>	<b>New Horizons Foundation</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 6,964,751	\$ 412,670	\$ 182,572
Short-term investments	338,946,839	1,755,000	-
Accounts receivable, net	21,902,574	28,692	-
Due from New Mexico Junior College	-	-	817,826
Inventory	374,347	-	-
Prepaid expenses	1,404,002	-	18,253
Prepaid summer expenses	361,011	-	-
<b>Total current assets</b>	<b>369,953,524</b>	<b>2,196,362</b>	<b>1,018,651</b>
Noncurrent assets			
Intangible asset	-	-	77,516
Investments	3,053,161	14,092,581	-
Other assets, net	-	207,976	25,000
Subscription assets, net	841,201	-	-
Non-depreciable capital assets	50,552,637	-	-
Depreciable capital assets, net	108,652,044	-	-
<b>Total noncurrent assets</b>	<b>163,099,043</b>	<b>14,300,557</b>	<b>102,516</b>
<b>Total assets</b>	<b>533,052,567</b>	<b>16,496,919</b>	<b>1,121,167</b>
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	11,712,970	-	-
Deferred outflows - OPEB	2,898,570	-	-
<b>Total deferred outflows of resources</b>	<b>14,611,540</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 547,664,107</b>	<b>\$ 16,496,919</b>	<b>\$ 1,121,167</b>

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

**New Mexico Junior College  
Statement of Net Position (Continued)**

<b>June 30, 2025</b>	<b>Primary Government</b>	<b>NMJC Foundation</b>	<b>New Horizons Foundation</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 3,067,678	\$ 44,114	\$ 16,647
Accrued expenses	1,454,958	-	-
Due to New Horizons Foundation	817,774	-	-
Unearned revenues	4,215,487	-	-
Interest payable	36,418	-	-
Current portion of subscription liabilities	353,860	-	-
Compensated absences	547,080	-	-
<b>Total current liabilities</b>	<b>10,493,255</b>	<b>44,114</b>	<b>16,647</b>
<b>Noncurrent liabilities</b>			
Subscription liabilities, less current maturities	375,372	-	-
Net pension liability	37,214,524	-	-
Net OPEB liability	5,290,565	-	-
<b>Total noncurrent liabilities</b>	<b>42,880,461</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>53,373,716</b>	<b>44,114</b>	<b>16,647</b>
<b>Deferred inflows of resources</b>			
Deferred inflows - pension	2,249,526	-	-
Deferred inflows - OPEB	4,441,989	-	-
<b>Total deferred inflows of resources</b>	<b>6,691,515</b>	<b>-</b>	<b>-</b>
<b>Net position</b>			
Net investment in capital assets	159,316,650	-	77,516
Restricted for			
Nonexpendable endowments	-	8,271,860	-
Expendable grants and contributions	-	7,699,479	-
Unrestricted	328,282,226	481,466	1,027,004
<b>Total net position</b>	<b>487,598,876</b>	<b>16,452,805</b>	<b>1,104,520</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 547,664,107</b>	<b>\$ 16,496,919</b>	<b>\$ 1,121,167</b>

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

**New Mexico Junior College**  
**Statement of Revenues, Expenses, and Changes in Net Position**

<i>For the Year Ended June 30, 2025</i>	<b>Primary Government</b>	<b>NMJC Foundation</b>	<b>New Horizons Foundation</b>
<b>Operating revenues</b>			
Student tuition, fees and trainings	\$ 5,080,592	\$ -	\$ -
Federal grants and contracts	629,132	-	-
State and other grants and contracts	1,575,813	-	-
Auxiliary enterprises	3,381,206	-	-
Other operating revenues	246,973	-	15,000
Gifts, bequests and endowments	-	883,671	-
<b>Total operating revenues</b>	<b>10,913,716</b>	<b>883,671</b>	<b>15,000</b>
<b>Operating expenses</b>			
Instruction	11,695,146	-	-
Academic support	2,668,072	-	-
Student services	3,985,920	-	-
Institutional support	7,044,260	786,136	439,235
Operations and maintenance	5,201,182	-	-
Public service	40,478	-	-
Internal service	32,872	-	-
Student aid	6,210,240	-	-
Auxiliary enterprise expenses	4,503,270	-	-
Intercollegiate athletics	4,935,743	-	-
Renewals and replacements	4,077,065	-	-
Amortization	-	-	7,063
Depletion	-	9,517	-
SBITA Amortization	406,330	-	-
Depreciation	7,169,103	-	-
<b>Total operating expenses</b>	<b>57,969,681</b>	<b>795,653</b>	<b>446,298</b>
<b>Operating (loss) gain</b>	<b>(47,055,965)</b>	<b>88,018</b>	<b>(431,298)</b>

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

**New Mexico Junior College**

**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

<i>For the Year Ended June 30, 2025</i>	Primary Government	NMJC Foundation	New Horizons Foundation
<b>Non-operating revenues (expenses)</b>			
State appropriations, non-capital	10,144,455	-	-
Property taxes	18,508,803	-	-
Oil and gas taxes	88,321,985	-	-
Federal pell grants	3,500,006	-	-
Investment income	14,305,588	1,516,760	-
Gain from the disposal of capital assets	6,664	-	-
Other revenue and expenses	99,994	162,865	-
Interest expense	(58,743)	-	-
Net transfer to New Horizons	(400,000)	-	400,000
Production (taxes)	-	(1,435)	-
Royalties	-	13,160	-
<b>Net non-operating revenues (expenses)</b>	<b>134,428,752</b>	<b>1,691,350</b>	<b>400,000</b>
Income (loss) before capital appropriations	87,372,787	1,779,368	(31,298)
State appropriations, capital	911,420	-	-
Change in net position	88,284,207	1,779,368	(31,298)
Net position, beginning of year	399,314,669	14,673,437	1,135,818
Net position, end of year	\$ 487,598,876	\$ 16,452,805	\$ 1,104,520

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

**New Mexico Junior College**  
**Statement of Cash Flows**

<b><i>For the Year Ended June 30, 2025</i></b>	<b>Primary Government</b>
<b>Cash flows from operating activities</b>	
Tuition, fees and trainings	\$ 5,938,062
Federal and state grants and contracts	2,427,109
Auxiliary enterprise charges	3,381,206
Other operating revenues	246,973
Payments to employees and for employee benefits	(30,984,083)
Disbursement of net aid to students	(6,012,520)
Payments to suppliers	(17,578,600)
<hr/>	
Net cash (used in) operating activities	(42,581,853)
<hr/>	
<b>Cash flows from noncapital financing activities</b>	
State appropriations	10,144,455
Federal pell grants	3,500,006
Property taxes	18,469,629
Oil and gas taxes	92,221,383
<hr/>	
Net cash provided by noncapital financing activities	124,335,473
<hr/>	
<b>Cash flows from capital financing activities</b>	
Capital appropriations	911,420
Purchase of capital assets	(29,794,405)
Proceeds from sale of capital assets	27,469
Principle paid on SBITA	(413,232)
Interest paid on leases	(49,533)
Transfer to New Horizons	(400,000)
Other revenue sources	107,009
<hr/>	
Net cash (used in) capital financing activities	(29,611,272)
<hr/>	
<b>Cash flows from investing activities</b>	
Purchase of investments	(65,000,000)
Interest received on investments	14,305,588
<hr/>	
Net cash (used in) investing activities	(50,694,412)
<hr/>	
Net change in cash and cash equivalents	1,447,936
Cash and cash equivalents - beginning of year	5,516,815
<hr/>	
Cash and cash equivalents - end of year	\$ 6,964,751

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

**New Mexico Junior College**  
**Statement of Cash Flows (Continued)**

<i>For the Year Ended June 30, 2025</i>	<b>Primary Government</b>
<b>Operating (loss)</b>	\$ (47,055,965)
<b>Reconciliation of operating (loss) to net cash (used in) operating activities</b>	
Depreciation expense	7,169,103
Amortization	406,330
Noncash pension expense	(3,280,772)
Noncash OPEB benefit	(1,599,985)
<b>Changes in assets, deferred outflows, liabilities, and deferred inflows</b>	
Accounts receivable, net	(1,882,366)
Inventory	(32,640)
Prepaid expenses	(598,410)
Prepaid summer expenses	(48,336)
Accounts payable	1,688,840
Accrued expenses	(95,511)
Due to New Horizons	15,826
Deferred outflows - subsequent contributions - pension	(229,476)
Deferred outflows - subsequent contributions - OPEB	(35,057)
Unearned revenues	2,739,836
Interest payable	9,210
Compensated absences	247,520
Net cash (used in) operating activities	\$ (42,581,853)
<b>Supplemental cash flow information</b>	
Loss from the disposal of capital assets	\$ (20,805)

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

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***Reporting Entity***

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

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

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

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

The College has two discretely presented component units that are required to be reported under GASB Statements No. 14, No. 39, No. 61, No. 80, and No. 90. The discretely presented component units have separately issued financial statements which can be obtained at their separate administrative offices and on the New Mexico Office of the State Auditor website which you can search at <https://osaconnect.osa.nm.gov/auditReportSearch.html>. The College does not have any related organizations, joint ventures or jointly governed organizations.

***Discretely Presented Component Units***

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

The New Horizons Foundation was organized pursuant to the University Research Park and Economic Development Act, NMSA 1978 Section 21-28-1, et. seq ("Act"). Specifically, the Research Foundation is organized to engage in cooperative ventures of innovative technological significance that will advance education, science, research, conservation, health care and/or economic development within New Mexico. The New Horizons Foundation serves as a resource, source of information, conduit and liaison between educational institutions, private industry and governmental entities to promote research in numerous areas including, but not limited to education and science. The research and education activities are aimed toward promoting collaboration between various entities to eliminate or reduce duplicate research efforts. The New Horizons Foundation seeks to recruit technical experts, scientists, and other qualified individuals, including community and business leaders to be available for such research.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Discretely Presented Component Units (Continued)***

In addition to the activities set forth above, the New Horizons Foundation:

- Works with faculty and staff of the College to develop and administer research, training and community service grants, contracts and self-service programs;
- Develops and manages major centers, institutes, community partnerships, and programs;
- Provides technology transfer services;
- Acquires, develops and manages real property to provide space for sponsored research programs; and
- Administers fellowships and financially manages and invests gifts, trusts, and endowments, as they relate to the primary function of the Research Foundation.

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

***Basis of Accounting and Financial Statement Presentation***

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting and Financial Statement Presentation (Continued)***

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated. The Fiduciary Funds are used to account for assets held by the College in a capacity as an agent for various student organizations and outside parties. Fiduciary Funds are custodial in nature. The College does not have any fiduciary funds as of June 30, 2025. The New Mexico Junior College Foundation does have fiduciary funds as of June 30, 2025, which are presented in its separately issued financial statement.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. The more significant estimates included in the financial statements include allowances for uncollectible accounts, net pension liability, net OPEB liability and the estimated useful lives of capital assets.

***Budgetary Information***

***Budgetary basis of accounting***

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information (Continued)***

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

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

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

*Cash and cash equivalents*

Cash and cash equivalents include cash on hand, cash in banks, securities subject to overnight sweep repurchase agreements, and certificates of deposit with various financial institutions. For purposes of the statement of cash flows, the College considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Immediate cash needs are met with resources deposited at the College's bank.

*Investments*

Cash resources not needed to meet immediate needs are invested with the New Mexico State Treasurer's Office short-term investment pool (LGIP). Amounts invested are readily available to the College when needed and are recorded at cost, which approximates fair value. The College considers cash deposited at the State Treasurer's Office to be investments.

*Receivables*

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Interfund Activities and Transactions*

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

*Inventory*

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

*Prepaid Expenses*

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

*Capital Assets*

Capital assets, which include property, plant, equipment and right-to-use subscription assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings costing \$100,000 or more, and infrastructure and land improvements costing \$50,000 or more and that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Information technology equipment including software is being capitalized in accordance with 2.20.1.9(C)(5) NMAC [9-30-99, recompiled 10/01/01].

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. There was no interest expense capitalized by the College during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

*Deferred Outflows of Resources*

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of fund balance or net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until that time. The College has three types of items that qualify for reporting in this category related to reporting under GASB 68 and four types that relate to reporting under GASB 75, which total \$11,712,970 and \$5,207,310, respectively, in the statement of net position. The amounts are further detailed in Note 10 and Note 11. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

*Deferred Inflows of Resources*

In addition, the College has three types of items that qualify for reporting in this category related to reporting under GASB 68 and three types that relate to reporting under GASB 75. The deferred inflows of resources total \$2,249,526 and \$6,750,729, respectively, in the statement of net position, and are further detailed in Note 10 and Note 11. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

*Unearned Revenues*

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Compensated Absences*

The College accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. This standard requires recognition of a liability for leave that has been earned but not yet used or paid. The College has elected to use the Last-In, First-Out (LIFO) method to estimate the liability for compensated absences. Under this method, it is assumed that the most recently earned leave is used first. This approach reflects the College's historical leave usage patterns and internal policies, which indicate that employees typically utilize newer leave balances before older accruals.

As a result of applying the LIFO method, the liability for compensated absences includes only those leave balances that are expected to be paid or settled. Leave types such as sick leave, which are not paid out upon separation and are typically used in a LIFO manner, are excluded from the liability to the extent they are not expected to be paid.

The total liability for compensated absences as of June 30, 2025 is \$547,080.

*Pensions*

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

*Other Post-Employment Benefits (OPEB)*

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Subscription-Based Information Technology Arrangements (SBITAs)*

The College recognizes SBITAs that have a term exceeding one year and the cumulative future payments on the contract exceed \$5,000 that meet the definition of another than short-term SBITA. The College uses a discount rate that they would get from their bank. Short-term subscription payments are expensed when incurred.

*Categories and Classification of Fund Equity*

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

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

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

*Unrestricted* – All other categories of net position. In addition, unrestricted net position may be designated for use by management of the College. This requirement limits the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. College housing programs are a primary example of operations that have unrestricted net position with designated uses. The College has adopted a policy of utilizing restricted – expendable funds, when available, prior to unrestricted funds.

***Revenues***

*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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue Recognition for Derived Tax Revenues***

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

***Income Tax Status***

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

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

***Property Tax Calendar***

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

***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 \$18,508,803 or 13% of total revenue in fiscal year 2025. Oil and gas production and equipment tax revenue fluctuates significantly upon demand and was \$88,321,985 or 61% of total revenue in fiscal year 2025.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the College are management's estimate of depreciation on assets over their estimated useful lives, net pension liability and related deferred inflows and outflows of resources, the current portion of accrued compensated absences and estimates used in accounting for subscription-based information technology arrangements leases in accordance with GASB Statement No. 96.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 1, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

***Recently Issued and Implemented Accounting Pronouncements***

During the fiscal year ended June 30, 2025, the College adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of these statements did not have a significant impact on the College because the activities of the College were not affected by the statement in a material manner.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

**Note 2: DEPOSITS AND INVESTMENTS**

***Deposits***

State statutes authorize the investment of College funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the College properly followed State investment requirements as of June 30, 2025.

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.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments. All of the College's accounts at an insured depository institution, including non-interest-bearing accounts are insured by the up to the standard maximum deposit insurance amount of \$250,000.

As of June 30, 2025, the College held deposits totaling \$50,000,000 through the Certificate of Deposit Account Registry Service (CDARS). CDARS allows the College to place deposits in excess of the standard Federal Deposit Insurance Corporation (FDIC) insurance limit while maintaining full coverage by distributing funds across a network of participating banks.

These deposits are classified as held-to-maturity investments and are recorded at amortized cost. All CDARS deposits are fully insured by the FDIC, and the College does not bear credit risk associated with individual banks in the network. The weighted average interest rate on CDARS deposits was 4.5% from interest rates rating from 4.0953% to 4.7459% as of June 30, 2025, with maturities ranging from July 24, 2025 to August 6, 2026.

*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, 2025, \$8,841,374 of the College's bank balances of \$9,366,734 was exposed to custodial credit risk. \$8,841,374 was uninsured and collateralized by the collateral held by the pledging bank's trust department, not in the College's name and \$0 of the College's deposits were uninsured and uncollateralized at June 30, 2025.

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

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

***Deposits (Continued)***

	<b>Lea County State Bank</b>	<b>Wells Fargo Bank</b>	<b>Western Commerce Bank</b>	<b>Total</b>
Total amount of deposits	\$ 429,025	\$ 8,912,349	\$ 25,360	\$ 9,366,734
Deposit accounts covered by the FDIC coverage	(250,000)	(250,000)	(25,360)	(525,360)
Total uninsured public funds	179,025	8,662,349	-	8,841,374
Collateralized by securities held by the pledging institution or by its trust department or agent other than the College's name	179,025	8,662,349	-	8,841,374
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
Collateral requirement (50% of uninsured public funds)	\$ 89,513	\$ 4,331,175	\$ -	\$ 4,420,688
Pledged security	3,036,229	9,658,919	-	12,695,148
Over collateralization	\$ 2,946,716	\$ 5,327,744	\$ -	\$ 8,274,460

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

***Investments***

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

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

***Investments (Continued)***

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.

The New MexiGROW Local Government Investment Pool’s (LGIP) investments are valued at amortized costs. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

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.

As of June 30, 2025, the College had the following investments and maturity:

<b>Investment Type</b>	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>Rating*</b>
<i>New MexiGROW</i> LGIP	22 day WAM (R); 86 day WAM (F)	\$ 292,000,000	AAAm

\*Based off Standard & Poor’s rating

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a policy to manage the credit risk of its investments.

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

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

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's investment in a single type of security. The College does not have a formal policy to address concentration of credit risk. The College did not have any investments at June 30, 2025, other than investments in the State Treasurer's *New MexiGROW* LGIP. Therefore, they are not subject to any concentration of credit risk.

***Reconciliation of Deposits and Investments to the Statement of Net Position***

Deposits	\$	9,366,734
<i>New MexiGROW</i> LGIP		292,000,000
CDARS		50,000,000
<hr/>		
Total deposits and investments		351,366,734
Petty cash		6,396
Less reconciling items		(2,408,379)
<hr/>		
Total cash and cash equivalents and investments	\$	348,964,751
<hr/> <hr/>		
Statement of net position		
Cash and cash equivalents	\$	6,964,751
Short-term investments		338,946,839
Investments		3,053,161
<hr/>		
Total cash and cash equivalents	\$	348,964,751
<hr/> <hr/>		

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

**Note 3: ACCOUNTS RECEIVABLE**

The College's accounts receivable at June 30, 2025, 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 during the year ended June 30, 2025:

Property taxes	\$ 545,514
Oil and gas taxes	16,532,075
General receivables	1,302,183
Student receivables	2,598,534
Other receivable	2,288,681
	<hr/> 23,266,987
Less allowance for uncollectible accounts	<hr/> (1,364,413)
	<hr/>
Net total accounts receivable	<hr/> <hr/> \$ 21,902,574

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

**Note 4: CAPITAL ASSETS**

The following table summarizes the changes in the College's capital assets during the fiscal year ended June 30, 2025. Land and construction in progress are not subject to depreciation.

	June 30, 2024	Additions	Deletions	June 30, 2025
<b>Assets not being depreciated</b>				
Construction in progress	\$ 34,843,541	\$ 27,764,708	\$ (12,228,175)	\$ 50,380,074
Land	172,563	-	-	172,563
<b>Total assets not being depreciated</b>	<b>35,016,104</b>	<b>27,764,708</b>	<b>(12,228,175)</b>	<b>50,552,637</b>
<b>Assets being depreciated</b>				
Land improvements	10,472,352	-	-	10,472,352
Buildings	123,764,113	1,431,159	-	125,195,272
Infrastructure	25,308,219	11,122,041	-	36,430,260
Software	1,590,752	-	-	1,590,752
Library books	791,038	175,877	(134,905)	832,010
Furniture and equipment	13,205,917	867,887	(918,103)	13,155,701
Vehicles	3,234,683	660,908	(240,168)	3,655,423
<b>Total assets being depreciated</b>	<b>178,367,074</b>	<b>14,257,872</b>	<b>(1,293,176)</b>	<b>191,331,770</b>
<b>Less accumulated depreciation</b>				
Land improvements	(6,613,897)	(526,863)	-	(7,140,760)
Buildings	(42,840,836)	(3,845,080)	-	(46,685,916)
Infrastructure	(12,356,745)	(1,287,492)	-	(13,644,237)
Software	(1,273,797)	(148,472)	-	(1,422,269)
Library books	(372,588)	(132,275)	134,904	(369,959)
Furniture and equipment	(11,220,627)	(813,129)	899,501	(11,134,255)
Vehicles	(2,104,504)	(415,792)	237,966	(2,282,330)
<b>Total accumulated depreciation</b>	<b>(76,782,994)</b>	<b>(7,169,103)</b>	<b>1,272,371</b>	<b>(82,679,726)</b>
<b>Total assets being depreciated, net</b>	<b>101,584,080</b>	<b>7,088,769</b>	<b>(20,805)</b>	<b>108,652,044</b>
<b>Net capital assets</b>	<b>\$ 136,600,184</b>	<b>\$ 34,853,477</b>	<b>\$ (12,248,980)</b>	<b>\$ 159,204,681</b>

Depreciation expense as of June 30, 2025 was \$7,169,103.

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

**Note 4: CAPITAL ASSETS (Continued)**

The following is a summary of changes in capital assets during the year ended June 30, 2025:

	June 30, 2024	Additions	Deletions	June 30, 2025
Subscription assets, being amortized	\$ 1,491,701	\$ 462,816	\$ -	\$ 1,954,517
Less accumulated amortization for subscription-based information technology arrangements	(706,986)	(406,330)	-	(1,113,316)
Total accumulated amortization	(706,986)	(406,330)	-	(1,113,316)
Subscription assets being amortized, net	\$ 784,715	\$ 56,486	\$ -	\$ 841,201

Amortization expense as of June 30, 2025 was \$406,330.

**Note 5: ACCRUED EXPENSES**

The College's accrued expenses at June 30, 2025 are as follows

Payroll	\$ 433,852
Payroll taxes and related liabilities	1,021,106
Total accrued expenses	\$ 1,454,958

**Note 6: COMPENSATED ABSENCES**

The College had a liability for compensated absences as of June 30, 2025 as follows:

June 30, 2024 Compensated Absences	Net Change	June 30, 2025 Compensated Absences
\$ 299,560	\$ 247,520	\$ 547,080

The College estimates that the entire amount will be due within one year as employees are only allowed to carry over a certain amount of compensated absences.

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

**Note 7: LONG-TERM LIABILITIES**

The College has 18 software arrangements that require recognition under GASBS No. 96. The College now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use subscription asset for various software. The College used a discount rate of 8.75%, 9.50% and 8.75% for arrangements that started in 2023, 2024 and 2025, respectively, based on rates provided by the College's bank. There are no residual value guarantees in the agreements.

***Changes In Long-Term Liabilities***

Subscription liabilities, right of use asset, and terms are as follows at June 30, 2025:

	Effective Date	Borrowing Rate	Monthly, Annual or Quarterly Payments	Subscription Liability	Right-to-Use Subscription Asset, net Amortization
Quicklaunch	3/1/2023	8.75%	\$ 25,000	\$ -	\$ 20,867
Blackboard	12/12/2022	5.75%	8,120	15,204	17,836
Blackbaud	12/21/2024	8.75%	4,113	17,063	20,824
Brightedge Technologies, Inc.	8/1/2024	8.75%	46,310	45,959	52,259
Ellucian Experience	10/1/2024	8.75%	47,646	120,333	137,895
Ellucian	7/1/2022	5.75%	105,061	207,439	148,504
Emburse	8/1/2024	8.75%	39,814	-	23,526
FortiNAC	7/1/2022	5.75%	3,555	-	7,898
Gecko Labs, Inc.	3/1/2025	8.75%	10,000	80,319	81,288
Hubspot Inc.	2/12/2025	8.75%	2,558	5,624	9,504
Kaseya	10/1/2024	8.75%	7,644	17,706	20,924
KnowBe4	9/22/2022	5.75%	7,700	-	2,520
Lightcast	3/22/2023	8.75%	10,417	-	2,044
Nuventive	9/1/2022	5.75%	41,986	38,195	63,848
Aquila	5/1/2024	9.5%	13,251	-	43,921
Quicklaunch	3/1/2024	9.5%	10,848	59,536	56,581
Laerdal Medical	7/1/2022	5.75%	11,476	40,894	45,497
ZeroEyes	10/25/2023	9.25%	44,100	80,960	85,465
				\$ 729,232	\$ 841,201

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

**Note 7: LONG-TERM LIABILITIES (Continued)**

***Changes In Long-Term Liabilities (Continued)***

The following is a schedule of minimum future payments from subscription agreements as of June 30<sup>th</sup>:

<b><i>For the years ending June 30,</i></b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>	
2026	\$	353,860	\$	52,134	\$	405,994
2027		289,673		28,364		318,037
2028		51,816		6,548		58,364
2029		10,291		2,008		12,299
2030		11,273		1,394		12,667
2031		12,319		728		13,047
<b>Total</b>	<b>\$</b>	<b>729,232</b>	<b>\$</b>	<b>91,176</b>	<b>\$</b>	<b>820,408</b>

Long-term liability activity for the year ended June 30, 2025, was as follows:

	<b>June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2025</b>	<b>Due within one year</b>
Subscription liabilities	\$ 663,423	\$ 479,041	\$ (413,232)	\$ 729,232	\$ 353,860

**Note 8: 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 9: 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 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD**

***General Information about the Pension Plan***

*Plan description* - The New Mexico Educational Retirement Act ("ERA") was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's annual comprehensive financial report. The report can be found on NMERB's Web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html). The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-55, NMSA 1978, as amended.

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

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

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

***General Information about the Pension Plan (Continued)***

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

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 allowable service credit add up to the sum of 75 or more and those who retire under the age of 60, and who have fewer than 25 years of earned service credit will receive reduced retirement benefits; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

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

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013, but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2013. These members must meet one of the following requirements: the member's minimum age is 55 and has earned 30 or more years of service credit and those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55; the member's age and earned service credit add up to the sum of 80 or more and those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits; or the member's age is 67 and has earned five or more years of service credit.

Section 22-11-23.3, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019, but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2019. These members must meet one of the following requirements: the member is any age and has thirty or more years of earned service credit; or the member is at least 67 years of age and has 5 or more years of earned service credit; or the sum of the member's age and years of earned service credit equals at least eighty.

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

***General Information about the Pension Plan (Continued)***

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.

While the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year.

When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.

When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

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 the Final Average Salary (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.

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

***General Information about the Pension Plan (Continued)***

*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. Colleges and universities contributed 10.90% of participating employees' gross salary and 7.25% of the employees' gross salary to NMERB, for a total of 18.15%. For the fiscal year ended June 30, 2025 plan members are required to contribute 10.70% of their gross salary. NMERB is required to contribute 18.15% of the gross covered salary. Plan members whose annual salary is \$24,000 or less are required to contribute 7.90% of their gross salary. Plan members whose annual salary exceeded \$24,000 are required to contribute 10.70% of their gross salary. Employers contribute 18.15% of the gross covered salary for employees whose annual salary was \$24,000 or less, and 18.15% of the gross covered salary for employees whose salary exceeded \$24,000. Contributions to the pension plan from the College was \$3,492,182 for the year ended June 30, 2025.

***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, 2023. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2024, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2024. At June 30, 2025, the College reported a liability of \$37,214,524 for its proportionate share of the net pension liability. The College's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2024. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2024, the College's proportion was 0.42347 percent, which was an increase of 0.05995 percent from its proportion measured as of June 30, 2023.

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

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

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

For the year ended June 30, 2025, the College recognized pension benefit of (\$19,881).

At the June 30, 2025, the College reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,034,637	\$ 82,504
Net difference between projected and actual earnings on pension plan investments	-	1,127,298
Changes in assumptions	-	975,295
Changes in proportion	5,186,151	64,429
Contributions subsequent to the measurement date	3,492,182	-
<b>Total</b>	<b>\$ 11,712,970</b>	<b>\$ 2,249,526</b>

\$3,492,182 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date of June 30, 2024, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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,	
2025	\$ 1,957,521
2026	3,791,837
2027	527,133
2028	(305,229)
<b>Total</b>	<b>\$ 5,971,262</b>

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2023. The total pension liability was rolled forward from the valuation date to June 30, 2024 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the rollforward liabilities as of June 30, 2024. For purposes of projecting future benefits, it is assumed that the full COLA will be paid in all future years.

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

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

The total pension liability was rolled forward from the valuation date to June 30, 2024 using generally accepted actuarial principles and incorporated the following changes to the Plan’s provisions: Change to the employer contribution rate, which increased the employer contribution by 1% each year for the next fiscal year, resulting in a 16.15% employer contribution rate in fiscal year 2024. As a result of these changes and the excellent performance of the fund for the fiscal year, the discount rate was 7.00%.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2019 to June 30, 2049
Asset Valuation Method	5-year smoothed market
Inflation	2.3%
Salary Increase	Composed of 2.30% inflation, plus 0.70% productivity increase rate, plus step rate promotional increases for members with less than 15 years of service
Investment Rate of Return	7.00%
Retirement Age	Experience based table rates based on age and service, adopted by the Board on April 17, 2020 in conjunction with the six-year experience study for the period ending June 30, 2019.
Mortality	Healthy males: 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
	Healthy females: 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.

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.) developed for each major asset class.

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

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

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted in February 2022.

<b>Asset Class</b>	<b>After Allocation</b>	<b>Policy Target</b>
<b>Equities</b>		
<i>Domestic Equities</i>		
Large cap equities	13.6%	15.0%
Small- mid cap equities	3.2%	4.0%
<b>Total domestic</b>	<b>16.8%</b>	<b>19.0%</b>
<i>International Equities</i>		
Developed	4.4%	5.0%
Emerging markets	4.5%	4.0%
<b>Total international</b>	<b>8.9%</b>	<b>9.0%</b>
<b>Total equities</b>	<b>25.7%</b>	<b>28.0%</b>
<b>Fixed Income</b>		
Core fixed income	4.8%	6.0%
Opportunistic credit	16.9%	18.0%
Emerging markets debt	0.0%	0.0%
<b>Total fixed income</b>	<b>21.7%</b>	<b>24.0%</b>
<b>Alternatives</b>		
Global asset allocation	1.7%	2.0%
Other diversifying assets	6.3%	8.0%
REITs	0.9%	0.0%
Private real estate	8.3%	8.0%
Private equity	22.4%	17.0%
Inflation-linked assets	11.3%	12.0%
<b>Total alternatives</b>	<b>50.9%</b>	<b>47.0%</b>
<b>Cash</b>	<b>1.7%</b>	<b>1.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)**

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

*Discount rate* - A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2024. This is the same rate used for June 30, 2023. The 7.00% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate* - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2024. 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 (6.00%) or one percentage point higher (8.00%) than the single discount rate.

	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
Proportionate share of the net pension liability	\$ 51,172,060	\$ 37,214,524	\$ 25,662,977

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued audited financial statements as of and for the year ended June 30, 2024, which is publicly available at [www.nmerb.org](http://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.

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND**

***General Information about the Other Post-Employment Benefits Plan***

*Plan Description* - Substantially all of the College's full-time employees are provided with other post-employment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-19, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

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

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

The Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150; Albuquerque, NM 87109.

*Benefits provided* - The Act authorizes the Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars (\$5) if the eligible participant retired prior to the employer's effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the Authority or viewed on their website at [www.nmrhca.org](http://www.nmrhca.org).

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

*Employees covered by benefit terms* - At June 30, 2024, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,978
Inactive and eligible for deferred benefit	12,552
Current active members	93,595
	159,125
Active membership	
State general	18,462
State police and corrections	1,260
Municipal general	17,283
Municipal police	3,169
Municipal FTRE	2,419
Educational Retirement Board	51,002
	93,595

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

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2021, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C-5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Act.

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

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

The College's contributions to the plan for the year ended June 30, 2025 totaled \$412,505, which equals the required contributions for the year. At June 30, 2025, the College reported a liability of \$5,290,565 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the College's proportion was 0.29642 percent which was an increase of 0.03742 percent from June 30, 2023.

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

For the year ended June 30, 2025, the recognized OPEB benefit of (\$1,221,951). At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 56,699	\$ 552,623
Net difference between projected and actual investment earnings on OPEB plan investments	47,293	-
Changes in assumptions	989,997	3,354,943
Changes in proportion	1,392,076	534,423
Contributions subsequent to the measurement date	412,505	-
<b>Total</b>	<b>\$ 2,898,570</b>	<b>\$ 4,441,989</b>

\$412,505 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended June 30:	
2025	\$ (847,562)
2026	(1,004,966)
2027	(475,450)
2028	101,031
2029	271,023
<b>Total</b>	<b>\$ (1,955,924)</b>

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

*Actuarial assumptions* - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023. The mortality, retirement, disability, turnover, and salary increase assumptions for PERA members are based on the PERA actuarial valuation as of June 30, 2022, and for ERB members are based on the ERB actuarial valuation as of June 30, 2022. The following actuarial assumptions were applied to the actuary's measurement:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected payroll increases	3.00% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 8.5% graded down to 4.5% over 16 years for Medicare medical plan costs.
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class.

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and projected arithmetic real rates of return for each major asset class, net of assumed inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Rate of Return</b>
U.S. core fixed income	20%	1.6%
U.S. equity - large cap	20%	6.9%
Non U.S. - emerging markets	15%	8.7%
Non U.S. - developed equities	12%	7.2%
Private equity	10%	9.9%
Credit and structured finance	10%	3.7%
Real estate	5%	3.6%
Absolute return	5%	3.2%
U.S. equity - small/mid cap	3%	6.9%

*Discount rate* - The discount rate used to measure the total OPEB liability is 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2070. The 7.00% assumed investment return on plan assets, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2070. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.65%) was used beyond 2070, resulting in a blended discount rate of 6.22%.

*Basis for Allocation* - The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2024.

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)**

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

*Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate* - The following presents the College's proportionate share of the net OPEB liability, calculated using the discount rate of 7.00% as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current discount rate:

<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
\$ 6,671,751	\$ 5,290,565	\$ 4,158,349

The following presents the Net OPEB Liability of NMRHCA as of June 30, 2024, as well as what the College's Net OPEB Liability would be if it were calculated using a health cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the health cost trend rates used:

<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
\$ 4,088,491	\$ 5,290,565	\$ 8,377,641

*OPEB plan fiduciary net position* - Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2024. Additional financial information is available at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us) or by contacting New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109.

*Payables to the Pension Plan* - The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2025, the College recorded a payable to NMRHCA in the amount of \$52,018 for the contributions withheld in the month of June 2025, which is included in the accrued payroll on the statement of net position.

## New Mexico Junior College Notes to Financial Statements

### Note 12: 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 13: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the College is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the College, the liabilities which may arise from such actions would not result in losses, which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the College or results of activities. The College has commitments as of June 30, 2025 for the following:

Vendor	Project Description	Amount
Bridgers and Paxton	Replace Airhandler	\$ 22,105
Dekker Ltd.	Professional Services for Campus Wide Landscape	14,771
Dekker Ltd.	Professional Service for new Student Apts	99,620
Dekker Ltd.	Mansur Hall Renovation Basic Services	315,958
Hohenberger Inc.	Watson Arts Data	54,796
Pettigrew and Associates PA	NMJC Master Drainage Plan	22,992
Dekker Ltd.	Watson Hall Bidding, Negotiation & Construction	3,442
Bradbury Stamm Construction, Inc.	NMJC Watson Hall Renovation	1,240,356
Dekker Ltd.	Bidding & Negotiation, Construction Administration	4,955
Bradbury Stamm Construction, Inc.	Energy & Welding Technology Building	195,700
Pettigrew and Associates PA	Professional Services for Watson Hall	12,168
Pettigrew and Associates PA	Professional Services for VoTech	207
Hungry Horse Electrical, LLC	Library Data/Power Upgrade for Temp Offices	18,157
KRS Management LLC	Service CDL gate entrance	15,000
Dekker Ltd.	Design for Heidel Hall Renovations	274,531
KRS Management LLC	Service rodeo gate entrance	16,650
Dekker Ltd.	Study to re clad the Western Heritage Museum	1,705
Professional Police Supply Inc	Conversion kit S&W	4,760
BRZ Consulting, LLC	Chemical & Waste Management Consult	7,275
Bradbury Stamm Construction, Inc.	Vestible & Safety Project & Master Landscaping	3,230,870
ABCO Fire Protection, Inc	Fire and Annual Backflow Inspection	2,400
Brightedge Technologies, Inc.	Search Engine Optimization	50,520
Hohenberger Inc.	Portable Gate SALTO Card Reader	6,451
Hohenberger Inc.	ACM Adds to Ben Alexander	8,165
575 Designz	Team Room Wall Art Upgrade Logo	7,646
Vital Records Control	Shredding Containers Service	30,866

(Continued)

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

**Note 13: COMMITMENTS AND CONTINGENCIES (Continued)**

Vendor	Project Description	Amount
Bradbury Stamm Construction, Inc.	Heidel Hall Renovation	\$ 15,537,042
Lynco Electric Co., Inc.	Golf Training Building, Museum and Caster Upgrades	49,427
BSN Sports	Women's Track Uniforms	4,322
Hohenberger Inc.	Heidel Hall Access Control and Cameras	157,300
Hohenberger Inc.	Workforce Access Control	13,341
Western Fire Extinguisher Co	Annual Inspection	1,827
Burmax	Cosmetology Supplies	5,382
Cooperative Educational Svc	Watson Hall Theatre AVL System Equipment	294,861
Hohenberger Inc.	Bob Moran AC	77,909
Hohenberger Inc.	Admin Building AC	50,053
Bosch Automotive Service Solutions,	Automotive tools	7,073
Cooperative Educational Svc	Bob Moran Air Handler Replacement	1,817,928
A.K. Sales and Consulting	Furniture for Dorms	225,840
Hohenberger Inc.	Admin Building Access Control	2,189
Hohenberger Inc.	Bob Moran Access Control	8,054
Pettigrew and Associates PA	Landscaping Lab Testing and Field Sampling	1,233
Civerolo, Gralow & Hill, P.A.	Legal Services	3,863
Cooperative Educational Svc	Remove Reidel Hall Chemicals	36,207
Cooperative Educational Svc	Recladding Western Heritage Museum	509,474
Dekker Ltd.	Indoor Rodeo Arena Expansion	383,771
Cooperative Educational Svc	Baseball Field Press Box	207,313
Interior Solutions of Arizona, LLC	Compact Shelving Maintenance Agreement	8,248
Hohenberger Inc.	Installation of Avigilon 360 Cameras & WAP's	116,377
Hohenberger Inc.	CDL Building Access Control	7,435
A.K. Sales and Consulting	Student Success Dept Furniture	40,549
Dekker Ltd.	Phase 2 Campuswide Landscaping	63,174
Johnson-Lancaster and Associates, I	Outdoor Walk-in Cooler Design, Build, Install	74,732
CDW Government	TOAD for Oracle	4,617
Pettigrew and Associates PA	Field Press Box Topo and GPR	5,328
Ingram Library Services LLC	Books	501
Cooperative Educational Svc	Western Heritage Museum Door Replacement	35,213
Post Secondary Education Accreditat	Consulting Services for HLS Assurance	12,250
Riverside Technologies, Inc.	HPE DL360 Gen 11 CTO Server	14,795
Association of Community College	VPI Search	13,000
Hohenberger Inc.	Caster Access Control	247,396
Hohenberger Inc.	Western Heritage Museum Access Control	71,621
Kinetic Improvement	Repair Cooling Tower in Central Plant	7,552
Tascosa Office Machines	Office Desks	6,335
Pettigrew and Associates PA	Show Barn Geotechnical Investigation	9,271
Cooperative Educational Svc	Paving for CDL Pad at Testing Yard	237,933

(Continued)

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

**Note 13: COMMITMENTS AND CONTINGENCIES (Continued)**

Vendor	Project Description	Amount
Ingram Library Services LLC	Books	\$ 579
Pettigrew and Associates PA	Animal Science Expansion Geotechnical Investigation	8,259
Dekker Ltd.	NMJC Campus Master Plan	201,713
Pettigrew and Associates PA	Heidel Hall Soil, Concrete, Grout Testing, Inspection	26,681
Hohenberger Inc.	Vehicle Gate Access Control	2,809
Deere and Company	John Deere Gator	22,283
Sound and Signal Systems of Texas	Annual Fire Alarm Inspection	14,878
Hungry Horse Electrical, LLC	Electrical Services for Horse Stalls	33,891
Double R Pipe and Supply, Inc	Structural Tubing Joints	17,400
Dekker Ltd.	Services to Add Wall and Gates to Millen Drive	111,703
T.S. Enterprise Associates, Inc.	E6 Robot with Training Platform	23,864
Advanced Network Management, Inc.	Catalyst 9300X Fiber Ports	17,958
Advanced Network Management, Inc.	Catalyst 9300L Network Essentials	74,449
Digicert, Inc.	Discovery Tool CertCentral	3,200
Tascosa Office Machines	Office Desks	8,460
Gaumard Scientific Company, Inc	Advanced Pediatric	69,906
Caprock AC and Heating	Replace HVAC System for Warehouse	12,621
<b>Total</b>		<b>\$ 26,683,452</b>

**Note 14: 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 15: TAX ABATEMENTS**

The New Mexico Junior College had no tax abatements during the year ended June 30, 2025. The College is not subject to any tax abatement agreements entered into by other governmental entities.

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

**Note 16: LEGISLATIVE GRANTS**

The College had the following legislative grants funded by Severance Tax Bonds (STB) and General Obligation Bonds (GOB) as of June 30, 2025:

Project	Agency	Grant #	Effective Date	Reversion Date
NMJC Infrastructure	Higher Education Department	STB F3082	7/15/2021	6/30/2025
NMJC Mary Hagelstein Renovation	Higher Education Department	STB I4094	9/14/2023	6/30/2026
NMJC Library Acquisitions	Higher Education Department	GOB G5374	8/4/2023	6/30/2026
NMJC Bob Moran Hall & Pannell Library Air Handlers	Higher Education Department	GF H2130	9/1/2023	6/30/2027
NMJC Bob Moran Hall & Ben Alexander Roof Replacement	Higher Education Department	GF H2131	9/1/2023	6/30/2027
NMJC Safety Infrastructure Improvements	Higher Education Department	GF I2089	12/10/2024	6/30/2028
NMJC Western Heritage Museum Exterior Improvements	Higher Education Department	GF I2090	12/10/2024	6/30/2028

(Continued)

Project	Net Amount	Expenditures to Date	Reverted	Remaining
NMJC Infrastructure	\$ 659,321	\$ 659,321	\$ -	\$ -
NMJC Mary Hagelstein Renovation	229,215	-	-	229,215
NMJC Library Acquisitions	28,956	1,034	-	27,922
NMJC Bob Moran Hall & Pannell Library Air Handlers	1,125,000	49,099	-	1,075,901
NMJC Bob Moran Hall & Ben Alexander Roof Replacement	1,000,000	-	-	1,000,000
NMJC Safety Infrastructure Improvements	220,000	-	-	220,000
NMJC Western Heritage Museum Exterior Improvements	200,000	200,000	-	-
	<b>\$ 3,462,492</b>	<b>\$ 909,454</b>	<b>\$ -</b>	<b>\$ 2,553,038</b>



# REQUIRED SUPPLEMENTARY INFORMATION



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

<b>Fiscal Year</b>	<b>June 30,</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Measurement Date</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Proportion of the net pension liability	0.42347%	0.36352%	0.34053%	0.34613%
Proportionate share of the net pension liability	\$ 37,214,524	\$ 31,569,113	\$ 28,678,454	\$ 24,531,848
Covered payroll	19,361,219	14,832,877	12,367,886	12,329,776
Proportionate share of the net pension liability as a percentage of covered payroll	192.21%	212.83%	231.88%	198.96%
Plan fiduciary net position as a percentage of the total pension liability	66.57%	64.87%	64.87%	69.77%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

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

June 30,					
2021	2020	2019	2018	2017	2016
2020	2019	2018	2017	2016	2015
0.36921%	0.38098%	0.40443%	0.41202%	0.41659%	0.41028%
\$ 74,823,690	\$ 28,868,005	\$ 48,092,108	\$ 45,789,710	\$ 29,979,623	\$ 26,574,937
13,019,838	12,560,775	12,992,158	13,745,513	13,754,379	13,664,766
574.69%	229.83%	370.16%	333.12%	217.96%	194.48%
39.11%	64.13%	52.17%	52.95%	61.58%	63.97%

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

<b>As of and for the Year Ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contribution	\$ 3,492,182	\$ 3,262,706	\$ 2,393,013	\$ 1,732,284
Contributions in relation to the contractually required contribution	3,492,182	3,262,706	2,393,013	1,732,284
Contribution deficiency (excess)	-	-	-	-
Covered payroll	20,668,239	19,361,219	14,832,877	12,367,886
Contributions as a percentage of covered payroll	16.90%	16.85%	16.13%	14.01%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

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

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 1,568,839	\$ 1,699,421	\$ 1,571,101	\$ 1,566,113	\$ 1,651,563	\$ 1,654,037
1,568,839	1,699,421	1,571,101	1,566,113	1,651,563	1,654,037
-	-	-	-	-	-
12,329,776	13,019,838	12,560,775	12,992,158	13,745,513	13,754,379
12.72%	13.05%	12.51%	12.05%	12.02%	12.03%

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

<b>Fiscal Year</b>	<b>June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Measurement Date</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Proportion of the net OPEB liability	0.29642%	0.25900%	0.24350%
Proportionate share of the net OPEB liability	\$ 5,290,565	\$ 4,410,530	\$ 5,628,746
Covered payroll	19,361,219	14,832,877	12,367,886
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	27.33%	29.73%	45.51%
Plan fiduciary net position as a percentage of the total	46.99%	44.16%	33.33%

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

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

June 30,				
2022	2021	2020	2019	2018
2021	2020	2019	2018	2017
0.24909%	0.26571%	0.28323%	0.30294%	0.31504%
\$ 8,195,932	\$ 11,156,918	\$ 9,183,418	\$ 13,172,904	\$ 14,276,583
12,329,776	13,019,838	12,560,775	12,992,158	13,745,513
66.47%	85.69%	73.11%	101.39%	103.86%
25.39%	16.50%	18.92%	13.14%	11.34%

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

<b>As of and for the Year Ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Contractually required contributions	\$ 412,505	\$ 377,448	\$ 255,742
Contributions in relation to the contractually required contribution	(412,505)	(377,448)	(255,742)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
New Mexico Junior College's covered-employee payroll	\$ 20,668,239	\$ 19,361,219	\$ 14,832,877
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	2.00%

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

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

2022	2021	2020	2019	2018
\$ 247,360	\$ 242,598	\$ 256,229	\$ 258,718	\$ 255,779
(247,360)	(242,598)	(256,229)	(258,718)	(255,779)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,367,886	\$ 12,329,776	\$ 13,019,838	\$ 12,560,775	\$ 12,992,158
2.00%	2.00%	2.00%	2.00%	2.00%

## New Mexico Junior College Notes to Required Supplementary Information

### **Education Retirement Board (ERB) Plan**

*Changes of benefit terms.* As of July 1, 2024, all retirees covered under the BCBS Medicare Advantage Plan II were transferred to the BCBS Medicare Advantage Plan I with a decreased premium of \$0.

*Changes of assumptions.* The trend rates on the valuation year per capita health costs, including drug rebates and EGWP revenue, were updated for Medicare plans. This change increased the TOL. Excise tax thresholds on benefits are no longer applied. During the June 4, 2024 meeting, the Board rescinded the 2020 Attestation of Intent. The excise tax thresholds described by the Affordable Care Act (ACA) for High Cost Health Plans are no longer applicable for assumption setting purposes. This change increased the TOL. The discount rate was updated from 6.22% to 7.00%. The cross-over test methodology was updated to reflect contributions on future employee payroll that will finance the unfunded liabilities of current members. This change decreased the TOL.

### **New Mexico Retiree Health Care Authority (NMRHCA) Plan**

*Changes of benefit terms.* The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHC FY24 audit available at <https://www.nmrhca.org/wp-content/uploads/2025/01/NMRHCA-Audited-FS-6.30.24.pdf>.

*Changes of assumptions.* The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2024 report is available at [https://www.nmrhca.org/wp-content/uploads/2024/12/RPTS\\_-05496.019\\_-NMRHCA-6\\_30\\_2024-Measurement-GASB-74-Report5916641.5.pdf](https://www.nmrhca.org/wp-content/uploads/2024/12/RPTS_-05496.019_-NMRHCA-6_30_2024-Measurement-GASB-74-Report5916641.5.pdf). See the notes to the financial statements beginning on page 20, which summarizes actuarial assumptions and methods effective with the June 30, 2024 valuation.



# SUPPLEMENTARY INFORMATION



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

<i>For the Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Basis)</u>	<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
Beginning fund balance	\$ 181,457,625	\$ 302,466,075	\$ 302,507,079	\$ 41,004
Unrestricted and restricted revenues				
State appropriations	9,416,194	10,216,046	10,116,045	(100,001)
State capital appropriations	229,215	5,212,493	862,321	(4,350,172)
Investment income	2,606,827	14,289,465	14,305,588	16,123
Federal revenue sources	3,973,744	4,721,802	4,351,302	(370,500)
State grants and contracts	1,231,522	1,649,313	955,074	(694,239)
Private grants	42,000	42,000	51,771	9,771
Public Service	218,474	197,582	233,569	35,987
Tuition and fees	3,738,960	4,562,200	5,080,240	518,040
Local funding	29,450,000	99,819,665	106,830,788	7,011,123
Auxiliary enterprises	2,860,000	3,363,318	3,372,898	9,580
Internal service	29,910	29,910	29,927	17
Other revenue	128,500	182,920	378,760	195,840
<b>Total unrestricted and restricted revenues</b>	<b>53,925,346</b>	<b>144,286,714</b>	<b>146,568,283</b>	<b>2,281,569</b>
Unrestricted and restricted expenditures				
Instruction	15,005,744	15,898,102	13,734,371	2,163,731
Academic support	3,340,083	3,623,118	3,348,871	274,247
Student services	4,695,191	4,820,999	4,375,980	445,019
Institutional support	8,221,493	8,665,968	7,779,806	886,162
Operation and maintenance of plant	6,246,117	6,916,756	5,894,084	1,022,672
Public Service	218,474	234,667	242,940	(8,273)
Internal service	219,431	276,722	134,951	141,771
Student aid, grants and stipends	5,465,714	7,158,263	6,038,376	1,119,887
Auxiliary services	3,324,544	4,941,194	4,579,609	361,585
Intercollegiate athletics	5,787,225	6,377,452	5,622,585	754,867
Renewal and replacement	164,286,744	66,514,712	33,762,528	32,752,184
Other grants	42,000	42,000	27,171	14,829
<b>Total unrestricted and restricted expenditures</b>	<b>216,852,760</b>	<b>125,469,953</b>	<b>85,541,272</b>	<b>39,928,681</b>
Net transfers	-	-	(400,000)	(400,000)
<b>Change in fund balance (budgetary basis)</b>	<b>(162,927,414)</b>	<b>18,816,761</b>	<b>60,627,011</b>	<b>41,810,250</b>
<b>Ending fund balance</b>	<b>\$ 18,530,211</b>	<b>\$ 321,282,836</b>	<b>\$ 363,134,090</b>	<b>\$ 41,851,254</b>
Change in net position per statement of revenues, expenses and changes in net position				
			\$ 88,284,207	
Instruction capital outlay			(24,767)	
Academic support capital outlay			(175,877)	
Student services capital outlay			(5,399)	
Institutional Support Capital Outlay			(77,880)	
Student aid capital outlay			(106,145)	
Internal service capital outlay			(105,137)	
Renewals and replacements capital outlay			(29,610,924)	
Net book value of capital assets disposed			20,805	
Net pension change			(3,512,063)	
Net OPEB change			(1,635,242)	
Depreciation expense			7,169,103	
Amortization expense			406,330	
<b>Financial statements change in net position reconciled</b>			<b>\$ 60,627,011</b>	

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

<i>For the Year Ended June 30, 2025</i>	Budgeted Amounts		Actual (Non-GAAP Basis)	Variance Favorable (Unfavorable)
	Original	Final		Final to Actual
Beginning fund balance	\$ 175,498,068	\$ 297,088,291	\$ 297,166,380	\$ 78,089
Unrestricted revenues				
State appropriations	607,230	607,230	607,230	-
State capital appropriations	229,215	5,212,493	862,321	(4,350,172)
Investment income	2,606,827	14,289,465	14,305,588	16,123
Internal service	29,910	29,910	29,927	17
Auxiliary enterprises	2,860,000	3,363,318	3,372,898	9,580
Other	-	1,320	145,465	144,145
<b>Total unrestricted revenues</b>	<b>6,333,182</b>	<b>23,503,736</b>	<b>19,323,429</b>	<b>(4,180,307)</b>
Unrestricted expenditures				
Public service	-	-	9,404	(9,404)
Internal services	219,431	276,722	134,951	141,771
Student aid	1,050,880	1,567,616	992,220	575,396
Auxiliary enterprises	3,324,544	4,941,194	4,579,609	361,585
Intercollegiate athletics	5,787,225	6,377,452	5,622,585	754,867
Renewal and replacement	164,286,744	66,514,712	33,762,528	32,752,184
<b>Total unrestricted expenditures</b>	<b>174,668,824</b>	<b>79,677,696</b>	<b>45,101,297</b>	<b>34,576,399</b>
Net transfers	8,379,219	74,886,263	78,530,276	3,644,013
Change in fund balance (budgetary basis)	(159,956,423)	18,712,303	52,752,408	34,040,105
<b>Ending fund balance</b>	<b>\$ 15,541,645</b>	<b>\$ 315,800,594</b>	<b>\$ 349,918,788</b>	<b>\$ 34,118,194</b>

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

<i>For the Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual (Non-GAAP Basis)	Variance Favorable <u>(Unfavorable)</u>
	Original	Final		Final to Actual
Beginning fund balance	\$ -	\$ 37,085	\$ -	\$ (37,085)
Restricted revenues				
Public service	218,474	197,582	233,569	35,987
Federal student aid	3,462,249	4,240,237	3,827,965	(412,272)
State student aid	952,585	1,350,410	745,191	(605,219)
Private grants	42,000	42,000	27,171	(14,829)
<b>Total restricted revenues</b>	<b>4,675,308</b>	<b>5,830,229</b>	<b>4,833,896</b>	<b>(996,333)</b>
Restricted expenditures				
Public service	218,474	234,667	233,536	1,131
Federal student aid	3,462,249	4,240,237	4,092,852	147,385
State student aid	952,585	1,350,410	953,304	397,106
Private grants	42,000	42,000	27,171	14,829
<b>Total restricted expenditures</b>	<b>4,675,308</b>	<b>5,867,314</b>	<b>5,306,863</b>	<b>560,451</b>
Net transfers	-	-	-	-
Change in fund balance (budgetary basis)	-	(37,085)	(472,967)	(435,882)
Ending fund balance	\$ -	\$ -	\$ (472,967)	\$ (472,967)

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

<i>For the Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variance Favorable <u>(Unfavorable)</u>
	Original	Final	(Non-GAAP Basis)	Final to Actual
Beginning fund balance	\$ 5,959,557	\$ 5,340,699	\$ 5,340,699	\$ -
Unrestricted revenues				
State appropriations	8,808,964	9,608,816	9,508,815	(100,001)
Local funding	29,450,000	99,819,665	106,830,788	7,011,123
Tuition and fees	3,738,960	4,562,200	5,080,240	518,040
Federal grants and contracts	35,000	16,000	22,512	6,512
Other revenue	128,500	181,600	233,295	51,695
<b>Total unrestricted revenues</b>	<b>42,161,424</b>	<b>114,188,281</b>	<b>121,675,650</b>	<b>7,487,369</b>
Unrestricted expenditures				
Instruction	14,611,285	15,418,806	13,318,693	2,100,113
Academic support	3,340,083	3,623,118	3,348,871	274,247
Student services	4,334,218	4,482,875	4,075,950	406,925
Institutional support	8,221,493	8,657,077	7,779,806	877,271
Operation and maintenance	6,246,117	6,916,756	5,894,084	1,022,672
<b>Total unrestricted expenditures</b>	<b>36,753,196</b>	<b>39,098,632</b>	<b>34,417,404</b>	<b>4,681,228</b>
Net transfers	(8,379,219)	(74,886,263)	(78,910,676)	(4,024,413)
Change in fund balance (budgetary basis)	(2,970,991)	203,386	8,347,570	8,144,184
<b>Ending fund balance</b>	<b>\$ 2,988,566</b>	<b>\$ 5,544,085</b>	<b>\$ 13,688,269</b>	<b>\$ 8,144,184</b>

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

<i>For the Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Basis)</u>	<u>Final to Actual</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues				
Federal government contracts/grants	476,495	465,565	500,825	35,260
State government contracts/grants	278,937	298,903	209,883	(89,020)
Other grants and contracts	-	61,843	24,600	(37,243)
<b>Total restricted revenues</b>	<b>755,432</b>	<b>826,311</b>	<b>735,308</b>	<b>(91,003)</b>
Restricted expenditures				
Instruction	394,459	479,296	415,678	63,618
Student services	360,973	338,124	300,030	38,094
Institutional support	-	8,891	-	8,891
<b>Total restricted expenditures</b>	<b>755,432</b>	<b>826,311</b>	<b>715,708</b>	<b>110,603</b>
Net transfers	-	-	(19,600)	(19,600)
Change in fund balance (budgetary basis)	-	-	-	-
<b>Ending fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## SUPPORTING SCHEDULES



**New Mexico Junior College**  
**Schedule of Deposit and Investment Accounts**  
**June 30, 2025**

Account Name	Type	Lea County State Bank	New MexiGROW LGIP	Wells Fargo Bank	Western Commerce Bank	Total
NMJC	Checking-interest bearing	\$ -	\$ -	\$ -	\$ 25,360	\$ 25,360
Instructional and general	Checking-non-interest bearing	-	-	8,912,349	-	8,912,349
NMJC money market	Deposit-interest bearing	33,231	-	-	-	33,231
Pell federal account	Checking-non-interest bearing	222,305	-	-	-	222,305
Payroll dep account	Checking-non-interest bearing	145,874	-	-	-	145,874
Flexible spending account	Checking-non-interest bearing	27,615	-	-	-	27,615
NMJC	CDARS	50,000,000	-	-	-	50,000,000
NMJC	Short-Term Investment	-	292,000,000	-	-	292,000,000
Amounts on deposit		50,429,025	292,000,000	8,912,349	25,360	351,366,734
Outstanding items		(32,085)	-	(2,376,294)	-	(2,408,379)
Reconciled balance		\$ 50,396,940	\$ 292,000,000	\$ 6,536,055	\$ 25,360	348,958,355

Petty cash 6,396

Total deposit and investments \$ 348,964,751

Reconciliation to the financial statements

Cash and cash equivalents \$ 6,964,751

Short-term investment 338,946,839

Long-term investment 3,053,161

Total deposits and investments \$ 348,964,751

**New Mexico Junior College**  
**Schedule of Collateral Pledged by Depository**  
**June 30, 2025**

Depository	Description of Pledged Collateral	Fair Market Value June 30, 2025	Name and Location of Safekeeper
<b>Lea County State Bank</b>			
	GNMA II CUSIP #CU9077, due 9/15/2027	\$ 2,335,730	The Independent Bankers Bank Farmers Branch, TX
	Hobbs NM SD 2.25% CUSIP #43385QBD8, due 09/15/2027	485,480	The Independent Bankers Bank Farmers Branch, TX
	University of NM Valencia County 3% CUSIP #914696DU0, due 8/1/2026	215,019	The Independent Bankers Bank Farmers Branch, TX
<b>Total Lea County State Bank</b>		<b>3,036,229</b>	
<b>Wells Fargo Bank</b>			
	GNMA G2SF 5.000% CUSIP #36179XX50, due 4/20/2053	1,098,783	Bank of New York Mellon New York, NY
	FNMA FNMS 3.000% CUSIP #3140XFSZ5, due 7/1/2043	1,430,598	Bank of New York Mellon New York, NY
	FNMC FEPC 2.000% CUSIP #3133N3X82, due 7/1/2051	2,171,906	Bank of New York Mellon New York, NY
	FNMA FNMS 3.000% CUSIP #3138MK4J2, due 11/1/2042	12,557	Bank of New York Mellon New York, NY
	FNMA FNMS 3.000% CUSIP #3140XFSZ5, due 9/2043	6,988	Bank of New York Mellon New York, NY
	FNMA FNMS 3.500% CUSIP #3140XDN85, due 5/1/2047	301,915	Bank of New York Mellon New York, NY
	FNMA FNMS 2.000% CUSIP #3140KFMH5, due 11/1/2050	3,271,582	Bank of New York Mellon New York, NY
	FNMA FNMS 3.000% CUSIP #31418CDL5, due 11/1/2046	1,336,081	Bank of New York Mellon New York, NY
	GNMA G2SF 4.500% CUSIP #36179XAA4, due 6/20/2052	28,509	Bank of New York Mellon New York, NY
<b>Total Wells Fargo Bank</b>		<b>9,658,919</b>	
<b>Total pledged collateral</b>		<b>\$ 12,695,148</b>	

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# REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS



**INDEPENDENT AUDITOR’S 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***

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and  
The Office of Management and Budget and  
New Mexico Junior College Board  
New Mexico Junior College  
Hobbs, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of the New Mexico Junior College (the “College”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 1, 2025. We also have audited the budgetary schedules presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2025, as listed in the table of contents.

**Report on Internal Control over Financial Reporting**

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

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

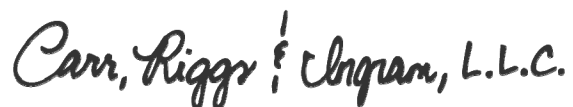
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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



Carr, Riggs & Ingram, L.L.C.  
Albuquerque, NM  
December 1, 2025

**New Mexico Junior College  
Schedule of Findings and Responses  
June 30, 2025**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements:*

- |                                                                                  |            |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued                                               | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?                                               | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements?                           | No         |

**New Mexico Junior College  
Schedule of Findings and Responses  
June 30, 2025**

**SECTION II: FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS**

None noted

**SECTION IV: COMPONENT UNIT FINDINGS**

***New Mexico Junior College Foundation***

None noted.

***New Horizons Foundation***

None noted.

**SECTION V: SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

***Financial Statement Findings***

None noted.

***Component Unit Findings***

None noted.

**EXIT CONFERENCE**

The contents of this report and its schedules related to the component units were discussed on October 27, 2025. The following individuals were in attendance:

**College Officials:**

Travis Glenn	Board Chair
Cathy Mitchell	Interim President
Josh Morgan	Vice-President for Finance
Stacey Wynn	Controller

**New Mexico Junior College Foundation Officials:**

Rachel Gallagher	VP for Advancement, Secretary
Amanda Baker	Director of Donor Engagement and Scholarships
Cathy Mitchell	Board Member, Interim President

**New Horizons Foundation Officials:**

Cathy Mitchell	Board Member, Interim President
Dennis Holmberg	NHF Executive Director

**CliftonLarsonAllen LLP:**

Cathryn Cegelis, CPA	Controller
Raul Anaya, CPA	Principal

**Carr, Riggs & Ingram, LLC:**

Paul Garcia, CPA	Partner
------------------	---------

**AUDITOR PREPARED FINANCIALS**

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



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

**SINGLE AUDIT REPORT AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2025

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# INTRODUCTORY SECTION



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New Mexico Junior College  
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June 30, 2025

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**BOARD MEMBER CHAIRMAN**

Travis Glenn

**BOARD MEMBER SECRETARY**

Hector Baeza

**BOARD MEMBERS**

Manny Gomez

Erica Jones

Guy Kesner

Evelyn Rising

David Rouser

**PRESIDENT**

Cathy Mitchell

**EXECUTIVE ASSISTANT TO THE PRESIDENT**

Norma Faught

**VICE-PRESIDENT FOR FINANCE**

Josh Morgan

**VICE-PRESIDENT FOR STUDENT SERVICES**

Nick Alvarado

**VICE-PRESIDENT FOR INSTITUTIONAL RESEARCH**

William Brown

**VICE-PRESIDENT FOR WORKFORCE DEVELOPMENT**

Steve Saucedo

**VICE-PRESIDENT FOR OPERATIONS & SPECIAL PROJECTS**

Charley Carroll

**VICE-PRESIDENT OF ADVANCEMENT**

Rachel Gallagher

**GENERAL COUNSEL/CHIEF COMMUNITY LIAISON**

Scotty Holloman

**CHIEF INFORMATION OFFICER**

Bill Kunko

**CONTROLLER**

Stacey Wynn

**DIRECTOR OF FINANCIAL AID**

Kerrie Mitchell

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# COMPLIANCE SECTION





**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**  
2424 Louisiana Boulevard NE  
Suite 300  
Albuquerque, NM 87110

505.883.2727  
505.884.6719 (fax)  
CRIadv.com

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED  
BY THE UNIFORM GUIDANCE**

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and  
The Office of Management and Budget and  
New Mexico Junior College Board  
New Mexico Junior College  
Hobbs, New Mexico

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the New Mexico Junior College’s (the “College”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the College’s major federal program for the year ended June 30, 2025. The College’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended June 30, 2025.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the College’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the College's business-type activities, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated December 1, 2025, that contained an unmodified opinion on that financial statement. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 auditing standards generally accepted in the United States of America.

In our opinion, based on our audit, the procedures performed as described previously, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Carr, Riggs & Ingram, L.L.C.  
Albuquerque, New Mexico  
February 4, 2026

**New Mexico Junior College  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025**

<b>Federal Grantor/Passthrough Grantor/Program Title</b>	<b>Grant/ Passthrough Number</b>	<b>Federal Assistance Listing Number</b>
U.S. Department of Education		
<i>Direct programs</i>		
Student Financial Assistance Cluster		
Federal Pell Grant Program	N/A	84.063
Federal Supplemental Educational Opportunity Grants	N/A	84.007
Federal Work Study Program	N/A	84.033
Federal Direct Student Loans	N/A	84.268
<hr/>		
Total Student Financial Assistance Cluster		
<hr/>		
TRIO Cluster		
TRIO-Student Support Services	N/A	84.042A
<hr/>		
Total TRIO Cluster		
<hr/>		
<i>Passed through New Mexico Higher Education Department</i>		
Adult Education - Adult Basic Education Federal	V002A230032	84.002A
<hr/>		
Total U.S. Department of Education		
<hr/>		
U.S. Department of the Treasury		
<i>Passed through New Mexico Higher Education Department</i>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)		
COVID-19 (CSLFRF): Work Study High Demand Degree Fields	42522	21.027
COVID-19 (CSLFRF): Building Renewal and Replacement	93001	21.027
<hr/>		
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)		
<hr/>		
Total U.S. Department of the Treasury		
<hr/>		
U.S. Department of the Health and Human Services		
<i>Passed through New Mexico Higher Education Department</i>		
Temporary Assistance for Needy Families (TANF) - Adult Basic Education	41215	93.558
<hr/>		
Total U.S. Department of the Health and Human Services		
<hr/>		
Total federal financial assistance		
<hr/>		

<b>Federal Expenditures</b>	<b>Funds Provided to Subrecipients</b>	<b>Noncash Assistance</b>
\$ 3,500,006	\$ -	\$ -
56,031	-	-
49,764	-	-
222,164	-	-
<hr/> 3,827,965	-	-
295,029	-	-
<hr/> 295,029	-	-
131,767	-	-
<hr/> 4,254,761	-	-
264,888	-	-
31,137	-	-
<hr/> 296,025	-	-
296,025	-	-
<hr/>		
74,029	-	-
<hr/> 74,029	-	-
\$ 4,624,815	\$ -	\$ -

**New Mexico Junior College**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

1. **Basis of Presentation**

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

2. **Loans**

The College did not expend federal awards related to loans or loan guarantees during the year. Federal Direct Loans advanced to students in fiscal year 2025 totaled \$222,164.

3. **The de minimis indirect cost rate allowed under the Uniform Guidance**

The College did not elect to use the allowed de minimis indirect cost rate allowed under the Uniform Guidance

4. **Federally Funded Insurance**

The College has no federally funded insurance.

5. **Subsequent Events**

The College is required to evaluate events or transactions that may occur after the Schedule of Expenditures of Federal Awards' date for potential recognition or disclosure in the notes to the Schedule of Expenditures of Federal Awards. The College performed such an evaluation through February 4, 2026, the date which the schedule of expenditures of federal awards was available to be issued, and noted no events or transactions that occurred after the Schedule of Expenditures of Federal Awards' date requiring recognition or disclosure.

6. **Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements**

Total federal awards expended per schedule of expenditures of federal awards	\$	4,624,815
Less: pell grants		(3,500,006)
Less: federal loans		(222,164)
Less: accruals and other reconciling items		(273,513)
<hr/>		
Federal grants and contracts per the statement		<u>629,132</u>

**New Mexico Junior College  
Schedule of Findings and Questioned Costs  
June 30, 2025**

**SECTION I: SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements:*

- |                                                                                  |            |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor’s report issued                                               | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?                                               | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements?                           | No         |

*Federal Awards:*

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

4. Identification of major programs:

Assistance Listing

Numbers

Federal Program

84.063	<b>Student Financial Assistance Cluster</b>
84.007	Federal Pell Grant program
84.033	Federal SEOG program
84.268	Federal Work Study Program
	Federal Direct Student Loans

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

**New Mexico Junior College  
Schedule of Findings and Questioned Costs  
June 30, 2025**

**SECTION II: FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS**

None noted

**SECTION IV: FEDERAL AWARD FINDINGS**

None noted.

**SECTION V: SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

***Federal Award Findings***

None noted.

**New Mexico Junior College  
Other Disclosures  
June 30, 2025**

**EXIT CONFERENCE**

The contents of this report and its schedules related to the component units were discussed on February 4, 2026. The following individuals were in attendance:

**College Officials:**

Travis Glenn	Board Chair
Cathy Mitchell	Interim President
Josh Morgan	Vice-President for Finance
Stacey Wynn	Controller

**Carr, Riggs & Ingram, LLC:**

Paul Garcia, CPA	Partner
------------------	---------

**AUDITOR PREPARED FINANCIALS**

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

# Memo

DATE: March 12, 2026  
TO: NMJC Board  
FROM: Travis Glenn, Board Chair – New Mexico Junior College  
SUBJECT: Out of State Board Travel Request

As per the New Mexico Junior College Board Policy Handbook – Board Travel Policy 3.3, I am seeking your approval for NMJC Board Members to travel on October 21-24, 2026 to Chicago, Illinois to attend the 2026 ACCT Leadership Congress Conference.

The ACCT Leadership Congress Conference serves as a gathering ground and platform for over 1,600 community college trustees and presidents, as well as leaders from many charitable organizations, government agencies and national non-profits, to exchange initiatives, successes and concerns. This year's conference will focus on how community college trustees, presidents, and senior leaders can lead meaningful change while centering care, responsibility, and long-term impact. As institutions navigate rapid technological advances, evolving workforce demands, enrollment shifts and increasing mental and operational strain, effective leadership requires both a bold vision and thoughtful stewardship. The conference will explore strategies that balance innovation with institutional well-being, governance with empathy, and transformation with purpose, equipping leaders to make informed decisions that strengthen the colleges and communities they serve.

A legal notice of a potential quorum will be published informing the public that the Board members of NMJC may be in attendance of this event.

Thank you for your consideration.

**NEW MEXICO JUNIOR COLLEGE**  
**ASSOCIATE OF APPLIED SCIENCE**  
in EQUINE INDUSTRY AND TRAINING



**GENERAL EDUCATION REQUIREMENTS - 16 Credit Hours**

COURSE	TITLE	CREDITS	SEMESTER	GRADE
ENGL 1110 (EN 113)	Composition I	3		
	Communications	3		
	Mathematics	3		
	Laboratory Science	4		
	Social/Behavioral Science	3		

**DEPARTMENTAL REQUIREMENTS- 45 Credit Hours**

COURSE	TITLE	CREDITS	SEMESTER	GRADE
EQ 103	Equine Science	3		
EQ 133	Equine Evaluation	3		
EQ 113B	Equine Nutrition	3		
EQ 113A	Equine Anatomy	3		
EQ 113	Equine Management	3		
EQ 123	Equine Business	3		
EQ 213	Equine Sales & Marketing	3		
EQ 104	Horsemanship I	4		
EQ 114	Horsemanship II	4		
EQ 123A	Performance Training I	3		
EQ 213A	Performance Training II	3		
EQ 213B	Applied Horsemanship I	3		
EQ 223	Applied Horsemanship II	3		
ANSC 114	Introduction to Animal Science	4		
	<b>Total Credits</b>	45		

**Total Credit Hours Acquired:** \_\_\_\_\_

**Total credit hours required for AAS: 61**

**Cumulative GPA:** \_\_\_\_\_

All courses, other than General Education requirements, must be completed with a "C" or better.

The student must have a cumulative grade point average of at least 2.0.

A minimum of 15 semester hours must be earned at NMJC. The remainder may be acceptable transfer credits.

Transitional and / or developmental courses do not fulfill any of the above requirements.

Students will not be permitted to graduate if they have unresolved incomplete (I) grades on their academic record.

Although college officials will provide assistance, it is the final responsibility of the student to check all phases of his or her degree completion.

*Updated Fall 2019*