

NOTICE

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

\$42,000,000 - General Obligation (Limited Tax) Bonds, Series 2016

Preliminary Official Statement, subject to completion,

dated October 3, 2016

The Preliminary Official Statement, dated October 3, 2016, (the "Preliminary Official Statement") relating to the above-described bonds (the "Bonds") of Central New Mexico Community College (the "Issuer"), has been posted on the internet as a matter of convenience. Paper copies of the Preliminary Official Statement are available from the Issuer by contacting the financial advisor, RBC Capital Markets, LLC, Paul J. Cassidy at (505) 872-5999. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat XI). Although this format should replicate the Preliminary Official Statement available from the Issuer, its appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat XI may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement.

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

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

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

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

Preliminary Official Statement dated October 3, 2016

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 3, 2016

CENTRAL NEW MEXICO COMMUNITY COLLEGE Bernalillo and Sandoval Counties, New Mexico \$42,000,000 - General Obligation (Limited Tax) Bonds, Series 2016

*NEW ISSUE
Book-Entry Only*

*Moody's Rating: Aa1r
S & P Rating: AA+*

PURPOSES

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

THE BONDS

The Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through a DTC Participant. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 15 and August 15, commencing February 15, 2017. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to registered owner will mean Cede & Co., and payments of principal of and interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants is the responsibility of DTC. See "THE BONDS - Book-Entry-Only System". The College is the Registrar and Paying Agent for the Bonds.

The Series 2016 Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS".

OPTIONAL REDEMPTION

SECURITY

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

BOND AND TAX OPINION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants in the documents relating to the Bonds and requirements of the Internal Revenue Code of 1986, as amended, (the "Code") interest on the Bonds is excludable from gross income for federal income tax purposes, and the interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings. Bond Counsel is further of the opinion that interest on the Bonds is excludable from net income for purposes of certain New Mexico taxes imposed on individuals, estates, trusts and corporations. Bond Counsel expresses no opinion regarding other federal income tax consequences relating to the accrual or receipt of interest on the Bonds. (See "TAX EXEMPTION" herein.)

DELIVERY

When, as and if issued, through DTC's facilities, on or about November 17, 2016.

DATED DATE

November 17, 2016

DUE DATE

August 15, as shown on the following page:

GENERAL OBLIGATION BONDS (LIMITED TAX), SERIES 2016

Years Maturing (August 15)	Principal	Interest Rate	Yield or Price	CUSIP # 154626	Years Maturing (August 15)	Principal	Interest Rate	Yield or Price	CUSIP # 154626
2017	\$6,500,000				2025	\$2,200,000			
2018	8,300,000				2026	2,200,000			
2019	1,950,000				2027	2,200,000			
2020	1,950,000				2028	2,200,000			
2021	1,950,000				2029	2,200,000			
2022	1,950,000				2030	2,200,000			
2023	2,000,000				2031	2,200,000			
2024	2,000,000								

Electronic and sealed bids will be opened at 9:00 AM, prevailing Mountain Time, Tuesday, October 11, 2016.

See "Notice of Bond Sale" enclosed.

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

GOVERNING BOARD

Pauline J. Garcia	-	District 1 (Vice Chair)
Robert P. Matteucci, Jr.	-	District 2 (Secretary)
Thomas E. Swisstack	-	District 3
Melissa Armijo	-	District 4
Nancy Baca	-	District 5
Virginia M. Trujillo	-	District 6
Michael D. DeWitte	-	District 7 (Chair)

COLLEGE ADMINISTRATION

President	Dr. Katharine Winograd
Vice President for Academic Affairs	Dr. Sydney Gunthorpe
Vice President for Finance & Operations	Katherine Ulibarri
Vice President for Student Services	Phillip Bustos
Comptroller	Wanda Helms, CPA CGMA

FINANCIAL ADVISOR

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

BOND COUNSEL

Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street NW, Suite 1000
P.O. Box 2168 - 87103
Albuquerque, NM 87102
(505) 848-1800

PAYING AGENT/REGISTRAR

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

A FEW WORDS ABOUT OFFICIAL STATEMENTS

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

MARKET STABILIZATION

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

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

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

Bond Counsel, Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, was not requested and did not take part in the preparation of the Official Statement nor has such firm undertaken to independently verify any of the information contained herein. Such firm has no responsibility for the accuracy or completeness of any information furnished in connection with any offer or sale of the Bonds in the Official Statement or otherwise.

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

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

College

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

Financial Advisor

RBC Capital Markets, LLC
6301 Uptown Blvd. NE, Suite 110
Albuquerque, NM 87110
Attn: Paul Cassidy
paul.cassidy@rbccm.com

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**Central New Mexico Community College
Bernalillo and Sandoval Counties, New Mexico
\$42,000,000 - General Obligation (Limited Tax) Bonds, Series 2016**

INTRODUCTION

Thank you for your interest in learning more about the Central New Mexico Community College, (the "College"), Bernalillo and Sandoval Counties, New Mexico, General Obligation (Limited Tax) Bonds, Series 2016 (the "Series 2016 Bonds") issued in the principal amount of \$42,000,000. This Official Statement will tell you about the Bonds, their security, the College and the risks involved in an investment in the Bonds.

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

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

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the resolution authorizing issuance of the Bonds adopted by the Governing Board of the College on September 13, 2016 (the "Bond Resolution")

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

The Issuer

The College is a political subdivision of the State of New Mexico (the "State") organized for the purpose of operating and maintaining a program of postsecondary education which provides coursework leading to certificates and associate degrees. The College's taxing district (the "District") encompasses substantially all of Bernalillo County including the municipalities of Albuquerque, Tijeras and Los Ranchos de Albuquerque and most unincorporated areas, and in Sandoval County, the municipalities of Rio Rancho and Corrales. The District's 2016 preliminary assessed valuation is \$17,805,807,927. For Fall 2015, credit programs had a total headcount enrollment of 29,100 and full-time equivalent enrollment of 25,760. An additional 3,340 students attended continuing education and other non-credit courses that year.

Security

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

Financial Statements

An excerpt of the College's audited financial statements as of and for the year ended June 30, 2015, including the opinion of independent public accountants rendered thereon is attached as Appendix B. The complete audited financial statements for the College as of and for the year ended June 30, 2015, including the opinion rendered thereon of independent public accountants are available upon request. It should be noted that no audit procedures have been performed subsequent to the date of the audit opinion. Furthermore, there has not been an audit of any financial statements as of any date or for any period subsequent to the date of the latest financial statements covered by the opinion.

Purpose

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

Selected Debt Ratios

	<u>2016</u>
2016 Preliminary Assessed Valuation	\$17,805,807,927
2016 Preliminary Estimated Actual Valuation ⁽¹⁾	\$64,979,628,777
General Obligation Debt Outstanding (including Series 2016 Bonds)	\$105,315,000
Net General Obligation Debt	\$99,073,201
Estimated Direct & Overlapping G/O Debt	\$1,359,949,578
<u>Net Debt as a Percentage of</u>	
Assessed Valuation	0.56%
Estimated Actual Valuation	0.15%
<u>Direct & Overlapping Debt as Percentage of</u>	
Assessed Valuation	7.64%
Estimated Actual Valuation	2.09%
Estimated Population	731,000
District Net Debt Per Capita	\$135.53
Direct and Overlapping Debt Per Capita	\$1,860.40

(1) Estimated actual valuation is computed by adding the 2015 exemptions to the 2016 preliminary assessed valuation and multiplying the result by three.

THE BONDS

Description

The Bonds are General Obligation (Limited Tax) Bonds, Series 2016 (the "Series 2016 Bonds") issued in the principal amount of \$42,000,000 and are dated November 17, 2016. The Bonds are issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof (each an "Authorized Denomination"), bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on February 15 and August 15 each year, commencing on February 15, 2017, and maturing serially, as set forth on the cover page of this Official Statement. Interest will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Authorization

The 2016 Bonds were authorized at an election held in the District on February 2, 2016. The Bonds are being issued pursuant to the Board's powers under Sections 21-2A-6 through 21-2A-8, NMSA 1978, as amended and supplemented, the Constitution and other laws of the State of New Mexico (the "State"), and the Bond Resolution.

Payment of Principal and Interest; Record Date

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

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

Bond Registrar and Paying Agent

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

Redemption

The 2016 Bonds maturing on or after August 15, 2025 will be subject to redemption prior to maturity, at the option of the College, on and after August 15, 2024, in whole or in part at any time, in one or more units of principal of \$5,000 in such order of maturities as the College may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Paying Agent in such manner as it shall consider appropriate and fair). The purchase price for Bonds selected for redemption will be equal to the principal amount of each bond (or portion thereof) so redeemed, plus accrued interest thereon to the redemption date.

Transfers and Exchanges

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

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

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

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

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

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

Tax Covenants

In the Bond Resolution, the College covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chair, Secretary, and any other officer of the College having responsibility for the issuance of the Bonds shall give an appropriate certificate of the College, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the College regarding the amount and use of all the proceeds of the Bonds, and the facts and circumstances relevant to the tax treatment of interest on the Bonds.

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

SECURITY AND REMEDIES

Security

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

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

Legal Matters

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

Limitations on Remedies Available to Owners of Bonds

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

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

DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

The preliminary assessed valuation of taxable property within the District is \$17,805,807,927 for the tax year 2016, as approved by the State of New Mexico Taxation and Revenue Department, Property Tax Division. The maximum general obligation indebtedness of the College may not exceed 3% of the assessed valuation of the District or \$534,174,237.

After the Bonds are issued, the ratio of total outstanding general obligation (G/O) net debt of the College to the 2016 preliminary assessed valuation will be no greater than 0.56% as summarized below:

<u>Net Debt</u>	
2016 Preliminary Assessed Valuation	\$17,805,807,927
2016 Preliminary Estimated Actual Valuation ⁽¹⁾	\$64,979,628,777
Bonded Debt	
Outstanding Bonds (including Series 2016 Bonds)	\$105,315,000
Less Debt Service Fund as of January 7, 2014 ⁽²⁾	6,241,799
TOTAL	\$99,073,201
Ratio of Estimated Net Debt to 2016 Preliminary Assessed Valuat	0.56%
Ratio of Estimated Net Debt to 2016 Preliminary Estimated Actua	0.15%
Per Capita Net Bonded Debt:	\$135.53
Est. Population:	731,000

(1) Estimated actual valuation is computed by adding the 2015 exemptions to the 2016 preliminary assessed valuation and multiplying the result by three.

(2) The cash balance as of 6/30/2016 was \$8,183,111.00. The amount properly attributable to principal reduction is 76.28%.

Outstanding Debt

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

Issue	Original Amount Issued	Final Maturity	Principal Outstanding
Series 2009	\$30,000,000	15-Aug-24	\$7,700,000
Series 2011	33,360,000	15-Aug-26	22,400,000
Series 2014A	33,200,000	15-Aug-28	23,300,000
Series 2014B	13,360,000	15-Aug-21	9,915,000
Series 2016	42,000,000	15-Aug-31	42,000,000
	\$151,920,000		\$105,315,000

Debt Service Requirements to Maturity

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

TYE	Present Requirements			Series 2016 ⁽¹⁾			Total Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	\$5,500,000	\$2,481,550	\$7,981,550	6,500,000	\$1,250,667	7,750,667	\$12,000,000	\$3,732,217	\$15,732,217
2018	5,570,000	2,248,050	7,818,050	8,300,000	1,420,000	9,720,000	13,870,000	3,668,050	17,538,050
2019	5,615,000	2,011,300	7,626,300	1,950,000	1,088,000	3,038,000	7,565,000	3,099,300	10,664,300
2020	6,025,000	1,778,550	7,803,550	1,950,000	1,010,000	2,960,000	7,975,000	2,788,550	10,763,550
2021	6,035,000	1,511,050	7,546,050	1,950,000	932,000	2,882,000	7,985,000	2,443,050	10,428,050
2022	6,200,000	1,289,750	7,489,750	1,950,000	854,000	2,804,000	8,150,000	2,143,750	10,293,750
2023	5,950,000	1,021,500	6,971,500	2,000,000	776,000	2,776,000	7,950,000	1,797,500	9,747,500
2024	5,950,000	778,500	6,728,500	2,000,000	696,000	2,696,000	7,950,000	1,474,500	9,424,500
2025	5,950,000	539,250	6,489,250	2,200,000	616,000	2,816,000	8,150,000	1,155,250	9,305,250
2026	4,270,000	351,750	4,621,750	2,200,000	528,000	2,728,000	6,470,000	879,750	7,349,750
2027	3,100,000	199,250	3,299,250	2,200,000	440,000	2,640,000	5,300,000	639,250	5,939,250
2028	3,150,000	102,375	3,252,375	2,200,000	352,000	2,552,000	5,350,000	454,375	5,804,375
2029				2,200,000	264,000	2,464,000	2,200,000	264,000	2,464,000
2030				2,200,000	176,000	2,376,000	2,200,000	176,000	2,376,000
2031				2,200,000	88,000	2,288,000	2,200,000	88,000	2,288,000
Total	\$63,315,000	\$14,312,875	\$77,627,875	\$42,000,000	\$10,490,667	\$52,490,667	\$105,315,000	\$24,803,542	\$130,118,542

(1) Preliminary, subject to change. Average Interest rate of 4% was used for illustrational purposes only.

Statement of Estimated Direct and Overlapping Debt

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

Taxing Entity	2016 Preliminary Assessed Value ⁽²⁾	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico ⁽¹⁾	\$58,412,964,620	\$389,270,000	30.48%	\$118,659,734
City of Albuquerque	12,661,825,249	373,989,000	100.00%	373,989,000
City of Rio Rancho	2,046,876,176	11,375,000	100.00%	11,375,000
Bernalillo County	15,410,437,184	108,010,000	99.87%	69,223,743
Sandoval County	2,492,346,345	13,735,000	76.79%	10,547,107
Village of Corrales	350,791,323	335,000	100.00%	335,000
Village of Los Ranchos	249,994,926	3,025,000	100.00%	3,025,000
ABQ Metro Arroyo Flood Control Authority	14,296,739,505	41,750,000	100.00%	41,750,000
S. Sandoval County Arroyo Flood Control Authority	2,685,334,482	21,290,000	91.39%	19,457,830
Rio Rancho Public Schools	2,141,555,022	106,940,000	100.00%	106,940,000
Albuquerque MSD #12	15,664,252,905	499,332,164	100.00%	499,332,164
Central New Mexico Community College	17,805,807,927	105,315,000	100.00%	105,315,000
Total Direct & Overlapping Debt				\$1,359,949,578

(1) Reflects 2015 Assessed Valuation

(2) Excludes protested property and is subject of change. Source: Bernalillo County & Sandoval County Assessor.

Ratio of Estimated Direct & Overlapping Debt to 2016 Preliminary Assessed Valuation:	7.64%
Ratio of Estimated Direct & Overlapping Debt to 2016 Estimated Actual Valuation:	2.09%
Per Capita Direct & Overlapping Debt:	\$1,860.40

TAX BASE

Analysis of Assessed Valuation

Assessed valuation of property within the District is calculated as follows: Of the total estimated actual valuation of all taxable property in the District, 33 1/3% is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2016 preliminary assessed valuation is \$17,805,807,927. The actual value of personal property within the District is determined by the County Assessor. The actual value of certain corporate property within the District is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of assessed valuation for the previous five years is as follows:

	2012	2013	2014	2015	2016*
Assessments					
Value of Land	\$6,583,988,305	\$6,615,616,623	\$6,610,327,575	\$6,693,056,742	
Improvements	12,696,166,987	12,892,559,811	13,155,360,489	13,555,573,118	
Personal Property	452,290,478	449,733,819	464,948,005	480,399,048	
Mobile Homes	50,007,592	49,995,887	49,694,965	48,104,573	
Livestock	1,035,922	1,073,739	1,025,915	1,723,489	
Assessor's Taxable Value	\$19,783,489,284	\$20,008,979,879	\$20,281,356,949	\$20,778,856,970	
Less Exemptions					
Head of Family	226,018,514	226,335,407	227,081,176	230,824,862	
Veterans	308,131,871	320,518,718	330,460,300	349,590,592	
Other	3,325,583,320	3,427,527,719	3,125,732,077	3,273,652,878	
Total	\$3,859,733,705	\$3,974,381,844	\$3,683,273,553	\$3,854,068,332	
Assessor's Net Taxable Value	\$15,923,755,579	\$16,034,598,035	\$16,598,083,396	\$16,924,788,638	\$17,227,081,974
Centrally Assessed	556,205,288	523,293,887	553,488,975	555,254,334	578,725,953
Total Net Taxable Value	\$16,479,960,867	\$16,557,891,922	\$17,151,572,371	\$17,480,042,972	\$17,805,807,927

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

	2012	2013	2014	2015	2016*
Residential	\$12,219,893,918	\$12,427,468,679	\$12,845,560,332	\$13,176,671,365	\$13,592,104,025
Non-Residential	4,260,066,949	4,130,423,243	4,306,012,040	4,303,371,607	4,213,703,902
Total	\$16,479,960,867	\$16,557,891,922	\$17,151,572,372	\$17,480,042,972	\$17,805,807,927

*Preliminary

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

Cross-County Assessed Valuation

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

	2012	2013	2014	2015	2016*
Bernalillo County	\$14,070,609,624	\$14,153,717,616	\$14,259,788,842	\$15,025,763,997	\$15,313,461,582
Sandoval County	2,409,351,243	2,404,174,306	2,891,783,529	2,454,278,975	2,492,346,345
Total	\$16,479,960,867	\$16,557,891,922	\$17,151,572,371	\$17,480,042,972	\$17,805,807,927

*Preliminary

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

History of Assessed Valuation

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

Tax Year	Central New Mexico Community College	Bernalillo County	Sandoval County
2007	\$15,384,835,342	13,191,112,431	2,935,400,557
2008	16,451,924,643	13,892,625,132	3,259,727,705
2009	17,471,846,861	14,734,387,233	2,737,459,628
2010	16,864,259,447	14,297,609,856	2,566,649,591
2011	16,446,237,946	13,973,377,038	2,472,860,908
2012	16,479,960,867	14,070,609,624	2,409,351,243
2013	16,557,891,922	14,153,717,616	2,404,174,306
2014	17,180,041,527	14,259,788,842	2,920,252,685
2015	17,480,042,972	15,025,763,997	2,454,278,975
2016*	17,805,807,927	15,313,461,582	2,492,346,345

*Preliminary

Major Taxpayers

The following is a list of the ten largest taxpayers in the District, along with the 2015 assessed valuation for each. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base. The largest taxpayers' assessed valuation is 2.79% of the total assessed valuation.

Taxpayer	Business	2015 Assessed Valuation	% of Total A.V.
Public Service Co. of New Mexico	Electric Utility	\$245,263,880	1.40%
QWest Communications	Telecommunications	51,151,919	0.29%
Gas Company of New Mexico	Gas Utility	48,301,651	0.28%
Verizon	Wireless Communications	28,370,564	0.16%
Simon Property Group	Retail	22,117,361	0.13%
AHS Medical Center	Medical	20,970,632	0.12%
Southwest Airlines	Airline	20,459,244	0.12%
AT&T	Wireless Communications	19,655,876	0.11%
ABQ Uptown LLC	Retail	15,960,737	0.09%
ABQ Plaza Office Investment	Real Estate	15,765,789	0.09%
Top Ten Centrally and Locally Assessed Values		\$488,017,653	2.79%

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

Tax Rates

Article VIII, Section 2, of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the District to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax situation on residential property for the 2016 Tax Year and the previous four years. The College expects no substantial change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. A high level of taxation may impact the College's ability to repay bonds.

Within 20 Mill Limit for General Purposes					
Total Levy	2016	2015	2014	2013	2012
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Bernalillo County	7.090	7.245	7.254	7.320	7.208
City of Albuquerque	6.339	6.493	6.494	6.544	6.544
AMAFCA	0.173	0.177	0.177	0.179	0.176
Albuquerque MSD # 12	0.270	0.275	0.276	0.278	0.274
Total		\$14.190	\$14.201	\$14.321	\$14.202
Over 20 Mill Limit - Interest, Principal, Judgement, etc.					
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Bernalillo County	1.265	1.476	1.277	1.259	0.910
City of Albuquerque	4.976	4.976	4.976	4.976	4.976
AMAFCA	0.675	0.675	0.675	0.675	0.675
Albuquerque MSD #12	10.217	10.256	10.255	10.187	10.189
UNM Hospital	6.198	6.334	6.342	6.400	6.400
Central NM Community College (Operating)	2.776	2.831	2.827	2.842	2.794
Central NM Community College (Debt Service)	1.000	0.550	0.550	0.550	0.550
Total		\$28.458	\$28.262	\$28.249	\$27.854
TOTAL LEVY					
City of Albuquerque	2016	2015	2014	2013	2012
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.360	\$1.360
Bernalillo County	8.355	8.721	8.531	8.579	8.118
City of Albuquerque	11.315	11.469	11.470	11.520	11.520
AMAFCA	0.848	0.852	0.852	0.854	0.851
Albuquerque MSD #12	10.487	10.531	10.531	10.465	10.463
UNM Hospital	6.198	6.334	6.342	6.400	6.400
Central NM Community College	3.776	3.381	3.377	3.392	3.344
Total Residential in Albuquerque	\$42.339	\$42.648	\$42.463	\$42.570	\$42.056
Total Non-Residential in Albuquerque	\$46.788	\$46.336	\$46.132	\$45.995	\$45.648

Source: New Mexico Department of Finance and Administration

College Tax Rates

The following table summarizes the historical tax levies on property, per \$1,000 of assessed valuation, within the District since the 2007 tax year (2007-08 fiscal year).

Tax Year	Operational			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.

Yield Control Limitation

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

Developments Limiting Residential Property Valuation Increases

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

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

Bills implementing the constitutional amendment were enacted in 2001 and were codified as Sections 7-36-21.2 NMSA 1978 and 7-36-21.3 NMSA 1978.

Section 7-36-21.2 NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001. Annual valuation increases are limited to 3% over the prior year's valuation or 6.1% over the valuation from two years prior. Subject to certain exceptions, these limitations do not apply:

1. To property that is being valued for the first time;
2. To physical improvements made to the property in the preceding year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change occurs in the zoning or use of the property; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3 NMSA 1978.

Paragraph 3 of Section 7-36-21.2 NMSA 1978 was declared unconstitutional under the New Mexico Constitution by the Second Judicial District Court in August, 2009. The Court decision held that the substantially higher increase allowed upon sale of a residential property over similar residential properties protected by the 3% annual valuation increase violated the uniformity clause. The New Mexico Court of Appeals upheld the law in another case in March, 2012. The Legislature has considered revising the statutes to comply with the Court decisions but no new statutes have passed.

Section 7-36-21.3 NMSA 1978 places a limitation on the increase in value for property taxation purposes for single-family dwellings occupied by low-income owners who are sixty-five years of age or older or who are disabled. The statute fixes the valuation of the property to the valuation in the year that the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

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

Tax Collections on Locally Assessed and Centrally Assessed Property

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

Bernalillo County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections ⁽²⁾	Current/Delinquent Collections as a % of Net Levied
2015	15/16	\$641,680,120	\$621,125,053	96.80%	\$621,125,053	96.80%
2014	14/15	626,867,177	606,258,064	96.71%	618,666,228	98.69%
2013	13/14	614,299,642	593,530,750	96.62%	610,510,773	99.38%
2012	12/13	601,844,884	580,736,950	96.49%	599,614,995	99.63%
2011	11/12	592,768,182	570,354,626	96.22%	590,932,778	99.69%

(1) As of June 30 of each year

(2) As of June 2016

Source: Bernalillo County Treasurer's Office

Sandoval County						
Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections ⁽²⁾	Current/Delinquent Collections as a % of Net Levied
2015	15/16	\$119,015,424	\$115,023,384	96.65%	\$115,023,384	96.65%
2014	14/15	115,903,449	111,651,378	96.33%	114,082,514	98.43%
2013	13/14	115,729,254	110,756,348	95.70%	114,646,560	99.06%
2012	12/13	114,396,660	109,098,898	95.37%	113,762,726	99.45%
2011	11/12	111,937,913	107,182,149	95.75%	111,508,539	99.62%

(1) As of June 30 of each year

(2) As of June 2016

Source: Sandoval County Treasurer's Office

Interest on Delinquent Taxes

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

Penalty for Delinquent Taxes

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

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

Remedies Available for Non-Payment of Taxes

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

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

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

THE COLLEGE

General

Central New Mexico Community College ("CNM" or "College"), formerly named Albuquerque Technical and Vocational Institute, has grown in the past 51 years to become the second largest higher educational institution in New Mexico in terms of enrollment. Authorized by the State Legislature in 1963, the College is a political subdivision of the State organized as a postsecondary institution that provides coursework leading to certificates and associate degrees. The College opened officially on July 1, 1965, with its primary goal to provide adults with marketable skills and the related education needed to succeed in an occupation. Until 1979, CNM was part of Albuquerque Municipal School District No. 12 and shared its board members; the 1979 Legislature created a separate Governing Board for CNM.

In 2016 "Community College Week" Top 100, 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 ranks No. 6 in the country among all community colleges for overall associate degrees awarded (No. 10 when universities are included). 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.

CNM's first classes were held for 150 students in an elementary school building that had been vacated, surplus army barracks, and cottages. As of September 19, 2016, there were nearly 24,900 students enrolled for the 2016 Fall Term. Students attend credit or non-credit classes at nine locations – the Main Campus on 51 acres near Albuquerque's downtown business district; the Joseph M. Montoya Campus on 40 acres in the far northeast heights; the South Valley Campus in the South Valley area; the Workforce Training Center on the I-25 business corridor in north Albuquerque; the Westside Campus in the northwest quadrant of Albuquerque; the Rio Rancho Campus, which opened in 2011; the Advanced Technology Center in north Albuquerque; the STEMulus Center in downtown Albuquerque; and the AMREP Building in Rio Rancho. CNM's budget for the 2016-2017 fiscal year is \$219,277,433, including \$136,740,016 in current funds, \$40,406,425 in plant funds, and \$42,130,992 in restricted funds.

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

CNM's first 21 years were devoted to offering certificate programs in business, health, technology and the trades along with continuing education in those areas. The first major expansion in mission came in 1986 when the New Mexico Legislature gave CNM the authority to grant associate degrees. Approval by the CNM Governing Board quickly followed and CNM's transition to a full-fledged community college had begun. Since the fall of 1986, CNM has seen steady growth in its liberal arts courses and associate degree programs. CNM offers more than 100 associate degree and certificate programs in more than 80 fields of study. The school year is divided into two terms of 15 weeks each and one 12-week summer term. Most programs admit beginning students each term in August, January and May.

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

CNM continues to respond to the needs of business and industry, and thus to the needs of students seeking quality employment, through advisory committees. Organized for each full-time program, CNM advisory committees, in total, have about 1,000 representatives from local business and industry who help CNM ensure that CNM students are learning the skills they need to succeed in the workplace. CNM has an overall graduate placement rate of close to 80% with several programs recording 100% placement.

CNM is also well known for its positive impact on economic development in the area. The College has built a reputation for providing quality education and employee training for new and existing businesses. CNM supports the educational

and training needs for a wide variety of large employers, including Intel, General Mills, Hewlett Packard, Sandia National Labs, Emcore, the film industry and many more.

Examples of industry-related activities include:

- Through a partnership with the U.S. Department of Labor, CNM was established as New Mexico's Solar Center of Excellence, developing and providing training and curriculum for photovoltaic installation programs around the state in order to build a high quality workforce for the growing solar industry in New Mexico.
- CNM offers the state's largest Film Technician program to support New Mexico's highly active film industry.
- In 2013, CNM created the Office of Education, Entrepreneurship and Economic Development as a proactive way to encourage partnerships and education support for efforts involving entrepreneurship and workforce development for emerging industries.
- Created a workforce pipeline for Prime Therapeutics, which was seeking employees out of state, through CNM's Pharmacy Technician program.
- Developing a workforce training program for Kentah Group that will prepare employees for the unique service Kentah provides in the management of electronic medical records.
- Preparing to launch the "Developer Academy," which will provide a fast-track to earning a certification that will prepare individuals to secure jobs in the high-demand field of web developing. Due to current lack of qualified candidates, companies are currently hiring from out of the country for many of these quality jobs.
- Creating online learning courses that are easily accessible on site for businesses and industries, providing their employees with high-quality courses that enhance their skills and performance.
- CNM was part of the economic development recruitment team that helped attract Canon, Inc. Lowe's Home Improvement and RSI, Inc. to central New Mexico.
- Through partnership with Centria Healthcare, CNM developed and launched the first registered behavior technician (RBT) program in New Mexico. This program prepares students to work with individuals with autism or with the families and caregivers of those individuals.
- Utilizing grant funding from the U.S. Department of Labor, CNM and CNM Ingenuity are working collaboratively to develop the New Mexico Information Technology Apprenticeship Program (NMITAP), which will be the first registered apprenticeship program in high-quality, high-growth careers in Information and Health Technology.

Community Support

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

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

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

New Mexico Higher Education Department

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

Governing Board

The Governing Board of the College consists of seven districted positions, each designated by a number. Normally, the members of the Board are elected by districts to a four-year term on the first Tuesday in February of odd-numbered years. Terms of office are staggered so that roughly half the Board is subject to change at any regular election.

The members of the Board are:

Pauline J. Garcia, Vice Chair	District 1
Robert P. Matteucci, Jr., Secretary	District 2
Thomas E. Swisstack, Member	District 3
Melissa Armijo, Member	District 4
Nancy Baca, Member	District 5
Virginia M. Trujillo, Member	District 6
Michael D. DeWitte, Chair	District 7

Terms for members in odd-numbered districts expire in 2017, terms for members in even-numbered districts expire in 2019. Board Member Armijo is serving in an interim appointment; the District 4 Board position will also be up for election in 2017.

Administration and Staff

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

Dr. Katharine Winograd, President

Dr. Katharine W. Winograd became president of Central New Mexico Community College on July 1, 2007. She is the first female president of the college, which was established in 1965. Dr. Winograd served CNM as vice president for planning and budget prior to being named president. She has been with the college since 1996 and has worked in higher education for more than 41 years, holding previous positions at the University of New Mexico, the University of Louisville and the Kentucky Council on Higher Education. She was named Western Region CEO of the Year by the Association of Community College Trustees in August 2013. She is currently an Ascend Fellow of the Aspen Institute and serves on the boards of Presbyterian Healthcare Services and the Federal Reserve Bank of Kansas City's Denver Branch. Dr. Winograd earned a Doctorate in Educational Leadership from the University of New Mexico, her Master's Degree in Higher Education Administration from the University of Louisville and her Bachelor's Degrees in Psychology and Therapeutic Recreation from Georgetown (KY) College.

Dr. Sydney Gunthorpe, Vice President for Academic Affairs

Dr. Sydney Gunthorpe assumed the position of Vice President for Academic Affairs in July 2012. In this position, Dr. Gunthorpe serves as the Chief Academic Officer and provides leadership to the development and delivery of all instructional programs. He has nearly 23 years of higher education experience. For the past 12 years, Dr. Gunthorpe has also worked as a CNM adjunct faculty member, teaching math and computer literacy. Dr. Gunthorpe graduated from the University of New Mexico with a Bachelor's Degree in Mathematics, a Master's Degree in Education from the University of New Mexico and a Doctorate of Educational Administration from New Mexico State University.

Katherine Ulibarri, Vice President for Finance & Operations

In July 2007, Katherine Ulibarri assumed the position of Vice President for Finance & Operations. She is responsible for the development, implementation and management of CNM's budget. Ms. Ulibarri is also responsible for all planning initiatives including the development and implementation of CNM's overall strategic plan, the five year facilities master plan, and the information technology master plan. In 2011, Ms. Ulibarri assumed responsibility for the Business, Procurement, Human Resources, Facilities, Information Technology and other operational functions for the college. Prior positions held at CNM include Executive Director of Planning, Budget and Institutional Research and Special Assistant to the President. Ms. Ulibarri serves on the New Mexico Finance Authority Board as Treasurer. She also serves as a member of the New Mexico Public Insurance Authority (NMPSIA) Board, as well as the Chair of NMPSIA's Benefit Advisory Committee. Ms. Ulibarri received her Master's Degree in Public Administration and Bachelor's Degree in Business Administration from the University of New Mexico.

Phillip Bustos, Vice President for Student Services

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

Wanda Helms, Comptroller and Chief Procurement Officer

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

Insurance

CNM is a member of the New Mexico Public School Insurance Authority (the 'Insurance Authority'), which was established to provide a comprehensive insurance program to school districts, institutions of higher learning, board members and employees. The Insurance Authority provides medical and risk-related insurance to CNM, including health and life coverage, workers' compensation, property and casualty insurance, general automobile and fire insurance and general liability insurance.

Present Facilities

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

2016 Bond Projects

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

Project	Project Description
Smith Brasher Renovation	Renovation of the SB building to include new lobby area, lecture hall upgrades, classroom upgrades, new HVAC upgrades, new student gathering areas, and parking lot improvements. (Main Campus)
Max Salazar Renovation - Phase II	Renovation of building, including classrooms and academic office space (Main Campus).
Joint Use High School/North Building Demolition	Development of a joint-use facility to house classrooms, labs, offices, and other auxiliary spaces to support the CNM Career and College High School and other high school initiatives that arise as the programs develop. Project contingent upon partnership with Albuquerque Public Schools. (Main Campus)
Catering and Brewing	Creation of classroom and lab space to accommodate Beer and Wine Academy, Brewing Technology, Catering Operations, and Food Truck Commissary and Hub. (Location to be determined)
Student Services Renovation	Review current physical structure and develop/design a plan to alter the space to create a more welcoming and connected space. (Main Campus)
J Building Renovation - Phase II	Renovation of the building to include a student learning commons, including mechanical and roof work. (Montoya Campus)
Site and Safety Improvements	Installation of new entrance markers at Rio Rancho and Westside Campuses and way finding signage for building and function location. Project also includes enhanced street and city markers to provide better directional signage to each campus location to enhance and create a safe environment for students and staff. (Rio Rancho Campus and Westside Campus)
Emergency Broadcast and Display for Safety and Security	Enterprise digital signage and audible broadcast system (All campuses)
Access Control Project	Continue access control project in CNM buildings. (All Campuses)

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

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

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

- ✓ Strategy Forum
- ✓ Action Projects
- ✓ Systems Portfolio

- ✓ Systems Appraisal
- ✓ Reaffirmation of Accreditation

CNM received Reaffirmation of Accreditation through 2023. In addition, AQIP honored CNM as a Vanguard College in April 2008. CNM is one of the original 39 institutions that began the AQIP journey in 2000-2001.

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

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

Tuition and Fees

The tuition rate per semester is \$624 for resident students and \$3,312 for non-resident students. Tuition rates apply to academic college transfer courses. Many courses also impose equipment, supply and lab fees.

A history of tuition and fees follows:

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	-

Note: Tuition based on 12 to 18 credit hours. Technology fee assessed per credit hour.

Source: CNM.

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

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

Enrollment

The tables below detail the enrollment breakdown for the College.

Credit Enrollment Totals	2011	2012	2013	2014	2015
Applied Technologies	3,170	2,707	2,852	2,523	2,352
Business & Information Technology	6,132	6,060	6,166	5,552	5,282
Comm, Humanities, Soc Science	7,820	7,796	7,574	6,962	6,721
Health, Wellness, Public Safety	5,400	3,563	3,513	3,277	4,396
Math, Science & Engineering	4,591	6,553	7,136	6,763	5,301
Undecided	2,067	1,584	1,650	1,694	1,708
Sub-Total	29,180	28,263	28,891	26,771	25,760

Non-Credit Enrollment Totals	2011	2012	2013	2014	2015
Adult Education	1,652	1,961	2,450	2,447	1,790
Community Education	-	-	-	-	-
Workforce Training Center	1,239	1,208	1,601	1,426	1,550
Total Non-Credit Enrollment	2,891	3,169	4,051	3,873	3,340

TOTAL HEADCOUNT	32,071	31,432	32,942	30,644	29,100
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Source: CNM

Fall Enrollment					
ETHNICITY	2011	2012	2013	2014	2015
Other	2,735	2,645	2,636	2,548	2,444
Asian	517	504	511	565	501
Black	1,037	961	980	767	681
Hispanic	12,213	12,654	13,249	12,734	12,594
Native-American	2,046	1,925	2,040	1,848	1,761
White	10,632	9,574	9,269	8,309	7,779
Total	29,180	28,263	28,685	26,771	25,760

GENDER

Male	12,929	12,325	12,737	11,690	11,236
Female	16,251	15,938	15,948	15,081	14,524
Unknown	-	-	-	-	-
Total	29,180	28,263	28,685	26,771	25,760

AGE

18 and Under	3,886	4,356	4,839	5,003	5,173
19-25	11,371	11,287	11,274	10,584	10,267
26-30	4,572	4,127	4,032	3,591	3,412
31-40	5,030	4,512	4,522	4,117	3,785
41-50	2,732	2,513	2,444	2,139	1,845
Over 50	1,584	1,466	1,570	1,335	1,277
Unknown	5	2	4	2	1
Total	29,180	28,263	28,685	26,771	25,760

Source: CNM

FINANCES OF THE EDUCATIONAL PROGRAM

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

Budget Process

The College operates on an annual budget with a fiscal year beginning on July 1. However, the budget and resource allocation process is a multi-year activity which assures that funding from all sources is continuously consistent with long-range policies, programmatic goals and specific campus roles and objectives of the College. The budget process is based on criteria established by the 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.

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

Accounting Policies

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

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

HED is required by statute to periodically conduct special audits of the institutions of higher education. These audits may include verification of enrollments, fund balances, compliance with legislation, comparison of expenditures to budgets and other areas to be determined by HED. HED is required to consider the audit findings in making its annual recommendations to the executive and legislature for higher education funding. The most recent special audit of the College was completed in 2003. There were no audit findings. Many of the areas included in special audits are reviewed annually by HED during its annual operating budget approval process.

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

	2012	2013	2014	2015	2016*
Assets					
Current Assets:					
Cash and cash equivalents	\$68,120,334	\$65,041,199	\$318,225	\$1,323,534	\$1,911,044
Investments - unrestricted			\$51,778,103	\$44,194,455	\$51,214,114
Cash and cash equivalents - restricted	32,563,334	16,028,326	48,512,403	40,498,081	26,132,433
Endowment investments	65,142	61,608	51,280	38,908	29,015
Accounts receivable students, net	116,562	906,964	1,021,293	5,021,030	5,523,518
Grants and contracts receivable	3,029,519	2,001,811	2,398,408	3,901,230	1,895,809
Mill levy receivable	3,177,099	2,932,559	2,862,222	2,911,903	2,910,061
Inventories	12,003	64,502	22,855	43,510	51,054
Other receivables			139,190	230,560	539,831
Other assets	447,995	480,951	943,222	1,014,253	1,244,839
Total Current Assets	\$108,191,988	\$87,524,520	\$108,107,201	\$99,189,464	\$92,063,718
Noncurrent Assets:					
Cash and cash equivalents - restricted	\$0	\$0			
Endowment investments	\$1,580,000	\$1,580,000	\$1,580,000	\$1,580,000	\$1,805,000
Mill levy receivable	1,803,184	2,471,203	2,429,335	2,336,816	1,908,418
Notes receivable	111,054	132,229	126,335	139,228	144,114
Other assets	154,661	146,661	138,661	130,661	122,661
Capital assets, net	221,421,618	238,926,314	239,111,051	251,051,862	260,521,011
Total Noncurrent Assets	\$231,076,583	\$243,256,413	\$244,051,394	\$255,244,633	\$264,501,937
Total Assets	\$339,268,571	\$330,780,933	\$352,158,595	\$354,434,097	\$356,565,655
Deferred outflows of resources:					
Bond refunding			\$269,206	\$232,014	\$194,942
Pension related	-	-	-	19,355,569	25,130,498
Total deferred outflow of resources			\$269,206	\$19,587,643	\$25,325,441
Liabilities					
Current Liabilities:					
Cash overdraft	\$2,589,856	\$0	\$115,152	\$816,341	\$531,263
Accounts payable to suppliers	8,186,513	3,684,369	4,190,918	5,664,230	4,213,159
Accounts payable - loans			106,697	106,697	111,798
Accrued compensated absences	1,704,868	2,036,350	2,226,281	2,349,800	2,435,191
Accrued payroll and payroll taxes	5,350,625	6,286,948	1,215,044	1,928,429	8,109,919
Accounts payable - other	281,113	255,415	152,515	158,118	156,681
Accrued interest payable	861,941	196,691	1,021,254	1,080,103	1,004,569
Deferred revenue	2,876,859	2,708,242	2,770,247	8,304,338	8,820,616
Bonds payable - current portion	6,684,811	1,532,331	1,905,898	1,198,156	8,169,551
Total Current Liabilities	\$28,548,592	\$23,300,412	\$25,164,126	\$34,261,418	\$34,213,341
Noncurrent Liabilities - Bonds payable					
	62,212,164	54,680,434	82,139,916	14,341,820	66,112,269
Net pension liability					
				151,964,150	173,380,813
Total noncurrent liabilities			82,139,916	226,305,970	226,305,970
Total Liabilities	\$90,161,356	\$77,980,846	\$107,904,102	260,573,448	273,166,489
Deferred inflows of resources:					
	\$0	\$0	\$0	\$0	\$0
Pension related	-	-	-	16,077,976	17,807,147
Total deferred inflow of resources				16,077,976	17,807,147
Net position:					
Invested in capital assets, net of related debt	\$180,329,544	\$186,637,647	\$193,562,068	\$203,119,536	\$205,822,809
Restricted:					
<i>Nonexpendable</i>					
Scholarships					
Department Programs	1,580,000	1,580,000	1,580,000	1,580,000	\$1,805,000.00
<i>Expendable</i>					
Scholarships					
Department Programs	12,316	83,518	82,880	44,808	34,915
Capital Projects					
Debt Service	6,899,976	7,458,108	5,973,924	5,730,031	6,432,479
Unrestricted	59,625,379	57,040,754	43,324,227	(113,104,059)	(123,777,744)
Total Net Assets	\$248,501,215	\$252,800,081	\$244,523,099	\$91,310,316	\$90,311,459

Unaudited

Source: The figures above have been extracted from the College's audited financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2015 is attached in Appendix B.

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

	2012	2013	2014	2015	2016*
Operating Revenues:					
Tuition and fees (net of scholarship allowances)	\$14,574,901	\$14,329,475	\$12,259,718	\$11,956,812	\$14,273,309
Federal grants and contracts	3,639,451	4,399,395	3,681,905	3,872,635	4,651,729
State and local grants and contracts	8,324,322	7,142,462	6,995,348	7,408,201	7,186,786
Sales and services of educational departments	2,903,497	3,058,006	2,977,195	3,511,356	817,962
Auxiliary enterprise	3,384,292	3,305,919	3,416,154	3,149,744	2,187,831
Total Operating Revenues	\$32,826,463	\$32,235,257	\$29,330,320	\$29,898,748	\$29,117,617
Operating Expenses:					
Instruction and general:					
Instruction	\$57,520,081	\$59,736,448	\$62,317,110	\$64,015,612	\$67,906,517
Public Service	963,999	1,299,375	739,490	598,785	518,992
Academic support	11,194,500	11,831,538	15,298,519	16,753,114	16,679,055
Student services	17,670,139	17,942,000	21,064,633	22,576,294	23,987,841
Institutional support	15,402,838	17,326,495	19,563,133	20,933,042	22,980,220
Operation and maintenance of plant	14,274,733	13,649,793	15,403,453	16,430,247	15,643,672
Depreciation	8,628,154	10,633,124	11,934,824	12,510,477	13,142,017
Student aid	34,882,079	32,711,027	27,846,000	23,540,699	19,479,869
Auxiliary enterprises	2,408,977	2,484,246	2,294,094	2,050,313	725,648
Other expenses	80,906	97,998	96,293	134,441	122,924
Total Operating Expenses:	\$163,026,406	\$167,712,044	\$176,557,549	\$179,543,024	\$181,186,755
Operating loss	(130,199,943)	(135,476,787)	(147,227,229)	(149,644,276)	(152,069,138)
Nonoperating revenues (expenses):					
State appropriations	\$43,086,000	\$47,750,400	\$51,971,700	\$55,644,425	\$56,801,075
Local appropriations - operating	45,975,795	48,251,535	48,507,984	49,165,886	50,137,402
Local appropriations - debt service	9,104,215	9,320,368	9,254,550	9,420,882	9,599,267
Federal Pell Grant	37,494,345	35,037,002	32,814,882	27,989,753	24,307,690
Gifts	653,906	702,661	644,178	672,975	834,397
Investment income (loss)	202,885	113,576	80,550	122,881	110,094
Interest on capital asset related debt	(1,656,960)	(1,723,048)	(1,908,701)	(2,031,153)	(1,765,052)
Gain (loss) on disposition of assets	(69,844)	(118,573)	(2,988)	(84,536)	33,427
Other nonoperating revenues	281,000	306,023	402,049	462,742	506,991
Other nonoperating expenses	-	-	(4,000,000)	-	-
Net nonoperating revenues (expenses)	\$135,071,342	\$139,639,944	\$137,764,204	\$141,363,855	\$140,565,291
Income (loss) before other revs., exp., gains or losses	4,871,399	4,163,157	(9,463,025)	(8,280,421)	(11,503,847)
Capital appropriations	10,818,207	129,715	977,615	6,812,869	4,209,121
Capital grants and gifts	21,804	-	208,422	-	16,869
Additions to permanent endowments	-	-	-	-	225,000
Total Other changes	\$10,840,011	\$129,715	\$1,186,037	\$6,812,869	\$4,450,990
Increase (decrease) in net assets	\$15,711,410	\$4,292,872	(\$8,276,988)	(\$1,467,552)	(\$7,052,857)
Net assets - beginning of year	232,795,805	248,507,215	252,800,087	244,523,099	97,370,316
Beginning net position recognized by GASB 68	-	-	-	(145,685,231)	-
Net assets - end of year	\$248,507,215	\$252,800,087	\$244,523,099	\$97,370,316	\$90,317,459

*Unaudited

Source: The figures above have been extracted from the College's audited financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2015 is attached in Appendix B.

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

	2012	2013	2014	2015	2016*
Cash flows from operating activities					
Tuition and fees	\$14,472,011	\$14,017,465	\$12,198,472	\$13,315,820	\$14,017,716
Federal grants and contracts	3,062,049	4,351,510	4,344,239	3,715,712	4,455,325
State and local grants and contracts	8,387,236	7,109,597	6,901,276	7,714,194	7,638,253
Payments to suppliers	(23,189,583)	(24,585,650)	(27,440,806)	(26,404,490)	(18,420,494)
Payments for utilities	(4,391,039)	(5,025,959)	(5,103,493)	(5,035,878)	(4,309,260)
Payments to employees	(71,106,413)	(72,260,779)	(78,292,800)	(80,717,686)	(80,409,704)
Payments for benefits	(19,620,731)	(21,198,469)	(25,735,419)	(27,681,099)	(27,403,835)
Payments for scholarships	(34,485,853)	(33,077,440)	(27,707,188)	(23,504,937)	(19,560,182)
Loans issued to students	(40,192)	(27,472)	(17,000)	(38,102)	(20,578)
Collection of loans to students	15,646	12,297	22,894	25,209	15,032
Auxiliary enterprise charges	3,383,912	3,303,485	3,264,171	3,230,186	2,245,611
Sales and services of educational activities	2,907,895	3,017,535	3,126,621	3,344,991	982,320
Net cash used by operating activities	(\$120,605,062)	(\$124,363,880)	(\$134,439,033)	(\$132,036,080)	(\$120,769,797)
Cash flows from noncapital financing activities					
State appropriations	\$43,086,000	\$47,750,400	\$51,971,700	\$55,644,425	\$56,801,075
District mill levies - operating	46,193,855	47,592,214	48,589,116	49,200,702	50,490,638
District mill levies - debt service	9,096,226	9,322,298	9,277,940	9,428,844	9,676,330
Federal Pell Grant	36,997,858	35,519,571	32,675,143	27,976,080	24,400,882
Education Loan receipts	49,304,688	42,776,669	20,706,904	14,277,796	10,527,376
Education Loan disbursements	(49,483,175)	(42,583,686)	(20,716,286)	(14,292,661)	(10,490,599)
Gifts and appropriations received for permanent endowments	653,906	702,661	644,177	672,975	1,059,397
Cash provided by bank overdraft			115,752	876,347	(876,347)
Student organization agency transactions	(7,747)	(17,448)	(5,752)	13,730	531,263
Cash overdraft - due to bank	2,589,856	(2,589,856)		(115,752)	9,138
Other expenses			(4,000,000)		
Other receipts	281,000	306,023	422,566	310,913	380,714
Net cash provided by noncapital financing activities	\$138,712,467	\$138,778,846	\$139,681,260	\$143,993,399	\$142,509,869
Cash flows from capital and related financing activities					
Proceeds from capital debt	\$35,012,996	\$0	\$36,829,567	\$0	\$0
Refunding bonds			13,360,000		
Capital appropriations	11,528,445	751,500	124,088	5,382,556	5,954,385
Proceeds from sale of capital assets	39,477	75,393	46,478	46,202	34,862
Purchases of capital assets	(45,811,220)	(26,196,989)	(11,769,452)	(22,208,256)	(24,024,061)
Payment to refund bond escrow agent			(14,925,013)		
Principal paid on capital debt and leases	(8,500,000)	(6,550,000)	(7,385,000)	(7,125,000)	(7,030,000)
Interest paid on capital debt and leases	(1,738,437)	(2,219,525)	(2,018,525)	(2,840,801)	(2,780,363)
Net cash used by capital and related financing activities	(\$9,468,739)	(\$34,139,621)	\$14,262,143	(\$26,745,299)	(\$27,845,176)
Cash flows from investing activities					
Proceeds from sale and maturity of investments	135,063,242	117,925,273	125,393,034	122,640,643	87,065,381
Interest on investments	202,885	113,576	77,909	122,947	167,733
Purchase of investments	(141,988,044)	(100,312,380)	(144,836,267)	(106,970,301)	(80,534,499)
Net cash provided by investing activities	(6,721,917)	17,726,469	(19,365,324)	15,793,289	6,698,616
Net increase (decrease) in cash and cash equivalents	1,916,749	(1,998,186)	139,046	1,005,309	593,511
Cash and cash equivalents, beginning of year	260,616	2,177,365	179,179	318,225	1,323,534
Cash and cash equivalents, end of year	\$2,177,365	\$179,179	\$318,225	\$1,323,534	\$1,917,044
Reconciliation of net operating loss to net cash used by operating activities:					
Operating loss	(\$130,199,943)	(\$135,476,787)	(\$147,227,229)	(\$149,644,276)	(\$152,069,138)
Adjustments to reconcile net operating loss to net cash used by operating activities					
Depreciated expenses	8,628,154	10,633,124	11,934,824	12,510,477	13,142,017
Changes in assets and liabilities:					
Receivables, net	(544,495)	(274,442)	395,031	(3,958,410)	(622,557)
Inventories and other assets	4,550	7,501	41,647	(20,654)	(13,545)
Prepaid expenses			(454,271)	(63,031)	(222,586)
ERB Pension plan expenses proportion FY15,16 CNM ERB Contribution				13,571,225	17,362,111
Other assets	150,093	(24,957)		(10,569,899)	8,854
Accounts payable and accrued expenses	1,582,857	608,816	662,558	523,945	1,024,298
Deferred revenue	(94,745)	(168,617)		5,491,023	
Unearned revenue			18,476		535,359
Compensated absences	(131,533)	331,482	189,931	123,520	85,391
Net cash used by operating activities	(\$120,605,062)	(\$124,363,880)	(\$134,439,033)	(\$132,036,080)	(\$120,769,797)
Noncash transactions:					
Capital grants and gifts	\$21,804	\$0	\$208,422	\$0	\$16,869

*Unaudited

Source: The figures above have been extracted from the College's audited financial statements. Such figures are excerpts only and do not purport to be complete. The independent audit report for the year ending June 30, 2015 is attached in Appendix B.

Employees

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

Pension Plan – Educational Retirement Board

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

Funding Policy

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

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

The contribution requirements of plan members and the College are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The College's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were \$10,569,899, \$9,656,298, and \$7,413,614, respectively, which equal the amount of the required contributions for each fiscal year.

403(b)

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

457(b)

In March 2002, the Central New Mexico Community College Governing Board adopted the State of New Mexico's Deferred Compensation Plan. The 457 Deferred Compensation plan was implemented in Fall 2003 and provides a voluntary retirement savings option for all employees with the exception of work-study student employees. Under the plan in calendar year 2015, employees may voluntarily contribute up to a maximum of \$18,000 if under age 50, and up to a maximum of \$24,000 if the employee is 50 or older. The College does not contribute or match any funds in the 457(b) savings program. The total amount of employee contributions for the fiscal years 2015 and 2014 was approximately \$595,076 and \$536,623, respectively.

Pension Liabilities

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the College reported a liability of \$151,964,150 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, 2014. The contribution amounts were defined by Section 22-11- 21, NMSA 1978. At June 30, 2014, the College's proportion was 2.7% percent. For the year ended June 30, 2015, the College recognized pension expense of \$13,571,225.

Pension Plan Statistics:

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

Fiscal Year Ending June 30	Employer Contributions	Employee Contributions	Net Assets Held in Trust
2006	\$226,479,332	\$178,220,782	\$7,813,888,383
2007	255,853,194	193,657,706	8,591,417,402
2008	290,846,065	201,916,230	9,272,832,328
2009	323,685,497	212,014,023	9,366,271,312
2010	313,276,296	250,666,650	9,431,321,589
2011	308,367,952	247,407,988	9,642,229,673
2012	253,845,277	289,852,094	9,606,304,017
2013	299,657,530	248,785,187	10,358,058,861
2014	362,462,537	268,693,991	11,442,171,449
2015	395,129,621	294,560,840	11,642,543,051

Source: New Mexico Educational Retirement Board, Financial Report

Post-Employment Benefits:

The College contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (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 College's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$1,514,1090, \$1,463,900, and \$1,349,720, respectively, which equal the required contributions for each year.

TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants made by the District, the interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. Bond Counsel is further of the opinion that, under existing law, interest on the Bonds is excludable from net income for purposes of the tax imposed on individuals, estates and trusts under the New Mexico Income Tax Act or for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act. Bond Counsel will express no opinion regarding other federal or New Mexico income tax consequences resulting from the receipt or accrual of interest on the Bonds. A form of Bond Counsel Opinion is attached to this document as Appendix D.

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

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

Code provisions applicable to corporations (as defined for federal income tax purposes) that impose an alternative minimum tax on a portion of the excess of adjusted current earnings over other alternative minimum taxable income, may subject a portion of the interest of the Bonds earned by corporations to the corporate tax imposed on certain corporations, a branch profits tax imposed on certain foreign corporations doing business in the United States, and a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes can result in certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax exempt obligations. The applicability and extent of those or other tax consequences will depend upon the particular tax status or other items of income and expense of the owners of the Bonds. Bond Counsel expresses no opinion regarding such consequences.

ORIGINAL ISSUE DISCOUNT

The Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holders' tax basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at original issue discount should consult their tax advisor for an explanation of the accrual rules.

ORIGINAL ISSUE PREMIUM

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the holders' tax

basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisor for an explanation of the amortization rules.

CONTINUING DISCLOSURE UNDERTAKING

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

Annual Reports

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

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

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

Material Event Notices

The College will also provide to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notices of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; if material, (11) rating changes, (12) bankruptcy, insolvency receivership or similar event of the College; (13) a proposed or completed merger, consolidation or acquisition involving the College, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the College will provide timely notice to the MSRB of any failure by the College to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The College has agreed to provide the foregoing information only to the MSRB (and, as applicable to a New Mexico SID). The MSRB has represented that all such information shall be available without charge on its EMMA website.

Limitations and Amendments

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

The Undertaking may be amended by the College from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law or a change in the identity, nature, status or type of operations of the College, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) a person that is unaffiliated with the College (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The College may also amend or repeal the provisions of the Undertaking if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

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

LITIGATION

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

LEGAL MATTERS

The legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, whose unqualified opinion approving the legality of the Bonds will be furnished at no cost to the purchasers of the Bonds. The proposed form of such opinion letter is attached hereto as Appendix D.

RATINGS

Moody's Investors Service, Inc. and Standard and Poor's Corporation have given the Bonds ratings of "Aa1" and "AA+", respectively. These ratings reflect only the views of such rating agencies, and an explanation of the significance of the ratings may be obtained only from each rating agency. There is no assurance that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in their judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO THE COLLEGE

THE ECONOMY

General

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

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

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

In the private sector, Albuquerque has experienced a period of employment growth from industries such as ClientLogic, T-Mobile, Verizon Wireless, 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. Notable technology companies in the Albuquerque MSA include Ktech Corporation, Emcore, CVI Laser, SBS Technologies, and Applied Research Associates. Unemployment rates in Albuquerque MSA have been below the national average for the past five years.

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

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

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

Population

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

Census Year	City of Rio Rancho	Albuquerque MSA	State of New Mexico
1970	-	373,812	1,017,055
1980	9,985	515,776	1,303,143
1990	32,505	589,131	1,515,069
2000	51,765	729,648	1,826,280
2010	87,521	887,077	2,065,826
2015*	94,171	904,720	2,085,109
2016 ⁽¹⁾	95,070	908,252	2,088,585
2021 ⁽¹⁾	100,005	923,964	2,111,960
Projected Growth 2016-2021 ⁽²⁾	5.19%	1.73%	1.12%

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

(1) Estimates. Source: The Nielsen Company, July 2016

(2) Projected. Source: The Nielsen Company, July 2016

Age Distribution

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

Age Group	Percent of Population		
	Albuquerque MSA	New Mexico	United States
0 - 17	23.40%	24.19%	22.97%
18 - 24	9.27%	9.87%	9.84%
25 - 34	13.97%	13.26%	13.35%
35 - 44	12.63%	11.84%	12.63%
45 - 54	12.79%	12.20%	13.33%
55 and Older	27.94%	28.64%	27.88%

Source: The Nielsen Company, July 2016

Effective Buying Income

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

Effective Buying Income Group	Albuquerque MSA	New Mexico	United States
Under \$25,000	26.77%	29.15%	22.72%
\$25,000 - \$34,999	10.89%	11.18%	9.97%
\$35,000 - \$49,999	13.41%	13.88%	13.41%
\$50,000 - \$74,999	18.34%	17.21%	17.60%
\$75,000 & Over	30.59%	28.57%	36.30%
2012 Est. Median Household Income	\$45,942	\$41,958	\$49,581
2013 Est. Median Household Income	\$48,494	\$43,273	\$49,297
2014 Est. Median Household Income	\$44,391	\$44,292	\$51,579
2015 Est. Median Household Income	\$48,234	\$45,633	\$53,706
2016 Est. Median Household Income	\$48,792	\$45,445	\$55,551

Source: The Nielsen Company, July 2016

Gross Receipts

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

Fiscal Year	City of Albuquerque		Bernalillo County		State of New Mexico	
	(000's) Retail	(000's) Total	(000's) Retail	(000's) Total	(000's) Retail	(000's) Total
2009	\$7,350,982	\$26,280,861	\$7,879,244	\$30,861,715	\$23,812,635	\$104,562,006
2010	7,284,760	25,013,364	7,724,391	29,663,675	24,608,800	95,703,873
2011	7,307,820	25,855,865	7,736,773	30,616,678	23,789,930	103,861,713
2012	7,453,662	26,331,351	7,981,162	31,955,728	24,254,465	107,820,845
2013	7,339,420	26,750,689	7,859,661	32,119,382	23,873,877	106,300,014
2014	5,683,904	20,216,479	7,905,376	32,072,876	24,395,913	107,584,700
2015	8,695,567	31,557,052	9,079,530	36,644,382	27,481,308	119,726,978

Source: Taxation & Revenue Department - State of New Mexico

Employment

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

Year ⁽¹⁾	Albuquerque MSA		State of New Mexico		United States
	Labor Force	% Unemployed	Labor Force	% Unemployed	% Unemployed
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. Numbers are Preliminary.

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

Major Employers

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

Employer	Business
University of New Mexico	Education
Albuquerque Public Schools	Education
Sandia National Labs	Research Development
Kirtland AFB (Civilian)	Defense
Presbyterian	Healthcare
City of Albuquerque	Government
UNM Hospital	Healthcare
State of New Mexico	Government
Kirtland AFB (Military)	Air Force Material Command
Lovelace	Healthcare
Central NM Community College	Education
New Mexico Veterans Affairs Hospital	Healthcare
Bernalillo County	Government
Intel Corporation	Semiconductor Manufacturer
Rio Rancho Public Schools	Education
Sandia Resort & Casino	Resort & Casino

Source: Albuquerque Economic Development

Covered Wage and Salary Employment by NAICS Code Classification

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

Bernalillo County	2011	2012	2013	2014	2015
Total Private	245,639	245,591	247,921	251,698	255,604
Accommodation and Food Services	29,291	29,804	30,563	31,816	32,738
Administrative and Waste Services	22,143	20,554	20,929	20,571	20,039
Agriculture, Forestry, Fishing & Hunting	126	148	150	164	185
Arts, Entertainment, and Recreation	3,090	3,658	3,747	3,727	3,990
Construction	17,313	16,292	16,794	17,211	17,377
Educational Services	4,476	4,553	4,516	4,779	4,874
Finance and Insurance	9,717	9,542	10,064	10,441	10,784
Health Care and Social Assistance	41,966	43,374	44,268	45,574	47,059
Information	7,173	7,206	6,994	6,867	7,243
Management of Companies and Enterprises	3,193	3,170	3,162	3,182	3,329
Manufacturing	12,569	12,609	12,443	12,331	12,428
Mining	187	169	174	119	99
Other Services, Ex. Public Admin	8,950	9,060	8,634	8,714	8,586
Professional and Technical Services	27,645	27,123	26,787	27,358	27,554
Real Estate and Rental and Leasing	4,565	4,700	4,677	4,538	4,616
Retail Trade	35,066	35,156	35,735	35,895	36,211
Transportation and Warehousing	6,608	6,830	6,868	6,740	6,818
Utilities	663	682	780	795	789
Wholesale Trade	10,891	10,959	10,636	10,878	10,886
Government	64,708	63,554	63,539	62,912	63,348
Total	310,347	309,145	311,460	314,610	318,952

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

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

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

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

Sandoval County	2011	2012	2013	2014	2015
Total Private	21,788	21,957	22,098	21,340	21,532
Accommodation and Food Services	3,131	3,180	3,303	3,370	3,219
Administrative and Waste Services	2,669	2,736	3,062	2,857	3,017
Agriculture, Forestry, Fishing & Hunting	46	46	17	20	24
Arts, Entertainment, and Recreation	526	485	509	499	453
Construction	1,639	1,471	1,598	1,570	1,542
Educational Services	289	304	308	317	316
Finance and Insurance	773	759	435	450	457
Health Care and Social Assistance	1,682	1,988	2,364	2,464	2,890
Information	924	839	779	649	596
Management of Companies and Enterprises	50	53	55	55	33
Manufacturing	4,337	4,447	4,225	3,447	3,277
Mining	73	95	94	90	103
Other Services, Ex. Public Admin	595	614	545	568	595
Professional and Technical Services	801	771	808	850	836
Real Estate and Rental and Leasing	324	356	383	400	406
Retail Trade	3,206	3,094	2,869	2,931	3,045
Transportation and Warehousing	323	359	357	376	336
Utilities	113	61	49	61	60
Wholesale Trade	285	298	340	366	328
Government	7,428	7,488	7,401	7,514	7,627
Total	29,208	29,425	29,388	28,872	29,159

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

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

APPENDIX B

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2015



Financial Statements

For the Fiscal Years Ended June 30, 2015 and 2014

(With Independent Auditor's Reports Thereon)

INTRODUCTORY SECTION

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

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

Official Roster

Governing Board

Name	Title
Deborah L. Moore	Chair
Mark Armijo	Vice Chair
Pauline J. Garcia	Secretary
Michael D. DeWitte	Member
Blair L. Kaufman	Member
Robert P. Matteucci, Jr.	Member
Virginia M. Trujillo	Member

Administrative Officials

Katharine Winograd	President
Katherine Ulibarri	Vice President of Finance & Operations
Loretta Montoya	Comptroller

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 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, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We 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 year ended June 30, 2015, as listed in the table of contents. The accompanying financial statements of the College as of June 30, 2014 were audited by other auditors whose report thereon dated November 6, 2015 expressed an unmodified opinion on those statements.

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, 2015 and 2014, 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, 2015 and 2014 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in note 1(W) to the financial statements, effective July 1, 2014 the College adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

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 4-15, 56, and 57, 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 the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 2, 2015 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the 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.



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 2, 2015

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

Management's Discussion and Analysis

June 30, 2015 and 2014

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, 2015 and 2014. 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 for 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 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.

Net position decreased nearly \$8.3 million (-3.3%) during 2014. The change resulted from the combination of a decrease in unrestricted net position of approximately \$13.7 million (-24.1%), an increase in invested in capital

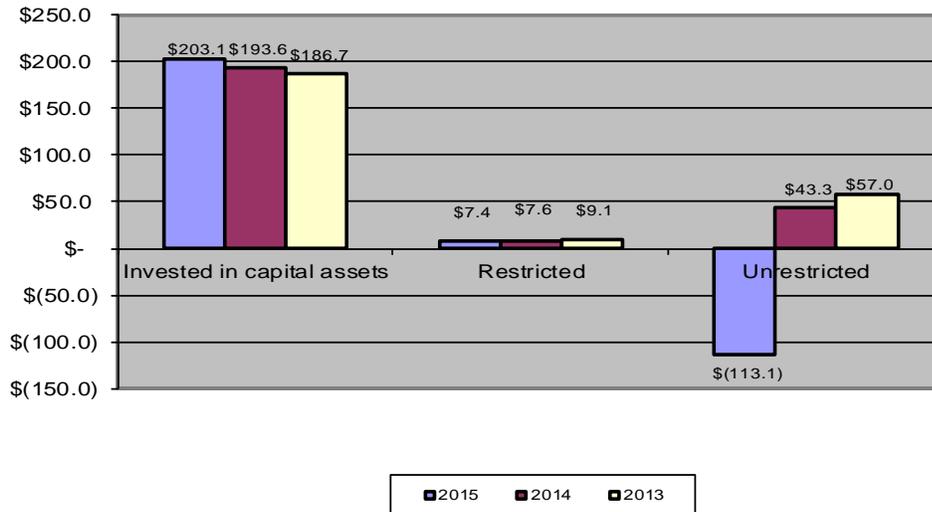
**STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Management's Discussion and Analysis

June 30, 2015 and 2014

assets of \$6.9 million (3.7%), and a decrease in restricted net position of \$1.5 million (-16.3%). The following graph illustrates the comparative change in net position by category fiscal years 2015, 2014, and 2013.

Net Position, Net (in Millions)



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

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

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

Management's Discussion and Analysis

June 30, 2015 and 2014

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

Net Position, End of Year (in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assets:			
Current assets	\$ 99,189	108,107	87,525
Capital assets, net	251,058	239,777	238,926
Other noncurrent assets	4,187	4,275	4,330
Total assets	<u>354,434</u>	<u>352,159</u>	<u>330,781</u>
Deferred outflows of resources:			
Bond refunding	232	269	—
Pension related	19,356	—	—
Total deferred outflows	<u>19,588</u>	<u>269</u>	<u>—</u>
Liabilities:			
Current liabilities	34,267	25,765	23,300
Noncurrent liabilities			
Bonds payable	74,342	82,140	54,681
Net pension liability	151,964	—	—
Total liabilities	<u>260,573</u>	<u>107,905</u>	<u>77,981</u>
Deferred inflows of resources			
Pension related	16,078	—	—
Total deferred inflows	<u>16,078</u>	<u>—</u>	<u>—</u>
Net position:			
Net investment in capital assets	203,119	193,562	186,638
Restricted	7,355	7,637	9,121
Unrestricted	(113,104)	43,324	57,041
Total net position	<u>\$ 97,370</u>	<u>244,523</u>	<u>252,800</u>

Total assets increased \$23.7 million (7.2%) over a two-year period driven by \$11.7 million increase in current assets and \$12.1 million increase in capital assets. The current assets increase resulted from an increase in investments due to the 2014 bond sale. The increase to capital assets was primarily due to the renovation of the SSC Building remodel for Connect, Ken Chappy Faculty Office and the Westside Stone Replacement project.

During 2015, total liabilities increased by \$152.7 million (141.5%), primarily due to an increase in net pension liability of \$152.0 million. During 2014, total liabilities increased by \$29.9 million (38.4%), primarily due to an increase in bonds payable of \$27.8 million.

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

Management's Discussion and Analysis

June 30, 2015 and 2014

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)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues	\$ 29,899	29,330	32,235
Operating expenses	<u>(179,543)</u>	<u>(176,557)</u>	<u>(167,712)</u>
Operating loss	(149,644)	(147,227)	(135,477)
Nonoperating revenues and expenses	<u>141,364</u>	<u>137,764</u>	<u>139,640</u>
Income before other revenues, expenses, gains, or losses	(8,280)	(9,463)	4,163
Capital grants and appropriations	<u>6,813</u>	<u>1,186</u>	<u>130</u>
Increase/(decrease) in net position	<u><u>\$ (1,467)</u></u>	<u><u>(8,277)</u></u>	<u><u>4,293</u></u>

Operating Revenues

In 2015, operating revenues of \$29.9 million increased \$0.6 million (1.9%) when compared to 2014 and decreased by \$2.3 million (-7.3%) when compared to 2013. The 2-year change is primarily due to a decrease in tuition and fees. The following table summarizes the College's operating revenues for the years ended June 30:

Operating Revenues (in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tuition and fees, net	\$ 11,957	12,260	14,330
Federal grants and contracts	3,873	3,682	4,399
State and local grants and contracts	7,408	6,995	7,142
Sales and services of educational departments	3,511	2,977	3,058
Auxiliary enterprises	<u>3,150</u>	<u>3,416</u>	<u>3,306</u>
Total operating revenues	<u><u>\$ 29,899</u></u>	<u><u>29,330</u></u>	<u><u>32,235</u></u>

Operating Expenses

Operating expenses increased \$3.0 million (1.7%) in 2015 as compared to the prior year. This increase in operating expenses is significantly impacted by the GASB 68 implementation, requiring the recognition of \$13.6 million of New Mexico Educational Retirement Board (NMERB) pension plan proportionate expense netted by the Fiscal Year 2015 NMERB employer contribution of \$10.6 million as deferred outflow of resources. In 2015, instructional expenses increased \$1.7 million (2.7%), academic support expenses increased \$1.5 million (9.5%), student service expenses increased \$1.5 million (7.2%), institutional support increased by \$1.4 million (7.0%), and student aid

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

Management's Discussion and Analysis

June 30, 2015 and 2014

decreased \$4.3 million (-15.5%). Instruction and general expense increases are attributed to the college's investment in human capital and academic programs including updating instructional equipment and technology systems. Over a two year period, expenses for instruction increased \$4.3 million (7.2%), academic support increased by \$4.9 million (41.6%), student services increased \$4.6 million (25.8%), institutional support expenses increased \$3.6 million (20.8%) and operations and maintenance of plant expenses increased \$2.8 million (20.4%). Additionally, within the two-year period, student aid decreased \$9.2 million (-28.0%). From 2013 through 2015, operating expenses increased \$11.8 million overall, a 7.1% increase.

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

Operating Expenses (in Thousands)			
	2015	2014	2013
Instruction	\$ 64,016	62,317	59,736
Public service	599	739	1,299
Academic support	16,753	15,299	11,832
Student services	22,576	21,065	17,942
Institutional support	20,933	19,563	17,327
Operation and maintenance of plant	16,430	15,403	13,650
Depreciation	12,511	11,935	10,633
Student aid	23,541	27,846	32,711
Auxiliary enterprises	2,050	2,294	2,484
Other	134	96	98
Total operating expenses	\$ 179,543	176,557	167,712

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses increased by \$3.6 million (2.6%) in 2015 when compared to the prior year. Primarily, this increase is attributed to a state appropriation revenue increasing by \$3.7 million in 2015. Over a two-year period, state appropriations have increased by \$7.9 million (16.5%). Over the same period, Pell grant revenue has decreased \$7.0 million or (-20.1%), due to leveling of student enrollment and a Pell program eligibility cap effected in 2013.

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CENTRAL NEW MEXICO COMMUNITY COLLEGE**

Management's Discussion and Analysis

June 30, 2015 and 2014

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

Nonoperating Revenues and Expenses (in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
State appropriations	\$ 55,644	51,972	47,750
Local appropriations – operating	49,166	48,508	48,252
Local appropriations – debt service	9,421	9,254	9,320
Federal Pell grant	27,990	32,815	35,037
Investment income	123	81	114
Interest on capital asset related debt	(2,031)	(1,909)	(1,723)
Other	1,051	(2,957)	890
	<u>141,364</u>	<u>137,764</u>	<u>139,640</u>
Total nonoperating revenues and expenses	\$ <u>141,364</u>	<u>137,764</u>	<u>139,640</u>

Capital Grants and Appropriations

Capital appropriations increased \$5.8 million in 2015, primarily due to funding for the L building renovation. 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:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Capital appropriations	\$ 6,813	978	130
Capital grants and gifts	—	208	—
	<u>6,813</u>	<u>1,186</u>	<u>130</u>
Total other revenues, expenses, gains, or losses	\$ <u>6,813</u>	<u>1,186</u>	<u>130</u>

Capital Asset and Debt Administration

Capital Assets

At June 30, 2015, the College had approximately \$251.1 million invested in capital assets, net of accumulated depreciation of \$105.6 million. Depreciation expense for the current year totaled \$12.5 million compared to \$11.9 million in 2014 and \$10.6 million in 2013.

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

Capital Assets, Net (in Thousands)

	<u>2,015</u>	<u>2014</u>	<u>2013</u>
Land and land improvements	\$ 34,297	33,675	34,064
Buildings	184,546	185,432	187,010
Infrastructure	2,426	2,471	2,767
Furniture, fixtures, and equipment	11,766	13,096	12,002
Library materials	1,227	1,319	1,408
Art	511	519	517
Construction in progress	16,285	3,265	1,158
Capital assets, end of year	<u>\$ 251,058</u>	<u>239,777</u>	<u>238,926</u>

Major capital expenditures during fiscal year 2015 include:

L Building Remodel	10,619,415	Site & Safety Improvements	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 Project	3,107,270	Ken Chappy Renovation	1,097,714
WTC Technology Advancement	754,956	Smith Brasher Renovation	437,398

Major capital expenditures during fiscal year 2014 include:

SSC CNM Connect Renovation	2,333,014	LSA 1st Floor Renovation	140,794
L Building Renovation	1,057,108	Coal Place/Buena Vista Property	272,480
ATC New Roof	750,500	A Building Courtyard	441,941
Renewable Energy Project	587,846	SSC Building Enhancement	215,077
Theater Black Box	441,283	Main Campus Technology Loop	157,269

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

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Bonds Payable

As of June 30, 2015, the College has \$82.1 million in outstanding bonds, a decrease of \$7.9 million when compared to 2014 and an increase of \$19.9 million when compared to 2013. In 2015, 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)			
	2,015	2014	2013
Series 2006	\$ —	1,875	18,325
Series 2009	10,000	11,100	12,300
Series 2011	24,400	25,400	29,760
Series 2014A	30,050	33,200	—
Series 2014B	13,360	13,360	—
Total bond principal	77,810	84,935	60,385
Bond premium	4,330	5,111	1,828
Total debt outstanding	\$ 82,140	90,046	62,213

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).

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Management's Discussion and Analysis

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

	Budgeted Revenue (in Thousands)		Actuals	Variance
	Original budget	Final budget	(budgetary basis)	favorable (unfavorable)
Revenues:				
Tuition	\$ 22,053	20,541	18,967	(1,574)
Miscellaneous fees	3,863	4,218	3,776	(442)
State government appropriations	55,644	55,644	55,644	—
Local government appropriations	48,987	49,926	49,258	(668)
Federal government contracts/grants	49,676	39,994	31,935	(8,059)
State government contracts/grants	6,677	6,399	6,886	487
Local government contracts/grants	—	10	10	—
Private contracts/grants	1,981	2,524	1,315	(1,209)
Endowments	31	15	15	—
Sales and services	4,620	5,345	4,547	(798)
Other	2,760	2,791	2,792	1
Capital outlay	39,620	24,250	15,634	(8,616)
Building renewal and replacement	2,306	2,170	2,011	(159)
Retirement of indebtedness	9,550	9,550	9,446	(104)
Total revenues	\$ 247,768	223,377	202,236	(21,141)

The final budget as compared to the original budget decreased revenue by \$24.4 million (-9.8%). The most significant decrease of \$15.4 million (-38.8%) was in Capital outlay. The Tuition revenue budget decreased by \$1.5 million (-6.9%). Federal contracts and grants budget decreased by \$9.7 million (-19.5%).

Actual revenues were \$21.1 million (-9.5%) less than the final budget. The largest variance was in Capital outlay revenue, a gap of \$8.6 million (-35.5%), reflective of timing of capital project construction. Federal government grants and contracts revenue was \$8.1 million (-20.2%) less than budget due to decreased Pell grant awards. Actual tuition revenue was \$1.6 million less than the final budget, a -7.7% variance. Private contracts/grants revenues were \$1.2 million (-47.9%) less than the final budget.

Expenditures (Budgetary Basis)

The final budget decreased expenditures by approximately \$19.1 million (-7.4%) versus the original budget. The budget for Capital outlay decreased by \$16.5 million (-38.6%), to accommodate for major multi-year capital projects budget needs. The budget for Operation and maintenance of plant increased by \$2.3 million (15.9%), and the Academic support budget increased by \$1.7 million (11.3%). The Student aid grants and stipends final budget was decreased \$10.4 million (-19.7%) as compared to the original budget.

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

	Budgeted Expenditures (in Thousands)			
	<u>Original budget</u>	<u>Final budget</u>	<u>Actuals (budgetary basis)</u>	<u>Variance favorable (unfavorable)</u>
Expenditures:				
Instruction	\$ 63,739	63,793	61,441	2,352
Academic support	15,431	17,179	16,441	738
Student services	21,413	23,027	21,797	1,230
Institutional support	21,520	21,688	20,447	1,241
Operation and maintenance of plant	14,491	16,800	15,965	835
Student social and cultural activities	203	194	135	59
Public services	1,049	939	599	340
Internal services	129	98	91	7
Student aid grants and stipends	52,962	42,540	35,819	6,721
Auxiliary enterprise	3,331	2,532	2,065	467
Capital outlay	42,700	26,200	17,457	8,743
Building renewal and replacement	8,666	11,563	7,832	3,731
Retirement of indebtedness	11,004	11,004	9,690	1,314
Total expenditures	<u>\$ 256,638</u>	<u>237,557</u>	<u>209,779</u>	<u>27,778</u>

Actual expenditures were \$27.8 million (-11.7%) less than the final budget. Actual expenditures for Instruction were \$2.4 million (-3.7%) less than budget due to reduction in part-time faculty salary expense related to declining enrollment. Student support expenses were \$1.2 million (-5.3%) less than the final budget, Institutional support was \$1.2 million (-5.7%) under budget, and Student aid was \$6.7 million (-15.8%) under final budget. Capital outlay was under budget by \$8.7 million (-33.4%), due to the timing of capital projects.

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Management's Discussion and Analysis

June 30, 2015 and 2014

Change in Net Position (budgetary basis)

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

	Budgeted Categories (in Thousands)		Actuals (budgetary basis)	Variance favorable (unfavorable)
	Original budget	Final budget		
Beginning balance budgeted	\$ 44,208	47,391	47,391	—
Revenues	247,768	223,377	202,237	(21,140)
Expenditures	256,638	237,557	209,779	27,778
Change in net position (budgetary basis)	<u>(8,870)</u>	<u>(14,180)</u>	<u>(7,542)</u>	<u>\$ 6,638</u>
Net position (budgetary basis)	<u>\$ 35,338</u>	<u>33,211</u>	<u>39,849</u>	

The actual change in net position was an increase of \$6.6 million as compared to the final budget. The actual net position of \$39.8 million increased \$4.5 million when compared to the Original budgeted net position of \$35.3 million.

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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. In FY 2014, state appropriations increased \$4.2 million or 8.8%. Continuing the positive trend, state appropriations increased by \$3.7 million or 7.1% for FY 2015. Under a performance based funding formula since FY12, the College has generated state appropriation revenue, in addition to base funding, for student completion outcomes. In aggregate, state appropriation revenue has exceeded the FY 2009 funding level.

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 28,685 in Fall 2013 and 26,771 in Fall 2014, current census date data for Fall 2015 reports 25,888 students in college credit programs. This represents a decrease of 1,914 students (-6.7%) from Fall 2013 to Fall 2014 and a decrease of 883 students (-3.3%) from Fall 2014 to current student enrollment data in Fall 2015. Similarly, student credit hour production decreased 7.3% from 234,392 in Fall 2013 to 217,379 in Fall 2014 and 4.0% from Fall 2014 to current Fall 2015 data of 208,638 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.

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Statements of Net Position
June 30, 2015 and 2014

	Primary Institution		Component Units			
	2015	2014	Foundation		Ingenuity	
			2015	2014	2015	2014
Assets:						
Current assets:						
Cash and cash equivalents	\$ 1,323,534	318,225	43,075	—	1,465,258	3,970,638
Cash and cash equivalents – restricted	—	—	1,734,260	1,091,057	—	—
Investments - unrestricted	44,194,455	51,778,103	—	—	—	—
Investments - restricted	40,498,081	48,572,403	—	—	—	—
Endowment investments – restricted	38,908	51,280	—	—	—	—
Accounts receivable students, net	5,027,030	1,021,293	—	—	—	—
Grants and contracts receivable	3,907,230	2,398,408	—	—	—	—
Mill levy receivable	2,911,903	2,862,222	—	—	—	—
Pledges receivable	—	—	229,475	236,745	—	—
Other receivable	230,560	139,190	10,894	6,982	182,193	—
Inventories	43,510	22,855	—	—	—	—
Other assets	1,014,253	943,222	—	—	82,281	13,507
Total current assets	99,189,464	108,107,201	2,017,704	1,334,784	1,729,732	3,984,145
Noncurrent assets:						
Endowment investments – restricted	1,580,000	1,580,000	6,744,709	6,425,473	—	—
Mill levy receivable	2,336,876	2,429,335	—	—	—	—
Pledges receivable	—	—	228,545	405,045	—	—
Notes receivable	139,228	126,335	—	—	—	—
Other assets	130,667	138,667	—	—	—	—
Capital assets, net	251,057,862	239,777,057	—	—	1,544,465	—
Total noncurrent assets	255,244,633	244,051,394	6,973,254	6,830,518	1,544,465	—
Total assets	354,434,097	352,158,595	8,990,958	8,165,302	3,274,197	3,984,145
Deferred outflows of resources:						
Bond refunding	232,074	269,206	—	—	—	—
Pension related	19,355,569	—	—	—	—	—
Total deferred outflow of resources	19,587,643	269,206	—	—	—	—
Liabilities:						
Current liabilities:						
Cash overdraft - unrestricted	—	—	—	42,714	—	—
Cash overdraft - restricted	876,347	115,752	—	—	—	—
Accounts payable to suppliers	5,664,230	4,190,978	99,338	73,887	200,247	144,236
Accounts payable - loans	106,697	106,697	—	—	—	—
Accrued compensated absences	2,349,800	2,226,281	—	—	—	—
Accrued payroll and payroll taxes	7,928,429	7,275,044	—	—	—	—
Accounts payable – other	158,778	152,575	—	—	—	—
Accrued interest payable	1,080,703	1,021,254	—	—	—	—
Unearned revenue	8,304,338	2,770,247	428,105	25,480	136,437	—
Bonds payable – current portion	7,798,156	7,905,898	—	—	—	—
Total current liabilities	34,267,478	25,764,726	527,443	142,081	336,684	144,236
Noncurrent liabilities						
Bonds payable	74,341,820	82,139,976	—	—	—	—
Net pension liability	151,964,150	—	—	—	—	—
Total noncurrent liabilities	226,305,970	82,139,976	—	—	—	—
Total liabilities	260,573,448	107,904,702	527,443	142,081	336,684	144,236
Deferred inflows of resources:						
Pension related	16,077,976	—	—	—	—	—
Total deferred inflow of resources	16,077,976	—	—	—	—	—
Net position:						
Net investment in capital assets	203,119,536	193,562,068	—	—	—	—
Restricted:						
Nonexpendable:						
Scholarships	—	—	5,740,031	5,087,724	—	—
Department programs	1,580,000	1,580,000	207,906	207,275	—	—
Expendable:						
Scholarships	—	—	1,555,209	1,621,448	—	—
Department programs	44,808	82,880	919,452	1,149,825	—	—
Debt service	5,730,031	5,973,924	—	—	—	—
Unrestricted	(113,104,059)	43,324,227	40,917	(43,051)	2,937,513	3,839,909
Total net position	\$ 97,370,316	244,523,099	8,463,515	8,023,221	2,937,513	3,839,909

See accompanying notes to basic financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2015 and 2014

	<u>Primary Institution</u>		<u>Component Units</u>			
	<u>2015</u>	<u>2014</u>	<u>Foundation</u>		<u>Ingenuity</u>	
			<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Operating revenues:						
Tuition and fees (net of scholarship allowances of \$12,278,413 for 2015 and \$12,470,425 for 2014) \$	11,956,812	12,259,718	—	—	432,530	—
Federal grants and contracts	3,872,635	3,681,905	—	—	—	—
State and local grants and contracts	7,408,201	6,995,348	404,784	293,336	111,967	—
Sales and services of educational departments	3,511,356	2,977,195	—	—	—	—
Gifts and pledges	—	—	672,865	906,992	251,000	—
Auxiliary enterprise	3,149,744	3,416,154	—	—	—	—
Total operating revenues	<u>29,898,748</u>	<u>29,330,320</u>	<u>1,077,649</u>	<u>1,200,328</u>	<u>795,497</u>	<u>—</u>
Operating expenses:						
Instruction and general:						
Instruction	64,015,612	62,317,110	—	—	—	—
Public service	598,785	739,490	—	—	—	—
Academic support	16,753,114	15,298,519	—	—	—	—
Student services	22,576,294	21,064,633	—	—	—	—
Institutional support	20,933,042	19,563,133	—	—	—	—
Operation and maintenance of plant	16,430,247	15,403,453	—	—	—	—
Depreciation	12,510,477	11,934,824	—	—	52,434	—
Student aid	23,540,699	27,846,000	—	—	—	—
Auxiliary enterprises	2,050,313	2,294,094	—	—	—	—
Other expenses	134,441	96,293	1,309,034	1,469,532	1,646,328	160,154
Total operating expenses	<u>179,543,024</u>	<u>176,557,549</u>	<u>1,309,034</u>	<u>1,469,532</u>	<u>1,698,762</u>	<u>160,154</u>
Operating loss	<u>(149,644,276)</u>	<u>(147,227,229)</u>	<u>(231,385)</u>	<u>(269,204)</u>	<u>(903,265)</u>	<u>(160,154)</u>
Nonoperating revenues (expenses):						
State appropriations	55,644,425	51,971,700	—	—	—	—
Local appropriations – operating	49,165,886	48,507,984	—	—	—	—
Local appropriations – debt service	9,420,882	9,254,550	—	—	—	—
Federal pell grant	27,989,753	32,814,882	—	—	—	—
Gifts	672,975	644,178	—	—	—	—
Investment income (loss)	122,881	80,550	170,531	745,544	869	63
Interest on capital asset related debt	(2,031,153)	(1,908,701)	—	—	—	—
Gain (Loss) on disposition of assets	(84,536)	(2,988)	—	—	—	—
Other nonoperating revenues	462,742	402,049	—	—	—	4,000,000
Other nonoperating expenses	—	(4,000,000)	—	—	—	—
Net nonoperating revenues (expenses)	<u>141,363,855</u>	<u>137,764,204</u>	<u>170,531</u>	<u>745,544</u>	<u>869</u>	<u>4,000,063</u>
Income (loss) before capital grants and appropriations	<u>(8,280,421)</u>	<u>(9,463,025)</u>	<u>(60,854)</u>	<u>476,340</u>	<u>(902,396)</u>	<u>3,839,909</u>
Capital appropriations	6,812,869	977,615	—	—	—	—
Capital grants and gifts	—	208,422	—	—	—	—
Additions to permanent endowments	—	—	501,148	1,188,130	—	—
Total other changes	<u>6,812,869</u>	<u>1,186,037</u>	<u>501,148</u>	<u>1,188,130</u>	<u>—</u>	<u>—</u>
Increase (decrease) in net position	<u>(1,467,552)</u>	<u>(8,276,988)</u>	<u>440,294</u>	<u>1,664,470</u>	<u>(902,396)</u>	<u>3,839,909</u>
Net position, beginning of year	<u>244,523,099</u>	<u>252,800,087</u>	<u>8,023,221</u>	<u>6,358,751</u>	<u>3,839,909</u>	<u>—</u>
Beginning net position recognized by GASB 68	<u>(145,685,231)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net position, end 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>

See accompanying notes to basic financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Tuition and fees	\$ 13,315,820	12,198,472
Federal grants and contracts	3,715,712	4,344,239
State and local grants and contracts	7,714,194	6,901,276
Payments to suppliers	(26,404,490)	(27,440,806)
Payments for utilities	(5,035,878)	(5,103,493)
Payments to employees	(80,717,686)	(78,292,800)
Payments for benefits	(27,681,099)	(25,735,419)
Payments for scholarships	(23,504,937)	(27,707,188)
Loans issued to students	(38,102)	(17,000)
Collection of loans to students	25,209	22,894
Auxiliary enterprise charges	3,230,186	3,264,171
Sales and services of educational activities	3,344,991	3,126,621
Net cash used by operating activities	(132,036,080)	(134,439,033)
Cash flows from noncapital financing activities:		
State appropriations	55,644,425	51,971,700
District mill levies—operating	49,200,702	48,589,116
District mill levies—debt service	9,428,844	9,277,940
Federal Pell Grant	27,976,080	32,675,143
Education Loan receipts	14,277,796	20,706,904
Education Loan disbursements	(14,292,661)	(20,716,286)
Gifts and Appropriations received	672,975	644,177
Cash overdraft due to bank	(115,752)	-
Cash provided by bank overdraft	876,347	115,752
Student organization agency transactions	13,730	(5,752)
Other expenses	-	(4,000,000)
Other receipts	310,913	422,566
Net cash provided by noncapital financing activities	143,993,399	139,681,260
Cash flows from capital financing activities:		
Proceeds from capital debt	-	36,829,567
Refunding bonds	-	13,360,000
Capital appropriations	5,382,556	124,088
Proceeds from sale of capital assets	46,202	46,478
Purchases of capital assets	(22,208,256)	(11,769,452)
Payment to refunded bond escrow agent	-	(14,925,013)
Principal paid on capital debt and leases	(7,125,000)	(7,385,000)
Interest paid on capital debt and leases	(2,840,801)	(2,018,525)
Net cash provided (used) by capital financing activities	(26,745,299)	14,262,143
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	122,640,643	125,393,034
Interest on investments	122,947	77,909
Purchase of investments	(106,970,301)	(144,836,267)
Net cash (used) provided by investing activities	15,793,289	(19,365,324)
Net increase (decrease) in cash and cash equivalents	1,005,309	139,046
Cash and cash equivalents, beginning of year	318,225	179,179
Cash and cash equivalents, end of year	\$ 1,323,534	318,225

See accompanying notes to basic financial statements.

(continued)

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	2015	2014
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (149,644,276)	(147,227,229)
Adjustments to reconcile net operating loss to net cash used		
by operating activities:		
Depreciation expense	12,510,477	11,934,824
ERB Pension plan expense proportion	13,571,225	-
Changes in assets and liabilities:		
Receivables, net	(3,958,410)	395,031
Inventories	(20,654)	41,647
Prepaid expenses	(63,031)	(454,271)
FY 15 CNM ERB contribution	(10,569,899)	-
Accounts payable and accrued expenses	523,945	662,558
Unearned revenue	5,491,023	18,476
Compensated absences	123,520	189,931
Net cash used by operating activities	\$ (132,036,080)	(134,439,033)
Noncash transactions:		
Capital grants and gifts	\$ -	208,422

See accompanying notes to basic financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(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, 2015 and 2014; therefore, no provision for income taxes is included in the financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(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 \$38,908 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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(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 2015, 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 20 to 40 years for buildings, 20 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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(n) *Compensated Absences*

Accumulated annual leave is reported as a liability. Annual leave is provided to full and part-time, noninstructional 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 nonexchange 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, 2015 and 2014 for CNM consists primarily of deferred summer term tuition in the amounts of \$2,779,129 and \$2,466,660 respectively, and \$407,146 and \$303,587 respectively, from grants and contract sponsors that have not yet been earned.

Unearned revenue at June 30, 2015 and 2014 for the CNM Foundation are \$428,105 and 25,480, respectively.

Unearned revenue at June 30, 2015 and 2014 for Ingenuity are \$136,437 and \$0, 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, 2015 and 2014, approximately \$31,611,759 and \$39,615,203 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.

Restricted net position – nonexpendable – Nonexpendable restricted net position consist 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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(q) Classification of Net Position (Continued)

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 nonexchange 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 2014.

(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 \$5,248,779 and \$5,291,557 as of June 30, 2015 and 2014, 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 nonoperating 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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(t) Classification of Revenues (Continued)

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues 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, 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 nonoperating 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 nonoperating 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.

Nonoperating expenses – Nonoperating expenses include activities that have the characteristics of nonexchange transactions, such as interest on capital asset-related debt and bond expenses that are defined as nonoperating 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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(w) Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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 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. Earlier application is encouraged. The College was 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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(1) Summary of Significant Accounting Policies (Continued)

(w) Impact of Recently Issued Accounting Principles (Continued)

Recently Issued and Adopted Accounting Pronouncements

GASB Statement 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement will also enhance the information disclosed about a government’s obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. GASB Statement 70 is effective for periods beginning after June 15, 2013, and earlier application is encouraged. There is no impact on amounts reported on the College’s statement of net position and statement of revenues, expenses, and changes in net position as a result of the adoption of GASB Statement 70.

(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, 2015.

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

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

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

College

	<u>2015</u>	<u>2014</u>
Cash on hand	\$ 11,225	11,525
Deposits with financial institutions	435,962	190,948
Investments with New Mexico State Treasurer	<u>86,311,444</u>	<u>101,981,786</u>
Total cash and investments	<u>\$ 86,758,631</u>	<u>102,184,259</u>

Ingenuity

	<u>2015</u>	<u>2014</u>
Deposits with financial institutions	\$ 124,326	1,220,575
Money market with Morgan Stanley	<u>1,340,932</u>	<u>2,750,063</u>
Total cash and investments	<u>\$ 1,465,258</u>	<u>3,970,638</u>

Foundation

	<u>2015</u>	<u>2014</u>
Deposits with financial institutions	\$ 557,089	410,929
Money market accounts with Merrill Lynch	1,220,246	637,414
Federal agency obligations	714,656	1,045,130
Corporate obligations	430,721	45,302
Certificates of deposit	—	—
Corporate stock	3,827,359	3,622,079
Mutual funds	<u>1,771,973</u>	<u>1,712,962</u>
Total cash and investments	<u>\$ 8,522,044</u>	<u>7,473,816</u>

(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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

(a) Custodial Credit Risk (Continued)

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, 2015 and 2014, the College’s deposits had a carrying amount of \$435,962 and \$190,948, respectively, and a bank balance of \$1,298,194 and \$1,281,490, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2015 and 2014, \$1,049,273 and \$1,031,489, 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, 2015 and 2014.

At June 30, 2015 and 2014, the Foundation’s deposits had a carrying balance of \$557,089 and \$453,643, respectively and a bank balance of \$576,808 and \$421,151, 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, \$47,669 and \$16,736 were uninsured and uncollateralized at June 30, 2015 and 2014.

At June 30, 2015, Ingenuity’s deposits had a carrying balance of \$124,326 and a bank balance of \$185,731 in a checking account. As of June 30, 2014, Ingenuity’s bank balance of \$2,220,297 reflected a bank deposit in error of \$1,000,000 which was corrected on July 2, 2014. The checking account is covered by federal depository (FDIC) insurance up to \$250,000.

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.

(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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

(b) Investments (Continued)

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 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, 2015, the portfolio consisted of 10.6% 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. The amount on deposit with any one institution may not in the usual course of business exceed the FDIC insurance limit without Board of Director approval. Funds in excess of the FDIC insurance limit should be maintained in a Board of Director authorized money market account(s).

(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:

		2015		2014
	Rating	Fair value		Fair value
<i>New Mexico</i> LGIP	AAAm	\$ 86,311,444	\$	101,981,786
Total rated securities		\$ 86,311,444	\$	101,981,786

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

(c) Credit Risk (Continued)

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

	Rating	2015 Fair Value	2014 Fair Value
Federal agency obligations:			
Federal home loan mortgage corporation	AAA	\$ 299,626	\$ 89,752
Federal national mortgage association	AAA	303,469	230,588
US treasury notes	AAA	30,111	485,794
US treasury bonds	AAA	58,613	1,400
US treasury inflation notes	AAA	-	88,214
US treasury inflation bonds	AAA	22,837	149,382
		<u>714,656</u>	<u>1,045,130</u>
Corporate obligations:			
Corporate bonds	AAA	1,803	-
Corporate bonds	AA+	77,494	2,426
Corporate bonds	AA	4,012	6,371
Corporate bonds	AA -	2,030	2,026
Corporate bonds	A+	23,743	2,262
Corporate bonds	A	54,040	17,302
Corporate bonds	A-	154,772	6,367
Corporate bonds	BBB+	110,856	4,306
Corporate bonds	BBB	-	4,242
Corporate bonds	BBB-	1,972	-
		<u>430,721</u>	<u>45,302</u>
Total rated securities		<u><u>\$ 1,145,377</u></u>	<u><u>\$ 1,090,432</u></u>

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

(c) Credit Risk (Continued)

The College has invested \$86,311,444 at June 30, 2015 and \$101,981,786 at June 30, 2014 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.

(d) Interest Rate Risk

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

A summary of the investments and respective maturities at June 30, 2015 and 2014 and the exposure to interest rate risk is as follows:

<u>Entity</u>	<u>Investment type</u>	<u>Fair value</u>	<u>2015 - Investment maturities</u>		
			<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>5 years +</u>
College	<i>New Mexico</i> (LGIP)	\$ 86,311,444	86,311,444	—	—
Foundation	Federal agency obligations	714,656	—	163,072	551,584
Foundation	Corporate obligations	430,721	—	104,191	326,531

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(2) Deposits and Investments (Continued)

(d) Interest Rate Risk (Continued)

<u>Entity</u>	<u>Investment type</u>	<u>Fair value</u>	<u>2014 - Investment maturities</u>		
			<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>5 years +</u>
College	<i>New Mexico</i> (LGIP)	\$ 101,981,786	101,981,786	—	—
Foundation	Federal agency obligations	1,045,130	2,002	200,882	842,246
Foundation	Corporate obligations	45,302	4,108	22,078	19,116

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, 2015, the WAM (R) was 54.6 days and WAM (F) was 77.7 days, and at June 30, 2014, the WAM (R) was 48.6 days and WAM (F) was 116.2 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 10.6% of the portfolio on June 30, 2015 and 15.3% of the investment portfolio on June 30, 2014 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 excepted 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, 2015 and 2014, the College, the Foundation and Ingenuity held no investments denominated in foreign currencies, and therefore had no foreign currency risk.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(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,

	2015	2014
Accounts Receivables		
Accounts receivable students, net	\$ 5,027,030	6,734,428
Contract and grant receivables, net	3,840,013	2,691,813
Other receivables	65,073	51,083
Mill levy	2,911,903	2,862,222
Due from Ingenuity	165,487	88,107
Due from Foundation	67,217	66,584
Total current receivables	\$ 12,076,723	12,494,237
Allowance for doubtful accounts	\$ (6,899,250)	(6,073,124)
Mill levy	2,336,876	2,429,335
Notes receivable	139,228	126,335
Total noncurrent receivables	\$ 2,476,104	2,555,670

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(4) Capital Assets

Capital assets consist of the following:

	Year ended June 30, 2015			
	Balance, June 30, 2014	Additions and transfers	Dispositions and transfers	
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>

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(4) Capital Assets (Continued)

	Year ended June 30, 2014			
	Balance, June 30, 2013	Additions and transfers	Dispositions and transfers	
Capital assets not being depreciated:				
Land	\$ 27,519,494	—	—	27,519,494
Art	517,026	2,500	215	519,311
Construction in process	1,158,416	7,154,629	5,048,124	3,264,921
Depreciable capital assets:				
Land improvements	11,748,001	219,587	—	11,967,588
Buildings	245,209,601	5,879,250	56,148	251,032,703
Infrastructure	3,927,522	—	—	3,927,522
Furniture, fixtures, and equipment	33,075,629	4,411,165	3,884,626	33,602,168
Library materials	3,271,481	216,027	237,600	3,249,908
	<u>326,427,170</u>	<u>17,883,158</u>	<u>9,226,713</u>	<u>335,083,615</u>
Less accumulated depreciation:				
Land improvements	5,203,459	608,036	—	5,811,495
Buildings	58,199,223	7,451,278	49,358	65,601,143
Infrastructure	1,160,899	295,574	—	1,456,473
Furniture, fixtures, and equipment	21,073,563	3,275,000	3,842,165	20,506,398
Library materials	1,863,712	304,936	237,599	1,931,049
	<u>87,500,856</u>	<u>11,934,824</u>	<u>4,129,122</u>	<u>95,306,558</u>
Net carrying amount	<u>\$ 238,926,314</u>	<u>5,948,334</u>	<u>5,097,591</u>	<u>239,777,057</u>

The College capitalizes interest expense incurred during the period an asset is being prepared for its intended use. For the years ended June 30, 2015 and 2014, the College capitalized interest expense of approximately \$125,331 and \$18,731, respectively.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(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, 2015.

(6) Accrued Compensated Absences

The following is a summary of accrued compensated absences for the College for the years ended June 30, 2015 and 2014:

		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
		Year ended June 30, 2014				
		Balance, June 30, 2013	Additions	Deductions	Balance, June 30, 2014	Current portion
Accrued compensated absences	\$	2,036,350	2,342,278	2,152,347	2,226,281	2,226,281

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

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(7) Bonds Payable

The following is a summary of bonds payable transactions for the College for the years ended June 30, 2015 and 2014:

	Year ended June 30, 2015				
	Balance, June 30, 2014	Additions	Deductions	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
	\$ 90,045,874	—	7,905,898	82,139,976	7,798,156

	Year ended June 30, 2014				
	Balance, June 30, 2013	Additions	Deductions	Balance, June 30, 2014	Current portion
Series 2006	\$ 18,325,000	—	16,450,000	1,875,000	1,875,000
Series 2009	12,300,000	—	1,200,000	11,100,000	1,100,000
Series 2011	29,760,000	—	4,360,000	25,400,000	1,000,000
Series 2014A	—	33,200,000	—	33,200,000	3,150,000
Series 2014B	—	13,360,000	—	13,360,000	—
Total bond principal	60,385,000	46,560,000	22,010,000	84,935,000	7,125,000
Bond premium	1,827,765	3,629,567	346,458	5,110,874	780,898
	\$ 62,212,765	50,189,567	22,356,458	90,045,874	7,905,898

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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(7) Bonds Payable (Continued)

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.

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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(7) Bonds Payable (Continued)

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, 2015, the College had spent \$3,445,125 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 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, 2015 was \$232,074.

The maximum General Obligating (Limited Tax) debt of the College may not exceed 3% of the assessed valuation of the District or approximately \$517,938,518. With outstanding bond payable of 77,810,000 at June 30, 2015, the College is currently 15.02% bonded to capacity.

The annual debt service requirements to maturity, including principal and interest at June 30, 2015 is as follows:

<u>Fiscal year ending June 30</u>	<u>General Obligation Bond Series 2009</u>		<u>Total debt service</u>
	<u>Principal</u>	<u>Interest</u>	
2016	1,150,000	321,563	1,471,563
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
2021-2025	4,650,000	471,562	5,121,562
2026-2030	—	—	—
	<u>\$ 10,000,000</u>	<u>1,739,938</u>	<u>11,739,938</u>

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(7) Bonds Payable (Continued)

<u>Fiscal year ending June 30</u>	<u>General Obligation Bond Series 2011</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2016	1,000,000	810,200	1,810,200
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
2021-2025	13,600,000	2,359,750	15,959,750
2026-2030	4,770,000	119,925	4,889,925
	<u>\$ 24,400,000</u>	<u>6,252,550</u>	<u>30,652,550</u>

<u>Fiscal year ending June 30</u>	<u>General Obligation Bond Series 2014A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2016	3,150,000	1,105,000	4,255,000
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
2021-2025	7,250,000	2,604,000	9,854,000
2026-2030	11,700,000	775,250	12,475,250
	<u>\$ 30,050,000</u>	<u>7,885,000</u>	<u>37,935,000</u>

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(7) Bonds Payable (Continued)

<u>Fiscal year ending June 30</u>	<u>General Obligation Bond Series 2014B</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2016	1,730,000	543,600	2,273,600
2017	1,715,000	483,350	2,198,350
2018	1,700,000	406,550	2,106,550
2019	1,760,000	320,050	2,080,050
2020	1,795,000	231,175	2,026,175
2021-2025	4,660,000	163,200	4,823,200
	<u>\$ 13,360,000</u>	<u>2,147,925</u>	<u>15,507,925</u>

(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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

Benefits Provided (Continued)

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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

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 13.15% of gross covered salary in fiscal year 2014. In fiscal year 2015, the College contributed 13.9% of gross covered salary.

The contribution requirements of plan members and the College are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The College's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were \$10,569,899, \$9,656,298, and \$7,413,614, respectively, which equal the amount of the required contributions for each fiscal year.

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

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the College reported a liability of \$151,964,150 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the College's proportion was 2.7% percent.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

For the year ended June 30, 2015, the College recognized pension expense of \$13,571,225. At the June 30, 2015, 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
Differences between expected and actual experience	\$ -	\$ 2,263,735
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	13,814,241
Changes in proportion and differences between the College's contributions and proportionate share of contributions	8,785,670	-
The College's contributions subsequent to the measurement date	10,569,899	-
Total	\$ 19,355,569	16,077,976

Deferred outflows of resources of \$10,569,899, related to pensions resulting from the College's contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	1,189,001
2017	1,189,001
2018	1,460,748
2019	3,453,556
2020	-
Thereafter	-

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

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

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55, and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine 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)

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30- year return assumptions are summarized in the following table:

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

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

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(8) Pension Plan – Educational Retirement Board (ERB) (Continued)

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

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The College’s proportionate share of the net pension liability	\$ 206,764,745	151,964,145	106,190,759

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, 2014 and 2013, 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 2015, employees may voluntarily contribute up to a maximum of \$18,000 if under age 50, and up to a maximum of \$24,000 if the employee is 50 or older. The College does not contribute or match any funds in the 457(b) savings program. The total amount of employee contributions for the fiscal years 2015 and 2014 was approximately \$595,076 and \$536,623, respectively.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(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.

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

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

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, 2014, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; 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, 2015, 2014 and 2013 were \$1,514,109.19, \$1,463,900, and \$1,349,720, 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.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(10) Commitments and Contingencies (Continued)

At June 30, 2015, the College has \$36,525,956 of outstanding capital commitments to contractors and architects related to the following projects:

2101 Oxford Renovation	3,359
A Building Renovation	6,389,661
Access Control Project	391,067
AT TC Faculty & Staff Relocation	231,890
Banner Assessment and Renewal	229,801
E Building Collaborative Workspace	64,409
Emergency Broadcast & Display	3,179
Energy Service & Control Installation	568
H & K Building Restroom Renovation	32,289
L Building Renovation	2,474,588
Main Bookstore in APS Data Center	64,306
Main Campus Food Court Remodel	156,191
Main Campus Technology Loop	2,856,805
Mobile Communications Plan	12,503
Motorpool	1,106
Max Salazar Restroom Renovation	50,943
Network Replacement	39,510
Nine Building Fire Alarm Upgrades	49,601
Parking System	1,558
Server Replacement	1,113
Site & Safety Improvements	2,345,203
Smith Brasher Renovation	17,624,803
SV Galvanized Waterline Re-Pipe	28,146
SV Phase IV Renovation	2,916,831
Wireless Network Upgrade	67,733
WS Phase III	7,975
WTC Technology Advancement	480,818
	<hr/> <u>36,525,956</u> <hr/>

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

Notes to Basic Financial Statements

June 30, 2015 and 2014

(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 \$777,523 at June 30, 2015. 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 0.8% CPI, are as follows:

2016		\$ 695,175
2017		700,737
2018		706,343
2019		711,993
2020		597,278
		\$ 3,411,526

(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, 2015 the net appreciation of \$1,062,253 was available to be spent. The total amount is restricted to specific purposes.

As of June 30, 2015, the value of the Foundation's endowment portfolio was \$6,799,442, and the permanent endowment contributions were \$5,947,937.

(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 2015, no additional funds were contributed. This is reported in the statement of revenues, expenses, and changes in net position as other nonoperating expenses in the College's financial statements.

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Notes to Basic Financial Statements

June 30, 2015 and 2014

(13) Related Party Transactions (Continued)

The 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) Prior Period Restatement

Net position at June 30, 2015 was restated in the amount of \$145,685,231. This restatement was due to the implementation of GASB 68.

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2015

New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data*
(Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
College's Proportion of the Net Pension Liability (Asset)	2.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
College's Proportionate Share of Net Pension Liability (Asset)	\$ 151,964	-	-	-	-	-	-	-	-	-
College's Covered-Employee Payroll	\$ 73,918	-	-	-	-	-	-	-	-	-
College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	205.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30, 2014

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
June 30, 2015

New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data
(Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 9,654	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	9,654	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-
College's Covered-Employee Payroll	\$ 73,918	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-	13.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount		Amortization									
	Deferred	Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 7,292	5		\$ 1,458	1,458	1,458	1,459	1,459				
2015	-	5										
2016	-	5										
2017	-	5										
2018	-	5										
2019	-	5										
2020	-	5										
2021	-	5										
2022	-	5										
2023	-	5										
	\$ 7,292			\$ 1,458	1,458	1,458	1,459	1,459	-	-	-	-

NOTES TO RSI

Changes of Benefit Terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatement/366_Public_Employees_Retirement_Association_214.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states "based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. More detail about the actuarial assumptions used can be seen within these financial statements at note 8.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Budgetary Comparisons - Budgetary Basis

Unrestricted and Restricted – All Operations

Year ended June 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actuals (budgetary basis)</u>	<u>Final Budget vs Actuals favorable (unfavorable)</u>
Unrestricted and Restricted Beginning				
Net Position	\$ 44,208,408	47,391,199	47,391,199	
Unrestricted and restricted revenues:				
Tuition	22,053,394	20,540,334	18,967,544	(1,572,790)
Miscellaneous fees	3,863,382	4,217,750	3,775,866	(441,884)
State government appropriations	55,644,400	55,644,400	55,644,425	25
Local government appropriations	48,986,756	49,925,747	49,257,788	(667,959)
Federal government contracts/grants	49,675,754	39,993,793	31,934,805	(8,058,988)
State government contracts/grants	6,677,329	6,399,066	6,885,688	486,622
Local government contracts/grants	—	10,000	9,734	(266)
Private contracts/grants	1,980,741	2,524,377	1,314,657	(1,209,720)
Endowments	30,745	15,000	14,789	(211)
Sales and services	4,619,906	5,345,199	4,547,048	(798,151)
Other	2,759,531	2,791,199	2,792,568	1,369
Capital outlay	39,620,000	24,250,000	15,633,907	(8,616,093)
Building renewal and replacement	2,305,828	2,170,000	2,011,317	(158,683)
Retirement of indebtedness	9,550,000	9,550,000	9,446,294	(103,706)
Total unrestricted and restricted revenues	<u>247,767,766</u>	<u>223,376,865</u>	<u>202,236,430</u>	<u>(21,140,435)</u>
Unrestricted and restricted expenditures:				
Instruction	63,738,919	63,793,402	61,440,687	2,352,715
Academic support	15,430,724	17,179,204	16,440,566	738,638
Student services	21,413,337	23,026,529	21,797,279	1,229,250
Institutional support	21,520,084	21,687,780	20,447,054	1,240,726
Operation and maintenance of plant	14,490,892	16,800,621	15,964,997	835,624
Student social and cultural activities	203,352	193,830	134,441	59,389
Public services	1,048,857	938,809	599,123	339,686
Internal services	128,419	97,799	91,247	6,552
Student aid grants and stipends	52,961,750	42,540,046	35,819,112	6,720,934
Auxiliary enterprise	3,331,027	2,532,049	2,064,815	467,234
Capital outlay	42,700,000	26,200,000	17,456,875	8,743,125
Building renewal and replacement	8,666,308	11,563,128	7,832,391	3,730,737
Retirement of indebtedness	11,004,000	11,004,000	9,690,187	1,313,813
Total unrestricted and restricted expenditures	<u>256,637,669</u>	<u>237,557,197</u>	<u>209,778,774</u>	<u>27,778,423</u>
Transfers to (from):				
Instruction and general	(4,080,140)	(3,098,277)	(3,998,277)	900,000
Student social and cultural	(3,600)	(3,600)	(3,600)	—
Public service	—	—	—	—
Internal service	—	—	—	—
Student aid and grants	2,543,051	2,461,188	2,461,188	—
Auxiliary enterprise	(801,200)	(1,050,000)	(150,000)	(900,000)
Capital outlay	671,101	671,101	671,101	—
Building renewal and replacement	1,670,788	1,019,588	1,019,588	—
Net transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Change in net position (budgetary basis)	<u>(8,869,903)</u>	<u>(14,180,332)</u>	<u>(7,542,344)</u>	<u>6,637,988</u>
Ending net position	\$ <u>35,338,505</u>	<u>33,210,867</u>	<u>39,848,855</u>	

See accompanying independent auditor's report

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Budgetary Comparisons - Budgetary Basis

Unrestricted – Non Instruction & General

Year ended June 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actuals (budgetary basis)</u>	Final Budget vs Actuals favorable (unfavorable)
Beginning balance budgeted	\$ 30,517,597	31,755,918	31,755,918	
Revenues:				
Tuition	—	—	—	—
Miscellaneous fees	150,000	140,000	123,286	(16,714)
State government appropriations	—	—	—	—
Local government appropriations	—	—	—	—
Federal government contracts/grants	—	—	—	—
State government contracts/grants	—	—	—	—
Local government contracts/grants	—	—	—	—
Private contracts/grants	10,000	20,000	7,500	(12,500)
Endowments	—	—	—	—
Sales and services	3,539,750	3,945,500	3,167,789	(777,711)
Other	100,000	100,000	86,007	(13,993)
Capital outlay	39,620,000	24,250,000	15,633,907	(8,616,093)
Building renewal and replacement	2,305,828	2,170,000	2,011,317	(158,683)
Retirement of indebtedness	9,550,000	9,550,000	9,446,294	(103,706)
Total revenues	<u>55,275,578</u>	<u>40,175,500</u>	<u>30,476,100</u>	<u>(9,699,400)</u>
Expenditures:				
Instruction	—	—	—	—
Academic support	—	—	—	—
Student services	—	—	—	—
Institutional support	—	—	—	—
Operation and maintenance of plant	—	—	—	—
Student social and cultural activities	203,352	189,830	134,441	55,389
Public services	125,000	130,000	107,252	22,748
Internal services	50,000	25,000	18,045	6,955
Student aid grants and stipends	2,553,051	2,605,672	2,424,542	181,130
Auxiliary enterprise	3,286,118	2,486,867	2,033,515	453,352
Capital outlay	42,700,000	26,200,000	17,456,875	8,743,125
Building renewal and replacement	8,666,308	11,563,128	7,832,391	3,730,737
Retirement of indebtedness	11,004,000	11,004,000	9,690,187	1,313,813
Total expenditures	<u>68,587,829</u>	<u>54,204,497</u>	<u>39,697,248</u>	<u>14,507,249</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	2,543,051	2,461,188	2,461,188	—
Auxiliary enterprise	(801,200)	(1,050,000)	(150,000)	(900,000)
Capital outlay	671,101	671,101	671,101	—
Building renewal and replacement	1,670,788	1,019,588	1,019,588	—
Total transfers	<u>4,080,140</u>	<u>3,098,277</u>	<u>3,998,277</u>	<u>(900,000)</u>
Change in net position (budgetary basis)	<u>(9,232,111)</u>	<u>(10,930,720)</u>	<u>(5,222,871)</u>	<u>3,907,849</u>
Net position (budgetary basis)	\$ <u>21,285,486</u>	<u>20,825,198</u>	<u>26,533,047</u>	

See accompanying independent auditor's report

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

Schedule of Budgetary Comparisons - Budgetary Basis

Restricted – Non Instruction & General

Year ended June 30, 2015

	Original budget	Final budget	Actuals (budgetary basis)	Final Budget vs Actuals favorable (unfavorable)
Beginning balance budgeted	\$ —	—	—	—
Revenues:				
Tuition	—	—	—	—
Miscellaneous fees	—	—	—	—
State government appropriations	—	—	—	—
Local government appropriations	—	—	—	—
Federal government contracts/grants	45,839,121	35,826,086	28,737,195	(7,088,891)
State government contracts/grants	4,789,427	4,402,518	4,786,409	383,891
Local government contracts/grants	—	—	—	—
Private contracts/grants	457,479	385,251	456,717	71,466
Endowments	—	—	—	—
Sales and services	63,656	48,699	8,223	(40,476)
Other	306,201	202,610	2,399	(200,211)
Capital outlay	—	—	—	—
Building renewal and replacement	—	—	—	—
Retirement of indebtedness	—	—	—	—
Total revenues	<u>51,455,884</u>	<u>40,865,164</u>	<u>33,990,943</u>	<u>(6,874,221)</u>
Expenditures:				
Instruction	—	—	—	—
Academic support	—	—	—	—
Student services	—	—	—	—
Institutional support	—	—	—	—
Operation and maintenance of plant	—	—	—	—
Student social and cultural activities	—	4,000	—	4,000
Public services	923,857	808,809	491,871	316,938
Internal services	78,419	72,799	73,202	(403)
Student aid grants and stipends	50,408,699	39,934,374	33,394,570	6,539,804
Auxiliary enterprise	44,909	45,182	31,300	13,882
Capital outlay	—	—	—	—
Building renewal and replacement	—	—	—	—
Retirement of indebtedness	—	—	—	—
Total expenditures	<u>51,455,884</u>	<u>40,865,164</u>	<u>33,990,943</u>	<u>6,874,221</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	—	—	—	—
Total transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Change in net position (budgetary basis)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net position (budgetary basis)	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditor's report

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

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

Year ended June 30, 2015

	Original budget	Final budget	Actuals (budgetary basis)	Variance favorable (unfavorable)
Beginning balance budgeted	\$ 13,690,811	15,635,281	15,635,281	
Revenues:				
Tuition	22,004,704	20,500,334	18,959,087	(1,541,247)
Miscellaneous fees	3,713,382	4,077,750	3,652,580	(425,170)
State government appropriations	55,644,400	55,644,400	55,644,425	25
Local government appropriations	48,986,756	49,925,747	49,257,788	(667,959)
Federal government contracts/grants	260,000	260,000	72,418	(187,582)
State government contracts/grants	115,038	141,426	121,426	(20,000)
Local government contracts/grants	—	—	—	—
Private contracts/grants	66,000	63,500	22,500	(41,000)
Endowments	—	—	—	—
Sales and services	1,016,500	1,351,000	1,371,036	20,036
Other	2,353,330	2,488,589	2,704,162	215,573
Capital outlay	—	—	—	—
Building renewal and replacement	—	—	—	—
Retirement of indebtedness	—	—	—	—
Total revenues	<u>134,160,110</u>	<u>134,452,746</u>	<u>131,805,422</u>	<u>(2,647,324)</u>
Expenditures:				
Instruction	60,349,034	59,968,034	58,290,998	1,677,036
Academic support	14,386,347	16,172,451	15,840,378	332,073
Student services	19,538,577	20,881,324	20,164,542	716,782
Institutional support	20,993,855	20,806,358	19,880,068	926,290
Operation and maintenance of plant	14,449,949	16,775,914	15,950,632	825,282
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>129,717,762</u>	<u>134,604,081</u>	<u>130,126,618</u>	<u>4,477,463</u>
Transfers to (from):				
Instruction and general	(4,080,140)	(3,098,277)	(3,998,277)	900,000
Student social and cultural	—	—	—	—
Public service	—	—	—	—
Internal service	—	—	—	—
Student aid and grants	—	—	—	—
Auxiliary enterprise	—	—	—	—
Capital outlay	—	—	—	—
Building renewal and replacement	—	—	—	—
Total transfers	<u>(4,080,140)</u>	<u>(3,098,277)</u>	<u>(3,998,277)</u>	<u>900,000</u>
Change in net position (budgetary basis)	<u>362,208</u>	<u>(3,249,612)</u>	<u>(2,319,473)</u>	<u>2,730,139</u>
Net position (budgetary basis)	<u>\$ 14,053,019</u>	<u>12,385,669</u>	<u>13,315,808</u>	

See accompanying independent auditors' report.

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

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

Year ended June 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actuals (budgetary basis)</u>	<u>Variance favorable (unfavorable)</u>
Beginning balance budgeted	\$ —	—	—	
Revenues:				
Tuition	48,690	40,000	8,457	(31,543)
Miscellaneous fees	—	—	—	—
State government appropriations	—	—	—	—
Local government appropriations	—	—	—	—
Federal government contracts/grants	3,576,633	3,907,707	3,125,192	(782,515)
State government contracts/grants	1,772,864	1,855,122	1,977,853	122,731
Local government contracts/grants	—	10,000	9,734	(266)
Private contracts/grants	1,447,262	2,055,626	827,940	(1,227,686)
Endowments	30,745	15,000	14,789	(211)
Sales and services	—	—	—	—
Other	—	—	—	—
Capital outlay	—	—	—	—
Building renewal and replacement	—	—	—	—
Retirement of indebtedness	—	—	—	—
Total revenues	<u>6,876,194</u>	<u>7,883,455</u>	<u>5,963,965</u>	<u>(1,919,490)</u>
Expenditures:				
Instruction	3,389,885	3,825,368	3,149,689	675,679
Academic support	1,044,377	1,006,753	600,188	406,565
Student services	1,874,760	2,145,205	1,632,737	512,468
Institutional support	526,229	881,422	566,986	314,436
Operation and maintenance of plant	40,943	24,707	14,365	10,342
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>6,876,194</u>	<u>7,883,455</u>	<u>5,963,965</u>	<u>1,919,490</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	—	—	—	—
Total transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Change in net position (budgetary basis)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net position (budgetary basis)	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

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

Schedule of Budgetary Comparisons - Budgetary Basis
Reconciliation of Budgetary Basis to Financial Statement Basis

Year ended June 30, 2015

Total unrestricted and restricted revenues:

Budgetary basis	\$ 202,236,430
Reconciling items:	
Scholarship allowance (not in budgetary basis)	(12,278,413)
Bond proceeds (amount not in financial)	(8,848,337)
Other	(918,519)
Total reconciling items	(22,045,269)
Total reconciled unrestricted and unrestricted revenues per Budgetary Basis	\$ 180,191,161

Basic Financial Statements

Operating revenues	\$ 29,898,748
Nonoperating revenues	150,292,413
Total unrestricted and restricted revenues per financial statement	\$ 180,191,161

Difference	\$ -
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Total unrestricted and restricted expenditures

Budgetary basis	\$ 209,778,774
Reconciling items:	
Bond principal payments (not in financial statements)	(7,125,000)
Scholarship allowance (not in budgetary basis)	(12,278,413)
Capitalized expenditures (amount not in financial statement)	(23,796,689)
Depreciation expense (not in budgetary basis)	12,510,477
ERB plan expense proportion (not in budgetary basis)	13,571,225
FY15 CNM ERB Contribution (not in budgetary basis)	(10,569,898)
Other	(431,763)
total reconciling items	(28,120,061)
Total reconciled unrestricted and unrestricted expenditures per Budgetary Basis	\$ 181,658,713

Basic Financial Statements

Operating expenses	\$ 179,543,024
Nonoperating expenses	2,115,689
Total unrestricted and restricted expenditures per financial statement	\$ 181,658,713

Difference	\$ -
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See accompanying independent auditor's report

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE
Notes to Schedule of Budgetary Comparisons -Budgetary Basis
Year ended June 30, 2015

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.

See accompanying independent auditor's report

SUPPORTING SCHEDULES

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

Schedule of Pledged Collateral

June 30, 2015

THE COLLEGE:

Wells Fargo Bank checking accounts	\$	1,298,194	
FDIC Insurance		(250,000)	
Uninsured public funds		\$ 1,048,194	
50% collateral requirement of	\$	199,228	\$ 99,614
102% sweep collateral requirement of	\$	848,966	865,946
Total collateral requirements			\$ 965,559

	CUSIP	Rate	Maturity	
Collateral (at fair value):				
FN AK3435	3138E7Y99	3.50%	2/1/2042	155,718
FN AL0093	3138EGC77	3.00%	4/1/2026	27,609
GN-II MA1448	36179NTD0	3.50%	11/1/2043	865,946
Total collateral				1,049,273
Over collateral requirement				\$ 83,714

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

See accompanying independent auditor's report

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

Schedule of Individual Deposit and Investment Accounts
June 30, 2015

The College:

Name of depository	Account name	Account Type	Bank balance	Reconciling Items	Book balance
Cash on Hand	Petty cash fund	Cash	\$ -	11,225	11,225
Wells Fargo Bank	Student federal fund	Checking	241,791	(178,557)	63,234
	Operational account	Checking	931,630	(562,996)	368,634
	Stafford loans	Checking	99,722	(64,506)	35,216
	Perkins Loans	Checking	25,051	-	25,051
	Payroll	Checking	-	(33,284)	(33,284)
	Student refund	Checking	-	(22,889)	(22,889)
Bank of America	Direct Deposit	Checking	-	-	-
Total cash			1,298,194	(851,007)	447,187
State of New Mexico Office of the Treasurer	Current fund	Investment	25,975,980	-	25,975,980
	Renewal and replacement	Investment	7,498,980	-	7,498,980
	Retirement of indebtedness	Investment	7,883,681	-	7,883,681
	Plant	Investment	43,333,895	-	43,333,895
	Endowment	Investment	1,618,908	-	1,618,908
Total investments			86,311,444	-	86,311,444
Total deposits and investments - College			\$ 87,609,638	(851,007)	86,758,631

The Foundation:

Name of depository	Account name	Account Type	Bank balance	Reconciling Items	Book balance
Wells Fargo	Operational account	Checking	\$ 566,127	(19,719)	546,408
	Operational account	Savings	10,681	-	10,681
Merrill Lynch	Temp restricted	Money Market	1,072,012	-	1,072,012
	Portfolio	Money Market	135,785	-	135,785
	Eloy Reyes	Money Market	12,449	-	12,449
Total cash			1,797,054	(19,719)	1,777,335
Merrill Lynch	Endow core portfolio	Federal agency obligations	649,332	-	649,332
	Endow core portfolio	Corporate obligations	399,139	-	399,139
	Endow core portfolio	Corporate Stock	3,584,178	-	3,584,178
	Endow core portfolio	Mutual funds	1,771,973	-	1,771,973
	Eloy Reyes	Federal agency obligations	65,324	-	65,324
	Eloy Reyes	Corporate obligations	31,582	-	31,582
	Eloy Reyes	Corporate Stock	243,181	-	243,181
Total investments			6,744,709	-	6,744,709
Total deposits and investments - Foundation			\$ 8,541,763	\$ (19,719)	\$ 8,522,044

Ingenuity:

Name of depository	Account name	Account Type	Bank balance	Reconciling Items	Book balance
Wells Fargo	Operational account	Checking	\$ 185,731	(61,405)	124,326
Morgan Stanley		Money Market	1,340,932	-	1,340,932
Total cash - Ingenuity			\$ 1,526,663	\$ (61,405)	\$ 1,465,258

See accompanying independent auditor's report.

Central New Mexico Community College
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Wanda Helms Title: Director of Purchasing, Date: 11/4/2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
T-2928	RFB	Touchnet Information Systems, Inc.	891,352.00	N/A	Touchnet Information Systems, Inc. 15520 College Blvd, Lenexa, KS 66219	Out	No	TouchNet payment processing services - hosting, maintenance and subscription fees for an eight year term.
P-376	RFP	Bradbury Stamm Constuction, Inc.	16,769,857.00	N/A	Bradbury Stamm Construction, Inc. 7110 2nd St NW, Albuquerque, NM 87107	In	No	The project will include, renovation of the existing 5200sf auditorium, renovation of the existing 61,400sf building including replacement of the existing mechanical system with a new ground source heat pump, upgrade of the existing electrical service and replacement of electrical distribution throughout the building, replacement of the existing IT/special systems distribution, reconfiguration of the floor layouts to create functional classrooms, computer labs and offices, replacement of all A/V systems throughout the building, new roof, new windows and perimeter wall assemblies and an approximately 12,000sf addition creating a new building entrance and housing additional program space. Parking lots to the South and West of the building will be reconfigured to improve traffic flow, support the ground source heat pump work and address drainage issues. The project will be LEED Silver minimum.
					Flintco, LLC 6020 Indian School Rd NE, Albuquerque, NM 87110	In	No	
					Jaynes Corporation 2906 Broadway Blvd NE, Albuquerque, NM 87107	In	No	
P-375	RFP	Axiom Certified Public Accountants and Business Advisors LLC	80,300.00	N/A	Axiom Certified Public Accountants and Business Advisors LLC 316 Osuna Rd NE #401, Albuquerque, NM 87107	In	No	Multi-year term shall be awarded to vendors to provide Compliance and Financial Audit starting with fiscal year ending June 30, 2015.
					Accounting & Consulting Group, LLP 2700 San Pedro Dr NE, Albuquerque, NM 87110	In	No	
					MP Group, Inc. 8500 Menaul NE Suite A220, Albuquerque, NM 87112	In	No	
					Moss Adams LLP 6565 Americas Pkwy #600, Albuquerque, NM 87110	In	No	
					REDW LLC 7425 Jefferson St NE, Albuquerque, NM 87109	In	No	

Central New Mexico Community College
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Wanda Helms Title: Director of Purchasing, Date: 11/4/2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
P-370	RFP	HB Construction of Albuquerque, Inc.	3,025,000.00	N/A	HB Construction of Albuquerque, Inc. 5301 Beverly Hills Ave NE, Albuquerque, NM 87113	In	No	The project will be to update all the classrooms to include: mechanical, fire alarm telecommunications, data, architectural, and lighting systems, as well as the design and development of all classrooms into state of the art technology learning environments that support the needs of CNM. The project will also look at Existing labs on campus and to correct HVAC and exhaust issues at the campus. The existing building will be renovated to meet the current needs of instruction and applicable codes. The program will also look at construction methodologies that will allow the building to operate and have classes while under construction. The project shall be designed and constructed to meet LEED Silver Certification, at a minimum.
					Brycon Corporation 134 Rio Rancho Blvd NE, Rio Rancho, NM 87124	In	Yes	
					Jaynes Corporation 2906 Broadway Blvd NE, Albuquerque, NM 87107	In	No	
P-369	RFP	Bradbury Stamm Construction, Inc.	6,516,000.00	N/A	Bradbury Stamm Construction, Inc. 7110 2nd St NW, Albuquerque, NM 87107	In	No	The technology loop system will consist of a duct bank system and a fiber optic loop. The duct bank system will consist of primary and lateral duct systems. The primary ducts will be configured in a loop configuration and the laterals duct system will intercept the primary duct system at maintenance holes and will run convey cables to each building on the campus. The wellness path has the potential for benefiting all members of the CNM community by providing easy, convenient access to a safe, attractive path that is designed to be used for recreation, fitness and wellness, as well as for improved campus connectivity and to an opportunity for active learning where the path design might be worked into STEM related classes along with campus fitness and recreation offerings.
P-367	RFP	Ellucian Company L.P.	380,000.00	N/A	Ellucian Company L.P. 4375 Fair Lakes Ct., FairFax, VA 22033	Out	No	Establish an indefinite quantity price agreement for a Commercial-Off-the-Shelf (COTS) Talent Management System. The intent of this system is to automate and manage the employee life-cycle from recruitment to separation. An employee's life cycle starts with recruitment, followed by on-boarding, professional development, potential transitions in positions (promotions, demotions, transfers, and reclassifications), performance evaluation, succession planning, and ending with retirement, resignation, or other separation.
P-366	RFP	Jaynes Corporation	5,700,000.00	N/A	Jaynes Corporation 2906 Broadway Blvd NE, Albuquerque, NM 87107	In	No	Renovation of the Main Campus Building "A" to meet the needs of the administrative departments to help support CNM. This project will include the upgrades to all building systems, building envelope and elevator replacements. The project will include upgrading the building envelope to provide better energy efficiencies and include upgrading the mechanical systems to improve energy use. The project will also include the development of the entryways around the building to note entry into various departments. The project will also include the development of the "A" Building patio area to enhance outdoor seating areas of the campus. The project shall be designed and constructed to meet LEED Silver Certification, at a minimum.

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 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, 2015, 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 2, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 2, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2015. The College's major federal programs are identified in the summary of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe 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 OMB Circular A-133. 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 2, 2015

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Period July 1, 2014 through June 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
U.S. Department of Education:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grant 2014-2015	84.007	P007A142635	\$ 549,358
Federal Supplemental Educational Opportunity Grant 2013-2014	84.007	P007A132635	13,797
Federal Work Study	84.033	P033A142635	518,024
Federal Pell Grant 2014-2015	84.063	P063P142545	27,849,524
Federal Pell Grant 2013-2014	84.063	P063P132545	140,229
			29,070,932
U.S. Department of Education:			
TRIO Student Support Services Grant	84.042A	P042A101121-13	246,345
			246,345
U.S. Department of Education Pass-through from New Mexico Department of Education:			
Perkins-Career and Technical Education FY 2014-2015	84.048A	V048A140031	896,378
Perkins-Career and Technical Education FY 2013-2014 Redistribution	84.048	V048A120031A-12A	120,122
Perkins-Career and Technical Education GY 2013-2014 Redistribution	84.048	V048A130031	3,611
			1,020,111
Adult Basic Education	84.004	V002A140032	368,839
U.S. Department of Education Pass-through from The University of New Mexico			
HSI STEM Cooperative: STEM Up	84.031C	P031C110106	500,607
U.S. Department of Education Pass-through from New Mexico Higher Education Department			
College Access Challenge Grant Program	84.378A	P378A120052	180,878
National Science Foundation Pass-through University of New Mexico			
Southwest Center for Microsystems Education	47.076	DUE-1205138	12,630
National Science Foundation Pass-through New Mexico State University			
New Mexico Alliance for Minority Participation	47.076	HRD-1305011	477
National Science Foundation Pass-through University of Central Florida			
OP-TEC: The National Center for Optics and Photonics Education	47.076	DUE-1303732	1,073
Small Business Administration Pass-through from New Mexico Small Business Development Center			
Small Business Development Center-SV	59.037	SBAHQ-14-B-0049	20,689
Small Business Development Center-CNM	59.037	6-7620-0032-11	20,689
			41,378
Corporation for National and Community Service			
AmeriCorps	94.013	44-0103-0-1-506	98,059

STATE OF NEW MEXICO
CENTRAL NEW MEXICO COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Period July 1, 2014 through June 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or pass-through number	Federal Expenditures
Corporation for National and Community Service Pass-through from			
American Association of Retired Persons Foundation			
Women's Economic Stability Initiative	94.019	14SIHDC001	3,450
U.S. Department of Health and Human Services			
Cancer Early Detection	93.283	09-BCC-0200-0526	182
U.S. Department of Health and Human Services Pass-through			
University of New Mexico			
Academic Science Education & Research Training	93.859	2K12GM088021-06	1,739
U.S. Department of Agriculture			
N.M. Energy, Minerals and Natural Resources Department	10.664	13-DG-11031600-070	10,243
Fit for Life	10.223	2009-38422-19871	12,105
			22,348
U.S. Department of Labor Pass Through from			
Santa Fe Community College			
Trade Adj. Asst. Community College & Career Training	17.282	TC-22550-11-60-A-35	56,625
Trade Adj. Asst. Community College & Career Training-SUN PATH	17.282	TC-26486-14-60-A-35	222,150
			278,775
National Institute Standards Board Pass Through from			
NM Manufacturing Extension Partnership			
	11.611	70NANB10H205	13,800
National Endowment for the Humanities Pass Through from			
American Library Association			
Muslim Journeys	45.154	MU-50003-12	765
Total federal expenditures			\$ 31,862,388

Note A:

During the year through 6/30/15, various lenders made loans to students under the Guaranteed Student Loan Program (which includes Stafford, Direct and Perkins Loans):

	<u>CFDA Number</u>	<u>Disbursements</u>
Federal Direct Loan Program	84.268	\$ 13,799,242
Federal Family Education Loan Program (Stafford)	84.032	\$ -
Perkins Loan Program	84.038	\$ 38,102

Note B:

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 information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations

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

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

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
Identification of major programs: 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

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

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Other Matters as required by New Mexico State Statute 12-6-5, NMSA 1978

None.

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

Status of Prior Year Audit Findings

Status of Prior Year Audit Findings

Current Status

None

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

Exit Conference

An exit conference was held in a closed session on November 2, 2015, 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 Central New Mexico Community College

Blair Kauffman	Audit Committee Chair
Deborah Moore	Governing Board Member
Mark Armijo	Governing Board Member

Representing Central New Mexico Community College

Katherine Ulibarri	Vice President Finance & Operations
Katharine Winograd	President
Sydney Gunthorpe	Vice President of Academic Affairs
Phillip Bustos	Vice President Student Services
Diana Chavez	Governing Board Executive Assistant
Allen Leatherwood	Director of Internal Auditors
Mark Lovato	Senior Internal Auditor
Loretta Montoya	Comptroller
Wencui Yang	Senior Accounting Director

Representing Central New Mexico Community College Foundation

Katherine Ulibarri	Foundation Board Treasurer
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Representing CNM Ingenuity, Inc.

Katherine Ulibarri	CNM Ingenuity, Inc. Board Member
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Representing Axiom CPAs and Business Advisors, LLC.

Chris Garner	Partner
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APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

The Book-Entry-Only System

Initially, DTC will be the securities depository for the Bonds. The Paying Agent/Registrar will register all Bonds in the name of Cede & Co. (DTC's partnership nominee) and provide DTC with one Bond for each maturity.

DTC provided the following information. Neither the Financial Advisor nor the District can vouch for its accuracy or completeness. For further information, please contact DTC or view its website at www.dtc.org.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New Mexico and New York Uniform Commercial Codes, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of security certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "Indirect Participants").

Purchases of the Bonds under the book-entry system may be made only through brokers and dealers who are, or act through, DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's ownership interest in the Bonds. The ownership interest of each actual purchaser of a Bond (the "Beneficial Owner") will be recorded through the records of the DTC Participant or the Indirect Participant. Beneficial Owners are to receive a written confirmation of their purchase providing certain details of the Bonds acquired. Transfers of ownership interests in the Bonds will be accomplished only by book entries made by DTC and, in turn, by DTC Participants or Indirect Participants who act on behalf of the Beneficial Owners. Beneficial Owners of the Bonds will not receive nor have the right to receive physical delivery of the Bonds, and will not be or be considered to be registered owners under the Bond Resolution except as specifically provided in the Bond Resolution in the event the book-entry system is discontinued.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The District and the Registrar may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the principal of or interest or premium, if any, on the Bonds, selecting Bonds and portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners under the Bond Resolution, register the transfer of Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The District and the Registrar will not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC Participant, Indirect Participant or other person not shown on the records of the Registrar as being a registered owner with respect to: the accuracy of any records maintained by DTC, any DTC Participant or Indirect Participant regarding ownership interests in the Bonds; the payment by DTC, any DTC Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; the delivery to any DTC Participant, Indirect Participant or any Beneficial Owner of any notice that is permitted or required to be given to registered owners under the Bond Resolution; or any consent given or other action taken by DTC as a registered owner.

Neither DTC nor its nominee, Cede & Co., provides consents with respect to any security. Under its usual procedures, DTC mails an omnibus proxy to the issuer of the securities for which it is acting as securities depository as soon as possible after the establishment of a "record date" by the issuer for purposes of soliciting consents from the holders of such securities. The omnibus proxy assigns Cede & Co.'s voting rights to those DTC Participants having such securities credited to their accounts on such record date.

Principal of and interest on the Bonds will be paid to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Bonds is the responsibility of the DTC Participants or the Indirect Participants. Upon receipt of any such payments, DTC's current practice is to immediately credit the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant or Indirect Participant and not of DTC, the Registrar or the District, subject to any statutory and regulatory requirements then in effect.

As long as the DTC book-entry system is used for the Bonds, the Registrar will give any notice required to be given to registered owners of Bonds only to DTC or its nominee. Any failure of DTC to advise any DTC Participant, of any DTC Participant to notify any Indirect Participant, or of any DTC Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of any action premised on such notice. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from

time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or Indirect Participant so that all communications to DTC that affect such Beneficial Owners will be forwarded in writing by such DTC Participant or Indirect Participant.

NEITHER THE DISTRICT NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS.

For every transfer and exchange of a beneficial ownership interest in the Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar at any time. In addition, if the District determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds or (ii) continuation of the system of book-entry only transfers through DTC is not in the best interests of the Beneficial Owners of the Bonds or of the District, the District may thereupon terminate the services of DTC with respect to the Bonds. If for any such reason the system of book-entry transfers through DTC is discontinued, the District may within 90 days thereafter appoint a substitute securities depository that, in its opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. If a successor is not approved, Bond certificates will be delivered as described in the Bond Resolution in fully registered form in denominations of \$5,000 or any integral multiple thereof in the names of the Beneficial Owners, Indirect Participants or DTC Participants.

In the event the book-entry system is discontinued, the persons to whom Bond certificates are registered will be treated as registered owners for all purposes of the Bond Resolution, including the giving to the District or the Registrar of any notice, consent, request or demand pursuant to the Bond Resolution for any purpose whatsoever. In such event, the Bonds will be transferred to such registered owners, interest on the Bonds will be payable by check of the Paying Agent, as paying agent, mailed to such registered owners, and the principal and redemption price of all Bonds will be payable at the principal corporate trust office of the Paying Agent.

The foregoing material concerning DTC and DTC's book-entry system is based on information furnished by DTC. No representation is made by the District or the Underwriter as to the accuracy or completeness of such information.

Limited Book-Entry Responsibilities

While a book-entry-only system is used for the Bonds, the Paying Agent/Registrar will send redemption and other notices only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any notice and its content or effect will not affect the validity of sufficiency of the proceedings relating to the Bond redemption or any other action based on the notice.

The District and the Financial Advisor have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds.

The District and the Financial Advisor cannot and do not give any assurances that DTC will distribute payments to DTC Participants or that DTC Participants or others will distribute payments with respect to the Bonds received by DTC or its nominees as the holder or any redemption notices or other notices to the beneficial holders, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

APPENDIX D

FORM OF BOND COUNSEL OPINION

[FORM OF BOND COUNSEL OPINION]

November ___, 2016

Board of Central New Mexico
Community College
Albuquerque, New Mexico

Ladies and Gentlemen:

We have acted as bond counsel to Central New Mexico Community College (the "College") in connection with the issuance of its \$42,000,000 General Obligation (Limited Tax) School Building Bonds, Series 2016 (the "Bonds"), dated November ___, 2016, with interest payable on February 15, 2017, and semi-annually thereafter on each August 15 and February 15 until maturity, the Series 2016 bonds being bonds in registered form maturing on August 15 in the years 2017 through 2031.

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

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

2. Assuming continuing compliance by the College with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants contained in the Transcript regarding the use, expenditure and investment of Bond proceeds, interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation. Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. Failure of the College to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance.

3. Interest on the Bonds is excluded from net income for purposes of the tax imposed on individuals, estate and trusts under the New Mexico Income Tax Act and for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Bonds.

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

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds.

Respectfully submitted,

APPENDIX E

CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Central New Mexico Community College, Bernalillo and Sandoval Counties, New Mexico (the "College"), in connection with the issuance of the Central New Mexico Community College, Bernalillo and Sandoval Counties, New Mexico, General Obligation (Limited Tax) School Building Bonds, Series 2016 (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the College adopted on October 11, 2016 (the "Resolution"). Pursuant to the Resolution, to allow the underwriters of the Bonds to comply with the Rule (defined below), the College is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

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

(b) "Audited Financial Statements" means the College's annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements have been audited as may then be required or permitted by the laws of the State.

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

(d) "Event Information" means the information delivered pursuant to Section 3(d).

(e) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, phone (703) 797-6600, fax (703) 797-6708.

(f) "Official Statement" means the Official Statement dated October 11, 2016, delivered in connection with the original issue and sale of the Bonds.

(g) "Report Date" means March 31 of each year, beginning in 2017.

(h) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(i) "SEC" means the Securities and Exchange Commission.

(j) "State" means the State of New Mexico.

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

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

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

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

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

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of security holders, if material;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material within the meaning of the federal securities law;

(xi) rating change;

(xii) bankruptcy, insolvency, receivership or similar event with respect to the College or an obligated person; and

(xiii) a proposed or completed merger, consolidation or acquisition involving the College, if material; and

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

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

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

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

remedies provided by such Resolution will be available to the Owners with respect to such a breach.

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

Section 7. Amendments. The College may amend this Undertaking from time to time, without the consent of any Owner, upon the College's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

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

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

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

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

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

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

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

Date: November 16, 2016.

BOARD OF CENTRAL NEW MEXICO
COMMUNITY COLLEGE

By _____
Chair

[SEAL]

ATTEST:

Secretary

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