Central New Mexico Community College
Albuquerque, New Mexico

CNM

Comprehensive Annual Financial Report

For Fiscal Years Ended
June 30, 2018 and 2017

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Central New Mexico Community College

Albuquerque, New Mexico

Comprehensive Annual Financial Report

For Fiscal Years Ended June 30, 2018 and 2017

(With Independent Auditor's Report Thereon)

Prepared by:

CNM Business Office

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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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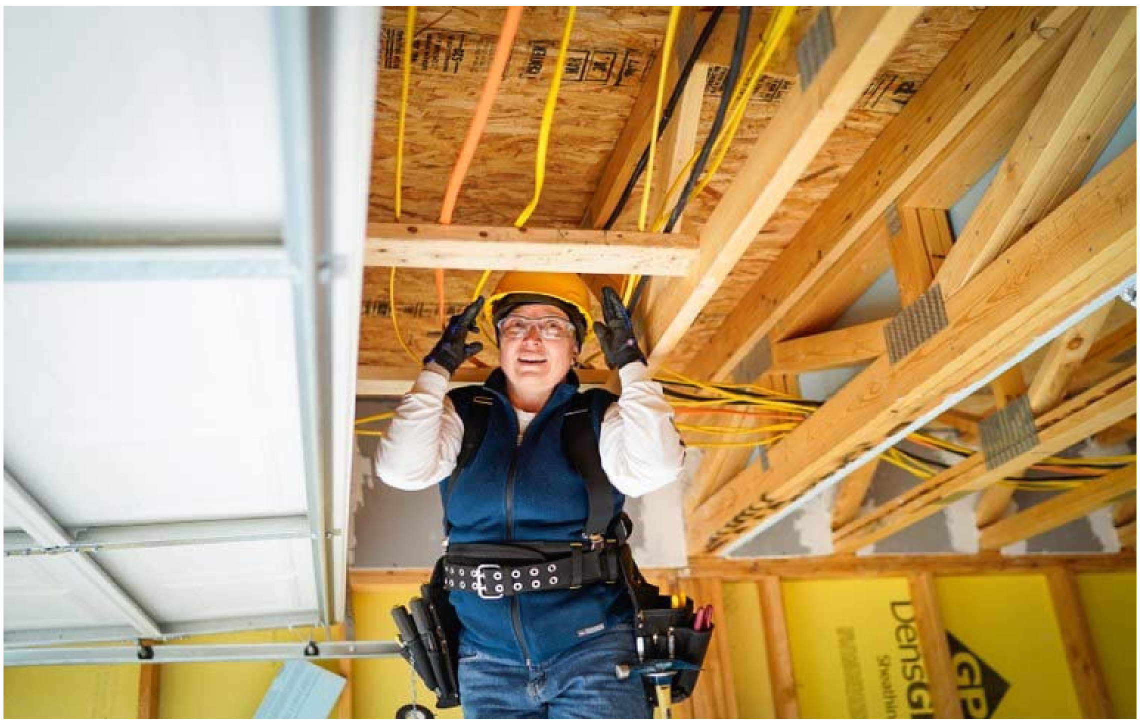
Introductory Section (Unaudited)



Central New Mexico Community College

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Central New Mexico Community College

Letter of Transmittal

November 1, 2018

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 (CNM) for the fiscal year ended June 30, 2018. 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.

The New Mexico Office of the State Auditor (OSA) in accordance with the Audit Act, §§ 12-6-1 to 12-6-14, NMSA 1978, ensures that the financial affairs of every agency shall be thoroughly examined and audited each year by the state auditor, personnel of the state auditor's office designated by the state auditor or independent auditors approved by the state auditor. 2.2.2 NMAC Audit Rule 2018 (February 27, 2018) requires that audit reports are submitted to the OSA by November 1 for higher education institutions. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

Comprehensive Annual Financial Report

CNM's comprehensive annual financial report (CAFR) is prepared by the CNM Business Office in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements as set forth by the New Mexico Higher Education Department (NMHED). The Notes to the Financial Statements are considered essential to fair presentation and adequate disclosure for this financial report. The Notes are an integral part of the financial statements and should be read in conjunction with them. The Management's Discussion and Analysis (MD&A) provides the reader with a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

MP Group Inc., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Central New Mexico Community College's financial statements for the year ended June 30, 2018. The Independent Auditors' report is located at the front of the financial section of this report.

Reporting Entity

CNM is a special-purpose government engaged solely in business-type activities (BTA). The Central New Mexico Community College Foundation, Inc. (Foundation) and CNM Ingenuity, Inc. (Ingenuity) are discretely presented component units in the CNM statements.

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.

Central New Mexico Community College Foundation was organized in 1985 as a not-for-profit New Mexico corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is classified as a publicly supported organization (not a private foundation). 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, 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 for the College in any line of work, teaching or investigation, which the donor, grantor, or testator may designate.

CNM Ingenuity, Inc., was founded on March 17, 2014 under the New Mexico University Research Park and Economic Development Act. It is a New Mexico not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Ingenuity is specifically classified as a 509(a)(3) or Type 1 charitable organization. Type I supporting organizations are operated, supervised, or controlled by one or more publicly supported organizations. Ingenuity is operated exclusively for the benefit and support of, to perform the functions of, and carry out the purposes of CNM.

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 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.

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 764,000.

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 MSA has experienced a period of employment growth from industries such as ClientLogic, T-Mobile, Verizon Wireless, Sitel, LAVU, and Sandia and Route 66 Casinos. The area has also seen significant growth in healthcare related activity as well as three year over year increases in film industry direct spend and number of film projects. In addition, Albuquerque has the third-highest concentration of high-tech activity after Boulder, CO and San Jose, CA.

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 for the purpose of ensuring consistency in the development and reporting of budget information among 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 5.4% for Fiscal Year 2018. 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 0.5%.

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 2018 unrestricted net position increased by $6.8 million or 16% without recognition of GASB 68 and GASB 75.

CNM is in sound financial health and fiscally responsible. In July 2018, Moody's Investors Services, Inc. reaffirmed CNM's credit rating as Aa1. In August 2018, Standard and Poor's Corporation reaffirmed CNM's AA+ rating. CNM's well-managed cash balances and strong budgetary management contribute to and are indicators of a positive financial direction and strong, stable management.

Awards and Recognitions

The 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 (CNM) for its comprehensive annual financial report for the fiscal years ended June 30, 2016 and June 30, 2017. In order to be awarded a Certificate of Achievement, a government organization much publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

According to the most recent U.S. Department of Education national higher education statistics (2015-16 academic year), CNM ranked No. 1 among 1,100-plus community colleges nationwide for the total number of associate degrees and certificates awarded to Native Americans; No. 3 for associate degrees and certificates awarded to Hispanics; and No. 6 overall for number of associate degrees and certificates awarded to all students. In the 2014-15 academic year, CNM ranked No. 1 in the country for the number of associate degrees and certificates earned by both Native Americans and Hispanics, and No. 2 for the number of degrees and certificates earned by all students. Hispanic students earned 3,617 associate degrees and certificates in 2014-15. Native American students earned 600 associate degrees and certificates. CNM awarded a total of 8,299 associate degrees and certificates to all students in 2014-15. 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 2016-17 academic year. CNM awarded 13,778 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 have 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.

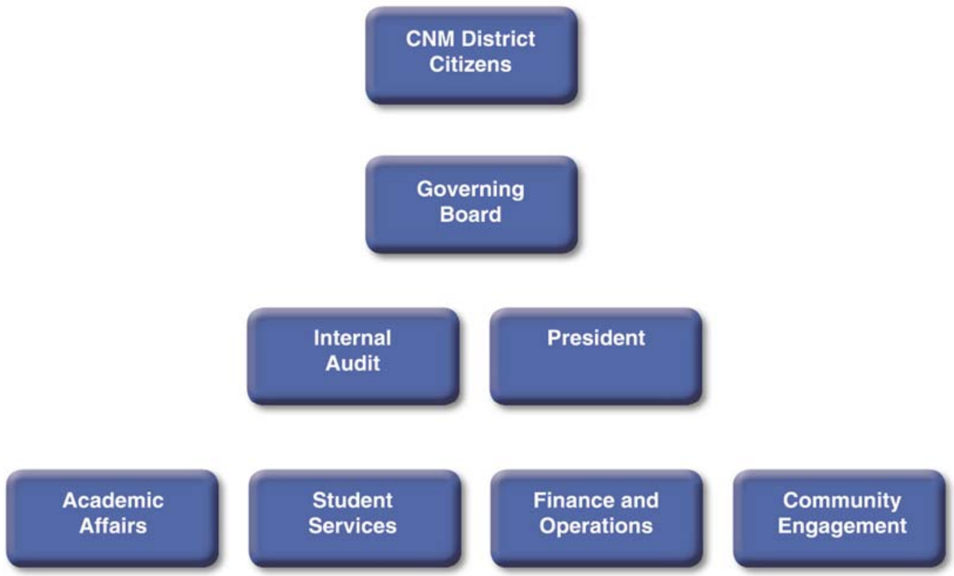
In Closing

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 express our appreciation to the members of the CNM Governing Board for their support and guidance in conducting the CNM financial operations in a highly responsible manner.

Respectfully,

Dr. Katharine W. Winograd	Tracy Hartzler	Wanda Helms, CPA CGMA
President	Vice President Finance and Operations	Comptroller

CNM Organizational Chart



List of Elected and Administrative Officials

ELECTED OFFICIALS

Pauline J. Garcia, Chair
District 1

Retired, Utility Services Manager

Term Expires - 2021

Nancy Baca, Member
District 5

Business Owner

Term Expires - 2021

Michael Canfield, Member
District 2

President/CEO of the Indian Cultural Center and Indian Pueblos Marketing

Term Expires - 2019

Virginia M. Trujillo, Secretary
District 6

Retired Educator

Term Expires - 2019

Thomas E. Swisstack, Vice Chair
District 3

Former Mayor of Rio Rancho and Former New Mexico Congressman

Term Expires - 2021

Michael J. Glennon, Member
District 7

Former CNM President

Term Expires - 2021

Annette Chavez y De La Cruz, Member
District 4

Retired CNM Administrator

Term Expires - 2019

ADMINISTRATIVE OFFICIALS

Dr. Katharine W. Winograd	President
Dr. Sydney Gunthorpe	Vice President for Academic Affairs
Phillip Bustos	Vice President for Student Services
Tracy Hartzler	Vice President for Finance and Operations
Samantha Sengel	Chief Community Engagement 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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central New Mexico Community College

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Financial Section

Central New Mexico Community College

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INDEPENDENT AUDITOR'S REPORT

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

Report on the 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 year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We also have audited the budget comparisons presented as supplemental information, as defined by the Government Accounting Standards Board, as of and for the year ended June 30, 2018, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

8500 Menaul NE, Ste A220 • Albuquerque, NM 87112 • Phone: 505-340-2020

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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparisons of the University as of June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

New Accounting Pronouncement

As described in Note 13 to the financial statements, in 2018, the College adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

June 30, 2017 Financial Statements

The financial statements of Central New Mexico Community College, CNM Ingenuity and CNM Foundation as of June 30, 2017, and for the year then ended were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated October 31, 2017

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 College's Proportionate Share of the Net Pension Liability, Schedule of College's Contributions to Pension Plan (ERB), College's Proportionate Share of the Net OPEB Liability and Schedule of College's Contribution to OPEB Plan (NMRHC) on pages 14-23, 63-64 and 66-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the budgetary comparison schedules and the 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 and the other schedules required by Section 2.2.2.NMAC are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the budgetary comparison schedules and the 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 25, 2018, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

MPGroup, Inc.

October 25, 2018

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, Incorporated (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 https://www.cnm.edu/depts/business-office.

The discussion and analysis of the College's financial statements provides an overview of its financial activities for the years ended June 30, 2018 and 2017. 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.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* revised standards for measuring and reporting postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended,* Statement 43, and Statement No. 50, *Pension Disclosures.*

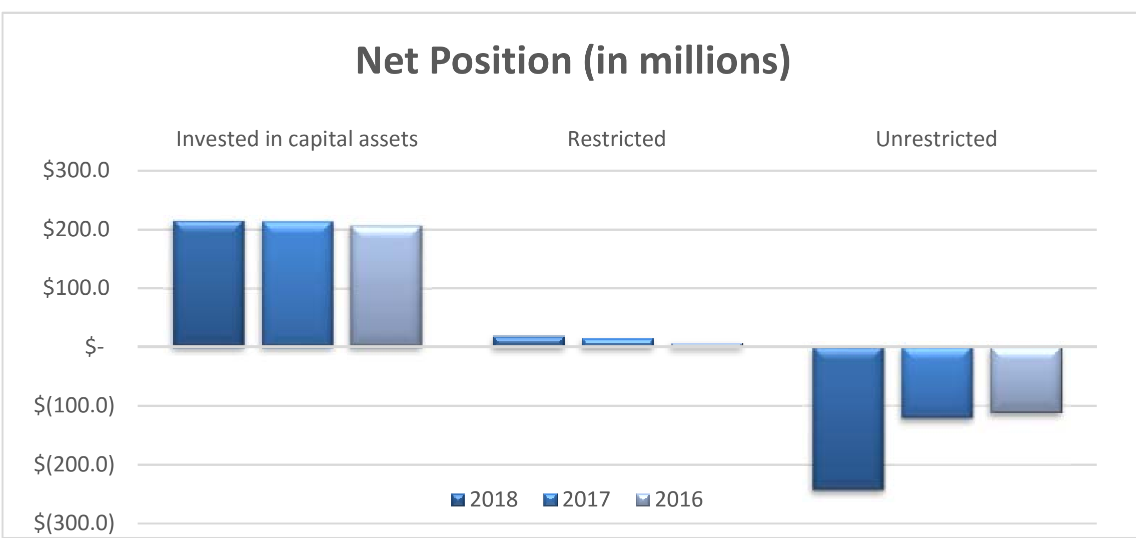
GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The effective date of the provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017 (fiscal year 2018). For fiscal year 2018, the College recorded a net OPEB liability of $77.9 million, and OPEB expense of $3.1 million.

The College's net position decreased $116.6 million (-109.1%) during fiscal year 2018, resulting from the combination of a decrease in unrestricted net position of approximately $122.0 million, an increase in capital assets of $1.7 million, and an increase in restricted net position of $3.7 million. Pension related deferred outflows of resources increased $63.6 million (218.5%), net pension liability increased $91.1 million (48.0%), and pension related deferred inflows of resources increased $7.1 million (190.4%) from 2017. For fiscal year 2018, OPEB related deferred outflows of resources was $1.4 million and OPEB related deferred inflows of resource was $17.7 million. Without recognition of GASB 68 and 75, the college's net position in fiscal year 2018 is $283.4 million, an increase of $12.2 million (4.5%) from 2017 of $271.2 million, and an increase of $27.0 million (10.5%) from 2016 of $256.4 million.

Net position increased $5.2 million (5.1%) during fiscal year 2017, resulting from the combination of a 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 $.2 million (-6.0%) from 2016. Without recognition of GASB 68, the college's net position in fiscal year 2017 is $271.2 million, an increase of $14.8 million (5.8%) from fiscal year 2016 of $256.4 million, and an increase of $25.1 million (10.2% from fiscal year 2015 of 246.1 million.

The following graph illustrates the comparative change in net position by category for the fiscal years 2018, 2017, and 2016.



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

The statements of net position and statements 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.

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)

	2018	2017	2016
Assets:			
Current assets	$ 111,743	$ 130,424	$ 92,064
Capital assets, net	287,248	279,041	260,521
Other noncurrent assets	4,778	4,137	3,981
Total assets	403,769	413,602	356,566
Deferred outflows of resources:			
Bond refunding	120	158	195
OPEB related	1,435	-	-
Pension related	92,667	29,099	22,723
Total deferred outflows	94,222	29,257	22,918
Liabilities:			
Current liabilities	39,999	47,464	34,213
Noncurrent liabilities			
Bonds payable	80,485	95,098	66,172
Net OPEB liability	77,886	-	-
Net pension liability	280,703	189,649	173,381
Total Liabilities	479,073	332,211	273,766
Deferred inflows of resources:			
OPEB related	17,727		
Pension related	10,903	3,754	3,995
Total deferred outflows	28,630	3,754	3,995
Net position:			
Net investment in capital assets	215,430	213,703	205,823
Restricted	18,750	15,051	8,272
Unrestricted (deficit)	(243,892)	(121,860)	(112,372)
Total net position	$ (9,712)	$ 106,894	$ 101,723

Total assets increased $47.2 million (13.2%) over a two-year period driven by $19.7 million increase in current assets and $26.7 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 Smith Brasher Hall renovation and Richard Barr (J) Building renovation.

During fiscal year 2018, total liabilities increased by $146.9 million (44.2%), primarily due to record net OPEB liability of $77.9 million and increase in net pension liability of $91.1 million (48.0%). Current liabilities decreased $7.5 million (-15.7%) and long term bonds payable decreased $14.6 million (-15.4%) in fiscal year 2018. During fiscal year 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%).

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

	2018	2017	2016
Operating revenues	$ 29,889	$ 28,935	$ 29,118
Operating expenses	(194,945)	(167,135)	(169,782)
Operating gain/(loss)	(165,056)	(138,200)	(140,664)
Non-operating revenues and expenses	139,876	131,743	140,565
Income before other revenues, expenses, gains, or losses	(25,180)	(6,457)	(99)
Capital grants and appropriations	1,090	11,628	4,451
Increase/(decrease) in net positions	$ (24,090)	$ 5,171	$ 4,352
Net position, beginning of year	106,894	101,723	97,370
Beginning net position recognized by GASB 75	(92,516)	-	-
Net position, end of year	$ (9,712)	$ 106,894	$ 101,722

Operating Revenues

In 2018, operating revenues of $29.9 million increased $1.0 million (3.3%) when compared to 2017 and increased by $0.8 million (2.6%) when compared to 2016. 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:

Operating Revenues (in Thousands)

	2018	2017	2016
Tuition and fees, net	$ 16,584	$ 14,697	$ 14,273
Federal grants and contracts	4,090	4,181	4,652
State and local grants and contracts	6,504	7,398	7,187
Sales & services of educational departments	926	893	818
Auxiliary enterprises	1,785	1,766	2,188
Total	$ 29,889	$ 28,935	$ 29,118

Operating Expenses

Operating expenses increased $27.8 million (16.6%) in 2018 as compared to 2017, mainly due to the College recognizing an expense of $3.1 million for the New Mexico Retiree Health Care Authority (RHCA) OPEB plan proportionate shared expense. Additionally an expense of $44.7 million for the New Mexico Educational Retirement Board (ERB) pension plan proportionate shared expense netted by the Fiscal Year 2018 ERB employer contribution of $10.0 million as deferred outflow of resources was recognized. Student aid decreased $2.7 million (-15.8%) because of lower student enrollment.

Over a two-year period, expenses for instruction increased $15.2 million (24.4%), for academic support increased $3.7 million (24.3%), for institution support increased $4.2 million (19.5%), for depreciation increased $3.1 million (23.3%), and for student aid decreased $5.1 million (-26.0%). From 2016 through 2018, operating expenses increased $25.2 million overall, a 14.8% increase.

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

Operating Expenses (in Thousands)

	2018	2017	2016
Instruction	$ 77,173	61,641	62,021
Public service	656	503	559
Academic support	18,927	15,113	15,221
Student services	25,412	21,700	22,171
Institutional support	25,466	20,967	21,305
Operation and maintenance of plant	16,010	15,226	14,995
Depreciation	16,209	13,887	13,142
Student aid	14,422	17,135	19,480
Auxiliary enterprises	547	812	764
Other	123	151	123
Total	$ 194,945	167,135	169,781

Non-operating Revenues and Expenses

Non-operating revenues and expenses increased by $8.1 million (6.2%) in 2018 when compared to the prior year. Primarily, this increase is attributed to the net of Pell grant decreasing, other non-operating expenses decreasing, and local debt service appropriation revenue increasing in 2018. In fiscal year 2018, the College funded its component unit CNM Ingenuity Inc. a total of $4.3 million, which is $7.5 million less than the $11.8 millions in fiscal year 2017. This reduced the other non-operating expenses. Over a two-year period, state appropriations have decreased by $3.8 million (-6.7%). Over the same period, Pell grant revenue has decreased $4.0 million (–16.6%), due to the decline of student enrollment and a Pell program eligibility cap effected in 2013. 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.

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)

	2018	2017	2016
State appropriations	$ 52,995	53,276	56,801
Local appropriations - operating	52,728	50,859	50,137
Local appropriations - debt service	18,586	18,032	9,599
Federal Pell grant	20,271	21,988	24,308
Investment income	1,125	466	110
Interest on capital asset related debt	(2,382)	(2,049)	(1,765)
Other	(3,447)	(10,829)	1,375
Total	$ 139,876	131,743	140,565

Capital Grants and Appropriations

Capital appropriations decreased $10.5 million in 2018, primarily due to the state funding of Smith Brasher Hall renovations were spend in 2017. 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)

	2018	2017	2016
Capital appropriations	$ 1,085	11,608	4,209
Capital grants and gifts	5	20	17
Additions to permanent endowments	-	-	225
Total	$ 1,090	11,628	4,451

Capital Asset and Debt Administration

Capital Assets

At June 30, 2018, the College had approximately $287.2 million invested in net capital assets, net of accumulated depreciation of $141.3 million. Depreciation expense for the current year totaled $16.2 million compared to $13.9 million in 2017 and $13.1 million in 2016.

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

Capital Assets, Net (in Thousands)

	2018	2017	2016
Land and land improvements	$ 36,637	36,543	37,370
Buildings	224,752	200,082	190,130
Infrastructure	4,546	4,802	5,146
Furniture, fixtures, and equipment	8,803	8,916	10,232
Library materials	987	1,190	1,186
Art	720	720	511
Construction in progress	10,803	26,788	15,946
Capital assets, end of year	$ 287,248	279,041	260,521

Major capital expenditures (in Thousands) during fiscal year 2018 include:

Richard Barr (J) Building Renovation	$ 10,304
CNM/APS/NACA Facility	2,622
Access Control	2,522
Max Salazar Hall Phase II	1,349
Smith Brasher Renovation	1,045
CTS HVAC & Roof	865

Major capital expenditures (in Thousands) during fiscal year 2017 include:

Smith Brasher Renovation	$ 16,453
Max Salazar Hall Phase II	4,726
Max Salazar refresh/HAVC	4,578
Max Salazar Restroom Renovation	986

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

Bonds Payable

As of June 30, 2018, the College has $90.3 million in outstanding bonds, an decrease of $11.5 million due to scheduled annual bond payment when compared to 2017 and an increase of $19.6 million when compared to 2016. 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:	2018	2017	2016
Series 2009	$ 6,550	7,700	8,850
Series 2011	21,200	22,400	23,400
Series 2014A	21,850	23,300	26,900
Series 2014B	8,215	9,915	11,630
Series 2016	32,525	38,525	-
Total bond principal	90,340	101,840	70,780
Bond premium	4,728	6,024	3,562
Total debt outstanding	$ 95,068	107,864	74,342

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 10 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 $0.4 million (-0.2%). The most significant changes were $4.4 million (-13.0%) decrease in federal government contracts/grants and $3.2 million (21.0%) increase in retirement of indebtedness.

Actual revenues were $18.2 million (-8.0%) less than the final budget. The variance in capital outlay revenue, a difference of $12.8 million (-39.7%) was due to timing of spending on capital project construction. Federal government grants and contracts revenue was $4.9 million (-16.7%) less than budget partially due to decreased Pell grant awards. State government contracts and grants was $1.6 million (-22.4%) less than the final budget.

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	$ 19,643	21,522	22,091	569
Miscellaneous fees	4,218	3,935	3,853	(82)
State government appropriations	52,995	52,995	52,995	0
Local government appropriations	51,658	51,658	52,684	1,026
Federal government contracts/grants	33,683	29,292	24,412	(4,880)
State government contracts/grants	6,669	7,339	5,697	(1,642)
Local government contracts/grants	101	65	35	(30)
Private contracts/grants	2,889	2,018	1,558	(460)
Endowments	13	13	10	(3)
Sales and services	2,123	1,602	1,829	227
Other	2,337	2,256	1,956	(300)
Capital outlay	31,920	32,231	19,449	(12,782)
Building renewal & replacement	3,605	3,273	3,403	130
Retirement of indebtedness	15,335	18,555	18,592	37
Total revenues	$ 227,189	226,754	208,564	(18,190)

Expenditures (Budgetary Basis)

The final expenditure budget decreased by approximately $4.1 million (-1.8%) versus the original budget. The final budget for Capital outlay increased by $3.2 million (11.0%), and the final budget for Building renewal and replacement increased by $2.5 million (38.5%) to accommodate for major multi-year capital projects need. The final budget for instruction decreased by $3.9 million (-5.9%), the student services decreased by $1.6 million (-7.0%), and student aids decrease by $5.0 million (-14.0%) as compared to the original budget.

Actual expenditures were $28.2 million (-12.5%) less than the final budget. Actual expenditures for instruction were $2.6 million (-4.3%) less than budget due to reduction in part-time faculty salary expense related to declining enrollment. Student aid was $4.3 million (-13.9%) under final budget. Capital outlay was under budget by $11.6 million (-36.2%) and building renewal and replacement was under budget by 3.8 million (-42.1%) due to the timing of capital projects.

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	$ 65,213	61,348	58,714	2,634
Academic support	16,868	16,634	15,600	1,034
Student services	22,713	21,130	20,172	958
Institutional support	22,239	22,840	21,144	1,696
Operation & maintenance - plant	14,668	14,605	13,921	684
Student social & cultural activities	135	163	123	40
Public services	862	1,054	657	397
Internal services	71	76	51	25
Student aid grants and stipends	35,771	30,754	26,467	4,287
Auxiliary enterprise	911	752	543	209
Capital outlay	29,000	32,177	20,534	11,643
Building renewal & replacement	6,500	9,000	5,212	3,788
Retirement of indebtedness	15,333	15,684	14,913	771
Total expenditures	$ 230,284	226,217	198,051	28,166

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	$ 45,363	54,076	54,076	-
Revenues	227,189	226,754	208,564	(18,190)
Expenditures	230,284	226,217	198,051	28,166
Change in net position	(3,095)	537	10,513	9,976
Net position (budgetary basis)	$ 42,268	54,613	64,589	

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 FY2009 and FY2019 projected, state appropriations fell as a percent of the College's current operating revenue from 47 percent to 40 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 24,781 in Fall 2016 and 24,442 in Fall 2017, current census date snapshot data for Fall 2018 reports 23,717 students in college credit programs. This represents a decrease of 339 students (-1.4%) from Fall 2016 to Fall 2017 and a decrease of 725 students (-3.0%) from Fall 2017 to current student enrollment data in Fall 2018. Similarly, student credit hour production decreased 3.0% from 193,694 in Fall 2016 to 187,804 in Fall 2017 and 2.9% from Fall 2017 to current Fall 2018 data of 182,337 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 (GASB) format. Separately issued financial statements for the CNM Foundation and CNM Ingenuity may be obtained from https://www.cnm.edu/depts/business-office.

Statements of Net Position

June 30, 2018 and 2017

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	Primary Institution		Component Units			
			Foundation		Ingenuity	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets:						
Cash and cash equivalents	$ 4,656,416	1,401,713	26,746	48,419	9,913,443	1,889,271
Cash and cash equivalents – restricted	-	-	1,409,569	816,474	-	-
Investments - unrestricted	52,718,024	59,435,048	-	-	-	-
Investments - restricted	40,470,500	56,091,860	-	-	-	-
Endowment investments – restricted	14,026	27,742	-	-	-	-
Accounts receivable students, net	6,148,023	6,123,725	-	-	-	-
Grants and contracts receivable	2,328,622	3,180,314	-	-	-	-
Mill levy receivable	3,154,226	2,856,018	-	-	-	-
Pledges receivable - unrestricted, net	-	-	22,459	29,400	50,000	49,039
Other receivable	379,737	218,059	21,401	17,339	397,760	10,783,305
Inventories	55,619	53,963	-	-	14,642	24,000
Other assets	1,817,889	1,035,579	-	-	70,945	74,848
Total current assets	111,743,082	130,424,021	1,480,175	911,632	10,446,790	12,820,463
Noncurrent assets:						
Investments - restricted	826,239	-				
Endowment investments – restricted	1,805,000	1,805,000	8,835,505	8,788,040	-	-
Mill levy receivable	1,884,102	2,063,866	-	-	-	-
Pledges receivable - restricted, net	-	-	49,401	59,063	141,823	186,908
Notes receivable	155,753	153,172	-	-	-	-
Other assets	106,667	114,667	-	-	4,977,569	113,278
Capital assets, net	287,247,877	279,040,900	-	-	4,578,619	3,032,770
Total noncurrent assets	292,025,638	283,177,605	8,884,906	8,847,103	9,698,011	3,332,956
Total assets	403,768,720	413,601,626	10,365,081	9,758,735	20,144,801	16,153,419
Deferred outflows of resources:						
Bond refunding	120,679	157,810	-	-	-	-
OPEB related	1,434,615	-	-	-	-	-
Pension related	92,666,770	29,098,980	-	-	-	-
Total deferred outflow of resources	94,222,064	29,256,790	-	-	-	-
Liabilities:						
Current liabilities:						
Cash overdraft - restricted	321,196	1,015,187	-	-	-	-
Accounts payable to suppliers	6,867,153	4,497,887	100,496	99,161	523,028	345,314
Accounts payable - loans	106,697	109,702	-	-	-	-
Accrued compensated absences	2,392,733	2,349,792	-	-	-	-
Accrued payroll and payroll taxes	5,970,611	5,406,140	-	-	-	-
Accounts payable – other	280,402	10,658,406	-	-	-	-
Accrued interest payable	1,343,400	1,516,650	-	-	-	-
Unearned revenue	8,133,572	9,144,439	201,425	151,551	1,449,476	1,426,472
Bonds payable – current portion	14,583,421	12,765,614	-	-	-	-
Total current liabilities	39,999,185	47,463,817	301,921	250,712	1,972,504	1,771,786
Noncurrent liabilities						
Bonds payable	80,484,621	95,098,175	-	-	-	-
Net OPEB liabilities	77,885,864	-				
Net pension liability	280,702,869	189,649,053	-	-	-	-
Total noncurrent liabilities	439,073,354	284,747,228	-	-	-	-
Total liabilities	479,072,539	332,211,045	301,921	250,712	1,972,504	1,771,786
Deferred inflows of resources:						
OPEB related	17,726,639	-	-	-	-	-
Pension related	10,903,153	3,753,603	-	-	-	-
Total deferred inflow of resources	28,629,792	3,753,603	-	-	-	-
Net position:						
Net investment in capital assets	215,430,308	213,703,178	-	-	4,578,619	3,032,770
Restricted:						
Nonexpendable:						
Scholarships	-	-	6,947,887	6,662,163	-	-
Department programs	1,805,000	1,805,000	438,021	427,473	-	-
Expendable:						
Scholarships	-	-	1,758,348	1,501,739	-	-
Department programs	48,122	27,743	515,093	559,760	250,128	235,947
Debt service	16,897,099	13,217,984	-	-	-	-
Unrestricted	(243,892,076)	(121,860,137)	403,811	356,888	13,343,550	11,112,916
Total net position	$ (9,711,547)	106,893,768	10,063,160	9,508,023	18,172,297	14,381,633

See accompanying notes to basic financial statements.

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2018 and 2017

	Primary Institution		Component Units			
			Foundation		Ingenuity	
	2018	2017	2018	2017	2018	2017
Operating revenues:						
Tuition and fees*	$ 16,584,282	$ 14,697,430	-	-	3,194,784	2,660,767
Federal grants and contracts	4,090,119	4,180,878	-	-	-	-
State and local grants and contracts	6,503,753	7,398,310	228,424	230,208	961,386	474,853
Sales & services of educational depts.	925,307	892,643	-	-	-	-
Gifts and pledges	-	-	698,830	1,185,444	176,133	242,159
Auxiliary enterprise	1,785,148	1,765,825	-	-	-	-
Total operating revenues	29,888,609	28,935,086	927,254	1,415,652	4,332,303	3,377,779
Operating expenses:						
Instruction and general:						
Instruction	77,172,732	61,640,777	-	-	-	-
Public service	656,344	503,180	-	-	-	-
Academic support	18,927,132	15,113,006	-	-	-	-
Student services	25,412,303	21,699,986	-	-	-	-
Institutional support	25,465,759	20,967,030	-	-	-	-
Operation and maintenance of plant	16,010,027	15,225,610	-	-	-	-
Depreciation	16,208,509	13,887,457	-	-	130,232	87,000
Student aid	14,422,485	17,135,408	-	-	-	-
Auxiliary enterprises	546,785	811,800	-	-	-	-
Other expenses	122,717	151,145	1,105,854	1,058,519	4,156,212	3,116,221
Total operating expenses	194,944,793	167,135,399	1,105,854	1,058,519	4,286,444	3,203,221
Operating income (loss)	(165,056,184)	(138,200,313)	(178,600)	357,133	45,859	174,558
Nonoperating revenues (expenses):						
State appropriations	52,995,400	53,276,400	-	-	-	-
Local appropriations – operating	52,728,165	50,859,376	-	-	-	-
Local appropriations – debt service	18,585,780	18,032,423	-	-	-	-
Federal pell grant	20,270,992	21,987,687	-	-	-	-
Gifts	646,596	697,864	-	-	-	-
Investment income (loss)	1,124,448	465,685	468,175	691,315	(480,195)	3,869
Interest on capital asset related debt	(2,381,535)	(2,049,095)	-	-	-	-
Gain (Loss) on disposition of assets	(159,109)	(108,885)	-	-	-	15,500
Other nonoperating revenues	400,273	395,496	-	-	4,225,000	11,814,000
Other nonoperating expenses	(4,334,387)	(11,814,000)	-	-	-	-
Net nonoperating revenues (expenses)	139,876,623	131,742,951	468,175	691,315	3,744,805	11,833,369
Income (loss) before capital grants and appropriations	(25,179,561)	(6,457,362)	289,575	1,048,448	3,790,664	12,007,927
Capital appropriations	1,085,258	11,608,316	-	-	-	-
Capital grants and gifts	5,000	20,009	-	-	-	-
Additions to permanent endowments	-	-	265,562	280,277	-	-
Total other changes	1,090,258	11,628,325	265,562	280,277	-	-
Increase (decrease) in net position	(24,089,303)	5,170,963	555,137	1,328,725	3,790,664	12,007,927
Net position, beginning of year	106,893,768	101,722,805	9,508,023	8,714,525	14,381,633	2,373,706
Prior year adjustment	-	-	-	(535,227)	-	-
Net position, beginning of year, as adjusted	106,893,768	101,722,805	9,508,023	8,179,298	14,381,633	2,373,706
Beginning net position recognized by GASB75	(92,516,012)					
Net position, end of year	$ (9,711,547)	$106,893,768	10,063,160	9,508,023	18,172,297	14,381,633

* Net of scholarship allowances of $12,044,890 for 2018 and $11,944,184 for 2017

See accompanying notes to basic financial statements.

Statements of Cash Flows
Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Tuition and fees	$ 16,268,124	$ 14,509,844
Federal grants and contracts	3,734,534	4,527,601
State and local grants and contracts	5,850,623	7,391,362
Payments to suppliers	(30,908,038)	(19,753,774)
Payments for utilities	(4,592,070)	(3,935,698)
Payments to employees	(75,788,712)	(80,644,962)
Payments for benefits	(26,250,298)	(25,648,955)
Payments for scholarships	(14,397,360)	(17,154,324)
Loans issued to students	(11,420)	(20,476)
Collection of loans to students	8,839	12,078
Auxiliary enterprise charges	1,603,751	1,740,485
Sales and services of educational activities	925,307	899,643
Other expenses	(4,334,387)	(1,314,000)
Other receipts	73,344	158,267
Net cash used by operating activities	(127,817,763)	(119,232,909)
Cash flows from noncapital financing activities:		
State appropriations	52,995,400	53,276,400
District mill levies–operating	52,720,895	51,064,591
District mill levies–debt service	18,474,606	17,725,803
Federal Pell grant	20,201,099	21,997,986
Education Loan receipts	6,983,271	8,080,385
Education Loan disbursements	(7,002,264)	(8,077,800)
Gifts and contribution for permanent endowment	646,596	697,864
Cash overdraft due to bank	(1,015,187)	(531,263)
Cash provided by bank overdraft	321,196	1,015,187
Student organization agency transactions	(11,971)	22,337
Net cash provided by noncapital financing activities	144,313,641	145,271,490
Cash flows from capital financing activities:		
Proceeds from capital debt	-	42,156,936
Capital appropriations	2,659,922	10,330,520
Proceeds from sale of capital assets	49,067	29,129
Purchases of capital assets	(23,287,074)	(31,548,979)
Principal paid on capital debt and leases	(11,500,000)	(7,465,000)
Interest paid on capital debt and leases	(3,813,400)	(2,943,114)
Net cash provided (used) by capital financing activities	(35,891,485)	10,559,492
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	118,288,300	69,459,710
Interest on investments	1,124,448	465,685
Purchase of investments	(96,762,438)	(107,038,799)
Net cash (used) provided by investing activities	22,650,310	(37,113,404)
Net increase (decrease) in cash and cash equivalents	3,254,703	(515,331)
Cash and cash equivalents, beginning of year	1,401,713	1,917,044
Cash and cash equivalents, end of year	$ 4,656,416	$ 1,401,713

See accompanying notes to basic financial statements.

(continued)

Statements of Cash Flows (continued)

Years ended June 30, 2018 and 2017

	2018	2017
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	$ (165,056,184)	$ (138,200,313)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Other expenses - nonoperational	(4,334,387)	(1,314,000)
Other receipts - nonoperational	73,344	158,267
Depreciation expense	16,208,509	13,887,457
OPEB plan expense recognized	3,096,491	-
Pension plan expense recognized	34,635,576	9,651,500
Changes in assets and liabilities:		
Receivables, net	(517,754)	(51,773)
Inventories	(1,657)	3,092
Prepaid expenses	(774,310)	217,260
FY18 CNM OPEB contribution booked	(1,434,615)	-
Accounts payable and accrued expenses	(8,764,723)	(3,805,029)
Unearned revenue	(990,995)	306,029
Compensated absences	42,942	(85,399)
Net cash used by operating activities	$(127,817,763)	$ (119,232,909)
Noncash transactions:		
Capital gifts	5,000	20,009

1) Summary of Significant Accounting Policies

a) Reporting Entity

Central New Mexico Community 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) Discreetly Presented 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, Incorporated (Foundation) and CNM Ingenuity, Incorporated (Ingenuity).

Separate financial statements for the Central New Mexico Community College Foundation and CNM Ingenuity can be obtained by visiting https://www.cnm.edu/depts/business-office.

The following is a discretely presented component unit:

The Central New Mexico Community College 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 in April 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.

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 and most recently amended in July 2016 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 Statues 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 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.

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. However, income generated from activities unrelated to the purpose of the College would be subject to tax under IRC section 511(a)(2)(B).

The Foundation and Ingenuity are not-for-profit corporations and have been recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

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 $48,122 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 or with the New Mexico State Investment Council. Amounts invested are readily available to the College when needed and are recorded at cost, which approximates fair value. The College considers cash deposited at the State Treasurer's Office and the State Investment Council 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.

Ingenuity's investment consist primarily of money market mutual funds and marketable securities. Money market mutual funds are carried at amortized cost, which approximates fair value. Marketable securities are carried at fair value based on quoted market prices.

Ingenuity's private equity investments represent ownership in closely held businesses, which are not publicly traded. These investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recordable. These investments are recorded using net asset value (NAV) per share accordance with GASB Statement No 72, *Fair Value Measurement and Application*. Ingenuity considers the reasonableness of the NAV, based on available information, to arrive at the fair value estimates of each investment.

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

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.

The Foundation recognizes unrestricted pledges as increases in assets and revenue upon receipt of a signed pledge commitment, and when all applicable eligibility requirements are met. An allowance for uncollectible pledges is recorded when the pledge is recorded. The allowance is based on past pledge loss experience and other factors that management considers necessary in estimating pledge loss.

k) Inventories

Inventories, which primarily consist of office supplies held for department use, are stated at cost.

l) Capital Assets

Capital assets are recorded at cost 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.

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, 2018 and 2017 for CNM consists primarily of unearned summer term tuition in the amounts of $2,508,689 and $2,297,194 respectively; unearned fall tuition and fees in the amount of $5,177,709 and $6,042,807 respectively; and $447,174 and $804,438 respectively from grants and contract sponsors that have not yet been earned. Total unearned revenue at June 30, 2018 and 2017 are $8,133,572 and $9,144,439 respectively.

Unearned revenue at June 30, 2018 and 2017 for the CNM Foundation are $201,425 and $151,551, respectively.

Unearned revenue at June 30, 2018 and 2017 for Ingenuity are $1,449,476 and $1,426,472 respectively.

p) Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable that will not be paid within the next fiscal year. Net pension liability and net OPEB liability (beginning in fiscal year 2018), are reflected in noncurrent liabilities

q) Deferred outflows of resources

A consumption of net assets by the government that is applicable to a future reporting period

r) Deferred inflows of resources

An acquisition of net assets by the government that is applicable to a future reporting period

s) 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, 2018 and 2017, approximately $21,386,946 and $39,897,879 of bond proceeds remain unexpended, respectively.

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 $48,122 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.

t) 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.

u) 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 $5,038,328 and $4,919,884 as of June 30, 2018 and 2017, 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.

v) 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.

w) 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.

x) 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. See Note 12.

y) Postemployment Benefits Other Than Pensions (OPEB)

The New Mexico Retiree Health Care Authority (NMRHCA) was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico. Approximately 310 public entities including cities, counties, universities and charter schools participate in NMRHCA. The Authority currently provides coverage to approximately 160,035 retirees and their dependents. These benefits are considered Other Postemployment Benefits (OPEB) under GASB Statements No. 43 and 45. The College implemented GASB Statement No. 75 *Financial Reporting for Postemployment Benefits Other Than Pension Plans* in fiscal year 2018. See Note. 13.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

z) New Accounting Pronouncements Adopted

For the fiscal year ending June 30, 2018 (FY18), the College adopted the following GASB Statements:

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. 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. 89. *Accounting for Interest Cost Incurred before the End of a Construction Period.* Effective Date: For reporting periods beginning after December 12, 2019 .

aa) Subsequent Accounting Pronouncements

The GASB has issued the following statements:

GASB Statement No 83, *Certain Asset Retirement Obligations.* Effective Date: The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019.

GASB Statement No. 84, *Fiduciary Activities.* Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 and will take effect for financial statements starting with the fiscal year that ends June 20, 2019.

GASB Statement No. 87. *Leases.* Effective Date: For reporting periods beginning after December 15, 2019 and will take effect for financial statements starting with the fiscal year that ends June 30, 2021.

GASB Statement No. 88. *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* Effective Date: For reporting periods beginning after June 15, 2018 and will take effect for financial statements starting with the fiscal year that ends June 30, 2019.

GASB Statement No. 90. *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61.* Effective Date: For reporting periods beginning after December 12, 2018 and will take effect for financial statements starting with the fiscal year that ends June 30, 2020.

Earlier application of these statements is encouraged. For the original pronouncements please visit the GASB's Website www.gasb.org

bb) Reclassifications and Prior Year Adjustment

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

The College recognized $92,516,012 of Net OPEB (NMRHCA) Liability for June 30, 2016 per GASB No. 75.

The Foundation restated the Fiscal Year 2017 net position. Opening equity for FY17 was overstated by $535,227, pledges receivable were overstated by $854,877, and revenues and changes in net position were overstated by $319,650. Under GASB Statement No. 33 Accounting and Financial Reporting for Non-exchange Transactions, Restricted and Endowment pledges are considered a non-exchange transaction and are not recorded as revenue or related asset until cash is received. Previously the Foundation applied FASB Statement No 116 Accounting for Contributions Received and Contributions Made.

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, 2018.

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	2018	2017
Cash on hand	$ 8,125	8,225
Deposits with financial institutions	4,327,095	378,301
Investments with NM State Investment Counc	1,819,026	-
Investments with NM State Treasurer	94,014,763	117,359,650
Total cash and investments	$ 100,169,009	117,746,176

Foundation	2018	2017
Deposits with financial institutions	$ 515,902	361,691
Money market with Merrill Lynch	920,413	503,202
Federal agency obligations	1,075,803	1,046,720
Corporate obligations	588,131	600,786
Corporate stock	5,465,422	5,210,912
Mutual funds	1,706,149	1,681,792
Certificates of Deposit	-	247,830
Total cash and investments	$ 10,271,820	9,652,933

Ingenuity	2018	2017
Deposits with financial institutions	$ 358,560	228,359
Money market with Wells Fargo	1,425,921	1,660,912
Money Market with Merrill Lynch	8,128,762	-
Petty Cash	200	-
Federal agency obligations	774,293	-
Corporate obligations	327,509	-
Corporate stock	2,842,463	-
Mutual funds	853,109	-
Total cash and investments	$ 14,710,817	1,889,271

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 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, 2018 and 2017, the College's deposits had a carrying amount of $4,327,095 and $378,301 respectively, and a bank balance of $4,321,728 and $680,279 respectively. Of the bank balance, $250,000 was covered by federal depository insurance. At June 30, 2018 and 2017, $4,651,386 and $2,983,848 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, 2018 and 2017. Effective January 1, 2018, the College began self-insuring its health benefits for employees. $2.2 million for self insured health benefits are in a checking account which increased June 30, 2018 cash balance.

A summary of the College's insured and collateralized accounts at June 30, 2018 and 2017 is as follows:

				2018
Wells Fargo Bank checking account				$ 4,321,728
FDIC Insurance				(250,000)
Public funds in excess of FDIC Insurance				4,071,728
50% collateral requirement of		$ -		2,035,864
Total collateral requirements				$ 2,035,864
Collateral (at fair value):	**CUSIP**	**Rate**	**Maturity**	
FMAC-FGPC	3128MJTQ3	4.00%	11/1/2043	1,008,220
FMAC-FGPC	3128PWMK1	3.00%	9/1/2026	3,488,658
FNMA-FNMS	3138NXFX0	3.00%	2/1/2043	154,507
Total collateral				4,651,385
Over collateral requirement				$ 2,615,521

				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		215,140
Total collateral requirements				$ 215,140
Collateral (at fair value):	**CUSIP**	**Rate**	**Maturity**	
FNMA-FNMS	3140EU5W5	2.50%	4/1/2031	2,983,848
Total collateral				2,983,848
Over collateral requirement				$ 2,768,708

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.

The College invests excess cash in the New Mexico Local Government Investment Pool (LGIP), which is managed by the New Mexico State Treasurer. These investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not Securities and Exchange Commission (SEC) registered. 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.

The College invests its endowment funds with the State Investment Council pooled funds. Pursuant to New Mexico law Section 6-8-7I of NMSA 1978, as amended, the State Investment Council manages several equity and bond investment pools to provide long-term investment opportunities for State agencies and designated institutions that have funds available for a long-term investment program that will extend for more than one year. The College maintained a balance of $1,819,026 in State Investment Council (SIC) endowment investments at year-end which require fair value disclosure. NMSIC issues a separate, publicly available financial report that includes financial statements and required supplementary information.

Foundation

The Foundation 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 Communidad.

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, 2018, the portfolio consisted of 12.3% of U.S. government obligations.

Ingenuity

Ingenuity implemented Restricted Fund Investment Policy on April 26, 2018. The overall investment objective of Ingenuity's Restricted Fund is to maximize the return on invested assets while minimizing risk and expenses through prudent investing and planning, as well as through the maintenance of a diversified portfolio. Investments are registered in the name of Ingenuity and are held by an outside investment firm.

c) Fair Value Measurement

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

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

Level 2 Inputs to the valuation methodology include:

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The investments that are reported as Level 2 have various pricing sources including International Data Corporation (IDC), Pricing Direct, Reuters, Markit Partners, Bloomberg and Standard & Poor's (S&P).

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

d) 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 College's investments at June 30 are summarized as follows:

	Rating	2018 Fair Value	2017 Fair Value
New Mexico LGIP (Level 1)	AAAm	$ 94,014,763	117,359,650
State Investment Council (SIC)	Unrated		
Core Plus Bonds (Level 2)		543,233	-
Large Cap Index (Level 1)		652,034	-
Small Mid Cap (Level 1)		278,815	-
Non-US Emerging Active (Level 1)		83,468	-
Non-US Developed Active (Level 1)		261,476	-
Total securities		$ 95,833,789	117,359,650

The following table provides information on the credit ratings associated with Ingenuity's investment in

	Rating	2018 Fair Value	2017 Fair Value
Corporate Stock (Level 1):	Unrated	$ 2,842,463	-
Mutual Funds (Level 1)	Unrated	853,109	-
Total unrated securities		$ 3,695,572	-
Federal agency obligations			
Federal home loan mortgage corp. (Level 2)	AA+	$ 129,515	-
Federal national mortgage assoc. (Level 2)	AA+	346,216	-
US treasury notes (Level 1)	AAA	208,989	-
US treasury bonds (Level 1)	AAA	89,572	-
		774,293	-
Corporate obligations:			
Corporate bonds (Level 2)	AAA	37,944	-
Corporate bonds (Level 2)	A+	25,940	-
Corporate bonds (Level 2)	A	28,147	-
Corporate bonds (Level 2)	A-	78,545	-
Corporate bonds (Level 2)	BBB+	146,001	-
Corporate bonds (Level 2)	BBB	10,933	-
		327,509	-
Total rated securities		$ 1,101,802	-
Total securities		$ 4,797,374	-

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

	Rating	2018 Fair Value	2017 Fair Value
Corporate Stock (Level 1):	Unrated	$ 5,465,422	5,210,912
Mutual Funds (Level 1)	Unrated	1,706,149	1,681,792
Total unrated securities		$ 7,171,571	6,892,704
Federal agency obligations:			
Federal home loan mortgage corp. (Level 2)	AA+	$ 349,112	446,999
Federal national mortgage assoc. (Level 2)	AA+	439,730	332,435
US treasury notes (Level 1)	AAA	117,962	72,082
US treasury bills (Level 1)	AAA	-	998
US treasury bonds (Level 1)	AAA	164,158	129,063
US treasury inflation bonds (Level 1)	AAA	4,841	65,143
		1,075,803	1,046,720
Corporate obligations:			
Corporate bonds (Level 2)	AAA	65,172	1,988
Corporate bonds (Level 2)	AA+	2,938	2,030
Corporate bonds (Level 2)	AA	2,996	1,013
Corporate bonds (Level 2)	AA -	3,968	48,888
Corporate bonds (Level 2)	A+	50,359	5,202
Corporate bonds (Level 2)	A	49,631	33,143
Corporate bonds (Level 2)	A-	147,068	250,259
Corporate bonds (Level 2)	BBB+	255,147	256,246
Corporate bonds (Level 2)	BBB	9,894	1,029
Corporate bonds (Level 2)	BBB-	958	988
		588,131	600,786
Total rated securities		$ 1,663,934	1,647,506
Total securities		$ 8,835,505	8,540,210

e) 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, 2018 and 2017 and the exposure to interest rate risk is as follows:

		2018 - Investment Maturities		
	Fair Value	Less than 1 year	1 - 5 years	5 years +
CNM - NM LGIP (Level 1)	$ 94,014,763	94,014,763	-	-
CNM - NM SIC (Level 1)	1,275,793	1,275,793	-	-
CNM - NM SIC (Level 2)	543,233	543,233	-	-
Foundation Federal (Level 1)	1,075,803	127,639	83,492	864,672
Foundation Corporate (Level 2)	588,131	3,010	135,967	449,154
Ingenuity Federal (Level 1)	774,293	76,749	173,604	523,940
Ingenuity Corporate (Level 2)	327,509	5,052	52,722	269,735

		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	224,959	372,785

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, 2018, the WAM (R) was 50 days and WAM (F) was 100 days, and at June 30, 2017, the WAM (R) was 58 days and WAM (F) was 106 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, 2018.

f) 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 11.0% of the portfolio on June 30, 2018 and 12.3% of the investment portfolio on June 30, 2017 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

g) *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, 2018 and 2017, 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

Accounts Receivable	2018	2017
Accounts receivable students, (net)	$ 6,148,023	6,123,725
Contract and Grant receivables (net)	2,328,622	3,180,314
Other receivables	379,737	218,059
Mill Levy	3,154,226	2,856,017
	$ 12,010,608	12,378,115
Allowance for doubtful accounts	$ 8,568,477	8,162,925
Mill Levy	$ 1,884,102	2,063,866
Notes Receivable	155,753	153,172
Total noncurrent receivables	$ 2,039,855	2,217,038

4) Capital Assets

Capital assets consist of the following:

Year ended June 30, 2017	Balance June 30, 2017	Additions and transfers	Dispositions and transfers	Balance June 30, 2018
Capital assets (non depreciated):				
Land	$ 27,519,494	-	-	27,519,494
Art	720,301	-	-	720,301
Construction in process	26,788,487	21,423,745	37,409,196	10,803,036
Depreciable capital assets:				
Land improvements	17,100,113	984,712	-	18,084,825
Buildings	290,853,581	36,218,274	349,419	326,722,436
Infrastructure	7,271,391	243,663	-	7,515,054
Furniture, fixtures, and equip	35,117,840	3,098,531	3,675,731	34,540,640
Library materials	2,900,099	63,932	288,293	2,675,738
	408,271,306	62,032,857	41,722,639	428,581,524
Less accumulated depreciation:				
Land improvements	8,077,041	890,455	-	8,967,496
Buildings	90,771,595	11,515,615	316,461	101,970,749
Infrastructure	2,469,622	499,324	-	2,968,946
Furniture, fixtures, and equip	26,202,130	3,036,390	3,500,514	25,738,006
Library materials	1,710,018	266,725	288,293	1,688,450
	129,230,406	16,208,509	4,105,268	141,333,647
Net carrying amount	$ 279,040,900	45,824,348	37,617,371	287,247,877

Year ended June 30, 2017	Balance June 30, 2016	Additions and transfers	Dispositions and transfers	Balance 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
	378,028,457	51,752,340	21,509,491	408,271,306
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
	117,507,380	13,887,457	2,164,430	129,230,406
Net carrying amount	$ 260,521,077	37,864,883	19,345,061	279,040,900

The College capitalized interest expense incurred during the period to the asset being prepared for its intended use on and before fiscal year 2017. In fiscal year 2018, the College early adopted GASB Statement No. 89. Accounting for Interest Cost Incurred before the End of a Construction Period. For the years ended June 30, 2018 and 2017. the College capitalized interest expense of approximately $0 and $273,265 respectively.

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, 2018.

6) Self-Insurance

Effective January 1, 2018, the College began self-insuring its health benefits for employees. Under the plan, all eligible employee are provided access to the provider networks of Blue Cross Blue Shield and Presbyterian Health Plan for health services. Blue Cross Blue Shield of New Mexico and Presbyterian Health Plan provide administrative claim payment services for the College's health plans and Delta Dental for the dental plan. Liabilities are based on an estimate of claims that have been incurred but not reported (IBNR), invoices received but not yet paid, and catastrophic claims not covered by the College's excess claims carriers. At June 30, 2018, the estimated amount of the College's claims and accrued invoices was $845,000, which is included in accrued payroll. The liability for claims incurred but not reported was based on the actuarial analysis performed by Arthur J. Gallagher's Healthcare Analytics Consulting.

Changes in the reported self-insurance liability for health benefits for the college resulted from the following:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
Fiscal Year 2018	$ -	4,927,610	4,082,610	845,000

7) Accrued Compensated Absences

The following is a summary of accrued compensated absences for the College for the years ending June 30, 2018 and 2017:

Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Current Portion
$ 2,349,792	2,700,448	2,657,507	2,392,733	2,392,733

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

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

8) Leases

In fiscal year 2010, the College purchased the 4800 Alameda property; a private company leases a majority of one building, which is recorded at $5.6 million with accumulated depreciation of approximately $1,213,407 at June 30, 2018. 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
2019	774,684
2020	656,828
	$ 1,431,512

9) 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.

As of June 30, 2018 and 2017, the value of the Foundation's endowment portfolio was $8,921,352 and $8,420,439, respectively, and the permanent endowment contributions were $7,385,908 and $6,858,976.

10) 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, 2018, the College has $59,020,737 of outstanding capital commitments to contractors and architects related to the following projects:

Project	Amount
Access Control Project	$ 3,500,684
BYOD Technical Solution	49,029
CNM/APS/NACA Facility	22,895,354
CTS Fire Alarm System Upgrade	151,894
CTS HVAC & Roof Project	1,919,468
Emergency Broadcast & Display	375,588
IT Security Upgrade	10,872
MS Building Renovation Phase II	24,326,965
Network Replacement	590
RB (J) Building Renovation	1,343,922
Server Replacement	52,053
Site & Safety Improvements JMMC	19,524
Site & Safety Improvements RR & WS	2,893,331
Smith Brasher Renovation	225,852
Sub meter and Energy Dashboard	376,746
Visioning the Future CNM Master Plan	482,890
VoIP Telephone System	395,975
	$ 59,020,737

11) Bonds Payable

The following is a summary of bonds payable transactions for the College for the years ended June 30, 2018 and 2017:

Year ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Current portion
Series 2009	$ 7,700,000	-	1,150,000	6,550,000	1,150,000
Series 2011	22,400,000	-	1,200,000	21,200,000	1,210,000
Series 2014A	23,300,000	-	1,450,000	21,850,000	1,450,000
Series 2014B	9,915,000	-	1,700,000	8,215,000	1,760,000
Series 2016	38,525,000	-	6,000,000	32,525,000	8,000,000
Total bond principal	101,840,000	-	11,500,000	90,340,000	13,570,000
Bond premium	6,023,789	-	1,295,747	4,728,042	1,013,421
	$ 107,863,789	-	12,795,747	95,068,042	14,583,421

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
	$ 74,341,820	42,156,936	8,634,967	107,863,789	12,765,614

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 proceeds. As of June 30, 2018, the College had spent all of the 2014A Bonds proceeds. 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, 2018 unamortized deferred loss on refunding was $120,679.

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.

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. 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, 2018, the unspent 2016 Bond proceeds is about $21,386,946. 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 $570,681,000. With outstanding bond payable of $90,340,000 at June 30, 2018, the College is currently 15.8% bonded to capacity.

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

General Obligation Bond Series 2009

Fiscal year ending June 30,	Principal	Interest	Total debt service
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	1,150,000	99,063	1,249,063
2024-2028	2,000,000	78,750	2,078,750
2029-2033	-	-	-
	$ 6,550,000	875,876	7,425,876

General Obligation Bond Series 2011

Fiscal year ending June 30,	Principal	Interest	Total debt service
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	3,600,000	509,950	4,109,950
2024-2028	11,770,000	715,825	12,485,825
2029-2033	-	-	-
	$ 21,200,000	3,899,450	25,099,450

General Obligation Bond Series 2014A

Fiscal year ending June 30,	Principal	Interest	Total debt service
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	1,450,000	515,000	1,965,000
2024-2028	11,450,000	1,565,563	13,015,563
2029-2033	3,150,000	51,188	3,201,188
	$ 21,850,000	4,916,751	26,766,751

General Obligation Bond Series 2014B

Fiscal year ending June 30,	Principal	Interest	Total debt service
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	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
	$ 8,215,000	714,425	8,929,425

General Obligation Bond Series 2016

Fiscal year ending June 30,	Principal	Interest	Total debt service
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	1,865,000	671,275	2,536,275
2024-2028	9,445,000	2,043,875	11,488,875
2029-2033	7,620,000	457,200	8,077,200
	$ 32,525,000	6,943,325	39,468,325

12) 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 separate, 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.

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: member's age and earned service credit add up to sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA, 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements: the member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55; the member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits; the member's age is 67, and has earned 5 or more years of service credit.

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

All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3). Tier 1 membership is comprised of employees who became members prior to July 1, 2010; Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013; Tier 3 membership is comprised of employees who became members on or after July 1, 2013. As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. 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 1.7%.

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 22, 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 13.9% of gross covered salary in fiscal year 2017. In fiscal year 2018, 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, 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, 2018, 2017 and 2016, were $10,021,733, $9,996,630, and $10,445,080 respectively.

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

The total ERB net pension liability was measured as of June 30, 2017 based on an actuarial valuation of the total pension liability performed as of June 30, 2016. At June 30, 2018, the College reported a liability of $280,702,869 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, 2017. The contribution amounts were defined by Section 22-11- 21, NMSA 1978. At June 30, 2017, the College's proportion was 2.52579% percent.

For the year ended June 30, 2018, the College's allocated ERB plan pension expense is $44,658,886.

At the June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to ERB pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 503,889	4,324,492
Difference between actual and projected earnings on investments	-	38,507
Changes in assumptions	81,942,684	-
Difference between employer contributions and Proportionated Share of Contributions	198,424	6,540,154
The College's contributions subsequent to the measurement date (FY2018 contribution)	10,021,733	-
Total June 30, 2018	$ 92,666,730	10,903,153

Deferred outflows of resources of $9,388,169, related to pensions resulting from the College's contributions subsequent to the measurement date June 30, 2017, 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:	
2019	$ 27,186,673
2020	29,100,990
2021	17,765,556
2022	(2,311,374)
2023	-
Thereafter	-

Actuarial assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

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: 7.25%

Single Discount Rate: 5.90%

Retirement Age: Experience based table of age and service rates

Average of Expected Remaining Service Lives:

Fiscal year	2017	2016	2015	2014
Service life in yrs	3.65	3.77	3.92	3.88

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 5.9% was used to measure the total pension liability as of June 30, 2017. This discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

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

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2017. 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 (4.90%) or one percentage point higher (6.90%) than the single discount rate.

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
The College's proportionate share of net pension liability	$ 365,405,329	280,702,869	211,465,499

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, 2017 and 2016, which are publicly available at www.nmerb.org.

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 $18,500 if under age 50, and up to a maximum of $24,500 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 2018 and 2017 was approximately $621,444 and $810,084, respectively.

13) Postemployment Benefits Other Than Pension (OPEB) – State Retiree Health Care Plan

Plan Description

The College contributes to the New Mexico Retiree Health Care Fund (The Fund), a cost-sharing multiple - employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The Fund provides comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico. 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 the period of time made contributions as a participant in plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2017. Additional financial information is available at www.nmrhca.state.nm.us.

Benefits provided

The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits. Contributions to the Fund include co-payments and out-of-pocket payments of eligible retirees.

Employees covered by benefit terms

At June 30, 2017, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	160,035
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	97,349

Contributions

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.

Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund.

The College's contributions to the RHCA for the years ended June 30, 2018 and 2017 were $1,434,615, and $1,475,649 respectively, which equal the required contributions for each year.

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

At June 30, 2018, the College reported a liability of $77,885,864 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the School's proportion was 1.71870%.

For the year ended June 30, 2018, the College recognized OPEB expense of $3,096,492. At June 30, 2018 the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	2,988,846
Changes in assumptions	-	13,617,351
Difference between actual and projected earnings on OPEB investments	-	1,120,442
The College's contributions subsequent to the measurement date (FY2018 contribution)	1,434,615	-
Total June 30, 2018	$ 1,434,615	17,726,639

Deferred outflows of resources $1,434,615 represent the College's fiscal year 2018 contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	$ (3,768,807)
2020	(3,768,807)
2021	(3,768,807)
2022	(3,768,807)
2023	(2,651,411)
Total	$ (17,726,639)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

* Valuation Date - June 30, 2017
* Actuarial cost method - Entry age normal, level percent of pay, calculated on individual employee basis
* Asset valuation method - Market value of assets

Actuarial assumptions:

* Inflation - 2.50 % for ERB and 2.25% for PERA
* Projected payroll increases - 3.50%
* Investment rate of return - 7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
* Health care cost trend rate - 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return

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

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

Assets Class	Long-Term Rete of Return
U.S. core fixed income	4.10%
U.S. equity - large cap	9.10%
Non U.S. - emerging markets	12.20%
Non U.S. - developed equities	9.80%
Private equity	13.80%
Credit and structured finance	7.30%
Real estate	6.90%
Absolute return	6.10%
U.S. equity - small/mid cap	9.10%

Discount Rate

The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the net OPEB liability of the College, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
The College's proportionate share of net OPEB liability	$ 94,473,340	77,885,864	64,870,714

The following presents the net OPEB liability of the School, as well as what the College's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
The College's proportionate share of net OPEB liability	$ 66,247,291	77,885,864	86,961,074

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability

At June 30, 2018, the College reported a payable of $0 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

14) 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 2018, $4,334,387 was contributed. In Fiscal Year 2017, $11,814,000 was contribited. Those were 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.

15) Tax Abatement

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

Year ended June 30, 2018

Government name	Taxes being abated		Gross dollar amount
Bernalillo County, New Mexico	Property tax	$	315,924
City of Albuquerque, New Mexico	Property tax		165,677
City of Rio Rancho, New Mexico	Property tax		85,552
New Mexico Hospital Equipment Loan Council	Property tax		26,210
Sandoval County, New Mexico	Property tax		1,237,712
Total gross dollar amount		$	1,831,075

16) 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.

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.

17) Subsequent Events

Effective July 1, 2018, the College moved to a traditional commercial insurance program which provides broader coverage and includes some retention of risks through self-insurance retention and deductibles. Risk management insurance includes property (including boiler and machinery), crime, fiduciary liability, general liability, professional liability (including medical malpractice), aviation, cyber, fine arts and automobile liability. The College is self-insured for the first $50,000 of each general and professional liability claim.The property insurance has a deductible of $10,000 for each loss event and the auto insurance has a deductible of $3,000 for each vehicle physical damage loss. The College also maintains excess liability coverage of $20,000,000.

In August 2018, Standard & Poor’s reviewed their rating of Central New Mexico Community College general obligation bonds and affirmed "AA+/Stable" rating. In July 2018, Moody’s assigned an "Aa1" rating to the College’s 2018 general obligation bond series. Additional information related to the College’s long term liabilities is presented in note 7 to the basic financial statements.

On August 29, 2018, the College issued $32,395,000 of General Obligation (Limited Tax Bonds) – Series 2018A (2018A Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, as well as 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 on four major capital outlay projects: The Art Facility Renovation project, Max Salazar Building Renovation, the Catering and Brewing Facility Renovation project 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 including site and safety improvements.

On August 29, 2018, the College issued $8,000,00 of General Obligation (Taxable Bonds) – Series 2018B (2018B Bonds). The bonds were issued for erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, as well as 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 build a new facility for the relocation of the bookstore. This will allow for the Catering and Brewing Facility to be housed in the current bookstore location.

CNM has negotiated an amendment to the lease agreement with the same private company currently leasing the College's 4800 Alameda property. The amendment is considered a complete replacement of the current lease agreement and is expected to become effective in November 2018.

Supplemental Information

Central New Mexico Community College

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STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of the College's Proportionate Share of the Net Pension Liability
June 30, 2018

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%	2.53%	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	280,702,869	-	-	-	-	-	-
Employer covered - employee payroll	$ 69,469,770	76,091,079	75,144,460	71,918,201	-	-	-	-	-	-
Employer proportionate share as a percentage of covered payroll	218.75%	227.86%	252.38%	390.31%	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%	52.95%	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 Contribution to Pension Plan (ERB)
June 30, 2018

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

Schedule of Employer Contributions		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required employer contributions	$	10,576,660	10,445,080	9,996,630	10,021,733	-	-	-	-	-	-
Contributions in relation to requirement		10,576,660	10,445,080	9,996,630	10,021,733	-	-	-	-	-	-
Annual contribution deficiency (excess)	$	-	-	-	-	-	-	-	-	-	-
College's covered-employee payroll	$	76,091,079	75,144,460	71,918,201	72,098,799	-	-	-	-	-	-
Contributions as a percentage of covered employee payroll		13.9%	13.9%	13.9%	13.9%	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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2017	$ 71,741,845	5		27,186,673	29,100,990	17,765,556	(2,311,374)	-				
2018	-	5			-	-	-	-	-			
2019	-	5				-	-	-	-	-		
2020	-	5					-	-	-	-	-	
2021	-	5						-	-	-	-	-
2022	-	5							-	-	-	-
2023	-	5								-	-	-
2024	-	5									-	-
2025	-	5										-
2026	-	5										
2027	-	5										
			-	27,186,673	29,100,990	17,765,556	(2,311,374)	-	-	-	-	-

Notes to Required ERB Pension Plan 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)

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of the College's Proportionate Share of the Net OPEB Liability
June 30, 2018

New Mexico Retiree Health Care Authority OPEB Plan
Schedule of Ten Year Tracking Data

	2018 *	2019	2020	2021	2022	2023	2024	2025	2026	2027
Employer's proportion of the net OPEB liability	1.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Employer's proportionate of the net OPEB liability	$ 77,885,864	-	-	-	-	-	-	-	-	-
Employer covered - employee payroll	$ 71,594,981	-	-	-	-	-	-	-	-	-
Employer's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	11.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See Note 12 for additional information pertaining to the OPEB Plan.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of the College's Contribution OPEB Plan (NMRHC)
June 30, 2018

New Mexico Retiree Health Care Authority OPEB Plan
Schedule of Ten Year Tracking Data

Schedule of Employer Contributions	**2018 ***	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Contractually required employer contributions	$ 1,434,615	-	-	-	-	-	-	-	-	-
Contributions in relation to requirement	1,434,615	-	-	-	-	-	-	-	-	-
Annual contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
College's covered-employee payroll	$ 71,307,500	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered employee payroll	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Supplemental Information

CNM
Central New Mexico Community College

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Schedule of Budgetary Comparisons - Budgetary Basis

Schedule 1: Unrestricted and Restricted – All Operations

Year ended June 30, 2018

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Unrestricted and Restricted Beginning				
Net Position	$ 45,362,980	54,075,879	54,075,880	-
Unrestricted and restricted revenues:				
Tuition	19,643,009	21,521,809	22,090,807	568,998
Miscellaneous fees	4,217,861	3,935,424	3,852,929	(82,495)
State government appropriations	52,995,400	52,995,400	52,995,400	-
Local government appropriations	51,658,299	51,658,299	52,683,551	1,025,252
Federal government contracts/grants	33,683,102	29,291,982	24,412,105	(4,879,877)
State government contracts/grants	6,668,906	7,338,646	5,696,928	(1,641,718)
Local government contracts/grants	100,618	65,000	35,168	(29,832)
Private contracts/grants	2,889,366	2,018,355	1,558,254	(460,101)
Endowments	12,500	12,500	10,259	(2,241)
Sales and services	2,123,016	1,602,450	1,829,083	226,633
Other	2,336,700	2,255,636	1,955,628	(300,008)
Capital outlay	31,920,000	32,230,500	19,448,773	(12,781,727)
Building renewal and replacement	3,605,436	3,272,899	3,403,144	130,245
Retirement of indebtedness	15,335,000	18,555,000	18,592,279	37,279
Total unrestricted and restricted revenues	227,189,213	226,753,900	208,564,308	(18,189,592)
Unrestricted and restricted expenditures:				
Instruction	65,212,515	61,348,043	58,714,065	2,633,978
Academic support	16,868,183	16,634,028	15,600,218	1,033,810
Student services	22,713,132	21,130,357	20,172,123	958,234
Institutional support	22,238,579	22,839,920	21,143,799	1,696,121
Operation and maintenance of plant	14,668,020	14,604,600	13,920,522	684,078
Student social and cultural activities	135,157	163,349	122,717	40,632
Public services	861,620	1,053,583	656,761	396,822
Internal services	70,645	76,376	50,831	25,545
Student aid grants and stipends	35,771,291	30,754,001	26,467,376	4,286,625
Auxiliary enterprise	911,482	751,645	543,331	208,314
Capital outlay	29,000,000	32,176,954	20,534,077	11,642,877
Building renewal and replacement	6,500,000	9,000,000	5,212,215	3,787,785
Retirement of indebtedness	15,333,500	15,683,500	14,913,165	770,335
Total unrestricted and restricted expenditures	230,284,124	226,216,356	198,051,200	28,165,156
Transfers to (from):				
Instruction and general	(3,441,350)	(7,287,888)	(7,287,888)	-
Student social and cultural	(10,800)	(10,800)	(10,800)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,431,362	2,277,900	2,277,900	-
Auxiliary enterprise	(1,150,000)	(1,150,000)	(1,150,000)	-
Capital outlay	500,000	4,500,000	4,500,000	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	-	-	-	-
Net transfers	-	-	-	-
Change in net position (budgetary basis)	(3,094,911)	537,544	10,513,108	9,975,564
Ending net position	$ 42,268,069	54,613,423	64,588,988	

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, 2018

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	$ 28,309,274	35,782,343	35,746,237	
Revenues:				
Tuition	-	-		-
Miscellaneous fees	115,000	100,000	104,982	4,982
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants		-	-	-
State government contracts/grants	-	-	-	-
Local government contracts/grants	-	-	-	-
Private contracts/grants	5,000	-	-	-
Endowments	-	-	-	-
Sales and services	1,735,500	1,483,000	1,786,073	303,073
Other	60,000	60,000	58,629	(1,371)
Capital outlay	31,920,000	32,230,500	19,448,773	(12,781,727)
Building renewal and replacement	3,605,436	3,272,899	3,403,144	130,245
Retirement of indebtedness	15,335,000	18,555,000	18,592,279	37,279
Total revenues	52,775,936	55,701,399	43,393,880	(12,307,519)
Expenditures:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student social and cultural activities	131,157	159,349	122,717	36,632
Public services	60,000	60,000	56,413	3,587
Internal services	3,000	3,000	925	2,075
Student aid grants and stipends	2,436,362	2,419,072	2,155,873	263,199
Auxiliary enterprise	907,482	747,645	543,331	204,314
Capital outlay	29,000,000	32,176,954	20,534,077	11,642,877
Building renewal and replacement	6,500,000	9,000,000	5,212,215	3,787,785
Retirement of indebtedness	15,333,500	15,683,500	14,913,165	770,335
Total expenditures	54,371,501	60,249,520	43,538,716	16,710,804
Transfers to (from):				
Instruction and general		-	-	-
Student social and cultural	(10,800)	(10,800)	(10,800)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,431,362	2,277,900	2,277,900	-
Auxiliary enterprise	(1,150,000)	(1,150,000)	(1,150,000)	-
Capital outlay	500,000	4,500,000	4,500,000	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	-	-	-	-
Total transfers	3,441,350	7,287,888	7,287,888	-
Change in net position (budgetary basis)	1,845,785	2,739,767	7,143,052	4,403,285
Net position (budgetary basis)	$ 30,155,059	38,522,110	42,889,289	

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, 2018

		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		28,804,725	23,777,794	20,907,350	(2,870,444)
State government contracts/grants		4,533,607	4,825,101	3,571,148	(1,253,953)
Local government contracts/grants		-	-	-	-
Private contracts/grants		586,346	527,543	473,261	(54,282)
Endowments		-	-	-	-
Sales and services		87,516	79,450	9,998	(69,452)
Other		200,000	200,000	-	(200,000)
Capital outlay		-	-	-	-
Building renewal and replacement		-	-	-	-
Retirement of indebtedness		-	-	-	-
Total revenues		34,212,194	29,409,888	24,961,757	(4,448,131)
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		801,620	993,583	600,348	393,235
Internal services		67,645	73,376	49,906	23,470
Student aid grants and stipends		33,334,929	28,334,929	24,311,503	4,023,426
Auxiliary enterprise		4,000	4,000	-	4,000
Capital outlay		-	-	-	-
Building renewal and replacement		-	-	-	-
Retirement of indebtedness		-	-	-	-
Total expenditures		34,212,194	29,409,888	24,961,757	4,448,131
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		-	-	-	-
Change in net position (budgetary basis)		-	-	-	-
Net position (budgetary basis)	$	-	-	-	

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, 2018

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	$ 17,053,706	18,293,536	18,329,643	
Revenues:				
Tuition	19,643,009	21,521,809	22,090,807	568,998
Miscellaneous fees	4,051,861	3,790,424	3,725,717	(64,707)
State government appropriations	52,995,400	52,995,400	52,995,400	-
Local government appropriations	51,658,299	51,658,299	52,683,551	1,025,252
Federal government contracts/grants	300,000	50,000	50,993	993
State government contracts/grants	15,000	109,500	109,387	(113)
Local government contracts/grants	-	-	-	-
Private contracts/grants	20,000	20,600	20,600	-
Endowments	-	-	-	-
Sales and services	300,000	40,000	33,012	(6,988)
Other	2,076,700	1,989,636	1,896,999	(92,637)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	131,060,269	132,175,668	133,606,466	1,430,798
Expenditures:				
Instruction	59,899,303	56,601,929	55,396,510	1,205,419
Academic support	15,606,888	14,699,082	14,402,674	296,408
Student services	21,103,767	19,393,743	18,902,534	491,209
Institutional support	21,291,220	21,827,981	20,336,101	1,491,880
Operation and maintenance of plant	14,658,437	14,567,268	13,910,703	656,565
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	132,559,615	127,090,003	122,948,522	4,141,481
Transfers to (from):				
Instruction and general	(3,441,350)	(7,287,888)	(7,287,888)	-
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	(3,441,350)	(7,287,888)	(7,287,888)	-
Change in net position (budgetary basis)	(4,940,696)	(2,202,223)	3,370,056	5,572,279
Net position (budgetary basis)	$ 12,113,010	16,091,313	21,699,699	

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, 2018

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	$ -	-	-	
Revenues:				
Tuition				
Miscellaneous fees	51,000	45,000	22,230	(22,770)
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	4,578,377	5,464,188	3,453,762	(2,010,426)
State government contracts/grants	2,120,299	2,404,045	2,016,393	(387,652)
Local government contracts/grants	100,618	65,000	35,168	(29,832)
Private contracts/grants	2,278,020	1,470,212	1,064,393	(405,819)
Endowments	12,500	12,500	10,259	(2,241)
Sales and services	-	-	-	-
Other	-	6,000	-	(6,000)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	9,140,814	9,466,945	6,602,205	(2,864,740)
Expenditures:				
Instruction	5,313,212	4,746,114	3,317,555	1,428,559
Academic support	1,261,295	1,934,946	1,197,544	737,402
Student services	1,609,365	1,736,614	1,269,589	467,025
Institutional support	947,359	1,011,939	807,698	204,241
Operation and maintenance of plant	9,583	37,332	9,819	27,513
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	9,140,814	9,466,945	6,602,205	2,864,740
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	-	-	-	-
Change in net position (budgetary basis)	-	-	-	-
Net position (budgetary basis)	$ -	-	-	

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, 2018

Total unrestricted and restricted revenues:	
Budgetary basis	$ 208,564,308
Reconciling items:	
Scholarship allowance (not in budgetary basis)	(12,044,890)
Bond proceeds recognized (amount not in financial)	(17,979,848)
Other	(809,049)
Total reconciling items	(30,833,787)
Total reconciled unrestricted and unrestricted revenues per Budgetary Basis	$ 177,730,521
Basic Financial Statements	
Operating revenues	29,888,609
Nonoperating revenues	147,841,912
Total unrestricted and restricted revenues per financial statement	$ 177,730,521
Difference	$ -
Total unrestricted and restricted expenditures	
Budgetary basis	198,051,200
Reconciling items:	
Bond principal payments (not in financial statements)	(11,500,000)
Scholarship allowance (not in budgetary basis)	(12,044,890)
Capitalized expenditures (amount not in financial statement)	(24,618,662)
Depreciation expense (not in budgetary basis)	16,208,509
ERB plan expense proportion (not in budgetary basis)	34,635,576
OPEB plan expense proportion (not in budgetary basis)	3,096,491
Other	(2,008,400)
total reconciling items	3,768,624
Total reconciled unrestricted and unrestricted expenditures per Budgetary Basis	$ 201,819,824
Basic Financial Statements	
Operating expenses	194,944,793
Nonoperating expenses	6,875,031
Total unrestricted and restricted expenditures per financial statement	$ 201,819,824
Difference	$ -

See accompanying independent auditor's report

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.

Schedule 6: Schedule of Individual Deposit and Investment Accounts
June 30, 2018

The College:

Name of depository	Account name	Account Type		Bank balance	Reconciling Items	Book balance
Cash on Hand	Petty cash fund	Cash	$	-	8,125	8,125
Wells Fargo Bank	Student federal fund	Checking		398,540	(73,470)	325,070
	Operational account	Checking		1,735,689	138,885	1,874,574
	Stafford / Direct loans	Checking		25,147	(5,402)	19,745
	Perkins Loans	Checking		38,631	1,118	39,749
	Payroll	Checking		-	(41,849)	(41,849)
	Student refund	Checking		-	(13,411)	(13,411)
	Benefit Account	Checking		2,123,721	(504)	2,123,217
Total cash				4,321,728	13,492	4,335,220
State of New Mexico						
Office of the Treasurer	Current fund	Investment		29,709,742	-	29,709,742
	Renewal and replacement	Investment		11,227,356	-	11,227,356
	Retirement of indebtedness	Investment		18,389,789	-	18,389,789
	Plant	Investment		34,687,876	-	34,687,876
	Endowment	Investment		-	-	-
	Total STO investment			94,014,763	-	94,014,763
State of New Mexico						
State Investment Council	Endowment	Investment		1,819,026	-	1,819,026
	Total SIC Investment			1,819,026	-	1,819,026
Total investments				95,833,789	-	95,833,789
Total deposits and investments - College			$	100,155,517	13,492	100,169,009

The Foundation:

Name of depository	Account name	Account Type		Bank balance	Reconciling Items	Book balance
Wells Fargo	Operational account	Checking	$	499,643	(3,792)	495,851
Nusenda	Temp restricted	Checking		20,051	-	20,051
Merrill Lynch	Temp restricted	Money Market		698,279	-	698,279
	Portfolio	Money Market		209,540	-	209,540
	Eloy Reyes	Money Market		12,594	-	12,594
Total cash - Foundation				1,440,107	(3,792)	1,436,315
Merrill Lynch	Endow core portfolio	Federal agency obligations		1,019,921	-	1,019,921
	Endow core portfolio	Corporate obligations		539,524	-	539,524
	Endow core portfolio	Corporate Stock		5,244,359	-	5,244,359
	Endow core portfolio	Mutual funds		1,706,149	-	1,706,149
	Eloy Reyes	Federal agency obligations		55,882	-	55,882
	Eloy Reyes	Corporate obligations		48,607	-	48,607
	Eloy Reyes	Corporate Stock		221,063	-	221,063
Total investments				8,835,505	-	8,835,505
Total deposits and investments - Foundation			$	10,275,612	(3,792)	10,271,820

Ingenuity:

Name of depository	Account name	Account Type		Bank balance	Reconciling Items	Book balance
Wells Fargo	Operational account	Checking	$	418,230	(59,669)	358,561
Wells Fargo		Money Market		1,425,921	-	1,425,921
Merrill Lynch	Temp restricted	Money Market		8,128,762	-	8,128,762
Petty Cash				-	200	200
Total cash - Ingenuity			$	9,972,913	(59,469)	9,913,444
Merrill Lynch	Temp Restricted	Federal agency obligations		774,293	-	774,293
	Temp Restricted	Corporate obligations		327,509	-	327,509
	Temp Restricted	Corporate Stock		2,842,463	-	2,842,463
	Temp Restricted	Mutual Funds		853,109	-	853,109
Total investments				4,797,374	-	4,797,374
Total deposits and investments - Ingenuity			$	14,770,287	(59,469)	14,710,818

See accompanying independent auditor's report.

Statistical Section

Central New Mexico Community College

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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

Net Position by Component (Dollars in Thousands)

Last ten fiscal years

	For the Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	215,430	213,703	205,823	203,120	193,562	186,638	180,330	156,860	149,419	108,747
Restricted, Non-expendable	1,805	1,805	1,805	1,580	1,580	1,580	1,580	1,580	1,580	1,450
Restricted, Expendable	16,945	13,246	6,467	5,775	6,057	7,542	6,972	8,413	3,701	7,324
Unrestricted (2)	(243,892)	(121,860)	(112,372)	(113,104)	43,324	57,041	59,625	65,942	69,468	82,819
Total Net Position (1)	**(9,712)**	**106,894**	**101,723**	**97,371**	**244,523**	**252,801**	**248,507**	**232,795**	**224,168**	**200,340**
Expressed as a percent of total	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	(2,218.2)	199.9	192.5	208.6	79.2	73.8	72.6	67.4	66.7	54.3
Restricted, Non-expendable	(18.6)	1.7	1.7	1.6	0.6	0.6	0.6	0.7	0.7	0.7
Restricted, Expendable	(174.5)	12.4	6.0	5.9	2.5	3.0	2.8	3.6	1.7	3.7
Unrestricted	2,511.2	(114.0)	(105.1)	(116.2)	17.7	22.6	24.0	28.3	31.0	41.3
Total Net Position	**99.9**	**100.0**	**95.1**	**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	0.8	3.8	1.3	4.9	3.7	3.5	15.0	5.0	37.4	8.7
Restricted, Non-expendable	-	-	14.2	-	-	-	-	-	9.0	81.3
Restricted, Expendable	27.9	104.8	12.0	(4.7)	(19.7)	8.2	(17.1)	127.3	(49.5)	(27.5)
Unrestricted	100.1	8.4	(0.6)	(361.1)	(24.0)	(4.3)	(9.6)	(5.1)	(16.1)	12.1
Total Net Position	**(109.1)**	**5.1**	**4.5**	**(60.2)**	**(3.3)**	**1.7**	**6.7**	**3.8**	**11.9**	**8.4**

(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,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Operating Revenues										
Student Tuition and Fees	28,629	26,642	26,318	24,235	24,730	23,906	24,508	22,194	17,919	14,161
Less: Scholarship Allowances	(12,045)	(11,944)	(12,045)	(12,278)	(12,470)	(9,577)	(9,933)	(8,319)	(6,795)	(3,822)
Federal Grants and Contracts	4,090	4,181	4,652	3,873	3,682	4,399	3,639	5,896	3,963	3,839
State/Private Grants and Contracts	6,504	7,398	7,187	7,408	6,995	7,142	8,324	7,221	6,570	6,556
Sales and Service	926	893	818	3,511	2,977	3,058	2,903	3,273	2,366	1,703
Auxiliary Enterprises	1,785	1,766	2,188	3,150	3,416	3,306	3,384	3,388	2,996	2,795
Total Operating Revenues	**29,889**	**28,935**	**29,118**	**29,899**	**29,330**	**32,234**	**32,825**	**33,653**	**27,019**	**25,232**
Expenses										
Operating Expenses										
Education and General										
Instruction	77,173	61,641	62,021	64,016	62,317	59,736	57,520	59,497	56,497	55,365
Public Service	656	503	559	599	739	1,299	964	1,092	1,359	1,959
Academic Support	18,927	15,113	15,221	16,753	15,299	11,832	11,195	11,090	9,360	10,001
Student Services	25,412	21,700	22,171	22,576	21,065	17,942	17,670	16,975	14,453	13,844
Institutional Support	25,466	20,967	21,305	20,933	19,563	17,326	15,403	16,143	15,919	16,118
Operations and Maintenance of Plant	16,010	15,226	14,995	16,430	15,403	13,650	14,275	14,768	11,797	10,875
Depreciation Expense	16,209	13,887	13,142	12,510	11,935	10,633	8,628	8,604	6,078	6,048
Student Aid	14,422	17,135	19,480	23,541	27,846	32,711	34,882	35,567	29,034	19,692
Auxiliary Enterprises	547	812	764	2,050	2,294	2,484	2,409	2,200	1,929	1,787
Other Operating Expenses	123	151	123	134	96	98	81	118	91	81
Total Operating Expenses	194,945	167,135	169,782	179,542	176,557	167,711	163,027	166,054	146,517	135,770
Operating Income (Loss)	(165,056)	(138,200)	(140,664)	(149,643)	(147,227)	(135,477)	(130,202)	(132,401)	(119,498)	(110,538)

Fiscal Year Ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Non-operating Expenses										
Non-operating Expenses										
State Appropriations	52,995	53,276	56,801	55,644	51,972	47,750	43,086	47,851	47,104	53,769
Local Appropriations	71,314	68,892	59,737	58,587	57,763	57,572	55,080	54,396	54,279	51,619
Federal Student Aid	20,271	21,988	24,308	27,990	32,815	35,037	37,494	37,243	30,535	18,363
Investment Income (Loss)	1,125	466	110	123	81	114	203	287	171	834
Interest on Capital Asset-related Debt	(2,382)	(2,049)	(1,765)	(2,031)	(1,909)	(1,723)	(1,657)	(1,386)	(990)	(994)
Gain (Loss) on Disposal of Capital Assets	(159)	(109)	33	(85)	(3)	(119)	(70)	(29)	18	(65)
Other Non-Operating Revenues/Expenses	(3,288)	(10,721)	1,341	1,136	(2,954)	1,009	935	1,376	1,008	1,429
Total Non-operating Revenues/Expenses	**139,876**	**131,743**	**140,565**	**141,364**	**137,765**	**139,640**	**135,071**	**139,738**	**132,125**	**124,955**
Income (Loss) before Other Revenue (Expenses)	(25,180)	(6,457)	(99)	(8,279)	(9,462)	4,163	4,869	7,337	12,627	14,417
Capital Appropriations	1,085	11,608	4,209	6,813	978	130	10,818	1,293	11,064	346
Capital Contributions	5	20	242	-	208	-	22	-	137	708
Additions to permanent endowments	-	-	225	-	-	-	-	-	-	-
Increase/(Decrease) in Fund Net Position	**(24,090)**	**5,171**	**4,352**	**(1,466)**	**(8,276)**	**4,293**	**15,709**	**8,630**	**23,828**	**15,471**
Total Revenues	173,238	174,355	175,899	180,192	173,147	173,846	180,463	176,099	171,317	152,300
Total Expenses	197,328	169,184	171,547	181,658	181,423	169,553	164,754	167,469	147,489	136,829
Increase (Decrease) in Fund Net Position	**(24,090)**	**5,171**	**4,352**	**(1,467)**	**(8,276)**	**4,293**	**15,709**	**8,630**	**23,828**	**15,471**

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

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
2018-19	564.00	660.00	3,516.00	45.00	9.00
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

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

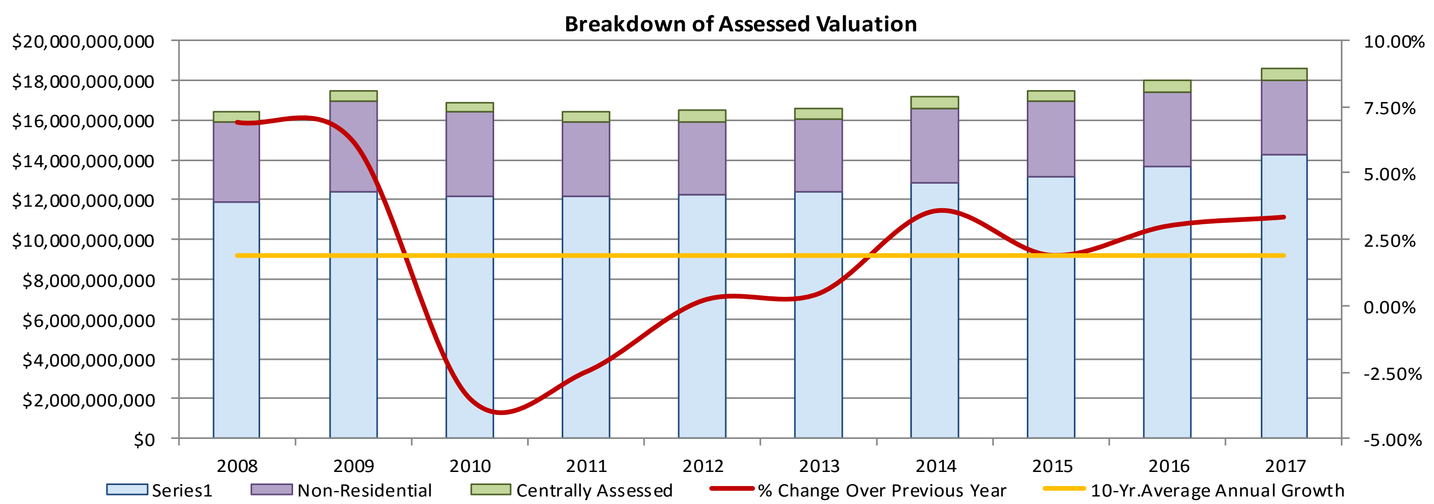
Assessed Value and Estimated Actual Value of Taxable Property

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
2017	14,260,434,424	76.62%	4.30%	3,751,899,594	20.16%	-0.11%	599,297,360	3.22%	3.55%	18,611,631,378	3.35%
2016	13,672,673,810	73.46%	3.76%	3,756,124,705	20.18%	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%

5 Year Average Annual Growth 2.47%
10 Year Average Annual Growth 1.97%

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

	2017 Assessed Valuation			2008 Assessed Valuation		
Rank	**Taxpayer**	**2017 Taxable Assessed Valuation**	**% of Total Taxable Assessed**	**Taxpayer**	**2008 Taxable Assessed Valuation**	**% of Total Taxable Assessed Valuation**
1	Public Service Co. of New Mexico	$ 217,903,576	1.17%	Public Service Co. of New Mexico (Electric)	$ 135,500,358	0.82%
2	QWest Communications	46,753,248	0.25%	QWest Communications	113,181,139	0.69%
3	Gas Company of New Mexico	43,323,650	0.23%	Public Service Co. of New Mexico (Gas)	33,571,116	0.20%
4	Comcast of NM Inc.	29,511,523	0.16%	Southwest Airlines	20,191,079	0.12%
5	Southwest Airlines	19,073,598	0.10%	GCC Rio Grande Inc	20,117,495	0.12%
6	Verizon Wireless	20,869,351	0.11%	Comcast of NM Inc.	18,340,589	0.11%
7	Vtr Lovelace MC & Rehab LLC	19,649,878	0.11%	Simon Property Group, Ltd (Cottonwood Mall)	16,041,762	0.11%
8	Simon Property Group, Ltd (Cottonwood Mall)	15,960,737	0.09%	Heitman Properties of NM	15,686,365	0.10%
9	GCC Rio Grande Inc	15,738,715	0.08%	Verizon Wireless	14,280,430	0.09%
10	AT&T Mobilility	14,554,372	0.08%	Hub Albuquerque LLC	14,261,640	0.09%
	Top Ten Centrally and Locally Assessed Values	**443,338,648**	**2.38%**	**Top Ten Centrally and Locally Assessed Values**	**401,171,973**	**2.44%**
	Total Assessed Valuation	**$ 18,611,631,378**	**100.00%**	**Total Assessed Valuation**	**$ 16,451,924,643**	**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

Tax Year	Fiscal Year	Bernalillo County: Net Taxes Charged to Treasurer	Current Tax Collections (1)	Current Collections as a % of Net Levied	CNM: Operational	Debt Service
2017	17/18	685,422,485	663,957,789	96.87%	45,350,331	15,893,376
2016	16/17	663,107,919	642,661,947	96.92%	43,939,404	15,274,847
2015	15/16	641,680,120	621,125,053	96.80%	43,474,474	8,331,221
2014	14/15	626,867,177	606,258,064	96.71%	42,266,534	8,097,122
2013	13/14	614,299,642	593,530,750	96.62%	41,585,722	7,937,680
2012	12/13	601,844,884	580,736,950	96.49%	40,733,810	7,869,380
2011	11/12	592,768,182	570,354,626	96.22%	39,170,090	7,774,978
2010	10/11	585,432,230	559,806,155	95.62%	38,059,535	7,700,043
2009	09/10	594,170,426	561,435,327	94.49%	37,437,999	7,813,930
2008	08/09	565,045,755	541,204,499	95.78%	35,433,395	7,516,273

Source: Bernalillo County Treasurer's Office

Tax Year	Fiscal Year	Sandoval County: Net Taxes Charged to Treasurer	Current Tax Collections	Current Collections as a % of Net Levied	CNM: Operational	Debt Service
2017	17/18	114,531,876	110,892,832	96.82%	7,333,220	2,577,992
2016	16/17	124,318,657	120,420,512	96.86%	7,048,543	2,537,560
2015	15/16	119,015,424	115,023,384	96.65%	7,037,701	1,350,582
2014	14/15	115,903,449	111,651,378	96.33%	6,991,254	1,342,799
2013	13/14	115,729,254	110,756,348	95.70%	7,016,859	1,341,529
2012	12/13	114,396,660	109,098,898	95.37%	6,968,990	1,349,030
2011	11/12	111,937,913	107,182,149	95.75%	7,009,023	1,394,375
2010	10/11	115,121,965	107,439,020	93.33%	7,064,288	1,439,120
2009	09/10	112,053,132	104,094,225	92.90%	6,917,293	1,454,187
2008	08/09	87,888,881	80,674,413	91.79%	6,153,733	1,386,533

Source: Sandoval County Treasurer's Office
(1) As of June 30 of each year

District Tax Rates
Last ten tax years

	Operational		Debt Service	Total Tax Rate	
Tax Year	Residential	Non-Residential	Debt Service	Residential	Non-Residential
2018	2.799	3.00	1.000	3.799	4.000
2017	2.789	3.00	1.000	3.789	4.000
2016	2.776	3.00	1.000	3.776	4.000
2015	2.831	3.00	0.550	3.381	3.550
2014	2.827	3.00	0.550	3.377	3.550
2013	2.842	3.00	0.550	3.392	3.550
2012	2.794	3.00	0.550	3.344	3.550
2011	2.687	3.00	0.550	3.237	3.550
2010	2.608	3.00	0.550	3.158	3.550
2009	2.496	3.00	0.550	3.046	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	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
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	6.996	7.090	7.245	7.254	7.320	7.208	6.866	6.665	6.340	6.184
City of Albuquerque	6.241	6.339	6.493	6.494	6.544	6.544	6.544	6.389	6.072	3.971
AMAFCA	0.171	0.173	0.177	0.177	0.179	0.176	0.170	0.165	0.165	0.165
Albuquerque MSD # 12	0.266	0.270	0.275	0.276	0.278	0.274	0.264	0.256	0.244	0.238
Total	**$13.674**	**$13.872**	**14.190**	**14.201**	**14.321**	**14.202**	**13.844**	**13.475**	**12.821**	**10.558**
Over 20 Mill Limit - Interest, Principal, Judgement, etc.										
State of New Mexico	$1.360	$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250
Bernalillo County	1.467	1.265	1.476	1.277	1.259	0.910	1.010	1.051	0.994	0.995
City of Albuquerque	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	6.976
AMAFCA	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675
Albuquerque MSD #12	10.186	10.217	10.256	10.255	10.187	10.189	10.188	10.191	10.190	10.115
UNM Hospital	6.400	6.198	6.334	6.342	6.400	6.400	6.400	6.400	6.400	6.401
CNM Community College (Operating)	**2.789**	**2.776**	**2.831**	**2.827**	**2.842**	**2.794**	**2.687**	**2.608**	**2.496**	
CNM Community College (Debt Service)	**1.000**	**1.000**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**
Total	**$28.853**	**$28.467**	**28.458**	**28.262**	**28.249**	**27.854**	**27.848**	**27.981**	**27.431**	**26.962**
TOTAL LEVY										
City of Albuquerque	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
State of New Mexico	$1.360	$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250
Bernalillo County	8.463	8.561	8.721	8.531	8.579	8.118	7.876	7.716	7.334	7.179
City of Albuquerque	11.217	11.315	11.469	11.470	11.520	11.520	11.520	11.365	11.048	10.947
AMAFCA	0.846	0.848	0.852	0.852	0.854	0.851	0.845	0.840	0.840	0.840
Albuquerque MSD #12	10.452	10.487	10.531	10.531	10.465	10.463	10.452	10.447	10.434	10.353
UNM Hospital	6.400	6.198	6.334	6.342	6.400	6.400	6.400	6.400	6.400	6.401
CNM Community College	**3.789**	**3.776**	**3.381**	**3.377**	**3.392**	**3.344**	**3.237**	**3.158**	**3.046**	**0.550**
Total Residential in Albuquerque	**$42.527**	**$42.545**	**42.648**	**42.463**	**42.570**	**42.056**	**41.692**	**41.456**	**40.252**	**37.520**
Total Non-Residential in Albuquerque	**$46.788**	**$46.788**	**46.336**	**46.132**	**45.995**	**45.648**	**45.651**	**45.862**	**46.264**	**45.613**

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	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
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	6.383	6.354	6.339	6.240	6.137	5.964	5.621	6.665	6.340	6.184
SSCAFCA	0.828	0.828	0.828	0.828	0.828	0.828	0.844	6.389	6.072	3.971
City of Rio Rancho	7.492	7.650	7.426	7.307	7.181	6.990	6.518			
Rio Rancho Schools	0.264	0.458	0.262	0.258	0.254	0.247	0.230	0.256	0.244	0.238
Total	**$14.967**	**15.290**	**14.855**	**14.633**	**14.400**	**14.029**	**13.213**	**13.310**	**12.656**	**10.393**
Over 20 Mill Limit - Interest, Principal, Judgement, etc.										
State of New Mexico	$1.360	$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250
Sandoval County	0.984	1.047	0.852	0.539	1.030	1.031	1.038	1.051	0.994	0.995
SSCAFCA	1.242	1.249	1.249	1.248	1.248	1.247	1.023	4.976	4.976	6.976
City of Rio Rancho	2.051	2.016	1.848	1.881	1.789	1.617	1.645	0.675	0.675	0.675
Rio Rancho Schools	10.540	10.540	10.540	10.524	10.537	10.538	10.542			
UNM Hospital	0.000	4.250	4.250	4.250	4.250	4.250	4.250	6.400	6.400	6.401
CNM Community College (Operating)	**2.789**	**2.381**	**2.831**	**2.827**	**2.842**	**2.794**	**2.687**	**2.608**	**2.496**	
CNM Community College (Debt Service)	**1.000**	**1.000**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**
Total	**$19.966**	**23.843**	**23.480**	**23.179**	**23.606**	**23.387**	**23.097**	**17.790**	**17.241**	**16.847**
TOTAL LEVY										
City of Rio Rancho	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
State of New Mexico	$1.360	$1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250
Sandoval County	7.367	7.401	7.191	6.779	7.167	6.995	6.659	7.716	7.334	7.179
SSCAFCA	2.070	2.077	2.077	2.076	2.076	2.075	1.867	11.365	11.048	10.947
City of Rio Rancho	9.543	9.666	9.274	9.188	8.970	8.607	8.163	0.675	0.675	0.675
Rio Rancho Schools	10.804	10.998	10.802	10.782	10.791	10.785	10.772	0.256	0.244	0.238
UNM Hospital	0.000	4.250	4.250	4.250	4.250	4.250	4.250	6.400	6.400	6.401
CNM Community College	**3.789**	**3.381**	**3.381**	**3.377**	**3.392**	**3.344**	**3.237**	**3.158**	**3.046**	**0.550**
Total Residential in Rio Rancho	**$34.933**	**$39.133**	**38.335**	**37.812**	**38.006**	**37.416**	**36.310**	**31.100**	**29.897**	**27.240**
Total Non-Residential in Rio Rancho	**$41.671**	**$41.671**	**40.354**	**39.256**	**41.003**	**37.840**	**35.633**	**45.862**	**46.264**	**45.613**

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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Valuation (1) (3)	19,022,705	18,611,631	18,007,524	17,480,043	17,180,042	16,557,892	16,479,961	16,446,238	18,864,259	17,471,847
Ratio of Limitation	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Constitutional Debt Limitation	570,681	558,349	540,226	524,401	515,401	496,737	494,399	493,387	565,928	524,155
Outstanding Bond Debt (2)	90,340	101,840	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825
Available Bond Debt Capacity	480,341	456,509	469,446	446,591	430,466	436,352	427,464	451,312	521,103	500,330
% Bonded to Capacity	15.8%	18.2%	13.1%	14.8%	16.5%	12.2%	13.5%	8.5%	7.9%	4.5%

(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) 2018 Assessed Valuation is Preliminary

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

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bonds Payable	90,340	101,840	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825
Unamortized Premium	4,728	6,024	3,562	4,330	5,111	1,828	1,963	419	451	32
Unamortized Discount	-	-	-	-	-	-	-	-	-	-
Net Long-term Bonds	95,068	107,864	74,342	82,140	90,046	62,213	68,898	42,494	45,276	23,857
District Population (4)	925,433	909,906	908,252	906,209	905,213	901,932	902,794	899,149	892,014	846,390
Bond Debt per Capita	103	119	82	91	99	69	76	47	51	28

(4) 2018 population is preliminary.

Albuquerque MSA
Demographics and Economic Data
Last ten fiscal years

		Population	Personal Income (Thousands)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2008	1	833,506	20,636,011	25,319	35.7	230,309	4.6%
2009	2	846,390	20,468,675	25,058	35.4	228,362	7.8%
2010	3	892,014	21,442,976	25,415	36.9	238,004	8.0%
2011	4	899,149	22,168,840	25,902	36.7	242,816	7.5%
2012	5	902,794	22,480,514	26,068	36.5	245,447	7.1%
2013	6	901,932	22,545,252	26,068	36.7	247,359	6.8%
2014	7	905,213	22,697,191	26,144	36.9	248,427	6.6%
2015	8	906,209	22,589,699	26,347	37.5	237,162	6.2%
2016	9	908,252	24,614	27,324	38	234,520	6.2%
2017	10	909,906	25,055	27,536	37.9	243,733	5.7%

All data obtained though the US Census American Community Survey.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Principal Employers in the Albuquerque Area (Top Ten)

Current and last ten fiscal years

2017			2008		
Employer	Business	# of Employees	Employer	Business	# of Employees
Albuquerque Public Schools	Education	14,810	Kirtland AFB (Civilian)	Defense	26,960
Sandia National Labs	Research Development	10,652	Albuquerque Public Schools	Education	14,000
Kirtland AFB (1)	Defense	10,125	University of New Mexico	Education	15,435
Presbyterian	Healthcare	7,310	Sandia National Labs	Research Development	8,730
City of Albuquerque	Government	6,940	City of Albuquerque	Government	6,500
UNM Hospital	Healthcare	6,021	Presbyterian	Healthcare	7,315
State of New Mexico	Government	4,950	State of New Mexico	Government	5,605
University of New Mexico	Education	4,210	Lovelace	Healthcare	3,400
Lovelace Health Systems	Healthcare	4,000	Kirtland AFB (Military)	Air Force Material Command	4,860
Bernalillo County	Government	2,648	UNM Hospital	Healthcare	4,595

(1) For 2016 and after, Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees

Source: Albuquerque Economic Development, 2017 and 2008

Labor Force
Last ten fiscal years

	Albuquerque MSA		State of New Mexico		United States
Year[1]	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
2018 [2]	432,506	5.00%	934,178	5.80%	4.40%
2017	425,588	5.70%	929,567	6.20%	4.40%
2016	422,320	6.20%	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%

(1) Numbers are annual averages.
(2) Data for 2018 are preliminary.
Source: U.S. Bureau of Labor Statistics, April 2018.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Faculty										
Full time	328	332	358	357	335	350	329	338	327	331
Part-time	653	654	726	758	779	747	717	907	771	666
Total	981	986	1084	1115	1114	1097	1046	1245	1098	997
Percent										
Full time	33%	34%	33%	32%	30%	32%	31%	27%	30%	33%
Part-time	67%	66%	67%	68%	70%	68%	69%	73%	70%	67%
Staff and Administration										
Full-time	816	819	912	886	868	824	795	781	738	794
Part-time	100	98	117	125	149	118	109	115	110	109
Total	**916**	917	1029	1011	1017	942	904	896	848	903
Percent										
Full time	89%	89%	89%	88%	85%	87%	88%	87%	87%	88%
Part-time	11%	11%	11%	12%	15%	13%	12%	13%	13%	12%

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

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Capital Assets, Number of Facilities
Last ten fiscal years

Fiscal Year Ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academic / Support Facilities										
Main Campus	19	19	19	19	19	19	19	19	18	18
Montoya Campus	7	7	7	7	7	7	7	7	7	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	3	2	2	2	2
Advanced Technology Center	2	2	2	2	2	2	2	2	2	—
Rio Rancho Campus	1	1	1	1	1	1	1	1	—	—
Total	36	36	36	36	36	36	35	35	33	30

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

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

Gender	2017	%	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
Male	10571	43%	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%
Female	13871	57%	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%
Total	24,442	100%	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%
Ethnicity																				
Asian	541	2%	506	2%	501	2%	565	2%	511	2%	504	2%	517	2%	589	2%	624	2%	599	2%
Black, non-Hispanic	654	3%	618	2%	681	3%	797	3%	980	3%	961	3%	1,037	4%	1,114	4%	959	3%	841	3%
Hispanic	12,509	51%	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%
Native American	1,589	7%	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%
Native Hawaiian	55	0%	56	0%	53	0%	71	0%	88	0%	86	0%	102	0%	90	0%		0%		0%
Non-Resident Alien	11	0%	15	0%	18	0%	976	4%	877	3%	834	3%	610	2%	585	2%	418	1%	313	1%
Other	1,592	7%	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%
Two or More Races	567	2%	570	2%	574	2%	611	2%	614	2%	641	2%	637	2%	530	2%		0%		0%
White, non-Hispanic	6,924	28%	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%
Total	24,442	100%	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%
Age																				
18 and Under	5,772	24%	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%
19-25	9,611	39%	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%
26-30	3,160	13%	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%
31-40	3,323	14%	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%
41-50	1,512	6%	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%
Over 50	1,064	4%	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%
Unknown	-	0%	1	0%	1	0%	2	0%	4	0%	2	0%	5	0%	12	0%	10	0%	9	0%
Total	24,442	100%	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%

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

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

	2017		2016		2015		2014		2013		2012		2011		2010		2009		2008	
Student Classification	2017	%	2016	%	2015		2014		2013	%	2012	%	2011	%	2010	%	2009	%	2008	%
Dual Credit	3,729	15%	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%
Freshman	9,458	39%	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%
Sophomore	10,388	43%	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%
Undergrad non-degree	867	4%	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%
Total	24,442	100%	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%
Semester Hour Load																				
Less that 3	574	2%	564	2%	522	2%	481	2%	579	2%	618	2%	879	3%	986	3%	950	3%	961	4%
3-5 semester hours	8,075	33%	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%
6-8 semester hours	5,529	23%	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%
9-11 semester hours	3,580	15%	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%
12-14 semester hours	5,255	21%	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%
15-17semester hours	1,276	5%	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%
18 and over semester hours	153	1%	161	1%	189	1%	173	1%	154	1%	145	1%	165	1%	189	1%	195	1%	209	1%
Total	24,442	100%	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%
Tuition Status																				
Resident tuition: in-district	20,484	84%	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%
Resident tuition: out-of-district	2,974	12%	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%
Non-resident tuition	984	4%	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%
Total	24,442	100%	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%

Student information based on fall enrollment of the fiscal year.

Single Audit and Other Information

Central New Mexico Community College

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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, NM State Auditor
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Central New Mexico Community College (the College), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and the related budgetary comparisons of the University, presented as supplemental information, and have issued our report thereon dated October 25, 2018.

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

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weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses as 2018-001.

Compliance and Other Matters

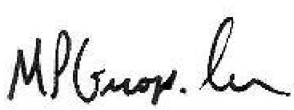
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

College's Response to Findings

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

Purpose of this Report

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



October 25, 2018

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, NM State Auditor
Albuquerque, New Mexico

Report on Compliance for Each Major Federal Program

We have audited 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, 2018. 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 terms and conditions of its 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.

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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, 2018.

Report on Internal Control over Compliance

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

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

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

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

MPGroup. Inc

October 25, 2018

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
For the Period July 1, 2017 through June 30, 2018

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 2017-2018	84.007	P007A172635	$ 455,236
Federal Supplemental Educational Opportunity Grant 2016-2017	84.007	P007A162635	23,405
Federal Supplemental Educational Opportunity Grant 2015-2016	84.007	P007A152635	1,493
Federal Work Study 2017-2018	84.033	P033A172635	436,786
Federal Pell Grant 2017-2018	84.063	P063P172545	20,270,992
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			21,187,912
TRIO Cluster			
TRIO Student Support Services Grant-Main	84.042	P042A151030	261,188
TRIO Student Support Services Grant-JMMC	84.042	P042A151031	226,331
TOTAL TRIO CLUSTER			487,519
TOTAL U.S. DEPARTMENT OF EDUCATION (DIRECT)			21,675,431
Passed Through from New Mexico Department of Education			
Perkins-Career and Technical Education FY 2016-17	84.048A	V048A160031-16A	(1,497)
Perkins-Career and Technical Education FY 2015-2016 Redistribution	84.048A	V048A150031-15B	81,112
Perkins-Career and Technical Education FY 2017-18	84.048A	V048A170031	1,089,081
Perkins-Career and Technical Education FY 2016-2017 Redistribution	84.048A	V048A160031-16A	34,192
Adult Education	84.002	V002A170032	351,145
TOTAL U.S. DEPARTMENT OF EDUCATION (PASS-THROUGH)			1,554,033
TOTAL U.S.DEPARTMENT OF EDUCATION			23,229,464
U.S. DEPARTMENT OF LABOR			
Direct:			
American Apprenticeship Initiative	17.268	AP-27942-15-60-A-35	446,864
TOTAL U.S. DEPARTMENT OF LABOR (DIRECT)			446,864
Passed Through from Santa Fe Community College			
Trade Adj. Asst. Community College & Career Training-SUN PATH	17.282	TC-26486-14	361,196
Passed Through from New Mexico Department of Workforce Solutions			
Apprenticeship USA	17.285	17-631-3001-000045	111,535
TOTAL U.S. DEPARTMENT OF LABOR (PASS-THROUGH)			472,731
TOTAL U.S. DEPARTMENT OF LABOR			919,595
NATIONAL SCIENCE FOUNDATION			
Passed through from New Mexico State University			
New Mexico Alliance for Minority Participation	47.076	HRD-1305011	434
Passed through from University of New Mexico			
NM Green: Advancing Sustainable Construction Technology Education	47.076	1601121	77,385
Passed Through from Idaho State University			
CDS&E: Regularization Adaption Processes for Multivariate Calibration and	47.049	15-98A-RCHM29	26,259
TOTAL NATIONAL SCIENCE FOUNDATION			104,078

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards
For the Period July 1, 2017 through June 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Direct			
AmeriCorps	94.013	44-0103-0-1-506	55,350
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			55,350
NATIONAL INSTITUTE OF HEALTH			
Passed Through from University of New Mexico Health Sciences Center			
Academic Science Education and Research Training	93.859	5K12GM088021-08	3,037
Passed Through from University of New Mexico Health Sciences Center			
Academic Science Education and Research Training	93.859	5K12GM088021-09	9,281
TOTAL NATIONAL INSTITUTE OF HEALTH			12,318
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through from N.M. Energy, Minerals and Natural Resources Departmen	10.664	14-521-0410000000-0102	11,120
TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,120
SMALL BUSINESS ADMINISTRATION			
Passed Through from New Mexico Small Business Development Center			
Small Business Development Center-CNM	59.037	N/A	18,612
SBA Growth Accelerator Fund Competition (Direct)	59.067	N/A	10,573
TOTAL SMALL BUSINESS ADMINISTRATION			29,185
TOTAL FEDERAL AWARDS			**$ 24,361,110**
Reconciling items:			
Federal Direct loans advanced to students			6,563,683
Perkins loans outstanding			224,325
Perkins loans advanced to students			11,420
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 31,160,538**

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, 2018 totaled $227,481.

Note C:

During the fiscal year ended June 30, 2018, there were no federal funds available in the form of non-cash assistance.

Note D:

The Schedule of Expenditures of Federal Awards includes negative expenditures. These amounts represent funds returned for program years outside of the current program year.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section A - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major federal programs: Material weakness reported?	No
Type of Auditor's Report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No

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

CFDA Numbers	Name of Federal Program or Cluster
84.063, 84.033, 84.007 84.268, 84379	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section B – Financial Statement Findings

None Noted

Section C – Federal Award Findings and Questioned Costs

None Noted

Section D – Findings - Component Units

2018-001 Restatement (Material Weakness)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

2018-001 – Restatement (Material Weakness)

Criteria
Governmental accounting standards require that revenue be recognized in the period when all eligibility requirements have been met and the resources are available.

Condition
During fiscal years 2016 and 2017, the Foundation improperly recognized of $535,227 of revenue in the financial statements stemming from voluntary nonexchange transactions where all eligibility requirements had not been met. The Foundation's 2017 financial statements had to be restated to reflect the improperly recorded pledges receivable and related income, as well as the effect on net position at the beginning of the 2017 fiscal year.

Effect
Total assets, revenues and financial position were overstated on the financial statements for the year ended June 30, 2017. The restricted pledges and the related income have been removed from the 2017 statements of net position and revenues, expenses and changes in net position.

Cause
The Foundation improperly recorded pledges receivable that contained donor restrictions.

Recommendation
Review all new promises to give agreements to determine if there are circumstances or requirements preventing the potential gift from being recorded in the year it is pledged.

Response

The controllers for the Foundation and the College identified and resolved this issue in Fiscal Year 2018. During an internal review of accounting standards, staff identified that the pledges were recorded under a Financial Accounting Standards Board (FASB) Standard, which establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations rather than a Governmental Accounting Standards Board (GASB) standard. Under GASB Statement No. 33 Accounting and Financial Reporting for Non-exchange Transactions, Restricted and Endowment pledges are considered a non-exchange transaction and are not recorded as revenue or related asset until cash is received.

The CNM Foundation meets the Component Unit requirements under the Audit and Accounting Guide: State and Local Governments, published by the American Institute of Certified Public Accountants. As a not-for-profit component unit of Central New Mexico Community College, the financials are reported using the government financial reporting format.

CNM and CNM Foundation will continue to review all new pledge agreements to determine any restrictions that would prevent the potential gift from being reported in the year it is pledged.

Status of Prior Year Audit Findings

Status of Prior Year Audit Findings	Current Status
2017-001 Lack of Internal Control Over Enrollment Reporting	Resolved
2017-002 Non-Compliance – Enrollment Reporting	Resolved

Exit Conference

An exit conference was held in a closed session on October 25, 2018, 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
Virginia M. Trujillo	Governing Board Member
Michael J. Glennon	Governing Board Member

Representing Central New Mexico Community College

Dr. Katharine Winograd	President
Tracy Hartzler	Vice President Finance & Operations
Dr. Eugene Padilla	Vice President Student Services
Erin Bradshaw	Governing Board Executive Assistant
Allen Leatherwood	Director of Internal Audit
Mark Lovato	Senior Internal Auditor
Lisa Archuleta	Senior Internal Auditor
Wanda Helms	Comptroller
Wencui Yang	Senior Accounting Advisor/Audit Coordinator
Ann Lyn Hall	Executive Director Student Support
Christiana Ricci	Associate Director Disibility Resource Center

Representing MP Group Inc.

Scott Peck	Partner

Representing New Mexico State Auditor's Office

Lynette Kennard	Financial Audit Director
Shannon Sanders	Audit Manager