

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



CNM >

**Comprehensive Annual
Financial Report**

**For Fiscal Year Ended
June 30, 2016 and 2015**



Central New Mexico Community College
Albuquerque, New Mexico
2016 Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2016
(With Independent Auditor's Report Thereon)



Prepared by:
CNM Business Office



Central New Mexico Community College
Comprehensive Annual Financial Report

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Section I – Introductory Section (Unaudited)

Letter of Transmittal

November 10, 2016

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

We are pleased to submit the following comprehensive annual financial report (CAFR) for Central New Mexico Community College for the fiscal year ended June 30, 2016. The CAFR has been prepared in compliance with all applicable financial reporting standards.

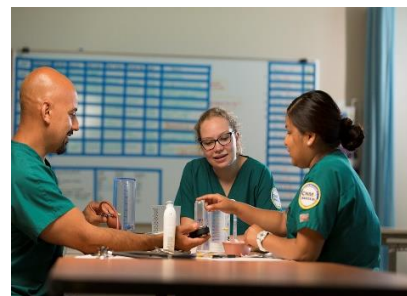
State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In addition 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) Circular A-133. The auditor's report related specifically to the single audit is included in the Single Audit Section.

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

Axiom CPAs and Business Advisors, LLC, have issued an unmodified ("clean") opinion on the Central New Mexico Community College's financial statements for the year ended June 30, 2016. The Independent Auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the Independent Auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the College

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



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

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

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

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

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

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



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

- The School of Applied Technologies offers programs in fields ranging from the traditional trades to Film Technician to Rapid Prototyping.

- The School of Business & Information Technology offers programs such as Accounting, Business, Computer Science, Culinary Arts and Office Technology.
- The School of Communication, Humanities & Social Sciences offers a variety of Liberal Arts programs, such as Anthropology, English, History, Psychology, Pre-Law and Teacher Education.
- The School of Health, Wellness & Public Safety offers programs such as Dental Assisting, Electronic Health Informatics, EMS, Fire Science, Nursing and Radiologic Technology.
- The School of Math, Science & Engineering offers programs such as Biotechnology, Chemistry, Engineering, Mathematics and Physics.
- The School of Adult & General Education offers both non-credit and college-credit classes that help students get ready for college-level studies, which includes remedial classes, GED-preparation classes and English as a Second Language classes.



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

Mission, Vision and Values

Mission

Be a leader in education and training.

Vision

Changing Lives, Building Community

Core Values

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

Local Economy

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

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

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

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

Budget and Financial Planning

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

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

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

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

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

Additionally, CNM has strategically sought diversified revenue streams and reduced administrative costs. Due to college-wide cost reduction efforts, CNM's Fiscal Year 2016 current fund balance increased by \$6.9 million or 37.7%.

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

Awards and Recognitions

In 2013, CNM won the national Student Success Award from the American Association of Community Colleges, which represents more than 1,100 community colleges nationwide. CNM earned the prestigious award for its innovative student support model and impressive increases in the number of students graduating.

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

CNM ranks No. 6 in the country among all community colleges for overall associate degrees awarded (No. 10 when universities are included). CNM awarded 4,974 associate degrees in 2014-15, which constituted one of the largest percentage increases from the previous year in the country (a 56 percent increase from the 3,179 associate degrees CNM awarded in 2013-14). CNM also ranked No. 3 among all community colleges for the number of two-year certificates awarded and No. 4 among all community colleges (No. 9 when universities are included) for total associate degrees awarded to minorities. There are more than 1,100 community colleges nationwide. And there are more than 300 four-year institutions that grant associate degrees.

CNM set an all-time record for number of students graduating in the 2014-15 academic year (6,232). From 2004-05 to 2014-15, the number of students graduating from CNM increased 230.6 percent.

In 2013, the Association of Community College Trustees named CNM President Dr. Katharine Winograd as its Western Region CEO of the Year.



In Closing

The Government Finance Officers Association of the U.S. and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. To receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe

that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for CNM's inaugural award certificate.

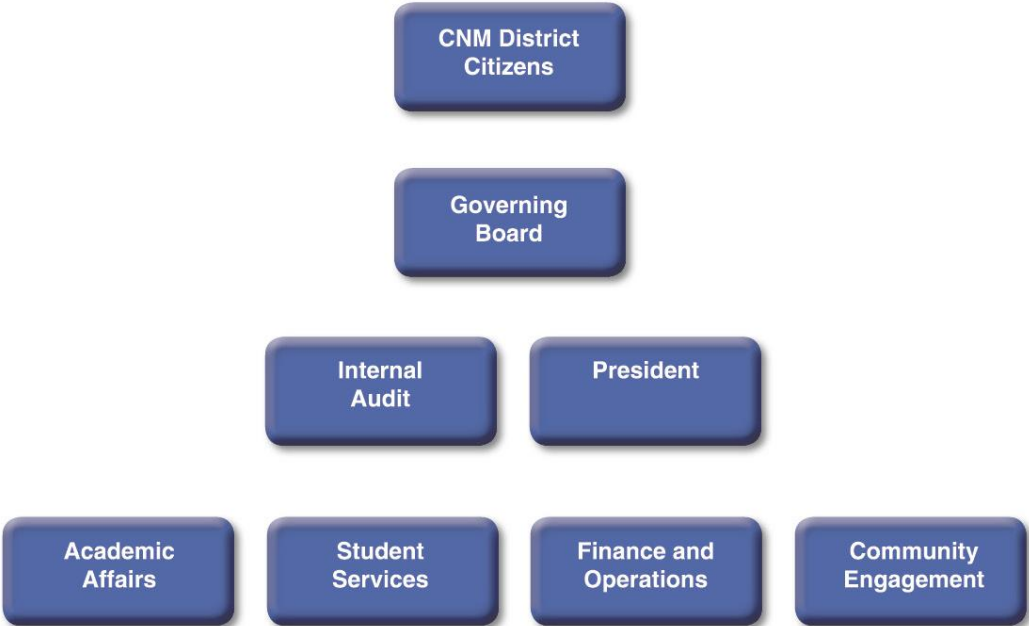
The timely preparation of this CAFR would not have been possible without the dedicated efforts of the Business Office, Office of Planning and Institutional Research, Marketing and Communications Office and other CNM administrators, faculty and staff. We also thank the members of the CNM Governing Board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

Respectfully,



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

CNM Organizational Chart



List of Elected and Administrative Officials

ELECTED OFFICIALS

Member	Position	District	Term Expires
Michael D. DeWitte	Chair	District 7	2017
Pauline J. Garcia	Vice Chair	District 1	2017
Robert P. Mattuecci	Secretary	District 2	2019
Melissa Armijo	Member	District 4	2017
Nancy Baca	Member	District 5	2017
Thomas E. Swisstack	Member	District 3	2017
Virginia Trujillo	Member	District 6	2019

ADMINISTRATIVE OFFICIALS

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

Vision, Mission, Values, Goals and Strategies

Vision

Be a Leader in Education and Training

Mission

Changing Lives, Building Community

Values

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

Goals

Student Success. Community Success. Organizational Excellence and Innovation.

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

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Central New Mexico Community College
and
Mr. Tim Keller, New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the State of New Mexico Central New Mexico Community College (the "College"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We have also audited the budget comparisons presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying financial statements as of and for the years ended June 30, 2016 and 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the College, as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the budgetary comparisons for the years ended June 30, 2016 and 2015 in conformity with the budgetary basis of accounting prescribed by the New Mexico Administrative Code, as more fully described in the budgetary schedules, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the College's Proportionate Share of the Net Pension Liability, and Schedule of the College's Contributions on pages 13-24, 60 and 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

The Schedule of Vendor Information required by 2.2.2.10(A)(2)(g) NMAC has 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 November 10, 2016 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 10, 2016

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

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

The discussion and analysis of the College's financial statements provides an overview of its financial activities for the years ended June 30, 2016 and 2015. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis.

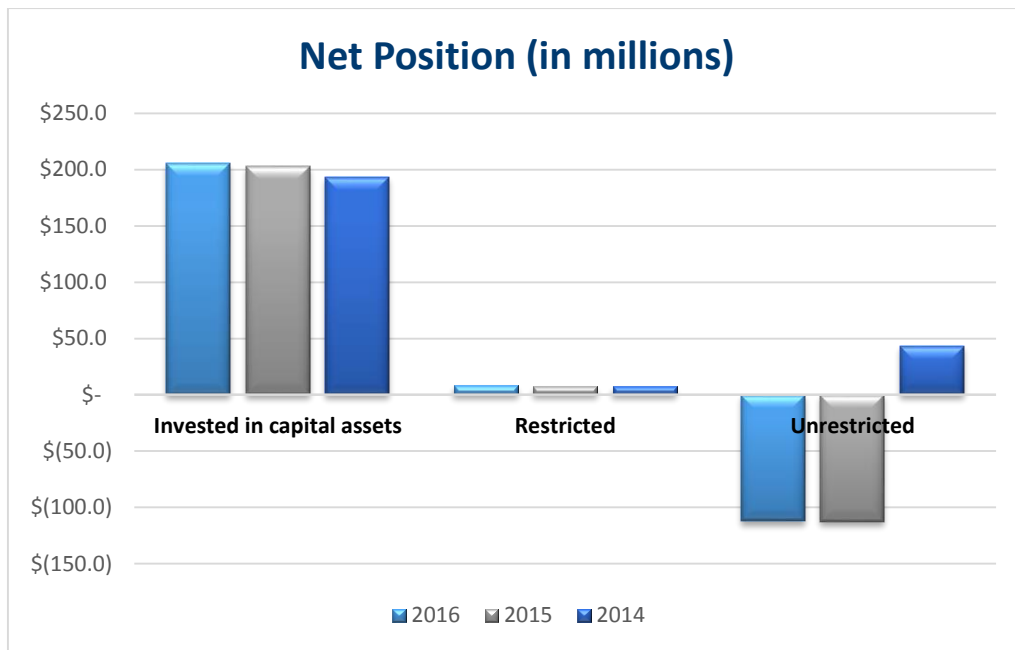
Financial Highlights

General Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, effective for fiscal years starting after 6/15/14, 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.

Net position increased \$4.3 million (4.5%) during 2016, resulting from the combination of an increase in restricted net position of approximately \$0.7 million, an increase in invested in capital assets of \$2.7 million, and an increase in restricted net position of \$0.9 million. Pension related deferred outflows of resources increased \$3.4 million (17.4%), net pension liability increased \$21.4 million (14.1%), and pension related deferred inflows of resources decreased \$12.1 million (-75.1%) from 2015. Without recognition of GASB 68, the college's net position in 2016 is \$256.4 million, an increase of \$10.3 million (4.2%) from 2015 of \$246.1 million, and an increase of \$11.9 million (4.9%) from 2014 of \$244.5 million.

Net position decreased nearly \$147.2 million (-60.2%) during 2015, resulting from \$159.3 million of net pension liability and related deferred outflows and inflows due to GASB 68 implementation effective fiscal year 2015. The related impact to unrestricted net position is a decrease from 2014 of \$43.3 million to 2015 of -\$113.1 million. Without recognition of GASB 68, the college's net position increased \$1.5 million (0.6%). This change resulted from the combination of a decrease in unrestricted net position of approximately \$7.7 million, an increase in invested in capital assets of \$9.5 million, and a decrease in restricted net position of \$0.3 million.

The following graph illustrates the comparative change in net position by category fiscal years 2016, 2015, and 2014.



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

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

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.

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

The following table summarizes the College's assets, liabilities, and net position as of June 30:

Net Position, End of Year (in Thousands)

	2016	2015	2014
Assets:			
Current assets	\$ 92,064	99,189	108,107
Capital assets, net	260,521	251,058	239,777
Other noncurrent assets	3,981	4,187	4,275
Total assets	<u>356,566</u>	<u>354,434</u>	<u>352,159</u>
Deferred outflows of resources:			
Bond refunding	195	232	269
Pension related	22,723	19,356	-
Total deferred outflows	<u>22,918</u>	<u>19,588</u>	<u>269</u>
Liabilities:			
Current liabilities	34,213	34,267	25,765
Noncurrent liabilities			
Bonds payable	66,172	74,342	82,140
Net pension liability	173,381	151,964	-
Total Liabilities	<u>273,766</u>	<u>260,573</u>	<u>107,905</u>
Net position:			
Net investment in capital assets	205,823	203,119	193,562
Restricted	8,272	7,355	7,637
Unrestricted	(112,372)	(113,104)	43,324
Total net position \$	<u><u>101,723</u></u>	<u><u>97,370</u></u>	<u><u>244,523</u></u>

Total assets increased \$4.4 million (1.3%) over a two-year period driven by \$16.0 million decrease in current assets and \$20.7 million increase in capital assets. The current assets decrease resulted from a decrease in investments due to spending of 2014 bond proceeds on capital projects. The increase to capital assets was primarily due to the completion of the L Building renovation, Main Campus Technology Loop project, and Main Campus Site & Safety Improvement project.

During 2016, total liabilities increased by \$13.2 million (5.1%), primarily due to an increase in net pension liability of \$21.4 million (14.1%) and a decrease in bonds payable of \$8.2 million (11.0%). During 2015, total liabilities increased by \$152.7 million (141.5%), primarily due to an increase in net pension liability of \$152.0 million.

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

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

Revenues, Expenses, and Changes in Net Position (in Thousands)

	2016	2015	2014
Operating revenues	\$ 29,118	29,899	29,330
Operating expenses	(169,782)	(179,543)	(176,557)
Operating gain/(loss)	<u>(140,664)</u>	<u>(149,644)</u>	<u>(147,227)</u>
Nonoperating revenues and expenses	<u>140,565</u>	<u>141,364</u>	<u>137,764</u>
Income before other revenues, expenses, gains, or losses	(99)	(8,280)	(9,463)
Capital grants and appropriations	4,451	6,813	1,186
Increase/(decrease) in net positions	<u>\$ 4,352</u>	<u>(1,467)</u>	<u>(8,277)</u>

Operating Revenues

In 2016, operating revenues of \$29.1 million decreased \$0.8 million (-2.6%) when compared to 2015 and decreased by \$0.2 million (-0.7%) when compared to 2014. 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)

	2016	2015	2014
Tuition and fees, net	\$ 14,273	11957	12260
Federal grants and contracts	4,652	3873	3682
State and local grants and contracts	7,187	7408	6995
Sales and services of educational departments	818	3511	2977
Auxiliary enterprises	2,188	3150	3416
Total operating revenues	<u>\$ 29,118</u>	<u>29,899</u>	<u>29,330</u>

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

Operating Expenses

Operating expenses decreased \$9.8 million (-5.4%) in FY2016 as compared to the prior year. Experiencing a mid-year reduction in state appropriations in FY2016 and further reductions projected for FY2017, the College reduced expenditures in instruction by \$2.0 million (-3.1%), academic support by \$1.5 million (-9.1%), and operation and maintenance of plant by \$1.4 million (-8.7%). These savings resulted from eliminating more than 100 positions and holding others vacant, scrutinizing equipment and technology replacement schedules in the context of major campus renovations, and improved academic scheduling. Student aid decreased \$4.1 million (-17.3%) mostly due to lower student enrollment. Overall, expenses were reduced even as the College recognized an expense of \$16.4 million for the New Mexico Educational Retirement Board (ERB) pension plan proportionate expense netted by the Fiscal Year 2016 ERB employer contribution of \$10.5 million as deferred outflow of resources.

Over a two-year period, expenses for student service increased \$1.1 million (5.3%), for institutional support increased \$1.7 million (8.9%), for depreciation increased \$1.2 million (10.1%) million (20.4%), and for student aid decreased \$8.4 million (-30.0%). From 2014 through 2016, operating expenses decreased \$6.8 million overall, a 3.8% decrease.

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

Operating Expenses (in Thousands)

	2016	2015	2014
Instruction	\$ 62,021	64,016	62,317
Public service	559	599	739
Academic support	15,221	16,753	15,299
Student services	22,171	22,576	21,065
Institutional support	21,305	20,933	19,563
Operation and maintenance of plant	14,995	16,430	15,403
Depreciation	13,142	12,551	11,935
Student aid	19,480	23,541	27,846
Auxiliary enterprises	764	2,050	2,294
Other	123	134	96
Total operating expenses	\$ 169,781	179,583	176,557

Non-operating Revenues and Expenses

Non-operating revenues and expenses decreased by \$0.8 million (-0.6%) in 2016 when compared to the prior year. Primarily, this decrease is attributed to the net of Pell grant decreasing and state, local appropriation revenue increasing in 2016. Over a two-year period, state appropriations have increased by \$4.8 million (9.3%). Over the same period, Pell grant revenue has decreased \$8.5 million (-25.9%), due to the decline of student enrollment and a Pell program eligibility cap effected in 2013.

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

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)

	2016	2015	2014
State appropriations	\$ 56,801	55,644	51,972
Local appropriations - operating	50,137	49,166	48,508
Local appropriations - debt service	9,599	9,451	9,254
Federal Pell grant	24,308	27,990	32,815
Investment income	110	123	81
Interest on capital asset related debt	(1,765)	(2,031)	(1,909)
Other	1,375	1,051	(2,957)
Total non-operating revenues and expenses \$	140,565	141,394	137,764

Capital Grants and Appropriations

Capital appropriations decreased \$2.6 million in 2016, primarily due to the funding of large capital projects in 2015, primarily for the L building and SV Phase IV renovations. There were no other significant or unexpected changes in capital grants and appropriations.

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

Capital Grants and Appropriations (in Thousands)

	2016	2015	2014
Capital appropriations	\$ 4,209	6,813	978
Capital grants and gifts	17	-	208
Additions to permanent endowments	225	-	-
Total other revenues, expenses, gains, or losses	4,451	6,813	1,186

Capital Asset and Debt Administration

Capital Assets

At June 30, 2016, the College had approximately \$260.5 million invested in capital assets, net of accumulated depreciation of \$117.5 million. Depreciation expense for the current year totaled \$13.1 million compared to \$12.5 million in 2015 and \$11.9 million in 2014.

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

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

Capital Assets, Net (in Thousands)

	2016	2015	2014
Land and land improvements	\$ 37,370	34,297	33,675
Buildings	190,130	184,546	185,432
Infrastructure	5,146	2,426	2,471
Furniture, fixtures, and equipment	10,232	11,766	13,096
Library materials	1,186	1,227	1,319
Art	511	511	519
Construction in progress	15,946	16,285	3,265
Capital assets, end of year	<u>260,521</u>	<u>251,058</u>	<u>239,777</u>

Major capital expenditures during fiscal year 2016 include:

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

Major capital expenditures during fiscal year 2015 include:

L Building Remodel	\$10,619,415	Site & Safety Improvements Main	\$1,190,720
A Building Courtyard	838,060	Access Control	946,742
Eight Building Fire Alarm	779,092	A Building Renovation	475,931
WS Stone Replacement	3,107,270	Ken Chappy Renovation	1,097,714
WTC Technology	754,956	Smith Brasher Renovation	437,398

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

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

Bonds Payable

As of June 30, 2016, the College has \$70.8 million in outstanding bonds, a decrease of \$7.0 million when compared to 2015 and a decrease of \$14.2 million when compared to 2014. In 2016, the decrease results from scheduled debt service payments for outstanding bonds.

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

Bonds Payable (in Thousands)

	2016	2015	2014
Series 2006	\$ -	-	1,875
Series 2009	8,850	10,000	11,100
Series 2011	23,400	24,400	25,400
Series 2014A	26,900	30,050	33,200
Series 2014B	11,630	13,360	13,360
	<hr/>	<hr/>	<hr/>
Total bond principal	70,780	77,810	84,935
Bond premium	3,562	4,330	5,111
	<hr/>	<hr/>	<hr/>
Total debt outstanding \$	<u>74,342</u>	<u>82,140</u>	<u>90,046</u>

In February 2014, Standard & Poor’s reviewed their rating of Central New Mexico Community College general obligation bonds and affirmed the “AA+Stable” rating. Moody’s assigned an Aa1 rating to CNM’s 2014 A and B general obligation bond series. Additional information related to the College’s long term liabilities is presented in note 7 to the basic financial statements.

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

Revenues (Budgetary Basis)

The schedule of budgetary comparisons – budgetary basis reports the College’s actual versus budgeted revenues, expenditures and 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).

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

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	\$ 23,392	20,267	19,579	(688)
Miscellaneous fees	4,256	3,501	3,763	262
State government appropriations	57,143	56,801	56,801	-
Local government appropriations	50,426	50,426	50,512	86
Federal government contracts/grants	39,877	30,699	29,023	(1,676)
State government contracts/grants	6,409	6,340	6,272	(68)
Local government contracts/grants	10	2	8	6
Private contracts/grants	2,280	2,561	1,859	(702)
Endowments	15	3	12	9
Sales and services	5,314	3,486	2,312	(1,174)
Other	3,139	2,796	1,577	(1,219)
Capital outlay	29,420	22,340	17,987	(4,353)
Building renewal and replacement	3,235	2,775	2,756	(19)
Retirement of indebtedness	9,550	9,510	9,693	183
Total revenues	<u>\$ 234,466</u>	<u>211,507</u>	<u>202,154</u>	<u>(9,353)</u>

The final revenue budget compared to the original budget decreased by \$23.0 million (-9.8%). The most significant decreases were \$9.2 million (-23.0%) in Federal government contracts/grants and \$7.1 million (-24.1%) in Capital outlay. The Tuition revenue budget decreased by \$3.1 million (-13.4%).

Actual revenues were \$9.4 million (-4.4%) less than the final budget. The largest variance was in Capital outlay revenue, a difference of \$4.4 million (-19.5%), due to timing of spending on capital project construction. Federal government grants and contracts revenue was \$1.7 million (-5.5%) less than budget due to decreased Pell grant awards. Actual Sales and services revenue was \$1.2 million less than the final budget, a -33.7% variance. Other revenues were \$1.2 million, (-43.6%) less than the final budget.

Expenditures (Budgetary Basis)

The final budget decreased expenditures by approximately \$22.2 million (-9.5%) versus the original budget. The budget for Capital outlay decreased by \$5.2 million (-18.4%), and the budget for Building renewal and replacement decreased by 2.5 million (-38.5%) to accommodate for major multi-year capital projects need. The budget for Operation and maintenance of plant decreased by \$1.5 million (-9.7%), and the Academic support budget decreased by \$1.2 million (-7.3%). The Student aid grants and stipends final budget was decreased \$9.1 million (-21.4%) as compared to the original budget.

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

The schedule below 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	\$ 63,489	63,699	59,158	4,541
Academic support	16,920	15,683	14,513	1,170
Student services	23,122	23,187	21,304	1,883
Institutional support	22,479	22,226	20,452	1,774
Operation and maintenance of plant	15,838	14,303	13,567	736
Student social and cultural activities	194	131	123	8
Public services	926	935	560	375
Internal services	98	64	63	1
Student aid grants and stipends	42,540	33,450	31,525	1,925
Auxiliary enterprise	2,570	1,062	761	301
Capital outlay	28,200	23,000	20,993	2,007
Building renewal and replacement	6,500	4,000	2,342	1,658
Retirement of indebtedness	9,854	8,826	9,416	(590)
Total expenditures	<u>\$ 232,730</u>	<u>210,566</u>	<u>194,777</u>	<u>15,789</u>

Actual expenditures were \$15.8 million (-7.5%) less than the final budget. Actual expenditures for Instruction were \$4.5 million (-7.1%) less than budget due to reduction in part-time faculty salary expense related to declining enrollment. Student support expenses were \$1.9 million (-8.1%) less than the final budget, Institutional support was \$1.8 million (-8.0%) under budget, and Student aid was \$1.9 million (-5.8%) under final budget. Capital outlay was under budget by \$2.0 million (-8.7%) and Building renewal and replacement was under budget by 1.7 million (-41.5%) due to the timing of capital projects.

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

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	\$ 34,665	47,391	39,849	(7,542)
Revenues	234,466	211,507	202,154	(9,353)
Expenditures	232,729	210,565	194,777	15,788
Change in net position (budgetary basis)	1,737	942	7,377	\$ 6,435
Net position (budgetary basis)	\$ 36,402	48,333	47,226	

The actual change in net position was a decrease of \$1.1 million as compared to the final budget. The actual net position of \$47.2 million increased \$10.8 million when compared to the Original budgeted net position of \$36.4 million.

Economic Outlook

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

Another significant factor in the College's economic position relates to its ability to recruit and retain students. As compared to final student enrollment of 26,771 in Fall 2014 and 25,760 in Fall 2015, current census date snapshot data for Fall 2016 reports 24,841 students in college credit programs. This represents a decrease of 1,011 students (-3.8%) from Fall 2014 to Fall 2015 and a decrease of 919 students (-3.6%) from Fall 2015 to current student enrollment data in Fall 2016. Similarly, student credit hour production decreased 5.6% from 217,379 in Fall 2014 to 205,258 in Fall 2015 and -4.3% from Fall 2015 to current Fall 2016 data of 196,520 student credit hours. Based on the current performance formula model, enrollment fluctuations may impact future state appropriation revenue.

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

Component Unit Financial Statements

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

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

**Statement of Net Position
June 30, 2016 and 2015**

	Primary Institution		Component Units			
	2016	2015	Foundation		Ingenuity	
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets:						
Cash and cash equivalents	\$ 1,917,044	1,323,534	52,827	43,075	1,170,503	1,465,258
Cash and cash equivalents – restricted	-	-	1,169,766	1,734,260	-	-
Investments - unrestricted	51,214,114	44,194,455	-	-	-	-
Investments - restricted	26,732,433	40,498,081	-	-	-	-
Endowment investments – restricted	29,015	38,908	-	-	-	-
Accounts receivable students, net	5,523,518	5,027,030	-	-	-	-
Grants and contracts receivable	1,895,809	3,907,230	-	-	-	-
Mill levy receivable	2,910,061	2,911,903	-	-	-	-
Pledges receivable	-	-	252,042	229,475	-	-
Other receivable	539,831	230,560	10,653	10,894	186,046	182,193
Inventories	57,054	43,510	-	-	-	-
Other assets	1,244,839	1,014,253	-	-	68,220	82,281
Total current assets	<u>92,063,718</u>	<u>99,189,464</u>	<u>1,485,288</u>	<u>2,017,704</u>	<u>1,424,769</u>	<u>1,729,732</u>
Noncurrent assets:						
Endowment investments – restricted	1,805,000	1,580,000	7,126,270	6,744,709	-	-
Mill levy receivable	1,908,418	2,336,876	-	-	-	-
Pledges receivable	-	-	316,365	228,545	-	-
Notes receivable	144,774	139,228	-	-	-	-
Other assets	122,667	130,667	-	-	-	-
Capital assets, net	260,521,077	251,057,862	-	-	1,799,972	1,544,465
Total noncurrent assets	<u>264,501,937</u>	<u>255,244,633</u>	<u>7,442,635</u>	<u>6,973,254</u>	<u>1,799,972</u>	<u>1,544,465</u>
Total assets	<u>356,565,655</u>	<u>354,434,097</u>	<u>8,927,923</u>	<u>8,990,958</u>	<u>3,224,741</u>	<u>3,274,197</u>
Deferred outflows of resources:						
Bond refunding	194,942	232,074	-	-	-	-
Pension related	22,723,449	19,355,569	-	-	-	-
Total deferred outflow of resources	<u>22,918,391</u>	<u>19,587,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Cash overdraft - unrestricted	-	-	-	-	-	-
Cash overdraft - restricted	531,263	876,347	-	-	-	-
Accounts payable to suppliers	4,273,759	5,664,230	133,212	99,338	288,690	200,247
Accounts payable - loans	111,798	106,697	-	-	-	-
Accrued compensated absences	2,435,191	2,349,800	-	-	-	-
Accrued payroll and payroll taxes	8,709,919	7,928,429	-	-	-	-
Accounts payable – other	156,681	158,778	-	-	-	-
Accrued interest payable	1,004,569	1,080,703	-	-	-	-
Unearned revenue	8,820,616	8,304,338	80,185	428,105	562,346	136,437
Bonds payable – current portion	8,169,551	7,798,156	-	-	-	-
Total current liabilities	<u>34,213,347</u>	<u>34,267,478</u>	<u>213,397</u>	<u>527,443</u>	<u>851,036</u>	<u>336,684</u>
Noncurrent liabilities						
Bonds payable	66,172,269	74,341,820	-	-	-	-
Net pension liability	173,380,873	151,964,150	-	-	-	-
Total noncurrent liabilities	<u>239,553,142</u>	<u>226,305,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>273,766,489</u>	<u>260,573,448</u>	<u>213,397</u>	<u>527,443</u>	<u>851,036</u>	<u>336,684</u>
Deferred inflows of resources:						
Pension related	3,994,752	16,077,976	-	-	-	-
Total deferred inflow of resources	<u>3,994,752</u>	<u>16,077,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position:						
Net investment in capital assets	205,822,809	203,119,536	-	-	1,799,972	-
Restricted:						
Nonexpendable:						
Scholarships	-	-	5,897,945	5,740,031	-	-
Department programs	1,805,000	1,580,000	405,783	207,906	-	-
Expendable:						
Scholarships	-	-	1,673,015	1,555,209	-	-
Department programs	34,915	44,808	686,145	919,452	-	-
Debt service	6,432,479	5,730,031	-	-	-	-
Unrestricted	(112,372,399)	(113,104,059)	51,638	40,917	573,733	2,937,513
Total net position	<u>\$ 101,722,805</u>	<u>97,370,316</u>	<u>8,714,526</u>	<u>8,463,515</u>	<u>2,373,705</u>	<u>2,937,513</u>

See accompanying notes to basic financial statements.

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

Statement of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2016 and 2015

	Primary Institution		Component Units			
	2016	2015	Foundation		Inge nuity	
	2016	2015	2016	2015	2016	2015
Operating revenues:						
Tuition and fees (net of scholarship allowances of \$12,045,042 for 2016 and \$12,278,413 for 2015) \$	14,273,309	11,956,812	-	-	2,040,008	432,530
Federal grants and contracts	4,651,729	3,872,635	-	-	-	-
State and local grants and contracts	7,186,786	7,408,201	467,020	404,784	296,067	111,967
Sales and services of educational departments	817,962	3,511,356	-	-	-	-
Gifts and pledges	-	-	697,017	672,865	10,886	251,000
Auxiliary enterprise	2,187,831	3,149,744	-	-	-	-
Total operating revenues	<u>29,117,617</u>	<u>29,898,748</u>	<u>1,164,037</u>	<u>1,077,649</u>	<u>2,346,961</u>	<u>795,497</u>
Operating expenses:						
Instruction and general:						
Instruction	62,020,989	64,015,612	-	-	-	-
Public service	558,605	598,785	-	-	-	-
Academic support	15,221,398	16,753,114	-	-	-	-
Student services	22,170,751	22,576,294	-	-	-	-
Institutional support	21,305,127	20,933,042	-	-	-	-
Operation and maintenance of plant	14,995,345	16,430,247	-	-	-	-
Depreciation	13,142,017	12,510,477	-	-	113,408	52,434
Student aid	19,479,869	23,540,699	-	-	-	-
Auxiliary enterprises	764,384	2,050,313	-	-	-	-
Other expenses	122,924	134,441	1,436,576	1,309,034	2,798,534	1,646,328
Total operating expenses	<u>169,781,409</u>	<u>179,543,024</u>	<u>1,436,576</u>	<u>1,309,034</u>	<u>2,911,942</u>	<u>1,698,762</u>
Operating loss	<u>(140,663,792)</u>	<u>(149,644,276)</u>	<u>(272,539)</u>	<u>(231,385)</u>	<u>(564,981)</u>	<u>(903,265)</u>
Nonoperating revenues (expenses):						
State appropriations	56,801,075	55,644,425	-	-	-	-
Local appropriations – operating	50,137,402	49,165,886	-	-	-	-
Local appropriations – debt service	9,599,267	9,420,882	-	-	-	-
Federal pell grant	24,307,690	27,989,753	-	-	-	-
Gifts	834,397	672,975	-	-	-	-
Investment income (loss)	110,094	122,881	252,671	170,531	1,173	869
Interest on capital asset related debt	(1,765,052)	(2,031,153)	-	-	-	-
Gain (Loss) on disposition of assets	33,427	(84,536)	-	-	-	-
Other nonoperating revenues	506,991	462,742	-	-	-	-
Other nonoperating expenses	-	-	-	-	-	-
Net nonoperating revenues (expenses)	<u>140,565,291</u>	<u>141,363,855</u>	<u>252,671</u>	<u>170,531</u>	<u>1,173</u>	<u>869</u>
Income (loss) before capital grants and appropriations	<u>(98,501)</u>	<u>(8,280,421)</u>	<u>(19,868)</u>	<u>(60,854)</u>	<u>(563,808)</u>	<u>(902,396)</u>
Capital appropriations	4,209,121	6,812,869	-	-	-	-
Capital grants and gifts	16,869	-	-	-	-	-
Additions to permanent endowments	225,000	-	270,879	501,148	-	-
Total other changes	<u>4,450,990</u>	<u>6,812,869</u>	<u>270,879</u>	<u>501,148</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>4,352,489</u>	<u>(1,467,552)</u>	<u>251,011</u>	<u>440,294</u>	<u>(563,808)</u>	<u>(902,396)</u>
Net position, beginning of year	<u>97,370,316</u>	<u>244,523,099</u>	<u>8,463,515</u>	<u>8,023,221</u>	<u>2,937,513</u>	<u>3,839,909</u>
Beginning net position recognized by GASB 68	-	<u>(145,685,231)</u>	-	-	-	-
Net position, end of year	<u>\$ 101,722,805</u>	<u>97,370,316</u>	<u>8,714,526</u>	<u>8,463,515</u>	<u>2,373,705</u>	<u>2,937,513</u>

See accompanying notes to basic financial statements.

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

Statement of Cash Flows
Years ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Tuition and fees	\$ 14,017,716	13,315,820
Federal grants and contracts	4,455,325	3,715,712
State and local grants and contracts	7,638,253	7,714,194
Payments to suppliers	(18,420,494)	(26,404,490)
Payments for utilities	(4,309,260)	(5,035,878)
Payments to employees	(80,409,704)	(80,717,686)
Payments for benefits	(27,403,835)	(27,681,099)
Payments for scholarships	(19,560,182)	(23,504,937)
Loans issued to students	(20,578)	(38,102)
Collection of loans to students	15,032	25,209
Auxiliary enterprise charges	2,245,611	3,230,186
Sales and services of educational activities	982,320	3,344,991
Net cash used by operating activities	<u>(120,769,797)</u>	<u>(132,036,080)</u>
Cash flows from noncapital financing activities:		
State appropriations	56,801,075	55,644,425
District mill levies—operating	50,490,638	49,200,702
District mill levies—debt service	9,676,330	9,428,844
Federal Pell grant	24,400,882	27,976,080
Education Loan receipts	10,527,376	14,277,796
Education Loan disbursements	(10,490,599)	(14,292,661)
Gifts and contribution for permanent endowment	1,059,397	672,975
Cash overdraft due to bank	(876,347)	(115,752)
Cash provided by bank overdraft	531,263	876,347
Student organization agency transactions	9,138	13,730
Other expenses	-	-
Other receipts	380,714	310,913
Net cash provided by noncapital financing activities	<u>142,509,869</u>	<u>143,993,399</u>
Cash flows from capital financing activities:		
Proceeds from capital debt		
Refunding bonds		
Capital appropriations	5,954,385	5,382,556
Proceeds from sale of capital assets	34,862	46,202
Purchases of capital assets	(24,024,061)	(22,208,256)
Payment to refunded bond escrow agent	-	-
Principal paid on capital debt and leases	(7,030,000)	(7,125,000)
Interest paid on capital debt and leases	(2,780,363)	(2,840,801)
Net cash provided (used) by capital financing activities	<u>(27,845,176)</u>	<u>(26,745,299)</u>
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	87,065,381	122,640,643
Interest on investments	167,733	122,947
Purchase of investments	(80,534,499)	(106,970,301)
Net cash (used) provided by investing activities	<u>6,698,616</u>	<u>15,793,289</u>
Net increase (decrease) in cash and cash equivalents	593,511	1,005,309
Cash and cash equivalents, beginning of year	1,323,534	318,225
Cash and cash equivalents, end of year	<u>\$ 1,917,044</u>	<u>1,323,534</u>

See accompanying notes to basic financial statements.

(continued)

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Statement of Cash Flows (continued)
Years ended June 30, 2016 and 2015

	2016	2015
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (140,663,792)	(149,644,276)
Adjustments to reconcile net operating loss to net cash used		
by operating activities:		
Depreciation expense	13,142,017	12,510,477
ERB Pension plan expense proportion	5,972,380	13,571,225
Changes in assets and liabilities:		
Receivables, net	(622,557)	(3,958,410)
Inventories	(13,545)	(20,654)
Prepaid expenses	(222,586)	(63,031)
FY 15 CNM ERB contribution booked and actual difference	(6,761)	(10,569,899)
Accounts payable and accrued expenses	1,024,298	523,945
Unearned revenue	535,359	5,491,023
Compensated absences	85,391	123,520
Net cash used by operating activities	\$ (120,769,797)	(132,036,080)
Noncash transactions:		
Capital grants and gifts	\$ 16,869	-

See accompanying notes to basic financial statements.

Notes to Basic Financial Statements
June 30, 2016 and 2015

1) Summary of Significant Accounting Policies

a) Reporting Entity

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

b) Component Units

In evaluating how to define the College for financial reporting purposes, the College's management has considered potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. In accordance with Governmental Accounting Standards Board (GASB) guidance, certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. Generally, GASB requires reporting, as a discretely presented component unit, a legally separate organization that raises and holds significant economic resources for the direct benefit of a governmental unit. Based upon the criteria established by GASB, these financial statements present the College and its component units, Central New Mexico Community College Foundation (Foundation) and CNM Ingenuity, Incorporated (Ingenuity).

The following is a discretely presented component unit:

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

An agreement between the Foundation and the College was entered into on December 2, 1991, and most recently amended on April 10, 2012. This agreement formalizes the relationship between the Foundation and the College and establishes the sole purpose for the Foundation as soliciting, managing, and distributing gifts, grants, and donations given for the benefit of the College, or any student or instructor. The Foundation also serves as custodian and manager of any endowments received from private donors. The College provides support services at no cost to the Foundation. The Foundation is discretely presented in a separate column in the financial statements. Complete

financial statements of the Foundation can be obtained from its administrative office at the College at 525 Buena Vista SE, Albuquerque, New Mexico 87106.

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, further classified as a Type I supporting organization under Section 509(a)(3). A Type I supporting organization is operated, supervised, or controlled by one or more publicly supported organizations. 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. The corporation shall be operated, supervised, or controlled by CNM. Ingenuity and CNM entered into a Memorandum of Agreement (“MOA”) dated March 2014 that defines their relationship. The MOA provides that CNM will provide critical resources, financial and administrative, until Ingenuity becomes self-supporting. It also provides that Ingenuity’s activities will be conducted for the benefit of CNM and must be consistent with CNM’s long range plans.

Pursuant to the University Research Park and Economic Development Act Sections 21-28-1 through 21-28-25, New Mexico Statutes annotated, 1978 Compilation, as amended, (the “Research Park Act”), this Corporation is formed for all lawful purposes under the Research Park Act. Complete financial statements for Ingenuity can be obtained from its administrative office at the College at 525 Buena Vista SE, Albuquerque, New Mexico 87106.

c) Financial Statement Presentation

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

d) Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business type activities. The College’s financial statements, including financial information of the Foundation and Ingenuity, have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra agency transactions have been eliminated.

e) Management's Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those 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.

The Foundation and Ingenuity are tax exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Foundation and Ingenuity had no material unrelated business income for the years ended June 30, 2016 and 2015; therefore, no provision for income taxes is included in the financial statements.

g) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the College considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Immediate cash needs are met with resources deposited at the College's bank. Cash resources not used are swept nightly and invested overnight.

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.

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.

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 \$29,015 available for use. The amount is recorded in the statement of net position as restricted-expendable.

h) Investments

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

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

i) Receivables

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

j) Private Gifts, Revenue, and Pledges

The Foundation records pledges receivable as assets and revenue if the pledges are evidenced by unconditional promises to give those items in the future and when all applicable eligibility requirements are met. The Foundation considers an executed charitable gift or endowment agreement or a letter thanking the donor for the pledge as evidence of an unconditional promise. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. In fiscal year 2016, Ingenuity does not have any pledge receivable.

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

k) Inventories

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

l) Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair 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 buildings, 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, are 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, 2016 and 2015 for CNM consists primarily of deferred summer term tuition in the amounts of \$2,299,268 and \$2,779,129 respectively; deferred fall tuition and fees in the amount of \$5,863,555 and \$4,590,144 respectively; and \$657,793 and \$407,146 respectively from grants and contract sponsors that have not yet been earned.

Unearned revenue at June 30, 2016 and 2015 for the CNM Foundation are \$80,185 and \$428,105, respectively.

Unearned revenue at June 30, 2016 and 2015 for Ingenuity are \$562,346 and \$136,437 respectively.

p) Noncurrent Liabilities

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

q) Classification of Net Position

The College's net position is classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in

capital assets, net of related debt. At June 30, 2016 and 2015, approximately \$17,035,515 and \$31,611,759 of bond proceeds remain unexpended, respectively.

Restricted net position – expendable – Restricted expendable net position include 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 \$5,901 in assets allocated by the NM Higher Education Department restricted to use for the Nursing program and \$29,015 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 inviolate and 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 represent resources derived from student tuition and fees, state appropriations, district mill levies, investment income, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Governing Board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

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

r) State Appropriations

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

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year and are available to the College in subsequent years, pursuant to the General Appropriation Act of 2015.

s) District Mill Levies

District mill levies attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied on November 1 and are due in equal semiannual installments on November 10 and April 10 of the next year. Taxes become delinquent 30 days after the due dates unless the original levy date has been formally extended. The mill levy is collected by the respective County treasurers and is remitted to the College. Revenue from the operational mill levy is recorded in the period for which the lien is levied. A separate mill levy for the retirement of debt on the General Obligation 2009 Bond Series, 2011 Bond Series, 2014A Bond Series and 2014B Bond Series (note 7) is collected and remitted to the College. Following the symmetrical recognition concept of GASB Statement 33 and 36, the College recorded an estimated receivable of \$4,818,479

and \$5,248,779 as of June 30, 2016 and 2015, 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.

t) Classification of Revenues

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

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

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

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

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

u) Classification of Expenses

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

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

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

v) Pensions

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

w) Impact of Recently Issued Accounting Principles

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Statement 65 is effective for periods beginning after December 15, 2012, and earlier application is encouraged. The adoption of GASB 65 resulted in the presentation of the deferred loss on bond refunding to be reported as a deferred outflow of resources for the year ended June 30, 2014.

GASB Statement 68 – *Accounting and Financial Reporting for Pensions* — an amendment of GASB Statement 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The College provides substantially all of its employees with pension benefits through the state's multiple-employer cost-sharing defined-benefit retirement plan administered by the New Mexico Educational Retirement Board (ERB). GASB Statement 68 requires cost-sharing employers participating in the ERB program, such as the College, to record their proportionate share, as defined in GASB Statement 68, of ERB's unfunded pension liability. The College has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by ERB. The requirement of GASB Statement 68 to record a portion of ERB's unfunded liability negatively impacted the College's unrestricted net position. GASB Statement 68 is effective for periods beginning after June 15, 2014. Information regarding ERB's current funding status can be found in their financial report.

GASB Statement 69 – *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. GASB Statement 69 is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The College was

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not a party to any combinations or disposals in the current year and therefore the adoption of GASB Statement 69 does not have any impact on the College's financial statements.

x) Reclassifications

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

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, 2016.

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

	2016	2015
Cash on hand	\$ 8,445	11,225
Deposits with financial institutions	1,377,337	435,962
Investments with New Mexico State Treasurer	79,780,561	86,311,444
Total cash and investments	\$ 81,166,343	86,758,631

Foundation

	2016	2015
Deposits with financial institutions	\$ 424,555	557,089
Money market accounts with Merrill Lynch	798,038	1,220,246
Federal agency obligations	850,999	714,656
Corporate obligations	519,282	430,721
Corporate stock	4,309,479	3,827,359
Mutual funds	1,446,510	1,771,973
Total cash and investments	\$ 8,348,863	8,522,044

Ingenuity

	2016	2015
Deposits with financial institutions	\$ 493,398	124,326
Money Market with Wells Fargo	677,105	1,340,932
Total cash and investments	\$ 1,170,503	1,465,258

a) *Custodial Credit Risk*

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

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

At June 30, 2016 and 2015, the College’s deposits had a carrying amount of \$1,377,337 and \$435,962, respectively, and a bank balance of \$1,931,919.55 and \$1,298,194, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2016 and 2015, \$1,630,698 and \$1,049,273, 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, 2016 and 2015.

At June 30, 2016 and 2015, the Foundation’s deposits had a carrying balance of \$424,555 and \$557,089, respectively and a bank balance of \$424,805 and \$576,808, respectively. Amounts above \$265,000 in the checking account are invested in overnight sweep accounts which are collateralized at 102% of the invested balance. Of the remaining bank balance, \$250,000 was covered by federal depository insurance. Therefore, \$40,345 and \$47,669 were uninsured and uncollateralized at June 30, 2016 and 2015.

At June 30, 2016 and 2015, Ingenuity’s deposits had a carrying balance of \$493,398 and \$124,326 respectively and a bank balance of \$494,840 and \$185,731 in a checking account. Of the bank balance, \$250,000 is covered by federal depository (FDIC) insurance. Therefore, \$244,840 is uninsured and uncollateralized at June 30, 2016.

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

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A summary of insured and collateralized accounts at June 30, 2016 and 2015 is as follows:

		2016		
Wells Fargo Bank checking accounts		\$ 1,931,920		
FDIC Insurance		(250,000)		
		\$ 1,681,920		
50% collateral requirement of	\$ 204,474	102,237		
102% sweep collateral requirement of	\$ 1,477,446	1,506,995		
Total collateral requirements		\$ 1,609,232		
Collateral (at fair value):				
	CUSIP	Rate	Maturity	
FNMA-PT	3138ALMK0	2.73%	9/1/2041	123,703
GN-II MA1448	36179NTD0	3.50%	11/1/2043	1,506,995
Total collateral				1,630,698
Over collateral requirement				\$ 21,466

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

b) Investments

The College's investment policy is set forth by the Governing Board pursuant to Resolution 1998 51. The policy 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 Foundation's Finance and Investment Committee revised the investment policy in April 2014. 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 or pools: (1) Temporarily Restricted, (2) Endowments (Restricted), and (3) Eloy Reyes Title V Memorial Endowment for La Comunidad.

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

Endowment Portfolio investments consist of equity securities, certificates of deposit (to the extent of FDIC insurance coverage), 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

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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, 2016, the portfolio consisted of 11.9% of U.S. government obligations.

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

c) Credit Risk

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

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

	Rating	2016 Fair Value	2015 Fair Value
New Mexico LGIP	AAAm	<u>\$ 79,780,561</u>	<u>\$ 86,311,444</u>
Total rated securities		<u><u>\$ 79,780,561</u></u>	<u><u>\$ 86,311,444</u></u>

The College has invested \$79,780,561 at June 30, 2016 and \$86,311,444 at June 30, 2015 in the New Mexico Local Government Investment Pool (LGIP), which is managed by the State Treasurer. These investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer New Mexico LGIP is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

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

	Rating	2016 Fair Value	2015 Fair Value
Federal agency obligations:			
Federal home loan mortgage corp.	AAA	\$ 269,351	299,626
Federal national mortgage assoc.	AAA	272,522	303,469
US treasury notes	AAA	120,292	30,111
US treasury bonds	AAA	130,331	58,613
US treasury inflation notes	AAA	-	-
US treasury inflation bonds	AAA	58,504	22,837
		851,000	714,656
Corporate obligations:			
Corporate bonds	AAA	2,032	1,803
Corporate bonds	AA+	43,279	77,494
Corporate bonds	AA	-	4,012
Corporate bonds	AA -	-	2,030
Corporate bonds	A+	4,351	23,743
Corporate bonds	A	29,885	54,040
Corporate bonds	A-	162,473	154,772
Corporate bonds	BBB+	219,047	110,856
Corporate bonds	BBB	58,216	-
Corporate bonds	BBB-	-	1,972
		519,283	430,722
Total rated securities		\$ 1,370,283	1,145,378

d) Interest Rate Risk

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

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A summary of the investments and respective maturities at June 30, 2016 and 2015 and the exposure to interest rate risk is as follows:

Entity	Investment type	Fair value	2016 - Investment maturities		
			Less than 1 year	1-5 years	5 years +
College	New Mexico LGIP	\$ 79,780,561	79,780,561	-	-
Foundation	Federal agency obligations	851,000	2,006	188,836	660,158
Foundation	Corporate obligations	519,281	-	166,790	352,491

Entity	Investment type	Fair value	2015 - Investment maturities		
			Less than 1 year	1-5 years	5 years +
College	New Mexico LGIP	\$ 86,311,444	86,311,444	-	-
Foundation	Federal agency obligations	714,656	-	163,072	551,584
Foundation	Corporate obligations	430,722	-	104,191	326,531

The State Treasurer manages its exposure for the New Mexico Local Government Investment Pool (LGIP) for declines in fair values by calculation of the weighted average maturity (WAM) of its investment portfolio. At June 30, 2016, the WAM (R) was 44 days and WAM (F) was 77 days, and at June 30, 2015, the WAM (R) was 54.6 days and WAM (F) was 77.7 days.

e) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the College, the Foundation's or Ingenuity's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to the concentrated risk. Investments issued by the U.S. government and investments in mutual funds are excluded from this requirement. The Foundation had 11.9% of the portfolio on June 30, 2016 and 10.6% of the investment portfolio on June 30, 2015 in U.S. government obligations, which exceeds the 5% limitation in any single type of security per the Foundation's investment policy statement (IPS). However, under section J of the IPS, U.S. government obligations are exempt from the 5% limit.

f) Foreign Currency Risk

Foreign currency risk is the potential risk of loss arising from investments denominated in foreign currencies when there are changes in exchange rates. The potential risk of loss arising from changes in exchange rates can be significant. At June 30, 2016 and 2015, the College, the Foundation and Ingenuity held no investments denominated in foreign currencies, and therefore had no foreign currency risk.

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3) Receivables

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

	2016	2015
Accounts Receivables		
Accounts receivable students, net	\$ 5,523,518	5,027,030
Contract and grant receivables, net	1,765,542	3,840,013
Other receivables	318,427	65,073
Mill levy	2,910,061	2,911,903
Due from Ingenuity	221,404	165,487
Due from Foundation	130,267	67,217
	\$ 10,869,219	12,076,723
 Allowance for doubtful accounts	\$ (7,533,567)	(6,899,250)
 Mill levy	1,908,418	2,336,876
Notes receivable	144,774	139,228
Total noncurrent receivables	\$ 2,053,192	2,476,104

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4) Capital Assets

Capital assets consist of the following:

	Year ended June 30, 2016			
	Balance June 30, 2015	Additions and transfers	Dispositions and transfers	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 27,519,494	-	-	27,519,494
Art	511,489	-	177	511,312
Construction in process	16,284,714	20,506,301	20,845,487	15,945,528
Depreciable capital assets:				
Land improvements	13,258,768	3,841,345	-	17,100,113
Buildings	257,882,473	14,156,793	-	272,039,266
Infrastructure	4,182,110	2,985,795	-	7,167,905
Furniture, fixtures, and equipment	33,727,768	1,732,036	722,175	34,737,629
Library materials	3,264,750	229,884	487,424	3,007,210
	<u>356,631,566</u>	<u>43,452,154</u>	<u>22,055,263</u>	<u>378,028,457</u>
Less accumulated depreciation:				
Land improvements	6,480,868	768,958	-	7,249,826
Buildings	73,336,134	8,573,220	-	81,909,354
Infrastructure	1,756,602	264,990	-	2,021,592
Furniture, fixtures, and equipment	21,961,980	3,264,297	720,917	24,505,360
Library materials	2,038,120	270,552	487,424	1,821,248
	<u>105,573,704</u>	<u>13,142,017</u>	<u>1,208,341</u>	<u>117,507,380</u>
Net carrying amount	<u>\$ 251,057,862</u>	<u>30,310,137</u>	<u>20,846,922</u>	<u>260,521,077</u>

	Year ended June 30, 2015			
	Balance June 30, 2015	Additions and transfers	Dispositions and transfers	Balance June 30, 2016
Capital assets not being depreciated:				
Land	27,519,494	-	-	27,519,494
Art	519,311	-	7,822	511,489
Construction in process	3,264,921	20,549,314	7,529,521	16,284,714
Depreciable capital assets:				
Land improvements	11,967,588	1,291,180	-	13,258,768
Buildings	251,032,703	6,849,770	-	257,882,473
Infrastructure	3,927,522	254,588	-	4,182,110
Furniture, fixtures, and equipment	33,602,168	2,306,807	2,181,207	33,727,768
Library materials	3,249,908	199,881	185,039	3,264,750
	<u>335,083,615</u>	<u>31,451,540</u>	<u>9,903,589</u>	<u>356,631,566</u>
Less accumulated depreciation:				
Land improvements	5,811,495	669,373	-	6,480,868
Buildings	65,601,143	7,734,991	-	73,336,134
Infrastructure	1,456,473	300,129	-	1,756,602
Furniture, fixtures, and equipment	20,506,398	3,513,873	2,058,291	21,961,980
Library materials	1,931,049	292,110	185,039	2,038,120
	<u>95,306,558</u>	<u>12,510,476</u>	<u>2,243,330</u>	<u>105,573,704</u>
Net carrying amount	<u>239,777,057</u>	<u>18,941,064</u>	<u>7,660,259</u>	<u>251,057,862</u>

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The College capitalizes interest expense incurred during the period an asset is being prepared for its intended use. For the years ended June 30, 2016 and 2015, the College capitalized interest expense of approximately \$208,153 and \$125,331, 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, 2016.

6) Accrued Compensated Absences

The following is a summary of accrued compensated absences for the College for the years ended June 30, 2016 and 2015:

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

	Year ended June 30, 2015				
	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	Current portion
Accrued compensated absences	\$ 2,226,281	2,602,099	2,478,580	2,349,800	2,349,800

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

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7) Bonds Payable

The following is a summary of bonds payable transactions for the College for the years ended June 30, 2016 and 2015:

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

	Year ended June 30, 2015				
	Balance June 30, 2014	Additions	De ductions	Balance June 30, 2015	Current portion
Series 2006	1,875,000	-	1,875,000	-	-
Series 2009	11,100,000	-	1,100,000	10,000,000	1,150,000
Series 2011	25,400,000	-	1,000,000	24,400,000	1,000,000
Series 2014A	33,200,000	-	3,150,000	30,050,000	3,150,000
Series 2014B	13,360,000	-	-	13,360,000	1,730,000
Total bond principal	84,935,000	-	7,125,000	77,810,000	7,030,000
Bond premium	5,110,874		780,898	4,329,976	768,156
	<u>90,045,874</u>	<u>-</u>	<u>7,905,898</u>	<u>82,139,976</u>	<u>7,798,156</u>

On September 12, 2006, the College issued \$30,000,000 of General Obligation (Limited Tax Bonds) – Series 2006 (2006 Bonds). The bonds were issued for erecting and 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 four major capital outlay projects: an instructional facility on the northwest side of the district; a Main Campus Classroom and Technology Building; the Montoya Campus Bookstore and drainage improvements; and Southwest Mesa Land acquisition and Infrastructure development. The Bonds were also used to fund various renewal and replacement projects. The 2006 Bonds bear interest at 5.00% and are payable from revenues generated by a separate district mill levy approved by the College’s district voters on February 7, 2006. The 2006 Bonds mature through August 15, 2021. Bonds maturing on or after August 15, 2015 are subject to redemption prior to their maturity at the option of the College after August 15, 2014. On March 17, 2014 the College advance refunded \$14,625,000 of the 2006 bond series leaving a balance of \$1,875,000 which will mature on August 15, 2014. At year-end, the College had spent all of the 2006 Bonds proceeds.

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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 from revenues generated by a separate district mill levy approved by the College’s district voters on February 1, 2011. The 2014A Bonds mature through August 15, 2028. Bonds maturing on or after August 15, 2023 are subject to redemption prior to their maturity at the option of the College at any time on or after August 15, 2022. As of June 30, 2016, the College had spent \$18,084,282 of the 2014A Bond proceeds. The bonds are under the requirements of the federal arbitrage regulations.

On March 17, 2014, the College issued \$13,360,000 of General Obligation (Limited Tax) Refunding Bonds, Series 2014B (2014B Bonds). The 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

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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. As of June 30, 2014, the College had deposited in escrow \$14,925,013 of the 2014B Bond proceeds. The escrow was used to pay principal and interest on the Series 2006 Bonds on August 15, 2014.

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 unamortized deferred loss on refunding at June 30, 2016 was \$194,942.

The maximum General Obligating (Limited Tax) debt of the College may not exceed 3% of the assessed valuation of the District or approximately \$534,174,237. With outstanding bond payable of 70,780,000 at June 30, 2016, the College is currently 13.25% bonded to capacity.

The annual debt service requirements to maturity, including principal and interest at June 30, 2016 is as follows:

General Obligation Bond Series 2009			
Fiscal year ending June 30	Principal	Interest	Total debt service
2017	1,150,000	288,500	1,438,500
2018	1,150,000	254,000	1,404,000
2019	1,150,000	218,063	1,368,063
2020	750,000	186,250	936,250
2021	750,000	160,000	910,000
2022-2026	3,900,000	311,562	4,211,562
2027-2031	-	-	-
	<u>\$ 8,850,000</u>	<u>1,418,375</u>	<u>10,268,375</u>

General Obligation Bond Series 2011			
Fiscal year ending June 30	Principal	Interest	Total debt service
2017	1,000,000	785,200	1,785,200
2018	1,200,000	757,700	1,957,700
2019	1,210,000	727,575	1,937,575
2020	1,620,000	692,200	2,312,200
2021	1,500,000	649,450	2,149,450
2022-2026	15,700,000	1,809,750	17,509,750
2027-2031	1,170,000	20,475	1,190,475
	<u>\$ 23,400,000</u>	<u>5,442,350</u>	<u>28,842,350</u>

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General Obligation Bond Series 2014A

Fiscal year ending June 30	Principal	Interest	Total debt service
2017	3,600,000	985,750	4,585,750
2018	1,450,000	877,500	2,327,500
2019	1,450,000	805,000	2,255,000
2020	1,450,000	732,500	2,182,500
2021	1,450,000	660,000	2,110,000
2022-2026	8,150,000	2,271,500	10,421,500
2027-2031	9,350,000	447,750	9,797,750
	\$ 26,900,000	6,780,000	33,680,000

General Obligation Bond Series 2014B

Fiscal year ending June 30	Principal	Interest	Total debt service
2016	1,715,000	483,350	2,198,350
2017	1,700,000	406,550	2,106,550
2018	1,760,000	320,050	2,080,050
2019	1,795,000	231,175	2,026,175
2021	2,325,000	128,175	2,453,175
2022-2026	2,335,000	35,025	2,370,025
	\$ 11,630,000	1,604,325	13,234,325

8) Pension Plan – Educational Retirement Board (ERB)

Plan Description

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

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

Benefits Provided

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

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

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

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

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

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions

The contribution requirements of defined benefit plan members and the College are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

Employee Contributions

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

Employer Contributions

The College contributed 13.9% of gross covered salary in fiscal year 2015. In fiscal year 2016, the College contributed 14.5% 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, 2016, 2015, and 2014, were \$10,455,080, \$10,576,660, and \$9,656,298, respectively.

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the College reported a liability of \$173,380,873 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, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the College's proportion was 2.68% percent.

For the year ended June 30, 2016, the College recognized pension expense of \$5,972,380.

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At the June 30, 2016, the College reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share	\$ 6,304,877	\$ -
Changes in assumptions	5,963,492	-
Difference between expected and actual experience	-	3,214,321
Difference between actual and projected earnings on investments	-	780,431
The College's contributions subsequent to the measurement date (FY2016 contribution)	<u>10,455,080</u>	<u>-</u>
Total June 30, 2016	<u>\$ 22,723,449</u>	<u>\$ 3,994,752</u>

Deferred outflows of resources of \$10,455,080, related to pensions resulting from the College's contributions subsequent to the measurement date June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	2,843,006
2018	2,571,734
2019	450,781
2020	2,408,095
2021	-
Thereafter	-

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% 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. These assumptions were adopted by ERB on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one-year setback for females)

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Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five-year contribution history.

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

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The College’s proportionate share of net pension liability	\$ 233,295,548	173,380,873	123,046,309

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, 2015 and 2014, 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 2016, employees may voluntarily contribute up to a maximum of \$18,000 if under age 50, and up to a maximum of \$24,000 if the employee is 50 or older. The College does not contribute or match any funds in the 457(b) savings program. The total amount of employee contributions for the fiscal years 2016 and 2015 was approximately \$842,106 and \$595,076, respectively.

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

Plan Description

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

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

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

Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the

Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The College's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$1,494,949, \$1,514,109.19, and \$1,463,900, respectively, which equal the required contributions for each year.

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.

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At June 30, 2016, the College has \$37,872,747 of outstanding capital commitments to contractors and architects related to the following projects:

Project	Amount
A Building Renovation	\$ 320,627
Access Control Project	361,150
Banner Assessment and Renewal	121,019
E Building Collaborative Workspace	64,409
Emergency Broadcast & Display	3,179
Enterprise Storage	3,932
J Building Renovation	13,539,915
L Building Renovation	902,599
Main Campus Technology Loop	166,716
Mobile Communications Plan	3,706
Motorpool	27,518
MS HAVC and Flooring	4,652,137
Max Salazar Restroom Renovation	804,965
Network Replacement	21,009
Server Replacement	6,117
Site & Safety Improvements	20,691
Smith Brasher Renovation	16,642,095
SV Galvanized Waterline Re-Pipe	28,146
SV Phase IV Renovation	177,449
WS Phase III	5,368
	<u>\$ 37,872,747</u>

11) Leases

In fiscal year 2010, the College purchased the Alameda property; a private company leases a majority of one building, which is recorded at \$5.6 million with accumulated depreciation of approximately \$918,890 at June 30, 2016. 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 0.7% CPI, are as follows:

Year	Amount
2017	741,416
2018	746,606
2019	751,833
2020	757,095
	<u>2,996,950</u>

12) Endowments (Foundation)

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

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

As of June 30, 2016, the value of the Foundation's endowment portfolio was \$6,799,442, and the permanent endowment contributions were \$6,303,728.

13) Related Party Transactions

CNM Ingenuity Inc.

On March 17, 2014 CNM Ingenuity, Incorporated was created as a separate corporate entity established in accordance with the University Research Park and Economic Development Act for the purposes set forth in that act in relation to the College, supporting the education, research and service mission of the College. In order for Ingenuity to become self-supporting the College provided critical resources both financial and administrative uses. In Fiscal Year 2014, CNM contributed \$4 million in startup funding for CNM Ingenuity, and in Fiscal Year 2016, no additional funds were contributed. This was reported in the statement of revenues, expenses, and changes in net position as other non-operating expenses in the College's financial statements.

CNM Foundation, Inc.

An agreement between the Foundation and the College was entered into on December 2, 1991, and most recently amended on April 10, 2012. 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. The estimated value of these services is not recorded in the accompanying financial statements.

14) 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 HED 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.

15) Subsequent Events

The College has evaluated subsequent events from the balance sheet date through November 10, 2016, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

Required Supplemental Information

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**Schedule of the College's Proportionate Share of the Net Pension Liability
June 30, 2016**

**New Mexico Education Retirement Board Pension Plan
Schedule of Ten Year Tracking Data (2016-2025)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Proportion - net pension liability (asset)	2.66%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Proportionate share - net pension liability	\$ 173,380,873	-	-	-	-	-	-	-	-	-
Employer covered - employee payroll (actual)	\$ 73,084,123	-	-	-	-	-	-	-	-	-
Employer proportionate share as a percentage of covered payroll	237.23%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of total pension liability	63.97%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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**Schedule of College Contributions
June 30, 2016**

**New Mexico Education Retirement Board Pension Plan
Schedule of Ten Year Tracking Data (2016-2025)**

Schedule of Fiscal Year Contributions	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required employer contribution	\$ 12,070,865	-	-	-	-	-	-	-	-	-
Contributions in relation to requirement	10,576,660	-	-	-	-	-	-	-	-	-
Annual contribution deficiency (excess)	\$ 1,494,205	-	-	-	-	-	-	-	-	-
College's covered-employee payroll	\$ 73,084,123	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	14.5%	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2015	\$ 8,273,616	5		2,843,006	2,571,734	450,781	2,408,095					
2016	-	5			-	-	-	-	-			
2017	-	5				-	-	-	-	-		
2018	-	5					-	-	-	-	-	
2019	-	5						-	-	-	-	-
2020	-	5							-	-	-	-
2021	-	5								-	-	-
2022	-	5									-	-
2023	-	5									-	-
2024	-	5									-	-
2025	-	5									-	-
Net increase (decrease) in pension expense				2,843,006	2,571,734	450,781	2,408,095	-	-	-	-	-

Notes to Required Supplementary Information

1. Changes of Benefit Terms

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

2. Changes of 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 valuation 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 statement note disclosure Pension Plan – Educational Retirement Board (ERB)

Supplemental Information

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

Schedule of Budgetary Comparisons – Budgetary Basis

Schedule 1: Unrestricted and Restricted – All Operations

Year ended June 30, 2016

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Unrestricted and Restricted Beginning				
Net Position	\$ 34,664,867	47,391,199	39,848,856	-
Unrestricted and restricted revenues:				
Tuition	23,391,494	20,266,602	19,578,723	(687,879)
Miscellaneous fees	4,255,500	3,500,768	3,763,595	262,827
State government appropriations	57,143,300	56,801,012	56,801,075	63
Local government appropriations	50,425,747	50,425,747	50,512,176	86,429
Federal government contracts/grants	39,877,145	30,699,072	29,023,146	(1,675,926)
State government contracts/grants	6,409,400	6,340,235	6,271,957	(68,278)
Local government contracts/grants	10,000	1,998	7,768	5,770
Private contracts/grants	2,280,099	2,561,541	1,858,952	(702,589)
Endowments	15,000	3,500	11,666	8,166
Sales and services	5,314,449	3,485,616	2,312,232	(1,173,384)
Other	3,138,589	2,795,892	1,577,089	(1,218,803)
Capital outlay	29,420,000	22,340,000	17,986,791	(4,353,209)
Building renewal and replacement	3,235,182	2,775,139	2,756,050	(19,089)
Retirement of indebtedness	9,550,000	9,510,000	9,692,990	182,990
Total unrestricted and restricted revenues	<u>234,465,905</u>	<u>211,507,122</u>	<u>202,154,210</u>	<u>(9,352,912)</u>
Unrestricted and restricted expenditures:				
Instruction	63,489,258	63,699,312	59,158,357	4,540,955
Academic support	16,919,883	15,683,279	14,512,657	1,170,622
Student services	23,121,973	23,187,151	21,303,728	1,883,423
Institutional support	22,479,031	22,226,001	20,452,103	1,773,898
Operation and maintenance of plant	15,837,691	14,302,508	13,567,413	735,095
Student social and cultural activities	193,830	130,829	122,923	7,906
Public services	926,199	934,818	559,694	375,124
Internal services	97,799	64,397	62,857	1,540
Student aid grants and stipends	42,540,046	33,449,579	31,524,912	1,924,667
Auxiliary enterprise	2,569,754	1,061,615	761,456	300,159
Capital outlay	28,200,000	23,000,000	20,992,756	2,007,244
Building renewal and replacement	6,500,000	4,000,000	2,341,824	1,658,176
Retirement of indebtedness	9,854,000	8,825,556	9,416,354	(590,798)
Total unrestricted and restricted expenditures	<u>232,729,464</u>	<u>210,565,045</u>	<u>194,777,034</u>	<u>15,788,011</u>
Transfers to (from):				
Instruction and general	(4,122,761)	(4,050,331)	(4,143,185)	92,854
Student social and cultural	(3,600)	(3,600)	(3,600)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,585,672	2,087,430	2,180,284	(92,854)
Auxiliary enterprise	(801,200)	(801,200)	(801,200)	-
Capital outlay	671,101	671,101	671,101	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	-	425,812	425,812	-
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (budgetary basis)	<u>1,736,441</u>	<u>942,077</u>	<u>7,377,176</u>	<u>\$ 6,435,099</u>
Ending net position	<u>\$ 36,401,308</u>	<u>48,333,276</u>	<u>47,226,032</u>	

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, 2016**

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ 22,279,198	31,755,918	26,394,788	
Revenues:				
Tuition	-	-	-	-
Miscellaneous fees	140,000	140,000	115,558	(24,442)
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	-	-	-	-
State government contracts/grants	-	-	-	-
Local government contracts/grants	-	-	-	-
Private contracts/grants	20,000	20,000	7,500	(12,500)
Endowments	-	-	-	-
Sales and services	3,914,750	2,224,467	2,190,889	(33,578)
Other	100,000	100,000	67,942	(32,058)
Capital outlay	38,614,542	22,340,000	17,986,791	(4,353,209)
Building renewal and replacement	6,097,868	2,775,139	2,756,050	(19,089)
Retirement of indebtedness	15,523,925	9,510,000	9,692,990	182,990
Total revenues	<u>64,411,085</u>	<u>37,109,606</u>	<u>32,817,720</u>	<u>(4,291,886)</u>
Expenditures:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student social and cultural activities	189,830	126,829	122,923	3,906
Public services	120,000	130,000	88,868	41,132
Internal services	25,000	4,392	3,058	1,334
Student aid grants and stipends	2,605,672	2,231,914	2,231,910	4
Auxiliary enterprise	2,524,072	1,025,607	747,970	277,637
Capital outlay	28,200,000	23,000,000	20,992,756	2,007,244
Building renewal and replacement	6,500,000	4,000,000	2,341,824	1,658,176
Retirement of indebtedness	9,854,000	8,825,556	9,416,354	(590,798)
Total expenditures	<u>50,018,574</u>	<u>39,344,298</u>	<u>35,945,663</u>	<u>3,398,635</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	(3,600)	(3,600)	(3,600)	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	2,585,672	2,087,430	2,180,284	(92,854)
Auxiliary enterprise	(801,200)	(801,200)	(801,200)	-
Capital outlay	671,101	671,101	671,101	-
Building renewal and replacement	1,670,788	1,670,788	1,670,788	-
Retirement of indebtedness	-	425,812	425,812	-
Total transfers	<u>4,122,761</u>	<u>4,050,331</u>	<u>4,143,185</u>	<u>(92,854)</u>
Change in net position (budgetary basis)	18,515,272	1,815,639	1,015,242	\$ <u>(986,105)</u>
Net position (budgetary basis)	\$ <u>40,794,470</u>	<u>33,571,557</u>	<u>27,410,030</u>	

See accompanying independent auditor's report

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

**Schedule of Budgetary Comparisons – Budgetary Basis
Schedule 3: Restricted – Non-Instruction & General
Year ended June 30, 2016**

	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	35,826,586	26,852,195	25,015,472	(1,836,723)
State government contracts/grants	4,402,518	4,518,750	4,335,070	(183,680)
Local government contracts/grants	-	-	-	-
Private contracts/grants	385,251	509,346	476,567	(32,779)
Endowments	-	-	-	-
Sales and services	48,699	42,205	10,004	(32,201)
Other	200,000	200,000	-	(200,000)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	<u>40,863,054</u>	<u>32,122,496</u>	<u>29,837,113</u>	<u>(2,285,383)</u>
Expenditures:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student social and cultural activities	4,000	4,000	-	4,000
Public services	806,199	804,818	470,826	333,992
Internal services	72,799	60,005	59,799	206
Student aid grants and stipends	39,934,374	31,217,665	29,293,002	1,924,663
Auxiliary enterprise	45,682	36,008	13,486	22,522
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total expenditures	<u>40,863,054</u>	<u>32,122,496</u>	<u>29,837,113</u>	<u>2,285,383</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (budgetary basis)	-	-	-	<u>\$ -</u>
Net position (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>-</u>	

See accompanying independent auditor's report

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

**Schedule Revenues, Expenditures, & Changes in Net Position – Budget & Actual
Schedule 4: Unrestricted – Instruction and General
Year ended June 30, 2016**

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ 12,385,669	15,635,281	13,454,068	
Revenues:				
Tuition	23,351,494	20,155,059	19,518,390	(636,669)
Miscellaneous fees	4,115,500	3,360,768	3,648,037	287,269
State government appropriations	57,143,300	56,801,012	56,801,075	63
Local government appropriations	50,425,747	50,425,747	50,512,176	86,429
Federal government contracts/grants	260,000	10,000	63,727	53,727
State government contracts/grants	141,426	20,000	-	(20,000)
Local government contracts/grants	-	-	-	-
Private contracts/grants	63,500	37,000	25,755	(11,245)
Endowments	-	-	-	-
Sales and services	1,351,000	1,218,944	111,339	(1,107,605)
Other	2,838,589	2,495,892	1,509,147	(986,745)
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	<u>139,690,556</u>	<u>134,524,422</u>	<u>132,189,646</u>	<u>(2,334,776)</u>
Expenditures:				
Instruction	59,891,614	59,891,614	55,468,048	4,423,566
Academic support	15,876,744	14,882,225	13,773,695	1,108,530
Student services	20,995,427	21,166,139	19,523,038	1,643,101
Institutional support	21,739,497	21,130,667	19,357,990	1,772,677
Operation and maintenance of plant	15,812,191	14,277,008	13,561,756	715,252
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	<u>134,315,473</u>	<u>131,347,653</u>	<u>121,684,527</u>	<u>9,663,126</u>
Transfers to (from):				
Instruction and general	(4,122,761)	(4,050,331)	(4,143,185)	92,854
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	<u>(4,122,761)</u>	<u>(4,050,331)</u>	<u>(4,143,185)</u>	<u>92,854</u>
Change in net position (budgetary basis)	1,252,322	(873,562)	6,361,934	<u>\$ 7,421,204</u>
Net position (budgetary basis)	<u>\$ 13,637,991</u>	<u>14,761,719</u>	<u>19,816,002</u>	

See accompanying independent auditors' report.

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

**Schedule Revenues, Expenditures, & Changes in Net Position – Budget & Actual
Schedule 5: Restricted – Instruction and General
Year ended June 30, 2016**

	Original budget	Final budget	Actuals (budgetary basis)	Actuals vs Final Budget favorable (unfavorable)
Beginning balance budgeted	\$ -	-	-	
Revenues:				
Tuition	40,000	111,543	60,333	(51,210)
Miscellaneous fees	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	3,790,559	3,836,877	3,943,947	107,070
State government contracts/grants	1,865,456	1,801,485	1,936,887	135,402
Local government contracts/grants	10,000	1,998	7,768	5,770
Private contracts/grants	1,811,348	1,995,195	1,349,130	(646,065)
Endowments	15,000	3,500	11,666	8,166
Sales and services	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total revenues	<u>7,532,363</u>	<u>7,750,598</u>	<u>7,309,731</u>	<u>(440,867)</u>
Expenditures:				
Instruction	3,597,644	3,807,698	3,690,309	117,389
Academic support	1,043,139	801,054	738,962	62,092
Student services	2,126,546	2,021,012	1,780,690	240,322
Institutional support	739,534	1,095,334	1,094,113	1,221
Operation and maintenance of plant	25,500	25,500	5,657	19,843
Student social and cultural activities	-	-	-	-
Public services	-	-	-	-
Internal services	-	-	-	-
Student aid grants and stipends	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total expenditures	<u>7,532,363</u>	<u>7,750,598</u>	<u>7,309,731</u>	<u>440,867</u>
Transfers to (from):				
Instruction and general	-	-	-	-
Student social and cultural	-	-	-	-
Public service	-	-	-	-
Internal service	-	-	-	-
Student aid and grants	-	-	-	-
Auxiliary enterprise	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position (budgetary basis)	-	-	-	\$ <u><u>-</u></u>
Net position (budgetary basis)	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	

See accompanying independent auditors' report.

**Schedule of Budgetary Comparisons – Budgetary Basis
Reconciliation of Budgetary Basis to Financial Statement Basis
Year ended June 30, 2016**

Total unrestricted and restricted revenues:

Budgetary basis		\$ <u>202,154,210</u>
Reconciling items:		
Scholarship allowance (not in budgetary basis)		(12,045,042)
Bond proceeds (amount not in financial)		(13,789,942)
Other		<u>(420,276)</u>
Total reconciling items		<u>(26,255,260)</u>
Total reconciled unrestricted and unrestricted revenues per Budgetary Basis		\$ <u><u>175,898,950</u></u>
Basic Financial Statements		
Operating revenues		29,117,617
Nonoperating revenues		<u>146,781,333</u>
Total unrestricted and restricted revenues per financial statement		\$ <u><u>175,898,950</u></u>
Difference		\$ <u><u>-</u></u>

Total unrestricted and restricted expenditures

Budgetary basis		<u>194,777,034</u>
Reconciling items:		
Bond principal payments (not in financial statements)		(7,030,000)
Scholarship allowance (not in budgetary basis)		(12,045,042)
Capitalized expenditures (amount not in financial statement)		(22,381,645)
Depreciation expense (not in budgetary basis)		13,142,017
ERB plan expense proportion (not in budgetary basis)		5,972,380
Other		<u>(888,283)</u>
total reconciling items		<u>(23,230,573)</u>
Total reconciled unrestricted and unrestricted expenditures per Budgetary Basis		\$ <u><u>171,546,461</u></u>
Basic Financial Statements		
Operating expenses		169,781,409
Nonoperating expenses		<u>1,765,052</u>
Total unrestricted and restricted expenditures per financial statement		\$ <u><u>171,546,461</u></u>
Difference		\$ <u><u>0</u></u>

See accompanying independent auditor's report

Note to 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.

Supporting Schedules

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

Schedule 6: Schedule of Individual Deposit and Investment Accounts

June 30, 2016

The College:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Cash on Hand	Petty cash fund	Cash	\$ -	8,445	8,445
Wells Fargo Bank	Student federal fund	Checking	353,359	(66,664)	286,695
	Operational account	Checking	1,492,034	(418,758)	1,073,276
	Stafford loans	Checking	66,121	(24,566)	41,555
	Perkins Loans	Checking	20,406	147	20,553
	Payroll	Checking	-	(30,314)	(30,314)
	Student refund	Checking	-	(14,429)	(14,429)
Bank of America	Direct Deposit	Checking	-	-	-
Total cash			1,931,920	(546,139)	1,385,782
State of New Mexico					
Office of the Treasurer	Current fund	Investment	34,420,147	-	34,420,147
	Renewal and replacement	Investment	8,221,732	-	8,221,732
	Retirement of indebtedness	Investment	8,185,016	-	8,185,016
	Plant	Investment	27,119,652	-	27,119,652
	Endowment	Investment	1,834,014	-	1,834,014
Total investments			79,780,561	-	79,780,561
Total deposits and investments - College			\$ 81,712,481	(546,139)	81,166,343

The Foundation:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Wells Fargo	Operational account	Checking	\$ 424,805	(250)	424,555
	Operational account	Savings	-	-	-
Merrill Lynch	Temp restricted	Money Market	581,942	-	581,942
	Portfolio	Money Market	206,044	-	206,044
	Eloy Reyes	Money Market	10,052	-	10,052
Total cash			1,222,843	(250)	1,222,593
Merrill Lynch	Temp Restricted	Corporate Stock	1,588	-	1,588
	Endow core portfolio	Federal agency obligations	774,105	-	774,105
	Endow core portfolio	Corporate obligations	492,167	-	492,167
	Endow core portfolio	Corporate Stock	4,043,514	-	4,043,514
	Endow core portfolio	Mutual funds	1,446,510	-	1,446,510
	Eloy Reyes	Federal agency obligations	76,894	-	76,894
	Eloy Reyes	Corporate obligations	27,115	-	27,115
	Eloy Reyes	Corporate Stock	264,377	-	264,377
Total investments			7,126,270	-	7,126,270
Total deposits and investments - Foundation			\$ 8,349,113	(250)	8,348,863

Ingenuity:			Bank	Reconciling	Book
Name of depository	Account name	Account Type	balance	Items	balance
Wells Fargo	Operational account	Checking	\$ 494,840	(1,442)	493,398
Wells Fargo		Money Market	677,105	-	677,105
Total cash - Ingenuity			\$ 1,171,945	(1,442)	1,170,503

See accompanying independent auditor's report.

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

**Schedule 7: Schedule of Vendor Information
June 30, 2016**

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
966	Central New Mexico Community College	Higher Education Institutions	B-2930	Competitive (RFP or RFB)	Henry Schein, Inc.	Winner	\$ 56,758	-\$42,598.00, Items 1, 3, 4, and 5 cancelled.	135 Duryea Rd Melville, NY 11747	No	No	Dental Equipment	
					Patterson Dental	Winner	\$ 54,228		9550 San Mateo Blvd. NE Suite E Albuquerque NM 87113	No	No	Dental Equipment	
966	Central New Mexico Community College	Higher Education Institutions	P-383	Competitive (RFP or RFB)	Sheehan & Sheehan, P.A	Winner	\$0.01 Price Agreement, \$18,666.00. Up to 4 year term. Total expenditures may exceed \$60K		P.O. Box 271 Albuquerque, NM 87103	Yes	No	H-1B Legal Services	
					Maney & Gordon, P.A.	Winner	\$0.01 Price Agreement, \$18,666.00		101 E. KENNEDY BLVD STE 3170 TAMPA, FL 33602	No	No	H-1B Legal Services	
					Jackson Lewis P.C.	Winner	\$0.01 Price Agreement, \$18,666.00		816 Congress Avenue, Suite 1530 Austin, TX 78701	No	No	H-1B Legal Services	
966	Central New Mexico Community College	Higher Education Institutions	P-379	Competitive (RFP or RFB)	Sterling Infosystems, Inc.	Winner	\$0.01 Price Agreement, \$20,000.00. 8 year term, anticipate >60K over 8 year term		1 State Street, 24th Floor New York, NY 10004	No	No	Background Check Services	
					Accusource, Inc	Loser			1240 E. Ontario Ave. Suite 102-140 Corona, CA 92881	No	No	Background Check Services	
					American Data Bank, LLC	Loser			110 16th Street, 8th Floor Denver, CO 80202	No	No	Background Check Services	
					Carco Group, Inc.	Loser			5000 Corporate Court, Suite 203 Holtsville, NY 11742	No	No	Background Check Services	
					Castle Branch Inc.	Loser			1844 Sir Tyler Drive Wilmington	No	No	Background Check Services	
					HireRight, Inc	Loser			3349 Michelson Drive, Suite 150 Irvine, CA. 92612	No	No	Background Check Services	
					Hospital Services Corp.	Loser			7471 Pan American Freeway NE Albuquerque, New Mexico 87109	Yes	No	Background Check Services	
					Pinkerton Consulting & Investigations, Inc	Loser			11019 McCormick Rd, Suite 200 Hunt Valley, MD 21031	No	No	Background Check Services	

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

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
Central New Mexico Community College 966 College	Higher Education Institutions	P-386	Competitive (RFP or RFB)	HB Construction, Inc.	Winner	\$ 4,944,610		5301 Beverly Hills Ave. NE Albuquerque, New Mexico 87113	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects		
				Bradbury Stamm Construction, Inc.	Loser		7110 2nd Street NW Albuquerque, NM 87107	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Brycon Corporation	Loser		8400 Firestone Lane NE Albuquerque, NM 87113	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Flintco, LLC	Loser		6020 Indian School Rd, NE Albuquerque, New Mexico 87110	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Jack's Mechanical Solutions Inc.	Loser		P.O. Box 56995 Albuquerque NM, 87187	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Jaynes Corporation	Loser		2906 Broadway SE Albuquerque, New Mexico 87107	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Jack B. Henderson Construction Company Inc.	Loser		501 Eubank Blvd. Albuquerque	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				Rock Gap Engineering, Inc.	Loser		3737 Princeton St. NE Suite 100 Albuquerque, NM 87107	Yes	No	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
				SDV Construction, Inc.	Loser		8912 Adams St. NE Albuquerque, New Mexico, 87113	Yes	Yes	CMAR, Max Salazar (MS) HVAC and Restroom Upgrade/Renovation Projects			
Central New Mexico Community College 966 College	Higher Education Institutions	P-387	Competitive (RFP or RFB)	EducationDynamics, LLC	Winner	\$ 62,549		5 Marine View Plaza, Suite 212 Hoboken, NJ, 07746 1111 19th St. NW, Floor 9 Washington, DC 20036	No	No	Market Research Services		
				Blackboard Inc.	Loser		4251 E 5th Street Tucson, AZ 85711	No	No	Market Research Services			
				Geo & Associates, Inc.	Loser		555 Virginia Rd, Suite 201 Concord, MA 01742	No	No	Market Research Services			
				Maguire Associates, Inc.	Loser			No	No	Market Research Services			
Central New Mexico Community College 966 College	Higher Education Institutions	B-2931	Competitive (RFP or RFB)	Gaumard Scientific Co., Inc.	Winner	\$ 187,584		14700 SW 136 Street Miami, FL., 33196 6300 Edgelake Drive Sarasota, FL 34240	No	No	Medical Training Simulators		
				CAE Healthcare, Inc.	Loser		167 Myers Corners Road Wappingers Falls, NY 12590	No	No	Medical Training Simulators			
				Laerdal Medical Corporation	Loser			No	No	Medical Training Simulators			
Central New Mexico Community College 966 College	Higher Education Institutions	P-390	Competitive (RFP or RFB)	Mark Duran and Associates, Inc.	Winner	\$0.01 Price Agreement. 4 Year Term. Anticipated expenditures >60K.		4 Tiwa Trail Placitas, NM 87043	Yes	No	Lobbying Services		

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

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
966	Central New Mexico Community College	Higher Education Institutions		Sole Source	Inklng Systems, Inc.	Winner	\$ 83,686		153 Kearny Street, 4th Floor San Francisco, CA 94108	No	No	Enterprise Edition & Collaborator Digital Publishing Subscription	
966	Central New Mexico Community College	Higher Education Institutions		Sole Source	Augusoft, Inc.	Winner	\$22,000.00 per fiscal year with a 4% increase per year, 8-YR term		8441 Wayzata Blvd. Ste. 200 Minneapolis, IN 55426-1360	No	No	Enrollment Management	
966	Central New Mexico Community College	Higher Education Institutions		Sole Source	Elucian Company L.P.	Winner	\$ 4,982,189		4 Country View Road Malvern, PA 19355	No	No	Banner Software Maintenance	
966	Central New Mexico Community College	Higher Education Institutions		Sole Source	College Board	Winner	\$ 70,000		PO Box 4699, Mount Vermont, IL 62864	No	No	Accuplacer Tests	
966	Central New Mexico Community College	Higher Education Institutions	P-384	Competitive (RFP or RFB)	Jaynes Corporation	Winner	\$ 12,445,306		2906 Broadway SE, Albuquerque, NM 87107	Yes	No	CMAR, Renovation of Building 'J' on Montoya Campus	
					Bradbury Stamm Construction, Inc.	Loser			7110 2nd Street NW, Albuquerque, NM 87107	Yes	No	CMAR, Renovation of Building 'J' on Montoya Campus	
					HB Construction, Inc.	Loser			5301 Beverly Hills Ave. NE, Albuquerque, NM 87113	Yes	No	CMAR, Renovation of Building 'J' on Montoya Campus	
					Flintco, LLC	Loser			6020 Indian School Rd., NE, Albuquerque, NM 87110	Yes	No	CMAR, Renovation of Building 'J' on Montoya Campus	
					SDV Construction, Inc.	Loser			8912 Adams Street NE, Albuquerque, NM 87113	Yes	Yes	CMAR, Renovation of Building 'J' on Montoya Campus	

Statistical Section



Narrative to the Statistical Section

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

Contents

Financial Trends

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

- Net Position by Component
- Changes in Net Position

Revenue Capacity

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

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

Debt Capacity

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

- Bond Debt Capacity
- Long-term Bonds Outstanding

Demographic and Economic Information

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

- Demographic and Economic Data
- Principal Employers
- Labor Force

Operating Information

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

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

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

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

Last ten academic years

Year	Resident Career Technical Education Tuition	Resident Academic / Transfer Tuition	Non-Resident Tuition	Registration Fee	Technology Fee
2016-17	\$ 384.00	\$ 624.00	\$ 3,312.00	\$ 40.00	\$ 8.00
2015-16	306.00	612.00	3,240.00	40.00	8.00
2014-15	216.00	600.00	3,240.00	40.00	6.00
2013-14	168.00	594.00	3,240.00	40.00	6.00
2012-13	126.00	579.00	3,156.00	40.00	3.00
2011-12	120.00	579.00	3,008.40	40.00	3.00
2010-11	60.00	528.00	2,616.00	40.00	3.00
2009-10	-	492.00	2,400.00	40.00	3.00
2008-09	-	492.00	2,400.00	40.00	-
2007-08	-	496.80	2,648.40	40.00	-

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

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

Assessed Value and Estimated Actual Value of Taxable Property

**Assessed Valuation of Taxable Property
Bernalillo and Sandoval Counties**

Last ten tax years

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

**Preliminary*

5 Year Average Annual Growth	1.61%
10 Year Average Annual Growth	3.06%

Source: Bernalillo and Sandoval County Assessor's Office

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

Principal Property Taxpayers

Current Year and Nine Years Ago

Rank	Taxpayer	2015 Assessed Valuation		Taxpayer	2006 Assessed Valuation	
		2015 Assessed Valuation	% of Total Taxable Assessed Valuation		2006 Assessed Valuation	% of Total Taxable Assessed Valuation
1	Public Service Co. of New Mexico	\$245,263,880	1.40%	QWest Communications	\$97,397,437	0.82%
2	QWest Communications	51,151,919	0.29%	Public Service Co. of New Mexico (Electri	56,437,764	0.48%
3	Gas Company of New Mexico	48,301,651	0.28%	GCC Rio Grande Inc.	20,702,889	0.17%
4	Verizon	28,370,564	0.16%	Public Service Co. of New Mexico	20,627,704	0.17%
5	Simon Property Group	22,117,361	0.13%	Public Service Co. of New Mexico	19,018,623	0.16%
6	AHS Medical Center	20,970,632	0.12%	Southwest Airlines	16,657,077	0.14%
7	Southwest Airlines	20,459,244	0.12%	PNM Gas Services	15,802,710	0.13%
8	AT&T	19,655,876	0.11%	Simon Property Group	15,376,188	0.13%
9	ABQ Uptown LLC	15,960,737	0.09%	QWEST Corp.	14,852,703	0.13%
10	ABQ Plaza Office Investment	15,765,789	0.09%	Verizon Wireless	13,687,822	0.12%
Top Ten Centrally and Locally Assesse		\$488,017,653	2.79%	Top Ten Centrally and Locally Assesse	\$290,560,918	2.45%
Total Assessed Valuation		\$17,480,042,972	100.00%	Total Assessed Valuation	\$11,868,673,831	100.00%

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

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

Property Tax Levies and Collections

Last ten tax years

Bernalillo County

CNM

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current / Delinquent Tax Collections ⁽²⁾	Current / Delinquent Collections as a % of Net Levied	CNM	
							Operational	Debt Service
2015	15/16	\$641,680,120	\$621,125,053	96.80%	\$621,125,053	96.80%	\$43,474,474	\$8,331,221
2014	14/15	626,867,177	606,258,064	96.71%	618,666,228	98.69%	42,266,534	8,097,122
2013	13/14	614,299,642	593,530,750	96.62%	610,510,773	99.38%	41,585,722	7,937,680
2012	12/13	601,844,884	580,736,950	96.49%	599,614,995	99.63%	40,733,810	7,869,380
2011	11/12	592,768,182	570,354,626	96.22%	590,932,778	99.69%	39,170,090	7,774,978
2010	10/11	585,432,230	559,806,155	95.62%	579,921,705	99.06%	38,059,535	7,700,043
2009	09/10	594,170,426	561,435,327	94.49%	584,511,807	98.37%	37,437,999	7,813,930
2008	08/09	565,045,755	541,204,499	95.78%	562,335,609	99.52%	35,433,395	7,516,273
2007	07/08	533,488,014	513,363,469	96.23%	530,812,706	99.50%	33,819,238	7,183,451
2006	06/07	459,924,205	443,198,371	96.36%	457,796,012	99.54%	30,645,707	6,420,290

Source: Bernalillo County Treasurer's Office

Sandoval County

CNM

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current / Delinquent Tax Collections ⁽²⁾	Current / Delinquent Collections as a % of Net Levied	CNM	
							Operational	Debt Service
2015	15/16	\$119,015,424	\$115,023,384	96.65%	\$115,023,384	96.65%	\$7,037,701	\$1,350,582
2014	14/15	115,903,449	111,651,378	96.33%	114,082,514	98.43%	6,991,254	1,342,799
2013	13/14	115,729,254	110,756,348	95.70%	114,646,560	99.06%	7,016,859	1,341,529
2012	12/13	114,396,660	109,098,898	95.37%	113,762,726	99.45%	6,968,990	1,349,030
2011	11/12	111,937,913	107,182,149	95.75%	111,508,539	99.62%	7,009,023	1,394,375
2010	10/11	115,121,965	107,439,020	93.33%	113,293,348	98.41%	7,064,288	1,439,120
2009	09/10	112,053,132	104,094,225	92.90%	110,011,121	98.18%	6,917,293	1,454,187
2008	08/09	87,888,881	80,674,413	91.79%	87,534,928	99.60%	6,153,733	1,386,533
2007	07/08	74,521,282	70,795,219	95.00%	74,334,137	99.75%	3,236,006	726,078
2006	06/07	58,900,632	56,076,117	95.20%	58,804,957	99.84%	2,646,184	514,798

Source: Sandoval County Treasurer's Office

(1) As of June 30 of each year

(2) As of June 2016

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

CNM District Tax Rates

Last ten tax years

Tax Year	Operational		Debt Service	Total Tax Rate	
	Residential	Non-Residential	Debt Service	Residential	Non-Residential
2016	\$2.776	\$3.000	1.000	\$3.776	\$4.000
2015	2.831	3.000	0.550	3.381	3.550
2014	2.827	3.000	0.550	3.377	3.550
2013	2.842	3.000	0.550	3.392	3.550
2012	2.794	3.000	0.550	3.344	3.550
2011	2.687	3.000	0.550	3.237	3.550
2010	2.608	3.000	0.550	3.158	3.550
2009	2.496	3.000	0.550	3.046	3.550
2008	2.440	3.000	0.550	2.990	3.550
2007	2.442	2.945	0.550	2.992	3.495

Source: NM Department of Finance & Administration.

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

Tax Rates – Bernalillo County

Last ten tax years

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

Source: New Mexico Department of Finance and Administration

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

Tax Rates – Sandoval County

Last ten tax years

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

Source: New Mexico Department of Finance and Administration

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

**Debt Capacity
Bond Debt Capacity (Dollars in thousands)**

Last ten fiscal years

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed Valuation ⁽¹⁾	17,805,808	17,480,043	17,180,042	16,557,892	16,479,961	16,446,238	18,864,259	17,471,847	16,451,925	15,384,835
Ratio of Limitation	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Constitutional Debt Limitation	534,174	524,401	515,401	496,737	494,399	493,387	565,928	524,155	493,558	461,545
Outstanding Bond Debt ⁽²⁾	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825	34,300	39,700
Available Bond Debt Capacity	463,394	446,591	430,466	436,352	427,464	451,312	521,103	500,330	459,258	421,845
% Bonded to Capacity	13.3%	14.8%	16.5%	12.2%	13.5%	8.5%	7.9%	4.5%	6.9%	8.6%

(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

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

Long-term Bonds Outstanding

Last ten fiscal years

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bonds Payable	70,780	77,810	84,935	60,385	66,935	42,075	44,825	23,825	34,300	39,700
Unamortized Premium	3,562	4,330	5,111	1,828	1,963	419	451	32	76	99
Deferred Amount on Refunding Unamortized Loss	195	232	269	-	-	-	-	-	-	-
Unamortized Discount	-	-	-	-	-	-	-	-	-	-
Net Long-term Bonds	74,342	82,140	90,046	62,213	68,898	42,494	45,276	23,857	34,376	39,799
District Population	⁽³⁾ 908,252	906,209	905,213	901,932	902,794	899,149	892,014	846,390	833,506	819,576
Bond Debt per Capita	82	91	99	69	76	47	51	28	41	49

(3) 2016 population is preliminary.

**Demographic and Economic Information
Demographic and Economic Data**

Last ten fiscal years

	Population	Personal Income (Thousands)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2006	815,430	18,709,225	23,735	35.7	224,320	5.9%
2007	819,576	19,316,488	24,195	35.5	228,945	5.5%
2008	833,506	20,636,011	25,319	35.7	230,309	5.5%
2009	846,390	20,468,675	25,058	35.4	228,362	7.5%
2010	892,014	21,442,976	25,415	36.9	238,004	8.6%
2011	899,149	22,168,840	25,902	36.7	242,816	11.4%
2012	902,794	22,480,514	26,068	36.5	245,447	9.0%
2013	901,932	22,545,252	26,068	36.7	247,359	8.1%
2014	905,213	22,697,191	26,144	36.9	248,427	8.9%
2015	906,209	22,589,699	26,347	37.5	237,162	6.9%

All data obtained through the US Census American Community Survey. Data from 2007-2014 used the 5-year survey. Data from 2006 and 2015 used the 1-year survey.

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

Principal Employers

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

2016			2006		
Employer	Business	# of Employees	Employer	Business	# of Employees
University of New Mexico	Education	16,046	Kirtland AFB (Civilian)	Defense	16,360
Albuquerque Public Schools	Education	14,810	University of New Mexico	Education	14,050
Sandia National Labs	Research Development	8,400	Albuquerque Public Schools	Education	11,700
Kirtland AFB (Civilian)	Defense	7,686	Sandia National Labs	Research Development	7,720
Presbyterian	Healthcare	7,310	Presbyterian	Healthcare	6,900
City of Albuquerque	Government	6,940	City of Albuquerque	Government	6,680
UNM Hospital	Healthcare	6,021	State of New Mexico	Government	5,660
State of New Mexico	Government	4,950	Intel Corporation	Semiconductor Manufacturer	5,500
Kirtland AFB (Military)	Air Force Material Command	4,184	Lovelace	Healthcare	5,200
Lovelace	Healthcare	4,000	Kirtland AFB (Military)	Air Force Material Command	5,090
Central NM Community College	Education	3,324	UNM Hospital	Healthcare	4,450
New Mexico Veterans Affairs Hospital	Healthcare	2,760	US Post Office	Government	2,200
Bernalillo County	Government	2,648			
Intel Corporation	Semiconductor Manufacturer	2,300			
Rio Rancho Public Schools	Education	2,000			
Sandia Resort & Casino	Resort & Casino	2,000			

Source: Albuquerque Economic Development, 2016 and 2006

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

Labor Force

Last ten fiscal years

Year ⁽¹⁾	Albuquerque MSA		State of New Mexico		United States
2016 ⁽²⁾	419,917	6.50%	928,917	7.10%	5.10%
2015	413,906	6.20%	919,889	6.60%	5.30%
2014	414,571	6.60%	918,206	6.50%	6.20%
2013	415,874	6.80%	922,960	6.90%	7.40%
2012	418,195	7.10%	928,050	7.10%	8.10%
2011	421,377	7.50%	929,862	7.60%	8.90%
2010	424,972	8.00%	936,088	8.10%	9.60%
2009	404,223	7.80%	940,352	7.50%	9.30%
2008	407,340	4.60%	944,548	4.50%	5.80%
2007	404,249	3.70%	934,027	3.80%	4.60%

(1) Numbers are annual averages.

(2) Data for the month of July 2016 are preliminary.

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

**Operating Information
Faculty and Staff**

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006*	2005
Faculty											
Full time	358	357	335	350	329	338	327	331	335	-	330
Part-time	726	758	779	747	717	907	771	666	669	-	672
Total	1,084	1,115	1,114	1,097	1,046	1,245	1,098	997	1,004	-	1,002
Percent											
Full time	33%	32%	30%	32%	31%	27%	30%	33%	33%	-	33%
Part-time	67%	68%	70%	68%	69%	73%	70%	67%	67%	-	67%
Staff and Administration											
Full-time	912	886	868	824	795	781	738	794	767	-	740
Part-time	117	125	149	118	109	115	110	109	111	-	117
Total	1,029	1,011	1,017	942	904	896	848	903	878	-	857
Percent											
Full time	89%	88%	85%	87%	88%	87%	87%	88%	87%	-	86%
Part-time	11%	12%	15%	13%	12%	13%	13%	12%	13%	-	14%

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

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

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

Capital Assets: Facilities by Location

Last ten fiscal years

Fiscal Year Ended June 30,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Academic / Support Facilities										
Main Campus	19	19	19	19	19	19	18	18	18	18
Montoya Campus	7	7	7	7	7	7	7	6	6	6
South Valley Campus	3	3	3	3	3	3	3	3	3	3
Workforce Training Center	1	1	1	1	1	1	1	1	1	1
Westside Campus	3	3	3	3	2	2	2	2	2	1
Advanced Technology Center	2	2	2	2	2	2	2	0	0	0
Rio Rancho Campus	1	1	1	1	1	1	0	0	0	0
Total	36	36	36	36	35	35	33	30	30	29

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

Student Profile (fall enrollment, headcount)

Last ten academic years

Gender	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%	2007	%	2006	%
Male	11,236	44%	11,690	44%	12,737	44%	12,325	44%	12,929	44%	13,242	44%	12,430	44%	10,604	43%	9,692	43%	9,227	41%
Female	14,524	56%	15,081	56%	15,948	56%	15,938	56%	16,251	56%	16,706	56%	15,569	56%	14,266	57%	13,067	57%	13,388	59%
Total	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%	22,615	100%
Ethnicity																				
Asian	501	2%	565	2%	511	2%	504	2%	517	2%	589	2%	624	2%	599	2%	533	2%	548	2%
Black, non-Hispanic	681	3%	797	3%	980	3%	961	3%	1,037	4%	1,114	4%	959	3%	841	3%	732	3%	744	3%
Hispanic	12,594	49%	12,734	48%	13,249	46%	12,654	45%	12,213	42%	12,774	43%	11,222	40%	10,143	41%	9,308	41%	9,222	41%
Native American	1,761	7%	1,848	7%	2,040	7%	1,925	7%	2,046	7%	2,103	7%	2,092	7%	1,841	7%	1,652	7%	1,542	7%
Native Hawaiian	53	0%	71	0%	88	0%	86	0%	102	0%	90	0%		0%		0%		0%		0%
Non-Resident Alien	18	0%	976	4%	877	3%	834	3%	610	2%	585	2%	418	1%	313	1%	201	1%	151	1%
Other	1,799	7%	890	3%	1,057	4%	1,084	4%	1,386	5%	1,038	3%	2,768	10%	2,340	9%	2,021	9%	1,851	8%
Two or More Races	574	2%	611	2%	614	2%	641	2%	637	2%	530	2%		0%		0%		0%		0%
White, non-Hispanic	7,779	30%	8,309	31%	9,269	32%	9,574	34%	10,632	36%	11,125	37%	9,916	35%	8,793	35%	8,292	36%	8,557	38%
Total	25,760	100%	26,801	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,739	100%	22,615	100%
Age																				
18 and Under	5,173	20%	5,003	19%	4,839	17%	4,356	15%	3,886	13%	3,712	12%	3,369	12%	3,339	13%	2,989	13%	2,586	11%
19-25	10,267	40%	10,584	40%	11,274	39%	11,287	40%	11,371	39%	11,748	39%	11,308	40%	10,174	41%	9,275	41%	9,274	41%
26-30	3,412	13%	3,591	13%	4,032	14%	4,127	15%	4,572	16%	4,834	16%	4,494	16%	3,708	15%	3,362	15%	3,369	15%
31-40	3,785	15%	4,117	15%	4,522	16%	4,512	16%	5,030	17%	5,144	17%	4,562	16%	3,820	15%	3,593	16%	3,573	16%
41-50	1,845	7%	2,139	8%	2,444	9%	2,513	9%	2,732	9%	2,832	9%	2,723	10%	2,427	10%	2,415	11%	2,539	11%
Over 50	1,277	5%	1,335	5%	1,570	5%	1,466	5%	1,584	5%	1,666	6%	1,533	5%	1,393	6%	1,211	5%	1,265	6%
Unknown	1	0%	2	0%	4	0%	2	0%	5	0%	12	0%	10	0%	9	0%	5	0%	9	0%
Total	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,850	100%	22,615	100%

Student information based on fall enrollment of the fiscal year.

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

Student Enrollment (fall enrollment, headcount)

Last ten academic years

Student Classification	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%	2009	%	2008	%	2007	%	2006	%
Dual Credit	3,064	12%	2,755	10%	2,302	8%	1,753	6%	1,388	5%	1,262	4%	926	3%	974	4%	660	3%	544	2%
Freshman	9,988	39%	10,924	41%	12,489	44%	12,759	45%	13,849	47%	14,815	49%	14,223	49%	11,856	48%	10,509	46%	10,110	45%
Sophomore	11,425	44%	11,854	44%	12,599	44%	12,484	44%	12,328	42%	11,630	39%	11,031	38%	8,839	36%	8,239	36%	8,310	37%
Undergrad non-degree	1,283	5%	1,238	5%	1,295	5%	1,267	4%	1,615	6%	2,241	7%	2,819	10%	3,201	13%	3,321	15%	3,651	16%
Total	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	28,999	100%	24,870	100%	22,729	100%	22,615	100%
Semester Hour Load																				
Less than 3	522	2%	481	2%	579	2%	618	2%	879	3%	986	3%	950	3%	961	4%	813	4%	812	4%
3-5 semester hours	7,362	29%	7,142	27%	7,275	25%	6,897	24%	6,675	23%	7,258	24%	6,842	24%	6,322	25%	5,672	25%	5,712	25%
6-8 semester hours	6,362	25%	6,726	25%	7,071	25%	6,989	25%	7,374	25%	7,288	24%	7,010	25%	6,215	25%	6,049	27%	5,910	26%
9-11 semester hours	3,866	15%	4,140	15%	4,533	16%	4,541	16%	4,677	16%	4,598	15%	4,432	16%	3,679	15%	3,327	15%	3,500	15%
12-14 semester hours	6,080	24%	6,691	25%	7,729	27%	7,708	27%	7,921	27%	8,136	27%	7,219	26%	6,338	25%	5,491	24%	5,311	23%
15-17 semester hours	1,379	5%	1,428	5%	1,344	5%	1,365	5%	1,489	5%	1,493	5%	1,351	5%	1,146	5%	1,099	5%	1,168	5%
18 and over semester hours	189	1%	173	1%	154	1%	145	1%	165	1%	189	1%	195	1%	209	1%	308	1%	198	1%
Total	25,760	100%	26,781	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%	22,611	100%
Tuition Status																				
Resident tuition: in-district	21,713	84%	22,905	86%	24,864	87%	24,756	88%	25,464	87%	26,443	88%	24,937	89%	22,197	89%	19,524	86%	19,712	87%
Resident tuition: out-of-district	1,475	6%	1,388	5%	1,274	4%	1,137	4%	1,251	4%	1,167	4%	893	3%	806	3%	848	4%	569	3%
Non-resident tuition	2,572	10%	2,478	9%	2,547	9%	2,370	8%	2,465	8%	2,338	8%	2,169	8%	1,867	8%	2,387	10%	2,334	10%
Total	25,760	100%	26,771	100%	28,685	100%	28,263	100%	29,180	100%	29,948	100%	27,999	100%	24,870	100%	22,759	100%	22,615	100%

Student information based on fall enrollment of the fiscal year.

Single Audit and Other Information

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Governing Board
Central New Mexico Community College
and
Mr. Tim Keller, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the State of New Mexico Central New Mexico Community College (the "College") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 10, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Axiom CPAs and Business Advisors, LLC.
Albuquerque, New Mexico
November 10, 2016

**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. Tim Keller, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the State of New Mexico Central New Mexico Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2016. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Axiom CPAs and Business Advisors
Albuquerque, New Mexico
November 10, 2016

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

**Schedule of Expenditures of Federal Awards
For the Period July 1, 2015 through June 30, 2016**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant 2015-2016	84.007	P007A152635	\$ 541,703
Federal Supplemental Educational Opportunity Grant 2014-2015	84.007	P007A142635	8,350
Federal Work Study	84.033	P033A152635	471,650
Federal Pell Grant 2015-2016	84.063	P063P152545	<u>24,307,690</u>
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			25,329,393
TRIO Cluster			
TRIO Student Support Services Grant-Main	84.042	P042A151030	193,239
TRIO Student Support Services Grant-JMMC	84.042	P042A151031	151,228
TRIO Student Support Services Grant-Main	84.02	P042A101121	<u>48,198</u>
TOTAL TRIO CLUSTER			392,665
TOTAL U.S. DEPARTMENT OF EDUCATION (DIRECT)			25,722,058
Passed Through from New Mexico Department of Education			
Perkins-Career and Technical Education FY 2015-2016	84.048	V048A150031-15A	1,074,188
Perkins-Career and Technical Education FY 2014-2015 Redistribution	84.048	V048A140031	127,003
Perkins-Career and Technical Education GY 2013-2014 Redistribution	84.048	V048A130031	262,800
Perkins-Career and Technical Education FY 2014-2015	84.048	V048A140031	(38)
Adult Education	84.004	V002A140032	379,759
Passed Through from University of New Mexico			
HSI STEM Cooperative: STEM Up	84.031	334001-8701	467,883
Passed Through from Office of Special Education and Rehabilitative Services			
Division of Vocational Rehabilitation DELTA	84.126	1888	7,511
TOTAL U.S. DEPARTMENT OF EDUCATION (PASS-THROUGH)			<u>2,319,108</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			28,041,166
<u>U.S. DEPARTMENT OF LABOR</u>			
Direct:			
American Apprenticeship Initiative	17.268	AP-27942-15	<u>65,548</u>
TOTAL U.S. DEPARTMENT OF LABOR (DIRECT)			65,548
Passed Through from Santa Fe Community College			
Trade Adj. Asst. Community College & Career Training	17.282	TC-22550-11	4,852
Trade Adj. Asst. Community College & Career Training-SUN PATH	17.282	TC-26486-14	599,988
Passed Through from Albuquerque Job Corps			
Albuquerque Job Corps Agreement	17.259	N/A	<u>3,742</u>
TOTAL U.S. DEPARTMENT OF LABOR (PASS-THROUGH)			<u>608,583</u>
TOTAL U.S. DEPARTMENT OF LABOR			674,130
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed Through from University of New Mexico			
Southwest Center for Microsystems Education	47.076	394076-8701	5,881
Passed through from New Mexico State University			
New Mexico Alliance for Minority Participation	47.076	Q01614	253
Passed Through from Idaho State University			
CDS&E: Regularization Adaption Processes for Multivariate Calibration and Maintenance	47.049	15-98A-RCHM29	423
Passed Through University of Central Florida			
OP-TEC: The National Center for Optics and Photonics Education	47.076	613036046	<u>6,269</u>
TOTAL NATIONAL SCIENCE FOUNDATION			12,824

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

**Schedule of Expenditures of Federal Awards (continued)
For the Period July 1, 2015 through June 30, 2016**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Direct			
AmeriCorps	94.013	44-0103-0-1-506	\$ 70,775
Passed Through from American Association of Retired Persons Foundation			
Women's Economic Stability Initiative	94.019	INC-2015-03-0002	78,422
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			149,197
<u>NATIONAL INSTITUTE OF HEALTH</u>			
Passed Through from University of New Mexico Health Sciences Center			
Academic Science Education and Research Training	93.859	3RT53	10,063
Academic Science Education and Research Training	93.859	3RT53	5,635
TOTAL NATIONAL INSTITUTE OF HEALTH			15,698
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Passed Through from NM Manufacturing Extension Partnership			
	11.611	70NANB10H205	13,800
TOTAL U.S. DEPARTMENT OF COMMERCE			13,800
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through from N.M. Energy, Minerals and Natural Resources Department			
	10.664	14-521-0410000000-0102	11,231
TOTAL U.S. DEPARTMENT OF AGRICULTURE			11,231
<u>SMALL BUSINESS ADMINISTRATION</u>			
Passed Through from New Mexico Small Business Development Center			
Small Business Development Center-CNM	59.037	N/A	41,373
TOTAL SMALL BUSINESS ADMINISTRATION			41,373
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 28,959,419

Note A:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Institute and is presented on the accrual basis of accounting. The federally negotiated rate of 35% was used when allowable. The information on this schedule is presented in accordance with the requirements of the OMB Uniform Guidance (2.CFR.200).

Note B:

During the year through 6/30/16, various lenders made loans to students under the Guaranteed Student Loan Program (Direct and Perkins Loans):

	<u>CFDA Number</u>	<u>Disbursements</u>
Federal Direct Loan Program	84.268	\$ 10,117,425 [*]
Perkins Loan Program	84.038	\$ 20,578

Note C:

Of the federal expenditures in the Schedule of Expenditures of Federal Awards, the College did not provide any federal award to sub recipients

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

Section A – Summary of Auditor’s Results

Financial Statements

Type of Auditor’s report issued:	<u>Unmodified</u>
Internal control over financial Reporting: Material Weakness reported	No
Significant deficiencies reported not considered to be material weaknesses?	None noted
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses reported?	No
Significant deficiencies reported not considered to be material weaknesses?	None noted
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 section 510(a) of Circular A-133?	No

Student Financial Assistance Cluster – Various CFDA numbers

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee:	Yes

Status of Prior Year Audit Findings

Status of Prior Year Audit Findings

Current Status

None

Exit Conference

An exit conference was held in a closed session on November 10, 2016, 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

Melissa Armijo	Audit Committee Chair
Thomas Swisstack	Governing Board Member
Nancy Baca	Governing Board Member

Representing the Central New Mexico Community College

Dr. Katherine Winograd	President
Katherine Ulibarri	Vice President Finance & Operations
Dr. Sydney Gunthrope	Vice President Academic Affairs
Phillip Bustos	Vice President Student Services
Erin Bradshaw	Governing Board Executive Assistant
Allen Leatherwood	Director of Internal Auditors
Mark Armijo	Senior Internal Auditor
Wanda Helms	Comptroller
Wencui Yang	Sr. Accounting Director
Loretta Montoya	Special Assistant to VP of F&O
Feng Hou	Chief Information Officer

Representing Axiom CPAs and Business Advisors, LLC.

Chris Garner	Partner
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