

NOTICE

CENTRAL NEW MEXICO COMMUNITY COLLEGE
Bernalillo and Sandoval Counties, New Mexico

\$34,000,000¹ - General Obligation (Limited Tax) Bonds, Series 2018A

Preliminary Official Statement, subject to completion,
dated August 7th, 2018

This Preliminary Official Statement, dated August 7th, 2018 (the "Preliminary Official Statement"), relating to the above-described bonds (the "Bonds") of Central New Mexico Community College (the "Issuer"), has been posted on the internet as a matter of convenience. Paper copies of the Preliminary Official Statement are available from the Issuer by contacting its financial advisor, RBC Capital Markets, LLC, Erik Harrigan at (505) 872-5999. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat XI). Although this format should replicate the Preliminary Official Statement available from the Issuer, its appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat XI may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement.

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the Issuer has deemed "final" as of its date in respect to the Bonds, except for certain pertinent information permitted to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this notice.

Preliminary Official Statement dated August 7th, 2018.

¹Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2018

CENTRAL NEW MEXICO COMMUNITY COLLEGE Bernalillo and Sandoval Counties, New Mexico \$34,000,000¹ - General Obligation (Limited Tax) Bonds, Series 2018A

NEW ISSUE
Book-Entry Only

Moody's Rating: Aa1
S & P Rating: AA+

PURPOSES

Proceeds of the Bonds will be issued for the purpose of (1) erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities and making other real property improvements, and purchasing and installing computer hardware and software, or any combination of these purposes and (2) paying costs of issuance.

THE BONDS

The Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC Participant. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 15 and August 15, commencing February 15, 2019. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants is the responsibility of DTC. See "THE BONDS - Book-Entry-Only System". The Central New Mexico Community College is the Registrar and Paying Agent for the Bonds.

OPTIONAL REDEMPTION

The Series 2018A Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS".

SECURITY

The Bonds are general obligations of the Central New Mexico Community College (the "College"), Bernalillo and Sandoval Counties, New Mexico, payable from general (ad valorem) property taxes which shall be levied against all taxable property in the taxing district of the College (the "District") in an amount not to exceed five mills; however, this limit may be exceeded if it is necessary to levy more than five mills to pay principal and interest on the Bonds if the valuation of property within the District declines to a level lower than the valuation of such property in the year in which the Bonds were issued.

BOND AND TAX OPINION

In the opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants in the documents relating to the Bonds and requirements of the Internal Revenue Code of 1986, as amended, (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, including (under circumstances described under "TAX EXEMPTION", herein) imposition of the corporate alternative minimum taxes on a portion of that interest. Bond Counsel is further of the opinion that interest on the Bonds is exempt, under existing law from personal income taxation by the State of New Mexico. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Bonds. (See "TAX EXEMPTION" herein.)

DELIVERY

When, as and if issued, through DTC's facilities, on or about August 29, 2018.

DATED DATE

August 29, 2018

DUE DATE

August 15, as shown on the following page:

GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2018A

Years Maturing (August 15)	Principal	Interest Rate	Yield or Price	CUSIP # 154626	Years Maturing (August 15)	Principal	Interest Rate	Yield or Price	CUSIP # 154626
2019	\$3,200,000				2027	2,000,000			
2020	4,500,000				2028	2,000,000			
2021	2,300,000				2029	2,000,000			
2022	2,000,000				2030	2,000,000			
2023	2,000,000				2031	2,000,000			
2024	2,000,000				2032	2,000,000			
2025	2,000,000				2033	2,000,000			
2026	2,000,000								

Electronic and sealed bids will be opened at 10:00 AM, prevailing Mountain Time, Tuesday, August 14, 2018.
See "Notice of Bond Sale" enclosed.

¹Preliminary, subject to change.

CENTRAL NEW MEXICO COMMUNITY COLLEGE
P.O. Box 4586
Albuquerque, New Mexico 87196-4586
(505) 224-4457

GOVERNING BOARD

Pauline J. Garcia	-	District 1 (Chair)
Michael Canfield	-	District 2
Thomas E. Swisstack	-	District 3 (Vice Chair)
Annette Chavez y De La Cruz	-	District 4
Nancy Baca	-	District 5
Virginia M. Trujillo	-	District 6 (Secretary)
Michael J. Glennon	-	District 7

COLLEGE ADMINISTRATION

President	Dr. Katharine Winograd
Vice President for Academic Affairs	Dr. Sydney Gunthorpe
Vice President for Finance & Operations	Tracy Hartzler
Vice President for Student Services	Phillip Bustos
Vice President of Advancement and Enrollment Strategy	Samantha Sengel
Chief Information Officer	Feng Hou
Comptroller	Wanda Helms, CPA CGMA

FINANCIAL ADVISOR

RBC Capital Markets, LLC
6301 Uptown Boulevard N.E. Suite 110
Albuquerque, New Mexico 87110
(505) 872-5999

BOND COUNSEL

Rodey, Dickason, Sloan, Akin & Robb, P.A.
201 Third Street NW, Suite 2200
Albuquerque, NM 87102
(505) 765-5900

PAYING AGENT/REGISTRAR

Wanda Helms, Comptroller
Central New Mexico Community College
P.O. Box 4586 (87196-4586)
525 Buena Vista SE
Albuquerque, New Mexico 87106
(505) 224-4457

A FEW WORDS ABOUT OFFICIAL STATEMENTS

Official statements for municipal securities issues – like this one – contain the only “official” information about a particular issue of municipal securities. This Official Statement is not an offer to sell or solicitation of an offer to buy Bonds in any jurisdiction where it is unlawful to make such offer, solicitation or sale and no unlawful offer, solicitation or sale of the Bonds may occur through this Official Statement or otherwise. This Official Statement is not a contract and provides no investment advice. Investors should consult their advisors and legal counsel with their questions about this Official Statement, the Bonds or anything else related to this issue.

MARKET STABILIZATION

In connection with this Official Statement, the initial purchaser may over-allot or effect transactions which stabilize and maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. The initial purchaser is not obligated to do this and is free to discontinue it at any time.

The estimates, forecasts, projections and opinions in this Official Statement are not hard facts, and no one, including the College, guarantees them.

The information set forth or included in this Official Statement has been provided by the College and from other sources believed by the College to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the College described herein since the date hereof. This Official statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel, Albuquerque, New Mexico, was not requested and did not independently verify any of the information contained herein. Such firm has no responsibility for the accuracy or completeness of any information furnished in connection with any offer or sale of the Bonds in the Official Statement or otherwise.

Any part of this Official Statement may change at any time, without prior notice. Also, important information about the College and other relevant matters may change after the date of this Official Statement.

All document summaries are just that – they are not complete or definitive, and they may omit relevant information. Such documents are qualified in their entirety to the complete documents. Any investor who wishes to review the full text of documents may request them at no cost from the College or the Financial Advisor as follows:

College

Central New Mexico Community College
P.O. Box 4586
Albuquerque NM 87196-4586
Attn: Wanda Helms
whelms@cnm.edu

Financial Advisor

RBC Capital Markets, LLC
6301 Uptown Blvd. NE, Suite 110
Albuquerque, NM 87110
Attn: Erik Harrigan
erik.harrigan@rbccm.com

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	ORIGINAL ISSUE PREMIUM.....	32
The Issuer	1	CONTINUING DISCLOSURE UNDERTAKING	32
Security	1	Annual Reports	32
Financial Statements	1	Material Event Notices	32
Selected Debt Ratios	2	LITIGATION	33
THE BONDS	3	LEGAL MATTERS.....	33
Description	3	RATINGS	33
Authorization	3	THE FINANCIAL ADVISOR	34
Payment of Principal and Interest; Record Date	3	ADDITIONAL INFORMATION.....	34
Bond Registrar and Paying Agent	3	TRANSCRIPT AND CLOSING STATEMENTS.....	34
Redemption	3	OFFICIAL STATEMENT AUTHORIZATION	34
Tax Covenants.....	4		
SECURITY AND REMEDIES.....	5	APPENDIX A: ECONOMIC & DEMOGRAPHIC	
Security.....	5	INFORMATION RELATING TO THE COLLEGE	
Legal Matters.....	5	APPENDIX B: JUNE 30, 2017 AUDITED FINANCIAL	
Limitations on Remedies Available to Owners of Bonds ..	5	STATEMENTS	
DEBT AND OTHER FINANCIAL OBLIGATIONS	6	APPENDIX C: BOOK-ENTRY-ONLY SYSTEM	
General Obligation Debt.....	6	APPENDIX D: FORM OF BOND COUNSEL OPINION	
Outstanding Debt	6	APPENDIX E: CONTINUING DISCLOSURE UNDERTAKING	
Debt Service Requirements to Maturity.....	7		
Statement of Estimated Direct and Overlapping Debt.....	7		
TAX BASE	8		
Analysis of Assessed Valuation	8		
History of Assessed Valuation	9		
Major Taxpayers	9		
Tax Rates.....	10		
Yield Control Limitation	11		
Developments Limiting Residential Property Valuation			
Increases	11		
Tax Collections on Locally Assessed and Centrally			
Assessed Property	13		
Interest on Delinquent Taxes.....	14		
Penalty for Delinquent Taxes.....	14		
Remedies Available for Non-Payment of Taxes.....	14		
THE COLLEGE	15		
General	15		
New Mexico Higher Education Department	18		
Governing Board.....	18		
Administration and Staff.....	18		
Insurance	20		
Facilities.....	20		
2018 Bond Projects	21		
Accreditation.....	21		
Tuition and Fees	23		
Enrollment.....	24		
FINANCES OF THE EDUCATIONAL PROGRAM.....	25		
Budget Process	25		
Accounting Policies	25		
Pension Plan – Educational Retirement Board	29		
TAX EXEMPTION	31		

**Central New Mexico Community College
Bernalillo and Sandoval Counties, New Mexico
\$34,000,000¹ - General Obligation (Limited Tax) Bonds, Series 2018A**

INTRODUCTION

Thank you for your interest in learning more about the Central New Mexico Community College (the "College"), Bernalillo and Sandoval Counties, New Mexico, General Obligation (Limited Tax) Bonds, Series 2018A issued in the principal amount of \$34,000,000¹. This Official Statement will tell you about the Bonds, their security, the College and the risks involved in an investment in the Bonds.

Although the College has approved this Official Statement, the College does not intend for it to substitute for competent investment advice, tailored for your situation.

The material in this "INTRODUCTION" is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the Authorizing & Delegating Resolution, authorizing the issuance of the Bonds adopted by the Governing Board of the College on July 10, 2018 (the "Bond Resolution").

The Bonds are fully registered bonds in denominations of \$5,000 or integral multiples thereof as described in the Bond Resolution. The Bonds mature and bear interest as presented on the cover page of this Official Statement.

The Issuer

The College is a political subdivision of the State of New Mexico (the "State") organized for the purpose of operating and maintaining a program of postsecondary education which provides coursework leading to certificates and associate degrees. The College's taxing district (the "District") encompasses all of Bernalillo County including the municipalities of Albuquerque, Tijeras and Los Ranchos de Albuquerque and most unincorporated areas, and in Sandoval County, the municipalities of Rio Rancho and Corrales. The District's 2017 assessed valuation is \$18,611,631,378. For Fall 2017, credit programs had a total headcount enrollment of 27,379 and full-time equivalent enrollment of 24,442. An additional 2,937 students attended continuing education and other non-credit courses that year.

Security

The Bonds are general obligations of the College payable from ad valorem taxes levied annually against all taxable property within the District up to a maximum levy of five dollars (\$5.00) on each one thousand dollars (\$1,000) of net taxable value. The \$5.00 per \$1,000 of assessed valuation limitation may be exceeded in any year in which the valuation of the property within the District declines to a level lower than the valuation of the property the year in which the Bonds are issued. Neither the State nor any other political subdivision of the State has any responsibility to pay the debt service on the Bonds.

Financial Statements

An excerpt of the College's audited financial statements as of and for the year ended June 30, 2017, including the opinion of independent public accountants rendered thereon is attached as Appendix B. The complete audited financial statements for the College as of and for the year ended June 30, 2017, including the opinion rendered thereon of independent public accountants are available upon request. It should be noted that no audit procedures have been performed subsequent to the date of the audit opinion. Furthermore, there has not been an audit of any financial statements as of any date or for any period subsequent to the date of the latest financial statements covered by the opinion.

¹Preliminary, subject to change.

Purpose

Proceeds of the Bonds will be issued for the purpose of (1) erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities and making other real property improvements, and purchasing and installing computer hardware and software, or any combination of these purposes and (2) paying costs of issuance. The Bonds were authorized at an election held on February 2, 2016.

Selected Debt Ratios

	<u>2017</u>
2017 Assessed Valuation	\$18,611,631,378
2017 Estimated Actual Valuation	\$67,841,073,165 ⁽¹⁾
District General Obligation	
Current Outstanding Debt	\$90,340,000
Series 2018A	\$34,000,000
Series 2018B	\$8,000,000 ⁽²⁾
General Obligation Debt Outstanding (including Series 2018A and Series 2018B Bonds)	\$132,340,000 ⁽³⁾
Net General Obligation Debt	\$118,236,920
Estimated Direct & Overlapping G/O Debt	\$1,469,283,990
<u>Net Debt as a Percentage of</u>	
Assessed Valuation	0.64%
Estimated Actual Valuation	0.17%
<u>Direct & Overlapping Debt as Percentage of</u>	
Assessed Valuation	7.89%
Estimated Actual Valuation	2.17%
Estimated Population	731,000
District Net Debt Per Capita	\$161.75
Direct and Overlapping Debt Per Capita	\$2,009.96

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) Series 2018B are expected to be privately placed August 29th, 2018 with the New Mexico State Treasurer.

(3) Preliminary, subject to change.

THE BONDS

Description

The Bonds are General Obligation (Limited Tax) Bonds, issued in the principal amount of \$34,000,000¹ and are dated [August 29, 2018]. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof (each an "Authorized Denomination"), bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on February 15 and August 15 each year, commencing on February 15, 2019, and maturing serially, as set forth on the cover page of this Official Statement. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Authorization

The Bonds were authorized at an election held in the District on February 2, 2016. The Bonds are being issued pursuant to the Board's powers under NMSA 1978, Sections 21-2A-1 to -10 (1995, as amended through 2013) (the "Act"), the Constitution and other laws of the State, the Bond Resolution and a final terms certificate setting forth the final terms of the Bonds.

Payment of Principal and Interest; Record Date

The principal of the Bonds shall be payable upon presentation and surrender of the Bonds at the principal office of the Paying Agent at or after maturity or prior redemption dates. Principal and interest on the Bonds shall be payable by check or draft mailed to each registered owner of the Bonds (each, a "Registered Owner") (or by such other arrangement as must be mutually agreed to by the Paying Agent and the Registered Owner) as shown on the registration books for the Bonds maintained by the Registrar at the address appearing in the registration books at the close of business on the first day of the calendar month in which that Interest Payment Date falls. Interest which is not timely paid or provided for shall cease to be payable to the Registered Owners of the Bonds (or of one or more predecessor Bonds) as of the regular record date, but shall be payable to the Registered Owners of the Bonds (or of one or more predecessor Bonds) at the close of business of a special record date for the payment of the overdue interest. Notice of the special record date shall be given to the Registered Owners not less than 10 days prior to that date. Payment shall be made in the coin or currency of the United States of America that is at the time of payment legal tender for the payment of public and private debts, in immediately available funds. If any bond presented for payment remains unpaid at maturity, it shall continue to bear interest at the rate designated in the bond. Payments of Bonds shall be made without deduction for exchange or collection charges.

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of the Bonds (each a "Due Date") shall not be a Business Day (i.e. any day Monday through Friday except legal holidays on which banks are closed in Albuquerque, New Mexico), then payment of principal, premium, if any, or interest need not be made on the Due Date, but may be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity of the date fixed for redemption, and no interest shall accrue in the period from the Due Date to the next succeeding Business Day.

Bond Registrar and Paying Agent

The College will serve as the initial Bond Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

Redemption

The Bonds maturing on or after August 15, 2026 will be subject to redemption prior to maturity, at the option of the College, on and after August 15, 2025, in whole or in part at any time, in one or more units of principal of \$5,000 in such order of maturities as the College may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Paying Agent in such manner as it shall consider appropriate and fair). The purchase price for bonds selected for redemption will be equal to the principal amount of each bond (or portion thereof) so redeemed, plus accrued interest thereon to the redemption date.

¹Preliminary, subject to change.

Transfers and Exchanges

The College shall cause books for registration, transfer, and exchange of the Bonds to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered bond at the principal office of the Registrar duly endorsed by the Registered Owner or his or her attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and properly executed, the College shall execute and the Registrar shall authenticate and deliver in the name of the transferee or Registered Owner, as appropriate, a new bond or bonds in fully registered form of the same maturity, interest rate and same aggregate principal amount in Authorized Denominations.

The person in whose name any bond is registered shall be deemed and regarded as its absolute owner for all purposes, except as may otherwise be provided with respect to payment of overdue interest as described above in "THE BONDS - Payment of Principal and Interest; Record Date." Payment of either the principal or interest on any bond shall be made only to or upon the order of its Registered Owner or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability on the Bonds to the extent of the sum or sums paid.

If any bond is lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of that bond, if mutilated, and upon the Registered Owner furnishing to the satisfaction of the Registrar (i) proof of ownership, (ii) proof of loss or destruction, if applicable, (iii) a surety bond in twice the face amount of the bond, and (iv) payment of the cost of preparing and issuing a replacement bond, authenticate and deliver a replacement bond or bonds of the same maturity, aggregate principal amount and interest rate, bearing a number or numbers not then outstanding. If any lost, stolen, destroyed or mutilated bond has matured, the Registrar may direct the Paying Agent to pay that bond in lieu of replacement.

For each new bond issued in connection with a transfer or exchange, the Registrar may make a charge sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to that transfer or exchange.

The Registrar shall not be required to transfer or exchange (i) any bond during the five-day period preceding the mailing of notice calling any of the Bonds for redemption and (ii) any bond called for redemption.

As explained in Appendix C, while DTC is the securities depository for the Bonds, it will be the sole Registered Owner of the Bonds.

Tax Covenants

In the Bond Resolution, the College covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the ("Code"). The Chair, Secretary, and any other officer of the College having responsibility for the issuance of the Bonds shall give an appropriate certificate of the College, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the College regarding the amount and use of all the proceeds of the Bonds, and the facts and circumstances relevant to the tax treatment of interest on the Bonds.

The College covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excludable from gross income for federal income purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, as required, to the federal government, (iv) maintain books and records and make calculation and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chair, Secretary, and other appropriate officers are authorized and directed to take any and all actions, make calculation and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

SECURITY AND REMEDIES

Security

The Bonds constitute the general obligation of the College payable from general (*ad valorem*) property taxes levied against all taxable property within the District, limited as to rate pursuant to NMSA 1978, Section 21-2A-6 (2013) to \$5.00 per \$1,000 of net taxable value per annum, except that this rate limitation may be exceeded in any year in which the valuation of the property within the District declines to a level lower than the valuation of the property in the year in which the Bonds are issued. The faith and credit of the College to the extent set forth in the immediately preceding sentence are irrevocably pledged for the payment of the Bonds. Outstanding Bonds shall be equally and ratably secured in all respects, without preference, priority or distinction between maturities or on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds. In compliance with the Act, the Boards of County Commissioners of Bernalillo and Sandoval Counties will levy upon all taxable property within the District a tax levy sufficient, together with other legally available revenues, to meet the debt service on the Bonds. Such annual levy for debt service creates a statutory tax lien which can be enforced personally against the owner of the property and enforced by sale of the property.

Neither the State nor Bernalillo County or Sandoval County have any responsibility to pay the debt service on the Bonds.

Legal Matters

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any change, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the College.

Limitations on Remedies Available to Owners of Bonds

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the College in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving significant and legitimate public purposes. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

The assessed valuation of taxable property within the District is \$18,611,631,378 for the tax year 2017, as approved by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The maximum general obligation indebtedness of the College may not exceed 3% of the assessed valuation of the District or \$558,348,941.

After the Bonds are issued, the ratio of total outstanding general obligation (G/O) net debt of the College to the 2017 assessed valuation will be no greater than 0.64% as summarized below:

Net Debt

2017 Assessed Valuation	\$18,611,631,378
2017 Estimated Actual Valuation	\$67,841,073,165 ⁽¹⁾

Bonded Debt

Outstanding Bonds (including Series 2018A and 2018B Bonds)	\$132,340,000 ⁽³⁾
Less Debt Service Fund as of 6/30//2018	14,103,080 ⁽²⁾
TOTAL	\$118,236,920

Ratio of Estimated Net Debt to 2017 Assessed Valuation:	0.64%
Ratio of Estimated Net Debt to 2017 Actual Valuation:	0.17%
Per Capita Net Bonded Debt:	\$161.75
Est. Population:	731,000

(1) Estimated actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) The cash balance as of 6/30/2018 was \$18,367,826.00. The amount properly attributable to principal reduction is 76.78%.

(3) Preliminary, subject to change.

Outstanding Debt

The College has never defaulted in the payment of any of its debt or other obligations. Listed below is the College's total outstanding general obligation (limited tax) debt. The College has no other debt outstanding.

Issue	Original Amount Issued	Final Maturity	Principal Outstanding
Series 2009	\$30,000,000	15-Aug-24	\$6,550,000
Series 2011	33,360,000	15-Aug-26	21,200,000
Series 2014A	33,200,000	15-Aug-28	21,850,000
Series 2014B	13,360,000	15-Aug-21	8,215,000
Series 2016	38,525,000	15-Aug-31	32,525,000
Series 2018A ⁽¹⁾	34,000,000	15-Aug-33	34,000,000
Series 2018B ^{(1) (2)}	8,000,000	15-Aug-20	8,000,000
	\$190,445,000		\$132,340,000

(1) Preliminary, subject to change.

(2) Expected to be privately placed with the New Mexico State Treasurer.

Debt Service Requirements to Maturity

The College schedules principal and interest payments taking into account general obligation debt capacity, the desired tax rate, and expected property tax revenues. Below is a summary of the currently scheduled principal and interest on the College's outstanding debt as well as the proposed principal and interest payments on the Bonds.

TYE	Present Requirements			Series 2018A ⁽¹⁾			Series 2018B ⁽²⁾			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$13,570,000	\$3,582,400	\$17,152,400							\$13,570,000	\$3,582,400	\$17,152,400
2019	7,480,000	2,954,275	10,434,275	\$3,200,000	\$1,470,500	\$4,670,500	\$6,000,000	\$199,911	\$6,199,911	16,680,000	4,624,686	21,304,686
2020	7,890,000	2,632,025	10,522,025	4,500,000	1,386,000	5,886,000	2,000,000	52,000	2,052,000	14,390,000	4,070,025	18,460,025
2021	7,900,000	2,278,775	10,178,775	2,300,000	1,183,500	3,483,500				10,200,000	3,462,275	13,662,275
2022	8,065,000	1,971,725	10,036,725	2,000,000	1,080,000	3,080,000				10,065,000	3,051,725	13,116,725
2023	7,815,000	1,618,850	9,433,850	2,000,000	990,000	2,990,000				9,815,000	2,608,850	12,423,850
2024	7,815,000	1,290,100	9,105,100	2,000,000	900,000	2,900,000				9,815,000	2,190,100	12,005,100
2025	7,855,000	958,850	8,813,850	2,000,000	810,000	2,810,000				9,855,000	1,768,850	11,623,850
2026	6,175,000	695,150	6,870,150	2,000,000	720,000	2,720,000				8,175,000	1,415,150	9,590,150
2027	5,005,000	485,000	5,490,000	2,000,000	630,000	2,630,000				7,005,000	1,115,000	8,120,000
2028	5,055,000	330,975	5,385,975	2,000,000	540,000	2,540,000				7,055,000	870,975	7,925,975
2029	1,905,000	171,450	2,076,450	2,000,000	450,000	2,450,000				3,905,000	621,450	4,526,450
2030	1,905,000	114,300	2,019,300	2,000,000	360,000	2,360,000				3,905,000	474,300	4,379,300
2031	1,905,000	57,150	1,962,150	2,000,000	270,000	2,270,000				3,905,000	327,150	4,232,150
2032				2,000,000	180,000	2,180,000				2,000,000	180,000	2,180,000
2033				2,000,000	90,000	2,090,000				2,000,000	90,000	2,090,000
Total	\$90,340,000	\$19,141,025	\$109,481,025	\$34,000,000	\$11,060,000	\$45,060,000	\$8,000,000	\$251,911	\$8,251,911	\$132,340,000	\$30,452,936	\$162,792,936

(1) Preliminary, subject to change. Average Interest rate of 4.5% was used for illustrational purposes only.

(2) Preliminary, subject to change. Average Interest rate of 2.6% was used for illustrational purposes only. Expected to be privately placed with the New Mexico State Treasurer.

Statement of Estimated Direct and Overlapping Debt

The following is a calculation which is useful to investors in assessing the debt load and per capita debt of the College payable from property taxes. In addition to outstanding debt of the College, the calculation takes into account debt attributable to other taxing entities which is the responsibility of taxpayers within the boundaries of the District.

Taxing Entity	2017 Assessed Value	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$57,173,515,395	\$475,735,000	32.55%	\$154,865,490
City of Albuquerque	13,251,141,812	349,376,000	100.00%	349,376,000
City of Rio Rancho	2,130,668,394	16,955,000	100.00%	16,955,000
Bernalillo County	16,116,114,678	94,700,000	99.87%	69,223,743
Sandoval County	3,477,523,540	13,850,000	79.92%	11,068,920
Village of Corrales	373,402,511	130,000	100.00%	130,000
Village of Los Ranchos	265,317,446	2,665,000	100.00%	2,665,000
ABQ Metro Arroyo Flood Control Authority	15,264,359,979	42,125,000	100.00%	42,125,000
S. Sandoval County Arroyo Flood Control Authority	2,637,775,153	19,088,480	14.17%	2,704,838
Rio Rancho Public Schools	2,222,796,649	120,040,000	100.00%	120,040,000
Albuquerque MSD #12	16,388,834,729	567,790,000	100.00%	567,790,000
Central New Mexico Community College	18,611,631,378	132,340,000 *	100.00%	132,340,000 *
Total Direct & Overlapping Debt				\$1,469,283,990

Ratio of Estimated Direct & Overlapping Debt to 2017 Assessed Valuation:	7.89%
Ratio of Estimated Direct & Overlapping Debt to 2017 Estimated Actual Valuation:	2.17%
Per Capita Direct & Overlapping Debt:	\$2,009.96

*Preliminary, subject to change

TAX BASE

Analysis of Assessed Valuation

Assessed valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable property in the District, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2017 assessed valuation is \$18,611,631,378. The actual value of personal property within the District is determined by the County Assessor. The actual value of certain corporate property within the District is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of assessed valuation for the previous five years is as follows:

	2013	2014	2015	2016	2017
Assessments					
Value of Land	\$6,615,616,623	\$6,610,327,575	\$6,693,056,742	\$6,718,337,479	\$6,829,075,604
Improvements	12,892,559,811	13,155,360,489	13,555,573,118	14,061,299,823	14,616,984,990
Personal Property	449,733,819	464,948,005	480,399,048	495,932,406	517,571,223
Mobile Homes	49,995,887	49,694,965	48,104,573	48,791,317	49,506,389
Livestock	1,073,739	1,025,915	1,723,489	1,322,237	1,255,489
Assessor's Taxable Value	\$20,008,979,879	\$20,281,356,949	\$20,778,856,970	\$21,325,683,262	\$22,014,393,695
Less Exemptions					
Head of Family	226,335,407	227,081,176	230,824,862	230,707,679	230,154,725
Veterans	320,518,718	330,460,300	349,590,592	366,717,883	381,438,013
Other	3,427,527,719	3,125,732,077	3,273,652,878	3,299,459,185	3,390,466,939
Total	\$3,974,381,844	\$3,683,273,553	\$3,854,068,332	\$3,896,884,747	\$4,002,059,677
Assessor's Net Taxable Value	\$16,034,598,035	\$16,598,083,396	\$16,924,788,638	\$17,428,798,515	\$18,012,334,018
Centrally Assessed	523,293,887	553,488,975	555,254,334	578,725,953	599,297,360
Total Net Taxable Value	\$16,557,891,922	\$17,151,572,371	\$17,480,042,972	\$18,007,524,468	\$18,611,631,378

A further analysis of Assessed Valuation classified as Residential and Non-Residential for the last five years follows:

	2013	2014	2015	2016	2017
Residential	\$12,427,468,679	\$12,845,560,332	\$13,176,671,365	\$13,672,673,810	\$14,260,434,424
Non-Residential	4,130,423,243	4,306,012,040	4,303,371,607	4,334,850,658	4,351,196,954
Total	\$16,557,891,922	\$17,151,572,372	\$17,480,042,972	\$18,007,524,468	\$18,611,631,378

Source: Bernalillo County and Sandoval County Assessor's Office.

Cross-County Assessed Valuation

The following table shows the portions of the District's assessed valuation that falls in Bernalillo County and Sandoval County.

	2013	2014	2015	2016	2017
Bernalillo County	\$14,153,717,616	\$14,259,788,842	\$15,025,763,997	\$15,495,589,301	\$16,015,432,218
Sandoval County	2,404,174,306	2,891,783,529	2,454,278,975	2,511,935,167	2,596,199,160
Total	\$16,557,891,922	\$17,151,572,371	\$17,480,042,972	\$18,007,524,468	\$18,611,631,378

Source: Bernalillo County and Sandoval County Assessor's Office.

History of Assessed Valuation

Listed below is a 10-year history of assessed valuation for the District, the District's assessed valuation in the County of Bernalillo, and the County of Sandoval.

Tax Year	Central New Mexico Community College	Bernalillo County	Sandoval County
2008	\$16,451,384,643	\$13,892,625,132	\$3,259,727,705
2009	17,471,846,861	14,734,387,233	2,737,459,628
2010	16,864,259,447	14,297,609,856	2,566,649,591
2011	16,446,237,946	13,973,377,038	2,472,860,908
2012	16,479,960,867	14,070,609,624	2,409,351,243
2013	16,557,891,922	14,504,259,537	3,191,215,954
2014	17,151,572,372	14,715,412,896	2,436,159,476
2015	17,480,042,972	15,119,077,244	3,308,814,680
2016	18,007,524,468	15,592,904,243	3,362,599,236
2017	18,611,631,378	16,116,114,678	3,477,523,540
Annual Growth		2.22%	6.34%
Annual Growth		2.77%	4.85%

Major Taxpayers

The following is a list of the ten largest taxpayers in the District, along with the 2017 assessed valuation for each. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base. The largest taxpayers' assessed valuation is 2.71% of the total assessed valuation.

Taxpayer	Business	2017 Assessed Valuation	% of Total A.V.
Public Service Co. of New Mexico	Electric Utility	\$277,814,360	1.49%
QWest Communications	Telecommunications	49,859,445	0.27%
Gas Company of New Mexico	Gas Utility	49,702,837	0.27%
Comcast	Cable Provider	34,889,200	0.19%
Verizon	Wireless Communications	23,658,619	0.13%
AT&T	Wireless Communications	16,934,534	0.09%
Southwest Airlines	Airline	16,215,651	0.09%
BNSF Railway Co	Railroad	13,773,028	0.07%
GCC Rio Grande	Minerals	12,190,151	0.07%
T-Mobile	Wireless Communications	9,025,467	0.05%
Top Ten Centrally and Locally Assessed Values		\$504,063,292	2.71%

Source: Bernalillo County Assessor's Office and NM Taxation & Revenue Department.

Tax Rates

Article VIII, Section 2, of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the District to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt special levies on specific classes of property and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax levies on residential property for the 2017 Tax Year and the previous four years. The College expects no substantial change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. A high level of property tax increased by overlapping entity may impact the College's ability to repay bonds.

Within 20 Mill Limit for General Purposes

Total Levy	2017	2016	2015	2014	2013
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Bernalillo County	6.996	7.090	7.245	7.254	7.320
City of Albuquerque	6.241	6.339	6.493	6.494	6.544
Albuquerque MSD # 12	0.266	0.270	0.275	0.276	0.278
Total	\$13.503	\$13.699	\$14.013	\$14.024	\$14.142

Over 20 Mill Limit for General Purposes

Total Levy	2017	2016	2015	2014	2013
Central NM Community College (Operating)	2.789	2.776	2.831	2.827	2.842
AMAFCA	0.171	0.173	0.177	0.177	0.179
Total	\$2.960	\$2.949	\$3.008	\$3.004	\$3.021

Over 20 Mill Limit - Interest, Principal, Judgement, etc.

State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Bernalillo County	1.467	1.471	1.476	1.277	1.259
City of Albuquerque	4.976	4.976	4.976	4.976	4.976
AMAFCA	0.675	0.675	0.675	0.675	0.675
Albuquerque MSD #12	10.186	10.217	10.256	10.255	10.187
UNM Hospital	6.400	6.198	6.334	6.342	6.400
Central NM Community College (Debt Service)	1.000	1.000	0.550	0.550	0.550
Total	\$26.064	\$25.897	\$25.627	\$25.435	\$25.407

TOTAL LEVY

City of Albuquerque	2017	2016	2015	2014	2013
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Bernalillo County	8.463	8.561	8.721	8.531	8.579
City of Albuquerque	11.217	11.315	11.469	11.470	11.520
AMAFCA	0.846	0.848	0.852	0.852	0.854
Albuquerque MSD #12	10.452	10.487	10.531	10.531	10.465
UNM Hospital	6.400	6.198	6.334	6.342	6.400
Central NM Community College	3.789	3.776	3.381	3.377	3.392
Total Residential in Albuquerque	\$42.527	\$42.545	\$42.648	\$42.463	\$42.570
Total Non-Residential in Albuquerque	\$46.833	\$46.788	\$46.336	\$46.132	\$45.995

Source: New Mexico Department of Finance and Administration

College Tax Rates

The following table summarizes the historical tax levies on property, per \$1,000 of assessed valuation, within the District since the 2009 tax year (2009-10 fiscal year).

Tax Year	Operational			Total Tax Rate	
	Residential	Non-Residential	Debt Service	Residential	Non-Residential
2017	\$2.789	\$3.000	\$1.000	\$3.789	\$4.000
2016	2.776	3.000	1.000	3.776	4.000
2015	2.831	3.000	0.550	3.381	3.550
2014	2.827	3.000	0.550	3.377	3.550
2013	2.842	3.000	0.550	3.392	3.550
2012	2.794	3.000	0.550	3.344	3.550
2011	2.687	3.000	0.550	3.237	3.550
2010	2.608	3.000	0.550	3.158	3.550
2009	2.496	3.000	0.550	3.046	3.550
2008	2.440	3.000	0.550	2.990	3.550

Source: NM Department of Finance & Administration.

Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* and oil and gas production equipment *ad valorem* taxes) or assessment, which will produce revenues, which exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value", as defined by statute, divided by such prior property tax year's total taxable property value, but if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed five percent) that is derived by dividing the increase in the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.*

Developments Limiting Residential Property Valuation Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was proposed during the 1997 Legislative Session. The amendment was submitted to voters of the State at the general election held on November 3, 1998 and was approved by a wide margin.

The amendment directs the Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The limitation may be applied to classes of residential property taxpayers based on occupancy, age or income. Further, the limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Bills implementing the constitutional amendment were enacted in 2001 and were codified as NMSA Sections 7-36-21.2 (2010) and 7-36-2 (2013).

Section 7-36-21.2 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001. Annual valuation increases are limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. Subject to certain exceptions, these limitations do not apply:

1. To property that is being valued for the first time;
2. To physical improvements made to the property in the preceding year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3.

Several legal challenges were brought in response to the Legislature's enactment of Section 7-36-21.2 NMSA 1978, because of the exception to the annual valuation cap for residential properties which experienced a change in ownership in the previous tax year. This exception resulted in acquisition-value taxation, and also resulted in instances in which the property's valuation based on its fair market value at the time it changed ownership was much greater than its previously-capped valuation, also known as tax lightning. In these situations, the new property owner faced greatly increased property taxes compared with the previous owner. Several lower courts concluded that the exception therefore violated Article VIII, Section 1 of the New Mexico Constitution by creating an inappropriate classification of taxpayers.

On March 28, 2012, in *Zhao v. Montoya*, 2012-NMCA-056, on certification from the district court for Bernalillo County, the New Mexico Court of Appeals reversed the district courts, and held that the change-of-ownership exception to the valuation cap on residential property values until a change of ownership occurs does not violate the New Mexico Constitution. The Court of Appeals reasoned that, given that the owner-occupancy class consists of persons who became owner-occupants only upon acquisition of the property, the exception applies to a sub-class of the constitutionally permissible owner-occupancy class.

On June 30, 2014, in *Zhao v. Montoya*, 2014-NMSC-025, the New Mexico Supreme Court affirmed in part and reversed in part the Court of Appeals decision. The New Mexico Supreme Court agreed with the Court of Appeals that the change-of-ownership exception to the valuation cap for residential properties is constitutional, albeit on other grounds. The New Mexico Supreme Court stated that the Court of Appeals holding based on the taxpayers classification creates the impression that ownership alone may equate to owner-occupant. The New Mexico Supreme Court held instead that the change-of-ownership exception to the valuation cap is constitutional because it focuses on the nature of the property, when it was acquired, and not on the classification of the taxpayer, whether the taxpayer is an owner-occupant.

Thus, although the Supreme Court's decision in *Zhao* focused on the constitutionality of the exception to the annual limitations on residential property revaluation, its holding supports that the New Mexico Property Tax Code is constitutional, including the general annual valuation cap. *Zhao* also supports that the Property Tax Code's additional exceptions to the cap for properties which have changed use or which have been subject to a zoning change during the previous year are also constitutional, as they similarly focus on the nature of property, rather than on the taxpayer.

Section 7-36-21.3 places a limitation on the increase in value for property taxation purposes for single-family dwellings occupied by low-income owners who are sixty-five years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

Tax Collections on Locally Assessed and Centrally Assessed Property

The level of tax collections is an important component in the analysis of the ability to pay principal and interest on a timely basis. General property taxes (with the exception of those taxes on oil and gas production and equipment) for all units of government are collected by the County Treasurer and distributed monthly to the various political subdivisions to which they are due. Property taxes for a given (calendar) year are due in two installments. The first half is due on November 10 of the tax year and becomes delinquent on December 10. The second half installment is due on April 10 of the following year and becomes delinquent on May 10. Collection statistics for all political subdivisions for which the County Treasurer collects taxes are as follows:

Bernalillo County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections ⁽²⁾	Current/Delinquent Collections as a % of Net Levied
2017	17/18	\$685,569,620	\$398,985,560	58.20%	\$398,985,560	58.20%
2016	16/17	663,107,919	642,661,947	96.92%	652,818,342	98.45%
2015	15/16	641,680,120	621,125,053	96.80%	636,030,335	99.12%
2014	14/15	626,867,177	606,258,064	96.71%	618,666,228	98.69%
2013	13/14	614,299,642	593,530,750	96.62%	610,510,773	99.38%
2012	12/13	601,844,884	580,736,950	96.49%	599,614,995	99.63%

1) Current collections through June 30 of each year.

2) As of February 2018.

Source: Bernalillo County Treasurer's Office.

Sandoval County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections ⁽²⁾	Current/Delinquent Collections as a % of Net Levied
2017	17/18	\$114,699,654	\$67,303,009	58.68%	\$67,303,009	58.68%
2016	16/17	124,318,657	120,420,512	96.86%	122,360,494	98.42%
2015	15/16	119,015,424	115,023,384	96.65%	115,023,384	96.65%
2014	14/15	115,903,449	111,651,378	96.33%	114,082,514	98.43%
2013	13/14	115,729,254	110,756,348	95.70%	114,646,560	99.06%
2012	12/13	114,396,660	109,098,898	95.37%	113,762,726	99.45%

1) Current collections through June 30 of each year.

2) As of February 2018.

Source: Sandoval County Treasurer's Office.

Interest on Delinquent Taxes

Pursuant to NMSA 1978, Section 7-38-49 (1973), if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

Penalty for Delinquent Taxes

Pursuant to NMSA 1978, Section 7-38-50 (1982), if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of intent to defraud by the property owner, fifty percent (50%) of the property tax due or fifty dollars (\$50.00), whichever is greater, shall be added as a penalty.

Remedies Available for Non-Payment of Taxes

Pursuant to NMSA 1978, 7-38-47 (1973), property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes. The sale or transfer of property after its valuation date does not relieve the former owner of personal liability for the property taxes imposed for that tax year.

Taxes on real property are a lien against the real property from January 1 of the tax year for which the taxes are imposed. Pursuant to NMSA 1978, 7-38-65 (2013), delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to NMSA 1978, 7-38-53 (1973), delinquent property taxes on personal property may be collected by asserting a claim for delinquent taxes against the owner's personal property for which the taxes are delinquent.

THE COLLEGE

General

Central New Mexico Community College ("CNM" or "College"), formerly named Albuquerque Technical Vocational Institute, has grown in the past 53 years to become the largest higher educational institution in New Mexico in terms of undergraduate enrollment. Authorized by the State Legislature in 1963, the College is a political subdivision of the State organized as a postsecondary institution that provides coursework leading to certificates and associate degrees. The College opened officially on July 1, 1965, with its primary goal to provide adults with marketable skills and the related education needed to succeed in an occupation. Until 1979, CNM was part of Albuquerque Municipal School District No. 12 and shared its board members; the 1979 Legislature created a separate Governing Board for CNM.

For the 2015-16 academic year, the latest statistics available from the U.S. Department of Education, CNM ranked No. 1 among 1,100-plus community colleges in the country for the number of associate degrees and certificates awarded to Native Americans; No. 3 in the country for associate degrees and certificates awarded to Hispanics; and No. 6 overall for the total number of associate degrees and certificates (6,481) to all students.

CNM's first classes were held for 150 students in a former elementary school building, surplus army barracks, and cottages. In Spring 2018, 21,868 students enrolled in credit courses. Students attend credit or non-credit classes at 10 locations – the Main Campus on 51 acres near Albuquerque's downtown business district; the Joseph M. Montoya Campus on 40 acres in Albuquerque's far Northeast Heights; the South Valley Campus in Albuquerque's South Valley area; the Workforce Training Center on the I-25 business corridor in north Albuquerque; the Westside Campus in the northwest quadrant of Albuquerque; the Rio Rancho Campus in Rio Rancho's City Center; the Advanced Technology Center in north Albuquerque; the STEMulus Center and FUSE Makerspace in downtown Albuquerque; and the AMREP Building in Rio Rancho. CNM's budget for the 2018-2019 fiscal year is \$247,539,357, including \$140,084,457 in current funds, \$69,088,825 in plant funds, and \$38,366,075 in restricted funds.

The CNM District consists of substantially all of Bernalillo County including the municipalities of Albuquerque, Tijeras, and Los Ranchos de Albuquerque, and part of Sandoval County including the municipalities of Rio Rancho and Corrales. The boundaries were co-terminus with those of the Albuquerque Municipal School District until July 9, 1993, when the State Board of Education reduced the Albuquerque Municipal School District in size because of the creation of the Rio Rancho Public School District. In 2008, CNM's boundaries were expanded to include all of the Rio Rancho School District after voters strongly approved the expansion through an election.

CNM's first 21 years were devoted to offering certificate programs in business, health, technology and the trades along with continuing education in those areas. The first major expansion in mission came in 1986 when the New Mexico Legislature gave CNM the authority to grant associate degrees. Approval by the CNM Governing Board quickly followed and CNM's transition to a fully-fledged community college had begun. Since the fall of 1986, CNM has seen steady growth in its liberal arts courses and associate degree programs. CNM currently offers 74 associate degrees and 104 certificates in 88 fields of study. The school year is divided into fall and spring terms of 15 weeks each and one 12-week summer term. CNM also offers many condensed courses in 8- or 10-week formats. Most programs admit beginning students each term in August, January and May.

CNM is fully accredited by The Higher Learning Commission. Specific programs are accredited or approved by professional organizations, such as the American Bar Association, Federal Aviation Administration, American Veterinary Medical Association, or Professional Truck Driver Institute.

In 2014, CNM Ingenuity, Inc., was established as the 501(c)3 enterprise arm of CNM to pursue cooperative ventures in technology and entrepreneurship. CNM Ingenuity operates the IGNITE Community Accelerator for early-stage businesses, the FUSE Makerspace, the Deep Dive Coding Bootcamps and many other ventures that support economic development and potential new revenue streams for the College. CNM Ingenuity provides accelerated, non-credit programs in key economic development areas designed to appeal to individuals who might not be interested in a traditional college pathway. The Deep Dive Coding Bootcamps, for example, are intensive, hands-on learning experiences that are completed in 10 weeks (40 hours per week). Average starting salaries for graduates of the boot camp is \$45,000 in the Albuquerque area. The Deep Dive Coding Bootcamp provides quick access to high-quality jobs for students while also addressing the need for more coders in New Mexico's economy.

CNM responds quickly to the needs of business and industry, and thus to the needs of students seeking quality employment, through the help of advisory committees. Organized for each full-time college-credit program, CNM advisory committees, in total, have about 1,000 representatives from local business and industry who help CNM ensure that CNM students are learning the skills they need to succeed in the workplace.

CNM is also well known for its positive impact on economic development in the area. The College has built a reputation for providing high-quality education and workforce training programs that support new and existing businesses. CNM supports the educational and training needs for a wide variety of large employers, such as Intel, General Mills, Hewlett Packard, Sandia National Labs, Emcore, Presbyterian Healthcare, the film industry and many more.

Examples of industry-related activities include:

- In 2015, CNM received a \$3 million grant from the U.S. Department of Labor to launch the New Mexico Information Technology Apprenticeship Program (NMITAP), which is the first registered apprenticeship program for IT in New Mexico. CNM launched the program in 2016. Besides on-the-job training, apprentices also take CNM classes funded through the grant, as well as receive industry certifications. The goal for CNM's grant is to train 300 apprentices over a five-year period to bolster the IT workforce in New Mexico. Some local employers partnering with CNM on the apprenticeships include Hewlett Packard, Presbyterian Medical Services, BlackBox Network Services, Ernest Health, Ardham Technologies, UnityBPO, Abba Technologies, The Kentah Group, CNM and the City of Albuquerque.
- In May 2018, CNM became the first community college in the country to partner with Facebook on an educational program. CNM is working with Facebook to develop the curriculum for the Digital Marketing Certificate program that will be offered through CNM's School of Business & Information Technology in the 2018 Fall Term. Facebook is also contributing 32 scholarships for CNM Ingenuity's Deep Dive Coding Bootcamps.
- In 2017, CNM and Garza Enterprises, which owns 12 McDonald's restaurants in New Mexico, formed a new partnership to help more restaurant employees advance professionally by accessing a CNM education through McDonald's tuition-assistance program. CNM provides the McDonald's employees with special concierge service to help get enrolled, access advisement and develop an academic plan to graduate with an associate degree or certificate.
- CNM and the New Mexico Rural Electric Cooperative Association (NMRECA) partnered in 2017 to bring the association's statewide Line worker Electric Power Training Facility to CNM's Rio Rancho Campus, where apprentices train to become electrical line workers for one of NMRECA's 19 rural cooperatives. The facility was previously located in Las Cruces, NM. The outdoor, 11-acre lab site at Rio Rancho Campus includes multiple electrical poles, an underground electrical grid, transformers, and electrical overhead distribution systems, providing apprentices hands-on training for climbing poles and conducting maintenance to electrical lines. CNM Ingenuity is preparing to launch an Electrical Line worker pre-apprenticeship program that will prepare students to become apprentices.
- CNM Ingenuity and ABQid, an accelerator for startups with high-growth potential, teamed up in 2017 to identify and develop more local startups in the healthcare and wellness fields. ABQid provides its well-honed entrepreneurial support and access to investors for startups in the healthcare and wellness fields while CNM Ingenuity provides those startups access to CNM's high-tech medical labs for discovery opportunities and access to experienced healthcare faculty and staff for guidance in subject areas related to the business concepts.
- CNM and Sandoval County's Office of Business Development partnered in 2017 to establish a new Digital Media Lab at CNM's Rio Rancho Campus. The Digital Media Lab serves as a training/internship site for high school and college students who work with small businesses or community organizations in Sandoval County to create websites, mobile software, logos, videos and more. It helps students gain valuable real-world experience while helping to support the marketing efforts of local businesses and organizations.

- Through a partnership with the U.S. Department of Labor, CNM was established as New Mexico's Solar Center of Excellence, developing and providing training and curriculum for photovoltaic installation programs around the state in order to build a high-quality workforce for the fast-growing solar industry in New Mexico.
- CNM was designated by the National Security Agency (NSA) and the Department of Homeland Security as a National Center of Academic Excellence in Information Assurance/Cyber Defense for 2-year education in 2017.
- CNM offers the state's largest Film Technician program to support New Mexico's highly active film industry.
- In 2013, CNM created the Office of Education, Entrepreneurship and Economic Development as a proactive way to encourage partnerships and education support for efforts involving entrepreneurship and workforce development for emerging industries.
- Through partnership with Centria Healthcare, CNM developed and launched the first registered behavior technician (RBT) program in New Mexico. This program prepares students to work with individuals with autism or with the families and caregivers of those individuals.

Community Support

Community support for the College is evidenced by strong voter approval for the 2016 bond election question and every previous tax levy requested, as follows:

Year	Question	For	Against	Percentage
2016	\$84 Million Bond	19,923	9,178	68%
2011	\$70 Million Bond	8,258	4,632	65%
2006	\$60 Million Bond	24,948	6,292	80%
2000	35 Million Bond	17,781	10,223	63%
1997	4 Million Bond	11,810	9,425	56%
1989	3.00 Mill Levy	18,537	4,408	81%
1985	3.50 Mill Levy	8,563	2,533	77%
1981	3.50 Mill Levy	10,689	4,526	70%
1977	4.00 Mill Levy	18,101	4,633	80%
1973	3.00 Mill Levy	19,580	2,482	89%
1969	3.00 Mill Levy	8,999	4,881	65%
1964	2.00 Mill Levy	30,053	18,479	62%

Note: The 1964 election was held during the general election; the others, at regular or special elections in February. The 1989 election made the tax levy permanent, requiring further elections only for requested increases. Prior to 1989 the tax levy was authorized for four-year time periods.

New Mexico Higher Education Department

The New Mexico Higher Education Department (HED) was established in 1951 to oversee the finances of state institutions of higher education. The College is subject to oversight by HED. The HED is a cabinet level State agency, with the Secretary of Higher Education appointed by the Governor and confirmed by the State Senate. The HED must review, adjust and approve requests for appropriations submitted by the state educational institutions before the submission of those requests to the State Legislature. Additionally, HED must approve all building construction plans and projects estimated to cost in excess of \$300,000 undertaken by the educational institutions.

Governing Board

The Governing Board of the College consists of seven districted positions, each designated by a number. Effective July 2018, members of the Board are elected by districts to a four-year term, in non-partisan elections held every two years on the first Tuesday after the first Monday in November of each odd-numbered year. Terms of office are staggered so that roughly half the Board is subject to change at any regular election.

The members of the Board are:

Pauline J. Garcia, Chair	District 1
Michael Canfield, Member	District 2
Thomas E. Swisstack, Vice Chair	District 3
Annette Chavez y De La Cruz, Member	District 4
Nancy Baca, Member	District 5
Virginia M. Trujillo, Secretary	District 6
Michael J. Glennon, Member	District 7

Terms for members in odd-numbered districts expire in 2021; terms for members in even-numbered districts expire in 2019.

Administration and Staff

The President of the College is selected by the Board, and upon the President's recommendation, the Board employs other administrative personnel, instructional staff or other personnel as needed. The President and administrative staff for the College are:

Dr. Katharine Winograd, President

Dr. Katharine W. Winograd became president of Central New Mexico Community College on July 1, 2007. She is the first female president of the College, which was established in 1965. Dr. Winograd served CNM as Vice President for Planning and Budget prior to being named President. She has been with the College since 1996 and has worked in higher education for more than 43 years, holding previous positions at the University of New Mexico, the University of Louisville and the Kentucky Council on Higher Education. She was named Western Region CEO of the Year by the Association of Community College Trustees in August 2013. She participated as an Ascend Fellow of the Aspen Institute and serves on the boards of Presbyterian Healthcare Services and the Federal Reserve Bank of Kansas City's Denver Branch. Dr. Winograd earned a Doctorate in Educational Leadership from the University of New Mexico, her Master's Degree in Higher Education Administration from the University of Louisville and her Bachelor's Degrees in Psychology and Therapeutic Recreation from Georgetown (KY) College.

Dr. Sydney Gunthorpe, Vice President for Academic Affairs

Dr. Sydney Gunthorpe assumed the position of Vice President for Academic Affairs in July 2012. In this position, Dr. Gunthorpe serves as the Chief Academic Officer and provides leadership to the development and delivery of all instructional programs. He has 26 years of higher education experience. Since 1991, Dr. Gunthorpe has also worked as a CNM adjunct faculty member, teaching math and computer literacy. Dr. Gunthorpe graduated from the University of New Mexico with a Bachelor's Degree in Mathematics, a Master's Degree in Education from the University of New Mexico and a Doctorate of Educational Administration from New Mexico State University.

Tracy Hartzler, Vice President for Finance and Operations

After years working as the New Mexico Legislature's higher education appropriations principal analyst, Tracy Hartzler joined the College in 2015. Her experience working with the state's higher education funding formula, compensation practices, and capital projects provide the basis for ensuring CNM's annual operating and capital budgets are consistent with the College's long-term and immediate goals. She is responsible for the institution's strategic planning and multi-year capital and information technology planning and mobilizing finance and operational efforts to support academic and student services. Prior to being selected as vice president, Ms. Hartzler served as Senior Budget Director, Interim Benefits Director, and Associate Vice President of Budget, Planning, Policies and Procedures. Ms. Hartzler holds a Juris Doctorate from The Catholic University Columbus School of Law, a Master's of Education from the University of Virginia's Curry School of Education, and a Bachelor's of Arts from Saint Mary's College, Notre Dame.

Phillip Bustos, Executive Vice President for Student Services

Phillip Bustos came to CNM in 1996 as the Associate Vice President for Student Services. His two previous appointments had been at the Auraria Higher Education Center in Denver, Colorado, and at the University of North Texas in Denton, Texas. Mr. Bustos became CNM's Vice President for Student Services in 2003. He oversees all of the College's student service activities including Enrollment Services, Assessment, Academic Advising, Financial Aid, Dean of Students, Student Activities, Special Services, Security, Parking, Food Services and the Bookstore. Mr. Bustos holds an Ed.M. from the Harvard Graduate School of Education and a Bachelor's Degree from Eastern New Mexico University.

Eugene Padilla, Vice President for Student Services

Dr. Eugene A. Padilla assumes the position of Vice President of Student Services at CNM in July 2018. Prior to his appointment, he has served as Associate Vice President for Enrollment Management. He began his career in higher education at the University of New Mexico and has served the last 23 years at CNM. For the past 34 years, he has managed various student support services departments which include Testing, Advisement, Financial Aid, and Enrollment Services, and provided supervision to the Student Health Center. Dr. Padilla earned his Doctorate Degree in Educational Leadership from New Mexico State University.

Samantha Sengel, Vice President for Advancement and Enrollment Strategy

Samantha Sengel has been with CNM for more than 16 years, serving in multiple capacities across the President's Office, CNM Foundation and now as the Vice President for Advancement and Enrollment Strategy. Ms. Sengel oversees the College's comprehensive strategies for advancing the institution through the CNM Foundation Inc., CNM Ingenuity Inc., which includes all non-credit, workforce and contract training, CNM Small Business Development Center, CNM Global Education, CNM School Relations and Outreach Services, and the CNM Marketing and Communications Offices. In 2013, she guided the team that opened a dual credit high school on CNM's Main Campus, providing high school students with the ability to pursue a CNM associate degree or certificate while earning their high school diploma. In 2014, Ms. Sengel led the team that opened the CNM STEMulus Center in Downtown Albuquerque in conjunction with developing CNM Ingenuity, Inc., a new non-profit created under the New Mexico University Research Park Act. With over 20 years of

experience in higher education in New Mexico, Ms. Sengel has served on several higher education initiatives both locally and regionally. Ms. Sengel is currently pursuing her Doctorate in Educational Leadership from the University of New Mexico and has a Master's Degree in Business and a Bachelor's in International Management. Ms. Sengel serves on the board of directors for Mid-Region Council of Governments of New Mexico (MRCOG), as well as serving as a Girl Scout troop leader.

Feng Hou, Chief Information Officer

Feng Hou serves as the Chief Information Officer and Chief Digital Learning Officer at Central New Mexico Community College. He oversees the Office of Digital Strategies, IT operations and CNM Online College. Mr. Hou has previously served in the CIO role, as well as other senior IT executive roles, for more than 20 years in both public and private higher education institutions. He holds a Master's Degree from Virginia Tech and Business of Arts from Central China Huashi University. He has multiple professional certifications, such as Blockchain Hyperledger Development, ITIL and Cisco certified trainer. Mr. Hou is the co-founder of Albuquerque Blockchain Alliance (ABA), he serves on the national reviewing board for the Blockchain Certificate Exam, and he is a member of the National Government Blockchain Chamber, Albuquerque Chapter. He is also on the Board of Directors for The New Mexico Council for Higher Education Computing/Communication Services (CHECS) and Board of Directors for New Mexico Technology Council.

Wanda Helms, Comptroller and Chief Procurement Officer

Wanda Helms, CPA, CGMA, MBA, is currently the Comptroller for CNM and has 25 years of experience in governmental financial management. Ms. Helms has also served as the Executive Director of Purchasing & Materials Management, and Contracts & Grants Director for CNM. Prior to joining CNM, she served as the Administrative Services Division Director and Chief Financial Officer for both the New Mexico Taxation & Revenue Department and the New Mexico Corrections Department. Throughout her career, she has been committed to improving governmental financial accounting processes, procedures and reporting. Ms. Helms has a Bachelor's Degree in Business Administration with a concentration in Accounting and a Master's Degree in Business Administration with a dual concentration in Human Resource Management and Policy & Planning from the University of New Mexico. Ms. Helms received her Certified Public Accountant certification in September 1996. She has served on various community boards and task forces throughout her career and has been honored with the New Mexico Chapter Association of Governmental Accountants Financial Manager of the Year award.

Insurance

CNM currently provides benefits to our employees through a combination of self-funding and fully-insured products, with direct contracts with vendors who provide insurance plans. CNM has secured workers' compensation, property and casualty insurance, general automobile and fire insurance, general liability and educator legal liability, cyber security and other insurance on a fully insured basis from licensed vendors.

Present Facilities

CNM has 10 locations in Albuquerque and Rio Rancho. The Main Campus is located near Albuquerque's downtown business district; the Joseph M. Montoya Campus is in Albuquerque's far northeast heights; the Westside Campus is on Albuquerque's northwest mesa; the Rio Rancho Campus is in the northern area of Rio Rancho city limits; the AMREP Building is in Rio Rancho; the STEMulus Center is in downtown Albuquerque; the South Valley Campus is in Albuquerque's southwest quadrant; and the FUSE Makerspace is in Downtown Albuquerque's Innovation District. The Workforce Training Center and the Advanced Technology Center are located near I-25 in the north central section of Albuquerque.

2018 Bond Projects

Proceeds of this bond issue will be used to fund the following projects:

Project	Project Description
Art Facility Renovation / Relocation	Renovation or relocation of Art facilities to better accommodate student needs. Current space is not well equipped nor designed for functional art lab space.
Max Salazar Renovation - Phase II	Renovation of building, housing classrooms and academic office space. (Main Campus)
Joint Use High School / North Building Demolition	Development of a facility including classrooms, labs, offices, and other auxiliary spaces to house the CNM Education Program, CNM Career and College High School, and Native American Community Academy. Project costs will be shared with Albuquerque Public Schools. (Main Campus)
Catering and Brewing Facility (2 buildings)	Relocation and renovation of Main Campus Bookstore to create classroom and lab space to accommodate Beer and Wine Academy, Brewing Technology, Catering Operations, and Food Truck Commissary and Hub.
Site & Safety Improvements / South Valley, ATC and WTC Sites	Installation of new entrance markers at South Valley, ATC, and WTC locations and way finding signage for building and function location. Project to include enhanced street and city markers, providing better directional signage to each campus location to enhance and create a safe environment for students and staff.
Site & Safety Improvements / Rio Rancho and Westside Campuses	Installation of new entrance markers at Rio Rancho and Westside Campuses and way finding signage for building and function location. Project to include enhanced street and city markers, providing better directional signage to each campus location to enhance and create a safe environment for students and staff. Rio Rancho campus project will include a nature trail.

Accreditation

The Academic Quality Improvement Program (AQIP) is the accreditation process through which CNM maintains its accredited status with the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools (NCA).

Through AQIP, CNM demonstrates that it meets the Higher Learning Commission's Criteria for Accreditation while integrating the principles and benefits of continuous improvement into the culture of the College.

AQIP's five core processes are a sequence of events that are an integral part of CNM's Reaffirmation of Accreditation:

- ✓ Strategy Forum
- ✓ Action Projects

- ✓ Systems Portfolio
- ✓ Systems Appraisal
- ✓ Reaffirmation of Accreditation

CNM received Reaffirmation of Accreditation in academic year 2014-15 (FY15) through academic year 2022-23 (FY2023). In addition, AQIP honored CNM as a Vanguard College in April 2008. CNM is one of the original 39 institutions that began the AQIP journey in 2000-2001.

Many CNM programs carry individual accreditation or approval from appropriate agencies. These include:

- the Accounting, Business, Business Administration, Computer Information Systems, Hospitality and Tourism, and Office Technology programs accredited by the Association of Collegiate Business Schools and Programs
- the Alternative Teacher Licensure Program accredited by the New Mexico Public Education Department
- the Dietary Manager program accredited by the Association of Nutrition and Foodservice Professionals
- the Paralegal program accredited by the American Bar Association
- the Associate Degree in Nursing program accredited by the Commission for Education in Nursing
- the Medical Laboratory Technician program accredited by the National Accrediting Agency for Clinical Laboratory Sciences
- the Respiratory Therapy program accredited by the Commission on Accreditation for Respiratory Care
- the Diagnostic Medical Sonography program accredited by the Commission of Accreditation of Allied Health Education Programs and the Review Committee on Education in Diagnostic Medical Sonography
- the Veterinary Technology program accredited by the American Veterinary Medical Association Committee on Veterinary Technician Education and Activities
- the Dental Assistant program accredited by the Commission on Dental Accreditation
- the EMS Paramedic program accredited by the Commission of Accreditation of Allied Health Education Programs and the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions
- the Health Information Technology program accredited by the Commission on Accreditation for Health Informatics and Information Management Education
- the Pharmacy Technician program accredited by the American Society of Health System Pharmacists/Pharmacy Technicians Accreditation Commission
- the Surgical Technician program accredited by the Allied Health Educational Programs and Accreditation Review Council on Education in Surgical Technology and Surgical Assisting
- the Construction Management program accredited by the American Council for Construction Education
- the Heating, Ventilating, and Air Conditioning program accredited by the Heating, Ventilating, and Air Conditioning Excellence (HVAC Excellence)
- the Automotive Technology program accredited by the National Automotive Technicians Education Foundation Inc.
- the Truck Driving program accredited by the Professional Truck Driver Institute of America
- the Baking and Pastry and Culinary Arts programs accredited by the American Culinary Federation Education Foundation Accrediting Commission

Tuition and Fees

The tuition rate per semester is \$660 for resident students and \$3,516 for non-resident students. Tuition rates apply to academic college transfer courses. Many courses also impose equipment, supply and lab fees.

A history of tuition and fees follows:

Academic Year	Resident Career Technical Education Tuition	Resident Academic / Transfer Tuition	Non-resident Tuition	Registration Fee	Technology / Facilities Fee
2018-19	564.00	660.00	3,516.00	45.00	9.00
2017-18	480.00	648.00	3,444.00	40.00	8.00
2016-17	384.00	624.00	3,312.00	40.00	8.00
2015-16	306.00	612.00	3,240.00	40.00	8.00
2014-15	216.00	600.00	3,240.00	40.00	6.00
2013-14	168.00	594.00	3,240.00	40.00	6.00
2012-13	126.00	579.00	3,156.00	40.00	3.00
2011-12	120.00	579.00	3,008.40	40.00	3.00
2010-11	60.00	528.00	2,616.00	40.00	3.00
2009-10	-	492.00	2,400.00	40.00	3.00

Note: Tuition based on 12 to 18 credit hours. Technology / Facilities Fee assessed per credit hour.

Source: CNM

The income from tuition, fees, state appropriations or other sources is not pledged to the payment of the Bonds. Revenues from these sources are dependent on the number of students enrolled. See "Enrollment" for information concerning the College's recent enrollment history. It is possible that any significant increase in tuition and fees or other required fees could result in a reduction of the number of students.

The College competes for students with junior colleges, colleges and universities and other institutions of higher education, including vocational and other career-related schools. In addition, the College competes with other entities in the community in the sale of goods and services; this is particularly true of the goods and services offered by the College's auxiliary enterprises. Consequently, the revenues from tuition and fees and these auxiliary enterprises of the College may vary depending on the College's ability to compete successfully with these various outside entities.

Enrollment

The tables below detail the enrollment breakdown for the College.

FALL ENROLLMENT					
Credit Enrollment by Declared Major	2013	2014	2015	2016	2017
Adult and General Education	-	-	-	23	16
Applied Technologies	2,818	2,523	2,352	2,209	2,320
Business & Information Technology	6,143	5,552	5,282	5,069	4,862
Communication, Humanities, & Social Sciences	7,521	6,962	6,721	6,448	6,168
Health, Wellness, & Public Safety	3,471	3,277	4,396	5,668	6,423
Math, Science, & Engineering	7,109	6,763	5,301	3,963	3,465
Undecided/Non-Degree	1,623	1,694	1,708	1,401	1,188
Total Credit Enrollment	28,685	26,771	25,760	24,781	24,442
Non-Credit Enrollment	2013	2014	2015	2016	2017
Adult & General Education	2,832	2,447	1,866	1,533	1,274
CNM Ingenuity, Inc.	-	-	1,550	1,394	1,663
Workforce Training Center	1,688	1,426	-	-	-
Total Non-Credit Enrollment	4,520	3,873	3,416	2,927	2,937
TOTAL HEADCOUNT	33,205	30,644	29,176	27,708	27,379

Source: CNM

FALL ENROLLMENT					
ETHNICITY	2013	2014	2015	2016	2017
Asian	511	565	501	506	541
Black,non-Hispanic	980	767	681	618	654
Hispanic	13,249	12,734	12,594	12,485	12,509
Native American	2,040	1,848	1,761	1,586	1,589
Native Hawaiian	88	71	53	56	55
Two or More Races	1,934	1,866	1,817	1,701	1,603
White,non-Hispanic	614	611	574	570	567
Other	9,269	8,309	7,779	7,259	6,924
Total	28,685	26,771	25,760	24,781	24,442
GENDER	2013	2014	2015	2016	2017
Male	12,737	11,690	11,236	10,598	10,571
Female	15,948	15,081	14,524	14,183	13,871
Total	28,685	26,771	25,760	24,781	24,442
AGE	2013	2014	2015	2016	2017
18 and Under	4,839	5,003	5,173	5,472	5,772
19-25	11,274	10,584	10,267	9,816	9,611
26-30	4,032	3,591	3,412	3,160	3,160
31-40	4,522	4,117	3,785	3,512	3,323
41-50	2,444	2,139	1,845	1,653	1,512
Over 50	1,570	1,335	1,277	1,167	1,064
Unknown	4	2	1	1	-
Total	28,685	26,771	25,760	24,781	24,442

Source: CNM

FINANCES OF THE EDUCATIONAL PROGRAM

The operating revenues for the College are derived from appropriations made to the College by the State and/or local governments, sales and services of auxiliary operations, tuition and fees, self-funded activities, federal, state and local government grants and contracts, private gifts, grants and contracts, and other miscellaneous sources.

Budget Process

The College operates on an annual budget with a fiscal year beginning on July 1. However, the budget and resource allocation process is a multi-year activity which assures that funding from all sources is continuously consistent with long-range policies, programmatic goals and specific campus roles and objectives of the College. The budget process is based on criteria established by the HED for the purpose of ensuring consistency in the development and reporting of budget information among State institutions of higher education.

In general, the College prepares the following types of budgets: (a) unrestricted current funds budgets, (b) restricted current funds budgets, and (c) capital construction budgets supported by State capital construction appropriations and local funds derived from the sale of general obligation bonds. Current funds represent those resources of the College that are expendable for current operating purposes. These funds are divided into two subgroups - unrestricted and restricted. While unrestricted current funds can be expended for any College purpose, the expenditures of restricted current funds is limited by the donor or grantor to specific purposes, programs or departments. Unrestricted current funds budgets are funded by State appropriations, local tax levy, tuition, sales and other sources. Restricted current funds budgets are funded by federal, private and state grants and contracts, and other sources. The State appropriated operating budgets include appropriations for instruction and related support, certain public service activities, libraries and other items. Non-appropriated operating activities include sponsored programs paid for by federal, state and private contracts and grants, student financial assistance, certain self-funding activities and auxiliary enterprises.

Accounting Policies

The College follows GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis – for Public Colleges and Universities*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by these statements provides a comprehensive, entity-wide perspective of the College's assets, liabilities and net assets, revenues, expenses, changes in net assets, and cash flows.

For financial reporting purposes, the Institute is considered a special-purpose government engaged only in business-type activities. The College's financial statements are 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. All significant intra-agency transactions have been eliminated.

HED is required by statute to periodically conduct special audits of the institutions of higher education. These audits may include verification of enrollments, fund balances, compliance with legislation, comparison of expenditures to budgets and other areas to be determined by HED. HED is required to consider the audit findings in making its annual recommendations to the executive and legislature for higher education funding. Many of the areas included in special audits are reviewed annually by HED during its annual operating budget approval process. On a quarterly basis, the College's Governing Board reviews and approves financial reports; these reports are submitted to HED.

The following is a five-year history of Statement of Net Assets:

	2013	2014	2015	2016	2017
Assets					
Current Assets:					
Cash and cash equivalents	\$65,041,799	\$318,225	\$1,323,534	\$1,917,044	\$1,401,713
Investments - unrestricted		51,778,103	44,194,455	51,214,114	59,435,048
Cash and cash equivalents - restricted	16,028,326	48,572,403	40,498,081	26,732,433	56,091,860
Endowment investments	67,608	51,280	38,908	29,015	27,742
Accounts receivable students, net	906,964	1,021,293	5,027,030	5,523,518	6,123,725
Grants and contracts receivable	2,001,811	2,398,408	3,907,230	1,895,809	3,180,314
Mill levy receivable	2,932,559	2,862,222	2,911,903	2,910,061	2,856,018
Inventories	64,502	22,855	43,510	57,054	53,963
Other receivables		139,190	230,560	539,831	218,059
Other assets	480,951	943,222	1,014,253	1,244,839	1,035,579
Total Current Assets	\$87,524,520	\$108,107,201	\$99,189,464	\$92,063,718	\$130,424,021
Noncurrent Assets:					
Cash and cash equivalents - restricted	\$0				
Endowment investments	\$1,580,000	\$1,580,000	\$1,580,000	\$1,805,000	\$1,805,000
Mill levy receivable	2,471,203	2,429,335	2,336,876	1,908,418	2,063,866
Notes receivable	132,229	126,335	139,228	144,774	153,172
Other assets	146,667	138,667	130,667	122,667	114,667
Capital assets, net	238,926,314	239,777,057	251,057,862	260,521,077	279,040,900
Total Noncurrent Assets	\$243,256,413	\$244,051,394	\$255,244,633	\$264,501,937	\$283,177,605
Total Assets	\$330,780,933	\$352,158,595	\$354,434,097	\$356,565,655	\$413,601,626
Deferred outflows of resources:					
Bond refunding		\$269,206	\$232,074	\$194,942	\$157,810
Pension related	-	-	19,355,569	22,723,449	29,098,980
Total deferred outflow of resources		\$269,206	\$19,587,643	\$22,918,391	\$29,256,790
Liabilities					
Current Liabilities:					
Cash overdraft	\$0	\$115,752	\$876,347	\$531,263	\$1,015,187
Accounts payable to suppliers	3,684,369	4,190,978	5,664,230	4,273,759	4,497,887
Accounts payable - loans		106,697	106,697	111,798	109,702
Accrued compensated absences	2,036,350	2,226,281	2,349,800	2,435,191	2,349,792
Accrued payroll and payroll taxes	6,286,948	7,275,044	7,928,429	8,709,919	5,406,140
Accounts payable - other	255,475	152,575	158,778	156,681	10,658,406
Accrued interest payable	796,697	1,021,254	1,080,703	1,004,569	1,516,650
Deferred revenue	2,708,242	2,770,247	8,304,338	8,820,616	9,144,439
Bonds payable - current portion	7,532,331	7,905,898	7,798,156	8,169,551	12,765,614
Total Current Liabilities	\$23,300,412	\$25,764,726	\$34,267,478	\$34,213,347	\$47,463,817
Noncurrent Liabilities - Bonds payable	54,680,434	82,139,976	74,341,820	66,172,269	95,098,175
Net pension liability			151,964,150	173,380,873	189,649,053
Total noncurrent liabilities		82,139,976	226,305,970	239,553,142	284,747,228
Total Liabilities	\$77,980,846	\$107,904,702	260,573,448	273,766,489	332,211,045
Deferred inflows of resources:	\$0	\$0	\$0	\$0	\$0
Pension related	-	-	16,077,976	3,994,752	3,753,603
Total deferred inflow of resources			16,077,976	3,994,752	3,753,603
Net position:					
Invested in capital assets, net of related debt	\$186,637,647	\$193,562,068	\$203,119,536	\$205,822,809	\$213,703,178
Restricted:					
<i>Nonexpendable</i>					
Scholarships					
Department Programs	1,580,000	1,580,000	1,580,000	\$1,805,000.00	\$1,805,000.00
<i>Expendable</i>					
Scholarships					
Department Programs	83,578	82,880	44,808	34,915	27,743
Capital Projects					
Debt Service	7,458,108	5,973,924	5,730,031	6,432,479	13,217,984
Unrestricted	57,040,754	43,324,227	(113,104,059)	(112,372,399)	(121,860,137)
Total Net Assets	\$252,800,087	\$244,523,099	\$97,370,316	\$101,722,804	\$106,893,768

Source: The figures above have been extracted from the College's audited financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2017 is attached in Appendix B.

The following is a five-year history of Statement of Revenues, Expenditures and Changes in Net Assets:

	2013	2014	2015	2016	2017
Operating revenues:					
Tuition and fees (net of scholarship allowances)	14,329,475	12,259,718	11,956,812	14,273,309	14,697,430
Federal grants and contracts	4,399,395	3,681,905	3,872,635	4,651,729	4,180,878
State and local grants and contracts	7,142,462	6,995,348	7,408,201	7,186,786	7,398,310
Sales and services of educational departments	3,058,006	2,977,195	3,511,356	817,962	892,643
Auxiliary enterprise	3,305,919	3,416,154	3,149,744	2,187,831	1,765,825
Total Operating Revenues	32,235,257	29,330,320	29,898,748	29,117,617	28,935,086
Operating expenses:					
Instruction and general:					
Instruction	59,736,448	62,317,110	64,015,612	62,020,989	61,640,777
Public service	1,299,375	739,490	598,785	558,605	503,180
Academic support	11,831,538	15,298,519	16,753,114	15,221,398	15,113,006
Student services	17,942,000	21,064,633	22,576,294	22,170,751	21,699,986
Institutional support	17,326,495	19,563,133	20,933,042	21,305,127	20,967,030
Operation and maintenance of plant	13,649,793	15,403,453	16,430,247	14,995,345	15,225,610
Depreciation	10,633,124	11,934,824	12,510,477	13,142,017	13,887,457
Student aid	32,711,027	27,846,000	23,540,699	19,479,869	17,135,408
Auxiliary enterprises	2,484,246	2,294,094	2,050,313	764,384	811,800
Other expenses	97,998	96,293	134,441	122,924	151,145
Total Operating Expenses	167,712,044	176,557,549	179,543,024	169,781,409	167,135,399
Operating Loss	(135,476,787)	(147,227,229)	(149,644,276)	(140,663,792)	(138,200,313)
Nonoperating Revenues (Expenses):					
State appropriations	47,750,400	51,971,700	55,644,425	56,801,075	53,276,400
Local appropriations – operating	48,251,535	48,507,984	49,165,886	50,137,402	50,859,376
Local appropriations – debt service	9,320,368	9,254,550	9,420,882	9,599,267	18,032,423
Federal pell grant	35,037,002	32,814,882	27,989,753	24,307,690	21,987,687
Gifts	702,661	644,178	672,975	834,397	697,864
Investment income (loss)	113,576	80,550	122,881	110,094	465,685
Interest on capital asset related debt	(1,723,048)	(1,908,701)	(2,031,153)	(1,765,052)	(2,049,095)
Gain (Loss) on disposition of assets	(118,573)	(2,988)	(84,536)	33,427	(108,885)
Net of 83's capital additions	-	-	-	-	-
Other nonoperating revenues	306,023	402,049	462,742	506,991	395,496
Other nonoperating expenses	-	(4,000,000)	-	-	(11,814,000)
Net Nonoperating Revenues (Expenses)	139,639,944	137,764,204	141,363,855	140,565,291	131,742,951
Income (Loss) Before Capital Grants	4,163,157	(9,463,025)	(8,280,421)	(98,501)	(6,457,362)
Capital appropriations	129,715	977,615	6,812,869	4,209,121	11,608,316
Capital grants and gifts	-	208,422	-	16,869	20,009
Additions to permanent endowments	-	-	-	225,000	-
Total Other Changes	129,715	1,186,037	6,812,869	4,450,990	11,628,325
Increase (decrease) in net assets	4,292,872	(8,276,988)	(1,467,552)	4,352,489	5,170,963
Net assets, beginning of year	248,507,215	252,800,087	244,523,099	97,370,316	101,722,805
Beginning net position recognized by GASB 38	-	-	(145,685,231)	-	-
Net Assets, end of year	252,800,087	244,523,099	97,370,316	101,722,805	106,893,768

Source: The figures above have been extracted from the College's financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2017 is attached in Appendix B.

The following is a five-year history of Statement of Cash Flows:

	2013	2014	2015	2016	2017
Cash flows from operating activities					
Tuition and fees	\$14,017,465	\$12,198,472	\$13,315,820	\$14,017,716	\$14,509,844
Federal grants and contracts	4,351,510	4,344,239	3,715,712	4,455,325	4,527,601
State and local grants and contracts	7,109,597	6,901,276	7,714,194	7,638,253	7,391,362
Payments to suppliers	(24,585,650)	(27,440,806)	(26,404,490)	(18,420,494)	(19,753,774)
Payments for utilities	(5,025,959)	(5,103,493)	(5,035,878)	(4,309,260)	(3,935,698)
Payments to employees	(72,260,779)	(78,292,800)	(80,717,686)	(80,409,704)	(80,644,962)
Payments for benefits	(21,198,469)	(25,735,419)	(27,681,099)	(27,403,835)	(25,648,955)
Payments for scholarships	(33,077,440)	(27,707,188)	(23,504,937)	(19,560,182)	(17,154,324)
Loans issued to students	(27,472)	(17,000)	(38,102)	(20,578)	(20,476)
Collection of loans to students	12,297	22,894	25,209	15,032	12,078
Auxiliary enterprise charges	3,303,485	3,264,171	3,230,186	2,245,611	1,740,485
Sales and services of educational activities	3,017,535	3,126,621	3,344,991	982,320	899,643
Net cash used by operating activities	(\$124,363,880)	(\$134,439,033)	(\$132,036,080)	(\$120,769,797)	(\$118,077,176)
Cash flows from noncapital financing activities					
State appropriations	\$47,750,400	\$51,971,700	\$55,644,425	\$56,801,075	\$53,276,400
District mill levies - operating	47,592,214	48,589,116	49,200,702	50,490,638	51,064,591
District mill levies - debt service	9,322,298	9,277,940	9,428,844	9,676,330	17,725,803
Federal Pell Grant	35,519,571	32,675,143	27,976,080	24,400,882	21,997,986
Education Loan receipts	42,776,669	20,706,904	14,277,796	10,527,376	8,080,385
Education Loan disbursements	(42,583,686)	(20,716,286)	(14,292,661)	(10,490,599)	(8,077,800)
Gifts and appropriations received for permanent endowment	702,661	644,177	672,975	1,059,397	697,864
Cash provided by bank overdraft	-	115,752	876,347	531,263	1,015,187
Student organization agency transactions	(17,448)	(5,752)	13,730	9,138	22,337
Cash overdraft - due to bank	(2,589,856)	-	(115,752)	(876,347)	(531,263)
Other expenses	-	(4,000,000)	-	-	(1,314,000)
Other receipts	306,023	422,566	310,913	380,714	158,267
Net cash provided by noncapital financing activities	\$138,778,846	\$139,681,260	\$143,993,399	\$142,509,869	\$144,115,757
Cash flows from capital and related financing activities					
Proceeds from capital debt	-	\$36,829,567	-	-	42,156,936
Refunding bonds	-	13,360,000	-	-	-
Capital appropriations	751,500	124,088	5,382,556	5,954,385	10,330,520
Proceeds from sale of capital assets	75,393	46,478	46,202	34,862	29,129
Purchases of capital assets	(26,196,989)	(11,769,452)	(22,208,256)	(24,024,061)	(31,548,979)
Payment to refund bond escrow agent	-	(14,925,013)	-	-	-
Principal paid on capital debt and leases	(6,550,000)	(7,385,000)	(7,125,000)	(7,030,000)	(7,465,000)
Interest paid on capital debt and leases	(2,219,525)	(2,018,525)	(2,840,801)	(2,780,363)	(2,943,114)
Net cash used by capital and related financing activities	(\$34,139,621)	\$14,262,143	(\$26,745,299)	(\$27,845,176)	\$10,559,492
Cash flows from investing activities					
Proceeds from sale and maturity of investments	117,925,273	125,393,034	122,640,643	87,065,381	69,459,710
Interest on investments	113,576	77,909	122,947	167,733	465,685
Purchase of investments	(100,312,380)	(144,836,267)	(106,970,301)	(80,534,499)	(107,038,799)
Net cash provided by investing activities	17,726,469	(19,365,324)	15,793,289	6,698,616	(37,113,404)
Net increase (decrease) in cash and cash equivalents	(1,998,186)	139,046	1,005,309	593,511	(515,331)
Cash and cash equivalents, beginning of year	2,177,365	179,179	318,225	1,323,534	1,917,044
Cash and cash equivalents, end of year	\$179,179	\$318,225	\$1,323,534	\$1,917,044	\$1,401,713
Reconciliation of net operating loss to net cash used by operating activities:					
Operating loss	(\$135,476,787)	(\$147,227,229)	(\$149,644,276)	(\$140,663,792)	(\$138,200,313)
Adjustments to reconcile net operating loss to net cash used by operating activities					
Depreciated expenses	10,633,124	11,934,824	12,510,477	13,142,017	13,887,457
Other expenses-nonoperational	-	-	-	-	(1,314,000)
Other receipts-nonoperational	-	-	-	380,714	158,267
Changes in assets and liabilities:					
Receivables, net	(274,442)	395,031	(3,958,410)	(622,557)	(51,773)
Inventories and other assets	7,501	41,647	(20,654)	(13,545)	3,092
Prepaid expenses	-	(454,271)	(63,031)	(222,586)	217,260
ERB Pension plan expenses proportion	-	-	13,571,225	5,972,380	9,651,500
FY15,16 CNM ERB Contribution	-	-	(10,569,899)	(6,761)	-
Other assets	(24,957)	-	-	-	-
Accounts payable and accrued expenses	608,816	662,558	523,945	1,024,298	(3,805,029)
Deferred revenue	(168,617)	-	5,491,023	-	-
Unearned revenue	-	18,476	-	535,359	306,029
Compensated absences	331,482	189,931	123,520	85,391	(85,399)
Net cash used by operating activities	(\$124,363,880)	(\$134,439,033)	(\$132,036,080)	(\$120,389,082)	(\$119,232,909)
Noncash transactions:					
Capital grants and gifts	\$0	\$208,422	\$0	\$16,869	\$20,009

Source: The figures above have been extracted from the College's audited financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2017 is attached in Appendix B.

Employees

The College provides work for over 2,699 staff and faculty employees consisting of 1,209 full-time, 1,269 part-time and 221 work study student employees.

Pension Plan – Educational Retirement Board

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

Funding Policy

Member Contributions: Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions: The College contributed 13.15% of gross covered salary in fiscal year 2014. In fiscal year 2015 and thereafter, the College contributed 13.9% of gross covered salary.

The contribution requirements of plan members and the College are established in State statute under Chapter 22, Article 11. The requirements may be amended by acts of the legislature. The College's contributions to ERB for the fiscal years ending June 30, 2017, 2016, and 2015, were \$10,159,213, \$10,554,284, and \$10,569,899 respectively, which equal the amount of the required contributions for each fiscal year.

403(b)

In addition to the ERA plan, the College sponsored a 403(b) defined savings contribution plan for its employees. The College froze the plan on December 31, 2008. The College did not contribute or match any funds in the 403(b) savings program.

457(b)

In March 2002, the Central New Mexico Community College Governing Board adopted the State of New Mexico's Deferred Compensation Plan. The 457 Deferred Compensation plan was implemented in Fall 2003 and provides a voluntary retirement savings option for all employees with the exception of work-study student employees. Under the plan in calendar year 2015, employees may voluntarily contribute up to a maximum of \$18,000 if under age 50, and up to a maximum of \$24,000 if the employee is 50 or older. The College does not contribute or match any funds in the 457(b) savings program. The total amount of employee contributions for the fiscal years 2017 and 2016 was approximately \$810,084 and \$842,106, respectively.

Pension Liabilities

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016. At June 30, 2017, the College reported a liability of \$189,649,053 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, 2016. The contribution amounts were defined by NMSA 1978, Section 22-11- 21 (2013). At June 30, 2016, the College's proportion was 2.64% percent. For the year ended June 30, 2017, the College recognized pension expense of \$19,714,970.

Pension Plan Statistics:

Following is a 10-year history of employer and employee contribution statewide, and average assets balance of the fund.

Fiscal Year Ending June 30	Employer Contributions	Employee Contributions	Net Assets Held in Trust
2008	290,846,065	201,916,230	9,272,832,328
2009	323,685,497	212,014,023	9,366,271,312
2010	313,276,296	250,666,650	9,431,321,589
2011	308,367,952	247,407,988	9,642,229,673
2012	253,845,277	289,852,094	9,606,304,017
2013	299,657,530	248,785,187	10,358,058,861
2014	362,462,537	268,693,991	11,442,171,449
2015	395,129,621	294,560,840	11,642,543,051
2016	396,988,557	295,946,396	11,532,837,951
2017	395,843,795	295,982,532	12,509,355,755

Source: New Mexico Educational Retirement Board, Financial Report

Post-Employment Benefits:

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

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

The College's contributions to the RHCA for the years ended June 30, 2017, 2016 and 2015 were \$1,475,649, \$1,494,949 and \$1,514,1090, respectively, which equal the required contributions for each year.

TAX EXEMPTION

In the opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A., Bond Counsel, to be delivered at the time of the original issuance of the Bonds, under existing laws, regulations, rulings and judicial decisions, and assuming continuous compliance with certain covenants made by the District, the interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that, interest on the Bonds is exempt from taxation by the State of New Mexico and its political subdivisions under State income tax laws. Bond Counsel will express no opinion regarding other federal or New Mexico income tax consequences resulting from the receipt or accrual of interest on the Bonds. A form of Bond Counsel Opinion is attached to this document as Appendix D.

The opinion on federal tax matters will be based on and will assume continuous compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of any of the certifications and representations made by the District.

The Code prescribes a number of qualifications that must be met and conditions that must be satisfied in order for the interest on state and local government obligations such as the Bonds to be and remain excludable from gross income for federal income tax purposes. Some of these provisions, including provisions for the rebate by the issuer of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excludable from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income taxes. The District covenants in the Bond Resolution to take all actions that may be required of it in order for the interest on the Bonds to be and remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Bond Counsel has opined that the interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Code; however, interest of the Bonds will be included in the adjusted current earnings of certain corporations in the calculations of alternative minimum tax. The corporate alternative minimum tax was repealed by legislation enacted on December 22, 2017, (known as the "Tax Cuts and Jobs Act"), effective for tax years beginning after December 31, 2017. For tax years beginning on or before December 31, 2017, interest on the Bonds is not an item of tax preference for purposes of the corporate alternative minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on the Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted earnings of a corporate holder.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at the maturity of such bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discounts" the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. Beneficial owners of the Bonds, should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

The opinion of Bond Counsel is based on the existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to its attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, the opinion of Bond Counsel is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents its professional judgement based on its review of existing law, and in reliance of the representations and covenants that it deems relevant to such opinion.

ORIGINAL ISSUE PREMIUM

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the holders' tax basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisor for an explanation of the amortization rules.

CONTINUING DISCLOSURE UNDERTAKING

In the Bond Resolution, the College has made an undertaking (the "Undertaking") pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule") to provide continuing disclosure of information for the benefit of the holders and beneficial owners of the Bonds. The College is required to observe the Undertaking for so long as it remains obligated to advance funds to pay the Bonds. Under the Undertaking, the College will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available to the public, without charge, through the MSRB's Electronic Municipal Market Access website ("EMMA"), at www.emma.msrb.org.

Annual Reports

The College will provide to the MSRB the College's audited financial statements and certain financial and operating information. The information to be updated includes all quantitative financial information and operating data with respect to the College of the general type included in this Official Statement under the headings "DEBT AND OTHER FINANCIAL OBLIGATIONS", "TAX BASE", and "THE COLLEGE – Tuition and Fees; Enrollment", "FINANCES OF THE EDUCATIONAL PROGRAM – Statement of Net Assets, Statement of Revenues, Expenditures and Changes in Net Assets, and Statement of Cash Flows". The College will update and provide this information by March 31 following the end of each fiscal year. A draft of the Continuing Disclosure Undertaking is attached hereto as Appendix E.

The College may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the College commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the College will provide unaudited financial statements by the required time and will provide audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with accounting principles that the College may be required to employ from time to time pursuant to state law or regulation.

The College's current fiscal year end is June 30. If the College changes its fiscal year, it will notify the MSRB of the change.

Material Event Notices

The College will also provide to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notices of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of security holders, if material; (8) Bond calls, other than mandatory sinking fund redemption; (9) defeasances; (10) release, substitution, or sale of any property securing repayment of the Bonds, if material within the meaning of the federal security law; (11) rating changes, (12) tender offers, (13) bankruptcy, insolvency

receivership or similar event with respect to the College or an obligated person; (14) a proposed or completed merger, consolidation or acquisition involving the College, if material; and (15) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the College will provide timely notice to the MSRB of any failure by the College to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The College has agreed to provide the foregoing information only to the MSRB. The MSRB has represented that all such information shall be available without charge on its EMMA website.

Limitations and Amendments

The College has agreed to update information and to provide notices of material events only as described above. The College has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The College makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The College disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Undertaking or from any statement made pursuant to its Undertaking, although holders of Bonds may seek a writ of mandamus to compel the College to comply with its agreement.

The Undertaking may be amended by the College from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law or a change in the identity, nature, status of the College, but only if (1) the provisions, as so amended, would have complied with the Rule at the time of the initial issue and sale of the Bond after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances and (2) independent counsel experienced in federal security laws determines that such amendment does not impair the interest of the holders and beneficial owners of the Bonds. The College may also amend or repeal the provisions of the Undertaking if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

For the past five years, the College has previously made continuing disclosure undertakings in accordance with SEC Rule 15c2-12 and is in compliance with such agreements.

LITIGATION

At the time of the original delivery of the Bonds, the College will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the effectiveness of the Bond Resolution, the levying or collecting of taxes to pay the principal of and interest on the Bonds or contesting or questioning the proceedings of the College under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

LEGAL MATTERS

The legality of the Bonds will be approved by Rodey, Dickason, Sloan, Akin & Robb, P.A., Albuquerque, New Mexico, whose unqualified opinion approving the legality of the Bonds will be furnished at no cost to the purchasers of the Bonds. The proposed form of such opinion letter is attached hereto as Appendix D.

RATINGS

Moody's Investors Service, Inc. and S & P Global Ratings have given the Bonds ratings of "Aa1" and "AA+", respectively. These ratings reflect only the views of such rating agencies, and an explanation of the significance of the ratings may be obtained only from each rating agency. There is no assurance that such ratings will not be revised downward or withdrawn

entirely by the rating agencies, if in their judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

THE FINANCIAL ADVISOR

RBC Capital Markets, LLC ("RBC CM") is employed as Financial Advisor to the College in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

ADDITIONAL INFORMATION

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the College located at 525 Buena Vista SE, Albuquerque, New Mexico 87106, or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard NE, Suite 110, Albuquerque, New Mexico 87110.

TRANSCRIPT AND CLOSING STATEMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the College when the Bonds are delivered. The College will at that time also provide a certificate of the College relating to the accuracy and completeness of this Official Statement.

OFFICIAL STATEMENT AUTHORIZATION

The preparation of this Official Statement and its distribution has been authorized by the Board. The Official Statement is hereby duly approved by the Board as of the date on the cover page hereof.

CENTRAL NEW MEXICO COMMUNITY COLLEGE

By: /s/
Chair, Governing Board

/s/
Secretary, Governing Board

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COLLEGE

THE ECONOMY

General

The District includes 99% of Bernalillo County and 76% of Sandoval County based on assessed valuation. The District is geographically situated in the center of the State of New Mexico. The boundaries encompass all of the City of Albuquerque and the Villages of Tijeras, Los Ranchos de Albuquerque, Corrales and the City of Rio Rancho. The District covers 1,325 square miles and has an estimated population of 731,000.

The District is crossed by Interstate highways 25 and 40 and is served by the Burlington North and Santa Fe Railroad and the Albuquerque International Sunport. The District is also bisected by the Rio Grande River, which provides irrigation to support continued agriculture despite increased urbanization.

Historically, defense-related industries have contributed significantly to the District economy, however, economic diversification has increased in recent years. Also, the mission of Sandia National Laboratories has been changed to include non-defense research. Sandia National Laboratories is becoming a national research laboratory rather than a nuclear research facility. Sandia has entered into a number of joint research projects with private industry and has placed a major emphasis on the transfer of technology to benefit existing industries and to spawn new ones. It is hoped that this greater diversification in the role of the laboratory will also further the diversification of the area economy.

In the private sector, Albuquerque has experienced a period of employment growth from industries such as ClientLogic, T-Mobile, Verizon Wireless, and Sandia and Route 66 Casinos. In addition, Albuquerque has the third highest concentration of high-tech activity after Boulder, CO and San Jose, CA. Notable technology companies in the Albuquerque MSA include Ktech Corporation, Emcore, CVI Laser, SBS Technologies, and Applied Research Associates. Unemployment rates in Albuquerque MSA have been below the national average for the past five years.

Because of its accessibility and tourist facilities, the area is the gateway for tourism in New Mexico as well as an attraction in its own right. The District includes the historic 'Old Town' of Albuquerque, Sandia Peak Ski Area, Sandia Tramway, a number of nationally recognized museums and the Cibola National Forest. Other attractions include the Albuquerque International Balloon Fiesta, National Hispanic Cultural Center, Gathering of Nations, and the Expo New Mexico. There are also several Native American pueblos within easy driving distance, which draw many tourists because of their historical significance, cultural beauty and Indian arts.

The area within the District is part of the Albuquerque Metropolitan Statistical Area ('MSA'). The Albuquerque MSA was redefined as of January 1993 to include the counties of Bernalillo, Sandoval and Valencia. The Albuquerque MSA represents the largest commercial and industrial center in the State of New Mexico. The area is economically dynamic as evidenced by strong population growth, continued residential and non-residential construction, and unemployment rates below both the State as a whole and the nation.

CNM is well known for its positive impact on economic development in the Albuquerque area. Since opening its doors in 1965, the College has been frequently called upon by business and industry for employee training and skills upgrading. Employers – large and small, new and established – have come to rely on CNM.

Population

The chart on the following page sets forth historical population data for Albuquerque MSA and the State.

Census Year	City of Rio Rancho	Albuquerque MSA	State of New Mexico
1970	-	373,812	1,017,055
1980	9,985	515,776	1,303,143
1990	32,505	589,131	1,515,069
2000	49,797	729,648	1,819,046
2010	87,521	887,077	2,059,179
2018 ⁽¹⁾	98,802	914,476	2,081,363
2023 ⁽²⁾	104,132	928,921	2,101,278
Projected Growth 2018-2023 ⁽²⁾		5.39%	1.58%
		1.14%	

Source: U.S. Census Bureau: State and County QuickFacts.

1) Estimates. Source: Spotlight, April 2018.

2) Projected. Source: Spotlight, April 2018.

Age Distribution

The following table sets forth a comparative age distribution profile for the City of Albuquerque MSA, the State of New Mexico and the United States.

Age Group	Percent of Population		
	Albuquerque MSA	New Mexico	United States
0 - 17	22.70%	23.90%	22.80%
18 - 24	9.06%	9.80%	9.80%
25 - 34	13.93%	13.30%	13.40%
35 - 44	12.75%	11.87%	12.60%
45 - 54	12.30%	11.90%	13.10%
55 and Older	29.26%	29.23%	28.30%

Source: Spotlight, April 2018.

Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income ("EBI") and a five-year comparison of the estimated median household income as reported by The Nielsen Company. EBI is personal income less personal tax and non tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, state and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance.

Effective Buying Income Group	Albuquerque MSA	New Mexico	United States
Under \$25,000	24.89%	27.27%	20.37%
\$25,000 - \$34,999	10.07%	10.65%	9.21%
\$35,000 - \$49,999	13.28%	13.71%	12.87%
\$50,000 - \$74,999	17.71%	16.84%	17.09%
\$75,000 & Over	34.05%	31.51%	40.46%
2013 Est. Median Household Income	\$48,494	\$43,273	\$49,297
2014 Est. Median Household Income	\$44,391	\$44,292	\$51,579
2015 Est. Median Household Income	\$48,234	\$45,633	\$53,706
2016 Est. Median Household Income	\$48,792	\$45,445	\$55,551
2017 Est. Median Household Income	\$50,160	\$47,043	\$57,462
2018 Est. Median Household Income	\$52,172	\$48,044	\$60,133

Source: Spotlight, April 2018.

Gross Receipts

The following table shows the gross receipts generated (both in retail trade only and in total) in the City of Albuquerque, Bernalillo County and the State of New Mexico. For the purposes of this table, gross receipts means the total amount of money received from selling property in the State of New Mexico, from leasing property employed in the State and from performing services in the State. Gross receipts includes, among other things, certain food sales and services such as legal and certain medical services.

Fiscal Year	City of Albuquerque		Bernalillo County		State of New Mexico	
	(000's) Retail	(000's) Total	(000's) Retail	(000's) Total	(000's) Retail	(000's) Total
2013	7,339,420	26,750,689	7,859,661	32,119,382	23,873,877	106,300,014
2014	5,683,904	20,216,479	7,905,376	32,072,876	24,395,913	107,584,700
2015	8,695,567	31,557,052	9,079,530	36,644,382	27,481,308	119,726,978
2016	5,055,544	17,664,245	7,806,237	30,580,482	22,518,102	96,183,909
2017	5,761,443	20,311,622	7,835,203	30,920,849	22,390,695	95,100,482

Source: Taxation & Revenue Department - State of New Mexico

Employment

The following table, derived from information supplied by New Mexico Workforce Solutions, presents information on employment within the Albuquerque MSA, the State and United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

Year ⁽¹⁾	Albuquerque MSA		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2018 ⁽²⁾	430,159	4.10%	933,947	4.40%	4.40%
2017	425,588	5.70%	929,567	6.20%	4.40%
2016	422,320	6.20%	927,355	6.70%	4.90%
2015	413,906	6.20%	919,889	6.60%	5.30%
2014	414,571	6.60%	918,206	6.50%	6.20%
2013	415,874	6.80%	922,960	6.90%	7.40%
2012	418,195	7.10%	928,050	7.10%	8.10%
2011	421,377	7.50%	929,862	7.60%	8.90%
2010	424,972	8.00%	936,088	8.10%	9.60%
2009	404,223	7.80%	940,352	7.50%	9.30%

1) - Numbers are annual averages.

2) - Data for the month of April 2018. Numbers are Preliminary

Source: U.S. Bureau of Labor Statistics, April 2018

Major Employers

The following are the largest employers (according to number of employees) located in Albuquerque MSA:

Employer	Business	# of Employees
Albuquerque Public Schools	Education	14,810
Kirtland Air Force Base*	Government	10,125
Sandia National Labs	Science-Based Technology and Research	9,852
Presbyterian	Healthcare	7,310
UNM Hospital	Healthcare	6,021
City of Albuquerque	Government	5,500
State of New Mexico	Government	4,950
University of New Mexico	Education	4,210
Lovelace Health Systems	Healthcare	4,000
Bernalillo County	Government	2,648
Rio Rancho Public Schools	Education	2,000
Sandia Resort & Casino	Resort & Casino	2,000
Central NM Community College	Education	1,840
T-Mobile	Telecommunications	1,750
PNM Electric Services	Utilities	1,500

*Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees.

Source: Albuquerque Economic Development, Data as of April 2018

Covered Wage and Salary Employment by NAICS Code Classification

The New Mexico Department of Labor publishes quarterly reports of covered employment and wages according to the North American Industry Classification System ("NAICS"). Detailed below is the report for Bernalillo County.

Bernalillo County	2013	2014	2015	2016	2017⁽¹⁾
Total Private	247,921	251,698	255,604	254,327	260,043
Accommodation and Food Services	30,563	31,816	32,738	32,226	33,154
Administrative and Waste Services	20,929	20,571	20,039	19,129	19,653
Agriculture, Forestry, Fishing & Hunting	150	164	185	199	213
Arts, Entertainment, and Recreation	3,747	3,727	3,990	3,581	4,139
Construction	16,794	17,211	17,377	17,585	18,338
Educational Services	4,516	4,779	4,874	4,848	4,866
Finance and Insurance	10,064	10,441	10,784	10,862	11,065
Health Care and Social Assistance	44,268	45,574	47,059	48,446	48,877
Information	6,994	6,867	7,243	6,664	7,404
Management of Companies and Enterprises	3,162	3,182	3,329	3,478	3,450
Manufacturing	12,443	12,331	12,428	12,479	12,588
Mining	174	119	99	89	115
Other Services, Ex. Public Admin	8,634	8,714	8,586	8,465	8,800
Professional and Technical Services	26,787	27,358	27,554	27,821	28,230
Real Estate and Rental and Leasing	4,677	4,538	4,616	4,647	4,687
Retail Trade	35,735	35,895	36,211	35,497	36,017
Transportation and Warehousing	6,868	6,740	6,818	6,719	6,847
Utilities	780	795	789	821	849
Wholesale Trade	10,636	10,878	10,886	10,771	10,750
Government	63,539	62,912	63,348	64,788	64,528
Total	311,460	314,610	318,952	319,115	324,571

(1) Data as of Third Quarter of 2017

Note: Figures shown here are annual averages of quarterly data.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages program.

Covered Wage and Salary Employment by NAICS Code Classification (continued)

The New Mexico Department of Labor publishes quarterly reports of covered employment and wages according to the North American Industry Classification System ("NAICS"). Detailed below is the report for Sandoval County.

Sandoval County	2013	2014	2015	2016	2017⁽¹⁾
Total Private	22,098	21,340	21,532	21,490	22,738
Accommodation and Food Services	3,303	3,370	3,219	3,280	3,415
Administrative and Waste Services	3,062	2,857	3,017	3,269	4,573
Agriculture, Forestry, Fishing & Hunting	17	20	24	29	Confidential
Arts, Entertainment, and Recreation	509	499	453	445	292
Construction	1,598	1,570	1,542	1,469	1,621
Educational Services	308	317	316	250	246
Finance and Insurance	435	450	457	433	408
Health Care and Social Assistance	2,364	2,464	2,890	3,164	3,593
Information	779	649	596	365	166
Management of Companies and Enterprises	55	55	33	30	Confidential
Manufacturing	4,225	3,447	3,277	2,696	2,306
Mining	94	90	103	102	120
Other Services, Ex. Public Admin	545	568	595	607	596
Professional and Technical Services	808	850	836	792	780
Real Estate and Rental and Leasing	383	400	406	424	418
Retail Trade	2,869	2,931	3,045	3,151	3,332
Transportation and Warehousing	357	376	336	293	296
Utilities	49	61	60	63	65
Wholesale Trade	340	366	328	627	439
Government	7,401	7,514	7,627	7,738	7,755
Total	29,388	28,872	29,159	28,872	29,159

(1) Data as of Third Quarter of 2017

Note: Figures shown here are annual averages of quarterly data.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages program.

APPENDIX B

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017

**Central New Mexico Community College
Albuquerque, New Mexico**



Comprehensive Annual Financial Report

**For Fiscal Years Ended
June 30, 2017 and 2016**



Central New Mexico Community College

Albuquerque, New Mexico

2017 Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017

(With Independent Auditor's Report Thereon)



Prepared by:

CNM Business Office



**Central New Mexico Community College
Comprehensive Annual Financial Report
Table of Contents**

Introductory Section (Unaudited)	Page
Letter of Transmittal	1
CNM Organizational Chart	6
List of Elected and Administrative Officials	7
Vision, Mission, Values, Goals, and Strategies	8
Financial Section	
Independent Auditor's Report	9
Management's Discussion and Analysis	12
Statement of Net Position	23
Statement of Revenues, Expenses, and Changes in Net Position	24
Statement of Cash Flows	25
Notes to Basic Financial Statements	27
Required Supplemental Information	
Schedule of the College's Proportionate Share of the Net Pension Liability	53
Schedule of College Contributions	54
Notes to Required Supplementary Information	55
Supplemental Information	
Schedule of Budgetary Comparisons – Budgetary Basis	56
Schedule 1: Unrestricted and Restricted – All Operations	56
Schedule 2: Unrestricted – Non-Instruction & General	57
Schedule 3: Restricted – Non-Instruction & General	58
Schedule Revenues, Expenditures, & Changes in Net Position – Budget and Actual	59
Schedule 4: Unrestricted – Instruction and General	59
Schedule 5: Restricted – Instruction and General	60
Reconciliation of Budgetary Basis to Financial Statement Basis	61
Note to Budgetary Comparisons	62
Schedule 6: Schedule of Individual Deposit and Investment Accounts	63



**Central New Mexico Community College
Comprehensive Annual Financial Report
Table of Contents**

Statistical Section	Page
Narrative to the Statistical Section	64
Financial Trends	67
Revenue Capacity	67
Debt Capacity	74
Demographic and Economic Information	75
Operating Information	76
Single Audit and Other Information	
Independent Auditor's Report on Internal Controls over Financial Reporting	82
Independent Auditor's Report on Compliance for each Major Federal Program	84
Schedule of Expenditures of Federal Awards	86
Schedule of Findings and Questioned Costs	88
Status of Prior Year Audit Findings	93
Exit Conference	94



Introductory Section (Unaudited)



Letter of Transmittal

November 1, 2017

To the Citizens of the Central New Mexico Community College (CNM) District and the State of New Mexico,

We are pleased to submit the following comprehensive annual financial report (CAFR) for Central New Mexico Community College for the fiscal year ended June 30, 2017. The CAFR has been prepared in compliance with all applicable financial reporting standards.

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In addition to meeting the requirements set forth in state statute, the audit also was designed to meet the compliance requirements described in the Office of Management and Budget (OMB) Uniform Guidance. The auditor's report related specifically to the single audit is included in the Single Audit Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon the comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Axiom CPAs and Business Advisors, LLC, have issued an unmodified ("clean") opinion on the Central New Mexico Community College's financial statements for the year ended June 30, 2017. The Independent Auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the Independent Auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the College

Central New Mexico Community College has come a long way since opening as Albuquerque Technical Vocational Institute (TVI) in 1965, when 150 students took advantage of the school's vocational classes. Half a century later, more than 25,000 students are attending CNM, making it the largest community college in the state and the second largest higher education institution in the state. Enrollment reached an all-time high of 30,000 students in fall 2010.



CNM became a full-fledged community college in 1986, when the state Legislature authorized then-TVI to begin granting associate degrees, leading to a wide array of arts and sciences classes and programs that are transferable to state universities. While arts and sciences programs have grown through the years, CNM has remained committed to its technical vocational roots. In 2006, the school's name was changed to Central New Mexico Community College to better reflect the breadth of offerings and its service area.

In 1992, the CNM Foundation was incorporated to leverage private funding resources and opportunities to support CNM. This has resulted in more than \$30 million in program support and the distribution of more than 32,000 scholarship awards to support students.

While much has changed at CNM over the past five decades, the core purpose of the institution has remained the same – providing affordable higher education to the community while responding to the workforce needs of the region's economy with high-quality educational programs. CNM is accredited by the Higher Learning Commission.

CNM's service area consists of Bernalillo County, which includes Albuquerque, and part of Sandoval County, including Rio Rancho and Corrales. CNM offers college-credit and non-credit, workforce training courses at nine locations, which includes four multi-service campuses conveniently located in each quadrant of Albuquerque, as well as the Rio Rancho Campus. CNM also offers programs at the Advanced Technology Center and Workforce Training Center in north Albuquerque, the STEMulus Center in Downtown Albuquerque and the AMREP site in Rio Rancho.



CNM offers the most comprehensive community college selection of academic programs in the state, which includes college-credit programs in more than 90 fields of study that lead to associate degrees or certificates. Most of CNM's arts and sciences courses are transferable to the state's four-year public colleges and universities, providing students with the opportunity to complete two years of bachelor's degree coursework at CNM before transferring to a university, saving thousands of dollars. CNM's tuition is about one-fifth the cost of state universities.



Many classes are offered in the evenings and weekends, and in a variety of formats. CNM offers more online course sections than any college in the state. The College also has the largest number of high school students taking dual-credit classes, which count for both high school and college credit.

College-credit programs and courses are grouped among six academic schools at CNM:

- The School of Applied Technologies offers programs in fields ranging from the traditional trades to Film Technician to Rapid Prototyping.
- The School of Business & Information Technology offers programs such as Accounting, Business, Computer Science, Culinary Arts and Office Technology.
- The School of Communication, Humanities & Social Sciences offers a variety of Liberal Arts programs, such as Anthropology, English, History, Psychology, Pre-Law and Teacher Education.

- The School of Health, Wellness & Public Safety offers programs such as Dental Assisting, Electronic Health Informatics, EMS, Fire Science, Nursing and Radiologic Technology.
- The School of Math, Science & Engineering offers programs such as Biotechnology, Chemistry, Engineering, Mathematics and Physics.
- The School of Adult & General Education offers both non-credit and college-credit classes that help students get ready for college-level studies, which includes remedial classes, GED-preparation classes and English as a Second Language classes.

In 2014, CNM launched a 501(c)3, CNM Ingenuity, Inc. Under CNM Ingenuity, CNM operates a highly successful, 10-week computer coding program and a business accelerator in Downtown Albuquerque's Innovation District. CNM is a strong partner with the City of Albuquerque and the University of New Mexico in coordinated efforts to revitalize economic development and spur entrepreneurial activities in the area.

Mission, Vision and Values

Mission

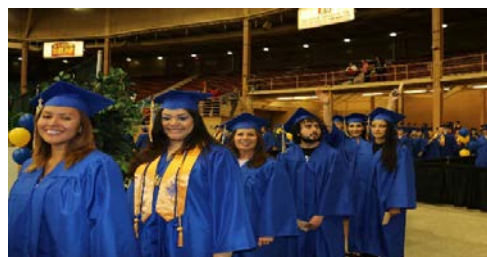
Be a leader in education and training.

Vision

Changing Lives, Building Community

Core Values

Be Caring. Be Ethical. Be Inspiring. Be Courageous. Be Connected. Be Exceptional.



Local Economy

CNM is geographically situated in the center of the State of New Mexico. The boundaries encompass all of the City of Albuquerque and the Villages of Tijeras, Los Ranchos de Albuquerque, Corrales and the City of Rio Rancho. The college district covers 1,325 square miles and has an estimated population of 731,000.

The area within the CNM District is part of the Albuquerque Metropolitan Statistical Area (MSA), including the counties of Bernalillo, Sandoval and Valencia. The Albuquerque MSA represents the largest commercial and industrial center in the State of New Mexico.

CNM has been an integral part of the central New Mexico area for over 50 years, contributing significantly to the economic and social well-being of businesses and citizens. Historically, defense-related industries have contributed significantly to the surrounding economy, however, economic diversification has increased in recent years. In the private sector, Albuquerque has experienced a period of employment growth from industries such as ClientLogic, T-Mobile, Verizon Wireless, Sitel, and Sandia and Route 66 Casinos. In addition, Albuquerque has the third-highest concentration of high-tech activity after Boulder, CO and San Jose, CA. Unemployment rates in Albuquerque Metropolitan Statistical Area have been below the national average for the past five years.

CNM continues to sustain impressive outcomes despite state budget cuts, a sluggish economy and trends showing declining enrollments for higher education in New Mexico and nationwide. Community members continue to view CNM as the most affordable and effective way to improve their job prospects.

Budget and Financial Planning

CNM operates on an annual budget with a fiscal year beginning on July 1. However, the budget and resource allocation process is a multi-year activity which assures that funding from all sources is continuously consistent with long-range policies, programmatic goals and specific campus roles and objectives of the College. The budget process is based on criteria established by the New Mexico Higher Education Department (HED) for the purpose of ensuring consistency in the development and reporting of budget information among State institutions of higher education.

CNM's major sources of operating revenue are state appropriations (43%), local mill levy (39%) and tuition and fees (18%). Effective Fiscal Year 2013, the HED implemented a performance-based funding formula model which now serves to distribute state appropriations to institutions of higher education in New Mexico.

Due to declining state revenues, the New Mexico higher education system has experienced an overall decrease in state appropriations of -2.40% for Fiscal Year 2017. However, due to CNM's overall strong performance under the outcomes-based state funding formula, CNM was able to limit its state appropriations funding decrease to only -1.86%.

CNM's Strategic Direction, focusing primarily on student success and student completion, has had a positive impact on the growth of college general fund appropriations. Increases in student performance are reflected in increased state funding until FY17, where strong student performance mitigated against statewide reductions for public colleges and universities.

The college budget is developed with input from the college and is guided by financial policies approved by the CNM Governing Board. The budget plan incorporates modest increases to tuition and fees, continued expectation of declining state appropriations and leveled property values generating a flat local mill levy revenue stream.

Additionally, CNM has strategically sought diversified revenue streams and reduced administrative costs. Due to college-wide cost reduction efforts, CNM's Fiscal Year 2017 current net position increased by \$5.2 million or 5%.

CNM is in sound financial health. Indicators such as recent (October 2016) bond ratings "Aa1" from Moody's Investors Services, Inc., and "AA+" from Standards and Poor's Corporation, well-managed cash balances and strong budgetary management contribute to and are indicators of a positive financial direction and strong, stable management. In Fiscal Years 2014, 2015, and 2016, CNM had no external audit findings.

Awards and Recognitions

Government Finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Central New Mexico Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Every year, Community College Week reviews U.S. Department of Education data to compile its national list of Top 100 Associate Degree producers. In its recently released 2016 Top 100 (which reviews the most current figures available from the 2014-15 academic year), CNM ranks No. 1 among all community colleges and associate degree-granting universities in the country for the number of associate degrees earned by Native Americans and Hispanics, and No. 2 among all community colleges (No. 5 when associate degree-granting universities are included) for associate degrees earned by Hispanics. CNM awarded 333 associate degrees to Native Americans in 2014-15 (an 87 percent increase from 2013-14) and 2,172 to Hispanics (68 percent increase).

Central New Mexico Community College ranked No. 1 among 1,100-plus community colleges nationwide in the number of graduation awards (associate degrees and certificates) earned by both Hispanics and Native Americans for the 2014-15 academic year, according to the most recent U.S. Department of Education statistics available. Hispanic students earned 3,617 associate degrees and certificates in 2014-15. Native American students earned 600 associate degrees and certificates. CNM also ranked No. 2 in the country in the total number of associate degrees and certificates awarded (8,299) to all students. From 2004-05 to 2014-15, the number of students graduating from CNM increased 230.6 percent.

CNM's graduation numbers continued to rise in the recently concluded 2016-17 academic year. CNM awarded 13,778 graduation awards (associate degrees and certificates) to 9,075 students in 2016-17, both of which are all-time records for CNM. CNM has instituted several initiatives in recent years to help increase student success, such as more efficient class scheduling, establishing a one-stop hub for student support, "right-sizing" credit-hour requirements for associate degrees, offering more associate degrees that are transferrable to universities, and monitoring student records to notify students when they've earned graduation status or are close to graduation status.

Gains in graduation numbers and the success of the college's innovative student support model led to CNM winning the national Student Success Award from the American Association of Community Colleges in 2013. The AACC represents more than 1,100 two-year colleges.



In Closing

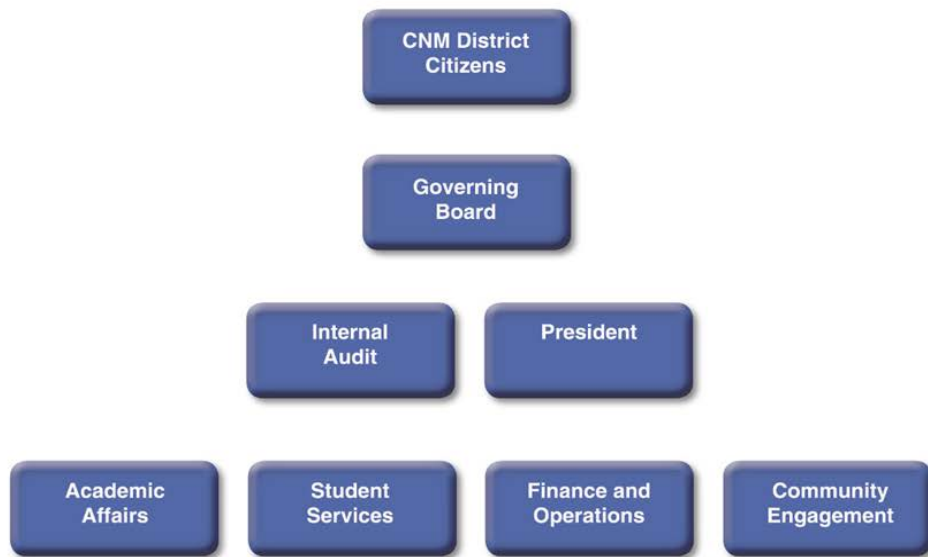
The timely preparation of this CAFR would not have been possible without the dedicated efforts of the Business Office, Office of Planning and Institutional Research, Marketing and Communications Office and other CNM administrators, faculty and staff. We also thank the members of the CNM Governing Board for their support and guidance in conducting the CNM financial operations in a highly responsible manner.

Respectfully,

A handwritten signature in cursive script, reading "Katherine Ulibarri".

Katherine Ulibarri
Central New Mexico Community College
Vice President for Finance and Operations

CNM Organizational Chart



List of Elected and Administrative Officials

ELECTED OFFICIALS

Member	Position	District	Term Expires
Pauline J. Garcia	Chair	District 1	2021
Thomas E. Swisstack	Vice Chair	District 3	2021
Robert P. Mattuecci	Secretary	District 2	2019
Annette Chavez y De La Cruz	Member	District 4	2017
Nancy Baca	Member	District 5	2021
Virginia M. Trujillo	Member	District 6	2019
Michael J. Glennon	Member	District 7	2021

ADMINISTRATIVE OFFICIALS

Dr. Katharine Winograd	President
Dr. Sydney Gunthorpe	Vice President for Academic Affairs
Phillip Bustos	Vice President for Student Services
Katherine Ulibarri	Vice President for Finance and Operations
Samantha Sengel	Chief Advancement Officer
Wanda Helms, CPA, CGMA	Comptroller
Wencui Yang	Senior Accounting Advisor/Audit Coordinator
Allen Leatherwood, CPA	Director of Internal Auditors

Vision, Mission, Values, Goals, and Strategies

Vision

Be a Leader in Education and Training

Mission

Changing Lives, Building Community

Values

Be Caring | Be Ethical | Be Inspiring | Be Courageous | Be Connected | Be Exceptional | **Be CNM**

Goals

Student Success | Community Success | Organizational Excellence and Innovation

2016-2020	Student Success	Community Success	Organizational Excellence and Innovation
Develop Student Work Experience Program	x	x	x
Create Comprehensive Online College	x	x	
Expand Fast-Track Degree Offerings	x	x	
Increase Percentage Of First-Time, Full-Time, Degree-Seeking Students	x		
Implement Competency-Based Education Options	x	x	
Expand Credit For Prior Learning	x		
Grow Intersession	x		
Expand College & Career High School	x	x	
Develop Global Learning Initiative	x	x	x
Transition From College-Owned Technology To Student-Owned Technology	x		x
Expand Non-Credit Offerings Through Boot camps, Academies	x	x	
Develop Early Childhood Connect Center Of Excellence	x		
Create A Student-Centered Course Schedule	x		
Expand Dual Credit	x		
Incorporate Sustainability Initiatives Into Course Offerings	x		
All First-Time, Full-Time, Degree-Seeking Students Have An Academic Plan	x		
Expand Business Support Through Business Accelerator and SBDCs		x	
Develop and Implement Comprehensive Makerspace		x	
Create Business Incubator Spaces		x	
Implement Values-Based Employee Initiatives			x
Transform Customer Service Experience			x
Articulate And Implement Space Efficiency Initiatives			x
Enhance Intellectual Property Initiatives			x
Streamline And Document All Processes And Procedures			x

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Central New Mexico Community College
and
Mr. Wayne Johnson, New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Central New Mexico Community College (the "College"), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the College, as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the College's Proportionate Share of the Net Pension Liability, and Schedule of the College's Contributions on pages 12-22, 53 and 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying *Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, the budgetary comparison schedules and other schedules required by Section 2.2.2.NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control over financial reporting and compliance.

Albuquerque, New Mexico
October 31, 2017

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

This report consists of Management's Discussion and Analysis (MD&A), the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements provide both long-term and short-term financial information on the Central New Mexico Community College (the College) as a whole and its component units, the Central New Mexico Community College Foundation (the Foundation) and CNM Ingenuity, Incorporated (Ingenuity). This MD&A focuses on the College and not the component units. Separately issued financial statements for the Foundation and Ingenuity may be obtained from their respective administrative office.

The discussion and analysis of the College's financial statements provides an overview of its financial activities for the years ended June 30, 2017 and 2016. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis.

Financial Highlights

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, effective for fiscal years starting after June 15, 2014, significantly revamps accounting and financial reporting for government employers that provide pension benefits through a qualifying trust. Cost-sharing employers (those in plans where assets are pooled and can be used to pay benefits of any employer in the pool), such as the College, are required to report a net pension liability and pension expense equal to their proportionate share of the cost-sharing plan starting from the fiscal year ended on June 30, 2015. As a result of the implementation of this statement, the net position of the College is reduced significantly, as explained in the expanded footnote disclosures.

Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, effective for fiscal years starting after December 15, 2016. The College didn't enter into any tax abatement agreements in fiscal year 2017. However, this statement requires the College to disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period

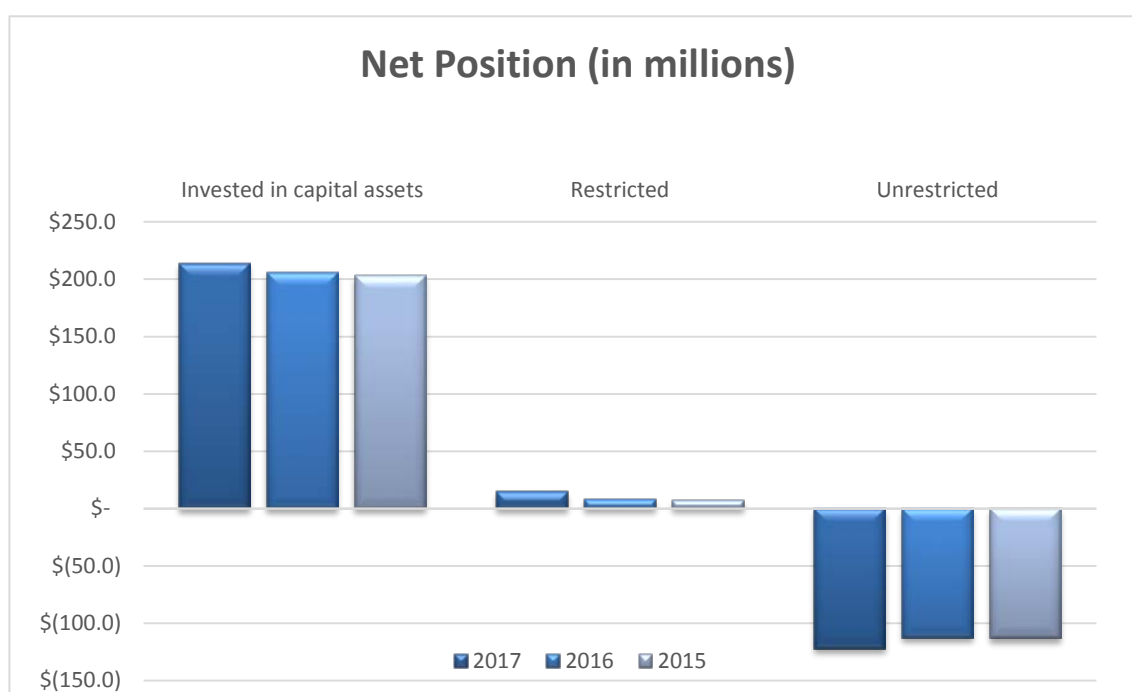
The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. Management has prepared related footnote disclosures along with this discussion and analysis.

STATE OF NEW MEXICO CENTRAL NEW MEXICO COMMUNITY COLLEGE

The College's net position increased \$5.2 million (5.1%) during 2017, resulting from the combination of an decrease in unrestricted net position of approximately \$9.5 million, an increase in invested in capital assets of \$7.9 million, and an increase in restricted net position of \$6.8 million. Pension related deferred outflows of resources increased \$6.4 million (28.1%), net pension liability increased \$16.3 million (9.4%), and pension related deferred inflows of resources decreased \$0.2 million (-6.0%) from 2016. Without recognition of GASB 68, the college's net position in 2017 is \$271.2 million, an increase of \$14.8 million (5.8%) from 2016 of \$256.4 million, and an increase of \$25.1 million (10.2%) from 2015 of \$246.1 million.

Net position increased \$4.3 million (4.5%) during 2016, resulting from the combination of an increase in unrestricted net position of approximately \$0.7 million, an increase in invested in capital assets of \$2.7 million, and an increase in restricted net position of \$0.9 million. Pension related deferred outflows of resources increased \$3.4 million (17.4%), net pension liability increased \$21.4 million (14.1%), and pension related deferred inflows of resources decreased \$12.1 million (-75.1%) from 2015. Without recognition of GASB 68, the college's net position in 2016 is \$256.4 million, an increase of \$10.3 million (4.2%) from 2015 of \$246.1 million.

The following graph illustrates the comparative change in net position by category fiscal years 2017, 2016, and 2015.



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

The statement of net position and statement of revenues, expenses, and changes in net position reports the College's net position and how it has changed. Net position - the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources - is one way to measure the College's financial health. Over time, increases or decreases in the College's net position is an indicator of whether its financial health is improving or declining. Nonfinancial factors are also important to consider, including student enrollment and the condition of campus buildings.

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

These statements include all assets, liabilities, and deferrals 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.

Net Position, End of Year (in Thousands)

	2017	2016	2015
Assets:			
Current assets	\$ 130,424	92,064	99,189
Capital assets, net	279,041	260,521	251,058
Other noncurrent assets	4,137	3,981	4,187
Total assets	<u>413,602</u>	<u>356,566</u>	<u>354,434</u>
Deferred outflows of resources:			
Bond refunding	158	195	232
Pension related	29,099	22,723	19,356
Total deferred outflows	<u>29,257</u>	<u>22,918</u>	<u>19,588</u>
Liabilities:			
Current liabilities	47,464	34,213	34,267
Noncurrent liabilities			
Bonds payable	95,098	66,172	74,342
Net pension liability	189,649	173,381	151,964
Total Liabilities	<u>332,211</u>	<u>273,766</u>	<u>260,573</u>
Deferred inflow of resources:			
Pension related	3,754	3,995	16,078
Total deferred outflows	<u>3,754</u>	<u>3,995</u>	<u>16,078</u>
Net position:			
Net investment in capital assets	213,703	205,823	203,119
Restricted	15,051	8,272	7,355
Unrestricted (deficit)	(121,860)	(112,372)	(113,104)
Total net position	<u>\$ 106,894</u>	<u>101,723</u>	<u>97,370</u>

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Total assets increased \$59.2 million (16.7%) over a two-year period driven by \$31.2 million increase in current assets and \$28.0 million increase in capital assets. The current assets increase resulted from a increase in investments due to unspent CNM 2016 bonds proceeds. The increase to capital assets was primarily due to the completion of the Ted Martinez Building renovation, Max Salazar phase I renovation , and South Valley phase IV renovation.

During 2017, total liabilities increased by \$58.4 million (21.3%), primarily due to an increase in current liabilities of \$13.2 million (38.7%), long term bonds payable \$28.9 million (43.7%), and net pension liability of \$16.3 million (9.4%). During 2016, total liabilities increased by \$13.2 million (5.1%), primarily due to an increase in net pension liability of \$21.4 million (14.1%) and a decrease in bonds payable of \$8.2 million (11.0%).

The following table summarizes the College's revenues, expenses, and changes in net position for the years ended June 30:

	2017	2016	2015
Operating revenues	\$ 28,935	29,118	29,899
Operating expenses	(167,135)	(169,782)	(179,543)
Operating gain/(loss)	(138,200)	(140,664)	(149,644)
Nonoperating revenues and expenses	131,743	140,565	141,364
Income before other revenues, expenses, gains, or losses	(6,457)	(99)	(8,280)
Capital grants and appropriations	11,628	4,451	6,813
Increase/(decrease) in net positions	\$ 5,171	4,352	(1,467)
Net position, beginning of year	101,723	97,370	244,523
Beginning net position recognized by GASB 68	-	-	(145,685)
Net position, end of year	\$ 106,894	101,723	97,370

Operating Revenues

In 2017, operating revenues of \$28.9 million decreased \$0.2 million (-0.6%) when compared to 2016 and decreased by \$1.0 million (-3.2%) when compared to 2015. In fiscal year 2016, CNM restructured auxiliary enterprises by eliminating the food services and health center operations. The following table summarizes the College's operating revenues for the years ended June 30:

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Operating Revenues (in Thousands)

	2017	2016	2015
Tuition and fees, net	\$ 14,697	14,273	11,957
Federal grants and contracts	4,181	4,652	3,873
State and local grants and contracts	7,398	7,187	7,408
Sales & services of educational departments	893	818	3,511
Auxiliary enterprises	1,766	2,188	3,150
Total	<u>\$ 28,935</u>	<u>29,118</u>	<u>29,899</u>

Operating Expenses

Operating expenses decreased \$2.6 million (-1.6%) in FY2017 as compared to FY16 mainly due to Student aid decreased \$2.3 million (-12.0%) because of lower student enrollment. Overall, expenses were reduced even as the College recognized an expense of \$19.7 million for the New Mexico Educational Retirement Board (ERB) pension plan proportionate expense netted by the Fiscal Year 2017 ERB employer contribution of \$10.0 million as deferred outflow of resources.

Over a two-year period, expenses for instruction decreased \$2.4 million (-3.7%), for academic support increased \$1.6 million (9.8%), for depreciation increased \$1.3 million (10.6%), and for student aid decreased \$6.4 million (-27.2%). From 2015 through 2017, operating expenses decreased \$12.4 million overall, a 6.9% decrease.

The following table summarizes the College's operating expenses for the years ended June 30:

Operating Expenses (in Thousands)

	2017	2016	2015
Instruction	\$ 61,641	62,021	64,016
Public service	503	559	599
Academic support	15,113	15,221	16,753
Student services	21,700	22,171	22,576
Institutional support	20,967	21,305	20,933
Operation and maintenance of plant	15,226	14,995	16,430
Depreciation	13,887	13,142	12,551
Student aid	17,135	19,480	23,541
Auxiliary enterprises	812	764	2,050
Other	151	123	134
Total	<u>\$ 167,135</u>	<u>169,781</u>	<u>179,583</u>

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Non-operating Revenues and Expenses

Non-operating revenues and expenses decreased by \$8.8 million (-6.3%) in 2017 when compared to the prior year. Primarily, this decrease is attributed to the net of Pell grant and state appropriation decreasing, local debt service appropriation revenue and other nonoperating expenses increasing in 2017. In 2016 property tax year, the College's debt service property tax levy rate increased from \$0.55 to \$1.00 per \$1,000 of net taxable value. Also, in fiscal year 2017, The College funded its component unit CNM Ingenuity Inc. a total of \$11.8 million which increased other nonoperating expenses. Over a two-year period, state appropriations have decreased by \$2.4 million (-4.3%). Over the same period, Pell grant revenue has decreased \$6.0 million (-21.4%), due to the decline of student enrollment and a Pell program eligibility cap effected in 2013.

The following table summarizes the College's non-operating revenue and expenses for the years ended June 30:

Non-operating Revenue and Expenses (in Thousands)

	2017	2016	2015
State appropriations	\$ 53,276	56,801	55,644
Local appropriations - operating	50,859	50,137	49,166
Local appropriations - debt service	18,032	9,599	9,451
Federal Pell grant	21,988	24,308	27,990
Investment income	466	110	123
Interest on capital asset related debt	(2,049)	(1,765)	(2,031)
Other	(10,829)	1,375	1,051
Total	<u>\$ 131,743</u>	<u>140,565</u>	<u>141,394</u>

Capital Grants and Appropriations

Capital appropriations increased \$7.4 million in 2017, primarily due to the state funding of Smith Brasher Hall renovations. There were no other significant or unexpected changes in capital grants and appropriations.

The following table summarizes the College's other revenues, expenses, gains, or losses for the years ended June 30:

Capital Grants and Appropriations (in Thousands)

	2017	2016	2015
Capital appropriations	\$ 11,608	4,209	6,813
Capital grants and gifts	20	17	-
Additions to permanent endowments	-	225	-
Total	<u>\$ 11,628</u>	<u>4,451</u>	<u>6,813</u>

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Capital Asset and Debt Administration

Capital Assets

At June 30, 2017, the College had approximately \$279.0 million invested in capital assets, net of accumulated depreciation of \$129.2 million. Depreciation expense for the current year totaled \$13.9 million compared to \$13.1 million in 2016 and \$12.5 million in 2015.

The following table summarizes the College's capital assets, net of accumulated depreciation, as of June 30:

Capital Assets, Net (in Thousands)

	2017	2016	2015
Land and land improvements	\$ 36,543	37,370	34,297
Buildings	200,082	190,130	184,546
Infrastructure	4,802	5,146	2,426
Furniture, fixtures, and equipment	8,916	10,232	11,766
Library materials	1,190	1,186	1,227
Art	720	511	511
Construction in progress	26,788	15,946	16,285
Capital assets, end of year	<u>\$ 279,041</u>	<u>260,521</u>	<u>251,058</u>

Major capital expenditures during fiscal year 2017 include:

Smith Brasher Renovation	\$ 16,453,301
J Building Renovation	4,725,717
Max Salazar refresh/HAVC	4,577,932
Max Salazar Restroom Renovation	986,215

Major capital expenditures during fiscal year 2016 include:

L Building Remodel	\$ 1,586,235
SV Phase IV Renovation	3,176,320
Main Campus Tech Loop	2,594,085
Smith Brasher Renovation	1,698,853
Site & Safety Improvements Main	2,462,318
Access Control	922,880
A Building Renovation	7,104,024

Additional information about the College's capital assets and construction commitments are presented in note 4 and 10 to the basic financial statements.

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Bonds Payable

As of June 30, 2017, the College has \$101.8 million in outstanding bonds, an increase of \$31.1 million when compared to 2016 and an increase of \$24.0 million when compared to 2015. In November 2016, the College issued \$38.5 million General Obligation bonds with \$ 3.6 million premium which netted with the scheduled debt service payments results in the increase of outstanding bonds.

The following table summarizes outstanding long term liabilities by series as of June 30:

Bonds Payable (in Thousands)

Bond Series:	2017	2016	2015
Series 2009	\$ 7,700	8,850	10,000
Series 2011	22,400	23,400	24,400
Series 2014A	23,300	26,900	30,050
Series 2014B	9,915	11,630	13,360
Series 2016	38,525	-	-
Total bond principal	101,840	70,780	77,810
Bond premium	6,024	3,562	4,330
Total debt outstanding	<u>\$ 107,864</u>	<u>74,342</u>	<u>82,140</u>

In October 2016, Standard & Poor's reviewed their rating of Central New Mexico Community College general obligation bonds and affirmed "AA+/Stable" rating. Moody's assigned an "Aa1" rating to the College's 2016 general obligation bond series. Additional information related to the College's long term liabilities is presented in note 7 to the basic financial statements.

The Schedule of Budgetary Comparisons – Budgetary Basis, Unrestricted and Restricted – All Operations

Revenues (Budgetary Basis)

The schedule of budgetary comparisons – budgetary basis reports the College's actual versus budgeted revenues, expenditures, transfers, and their variance. The annual budget of the College is adopted on a basis consistent with the reporting requirements of the New Mexico Higher Education Department, which are based on the fund accounting principles applicable prior to GASB Statements No. 34, 35, 37, and 38 (budgetary basis). By contrast, the College prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP Basis).

The final revenue budget compared to the original budget decreased by \$3.9 million (-1.7%). The most significant decreases were \$2.8 million (-5.0%) in state government appropriations, \$2.1 million (-9.8%) in tuition revenues, and \$1.2 million (-36.1%) in sales and services.

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Actual revenues were \$4.4 million (-2.0%) less than the final budget. The variance in capital outlay revenue, a difference of \$2.1 million (-6.6%) was due to timing of spending on capital project construction. Federal government grants and contracts revenue was \$7.7 million (-22.7%) less than budget partially due to decreased Pell grant awards. Revenue in retirement of indebtedness was \$7.3 million (69.4%) more than the final budget due to the College's debt service property tax levy rate increased from \$0.55 to \$1.00 per \$1,000 of net taxable value in 2016 property tax year.

The following table summarizes the Colleges original budget, final budget, actual, and variance for revenues:

Budgeted Revenue (In Thousands)

	Original budget	Final budget	Actuals (budgetary basis)	Variance favorable/ (unfavorable)
Tuition	\$ 21,400	19,297	19,966	669
Miscellaneous fees	3,748	3,964	4,384	420
State government appropriations	56,080	53,276	53,276	0
Local government appropriations	51,182	51,182	50,988	(194)
Federal gmt contracts/grants	33,388	33,952	26,224	(7,728)
State gmt contracts/grants	6,333	6,863	6,232	(631)
Local gmt contracts/grants	2	124	69	(55)
Private contracts/grants	2,677	3,179	1,939	(1,240)
Endowments	13	13	12	(1)
Sales and services	3,301	2,107	1,806	(301)
Other	2,642	1,953	1,845	(108)
Capital outlay	31,920	31,920	29,827	(2,093)
Building renewal & replacement	3,050	3,050	2,630	(420)
Retirement of indebtedness	9,530	10,535	17,847	7,312
Total revenues	<u>\$ 225,266</u>	<u>221,415</u>	<u>217,045</u>	<u>(4,370)</u>

Expenditures (Budgetary Basis)

The final expenditure budget increased by approximately \$4.0 million (1.8%) versus the original budget. The final budget for Capital outlay increased by \$5 million (18.5%), and the final budget for Building renewal and replacement decreased by 1.3 million (-28.2%) to accommodate for major multi-year capital projects need. The final budget for Operation and maintenance of plant decreased by \$0.7 million (-4.3%), and the retirement of indebtedness increased by \$1.7 million (19.6%) as compared to the original budget.

Actual expenditures were \$13.1 million (-5.8%) less than the final budget. Actual expenditures for instruction were \$2.2 million (-3.4%) less than budget due to reduction in part-time faculty salary expense related to declining enrollment. Student aid was \$6.6 million (-18.5%) under final budget. Capital outlay was under budget by \$1.2 million (-3.6%) and building renewal and replacement was under budget by 1.1 million (-33.3%) due to the timing of capital projects.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

The following summarizes the Colleges original budget, final budget, actuals, and variance for expenditures:

Budgeted Expenditures (In Thousands)

	Original budget	Final budget	Actuals (budgetary basis)	Variance favorable/ (unfavorable)
Instruction	\$ 64,423	63,763	61,542	2,221
Academic support	15,756	16,208	15,815	393
Student services	22,893	22,265	21,858	407
Institutional support	22,667	22,941	22,427	514
Operation & maintenance - plant	15,233	14,577	14,353	224
Student social & cultural activities	135	185	151	34
Public services	945	712	503	209
Internal services	66	74	61	13
Student aid grants and stipends	35,723	35,688	29,080	6,608
Auxiliary enterprise	1,031	1,030	749	281
Capital outlay	27,000	32,000	30,822	1,178
Building renewal & replacement	4,600	3,300	2,200	1,100
Retirement of indebtedness	8,806	10,535	10,636	(101)
Total expenditures	<u>\$ 219,278</u>	<u>223,278</u>	<u>210,197</u>	<u>13,081</u>

Change in Net Position (budgetary basis)

The following schedule summarizes the change in net position for the College:

Budgeted Categories (In Thousands)

	Original budget	Final budget	Actuals (budgetary basis)	Variance favorable/ (unfavorable)
Beginning balance budgeted	\$ <u>51,438</u>	<u>47,226</u>	<u>47,226</u>	<u>-</u>
Revenues	225,266	221,415	217,045	(4,370)
Expenditures	<u>219,278</u>	<u>223,278</u>	<u>210,197</u>	<u>13,081</u>
Change in net position	<u>5,988</u>	<u>(1,863)</u>	<u>6,848</u>	<u>8,711</u>
Net position (budgetary basis)	<u>\$ 57,426</u>	<u>45,363</u>	<u>54,075</u>	

STATE OF NEW MEXICO

CENTRAL NEW MEXICO COMMUNITY COLLEGE

Economic Outlook

The College's economic outlook is closely related to its role as the state's largest community college. The College is dependent upon ongoing financial and political support from state government. Between FY2008 and FY2017, state appropriations fell as a percent of the College's current operating revenue from 52 percent to 42 percent, respectively. To offset this drop, local government support and tuition and revenues have increased over this same period. Since FY2015, the College has invested in strategic efforts to develop other revenue streams. Increasing international career and technical training offerings and expanding online and fast- tracked programs are beginning to generate additional revenues.

Another significant factor in the College's economic position relates to its ability to recruit and retain students. As compared to final student enrollment of 25,760 in Fall 2015 and 24,781 in Fall 2016, current census date snapshot data for Fall 2017 reports 24,565 students in college credit programs. This represents a decrease of 979 students (-3.8%) from Fall 2015 to Fall 2016 and a decrease of 216 students (-0.8%) from Fall 2016 to current student enrollment data in Fall 2017. Similarly, student credit hour production decreased 5.6% from 205,258 in Fall 2015 to 193,694 in Fall 2016 and 1.6% from Fall 2016 to current Fall 2017 data of 190,518 student credit hours. Based on the current performance formula model, enrollment fluctuations may impact future state appropriation revenue.

As such, the College has expanded its efforts to diversify revenues. The formation of Ingenuity, Inc., pursuant to the University Research Park and Economic Development Act, enables the College to expand innovative program offerings and attract new students, business partners and community connections. These efforts will serve to generate additional revenue sources, while supporting growth in the local, state and regional economy.

Component Unit Financial Statements

Central New Mexico Community College Foundation, Incorporated and CNM Ingenuity, Incorporated are component units of the College. Both entities separately issue their financial statements under Governmental Accounting Standards Board format. Financial statements can be obtained from their administrative office at the College at 525 Buena Vista SE, Albuquerque New Mexico 87106.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Statements of Net Position

June 30, 2017 and 2016

	Primary Institution		Component Units			
	2017	2016	Foundation		Ingenuity	
			2017	2016	2017	2016
Assets:						
Current assets:						
Cash and cash equivalents	\$ 1,401,713	1,917,044	35,419	52,827	1,889,271	1,170,504
Cash and cash equivalents – restricted	-	-	829,474	1,169,766	-	-
Investments - unrestricted	59,435,048	51,214,114	-	-	-	-
Investments - restricted	56,091,860	26,732,433	-	-	-	-
Endowment investments – restricted	27,742	29,015	-	-	-	-
Accounts receivable students, net	6,123,725	5,523,518	-	-	-	-
Grants and contracts receivable	3,180,314	1,895,809	-	-	-	-
Mill levy receivable	2,856,018	2,910,061	-	-	-	-
Pledges receivable	-	-	761,823	252,042	49,039	-
Other receivable	218,059	539,831	17,339	10,653	10,783,305	186,046
Inventories	53,963	57,054	-	-	24,000	-
Other assets	1,035,579	1,244,839	-	-	74,848	2,213
Total current assets	130,424,021	92,063,718	1,644,055	1,485,288	12,820,463	1,358,763
Noncurrent assets:						
Endowment investments – restricted	1,805,000	1,805,000	8,788,040	7,126,270	-	-
Mill levy receivable	2,063,866	1,908,418	-	-	-	-
Pledges receivable	-	-	181,517	316,365	186,908	-
Notes receivable	153,172	144,774	-	-	-	-
Other assets	114,667	122,668	-	-	113,278	66,007
Capital assets, net	279,040,900	260,521,077	-	-	3,032,770	1,799,972
Total noncurrent assets	283,177,605	264,501,937	8,969,557	7,442,635	3,332,956	1,865,979
Total assets	413,601,626	356,565,655	10,613,612	8,927,923	16,153,419	3,224,742
 Deferred outflows of resources:						
Bond refunding	157,810	194,942				
Pension related	29,098,980	22,723,449				
Total deferred outflow of resources	29,256,790	22,918,391				
 Liabilities:						
Current liabilities:						
Cash overdraft - restricted	1,015,187	531,263	-	-	-	-
Accounts payable to suppliers	4,497,887	4,273,759	99,161	133,213	345,314	288,690
Accounts payable - loans	109,702	111,798	-	-	-	-
Accrued compensated absences	2,349,792	2,435,191	-	-	-	-
Accrued payroll and payroll taxes	5,406,140	8,709,919	-	-	-	-
Accounts payable – other	10,658,406	156,681	-	-	-	-
Accrued interest payable	1,516,650	1,004,569	-	-	-	-
Unearned revenue	9,144,439	8,820,616	151,551	80,185	1,426,472	562,346
Bonds payable – current portion	12,765,614	8,169,551	-	-	-	-
Total current liabilities	47,463,817	34,213,347	250,712	213,398	1,771,786	851,036
Noncurrent liabilities						
Bonds payable	95,098,175	66,172,269	-	-	-	-
Net pension liability	189,649,053	173,380,873	-	-	-	-
Total noncurrent liabilities	284,747,228	239,553,142	-	-	-	-
Total liabilities	332,211,045	273,766,489	250,712	213,398	1,771,786	851,036
 Deferred inflows of resources:						
Pension related	3,753,603	3,994,752	-	-	-	-
Total deferred inflow of resources	3,753,603	3,994,752	-	-	-	-
 Net position:						
Net investment in capital assets	213,703,178	205,822,809	-	-	3,032,770	1,799,972
Restricted:						
Nonexpendable:						
Scholarships	-	-	6,251,223	5,751,726	-	-
Department programs	1,805,000	1,805,000	607,753	405,783	-	-
Expendable:						
Scholarships	-	-	2,767,883	1,673,015	-	-
Department programs	27,743	34,916	340,153	522,170	235,946	-
Debt service	13,217,984	6,432,479	-	-	-	-
Unrestricted	(121,860,137)	(112,372,399)	395,888	361,831	11,112,917	573,734
Total net position	\$ 106,893,768	101,722,805	10,362,900	8,714,525	14,381,633	2,373,706

See accompanying notes to basic financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2017 and 2016

	Primary Institution		Component Units			
	2017	2016	Foundation		Ingenuity	
			2017	2016	2017	2016
Operating revenues:						
Tuition and fees*	\$ 14,697,430	14,273,309	-	-	2,660,768	2,040,009
Federal grants and contracts	4,180,878	4,651,729	-	-	-	-
State and local grants and contracts	7,398,310	7,186,786	230,208	467,020	474,853	296,067
Sales & services of educational depts.	892,643	817,962	-	-	-	-
Gifts and pledges	-	-	1,498,501	1,113,935	242,159	10,886
Auxiliary enterprise	1,765,825	2,187,831	-	-	-	-
Total operating revenues	28,935,086	29,117,617	1,728,709	1,580,955	3,377,780	2,346,962
Operating expenses:						
Instruction and general:						
Instruction	61,640,777	62,020,989	-	-	-	-
Public service	503,180	558,605	-	-	-	-
Academic support	15,113,006	15,221,398	-	-	-	-
Student services	21,699,986	22,170,751	-	-	-	-
Institutional support	20,967,030	21,305,127	-	-	-	-
Operation and maintenance of plant	15,225,610	14,995,345	-	-	-	-
Depreciation	13,887,457	13,142,017	-	-	87,000	113,408
Student aid	17,135,408	19,479,869	-	-	-	-
Auxiliary enterprises	811,800	764,384	-	-	-	-
Other expenses	151,145	122,924	1,453,072	1,853,494	3,116,222	2,798,535
Total operating expenses	167,135,399	169,781,409	1,453,072	1,853,494	3,203,222	2,911,943
Operating income (loss)	(138,200,313)	(140,663,792)	275,637	(272,539)	174,558	(564,981)
Nonoperating revenues (expenses):						
State appropriations	53,276,400	56,801,075	-	-	-	-
Local appropriations – operating	50,859,376	50,137,402	-	-	-	-
Local appropriations – debt service	18,032,423	9,599,267	-	-	-	-
Federal pell grant	21,987,687	24,307,690	-	-	-	-
Gifts	697,864	834,397	-	-	-	-
Investment income (loss)	465,685	110,094	691,315	252,671	3,869	1,173
Interest on capital asset related debt	(2,049,095)	(1,765,052)	-	-	-	-
Gain (Loss) on disposition of assets	(108,885)	33,427	-	-	15,500	-
Other nonoperating revenues	395,496	506,991	-	-	11,814,000	-
Other nonoperating expenses	(11,814,000)	-	-	-	-	-
Net nonoperating revenues (expenses)	131,742,951	140,565,291	691,315	252,671	11,833,369	1,173
Income (loss) before capital grants and appropriations	(6,457,362)	(98,501)	966,952	(19,868)	12,007,927	(563,808)
Capital appropriations	11,608,316	4,209,121	-	-	-	-
Capital grants and gifts	20,009	16,869	-	-	-	-
Additions to permanent endowments	-	225,000	681,423	270,879	-	-
Total other changes	11,628,325	4,450,990	681,423	270,879	-	-
Increase (decrease) in net position	5,170,963	4,352,489	1,648,375	251,010	12,007,927	(563,808)
Net position, beginning of year	101,722,805	97,370,316	8,714,525	8,463,515	2,373,706	2,937,514
Net position, end of year	\$ 106,893,768	101,722,805	10,362,900	8,714,525	14,381,633	2,373,706

* Net of scholarship allowances of \$11,944,184 for 2017 and \$12,045,042 for 2016

See accompanying notes to basic financial statements.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Statements of Cash Flows
Years ended June 30, 2017 and 2016**

	2017	2016
Cash flows from operating activities:		
Tuition and fees	\$ 14,509,844	14,017,716
Federal grants and contracts	4,527,601	4,455,325
State and local grants and contracts	7,391,362	7,638,253
Payments to suppliers	(19,753,774)	(18,420,494)
Payments for utilities	(3,935,698)	(4,309,260)
Payments to employees	(80,644,962)	(80,409,704)
Payments for benefits	(25,648,955)	(27,403,835)
Payments for scholarships	(17,154,324)	(19,560,182)
Loans issued to students	(20,476)	(20,578)
Collection of loans to students	12,078	15,032
Auxiliary enterprise charges	1,740,485	2,245,611
Sales and services of educational activities	899,643	982,320
Other expenses	(1,314,000)	-
Other receipts	158,267	380,714
Net cash used by operating activities	<u>(119,232,909)</u>	<u>(120,389,082)</u>
Cash flows from noncapital financing activities:		
State appropriations	53,276,400	56,801,075
District mill levies—operating	51,064,591	50,490,638
District mill levies—debt service	17,725,803	9,676,330
Federal Pell grant	21,997,986	24,400,882
Education Loan receipts	8,080,385	10,527,376
Education Loan disbursements	(8,077,800)	(10,490,599)
Gifts and contribution for permanent endowment	697,864	1,059,397
Cash overdraft due to bank	(531,263)	(876,347)
Cash provided by bank overdraft	1,015,187	531,263
Student organization agency transactions	22,337	9,138
Net cash provided by noncapital financing activities	<u>145,271,490</u>	<u>142,129,153</u>
Cash flows from capital financing activities:		
Proceeds from capital debt	42,156,936	-
Refunding bonds	-	-
Capital appropriations	10,330,520	5,954,385
Proceeds from sale of capital assets	29,129	34,862
Purchases of capital assets	(31,548,979)	(24,024,061)
Payment to refunded bond escrow agent	-	-
Principal paid on capital debt and leases	(7,465,000)	(7,030,000)
Interest paid on capital debt and leases	(2,943,114)	(2,780,363)
Net cash provided (used) by capital financing activities	<u>10,559,492</u>	<u>(27,845,176)</u>
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	69,459,710	87,065,381
Interest on investments	465,685	167,733
Purchase of investments	(107,038,799)	(80,534,499)
Net cash (used) provided by investing activities	<u>(37,113,404)</u>	<u>6,698,615</u>
Net increase (decrease) in cash and cash equivalents	(515,331)	593,510
Cash and cash equivalents, beginning of year	1,917,044	1,323,534
Cash and cash equivalents, end of year	<u><u>\$ 1,401,713</u></u>	<u><u>1,917,044</u></u>

See accompanying notes to basic financial statements.

(continued)

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Statements of Cash Flows (continued)
Years ended June 30, 2017 and 2016**

	2017	2016
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (138,200,313)	(140,663,792)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Other expenses - nonoperational	(1,314,000)	-
Other receipts - nonoperational	158,267	380,714
Depreciation expense	13,887,457	13,142,017
ERB Pension plan expense recognized	9,651,500	5,972,380
Changes in assets and liabilities:		
Receivables, net	(51,773)	(622,557)
Inventories	3,092	(13,545)
Prepaid expenses	217,260	(222,586)
FY15 CNM ERB contribution booked and actual difference	-	(6,761)
Accounts payable and accrued expenses	(3,805,029)	1,024,298
Unearned revenue	306,029	535,359
Compensated absences	(85,399)	85,391
Net cash used by operating activities	<u>\$ (119,232,909)</u>	<u>(120,389,082)</u>
Noncash transactions:		
Capital gifts	20,009	16,869

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Notes to Basic Financial Statements
June 30, 2017 and 2016**

1) Summary of Significant Accounting Policies

a) Reporting Entity

The College was created under Sections 21-16-1 through 21-16-24, State of New Mexico Statutes Annotated (NMSA), 1978 Compilation, to provide post-secondary vocational and technical education. The College is governed by an elected seven-member board (Governing Board) and reports to the New Mexico Higher Education Department (NMHED). The mission of the College is to promote and provide higher education, skill development, and workforce training relevant to contemporary needs within the Central New Mexico Community College district and the State of New Mexico. The overall goal of the College is to provide dynamic education for the community.

b) Component Units

In accordance with Governmental Accounting Standards Board (GASB) guidance, certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. Generally, GASB requires reporting, as a discretely presented component unit, a legally separate organization that raises and holds significant economic resources for the direct benefit of a governmental unit. Based upon the criteria established by GASB, these financial statements present the College and its component units, Central New Mexico Community College Foundation (Foundation) and CNM Ingenuity, Incorporated (Ingenuity).

The following is a discretely presented component unit:

The Foundation was organized in 1986 pursuant to Section 53-8-30, NMSA 1978 Compilation as a nonmember, not-for-profit New Mexico corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation was incorporated for the purpose of providing support to the College and is authorized through its articles of incorporation to receive and hold any property, real or personal, given, devised, bequeathed, given in trust, or in any other way for the use or benefit of the College, or any student or instructor therein, or for the carrying on at the College in any line of work, teaching or investigation, which the donor, grantor, or testator may designate.

An agreement between the Foundation and the College was entered into on December 2, 1991, and most recently amended on April 26, 2017. This agreement formalizes the relationship between the Foundation and the College and establishes the sole purpose for the Foundation as soliciting, managing, and distributing gifts, grants, and donations given for the benefit of the College, or any student or instructor. The Foundation also serves as custodian and manager of any endowments received from private donors. The College provides support services at no cost to the Foundation. The Foundation is discretely presented in a separate column in the financial statements. Complete financial statements of the Foundation can be obtained from its administrative office at the College at 525 Buena Vista SE, Albuquerque, New Mexico 87106.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

The following is a discretely presented component unit:

CNM Ingenuity, Incorporated, was organized March 17, 2014 pursuant to the provisions of the Nonprofit Corporation Act 53-83-1 to 53-8-99 NMSA 1978 Compilation as a nonmember, not-for-profit New Mexico corporation under Section 501(c)(3) of the Internal Revenue Code. Ingenuity was organized and at all times hereafter shall be operated exclusively for the benefit and support of, to perform the function of, or to carry out the purposes of the Central New Mexico Community College. Ingenuity and CNM entered into a Memorandum of Agreement (“MOA”) dated March 2014 that defines their relationship. The MOA provides that CNM will provide critical resources, financial and administrative, until Ingenuity becomes self-supporting. It also provides that Ingenuity’s activities will be conducted for the benefit of CNM and must be consistent with CNM’s long range plans.

Pursuant to the University Research Park and Economic Development Act Sections 21-28-1 through 21-28-25, New Mexico Statutes annotated, 1978 Compilation, as amended, (the Research Park Act), this Corporation is formed for all lawful purposes under the Research Park Act. Ingenuity is discretely presented in a separate column in the financial statements.

c) Financial Statement Presentation

The College, the Foundation and Ingenuity present their financial statements in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB). The statement presentation required by GASB Statement 35, Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34, provides a comprehensive entity-wide perspective of the College’s assets, liabilities, and net position; revenues, expenses and changes in net position; and cash flows.

d) Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business type activities. The College’s financial statements, including financial information of the Foundation and Ingenuity, 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. All significant intra-agency transactions have been eliminated.

e) Management’s Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources 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 estimates.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

f) Income Taxes

As a state post-secondary vocational and technical College, the College's income is exempt from federal and state income taxes under Section 115(1) to the extent the income is derived from essential governmental functions.

The Foundation and Ingenuity are tax exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Foundation and Ingenuity had no material unrelated business income for the years ended June 30, 2017 and 2016; therefore, no provision for income taxes is included in the financial statements.

g) Cash and Cash Equivalents

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 fiscal agent.

Restricted cash, cash equivalents, and restricted investments represent amounts that are externally restricted to make debt service payments, bond funds restricted for capital purposes, and cash for loans.

The State of New Mexico appropriated funds to the College for the Legislative Nursing Endowment. The College's endowment spending is subject to annual review and provides that the annual amount of potential distributions from each endowment fund shall be limited to an amount determined prudent of the asset value of the endowment fund. At the beginning of each fiscal year, the College's management determines the potential distribution amount for the endowment fund for the ensuing fiscal year. The College has approximately \$27,742 available for use. The amount is recorded in the statement of net position as restricted-expendable.

The Foundation's cash and cash equivalents consists of a checking account and money market accounts held with a local investment firm. Money market funds are carried at amortized costs, which approximates fair value.

Ingenuity's cash and cash equivalents consists of a checking account and money market account. Money market funds are carried at amortized cost, which approximates fair value.

h) 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 with the State Treasurer 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.

The Foundation's investments consist primarily of Federal agency obligations, corporate obligations, and marketable securities. Marketable securities are carried at fair value based on quoted market prices. The change in fair value is reported in investment income in the statements of revenues, expenses, and changes in net position.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

i) Receivables

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

j) Private Gifts, Revenue, and Pledges

The Foundation records pledges receivable as assets and revenue if the pledges are evidenced by unconditional promises to give and when all applicable eligibility requirements are met. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. In fiscal year 2017, Ingenuity does not have any pledge receivable.

For Foundation and Ingenuity, annual contributions are generally available for unrestricted use in the year donated unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as restricted, if they are received with donor stipulations that limit the use of the donated assets. Contributions of donated noncash assets are recorded at their estimated fair values in the period received.

k) Inventories

Inventories, which primarily consist of office supplies held for sale to departments, are stated at the lower of cost (first in, first out method) or market.

l) Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more per Section 12-6-10 NMSA 1978 and an estimated useful life of greater than one year.

Renovations to buildings, infrastructure, and land improvements costing \$100,000 or more and that significantly increase the value or extend the useful life of the structure are capitalized. Software purchased for internal use with a unit cost of \$5,000 or more is capitalized and depreciated. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight line method over the estimated useful lives of the asset, generally 5 to 40 years for building and building improvements, 5 to 40 years for infrastructure and land improvements, 10 years for library books, and 5 to 12 years for equipment.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

m) Noncurrent Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted to make debt service payments, not needed in the next year, and funds to be invested in perpetuity are classified as noncurrent assets in the statement of net position.

n) Compensated Absences

Accumulated annual leave is reported as a liability. Annual leave is provided to full and part-time, non-instructional employees. Up to 30 days annual leave may be accumulated and carried over to a subsequent fiscal year.

o) Unearned Revenue

For government mandated and voluntary non-exchange transactions, the College, the Foundation, and Ingenuity recognize receivables and revenues when all applicable requirements, including time requirements are met. Resources received before the eligibility requirements are met are reported as unearned revenues. Resources received in advance where all eligibility requirements have been met are recorded as revenues when received.

Unearned revenue at June 30, 2017 and 2016 for CNM consists primarily of unearned summer term tuition in the amounts of \$2,297,194 and \$2,299,268 respectively; unearned fall tuition and fees in the amount of \$6,042,807 and \$5,863,555 respectively; and \$804,438 and \$657,793 respectively from grants and contract sponsors that have not yet been earned. Total unearned revenue at June 30, 2017 and 2016 are \$9,144,439 and \$8,820,616 respectively.

Unearned revenue at June 30, 2017 and 2016 for the CNM Foundation are \$151,551 and \$80,185, respectively.

Unearned revenue at June 30, 2017 and 2016 for Ingenuity are \$1,426,472 and \$562,346 respectively.

p) Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable that will not be paid within the next fiscal year. Beginning Fiscal Year 2015, net pension liability is reflected in noncurrent liabilities.

q) Classification of Net Position

The College's net position is classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. At June 30, 2017 and 2016, approximately \$39,897,879 and \$17,035,515 of bond proceeds remain unexpended, respectively.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Restricted net position – expendable – Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. At year-end, the College had \$27,743 endowment earnings available for use.

Restricted net position – nonexpendable – Nonexpendable restricted net position consists of endowment funds in which the donors have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity and invested for the purpose of producing present and future income. The income generated from the principal may be expended or added to principal.

Unrestricted net position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, district mill levies, investment income, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Governing Board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

r) State Appropriations

For government-mandated and voluntary non-exchange transactions, the College recognizes revenues when all applicable requirements including time requirements are met.

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year and are available to the College in subsequent years, pursuant to the General Appropriation Act of 2017.

s) District Mill Levies

District mill levies attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied on November 1 and are due in equal semiannual installments on November 10 and April 10 of the next year. Taxes become delinquent 30 days after the due dates unless the original levy date has been formally extended. The mill levy is collected by the respective County treasurers and is remitted to the College.

Revenue from the operational mill levy is recorded in the period for which the lien is levied. A separate mill levy for the retirement of debt on the General Obligation 2009 bond series, 2011 bond series, 2014A bond series, 2014B bond series and 2016 bond series (note 7) is collected and remitted to the College. Following the symmetrical recognition concept of GASB Statement 33 and 36, the College recorded an estimated receivable of \$4,919,884 and \$4,818,479 as of June 30, 2017 and 2016, respectively, based on levied tax information received from the respective county Treasurer's office. Based on historical collections, no allowance for uncollectible accounts has been recorded.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

t) Classification of Revenues

The College has classified its revenues as either operating or non-operating according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises; (3) most federal, state, and local grants and contracts; and (4) sale of educational services.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting, and GASB Statement No. 34, such as state appropriations, mill levies, and Pell grant and investment income.

Student tuition and fee revenues and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees, other student charges and expenses, the College has recorded a scholarship allowance.

Contract and grant revenues are recognized when all of the eligibility requirements have been met.

u) Classification of Expenses

Expenses are classified as operating or non-operating according to the following criteria:

Operating expenses – Operating expenses include activities that have the characteristics of an exchange transaction, such as (1) employee salaries, benefits, and related expense; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, supplies, and other services; (4) professional fees; and (5) depreciation expenses related to the College's capital assets.

Non-operating expenses – Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital asset related debt and bond expenses that are defined as non-operating expenses by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB Statement No. 34.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

v) 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

w) Subsequent Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Post employment Benefits Other than Pensions*. Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

GASB Statement No 83, *Certain Asset Retirement Obligations*. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018

GASB Statement No. 85 *Omnibus 2017*. Effective Date: The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issue*. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87. *Leases*. Effective Date: For reporting periods beginning after December 15, 2019.

Original pronouncements can be found at the GASB's Website www.gasb.org

x) Reclassifications

Certain prior year amounts have been reclassified in order to be consistent with current year presentation.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

2) Deposits and Investments

State statutes authorize the investment of 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. Management of the College is not aware of any investments that did not properly follow State investment requirements as of June 30, 2017.

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

The following is a summary of deposits and investments as of June 30.

College	2017	2016
Cash on hand	\$ 8,225	8,445
Deposits with financial institutions	378,301	1,377,337
Investments with NM State Treasurer	117,359,650	79,780,561
Total cash and investments	\$ 117,746,176	81,166,343

Foundation	2017	2016
Deposits with financial institutions	\$ 361,691	424,555
Money market with Merrill Lynch	503,202	798,038
Federal agency obligations	1,046,720	850,999
Corporate obligations	600,786	519,282
Corporate stock	5,210,912	4,309,479
Mutual funds	1,681,792	1,446,510
Certificates of Deposit	247,831	-
Total cash and investments	\$ 9,652,934	8,348,863

Ingenuity	2017	2016
Deposits with financial institutions	\$ 228,359	493,398
Money market with Wells Fargo	1,660,912	677,105
Total cash and investments	\$ 1,889,271	1,170,503

a) Custodial Credit Risk

The custodial credit risk for deposits is the risk that in the event of a depository institution failure, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

All deposits and investments in commercial banks and savings and loan associations are collateralized as required by Section 6–10–16 to Section 6–10–17 NMSA 1978. All deposits of the College are either insured or collateralized by using the Dedicated Method. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the College's agent in the College's name.

At June 30, 2017 and 2016, the College's deposits had a carrying amount of \$378,301 and \$1,377,337 respectively, and a bank balance of \$680,279 and \$1,931,920 respectively. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2017 and 2016, \$2,983,848 and \$1,630,698 respectively, was collateralized with securities held by the College's financial institution's trust department in the College's name under the Dedicated Method. None of these balances were uninsured and/or uncollateralized at June 30, 2017 and 2016.

At June 30, 2017 and 2016, the Foundation's deposits had a carrying balance of \$361,691 and \$424,555 respectively and a bank balance of \$364,058 and \$424,805 respectively. For the bank balance, \$270,006 was covered by federal depository insurance. Therefore, \$40,345 and \$94,052 were uninsured and uncollateralized at June 30, 2017 and 2016.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

At June 30, 2017 and 2016, Ingenuity's deposits had a carrying balance of \$228,359 and \$493,398 respectively and a bank balance of \$226,081 and \$494,840 in a checking account. Of the bank balance, \$250,000 is covered by federal depository (FDIC) insurance. Therefore, \$0 and \$244,840 is uninsured and uncollateralized at June 30, 2017 and 2016.

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the College and/or its component units will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Mutual funds and external investment pools are not exposed to custodial credit risk. The College is not exposed to credit risk and therefore has no policy regarding credit risk.

A summary of the College's insured and collateralized accounts at June 30, 2017 and 2016 is as follows:

				2017
Wells Fargo Bank checking account				\$ 680,279
FDIC Insurance				(250,000)
Public funds in excess of FDIC Insurance				430,279
50% collateral requirement of				\$ 430,279
Total collateral requirements				\$ 215,140
Collateral (at fair value):				
FNMA-FNMS	CUSIP	Rate	Maturity	2,983,848
	3140EU5W5	2.50%	4/1/2031	2,983,848
Total collateral				2,983,848
Over collateral requirement				\$ 2,768,708
				2016
Wells Fargo Bank checking accounts				\$ 1,931,920
FDIC Insurance				(250,000)
Public funds in excess of FDIC Insurance				\$ 1,681,920
50% collateral requirement of				\$ 204,474
102% sweep collateral requirement of				1,477,446
Total collateral requirements				\$ 1,609,232
Collateral (at fair value):				
FNMA-PT	CUSIP	Rate	Maturity	123,703
	3138ALMK0	2.73%	9/1/2041	1,506,995
GN-II MA1448	36179NTD0	3.50%	11/1/2043	1,506,995
Total collateral				\$ 1,630,698
Over collateral requirement				\$ 21,466

Wells Fargo Banks has pledged the above collateral which is being held in safekeeping by The Bank of New York Mellon.

b) Investments

The College's investment policy is set forth by the Governing Board pursuant to Governing Board Handbook sections 8.06 and 8.07. In November 2016, The College's Governing Board revised its investment policy and investment policy for endowment fund. They provides investment standards for long-term, short-term, and other types of investments, and collateral requirements in accordance with 6-10-30 NMSA 1978.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

The Foundation's Finance and Investment Committee revised the investment policy in July 2015. The fundamental goal of the policy is to produce the maximum return possible while preserving the Foundation's assets. Investments are divided into three main portfolios: (1) Temporarily Restricted, (2) Endowments , and (3) Eloy Reyes Title V Memorial Endowment for La Comunidad.

Temporarily Restricted Portfolio investments will consist of money market or other conservative investments with an average maturity of less than three years meeting the following criteria: (1) Certificates of deposit are authorized to the extent of FDIC insurance coverage; (2) portfolio can contain U.S. Treasury bills and notes and U.S. agency securities; (3) the average credit quality of the fixed income portfolio shall be AA or higher as defined by Moody's with an effective maturity of less than 3 years; and (4) no single issuer of debt or equity should make up more than 5% of the Portfolio except for U.S. government obligations.

Endowment Portfolio investments consist of equity securities, certificates of deposit, U.S. Treasury bills and notes, and U.S. agency securities. Investment managers may purchase fixed income securities issued by U.S. corporations that carry a credit rating characterized as below investment grade Moody's (lower than Baa3) at the time of purchase. The fixed income portion of the portfolio is limited to a 15% allocation to high yield bonds. Investment managers may also purchase fixed income securities issued by non-U.S. sovereign governments or corporations. The fixed income portion of the portfolio is limited to a 10% allocation to non U.S bonds. Up to twenty-five percent of the Portfolio can be invested in foreign issues of debt or equity. No single issuer of debt or equity should make up more than 5% of the Portfolio except for U.S. government obligations. On June 30, 2017, the portfolio consisted of 11.9% of U.S. government obligations.

Ingenuity's financial policy delineates that it utilizes only federally insured local banking institutions. Accounts should be maintained at the same fiscal agent institution that is utilized by CNM.

c) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information is commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's, and provides a current depiction of potential variable cash flows and credit risk.

The following table provides information on Standard & Poor's credit rating associated with the College's investment securities at June 30:

	Rating	2017 Fair Value (Level 1)	2016 Fair Value (Level 1)
New Mexico LGIP	AAAm	\$ 117,359,650	79,780,561
Total rated securities		<u>\$ 117,359,650</u>	<u>79,780,561</u>

The College has invested \$117,359,650 at June 30, 2017 and \$79,780,561 at June 30, 2016 in the New Mexico Local Government Investment Pool (LGIP), which is managed by the State Treasurer. These investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer New Mexico LGIP is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

The following table provides information on the credit ratings associated with the Foundation's investment in debt securities at June 30:

	Rating	2017 Fair Value	2016 Fair Value
Corporate Stock (Level 1):	Unrated	\$ 5,210,912	\$ 4,309,479
Mutual Funds (Level 1)	Unrated	1,681,792	1,446,510
Total unrated securities		\$ 6,892,704	\$ 5,755,989
Federal agency obligations (Level 1):			
Federal home loan mortgage corp.	AA+	\$ 446,999	\$ 269,351
Federal national mortgage assoc.	AA+	332,435	272,522
US treasury notes	AAA	72,082	120,292
US treasury bills	AAA	998	-
US treasury bonds	AAA	129,063	130,331
US treasury inflation bonds	AAA	65,143	58,504
		1,046,720	851,000
Corporate obligations (Level 2):			
Corporate bonds	AAA	1,988	2,032
Corporate bonds	AA+	2,030	43,279
Corporate bonds	AA	1,013	-
Corporate bonds	AA -	48,888	-
Corporate bonds	A+	5,202	4,351
Corporate bonds	A	33,143	29,885
Corporate bonds	A-	250,259	162,473
Corporate bonds	BBB+	256,246	219,047
Corporate bonds	BBB	1,029	58,216
Corporate bonds	BBB-	988	-
		600,786	519,283
Total rated securities		\$ 1,647,506	\$ 1,370,283
Total securities		\$ 8,540,210	\$ 7,126,272

d) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The College, the Foundation and Ingenuity do not have formal investment policies that limit investment maturities as a means of managing its exposure to changing interest rates.

A summary of the investments and respective maturities at June 30, 2017 and 2016 and the exposure to interest rate risk is as follows:

	2017 - Investment Maturities			
	Fair Value	Less than 1 year	1 - 5 years	5 years +
CNM - NM LGIP (Level 1)	\$ 117,359,650	117,359,650	-	-
Foundation Federal (Level 1)	1,046,720	2,993	251,963	791,764
Foundation Corporate (Level 2)	600,786	3,042	224,960	372,784
	2016 - Investment Maturities			
	Fair Value	Less than 1 year	1 - 5 years	5 years +
CNM - NM LGIP (Level 1)	\$ 79,780,561	79,780,561	-	-
Foundation Federal (Level 1)	851,000	2,006	188,836	660,158
Foundation Corporate (Level 2)	519,281	-	166,790	352,491

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

The State Treasurer manages its exposure for the New Mexico LGIP for declines in fair values by calculation of the weighted average maturity (WAM) of its investment portfolio. The gains/losses are not allocated to participating entities. At June 30, 2017, the WAM (R) was 58 days and WAM (F) was 106 days, and at June 30, 2016, the WAM (R) was 44 days and WAM (F) was 77 days. For additional GASB 40 disclosure information regarding funds held by the State Treasurer, please refer to the separate audit report issued by the state Treasurer's Office as of and for the year ended June 30, 2017.

e) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College, the Foundation's, or Ingenuity's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to the concentrated risk. Investments issued by the U.S. government and investments in mutual funds are excluded from this requirement. The Foundation had 12.3% of the portfolio on June 30, 2017 and 11.6% of the investment portfolio on June 30, 2016 in U.S. government obligations, which exceeds the 5% limitation in any single type of security per the Foundation's investment policy statement (IPS). However, under section J of the IPS, U.S. government obligations are exempt from the 5% limit.

f) Foreign Currency Risk

Foreign currency risk is the potential risk of loss arising from investments denominated in foreign currencies when there are changes in exchange rates. The potential risk of loss arising from changes in exchange rates can be significant. At June 30, 2017 and 2016, the College, the Foundation and Ingenuity held no investments denominated in foreign currencies, and therefore had no foreign currency risk.

3) Receivables

The College's receivables represent revenues earned from student tuitions and fees, loans, advances to students, local tax levy, and federal government grants and contracts. All amounts, except for student receivables and partially local tax levy, are expected to be collected within sixty days after year-end. An allowance for uncollectible accounts has been established for student accounts judged to be uncollectible due to the age of the receivables. Also, there is an allowance set up for other miscellaneous receivables that are deemed uncollectible. A schedule of receivables and allowance for uncollectible accounts is as follows at June 30,

	2017	2016
Accounts Receivable		
Accounts receivable students, (net)	\$ 6,123,725	5,523,518
Contract and Grant receivables (net)	3,122,227	1,765,542
Contract and Grant receivable - due from Foundation	58,087	130,267
Other receivables	6,047	318,427
Other receivables - due from Ingenuity	212,012	221,404
Mill Levy	2,856,017	2,910,061
	<u>\$ 12,378,115</u>	<u>10,869,219</u>
 Allowance for doubtful accounts	 <u>\$ 8,162,925</u>	 <u>7,533,567</u>
 Mill Levy	 \$ 2,063,866	 1,908,418
Notes Receivable	153,172	144,774
Total noncurrent receivables	<u>\$ 2,217,038</u>	<u>2,053,192</u>

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

4) Capital Assets

Capital assets consist of the following:

	Balance June 30, 2016	Additions and transfers	Dispositions and transfers	Balance June 30, 2017
Year ended June 30, 2017				
Capital assets (non depreciated):				
Land	\$ 27,519,494	-	-	27,519,494
Art	511,312	211,249	2,260	720,301
Construction in process	15,945,528	30,050,007	19,207,048	26,788,487
Depreciable capital assets:				
Land improvements	17,100,113	-	-	17,100,113
Buildings	272,039,266	19,207,048	392,733	290,853,581
Infrastructure	7,167,905	103,486	-	7,271,391
Furniture, fixtures, and equip	34,737,629	1,914,156	1,533,945	35,117,840
Library materials	3,007,210	266,394	373,505	2,900,099
	<u>378,028,457</u>	<u>51,752,340</u>	<u>21,509,491</u>	<u>408,271,306</u>
Less accumulated depreciation:				
Land improvements	7,249,826	827,215	-	8,077,041
Buildings	81,909,354	9,254,974	392,733	90,771,595
Infrastructure	2,021,592	448,030	-	2,469,622
Furniture, fixtures, and equip	24,505,360	3,094,962	1,398,192	26,202,130
Library materials	1,821,248	262,276	373,505	1,710,018
	<u>117,507,380</u>	<u>13,887,457</u>	<u>2,164,430</u>	<u>129,230,406</u>
Net carrying amount	<u>\$ 260,521,077</u>	<u>37,864,883</u>	<u>19,345,061</u>	<u>279,040,900</u>
Year ended June 30, 2016				
Capital assets (non depreciated):				
Land	\$ 27,519,494	-	-	27,519,494
Art	511,489	-	177	511,312
Construction in process	16,284,714	20,506,301	20,845,487	15,945,528
Depreciable capital assets:				
Land improvements	13,258,768	3,841,345	-	17,100,113
Buildings	257,882,473	14,156,793	-	272,039,266
Infrastructure	4,182,110	2,985,795	-	7,167,905
Furniture, fixtures, and equip	33,727,768	1,732,036	722,175	34,737,629
Library materials	3,264,750	229,884	487,424	3,007,210
	<u>356,631,566</u>	<u>43,452,154</u>	<u>22,055,263</u>	<u>378,028,457</u>
Less accumulated depreciation:				
Land improvements	6,480,868	768,958	-	7,249,826
Buildings	73,336,134	8,573,220	-	81,909,354
Infrastructure	1,756,602	264,990	-	2,021,592
Furniture, fixtures, and equip	21,961,980	3,264,297	720,917	24,505,360
Library materials	2,038,120	270,552	487,424	1,821,248
	<u>105,573,704</u>	<u>13,142,017</u>	<u>1,208,341</u>	<u>117,507,380</u>
Net carrying amount	<u>\$ 251,057,862</u>	<u>30,310,137</u>	<u>20,846,922</u>	<u>260,521,077</u>

The College capitalizes interest expense incurred during the period to the asset being prepared for its intended use. For the years ended June 30, 2017 and 2016, the College capitalized interest expense of approximately \$273,265 and \$208,153 respectively.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

5) Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMPSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability, and life insurance coverage (benefits coverage), and property, casualty, and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the state of New Mexico. The College is one of 215 members that participate in NMPSIA. Participation in NMPSIA is mandatory for public school districts and Charter Schools. Participation is voluntary for other educational entities. The College pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2017.

6) Accrued Compensated Absences

The following is a summary of accrued compensated absences for the College for the years ending June 30, 2017 and 2016:

Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Current Portion
\$ 2,435,191	2,010,267	2,095,666	2,349,792	2,349,792

Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Current Portion
\$ 2,349,800	2,714,358	2,628,967	2,435,191	2,435,191

The liability for compensated absences is all current as the balance at year end is less than additions for the year.

7) Leases

In fiscal year 2010, the College purchased the Alameda property; a private company leases a majority of one building, which is recorded at \$5.6 million with accumulated depreciation of approximately \$1,060,259 at June 30, 2017. The term of the original lease was from January 2010 to September 30, 2014. The lease was amended with a term of May 2012 through April 2020. The future minimum receipts, assuming a 2.1% CPI, are as follows:

Year	Amount
2018	\$ 758,742
2019	774,676
2020	658,821
	<u>\$ 2,192,239</u>

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

8) Endowments (Foundation)

On July 1, 2009, the Uniform Prudent Management of Institutional Funds Act became effective in New Mexico. If a donor has not provided specific instructions, state law permits the Board of Directors to authorize for expenditure the interest, dividends, and net appreciation (realized and unrealized) of the investments of endowment funds.

The endowment spending policy is subject to annual review and provides that the annual amount of potential distributions from each endowment fund shall be limited to a maximum of 5% of the average of the last five fiscal years' asset value of the endowment fund. The asset value is defined as principal and all accumulated income, whether realized or unrealized. At the beginning of each fiscal year, the Foundation's Board of Directors will determine the potential distribution amount for each endowment fund for the ensuing fiscal year. At June 30, 2017 and 2016 the net appreciation of \$1,561,462 and \$1,088,821 was available to be spent. The total amount is restricted to specific purposes.

As of June 30, 2017 and 2016, the value of the Foundation's endowment portfolio was \$8,420,439 and \$7,246,331 respectively and the permanent endowment contributions were \$6,858,976 and \$6,157,509.

9) Bonds Payable

The following is a summary of bonds payable transactions for the College for the years ended June 30, 2017 and 2016:

Year ended June 30, 2017					
	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Current portion
Series 2009	\$ 8,850,000	-	1,150,000	7,700,000	1,150,000
Series 2011	23,400,000	-	1,000,000	22,400,000	1,200,000
Series 2014A	26,900,000	-	3,600,000	23,300,000	1,450,000
Series 2014B	11,630,000	-	1,715,000	9,915,000	1,700,000
Series 2016	-	38,525,000	-	38,525,000	6,000,000
Total bond principal	70,780,000	38,525,000	7,465,000	101,840,000	11,500,000
Bond premium	3,561,820	3,631,936	1,169,967	6,023,789	1,265,614
	<u>\$ 74,341,820</u>	<u>42,156,936</u>	<u>8,634,967</u>	<u>107,863,789</u>	<u>12,765,614</u>

Year ended June 30, 2016					
	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Current portion
Series 2009	\$ 10,000,000	-	1,150,000	8,850,000	1,150,000
Series 2011	24,400,000	-	1,000,000	23,400,000	1,000,000
Series 2014A	30,050,000	-	3,150,000	26,900,000	3,600,000
Series 2014B	13,360,000	-	1,730,000	11,630,000	1,715,000
Total bond principal	77,810,000	-	7,030,000	70,780,000	7,465,000
Bond premium	4,329,976	-	768,156	3,561,820	704,551
	<u>\$ 82,139,976</u>	<u>-</u>	<u>7,798,156</u>	<u>74,341,820</u>	<u>8,169,551</u>

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

On August 19, 2009, the College issued \$30,000,000 of General Obligation (Limited Tax Bonds) – Series 2009 (2009 Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings, and utility facilities and making other real property improvements or purchasing grounds throughout the district. The Bonds were authorized at an election held February 7, 2006. The bond funds were used to fund two major capital outlay projects: to build the Rio Rancho Campus and renovate the Jeanette Stromberg Building. The Bonds were also used to fund various renewal and replacement projects. The 2009 Bonds bear interest at rates ranging from 2.50% to 4.00% and are payable from revenues generated by a separate district mill levy approved by the College's district voters on February 7, 2006. The 2009 Bonds mature through August 15, 2024. Bonds maturing on or after August 15, 2020 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2019. By June 30, 2014, the College had spent all of the 2009 Bonds proceeds.

On October 24, 2011, the College issued \$33,360,000 of General Obligation (Limited Tax Bonds) – Series 2011 (2011 Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings, and utility facilities and making other real property improvements or purchasing grounds throughout the district. The Bonds were authorized at an election held February 1, 2011.

The bond funds are being used to fund three major capital outlay projects: The Jeanette Stromberg Renovation project, L Building Renovation, and the construction of the Westside Phase III instructional facility. The Bonds are also being used to fund various other projects. The 2011 Bonds bear interest at rates ranging from 2.50% to 4.00% and are payable from revenues generated by a separate district mill levy approved by the College's district voters on February 1, 2011. The 2011 Bonds mature through August 15, 2024. Bonds maturing on or after August 15, 2021 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2022. The bonds are under the requirements of the federal arbitrage regulations. By June 30, 2015, the College had spent all of the 2011 Bonds proceeds.

On March 17, 2014, the College issued \$33,200,000 of General Obligation (Limited Tax) Bonds – Series 2014A (2014A Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings, and utility facilities and making other real property improvements or purchasing grounds. The Bonds were authorized at an election held February 1, 2011. The bond funds are being used to fund four major capital outlay projects: Site and Safety Improvements, J Building Renovation, A Building Renovation and the Smith Brasher Hall Renovation. The Bonds are also being used to fund various other projects.

The 2014A Bonds bear interest at rates ranging from 3.00% to 5.00% and are payable by a separate district mill levy approved by the College's district voters on February 1, 2011. The 2014A Bonds mature through August 15, 2028. Bonds maturing on or after August 15, 2023 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2022. As of June 30, 2016, the College had spent \$18,084,282 of the 2014A Bond proceeds. As of June 30, 2017, the unspent 2014A Bond proceeds is about \$202,688. The bonds are under the requirements of the federal arbitrage regulations.

A deferred outflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The June 30, 2017 unamortized deferred loss on refunding was \$157,810.

On March 17, 2014, the College issued \$13,360,000 of General Obligation (Limited Tax) Refunding Bonds, Series 2014B (2014B Bonds). Bonds were issued for advance refunding of the College's outstanding General Obligation Bonds, Series 2006. The bond funds are being used to advance refund \$14,625,000 of General Obligation Bond series 2006. The 2014B Bonds bear interest at rates ranging from 3.00% to 5.00% and are payable from revenues generated by a separate district mill levy approved by the College's district voters on February 1, 2011. The 2014B Bonds mature through August 15, 2021. Bonds maturing on or after August 15, 2021 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2020.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

On November 17, 2016, the College issued \$38,525,000 of General Obligation (Limited Tax Bonds) – Series 2016 (2016 Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, and making other real property improvements or purchasing grounds throughout the district. The Bonds were authorized at an election held February 2, 2016. The bond funds are being used to fund three major capital outlay projects: The Montoya Campus J Building Renovation project, Max Salazar Building Renovation and the construction of a Joint Use Instructional facility partially funded by Albuquerque Public Schools. The Bonds are also being used to fund various other projects.

The 2016 Bonds bear interest at rates ranging from 3.00% to 5.00% and are payable from revenues generated by a separate district mill levy approved by the College's district voters on February 1, 2016. The 2016 Bonds mature through August 15, 2031. Bonds maturing on or after August 15, 2025 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2024. As of June 30, 2017, the College has spent \$2,479,621 of the 2016 Bond proceeds. The bonds are under the requirements of the federal arbitrage regulations.

The maximum General Obligating (Limited Tax) debt of the College may not exceed 3% of the assessed valuation of the District or approximately \$562,509,000. With outstanding bond payable of 101,840,000 at June 30, 2017, the College is currently 18.1% bonded to capacity.

The annual debt service requirements to maturity, including principal and interest at June 30, 2017, is as follows:

General Obligation Bond Series 2009			
Fiscal year ending June 30,	Principal	Interest	Total debt service
2018	\$ 1,150,000	254,000	1,404,000
2019	1,150,000	218,063	1,368,063
2020	750,000	186,250	936,250
2021	750,000	160,000	910,000
2022	750,000	133,750	883,750
2023-2027	3,150,000	177,813	3,327,813
2028-2032	-	-	-
	<u>\$ 7,700,000</u>	<u>1,129,876</u>	<u>8,829,876</u>

General Obligation Bond Series 2011			
Fiscal year ending June 30,	Principal	Interest	Total debt service
2018	\$ 1,200,000	757,700	1,957,700
2019	1,210,000	727,575	1,937,575
2020	1,620,000	692,200	2,312,200
2021	1,500,000	649,450	2,149,450
2022	1,500,000	604,450	2,104,450
2023-2027	15,370,000	1,225,775	16,595,775
2028-2032	-	-	-
	<u>\$ 22,400,000</u>	<u>4,657,150</u>	<u>27,057,150</u>

General Obligation Bond Series 2014A			
Fiscal year ending June 30,	Principal	Interest	Total debt service
2018	\$ 1,450,000	877,500	2,327,500
2019	1,450,000	805,000	2,255,000
2020	1,450,000	732,500	2,182,500
2021	1,450,000	660,000	2,110,000
2022	1,450,000	587,500	2,037,500
2023-2027	9,800,000	1,929,750	11,729,750
2028-2032	6,250,000	202,000	6,452,000
	<u>\$ 23,300,000</u>	<u>5,794,250</u>	<u>29,094,250</u>

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

General Obligation Bond Series 2014B

Fiscal year ending June 30,	Principal	Interest	Total debt service
2018	\$ 1,700,000	406,550	2,106,550
2019	1,760,000	320,050	2,080,050
2020	1,795,000	231,175	2,026,175
2021	2,325,000	128,175	2,453,175
2022	2,335,000	35,025	2,370,025
2023-2027	-	-	-
2028-2032	-	-	-
	<u>\$ 9,915,000</u>	<u>1,120,975</u>	<u>11,035,975</u>

General Obligation Bond Series 2016

Fiscal year ending June 30,	Principal	Interest	Total debt service
2018	\$ 6,000,000	1,517,650	7,517,650
2019	8,000,000	1,197,650	9,197,650
2020	1,865,000	951,025	2,816,025
2021	1,865,000	857,775	2,722,775
2022	1,865,000	764,525	2,629,525
2023-2027	9,405,000	2,457,975	11,862,975
2028-2032	9,525,000	714,375	10,239,375
	<u>\$ 38,525,000</u>	<u>8,460,975</u>	<u>46,985,975</u>

10) Pension Plan – Educational Retirement Board (ERB)

Plan Description

ERB was created by the State's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

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

Benefits Provided

A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions is as follows:

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

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

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 July 1, 2010 refunded all member contributions and then became re-employed 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.

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

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. 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.

An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's FAS multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

Contributions

The contribution requirements of defined benefit 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.

Employee Contributions

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

Employer Contributions

The College contributed 13.8% of gross covered salary in fiscal year 2016. In fiscal year 2017, the College contributed 13.7% of gross covered salary.

The contribution requirements of plan members and the College are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The College's contributions to ERB for the fiscal years ending June 30, 2017, 2016, and 2015, were \$9,996,630, \$10,445,080, and \$10,576,660, respectively.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

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, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016. At June 30, 2017, the College reported a liability of \$189,649,053 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, 2016. The contribution amounts were defined by Section 22-11- 21, NMSA 1978. At June 30, 2016, the College's proportion was 2.64% percent.

For the year ended June 30, 2017, the College's allocated ERB plan pension expense is \$19,714,970.

At the June 30, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to ERB pensions from the following sources:

	Deferred Outflows Resources	Deferred Inflows Resources
Difference between expected and actual experience	\$ 822,768	1,803,802
Difference between actual and projected earnings on investments	11,320,469	-
Changes in assumptions	3,860,494	-
Difference between employer contributions and Proportionated Share of Contributions	3,098,618	1,949,801
The College's contributions subsequent to the measurement date (FY2017 contribution)	9,996,630	-
Total June 30, 2017	\$ 29,098,979	3,753,603

Deferred outflows of resources of \$9,996,630, related to pensions resulting from the College's contributions subsequent to the measurement date June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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:	
2018	\$ 4,950,785
2019	2,819,222
2020	4,818,131
2021	2,760,608
2022	-
Thereafter	-

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. Specifically, the liabilities measured as of June 30, 2016 incorporate the following assumptions:

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

1. All members with an annual salary of more than \$20,000 will contribute 10.7% during the fiscal year ending June 30, 2015 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55, and their COLA will be deferred until age 67
3. COLAs for most retirees are reduced until ERB attains a 100% funded status
4. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.00%
Salary Increases:	Composition: 3% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.75%
Retirement Age:	Experience based table of age and service rates
Average of Expected Remaining Service Lives	3.77 years
Mortality:	Healthy males: RP-2000 Combined Mortality Table with White Collar Adjustment, generational mortality improvements with Scale BB Healthy females: GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012

Discount rate : A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This discount rate was based on an expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2016. In particular, the table presents the College's (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The College's proportionate share of net pension liability	\$ 251,185,766	189,649,053	138,590,966

Pension plan fiduciary net position

Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2016 and 2015, which are publicly available at www.nmerb.org.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

403(b) Plan

In addition to the ERA plan, the College sponsored a 403(b) defined savings contribution plan for its employees. The College froze the plan on December 31, 2008. The College did not contribute or match any funds in the 403(b) savings program.

457(b) Plan

In March 2002, the Central New Mexico Community College Governing Board adopted the State of New Mexico's Deferred Compensation Plan. The 457 Deferred Compensation plan was implemented in Fall 2003 and provides a voluntary retirement savings option for all employees with the exception of work study student employees. Under the plan in calendar year 2017, employees may voluntarily contribute up to a maximum of \$18,000 if under age 50, and up to a maximum of \$24,000 if the employee is 50 or older. The College does not contribute or match any funds in the 457(b) savings program. The total amount of employee contributions for the fiscal years 2017 and 2016 was approximately \$810,084 and \$842,106, respectively.

11) Post-Employment Benefits – State Retiree Health Care Plan

Plan Description

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

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

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

Funding Policy

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

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

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2017, the statutes required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits.

The College's contributions to the RHCA for the years ended June 30, 2017 and 2016 were \$1,475,649, and \$1,494,949 respectively, which equal the required contributions for each year.

12) Commitments and Contingencies

The various federal and state grants and programs included in the current restricted fund are subject to audit by various governmental agencies. These audits may result in disallowance of claimed reimbursable expenditures under rules and regulations of the various grants and programs. Management believes disallowances, if any, will not be material to the financial statements.

The College is party to various legal proceedings in the normal course of business. In management's opinion, after consultation with outside legal counsel, the disposition of these matters will not materially affect the financial position of the College.

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, management of the College, Foundation and Ingenuity deem the contingency remote, since by accepting the gifts and the terms, it has accommodated the objectives of the organization to the provisions of the gift.

At June 30, 2017, the College has \$40,330,620 of outstanding capital commitments to contractors and architects related

Project	Amount
A Building Renovation	\$ 7,495
Access Control Project	20,448
CNM/APS/NACA Facility	27,745,952
CTS Fire Alarm System Upgrade	6,368
CTS HVAC & Roof Project	72,725
Enterprise Storage	3,224
Erosion Project Basehart	7,995
Erosion Project Coal	334,769
I & G Equipment over \$10K	79,428
J Building Renovation	8,910,624
L Building Renovation	4,292
MS Building Renovation Phase II	1,094,431
MS HAVC and Flooring	540,503
Max Salazar Restroom Renovation	11,674
Site & Safety Improvements JMMC	450,851
Site & Safety Improvements RR & WS	197,026
Smith Brasher Renovation	794,463
SV Phase IV Renovation	48,352
	<u>\$ 40,330,620</u>

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

13) Related Party Transactions

CNM Ingenuity Inc.

On March 17, 2014 CNM Ingenuity, Incorporated was created as a separate corporate entity established in accordance with the University Research Park and Economic Development Act for the purposes set forth in that act in relation to the College, supporting the education, research and service mission of the College. In order for Ingenuity to become self-supporting the College provides critical resources both financial and administrative. In Fiscal Year 2017, \$11,814,000 was contributed. This was reported in the statement of revenues, expenses, and changes in net position as other non- operating expenses in the College's financial statements.

CNM Foundation Inc.

An agreement between the Foundation and the College was entered into on December 2, 1991, and most recently amended on April 26, 2017. The agreement formalizes the relationship between the Foundation and the College and establishes the sole purpose for the Foundation as soliciting, managing, and distributing private gifts and donations given for the benefit of the College. The Foundation also agreed to be the custodian and manager of any endowments received from private donors or other affiliated organizations. The College agreed to provide staff support, office and meeting space, related physical support services, and other services at no cost to the Foundation.

14) Tax Abatement

Agreements that are entered into by other governments and that reduce the College's tax revenues:

Year ended June 30, 2017

Government name	Taxes being abated	Gross dollar amount
Bernalillo County, New Mexico	Property tax	\$ 227,695
City of Albuquerque, New Mexico	Property tax	205,240
City of Rio Rancho, New Mexico	Property tax	38,010
Sandoval County, New Mexico	Property tax	1,353,551
Total gross dollar amount		\$ <u>1,824,496</u>

15) Budgets and Budgetary Accounting

Operating budgets for the College are submitted for approval to the Board of Directors, the New Mexico Higher Education Department (HED), and the State Budget Division of the Department of Finance and Administration (DFA). Similarly, separate legislative budget requests are submitted to the Board of Directors, HED and DFA for inclusion in the State of New Mexico Executive Budget for consideration of appropriations by the state legislature. The budgets are prepared on the fund accounting principles which were applicable prior to GASB Statements No. 34, 35, 37 and 38 (Budgetary Basis). By contrast, the College prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP Basis).

Budget revision requests, other than transfers among line items within a category, are subject to joint approval by the HED and DFA.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Procedures for Approval of Operating Budgets:

1. Each institution will submit a governing board approved operating budget to the NM Higher Education Department staff by May 1st.
2. The HED meets about the middle of June and acts on the proposed fiscal year operating budgets submitted for review and recommendation.
3. The budgets as approved by the HED are transmitted to the Budget Division of DFA for official and final approval prior to July.

16) Subsequent Events

date at which the financial statements were available to be issued, and determine there are no items to disclose.

CNM Ingenuity Inc.

On July 7, 2017, Ingenuity purchased 5,000 units in Mendology LLC, a New Mexico limited liability company for \$125,000. Mendology was formed on February 14, 2017, by the developer of massage therapy protocols and inventor of multiple patent pending devices to support the training of licensed massage therapists by providing feedback to the therapist and their patient. Mendology protocols transform subjective massage protocols into objective and evidence based programs increasing the credibility and viability of the massage therapy profession as a medical alternative to medication. Ingenuity will assist in developing a curriculum and licensing program to proliferate this training and the use of the devices as elements of training massage therapists. Ingenuity's units represent a non-controlling 5% ownership in the LLC that has three other members including the developer.

Ingenuity's investment in Mendology will be reported in subsequent financial statement according to the GAAP Equity Method of accounting in subsequent years as required for limited liability companies regardless of control. The Equity Method of accounting requires recording the investment at initial cost and increasing or decreasing the investment by the member's share of net income.

On October 9, 2017, Ingenuity purchased 100,000 shares in OptiPulse, Inc. a New Mexico Corporation for \$100,000. OptiPulse has invented a new technology that enables long distance, 10 gigabit data transmission at a fraction of the cost of fiber. Their patented Light Grid technology opens new frontiers in high speed communications for business, consumer, and military markets. Ingenuity and OptiPulse will work together to develop training programs for manufacturing of the OptiPulse products and to develop a distributor training program to train the installation and use of the OptiPulse products. OptiPulse has agreed to partner with CNM and CNM Ingenuity to identify students to help intern, apprentice and work for OptiPulse in manufacturing and business office tasks.

Separate from the investment, OptiPulse has entered a 2 year lease with CNM Ingenuity at CNM Ingenuity's 1008 Coal facility to establish it R&D and first manufacturing production line.

Ingenuity's investment in OptiPlus, Inc. will be reported in subsequent financial statement according to the GAAP Equity Method of accounting in subsequent years as required. The Equity Method of accounting requires recording the investment at initial cost and increasing or decreasing the investment by the member's share of net income.

Required Supplemental Information

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
Schedule of the College's Proportionate Share of the Net Pension Liability
June 30, 2017

New Mexico Education Retirement Board Pension Plan
Schedule of Ten Year Tracking Data

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion - net pension liability (asset)	2.66%	2.66%	2.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Proportionate share - net pension Liability	151,964,150	173,380,873	189,649,053	-	-	-	-	-	-	-
Employer covered - employee payroll	76,672,619	75,949,774	72,824,015	-	-	-	-	-	-	-
Employer proportionate share as a percentage of covered payroll	198.20%	228.28%	260.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	66.54%	63.97%	61.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of the College's Proportionate Share of the Net Pension Liability
June 30, 2017**

New Mexico Education Retirement Board Pension Plan
Schedule of Ten Year Tracking Data

Schedule of Fiscal Year Contributions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required employer contributions	\$ 10,576,660	10,445,080	9,996,630	-	-	-	-	-	-	-
Contributions in relation to requirement	10,576,660	10,445,080	9,996,630	-	-	-	-	-	-	-
Annual contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
College's covered-employee payroll	\$ 76,672,619	75,949,774	72,824,015	-	-	-	-	-	-	-
Contributions as a percentage of covered employee payroll	13.8%	13.8%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Increase (decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2016	\$ 15,348,746	5		4,950,785	2,819,222	4,818,131	2,760,608	-				
2017	-	5			-	-	-	-	-			
2018	-	5			-	-	-	-	-	-		
2019	-	5			-	-	-	-	-	-	-	
2020	-	5			-	-	-	-	-	-	-	-
2021	-	5			-	-	-	-	-	-	-	-
2022	-	5			-	-	-	-	-	-	-	-
2023	-	5			-	-	-	-	-	-	-	-
2024	-	5			-	-	-	-	-	-	-	-
2025	-	5			-	-	-	-	-	-	-	-
2026	-	5			-	-	-	-	-	-	-	-
			-	4,950,785	2,819,222	4,818,131	2,760,608	-	-	-	-	-

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Notes to Required Supplementary Information

1. Changes to Benefit Terms

The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan - Education Retirement Board (ERB).

2. Changes in Assumptions

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the ERB Board of Trustees on June 12, 2015, ERB implemented the following changes in assumptions for fiscal years 2015 and 2014.

1. Fiscal year 2015 and 2014 valuations assumptions that changed based on this study:

- a. Lower wage inflation from 4.25% to 3.75%.
- b. Update the mortality tables to incorporate generational improvements.
- c. Remove population growth assumptions for projections.
- d. Population growth per year from 0.50% to zero.

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%.
- b. Inflation will remain at 3.00%.
- c. COLA assumption of 2.00% per year.
- d. Payroll growth will remain at 3.50%.

See also the Actuarial Assumptions subsection of the financial statements note disclosure Pension Plan - Education Retirement Board (ERB)

Supplemental Information

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of Budgetary Comparisons - Budgetary Basis
Schedule 1: Unrestricted and Restricted – All Operations
Year ended June 30, 2017**

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Unrestricted and Restricted Beginning				
Net Position	\$ 51,438,366	47,226,032	47,226,032	-
Unrestricted and restricted revenues:				
Tuition	21,399,834	19,296,779	19,965,572	668,793
Miscellaneous fees	3,747,632	3,963,554	4,384,269	420,715
State government appropriations	56,080,400	53,276,400	53,276,400	-
Local government appropriations	51,182,133	51,182,133	50,987,947	(194,186)
Federal government contracts/grants	33,387,620	33,951,771	26,223,948	(7,727,823)
State government contracts/grants	6,333,235	6,862,888	6,232,214	(630,674)
Local government contracts/grants	1,998	124,095	68,517	(55,578)
Private contracts/grants	2,676,891	3,178,917	1,939,296	(1,239,621)
Endowments	12,500	12,500	11,992	(508)
Sales and services	3,301,066	2,107,347	1,805,806	(301,541)
Other	2,641,852	1,953,144	1,845,154	(107,990)
Capital outlay	31,920,000	31,920,000	29,826,551	(2,093,449)
Building renewal and replacement	3,050,153	3,050,153	2,630,325	(419,828)
Retirement of indebtedness	9,530,000	10,535,000	17,847,416	7,312,416
Total unrestricted and restricted revenues	225,265,314	221,414,681	217,045,407	(4,369,274)
Unrestricted and restricted expenditures:				
Instruction	64,422,746	63,762,825	61,541,541	2,221,284
Academic support	15,755,654	16,208,030	15,814,678	393,352
Student services	22,893,030	22,265,480	21,857,557	407,923
Institutional support	22,667,039	22,940,676	22,427,420	513,256
Operation and maintenance of plant	15,232,913	14,577,119	14,352,640	224,479
Student social and cultural activities	135,157	185,157	151,145	34,012
Public services	944,818	711,620	503,181	208,439
Internal services	66,005	74,450	60,844	13,606
Student aid grants and stipends	35,722,548	35,687,736	29,079,592	6,608,144
Auxiliary enterprise	1,031,098	1,029,640	749,363	280,277
Capital outlay	27,000,000	32,000,000	30,821,796	1,178,204
Building renewal and replacement	4,600,000	3,300,000	2,199,708	1,100,292
Retirement of indebtedness	8,806,425	10,535,000	10,636,098	(101,098)
Total unrestricted and restricted expenditures	219,277,433	223,277,733	210,195,560	13,082,170
Transfers to (from):				
Instruction and general	(3,961,251)	(3,035,439)	(3,035,439)	-
Student social and cultural	(3,600)	(10,800)	(10,800)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,424,162	2,431,362	2,431,362	-
Auxiliary enterprise	(1,301,200)	(1,301,200)	(1,301,200)	-
Capital outlay	671,101	671,101	671,101	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	500,000	(425,812)	(425,812)	-
Net transfers	-	-	-	-
Change in net position (budgetary basis)	5,987,881	(1,863,052)	6,849,847	8,712,896
Ending net position	\$ 57,426,247	45,362,980	54,075,879	

See accompanying independent auditor's report

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Schedule of Budgetary Comparisons - Budgetary Basis

Schedule 2: Unrestricted – Non Instruction & General

Year ended June 30, 2017

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ 36,676,647	27,410,030	27,410,030	
Revenues:				
Tuition	-	-	-	-
Miscellaneous fees	140,000	115,000	110,512	(4,488)
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	-	-	-	-
State government contracts/grants	-	-	-	-
Local government contracts/grants	-	-	-	-
Private contracts/grants	20,000	5,000	-	(5,000)
Endowments	-	-	-	-
Sales and services	2,246,000	1,719,831	1,767,514	47,683
Other	100,000	60,000	62,252	2,252
Capital outlay	31,920,000	31,920,000	29,826,551	(2,093,449)
Building renewal and replacement	3,050,153	3,050,153	2,630,325	(419,828)
Retirement of indebtedness	9,530,000	10,535,000	17,847,416	7,312,416
Total revenues	<u>47,006,153</u>	<u>47,404,984</u>	<u>52,244,570</u>	<u>4,839,586</u>
Expenditures:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student social and cultural activities	131,157	181,157	151,145	30,012
Public services	140,000	60,000	57,687	2,313
Internal services	6,000	3,000	1,689	1,311
Student aid grants and stipends	2,444,162	2,436,382	2,290,210	146,172
Auxiliary enterprise	995,090	1,025,640	749,363	276,277
Capital outlay	27,000,000	32,000,000	30,821,796	1,178,204
Building renewal and replacement	4,600,000	3,300,000	2,199,708	1,100,292
Retirement of indebtedness	8,806,425	10,535,000	10,636,098	(101,098)
Total expenditures	<u>44,122,834</u>	<u>49,541,179</u>	<u>46,907,696</u>	<u>2,633,483</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	(3,600)	(10,800)	(10,800)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,424,162	2,431,362	2,431,362	-
Auxiliary enterprise	(1,301,200)	(1,301,200)	(1,301,200)	-
Capital outlay	671,101	671,101	671,101	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	500,000	(425,812)	(425,812)	-
Total transfers	<u>3,961,251</u>	<u>3,035,439</u>	<u>3,035,439</u>	<u>-</u>
Change in net position (budgetary basis)	<u>6,844,570</u>	<u>899,244</u>	<u>8,372,313</u>	<u>7,473,069</u>
Net position (budgetary basis)	<u>\$ 43,521,217</u>	<u>28,309,274</u>	<u>35,782,343</u>	

See accompanying independent auditor's report

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Schedule of Budgetary Comparisons - Budgetary Basis

Schedule 3: Restricted – Non Instruction & General

Year ended June 30, 2017

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ -	-	-	-
Revenues:				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	28,914,916	28,793,454	22,712,848	(6,080,606)
State government contracts/grants	4,516,750	4,533,608	4,121,731	(411,877)
Local government contracts/grants	-	-	-	-
Private contracts/grants	509,346	517,846	447,896	(69,950)
Endowments	-	-	-	-
Sales and services	42,205	87,516	11,554	(75,962)
Other	200,000	50,000	-	(50,000)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	<u>34,183,217</u>	<u>33,982,424</u>	<u>27,294,031</u>	<u>(6,688,395)</u>
Expenditures:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student social and cultural activities	4,000	4,000	-	4,000
Public services	804,818	651,620	445,494	206,126
Internal services	60,005	71,450	59,155	12,295
Student aid grants and stipends	33,278,386	33,251,354	26,789,382	6,461,972
Auxiliary enterprise	36,008	4,000	-	4,000
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total expenditures	<u>34,183,217</u>	<u>33,982,424</u>	<u>27,294,031</u>	<u>6,688,395</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (budgetary basis)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>-</u>	

See accompanying independent auditor's report

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual
Schedule 4: Unrestricted Instruction and General**

Year ended June 30, 2017

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ 14,761,719	19,816,002	19,816,002	
Revenues:				
Tuition	21,399,834	19,296,779	19,965,572	668,793
Miscellaneous fees	3,496,089	3,795,054	4,248,671	453,617
State government appropriations	56,080,400	53,276,400	53,276,400	-
Local government appropriations	51,182,133	51,182,133	50,987,947	(194,186)
Federal government contracts/grants	300,000	300,000	55,383	(244,617)
State government contracts/grants	15,000	15,000	-	(15,000)
Local government contracts/grants	-	-	-	-
Private contracts/grants	300,000	20,000	20,435	435
Endowments	-	-	-	-
Sales and services	1,012,861	300,000	26,738	(273,262)
Other	2,341,852	1,843,144	1,782,902	(60,242)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	136,128,169	130,028,510	130,364,048	335,538
Expenditures:				
Instruction	60,013,062	58,253,344	57,914,750	338,594
Academic support	14,661,281	14,798,920	14,762,701	36,219
Student services	21,300,953	20,372,380	20,349,966	22,414
Institutional support	21,840,898	21,763,187	21,480,747	282,440
Operation and maintenance of plant	15,207,413	14,567,536	14,342,912	224,624
Student social and cultural activities	-	-	-	-
Public services	-	-	-	-
Internal services	-	-	-	-
Student aid grants and stipends	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total Total expenditures	133,023,607	129,755,367	128,851,075	904,291
Transfers to (from):				
Instruction and general	(3,961,251)	(3,035,439)	(3,035,439)	-
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	(3,961,251)	(3,035,439)	(3,035,439)	-
Change in net position (budgetary basis)	(856,689)	(2,762,296)	(1,522,466)	1,239,829
Net position (budgetary basis)	\$ 13,905,030	17,053,706	18,293,536	

See accompanying independent auditors' report.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual
Schedule 5: Restricted Instruction and General**

Year ended June 30, 2017

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ -	-	-	
Revenues:				
Tuition				
Miscellaneous fees	111,543	53,500	25,086	(28,414)
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	4,172,704	4,858,317	3,455,717	(1,402,600)
State government contracts/grants	1,801,485	2,314,280	2,110,483	(203,797)
Local government contracts/grants	1,998	124,095	68,517	(55,578)
Private contracts/grants	1,847,545	2,636,071	1,470,965	(1,165,106)
Endowments	12,500	12,500	11,992	(508)
Sales and services	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	<u>7,947,775</u>	<u>9,998,763</u>	<u>7,142,760</u>	<u>(2,856,003)</u>
Expenditures:				
Instruction	4,409,684	5,509,481	3,626,791	1,882,690
Academic support	1,094,373	1,409,110	1,051,977	357,133
Student services	1,592,077	1,893,100	1,507,591	385,509
Institutional support	826,141	1,177,489	946,673	230,816
Operation and maintenance of plant	25,500	9,583	9,728	(145)
Student social and cultural activities	-	-	-	-
Public services	-	-	-	-
Internal services	-	-	-	-
Student aid grants and stipends	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total expenditures	<u>7,947,775</u>	<u>9,998,763</u>	<u>7,142,760</u>	<u>2,856,003</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (budgetary basis)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>-</u>	

See accompanying independent auditors' report.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of Budgetary Comparisons - Budgetary Basis
Reconciliation of Budgetary Basis to Financial Statement Basis
Year ended June 30, 2017**

Total unrestricted and restricted revenues:

Budgetary basis	\$ 217,045,407
Reconciling items:	
Scholarship allowance (not in budgetary basis)	(11,944,184)
Bond proceeds (amount not in financial)	(18,104,453)
Other	(827,313)
Total reconciling items	<u>(30,875,950)</u>
Total reconciled unrestricted and unrestricted revenues per Budgetary Basis	<u>\$ 186,169,457</u>
 Basic Financial Statements	
Operating revenues	28,935,086
Nonoperating revenues	157,234,371
Total unrestricted and restricted revenues per financial statement	<u>\$ 186,169,457</u>
 Difference	<u>\$ -</u>

Total unrestricted and restricted expenditures

Budgetary basis	<u>210,195,560</u>
Reconciling items:	
Bond principal payments (not in financial statements)	(7,465,000)
Scholarship allowance (not in budgetary basis)	(11,944,184)
Capitalized expenditures (amount not in financial statement)	(32,252,019)
Depreciation expense (not in budgetary basis)	13,887,457
ERB plan expense proportion (not in budgetary basis)	9,651,500
Other	(965,935)
total reconciling items	<u>(29,088,181)</u>
Total reconciled unrestricted and unrestricted expenditures per Budgetary Basis	<u>\$ 181,107,379</u>
 Basic Financial Statements	
Operating expenses	167,135,399
Nonoperating expenses	13,971,980
Total unrestricted and restricted expenditures per financial statement	<u>\$ 181,107,379</u>
 Difference	<u>\$ -</u>

See accompanying independent auditor's report

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Notes to the Budgetary Comparisons

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. The budgetary basis approximates the fund basis of accounting.

Annual budgets are adopted for the current funds, unexpended plant fund, renewals and replacement plant fund, and retirement of indebtedness plant fund. The budget is prepared by management and approved by the Governing Board. The budget is then submitted to and approved by the NMHED and the State Budget Division of the Department of Finance and Administration. All annual appropriations lapse at year- end. Changes from one functional level to another require the approval of the NMHED. Amendments are adopted in a legally prescribed manner.

Under title 5 of the New Mexico Administrative Code, chapter 3, part 4, paragraph 10 – Items of Budgetary Control: The total expenditures in each of the following budgetary functions will be used as the items of budgetary control. Total expenditures or transfers in each of these items of budgetary control may not exceed the amount shown in the approved budget. A) Unrestricted expenditures and restricted expenditures. B) Instruction and general. C) Each budget function in current funds other than instruction and general. D) Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service. E) Each individual item of transfer between funds and/or functions.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule 6: Schedule of Individual Deposit and Investment Accounts
June 30, 2017**

The College:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Cash on Hand	Petty cash fund	Cash	\$ -	8,225	8,225
Wells Fargo Bank	Student federal fund	Checking	357,696	(74,802)	282,894
	Operational account	Checking	234,173	(139,730)	94,443
	Stafford loans	Checking	59,868	(19,415)	40,453
	Perkins Loans	Checking	28,542	1,530	30,072
	Payroll	Checking	-	(53,726)	(53,726)
	Student refund	Checking	-	(15,836)	(15,836)
Bank of America	Direct Deposit	Checking	-	-	-
Total cash			680,279	(293,754)	386,526
State of New Mexico					
Office of the Treasurer	Current fund	Investment	40,880,858	-	40,880,858
	Renewal and replacement	Investment	11,266,373	-	11,266,373
	Retirement of indebtedness	Investment	15,111,969	-	15,111,969
	Plant	Investment	48,267,708	-	48,267,708
	Endowment	Investment	1,832,742	-	1,832,742
Total investments			117,359,650	-	117,359,650
Total deposits and investments - College			\$ 118,039,929	(293,754)	117,746,176

The Foundation:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Wells Fargo	Operational account	Checking	\$ 344,052	(2,367)	341,685
Nusenda	Temp restricted	Checking	20,006	-	20,006
Merrill Lynch	Temp restricted	Money Market	336,007		336,007
	Portfolio	Money Market	160,672		160,672
	Eloy Reyes	Money Market	6,523		6,523
Total cash			867,260	(2,367)	864,893
Merrill Lynch	Temp Restricted	CD Maturing > 90 days	247,830	-	247,830
	Endow core portfolio	Federal agency obligations	963,223	-	963,223
	Endow core portfolio	Corporate obligations	560,112	-	560,112
	Endow core portfolio	Corporate Stock	4,936,946	-	4,936,946
	Endow core portfolio	Mutual funds	1,681,792	-	1,681,792
	Eloy Reyes	Federal agency obligations	83,497	-	83,497
	Eloy Reyes	Corporate obligations	40,674	-	40,674
	Eloy Reyes	Corporate Stock	273,966	-	273,966
Total investments			8,788,040	-	8,788,040
Total deposits and investments - Foundation			\$ 9,655,300	(2,367)	9,652,933

Ingenuity:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Wells Fargo	Operational account	Checking	\$ 226,081	2,278	228,359
Wells Fargo		Money Market	1,660,912		1,660,912
Total cash - Ingenuity			\$ 1,886,993	2,278	1,889,271

See accompanying independent auditor's report.

Statistical Section

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Narrative to the Statistical Section

This part of the Central New Mexico Community College comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information provides about the College's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position

Revenue Capacity

These schedules contain information to help the reader assess the College's most significant local revenue sources – tuition and fees, state appropriations, and ad valorem taxes.

- Academic Year Tuition and Fees
- Assessed Valuation and Estimated Actual Value of Taxable Property
- Principal Property Taxpayers
- Property Tax Levies and Collections
- CNM District Tax Rates
- Tax Rates – Bernalillo County
- Tax Rates – Sandoval County

Debt Capacity

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

- Bond Debt Capacity
- Long-term Bonds Outstanding

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the system's financial activities take place.

- Demographic and Economic Data
- Principal Employers
- Labor Force

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

- Faculty and Staff
- Capital Assets: Facilities by Location
- Student Profile
- Student Enrollment

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Net Position by Component (Dollars in Thousands)
Last ten fiscal years

	For the Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net Investment in Capital Assets	213,703	205,823	203,120	193,562	186,638	180,330	156,860	149,419	108,747	100,075
Restricted, Non-expendable	1,805	1,805	1,580	1,580	1,580	1,580	1,580	1,580	1,450	800
Restricted, Expendable	13,246	6,467	5,775	6,057	7,542	6,972	8,413	3,701	7,324	10,100
Unrestricted (2)	(121,860)	(112,372)	(113,104)	43,324	57,041	59,625	65,942	69,468	82,819	73,894
Total Net Position (1)	106,894	101,723	97,371	244,523	252,801	248,507	232,795	224,168	200,340	184,869
Expressed as a percent of total	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	199.9	202.3	208.6	79.2	73.8	72.6	67.4	66.7	54.3	54.1
Restricted, Non-expendable	1.7	1.8	1.6	0.6	0.6	0.6	0.7	0.7	0.7	0.4
Restricted, Expendable	12.4	6.4	5.9	2.5	3.0	2.8	3.6	1.7	3.7	5.5
Unrestricted	(114.0)	(110.5)	(116.2)	17.7	22.6	24.0	28.3	31.0	41.3	40.0
Total Net Position	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percentage increase/(decrease) from prior year	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	3.8	1.3	4.9	3.7	3.5	15.0	5.0	37.4	8.7	2.2
Restricted, Non-expendable	-	14.2	-	-	-	-	-	9.0	81.3	-
Restricted, Expendable	104.8	12.0	(4.7)	(19.7)	8.2	(17.1)	127.3	(49.5)	(27.5)	30.2
Unrestricted	8.4	(0.6)	(361.1)	(24.0)	(4.3)	(9.6)	(5.1)	(16.1)	12.1	18.5
Total Net Position	5.1	4.5	(60.2)	(3.3)	1.7	6.7	3.8	11.9	8.4	9.5

(1) In Fiscal Year 2013, GASB Statement No. 63 required a change from net assets to net position.

(2) GASB 68 implemented in Fiscal Year 2015, resulting in restatement of beginning net position by -\$145.7 million.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Changes in Net Position (Dollars in Thousands)
Last ten fiscal years

	For the Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
<i>Operating Revenues</i>										
Student Tuition and Fees	26,642	26,318	24,235	24,730	23,906	24,508	22,194	17,919	14,161	12,833
Less: Scholarship Allowances	(11,944)	(12,045)	(12,278)	(12,470)	(9,577)	(9,933)	(8,319)	(6,795)	(3,822)	(3,191)
Federal Grants and Contracts	4,181	4,652	3,873	3,682	4,399	3,639	5,896	3,963	3,839	3,968
State/Private Grants and Contracts	7,398	7,187	7,408	6,995	7,142	8,324	7,221	6,570	6,556	6,628
Sales and Service	893	818	3,511	2,977	3,058	2,903	3,273	2,366	1,703	1,354
Auxiliary Enterprises	1,766	2,188	3,150	3,416	3,306	3,384	3,388	2,996	2,795	2,392
Total Operating Revenues	28,935	29,118	29,899	29,330	32,234	32,825	33,653	27,019	25,232	23,984
Expenses										
<i>Operating Expenses</i>										
Education and General										
Instruction	61,641	62,021	64,016	62,317	59,736	57,520	59,497	56,497	55,365	54,228
Public Service	503	559	599	739	1,299	964	1,092	1,359	1,959	1,683
Academic Support	15,113	15,221	16,753	15,299	11,832	11,195	11,090	9,360	10,001	10,171
Student Services	21,700	22,171	22,576	21,065	17,942	17,670	16,975	14,453	13,844	13,160
Institutional Support	20,967	21,305	20,933	19,563	17,326	15,403	16,143	15,919	16,118	16,759
Operations and Maintenance of Plant	15,226	14,995	16,430	15,403	13,650	14,275	14,768	11,797	10,875	9,825
Depreciation Expense	13,887	13,142	12,510	11,935	10,633	8,628	8,604	6,078	6,048	6,004
Student Aid	17,135	19,480	23,541	27,846	32,711	34,882	35,567	29,034	19,692	15,335
Auxiliary Enterprises	812	764	2,050	2,294	2,484	2,409	2,200	1,929	1,787	1,708
Other Operating Expenses	151	123	134	96	98	81	118	91	81	135
Total Operating Expenses	167,135	169,782	179,542	176,557	167,711	163,027	166,054	146,517	135,770	129,008
Operating Income (Loss)	(138,200)	(140,664)	(149,643)	(147,227)	(135,477)	(130,202)	(132,401)	(119,498)	(110,538)	(105,024)
Fiscal Year Ended June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
<i>Non-operating Expenses</i>										
State Appropriations	53,276	56,801	55,644	51,972	47,750	43,086	47,851	47,104	53,769	56,829
Local Appropriations	68,892	59,737	58,587	57,763	57,572	55,080	54,396	54,279	51,619	45,332
Federal Student Aid	21,988	24,308	27,990	32,815	35,037	37,494	37,243	30,535	18,363	13,596
Investment Income (Loss)	466	110	123	81	114	203	287	171	834	4,069
Interest on Capital Asset-related Debt	(2,049)	(1,765)	(2,031)	(1,909)	(1,723)	(1,657)	(1,386)	(990)	(994)	(1,337)
Gain (Loss) on Disposal of Capital Assets	(109)	33	(85)	(3)	(119)	(70)	(29)	18	(65)	529
Other Non-Operating Revenues/Expenses	(10,721)	1,341	1,136	(2,954)	1,009	935	1,376	1,008	1,429	1,265
Total Non-operating Revenues/Expenses	131,743	140,565	141,364	137,765	139,640	135,071	139,738	132,125	124,955	120,283
Income (Loss) before Other Revenue (Expenses)	(6,457)	(99)	(8,279)	(9,462)	4,163	4,869	7,337	12,627	14,417	15,259
Capital Appropriations	11,608	4,209	6,813	978	130	10,818	1,293	11,064	346	709
Capital Contributions	20	242	-	208	-	22	-	137	708	42
Additions to permanent endowments	-	225	-	-	-	-	-	-	-	-
Increase/(Decrease) in Fund Net Position	5,171	4,352	(1,466)	(8,276)	4,293	15,709	8,630	23,828	15,471	16,010
Total Revenues	174,355	175,899	180,192	173,147	173,846	180,463	176,099	171,317	152,300	145,826
Total Expenses	169,184	171,547	181,658	181,423	169,553	164,754	167,469	147,489	136,829	129,816
Increase (Decrease) in Fund Net Position	5,171	4,352	(1,467)	(8,276)	4,293	15,709	8,630	23,828	15,471	16,010

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Financial Trends
Revenue Capacity
Academic Year Tuition and Required Fees**

Last ten academic years

Year	Resident Career Technical Education Tuition	Resident Academic / Transfer Tuition	Non-Resident Tuition	Registration Fee	Technology Fee
2017-18	480.00	648.00	3,444.00	45.00	8.00
2016-17	384.00	624.00	3,312.00	40.00	8.00
2015-16	306.00	612.00	3,240.00	40.00	8.00
2014-15	216.00	600.00	3,240.00	40.00	6.00
2013-14	168.00	594.00	3,240.00	40.00	6.00
2012-13	126.00	579.00	3,156.00	40.00	3.00
2011-12	120.00	579.00	3,008.00	40.00	3.00
2010-11	60.00	528.00	2,616.00	40.00	3.00
2009-10	-	492.00	2,400.00	40.00	3.00
2008-09	-	492.00	2,400.00	40.00	-

Tuition is based on 12 to 18 credit hours. Technology fee is assessed per credit hour. In addition to the above, pass-through fees may be required depending on the courses taken.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Assessed Value and Estimated Actual Value of Taxable Property

**Assessed Valuation of Taxable Property
Bernalillo and Sandoval Counties
Last ten tax years**

Tax Year	Residential	Percent of Total AV	Year over Year % Growth	Non-Residential	Percent of Total AV	Year over Year % Growth	Centrally Assessed	Percent of Total AV	Year over Year % Growth	Central New Mexico Community College	Year over Year % Growth
2016	13,672,673,810	75.93%	3.76%	3,756,124,705	20.86%	0.21%	578,725,953	3.21%	4.23%	18,007,524,468	3.02%
2015	13,176,671,365	75.38%	2.48%	3,748,117,273	21.44%	-0.70%	555,254,334	3.18%	1.35%	17,480,042,972	1.75%
2014	12,857,739,256	74.84%	3.46%	3,774,449,235	21.97%	4.64%	547,853,036	3.19%	4.69%	17,180,041,527	3.76%
2013	12,427,468,679	75.05%	1.70%	3,607,129,356	21.78%	-2.61%	523,293,887	3.16%	-5.92%	16,557,891,922	0.47%
2012	12,219,893,918	74.15%	0.29%	3,703,861,661	22.47%	-0.16%	556,205,288	3.38%	0.65%	16,479,960,867	0.21%
2011	12,183,978,327	74.08%	0.32%	3,709,653,790	22.56%	-13.76%	552,605,829	3.36%	32.39%	16,446,237,946	-2.48%
2010	12,145,322,572	72.02%	-2.25%	4,301,523,400	25.51%	-5.55%	417,413,475	2.48%	-15.22%	16,864,259,447	-3.48%
2009	12,425,441,052	71.12%	4.86%	4,554,045,336	26.07%	11.84%	492,360,473	2.82%	-7.06%	17,471,846,861	6.20%
2008	11,850,036,647	72.03%	31.57%	4,072,104,901	24.75%	-30.49%	529,783,095	3.22%	1.90%	16,451,924,643	6.94%
2007	9,006,843,994	58.54%	3.99%	5,858,067,885	38.08%	39.92%	519,923,463	3.38%	7.28%	15,384,835,342	15.39%

Source: Bernalillo and Sandoval County Assessor's Office

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Principal Property Taxpayers

Current Year and Ten Years Ago

Rank	Taxpayer	2016 Assessed Valuation		2007 Assessed Valuation	
		2016 Assessed Valuation	% of Total Taxable Assessed	2007 Assessed Valuation	% of Total Taxable Assessed Valuation
1	Public Service Co. of New Mexico	\$ 265,889,169	1.52%	Public Service Co. of New Mexico (Electric)	\$ 124,835,950 0.81%
2	Gas Company of New Mexico	50,935,148	0.29%	QWest Communications	112,969,012 0.73%
3	QWest Communications	46,606,908	0.27%	Public Service Co. of New Mexico (Gas)	31,196,903 0.20%
4	Comcast	29,511,523	0.17%	Southwest Airlines	20,191,079 0.13%
5	Verizon	20,869,351	0.12%	Simon Property Group	15,960,737 0.10%
6	Intel Corporation	20,268,650	0.12%	Voicestream	14,017,882 0.09%
7	AMREP Southwest Inc.	19,570,644	0.11%	Verizon	13,984,809 0.09%
8	Southwest Airlines	18,504,192	0.11%	Delta Person LTD	11,890,266 0.09%
9	Mall at Cottonwood	15,802,710	0.09%	Time Warner	7,354,756 0.05%
10	AT&T	14,554,372	0.08%	AT&T	6,623,936 0.04%
Top Ten Centrally and Locally Assessed Val		502,512,667	2.87%	Top Ten Centrally and Locally Assessed Val	359,025,330 2.33%
Total Assessed Valuation		\$ 17,480,042,972	100.00%	Total Assessed Valuation	\$15,384,835,342 100.00%

Source: Bernalillo County Assessor's Office and NM Taxation & Revenue Department.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Property Tax Collections
Last ten tax years

Bernalillo County							CNM	
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections (1)	Current Collections as a % of Net Levied	Current / Delinquent Tax Collections (2)	Current / Delinquent Collections as a % of Net Levied	Operational	Debt Service
2016	16/17	\$663,107,919	642,661,947	96.92%	642,661,947	96.92%	\$43,815,687	\$15,464,599
2015	15/16	641,680,120	621,125,053	96.80%	633,251,043	98.69%	43,474,474	8,331,221
2014	14/15	626,867,177	606,258,064	96.71%	624,119,708	99.56%	42,266,534	8,097,122
2013	13/14	614,299,642	593,530,750	96.62%	611,943,863	99.62%	41,585,722	7,937,680
2012	12/13	601,844,884	580,736,950	96.49%	600,251,665	99.74%	40,733,810	7,869,380
2011	11/12	592,768,182	570,354,626	96.22%	591,279,464	99.75%	39,170,090	7,774,978
2010	10/11	585,432,230	559,806,155	95.62%	582,624,638	99.52%	38,059,535	7,700,043
2009	09/10	594,170,426	561,435,327	94.49%	591,437,664	99.54%	37,437,999	7,813,930
2008	08/09	565,045,755	541,204,499	95.78%	563,150,783	99.66%	35,433,395	7,516,273
2007	07/08	533,488,014	513,363,469	96.23%	531,800,791	99.68%	33,819,238	7,183,451

Source: Bernalillo County Treasurer's Office

Sandoval County							CNM	
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections	Current Collections as a % of Net Levied	Current / Delinquent Tax Collections	Current / Delinquent Collections as a % of Net Levied	Operational	Debt Service
2016	16/17	\$124,318,657	120,420,512	96.86%	120,420,512	96.86%	\$7,043,689	\$2,567,824
2015	15/16	119,015,424	115,023,384	96.65%	117,327,161	98.58%	7,037,701	1,350,582
2014	14/15	115,903,449	111,651,378	96.33%	115,072,298	99.28%	6,991,254	1,342,799
2013	13/14	115,729,254	110,756,348	95.70%	115,050,978	99.41%	7,016,859	1,341,529
2012	12/13	114,396,660	109,098,898	95.37%	113,883,746	99.55%	6,968,990	1,349,030
2011	11/12	111,937,913	107,182,149	95.75%	111,611,493	99.71%	7,009,023	1,394,375
2010	10/11	115,121,965	107,439,020	93.33%	113,377,890	98.49%	7,064,288	1,439,120
2009	09/10	112,053,132	104,094,225	92.90%	110,205,865	98.35%	6,917,293	1,454,187
2008	08/09	87,888,881	80,674,413	91.79%	87,792,685	99.89%	6,153,733	1,386,533
2007	07/08	75,476,377	70,795,219	93.80%	75,365,527	99.85%	3,236,006	726,078

Source: Sandoval County Treasurer's Office

(1) As of June 30 of each year

(2) As of June 2017

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

District Tax Rates
Last ten tax years

Tax Year	Operational		Debt Service		Total Tax Rate	
	Residential	Non-Residential	Debt Service	Residential	Non-Residential	
2017	2.789	3.000	1.000	3.789	4.000	
2016	2.776	3.000	1.000	3.776	4.000	
2015	2.831	3.000	0.550	3.381	3.550	
2014	2.827	3.000	0.550	3.377	3.550	
2013	2.842	3.000	0.550	3.392	3.550	
2012	2.794	3.000	0.550	3.344	3.550	
2011	2.687	3.000	0.550	3.237	3.550	
2010	2.608	3.000	0.550	3.158	3.550	
2009	2.496	3.000	0.550	3.046	3.550	
2008	2.440	3.000	0.550	2.990	3.550	

Source: NM Department of Finance & Administration.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Tax Rates - Bernalillo County

Last ten tax years

Within 20 Mill Limit for General Purposes										
Total Levy	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
State of New Mexico	\$0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bernalillo County	7.090	7.245	7.254	7.320	7.208	6.866	6.665	6.340	6.184	6.183
City of Albuquerque	6.339	6.493	6.494	6.544	6.544	6.544	6.389	6.072	3.971	2.970
AMAFCA	0.173	0.177	0.177	0.179	0.176	0.170	0.165	0.165	0.165	0.167
Albuquerque MSD # 12	0.270	0.275	0.276	0.278	0.274	0.264	0.256	0.244	0.238	0.238
Total	\$13.872	14.190	14.201	14.321	14.202	13.844	13.475	12.821	10.558	9.558
Over 20 Mill Limit - Interest, Principal, Judgement, etc.										
State of New Mexico	\$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.221
Bernalillo County	1.265	1.476	1.277	1.259	0.910	1.010	1.051	0.994	0.995	1.004
City of Albuquerque	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	6.976	7.976
AMAFCA	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675
Albuquerque MSD #12	10.217	10.256	10.255	10.187	10.189	10.188	10.191	10.190	10.115	10.121
UNM Hospital	6.198	6.334	6.342	6.400	6.400	6.400	6.400	6.400	6.401	6.400
CNM Community College (Operating)	2.776	2.831	2.827	2.842	2.794	2.687	2.608	2.496		
CNM Community College (Debt Service)	1.000	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Total	\$28.467	28.458	28.262	28.249	27.854	27.848	27.981	27.431	26.962	27.947
TOTAL LEVY										
City of Albuquerque	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
State of New Mexico	\$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.221
Bernalillo County	8.355	8.721	8.531	8.579	8.118	7.876	7.716	7.334	7.179	7.187
City of Albuquerque	11.315	11.469	11.470	11.520	11.520	11.520	11.365	11.048	10.947	10.946
AMAFCA	0.848	0.852	0.852	0.854	0.851	0.845	0.840	0.840	0.840	0.842
Albuquerque MSD #12	10.487	10.531	10.531	10.465	10.463	10.452	10.447	10.434	10.353	10.359
UNM Hospital	6.198	6.334	6.342	6.400	6.400	6.400	6.400	6.400	6.401	6.400
CNM Community College	3.776	3.381	3.377	3.392	3.344	3.237	3.158	3.046	0.550	0.550
Total Residential in Albuquerque	\$42.339	42.648	42.463	42.570	42.056	41.692	41.456	40.252	37.520	37.505
Total Non-Residential in Albuquerque	\$46.788	46.336	46.132	45.995	45.648	45.651	45.862	46.264	45.613	45.692

Source: New Mexico Department of Finance and Administration

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Tax Rates - Sandoval County
Last ten tax years

Within 20 Mill Limit for General Purposes										
Total Levy	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
State of New Mexico	\$0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sandoval County	6.354	6.339	6.240	6.137	5.964	5.621	6.665	6.340	6.184	6.183
SSCAFCA	0.828	0.828	0.828	0.828	0.828	0.844	6.389	6.072	3.971	2.970
City of Rio Rancho	7.650	7.426	7.307	7.181	6.990	6.518				
Rio Rancho Schools	0.458	0.262	0.258	0.254	0.247	0.230	0.256	0.244	0.238	0.238
Total	\$15.290	14.855	14.633	14.400	14.029	13.213	13.310	12.656	10.393	9.391
Over 20 Mill Limit - Interest, Principal, Judgement, etc.										
State of New Mexico	\$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.221
Sandoval County	1.047	0.852	0.539	1.030	1.031	1.038	1.051	0.994	0.995	1.004
SSCAFCA	1.249	1.249	1.248	1.248	1.247	1.023	4.976	4.976	6.976	7.976
City of Rio Rancho	2.016	1.848	1.881	1.789	1.617	1.645	0.675	0.675	0.675	0.675
Rio Rancho Schools	10.540	10.540	10.524	10.537	10.538	10.542				
UNM Hospital	4.250	4.250	4.250	4.250	4.250	4.250	6.400	6.400	6.401	6.400
CNM Community College (Operating)	2.381	2.831	2.827	2.842	2.794	2.687	2.608	2.496		
CNM Community College (Debt Service)	1.000	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Total	\$23.843	23.480	23.179	23.606	23.387	23.097	17.790	17.241	16.847	17.826
TOTAL LEVY										
City of Rio Rancho	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
State of New Mexico	\$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.221
Sandoval County	7.401	7.191	6.779	7.167	6.995	6.659	7.716	7.334	7.179	7.187
SSCAFCA	2.077	2.077	2.076	2.076	2.075	1.867	11.365	11.048	10.947	10.946
City of Rio Rancho	9.666	9.274	9.188	8.970	8.607	8.163	0.675	0.675	0.675	0.675
Rio Rancho Schools	10.998	10.802	10.782	10.791	10.785	10.772	0.256	0.244	0.238	0.238
UNM Hospital	4.250	4.250	4.250	4.250	4.250	4.250	6.400	6.400	6.401	6.400
CNM Community College	3.381	3.381	3.377	3.392	3.344	3.237	3.158	3.046	0.550	0.550
Total Residential in Rio Rancho	\$39.133	38.335	37.812	38.006	37.416	36.310	31.100	29.897	27.240	27.217
Total Non-Residential in Rio Rancho	\$41.671	40.354	39.256	41.003	37.840	35.633	45.862	46.264	45.613	45.692

Source: New Mexico Department of Finance and Administration

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Bond Debt Capacity (Dollars in thousands)
Last ten fiscal years**

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Valuation (1) ⁽³⁾	18,750,310	17,805,808	17,480,043	17,180,042	16,557,892	16,479,961	16,446,238	18,864,259	17,471,847	16,451,925
Ratio of Limitation	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Constitutional Debt Limitation	562,509	534,174	524,401	515,401	496,737	494,399	493,387	565,928	524,155	493,558
Outstanding Bond Debt (2)	101,840	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825	34,300
Available Bond Debt Capacity	460,669	463,394	446,591	430,466	436,352	427,464	451,312	521,103	500,330	459,258
% Bonded to Capacity	18.1%	13.3%	14.8%	16.5%	12.2%	13.5%	8.5%	7.9%	4.5%	6.9%

(1) From assessed property valuation table in the revenue capacity portion of this statistical data section

(2) From long-term bonds table in the debt capacity portion of this statistical data section

(3) 2017 Assessed Valuation is Preliminary

**Long-term Bonds (Dollars in thousands)
Last ten fiscal years**

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bonds Payable	101,840	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825	34,300
Unamortized Premium	6,024	3,562	4,330	5,111	1,828	1,963	419	451	32	76
Deferred Amount on refunding Unamortized Discount	158	195	232	269	-	-	-	-	-	-
Unamortized Discount	-	-	-	-	-	-	-	-	-	-
Net Long-term Bonds	107,706	74,342	82,140	90,046	62,213	68,898	42,494	45,276	23,857	34,376
District Population ⁽⁴⁾	909,906	908,252	906,209	905,213	901,932	902,794	899,149	892,014	846,390	833,506
Bond Debt per Capita	118	82	91	99	69	76	47	51	28	41

(4) 2017 population is preliminary.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Demographics and Economic Data
Last ten fiscal years

		Population	Personal Income (Thousands)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2007	1	819,576	19,316,488	24,195	35.5	228,945	5.5%
2008	2	833,506	20,636,011	25,319	35.7	230,309	5.5%
2009	3	846,390	20,468,675	25,058	35.4	228,362	7.5%
2010	4	892,014	21,442,976	25,415	36.9	238,004	8.6%
2011	5	899,149	22,168,840	25,902	36.7	242,816	11.4%
2012	6	902,794	22,480,514	26,068	36.5	245,447	9.0%
2013	7	901,932	22,545,252	26,068	36.7	247,359	8.1%
2014	8	905,213	22,697,191	26,144	36.9	248,427	8.9%
2015	9	906,209	22,589,699	26,347	37.5	237,162	6.9%
2016	10	908,252	24,614,458	28,560	38.0	234,520	6.1%

All data obtained through the US Census American Community Survey.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Principal Employers in the Albuquerque Area (2,000 or more)
Current and last ten fiscal years

2017			2007		
Employer	Business	# of Employees	Employer	Business	# of Employees
Albuquerque Public Schools	Education	14,810	Kirtland AFB (Civilian)	Defense	16,360
Sandia National Labs	Research Development	10,652	University of New Mexico	Education	14,050
Kirtland AFB (Civilian)	Defense	10,125	Albuquerque Public School	Education	11,700
Presbyterian	Healthcare	7,310	Sandia National Labs	Research Development	7,720
City of Albuquerque	Government	6,940	Presbyterian	Healthcare	6,900
UNM Hospital	Healthcare	6,021	City of Albuquerque	Government	6,680
State of New Mexico	Government	4,950	State of New Mexico	Government	5,660
University of New Mexico	Education	4,210	Intel Corporation	Semiconductor Manufacturer	5,500
Lovelace Health Systems	Healthcare	4,000	Lovelace	Healthcare	5,200
Bernalillo County	Government	2,648	Kirtland AFB (Military)	Air Force Material Command	5,090
Rio Rancho Public Schools	Education	2,000	UNM Hospital	Healthcare	4,450
Sandia Resort & Casino	Resort & Casino	2,000	US Post Office	Government	2,200
Central NM Community College	Education	1,840	Albuquerque TVI	Education	1,910
T-Mobile	Telecommunications	1,750	New Mexico Veterans Affairs l	Healthcare	1,810
PNM Electric Services	Utilities	1,500	Bernalillo County	Government	1,790

Source: Albuquerque Economic Development, 2017 and 2007

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Labor Force
Last ten fiscal years

Year⁽¹⁾	Albuquerque MSA		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2017 ⁽²⁾	424,992	5.90%	933,827	6.70%	4.50%
2016	422,320	6.10%	926,666	6.70%	4.90%
2015	413,906	6.20%	919,889	6.60%	5.30%
2014	414,571	6.60%	918,206	6.50%	6.20%
2013	415,874	6.80%	922,960	6.90%	7.40%
2012	418,195	7.10%	928,050	7.10%	8.10%
2011	421,377	7.50%	929,862	7.60%	8.90%
2010	424,972	8.00%	936,088	8.10%	9.60%
2009	404,223	7.80%	940,352	7.50%	9.30%
2008	407,340	4.60%	944,548	4.50%	5.80%
2007	404,249	3.70%	934,027	3.80%	4.60%

(1) Numbers are annual averages.

(2) Data for the month of July 2017 are preliminary.

Source: U.S. Bureau of Labor Statistics, August 2016.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Faculty and Staff Full-time Equivalency (Fall Employment)
Last ten fiscal years

		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty											
	Full time	332	358	357	335	350	329	338	327	331	335
	Part-time	654	726	758	779	747	717	907	771	666	669
	Total	986	1084	1115	1114	1097	1046	1245	1098	997	1004
Percent											
	Full time	34%	33%	32%	30%	32%	31%	27%	30%	33%	33%
	Part-time	66%	67%	68%	70%	68%	69%	73%	70%	67%	67%
Staff and Administration											
	Full-time	819	912	886	868	824	795	781	738	794	767
	Part-time	98	117	125	149	118	109	115	110	109	111
	Total	917	1029	1011	1017	942	904	896	848	903	878
Percent											
	Full time	89%	89%	88%	85%	87%	88%	87%	87%	88%	87%
	Part-time	11%	11%	12%	15%	13%	12%	13%	13%	12%	13%

Source: CNM Office of Planning and Institutional Effectiveness, IPEDS data

* Fall 2006 was an optional reporting year to IPEDS and CNM did not report; we are unable to go back and re-create this data

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Capital Assets, Number of Facilities
Last ten fiscal years

Fiscal Year Ended June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Academic / Support Facilities										
Main Campus	19	19	19	19	19	19	19	18	18	18
Montoya Campus	7	7	7	7	7	7	7	7	6	6
South Valley Campus	3	3	3	3	3	3	3	3	3	3
Workforce Training Center	1	1	1	1	1	1	1	1	1	1
Westside Campus	3	3	3	3	3	2	2	2	2	2
Advanced Technology Center	2	2	2	2	2	2	2	2	—	—
Rio Rancho Campus	1	1	1	1	1	1	1	—	—	—
Total	36	36	36	36	36	35	35	33	30	30

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Student Profile (Fall Enrollment/Headcount)
Last ten academic years

Gender	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%	2007	%
Male	10,598	43%	11,236	44%	11,690	44%	12,737	44%	12,325	44%	12,929	44%	13,242	44%	12,430	44%	10,604	43%	9,692	43%
Female	14,183	57%	14,524	56%	15,081	56%	15,948	56%	15,938	56%	16,251	56%	16,706	56%	15,569	56%	14,266	57%	13,067	57%
Total	24,781	100%	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%
Ethnicity																				
Asian	506	2%	501	2%	565	2%	511	2%	504	2%	517	2%	589	2%	624	2%	599	2%	533	2%
Black, non-Hispanic	618	2%	681	3%	797	3%	980	3%	961	3%	1,037	4%	1,114	4%	959	3%	841	3%	732	3%
Hispanic	12,485	50%	12,594	49%	12,734	48%	13,249	46%	12,654	45%	12,213	42%	12,774	43%	11,222	40%	10,143	41%	9,308	41%
Native American	1,586	6%	1,761	7%	1,848	7%	2,040	7%	1,925	7%	2,046	7%	2,103	7%	2,092	7%	1,841	7%	1,652	7%
Native Hawaiian	56	0%	53	0%	71	0%	88	0%	86	0%	102	0%	90	0%	0%	0%	0%	0%	0%	0%
Non-Resident Alien	15	0%	18	0%	976	4%	877	3%	834	3%	610	2%	585	2%	418	1%	313	1%	201	1%
Other	1,686	7%	1,799	7%	890	3%	1,057	4%	1,084	4%	1,386	5%	1,038	3%	2,768	10%	2,340	9%	2,021	9%
Two or More Races	570	2%	574	2%	611	2%	614	2%	641	2%	637	2%	530	2%	0%	0%	0%	0%	0%	0%
White, non-Hispanic	7,259	29%	7,779	30%	8,309	31%	9,269	32%	9,574	34%	10,632	36%	11,125	37%	9,916	35%	8,793	35%	8,292	36%
Total	24,781	100%	25,760	100%	26,801	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,739	100%
Age																				
18 and Under	5,472	22%	5,173	20%	5,003	19%	4,839	17%	4,356	15%	3,886	13%	3,712	12%	3,369	12%	3,339	13%	2,989	13%
19-25	9,816	40%	10,267	40%	10,584	40%	11,274	39%	11,287	40%	11,371	39%	11,748	39%	11,308	40%	10,174	41%	9,275	41%
26-30	3,160	13%	3,412	13%	3,591	13%	4,032	14%	4,127	15%	4,572	16%	4,834	16%	4,494	16%	3,708	15%	3,362	15%
31-40	3,512	14%	3,785	15%	4,117	15%	4,522	16%	4,512	16%	5,030	17%	5,144	17%	4,562	16%	3,820	15%	3,593	16%
41-50	1,653	7%	1,845	7%	2,139	8%	2,444	9%	2,513	9%	2,732	9%	2,832	9%	2,723	10%	2,427	10%	2,415	11%
Over 50	1,167	5%	1,277	5%	1,335	5%	1,570	5%	1,466	5%	1,584	5%	1,666	6%	1,533	5%	1,393	6%	1,211	5%
Unknown	1	0%	1	0%	2	0%	4	0%	2	0%	5	0%	12	0%	10	0%	9	0%	5	0%
Total	24,781	100%	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,850	100%

Student information based on fall enrollment of the fiscal year.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Student Enrollment (Fall Enrollment/Headcount)
Last ten academic years

	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Student Classification	2016	%	2015		2014		2013	%	2012	%	2011	%	2010	%	2009	%	2008	%	2007	%
Dual Credit	3,462	14%	3,064	12%	2,755	10%	2,302	8%	1,753	6%	1,388	5%	1,262	4%	926	3%	974	4%	660	3%
Freshman	9,531	38%	9,988	39%	10,924	41%	12,489	44%	12,759	45%	13,849	47%	14,815	49%	14,223	49%	11,856	48%	10,509	46%
Sophomore	10,729	43%	11,425	44%	11,854	44%	12,599	44%	12,484	44%	12,328	42%	11,630	39%	11,031	38%	8,839	36%	8,239	36%
Undergrad non-degree	1,059	4%	1,283	5%	1,238	5%	1,295	5%	1,267	4%	1,615	6%	2,241	7%	2,819	10%	3,201	13%	3,321	15%
Total	24,781	100%	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	28,999	100%	24,870	100%	22,729	100%
Semester Hour Load																				
Less than 3	564	2%	522	2%	481	2%	579	2%	618	2%	879	3%	986	3%	950	3%	961	4%	813	4%
3-5 semester hours	7,837	32%	7,362	29%	7,142	27%	7,275	25%	6,897	24%	6,675	23%	7,258	24%	6,842	24%	6,322	25%	5,672	25%
6-8 semester hours	5,660	23%	6,362	25%	6,726	25%	7,071	25%	6,989	25%	7,374	25%	7,288	24%	7,010	25%	6,215	25%	6,049	27%
9-11 semester hours	3,615	15%	3,866	15%	4,140	15%	4,533	16%	4,541	16%	4,677	16%	4,598	15%	4,432	16%	3,679	15%	3,327	15%
12-14 semester hours	5,571	22%	6,080	24%	6,691	25%	7,729	27%	7,708	27%	7,921	27%	8,136	27%	7,219	26%	6,338	25%	5,491	24%
15-17 semester hours	1,373	6%	1,379	5%	1,428	5%	1,344	5%	1,365	5%	1,489	5%	1,493	5%	1,351	5%	1,146	5%	1,099	5%
18 and over semester hours	161	1%	189	1%	173	1%	154	1%	145	1%	165	1%	189	1%	195	1%	209	1%	308	1%
Total	24,781	100%	25,760	100%	26,781	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%
Tuition Status																				
Resident tuition: in-district	20,565	80%	21,713	84%	22,905	86%	24,864	87%	24,756	88%	25,464	87%	26,443	88%	24,937	89%	22,197	89%	19,524	86%
Resident tuition: out-of-district	2,730	11%	1,475	6%	1,388	5%	1,274	4%	1,137	4%	1,251	4%	1,167	4%	893	3%	806	3%	848	4%
Non-resident tuition	1,486	6%	2,572	10%	2,478	9%	2,547	9%	2,370	8%	2,465	8%	2,338	8%	2,169	8%	1,867	8%	2,387	10%
Total	24,781	100%	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%

Student information based on fall enrollment of the fiscal year.

Single Audit and Other Information

**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**

To the Governing Board
Central New Mexico Community College
and
Mr. Wayne Johnson, New Mexico State Auditor

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 aggregate discretely presented component units of the Central New Mexico Community College (the “College”) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated October 31, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

Albuquerque, New Mexico
October 31, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Governing Board
Central New Mexico Community College
and
Mr. Wayne Johnson, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the State of New Mexico Central New Mexico Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to the matter.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

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

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

Albuquerque, New Mexico
October 31, 2017

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards

For the Period July 1, 2016 through June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant 2015-2016	84.007	P007A152635	\$ 500,057
Federal Supplemental Educational Opportunity Grant 2014-2015	84.007	P007A142635	-
Federal Work Study	84.033	P033A152635	483,014
Federal Work Study			-
Federal Pell Grant 2015-2016	84.063	P063P152545	21,987,687
Federal Pell Grant 2014-2015	84.063	P063P142545	
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			22,970,758
TRIO Cluster			
TRIO Student Support Services Grant-Main	84.042	P042A151030	253,390
TRIO Student Support Services Grant-JMMC	84.042	P042A151031	254,904
TOTAL TRIO CLUSTER			508,294
TOTAL U.S. DEPARTMENT OF EDUCATION (DIRECT)			23,479,052
Passed Through from New Mexico Department of Education			
Perkins-Career and Technical Education FY 2016-17	84.048	V048A160031-16A	940,810
Perkins-Career and Technical Education FY 2014-2015 Redistribution	84.048	V048A140031	54,295
Perkins-Career and Technical Education FY 2015-2016 Redistribution	84.048	V048A130031-15B	25,790
Adult Education	84.004	V002A140032	384,134
Passed Through from University of New Mexico			
HSI STEM Cooperative: STEM Up	84.031	334001-8701	130,448
Passed Through from Office of Special Education and Rehabilitative Services			
Division of Vocational Rehabilitation DELTA	84.126	1888	778
TOTAL U.S. DEPARTMENT OF EDUCATION (PASS-THROUGH)			1,536,255
TOTAL U.S. DEPARTMENT OF EDUCATION			25,015,307
U.S. DEPARTMENT OF LABOR			
Direct:			
American Apprenticeship Initiative	17.268	AP-27942-15	335,957
TOTAL U.S. DEPARTMENT OF LABOR (DIRECT)			335,957
Passed Through from Santa Fe Community College			
Trade Adj. Asst. Community College & Career Training-SUN PATH	17.282	TC-26486-14	474,224
Passed Through from Albuquerque Job Corps			
Albuquerque Job Corps Agreement	17.259	N/A	4,582
TOTAL U.S. DEPARTMENT OF LABOR (PASS-THROUGH)			478,806
TOTAL U.S. DEPARTMENT OF LABOR			814,763
NATIONAL SCIENCE FOUNDATION			
Passed through from New Mexico State University			
New Mexico Alliance for Minority Participation	47.076	Q01614	384
Passed through from University of New Mexico			
NM Green: Advancing Sustainable Construction Technology Education	47.076	1601121	67,462
Passed through from University of New Mexico			
New Mexico EPSCoR Energize New Mexico	47.083	OIA-1301346	42,185
Passed through from Whatcom Community College			
Catalyzing Computing and Cybersecurity in Community Colleges	47.076	DGE-1548315	5,000
Passed Through from Idaho State University			

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards

For the Period July 1, 2016 through June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
CDS&E: Regularization Adaption Processes for Multivariate Calibration	47.049	15-98A-RCHM29	24,061
TOTAL NATIONAL SCIENCE FOUNDATION			139,092
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Direct			
AmeriCorps	94.013	44-0103-0-1-506	77,918
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			77,918
<u>NATIONAL INSTITUTE OF HEALTH</u>			
Passed Through from University of New Mexico Health Sciences Center Academic Science Education and Research Training	93.859	5K12GM088021-07	4,406
Passed Through from University of New Mexico Health Sciences Center Academic Science Education and Research Training	93.859	5K12GM088021-08	12,910
TOTAL NATIONAL INSTITUTE OF HEALTH			17,316
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through from N.M. Energy, Minerals and Natural Resources Depart	10.664	14-521-0410000000-0102	24,394
TOTAL U.S. DEPARTMENT OF AGRICULTURE			24,394
<u>SMALL BUSINESS ADMINISTRATION</u>			
Passed Through from New Mexico Small Business Development Center Small Business Development Center-CNM	59.037	N/A	41,376
SBA Growth Accelerator Fund Competition (Direct)	59.067	N/A	38,397
TOTAL SMALL BUSINESS ADMINISTRATION			79,773
TOTAL FEDERAL AWARDS \$			26,168,563
Reconciling items:			
Federal Direct loans advanced to students	84.268	N/A	7,643,992
Perkins loans outstanding balance	84.038	N/A	215,928
Perkins loans advanced to students	84.038	N/A	20,476
TOTAL EXPENDITURES OF FEDERAL AWARDS \$			34,048,959

Note A:

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The federally negotiated rate of 39% was used when allowable. The information on this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

Note B:

Perkins loans outstanding at June 30, 2017 totaled \$224,899.

Note C:

During the fiscal year ended June 30, 2017, there were no federal funds available in the form of non-cash assistance.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

Section A - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting: Material weakness reported?	No
Significant deficiencies reported?	None noted
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs: Material weakness reported?	No
Significant deficiencies reported?	Yes
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	Yes

Identification of major federal program and type of auditor's report
issued on compliance for major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion</u>
Various	Student Financial Aid Cluster	Unmodified
84.048	Career and Technical Education (Perkins IV)	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	\$1,021,469
Auditee qualified as low-risk auditee?	Yes

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Section B – Financial Statement Findings

None

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Section C – Federal Award Findings and Questioned Costs

2017-001 Lack of Internal Control Over Enrollment Reporting

Federal Agency: Department of Education
Program Name: Student Financial Aid Cluster
CFDA No. and Program Expenditures: 84.063 (\$22,970,758)
Grant Numbers: P063P152545 and P063P142545
Fiscal Program Award Year Ended: June 30, 2017
Compliance Requirement: Reporting
Type of Finding: Significant Deficiency
Questioned Costs: None

Condition: During our internal control testwork over enrollment reporting we noted that the accuracy and timeliness of the enrollment data could not be tested for sampling as the data within the enrollment report provided did not correlate to the enrollment data certified with the National Student Loan Database System (NSLDS).

Criteria: Per 2 CFR 34 690.83 reports must be submitted to the Education Department. The enrollment data submitted to NSLDS should be accurate and completed timely. This is completed by comparing the data in the NSLDS Enrollment Detail to the students' academic files, and verify that the institution is reporting accurate attendance changes for students within 30 days (unless the roster file will be submitted within 60 days) and report discrepancies.

Effect: Information submitted to the NSLDS may not agree to underlying records, which could result in inaccurate information being utilized to determine funding in the Federal Pell programs.

Cause: The methodology utilized to prepare and review the enrollment data did not consider all applicable guidance in determining reported amounts. In addition, review and approval of the enrollment reports did not include a detailed enough reconciliation of the information reported to the underlying records.

Recommendation: We recommend that management consider additional training for individuals responsible for the preparation and review of the enrollment reports. In addition, we recommend that management strengthen the College's review procedures to help to ensure that reports submitted to granting agencies are complete and accurate and reconcile to the underlying accounting records.

Management's Response/Corrective Action Plan:

As part of its enrollment reporting to the National Student Clearinghouse (NSC), the College utilizes baseline reports provided by our Student Information System (BANNER). This report, which is utilized by numerous institutions throughout the United States, has undergone multiple levels of accuracy testing before being implemented in our production system and upon each subsequent upgrade to our system. Therefore, the College feels that this report produces accurate enrollment information.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

In order to reconcile the underlying National Student Loan Data System (NSLDS) enrollment figures, the College's Financial Aid, Institutional Research, and Enrollment Services Offices will implement scheduled reconciliations of the following reports by Nov 10, 2017:

The Enrollment Services Office will certify all student enrollment data within 15 days of receipt of roster notifications from NSLDS. Additionally, Enrollment Services will correct all NSLDS errors within 10 days.

The College's Financial Aid office will reconcile the SCHER4 Enrollment Program Level Certification Report to the SCHPR1 School Portfolio Report. The differences in these reports will be reviewed for accuracy and corrected through the NSLDS system on a monthly basis in order to meet NSLDS mandated 90% verification levels. Any identified errors will be corrected within 5 days.

The College's Institutional Research (IR) staff will perform a monthly verification that the College is meeting NSLDS requirements for 100% Roster Certification and 90% Program Enrollment. This verification will be reported to the Vice President of Finance and Operations and the Vice President of Student Services on a monthly basis.

Additionally, the College's Enrollment Services and Financial Aid staff will complete additional training modules and will update the College's NSLDS and NSC correction processes as needed to remain in compliance with all reporting requirements.

The College disagrees with the statement that NSLDS data "could result in inaccurate information being utilized to determine funding in the Federal Pell programs." The US Department of Education (ED) does not utilize NSLDS data in the determination of Pell eligibility and awarding process.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

2017-002 Non-Compliance – Enrollment Reporting

Federal Agency: Department of Education

Program Name: Student Financial Aid Cluster

CFDA No. and Program Expenditures: 84.063 (\$22,970,758)

Grant Numbers: P063P152545 and P063P142545

Fiscal Program Award Year Ended: June 30, 2017

Compliance Requirement: Reporting

Type of Finding: Other Matters

Questioned Costs: None

Condition: During our compliance testwork we noted 1 instance in which the 90% certified program enrollment compliance requirement per the Department of Education was not met and the Enrollment Reporting Compliance Notification Exception was not approved by Department of Education.

Criteria: Per the Education Department and the National Student Loan Database System, higher education institutions are required to report program-level enrollment information for at least 90% of the students included on its Enrollment Reporting Roster.

Effect: If the College's reporting performance does not improve the College could be subject to possible sanctions from the Department of Federal Student Aid Program Compliance office.

Cause: The methodology utilized to prepare and review the enrollment data did not consider all applicable guidance in determining reported amounts. In addition, review and approval of the enrollment reports did not include a detailed enough reconciliation of the information reported to the underlying records.

Recommendation: We recommend that management consider additional training for individuals responsible for the preparation and review of the enrollment reports. In addition, we recommend that management strengthen the College's internal controls and review procedures to help to ensure that reports submitted to granting agencies are complete and accurate and reconcile to the underlying accounting records.

Management's Response/Corrective Action Plan:

The College reporting and verification offices, including the Office of Planning and Institutional Effectiveness (OPIE) and Financial Aid, follow an institutional documented reporting procedure, along with a prescribed reporting schedule that conforms to all regulatory requirements. As a part of this reporting process, the College may find that it falls below the U.S. Department of Education (ED) rule requiring that 90% of reported students be certified as enrolled in a financial aid eligible program. Upon review of institutional data, the College applied for a federal waiver of the 90% rule based on a significant number of students who do not meet program certification requirements. A response from ED's Enrollment Reporting Compliance was received on October 20, 2017 with a request for additional information due to ED by November 3, 2017.

Regardless of waiver approval, OPIE, Enrollment Services, and Financial Aid staff follow the reconciliation process outlined in Finding 2017-01 to ensure compliance of the 90% rule. Additionally, OPIE, Financial Aid, and Enrollment Services staff will complete additional ED and NSLDS training modules and will update the College's NSLDS reporting processes as needed to remain in compliance with all reporting requirements.

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Status of Prior Year Audit Findings

Status of Prior Year Audit Findings	Current Status
None	

**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Exit Conference

An exit conference was held in a closed session on October 26, 2017, to discuss the audit report and current and prior year auditor's comments. The parties agreed to the factual accuracy of the comments contained herein. In attendance were the following individuals:

Representing the Governing Board of the Central New Mexico Community College

Thomas E. Swisstack,	Chair CNM Governing Board Audit Committee
Pauline J. Garcia	Governing Board Member
Michael J. Glennon	Governing Board Member

Representing Central New Mexico Community College

Dr. Katharine Winograd	President
Tracy Hartzler	Acting Vice President Finance & Operations
Dr. Sydney Gunthrope	Vice President Academic Affairs
Phillip Bustos	Vice President Student Services
Erin Bradshaw	Governing Board Executive Assistant
Allen Leatherwood	Director of Internal Audit
Mark Armijo	Senior Internal Auditor
Lisa Archuleta	Senior Internal Auditor
Wanda Helms	Comptroller
Wencui Yang	Senior Accounting Advisor/Audit Coordinator
Gina Rodriguez	CNM Staff
Don McIver	CNM Staff

Representing Axiom CPAs and Business Advisors, LLC.

Jamie Rumbaoa	Partner
Bryan Runyan	Assurance Supervisor
Shaynae Vasquez	Senior Associate

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

The Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption notices or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption notices or other notices to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct

Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments, with respect to the Bonds, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities depository). In that event, Bond certificates will be printed and delivered to bond holders.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District, the Financial Advisor and the Underwriters believe to be reliable, but none of the District, the Financial Advisor or the Underwriters take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "The Bonds" below in this Official Statement.

APPENDIX D

FORM OF BOND COUNSEL OPINION

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JENICA L. JACOBI

BERNARD S. RODEY (1856-1927)
PEARCE C. RODEY (1889-1958)
DON L. DICKASON (1906-1999)
WILLIAM A. SLOAN (1910-1993)
JACKSON G. AKIN (1919-2010)
JOHN D. ROBB (1924-2014)

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WRITER'S DIRECT NUMBER

Board of Central New Mexico Community College
Albuquerque, New Mexico

\$ _____
Central New Mexico Community College
Bernalillo and Sandoval Counties, New Mexico
General Obligation (Limited Tax) Bonds
Series 2018A

Ladies and Gentlemen:

We have acted as bond counsel to Central New Mexico Community College (the "College"), a technical and vocational institute district established and existing under the laws of the State of New Mexico (the "State") in connection with the issuance of its \$ _____ General Obligation (Limited Tax) Bonds, Series 2018A (the "Bonds"), dated August __, 2018. The Bonds are issued pursuant to the Constitution and laws of the State and the Authorizing & Delegating Resolution adopted by the governing board of the College on July 10, 2018, and a Final Terms Certificate setting forth the final terms of the Bonds dated August __, 2018.

In such capacity, we have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and have also examined the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute valid and binding general obligations of the College and are to be paid from the proceeds of the levy of ad valorem taxes on all taxable property within the taxing district of the College at a rate not to exceed \$5.00 per \$1,000 of net taxable value per annum, except that this rate limitation may be exceeded in any year in which the valuation of the property within the taxing district of the College declines to a level lower than the valuation of the property in the year in which the Bonds are issued.

2. Assuming continuing compliance by the College with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants contained in the Transcript regarding the use, expenditure and investment of bond proceeds, interest on the Bonds is excludable from the gross income of owners of the Bonds for purposes of federal income taxation. Interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. The corporate alternative minimum tax was repealed by legislation enacted on December 22, 2017 (known as the "Tax Cuts and Jobs Act"), effective for tax years beginning after December 31, 2017. For tax years beginning on or before December 31, 2017 interest on the Bonds is not an item of tax preference for purposes of the corporate alternate minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on the Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted

current earnings of a corporate holder. Failure of the College to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance.

3. Interest on the Bonds is exempt from income taxes imposed directly thereon by the State under State income tax laws.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Bonds. We are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Official Statement or any statement made in connection with any offer or sale of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The opinions expressed herein represent our legal judgment based upon existing law, legislation, regulations and rulings as of the date of issuance and delivery of the Bonds that we deem relevant to render such opinions and are not a guarantee of a result. We express no opinion with respect to any pending legislation.

No attorney-client relationship has existed or exists between us and anyone other than the College in connection with the issuance of the Bonds by virtue of this opinion letter. This opinion letter is delivered to you solely for your information and benefit in connection with the initial offering and public sale of the Bonds and may not be relied upon by you for any other purpose or relied upon by any other party without the prior written consent of this firm.

Very truly yours,

APPENDIX E

CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Central New Mexico Community College, Bernalillo and Sandoval Counties, New Mexico (the “College”), in connection with the issuance of the Central New Mexico Community College, Bernalillo and Sandoval Counties, New Mexico, General Obligation (Limited Tax) School Building Bonds, Series 2018A (the “Bonds”). The Bonds are being issued pursuant to an Authorizing & Delegating Resolution of the College adopted on June 10, 2018 (the “Resolution”). Pursuant to the Resolution, to allow the underwriters of the Bonds to comply with the Rule (defined below), the College is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the College, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “DEBT AND OTHER FINANCIAL OBLIGATIONS,” “TAX BASE,” and “THE COLLEGE – Tuition and Fees, Enrollment,” “FINANCES OF THE EDUCATIONAL PROGRAM,” “Statement of Net Assets, Statement of Revenues, Expenditures and Changes in Net Assets and Statement of Cash Flows” in the Official Statement. Annual Financial Information includes Audited Financial Statements.

(b) “Audited Financial Statements” means the College’s annual financial statements, prepared in accordance with GAAP, for governmental units as prescribed by GASB, which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at emma.msrb.org.

(d) “Event Information” means the information delivered pursuant to Section 3(d) hereof.

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street, Suite 1000, Washington, DC, 20005, phone (202) 838-1500, fax (202) 898-1500.

(f) “Official Statement” means the Official Statement dated _____, 2018, delivered in connection with the original issue and sale of the Bonds.

(g) “Report Date” means [March 31] of each year, beginning in [2019].

(h) “Repository” means EMMA.

(i) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), as the same may be amended.

(j) “SEC” means the Securities and Exchange Commission.

(k) “State” means the State of New Mexico.

Section 3. Provision of Annual Information and Reporting of Event Information.

(a) The College, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to the Repository on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the College, or its designated agent, will provide unaudited financial statements as part of the Annual Financial Information. The College will timely provide to EMMA notice of failure to provide

Annual Financial Information or Audited Financial Statements in the event these items are not available by the Report Date.

(c) The College, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the College, which have been submitted to the Repository or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) The College, or its designated agent, will provide, to EMMA, notice of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- vii. Modifications to rights of security holders, if material;
- viii. Bond calls, other than mandatory sinking fund redemption;
- ix. Defeasances;

- x. Release, substitution or sale of any property securing repayment of the Bonds, if material within the meaning of the federal securities law;
- xi. Rating changes;
- xii. Tenders offers;
- xiii. Bankruptcy, insolvency, receivership or similar event with respect to the College or an obligated person;
- xiv. a proposed or completed merger, consolidation or acquisition involving the College, if material; and
- xv. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(e) The College, or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the College to provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. The College, or its designated agent, will employ such methods of electronic or physical information transmission as are requested or recommended from time to time by the Repository, the MSRB or the SEC, unless otherwise required by law.

Section 5. Enforcement. The obligations of the College under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the College to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The College's breach of its obligations under this Undertaking will not constitute an event of default under the Resolution, and none of the rights and remedies provided by the Resolution will be available to the Owners with respect to such a breach.

Section 6. Term. The College's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds shall has been paid or legally defeased pursuant to the terms of the Resolution; (ii) the date on which the College is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments and Waivers. Notwithstanding any other provision of this Undertaking, the College may amend this Undertaking from time to time, and any provision of this Undertaking may be waived, without the consent of the Owners, upon the College's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment or waiver:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the College:

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial

statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the College and the Owners and creates no rights in any other person or entity.

Section 9. Subject to Appropriation. This Undertaking shall be subject to annual appropriation by the College's Board of Education and shall not be construed as a general obligation of the College.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

[Signature page follows]

Date: _____, 2018.

BOARD OF CENTRAL NEW MEXICO
COMMUNITY COLLEGE

By _____
Chair

[SEAL]

ATTEST:

Secretary

[Signature page to Continuing Disclosure Undertaking]