

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO**

FINANCIAL STATEMENTS

JUNE 30, 2015

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

OFFICIAL ROSTER

June 30, 2015

M. Steven Anaya	Chair
Jack Torres	Vice-Chair
Adrian Oglesby	Board Member
Brad Hill	Board Member
Debbie O'Malley	Board Member
Don Harris	Board Member
Donald Lopez	Board Member
Donald Rudy	Board Member
James Dominguez	Board Member
Emily Sanchez	Board Member
Glen Walters	Board Member
Gloria Chavez	Board Member
Isaac Benton	Board Member
Robert Perry	Board Member
Rey Garduno	Board Member
John G. Phillips III	Board Member
Diane Gibson	Board Member
Ken Sanchez	Board Member
Larry Abraham	Board Member
Lawrence Romero	Board Member
Leon Otero	Board Member
Klarissa Pena	Board Member
Deborah Stover	Board Member
Lorenzo Garcia	Board Member
Jerah Cordova	Board Member
Wayne Johnson	Board Member
Tom Zdunek	Board Member
Robert Knowlton	Board Member
Dr. Katherine W. Winograd	Board Member
Philip Gasteyer	Board Member

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

OFFICIAL ROSTER (CONTINUED)

June 30, 2015

Pat Clauser	Board Member
Mark Hatzenbuhler	Board Member
Vendora Casados	Board Member
Charles Greigo	Board Member
Christina Ainsworth	Board Member
Ron Williams	Board Member
Greggory D. Hull	Board Member
Lonnie Clayton	Board Member
Richard Bruce	Board Member
James Fahey	Board Member
Julia DuCharme	Board Member
Connie Beimer	Board Member
Robert Chavez	Board Member
J. Don Martinez	Board Member
Tom Church	Board Member
Timothy Parker	Board Member
Bruce Sanchez	Board Member

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Mr. Timothy Keller
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Mid-Region Council of Governments (MRCOG), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise MRCOG's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of MRCOG's non-major governmental funds and the budgetary comparisons, presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Mr. Timothy Keller
New Mexico State Auditor

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 MRCOG'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 governmental activities, each major fund, and the aggregate remaining fund information of the MRCOG as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the respective budgetary comparison for the non-major funds of MRCOG for the year ended June 30, 2015, and the respective change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Mr. Timothy Keller
New Mexico State Auditor

Emphasis of Matter

As discussed in Note 8 to the financial statements, the MRCOG adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* effective July 1, 2014.

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 MRCOG's proportionate share of the net pension liability, and schedule of MRCOG contributions 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements and the combining and individual fund financial statements and budgetary comparisons that collectively comprise MRCOG's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, description of non-major special revenue funds, and the schedule of pledged collateral, as required by the New Mexico State Audit Rule, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Mr. Timothy Keller
New Mexico State Auditor

The schedule of expenditures of federal awards, description of non-major special revenue funds, and schedule of pledged collateral are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, the schedule of expenditures of federal awards, description of non-major special revenue funds, and schedule of pledged collateral are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

The introductory section and schedule of vendor information required by the New Mexico State Audit Rule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued a report dated December 14, 2015, on our consideration of the MRCOG'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 results 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 and in considering MRCOG's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2015

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

The Mid-Region Council of Governments of New Mexico (MRCOG) management's discussion and analysis provides an overview of the MRCOG's mission and function, recent program opportunities, and a brief discussion of the basic financial statements and the significant differences in information they provide.

COUNCIL'S MISSION AND FUNCTION

The MRCOG is an association of local governments and special units of government within the State's Planning District Number 3. The MRCOG was established December 11, 1969, under the authority of the Regional Planning Act and under the Joint Powers Act. Municipal and county government agencies in Bernalillo, Sandoval, Torrance, and Valencia Counties, plus Edgewood in Santa Fe County, are members, as well as groups like Albuquerque Public Schools and the Middle Rio Grande Conservancy District. Elected and appointed representatives of these organizations serve on the MRCOG's Board of Directors and give the organization direction.

The MRCOG was created to conduct and coordinate regional planning. It provides a forum where local elected officials from across the region can meet and discuss issues that do not begin or end at artificial, political boundaries. The MRCOG's role is advisory with the primary task to provide member governments with data and plans to allow them to make better informed decisions. The MRCOG's mission is to strengthen individual communities by identifying and initiating regional planning strategies through open dialogue and collaboration between the member governments.

The MRCOG provides a variety of services to its member governments and is funded through a combination of participation fees, federal, state and other grants. Services provided include planning and technical assistance in the fields of transportation, economic development, ordinances, zoning, job training and other special projects as requested. Areas of technical expertise include map making and Geographic Information Systems analysis; gathering data about population, employment, land use, and traffic flow, as well as developing forecasts to project what these figures will be in the future.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

RECENT PROGRAM OPPORTUNITIES

Transportation: The MRCOG serves as the agent for the Rio Metro Regional Transit District and the New Mexico Department of Transportation for operation of the New Mexico Rail Runner Express commuter rail service and several transit services in the region (Belen, Los Lunas, Rio Rancho and Sandoval County). The commuter rail and transit services are funded through a combination of fare box revenue and fees, Federal and State funds, and regional transit gross receipts taxes.

The MRCOG has received funding for a project that will include the acquisition of regional travel time information for the top 30 congested roadways, Interstate 25 and Interstate 40 in the Albuquerque metropolitan area. The goal of the program is to provide travel time data for use in the Congestion Management Process, the development of the Metropolitan Transportation Plan and other transportation planning, programming and project development needs.

The University of New Mexico (UNM), Central New Mexico Community College (CNM), and Sunport area is the focus of a study that will identify how transit can best meet the variety of transportation needs associated with this area – students and employees traveling to classes and jobs, residents traveling within the area, and travel needs associated with business activities and other destinations in the area. This study is a collaborative effort of the City of Albuquerque, Bernalillo County, UNM, CNM, and MRCOG, serving as the lead agency.

With no new river crossings planned for the Albuquerque metro area, public transit will need to play an increasingly important role in meeting regional transportation needs. The Paseo del Norte High Capacity Transit Study (PDN Study) was initiated to specifically identify how public transit can provide an alternative to private vehicle travel and how it can meet some of the demand for trips across the Rio Grande, from the northwestern portion of the metropolitan area to employment destinations like Journal Center/North I-25 corridor east of the river. The PDN Study is funded by the Federal Transit Administration, and its goal is to identify a transit system that is cost effective and will improve mobility within the region, integrate with the existing transit system, provide an attractive alternative to single occupancy vehicle (SOV) travel, connect employment and residential uses, provide economic development opportunities and encourage transit-supportive land uses.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

The Mid-Region Council of Governments' Metropolitan Planning Organization (MPO) is the only MPO in the nation to be awarded a federal grant to participate in a scenario planning pilot project that investigates the challenges of congestion, sprawl, energy-use, vehicle emissions, and water scarcity exacerbated by climate change. Scenario planning allows participants to consider the impacts of growth and evaluate the costs and benefits of various future development patterns. The project will inform transportation and land use decision-making in the Albuquerque region by using potential growth scenarios to analyse strategies to reduce carbon pollution and prepare for the impacts of climate change.

Regional Planning: The MRCOG maintains the Agribusiness Collaborative, an organization dedicated to preserving and improving the agricultural economy of the region. The Agribusiness Collaborative meets monthly and is comprised of farmers, food processors, representatives of food markets, educators, government agencies and others interested in local agriculture. The MRCOG publishes a quarterly newsletter focusing on building connections between local producers and local markets.

The MRCOG continues to provide comprehensive planning and technical assistance to local governments throughout the region. Community planning services are being provided to the Village of Jemez Springs, City of Moriarty and Town of Peralta.

Economic Development: Since 1973, the MRCOG has been designated as the Economic Development District by the U.S. Department of Commerce for the four-county region of MRCOG. In support of this designation, the MRCOG provides technical and planning assistance to entities seeking funds from the US Department of Commerce, Economic Development Administration (EDA). A three-year EDA planning grant to the MRCOG is currently in effect. MRCOG staff prepares and maintains a summary document of the region's economic conditions, development activities, and strategies for improving local and regional economies in a report entitled the Comprehensive Economic Development Strategy (CEDS). Various organizations use the CEDS report as a basis for taking actions to improve the economy.

The MRCOG received one of five Innovation Center Grants in the Southwest region from the U.S. Department of Commerce, Economic Development Administration (EDA). This project will have four focus areas: identifying clusters of innovation, developing alternative workforce models to include "live-work" scenarios, marketing the region through public-private partnerships, and developing local food entrepreneurs.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the MRCOG's basic financial statements. The MRCOG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the MRCOG's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the MRCOG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the MRCOG is improving or deteriorating. The statement of activities presents information showing how the MRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to earned but unused vacation and sick leave. All of MRCOG's activities are reported under governmental-type activities and there are no component units.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The MRCOG, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the MRCOG are governmental funds. Governmental fund financial statements focus on near-term inflow and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The MRCOG maintains twenty-eight (28) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and Rio Metro Operations, both of which are considered to be major funds. Data from the other twenty-six (26) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Budgetary Comparisons

The MRCOG does maintain a budget for informational and managerial purposes. The budget is approved by the MRCOG's Board of Directors on an annual basis. As required by the Office of the State Auditor Rule, 2 NMAC 2.2, a budgetary comparison statement has been provided for the general fund in the basic financial statements, and the nonmajor special revenue funds budgetary comparisons are presented in supplementary schedules.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE COUNCIL

Overall Financial Position

The MRCOG's overall financial position continues to remain strong. MRCOG is the largest Metropolitan Planning Organization (MPO) in the state and the federal funds to administer the MPO have remained stable. MRCOG is also a Regional Planning Organization (RPO) and a Local Planning Agency (LPA). Much of MRCOG's growth over the last 10 years is attributable to Rio Metro, which continues to expand its role in the region. MRCOG other planning activities continue to grow as MRCOG expands its services and expertise in the region.

Over the past twenty-three years the number of funds (projects) administered by the MRCOG has increased from twelve (12) during fiscal year 1992 to thirty-one (31) during fiscal year 2015. Total expenditures over the same period, including capital projects, have increased from \$1.3 million during the fiscal year ending June 30, 1992 to \$9.8 million during the fiscal year ending June 30, 2015. Nearly fifty percent (50%) of current year expenditures relate to Rio Metro operations.

The MRCOG's net position increased by \$234,208 compared to the prior year (from a restated net position of \$(2,768,537) as of June 30, 2014 to \$(2,534,329) as of June 30, 2015. The increase in net position was principally a result of the MRCOG utilizing a fixed with carry over indirect cost rate. The MRCOG implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68) during the year ended June 30, 2015. With the implementation of GASB 68, the MRCOG is allocated its proportionate share of the Public Employees Retirement Association of New Mexico's (PERA) net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. In accordance with the provisions of GASB 68, net position as of July 1, 2014 was restated to record the effects of the new standard and decreased beginning net position by \$5,930,093. Decisions regarding the allocations are made by the administrators of PERA, not by the MRCOG's management.

Compared to the prior year ending June 30, 2014, the MRCOG's Total Governmental Funds expenditures decreased from \$11.156 million (FY14) to \$9.843 million (FY15), a change of approximately \$1.313 million. Within the individual funds there were significant changes: Expenditures for Rio Metro operations increased over \$400,000 FY14 to FY15. The significant contributors to the decrease are: The general fund decreased over \$300,000 due to capital outlay expenditures on building renovations being primarily incurred in FY14; expenditures for the UPWP Fund #52 decreased over \$321,000 due to changes in federal funding;

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

AMPA Wide Travel Survey Fund #56 decreased over \$621,000 due to this program being primarily completed in FY14; JARC#450 decreased over \$178,000 and New Freedom #452/453 by approximately \$200,000 due to these projects being substantially completed by end of FY14.

Net Position

Table A-1 summarizes the MRCOG's net position for the fiscal year ended June 30, 2015. Net position is presented on a consolidated basis and is reflected on a full accrual basis. The MRCOG did not have any business-type activities during the year ended June 30, 2015.

Table A-1
MRCOG's Net Position

	Governmental Activities 6/30/15	Governmental Activities 6/30/14
Current assets	\$ 5,594,247	\$ 5,294,083
Capital assets, net of accumulated depreciation	3,962,945	3,925,669
Total assets	<u>\$ 9,557,192</u>	<u>\$ 9,219,752</u>
Deferred outflow of resources	<u>\$ 1,014,585</u>	<u>\$ -</u>
Total current liabilities	\$ 4,334,178	\$ 3,830,894
Total long-term debt	<u>6,895,156</u>	<u>2,227,302</u>
Total liabilities	<u>\$ 11,229,334</u>	<u>\$ 6,058,196</u>
Deferred inflows of resources	<u>\$ 1,876,772</u>	<u>\$ -</u>
Net position		
Net investment in capital assets	\$ 1,809,495	\$ 1,639,847
Unrestricted	<u>(4,343,824)</u>	<u>1,521,709</u>
Net position, end of year	<u>\$ (2,534,329)</u>	<u>\$ 3,161,556</u>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

Changes in Net Position: The MRCOG's change in net position for fiscal year 2015 was an increase of \$234,208. The table below reflects the changes in net position.

Table A-2
MRCOG's Net Position

	Governmental Activities 6/30/15	Governmental Activities 6/30/14
Expenses – governmental activities	\$ (9,856,334)	\$ (11,245,163)
Add: Charges for services	6,440,689	6,024,981
Operating grants	3,648,564	5,311,440
	232,919	91,258
General revenues – total	1,289	1,272
Change in net position	234,208	92,530
Net position – beginning of year	3,161,556	3,069,026
Restatement for GASB 68 implementation	(5,930,093)	-
Restated net position, beginning of year	(2,768,537)	3,069,026
Net position, end of year	\$ (2,534,329)	\$ 3,161,556

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

The following table relates to the revenues and expenditures of the Governmental Funds.

Table A-3
Changes in MRCOG's Revenues, Expenditures and changes in Fund Balances

	Governmental Funds 6/30/15	Governmental Funds 6/30/14
Revenues		
Federal	\$ 2,541,999	\$ 4,051,912
State	95,486	95,743
Charges for Service	42,967	84,462
Local	1,065,146	747,105
Reimbursement of Rio Metro costs	5,892,634	5,467,985
Interest and other	2,436	243,596
Total revenues	<u>9,640,668</u>	<u>10,690,803</u>
Expenditures		
Operations	3,255,809	4,371,363
Contractual	433,616	623,038
Expenses reimbursed by Rio Metro	5,835,736	5,457,793
Capital outlay	170,927	551,275
Debt Service	146,837	152,621
Total expenditures	<u>9,842,925</u>	<u>11,156,090</u>
Excess (deficiency) of revenues over expenditures	(202,257)	(465,287)
Other financing sources	<u>-</u>	<u>750,000</u>
Net change in fund balance	(202,257)	284,713
Beginning fund balances	<u>1,595,562</u>	<u>1,310,849</u>
Ending fund balances	<u>\$ 1,393,305</u>	<u>\$ 1,595,562</u>

The MRCOG's total expenditures for government-type activities during the fiscal year 2015 were \$9,842,925. The decrease is primarily due to several programs and projects substantially completed in fiscal year 2014.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

Analysis of Major Funds

General Fund (Fund 010): Revenues in the General Fund decreased approximately \$280,000. The decrease is due primarily to MRCOG's indirect cost rate methodology: fixed rate with carryover. In FY14, MRCOG's rate was higher than actual indirect costs incurred, causing an increase in general fund revenues. In FY15, MRCOG's rates were determined based on this carry over so that amounts over collected in FY14 will be rectified by end of FY15. This method is acceptable per federal regulations and is approved by MRCOG's federal oversight agency.

Rio Metro Operations: Rio Metro Operations reported by MRCOG are those costs incurred by MRCOG, such as payroll, and reimbursed by Rio Metro. In FY15, Rio Metro Operations expenditures totaled over \$5,892,000, an increase of approximately \$425,000 from FY14. This increase is due to the growth in Rio Metro operations and the filling of vacant positions.

Budgetary highlights

- General Fund: The favorable budget variance is primarily related to capital outlay. The entire building renovation was included in FY15 budget, but only part of the project was incurred during the fiscal year.
- Rio Metro Operations: Rio Metro's favorable budget variance is about 4% of the budget and is not a substantial difference.

Fund Balance

The MRCOG's governmental funds reported combined fund balances of \$1,393,305. This is \$202,257 lower than the previous year. The change is attributed partly to capital outlay on the building renovation. Another contributing factor is the decrease in revenues due to the MRCOG's indirect cost plan methodology. The MRCOG's budget is designed to fully utilize resources in providing services to its members and their communities, while maintaining a prudent reserve for unexpected downturns. The MRCOG Board has committed \$500,000 of the \$1.3 million fund balance as a reserve for unexpected downturns and claims.

Capital Assets

The MRCOG's investment in capital assets as of June 30, 2015 amounted to \$3,962,945. The capital assets consist mainly of office equipment, vehicles, and a building. Depreciation expense of \$257,307 was recorded in the current year. Additions of \$296,875 were purchased during the year ended June 30, 2015, consisting of furniture and fixtures in addition to replacing the HVAC system.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2015**

Long-Term Debt

Long-term debt consists of the capital lease of the MRCOG building at 809 Copper Avenue NW, Albuquerque, NM 87102. The MRCOG leases the building from Bernalillo County. The loan includes the capital lease of \$1,612,644 plus \$750,000 that the County loaned the MRCOG for building renovations and replacement of the HVAC system. The net decrease to debt is \$132,372 from FY14 to FY15. As of June 30, 2015, the MRCOG had total long-term debt in the amount of \$2,153,450.

Economic Factors and Next Year's Budgets

As state and federal resources continue to be squeezed, the MRCOG's budget for the next year is also being challenged. Programs, such as TANF, have been cut by the state, and the MRCOG has seen some reductions in its transportation planning funding. The 2015 budget has been reduced by nearly \$2.5 million from the 2014 budget. This is mainly due to multi-year projects that were substantially completed in 2014.

The MRCOG continues its metropolitan transportation planning, regional transportation planning, and local government planning programs through agreements with other governmental agencies, including the State of New Mexico. MRCOG is providing administrative and operational support for the New Mexico Department of Transportation (NMDOT) and the Rio Metro Regional Transit District for operation of the commuter rail service. The NMDOT's Intelligent Transportation Center (ITC) is located in the lower level of the MRCOG building. The ITC monitors traffic flow on Albuquerque's interstate system via video surveillance and traffic monitoring devices. The MRCOG's membership remains constant and is always seeking further ways to help its member governments plan for the future.

Request for Information

This financial report is designed to provide a general overview of the MRCOG's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Executive Director, 809 Copper Avenue NW, Albuquerque, NM 87102.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
(GOVERNMENT-WIDE)
STATEMENT OF NET POSITION
June 30, 2015**

	Governmental Activities
ASSETS	
Current	
Cash and cash equivalents	\$ 3,200,468
Other receivables	985,962
Grants receivable	1,164,913
Related entity receivables	208,712
Prepaid expenses	34,192
Total current assets	<u>5,594,247</u>
Noncurrent	
Capital assets, not being depreciated	683,800
Capital assets, net of accumulated depreciation	3,279,145
Total noncurrent assets	<u>3,962,945</u>
Total assets	<u><u>\$ 9,557,192</u></u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of resources related to pensions	<u><u>\$ 1,014,585</u></u>
LIABILITIES	
Current	
Accounts payable and accrued liabilities	\$ 3,120,188
Unearned revenue	735,386
Accrued compensated absences	345,368
Current portion of capital lease payable	133,236
Total current liabilities	<u>4,334,178</u>
Noncurrent	
Accrued compensated absences	86,088
Net pension liability	4,788,854
Capital lease payable	2,020,214
Total noncurrent liabilities	<u>6,895,156</u>
Total liabilities	<u><u>\$ 11,229,334</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources related to pensions	<u><u>\$ 1,876,772</u></u>
NET POSITION	
Net investment in capital assets	1,809,495
Unrestricted	(4,343,824)
Total net position	<u><u>\$ (2,534,329)</u></u>

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
(GOVERNMENT-WIDE)
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Operating Grants and Contributions</u>	<u>Net Revenue and Changes in Net Position for Governmental Activities</u>
GOVERNMENTAL ACTIVITIES				
General government				
General activities	\$ 348,939	\$ 548,055	\$ 1,147	\$ 200,263
Reimbursement of Rio Metro costs	5,892,634	5,892,634	-	-
Transportation planning	2,067,499	-	2,091,249	23,750
Economic development	178,992	-	178,992	-
Employment services	698,358	-	707,264	8,906
Other planning programs	669,912	-	669,912	-
	<u>\$ 9,856,334</u>	<u>\$ 6,440,689</u>	<u>\$ 3,648,564</u>	<u>232,919</u>
Interest				<u>1,289</u>
CHANGE IN NET POSITION				<u>234,208</u>
NET POSITION, BEGINNING OF YEAR				
As previously reported				3,161,556
Restatement due to GASB 68 implmentation				<u>(5,930,093)</u>
				<u>(2,768,537)</u>
NET POSITION, END OF YEAR				<u>\$ (2,534,329)</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Special Revenue Rio Metro Operations	Other Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 3,200,468	\$ -	\$ -	\$ 3,200,468
Other receivables	17,716	497,896	470,350	985,962
Grant reimbursements receivable	-	1,045,089	119,824	1,164,913
Interfund receivables	2,437,574	73,065	119,859	2,630,498
Related entity receivables	-	-	208,712	208,712
Prepaid expenses	34,192	-	-	34,192
Total assets	\$ 5,689,950	\$ 1,616,050	\$ 918,745	\$ 8,224,745
LIABILITIES				
Accounts payable	\$ 2,971,811	\$ -	\$ 16,569	\$ 2,988,380
Accrued payroll liabilities	164,015	187,812	125,349	477,176
Interfund payables	610,291	1,428,238	591,969	2,630,498
Unearned grant advances	550,528	-	184,858	735,386
Total liabilities	4,296,645	1,616,050	918,745	6,831,440
FUND BALANCES				
Committed	500,000	-	-	500,000
Unassigned	893,305	-	-	893,305
Total fund balance	1,393,305	-	-	1,393,305
Total liabilities and fund balances	\$ 5,689,950	\$ 1,616,050	\$ 918,745	\$ 8,224,745
RECONCILIATION				
Total fund balance - governmental funds				\$ 1,393,305
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported				3,962,945
Deferred outflow of resources related to pensions				1,014,585
Deferred inflow of resources related to pensions				(1,876,772)
Capital lease payable, long term debt				(2,153,450)
Net pension liability, long-term liabilities				(4,788,854)
Compensated absences, long-term liabilities				(86,088)
Net position of governmental activities				<u>\$ (2,534,329)</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Major Funds		Other	Total
	General	Special Revenue Rio Metro Operations	Non-major Governmental Funds	Governmental Funds
REVENUES				
Intergovernmental				
Federal grants and contracts	\$ -	\$ -	\$ 2,541,999	\$ 2,541,999
State of New Mexico grants	-	-	95,486	95,486
Charges for services	32,967	-	10,000	42,967
Local	515,088	-	550,058	1,065,146
Reimbursement of Rio Metro costs	-	5,892,634	-	5,892,634
Miscellaneous	1,147	-	-	1,147
Interest	1,289	-	-	1,289
	<u>550,491</u>	<u>5,892,634</u>	<u>3,197,543</u>	<u>9,640,668</u>
EXPENDITURES				
Current				
Operating	34,727	-	3,221,082	3,255,809
Contractual	18,000	33,233	382,383	433,616
Expenditures reimbursed by Rio Metro	-	5,835,736	-	5,835,736
Capital outlay	131,476	23,665	15,786	170,927
Debt service				
Principal and interest	146,837	-	-	146,837
	<u>331,040</u>	<u>5,892,634</u>	<u>3,619,251</u>	<u>9,842,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>219,451</u>	<u>-</u>	<u>(421,708)</u>	<u>(202,257)</u>
OTHER FINANCING SOURCES/USES				
Operating transfers in	-	-	449,874	449,874
Operating transfers out	(421,708)	-	(28,166)	(449,874)
	<u>(421,708)</u>	<u>-</u>	<u>421,708</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(202,257)	-	-	(202,257)
FUND BALANCE, BEGINNING OF YEAR	<u>1,595,562</u>	<u>-</u>	<u>-</u>	<u>1,595,562</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,393,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,393,305</u>
RECONCILIATION				
Change in fund balance				\$ (202,257)
Amounts reported for governmental activities in the statements of activities are different because:				
Pension expense				279,052
Principal portion of capital lease payable				132,372
Depreciation expensed in the statement of activities				(257,307)
Capital assets additions used in governmental activities are not financial resources and, therefore, are not reported				296,875
Loss on disposal of capital asset				(2,292)
Change in accrued vacation and sick liabilities				<u>(12,235)</u>
Change in net position of governmental activities				<u>\$ 234,208</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2015

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Charges for services	\$ 35,000	\$ 35,000	\$ 32,967	\$ (2,033)
Local	514,691	514,691	515,088	397
Interest and other	-	-	2,436	2,436
Total revenues	<u>549,691</u>	<u>549,691</u>	<u>550,491</u>	<u>800</u>
EXPENDITURES				
Current				
Operating	35,000	35,000	34,727	273
Contractual	18,000	18,000	18,000	-
Capital outlay	800,000	800,000	278,313	521,687
Total expenditures	<u>853,000</u>	<u>853,000</u>	<u>331,040</u>	<u>521,960</u>
Operating transfer out	<u>(514,691)</u>	<u>(514,691)</u>	<u>(421,708)</u>	<u>(92,983)</u>
CHANGE IN FUND BALANCE	<u>\$ (818,000)</u>	<u>\$ (818,000)</u>	<u>\$ (202,257)</u>	<u>\$ (614,143)</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - RIO METRO OPERATIONS
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Current Year Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
Reimbursement of Rio Metro costs	\$ 6,200,000	\$ 6,200,000	\$ 5,892,634	\$ (307,366)
EXPENDITURES				
Current				
Incurred on behalf of Rio Metro	<u>6,200,000</u>	<u>6,200,000</u>	<u>5,892,634</u>	<u>307,366</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity. The Mid-Region Council of Governments of New Mexico (MRCOG) is an association of local governments within the State's Planning District Number 3. The Council was established on December 11, 1969, under the authority of the Regional Planning Act and under the Joint Powers Act. Membership is available to all governmental units within District 3, which is composed of four counties: Bernalillo, Sandoval, Torrance and Valencia.

The MRCOG provides a variety of services to its member governments and is funded through a combination of participation fees, federal, state, and other grants. Services provided include planning and other technical assistance in the fields of transportation, economic development, ordinances, zoning, and other special projects as requested.

The accounting policies of the MRCOG conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity. Certain GASB statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The MRCOG is the primary government and is not a component unit of any other entity. It is the financial reporting entity, and it did not have any component units during the fiscal year ended June 30, 2015.

Basic Financial Statements. The basic financial statements include both government-wide (based on MRCOG as a whole) and fund financial statements. The focus is on either the MRCOG as a whole or major individual funds (fund financial statements). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on an economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The MRCOG did not have any business-type activities during the year ended June 30, 2015.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, charges for services, operating and capital grants. The MRCOG reports several functions as reflected in the Statement of Activities. The program revenues consist of grants received for specific projects.

The net cost is normally covered by general revenues. The MRCOG does currently employ indirect cost allocation systems which are charged to direct expenses in the Statement of Activities.

This government-wide focus is more on the sustainability of the MRCOG as an entity and in aggregate financial position resulting from the activities of the current fiscal period. The government-wide financial statements are prepared in accordance with generally accepted accounting principles generally accepted in the United States of America (GAAP).

Interfund activity is eliminated in the government-wide financial statements. There was no internal service fund activity which needed to be eliminated for the year of 2015.

Basis of Presentation – Fund Financials: The fund financial statements presented, emphasis is on the major funds in the governmental category only since there are no business-type funds. Non-major funds are summarized into a single column. The governmental fund statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the MRCOG's actual experience conforms to the budget of fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page of each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function. Program revenues derive directly from the program itself or from parties outside the reporting governments citizenry or funding sources as a whole include 1) charges for services from MRCOG's contracts with others 2) grants that are restricted to meeting the operations or capital requirements of a particular function such as administration and planning functions for WIA, UPWP, Commuter rail projects and other smaller programs.

The financial transactions of the MRCOG are recorded in individual funds, each of which is considered a separate accounting entity. The various fund types are reported in the fund financial statements, as follows:

Governmental Fund Types- Governmental funds are used to account for the MRCOG's expendable financial resources and related liabilities. The measurement focus is based upon determination of changes in financial position. The following are the MRCOG's governmental fund types:

General Fund - The general fund is the general operating fund of the MRCOG. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds- Capital projects funds are used to account for financial resources to be used for the acquisition or construction of capital facilities.

Under the requirements of GASB Statement No. 34, the MRCOG is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund - The primary operating fund of the MRCOG accounts for all financial resources, except those required to be accounted for in other funds.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Fund:

Rio Metro – (Program No. 49, 85, 89, 411, 425, 430, 439, 440, 445, 451, 454, 467, 490) – A special revenue fund that was created by a professional services agreement with Rio Metro. It includes the personnel costs of the operation and administration and other various costs of operating and administering Rio Metro’s transit, rail and planning activities.

Basis of Accounting. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual and both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (generally, sixty days). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient. Grant revenues are not recognized until eligibility requirements are met.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets. Capital assets acquired are recorded as expenditures in the funds which finance the acquisitions and are capitalized at cost and depreciated over their estimated useful lives (no salvage value). Contributed capital assets are recorded at their estimated fair market value at the time received. Additions, including software, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and interest is not capitalized in regards to the MRCOG's capital assets. The MRCOG's capitalization policy, i.e., the dollar value above which asset acquisitions are added to the capital assets, is \$5,000 per Section 12-6-10 NMSA 1978. Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Furniture, machinery, and equipment	3-10 years
Building and improvement	40 years

MRCOG did not own any infrastructure assets as of June 30, 2015.

Budgets and Budgetary Accounting. The MRCOG's Executive Director prepares an overall budget by project fund for the MRCOG which is adopted by the Board. This Budget includes expected receipts and expenditures of the General Fund. The MRCOG is required to prepare budgets for each program for submission directly to that program's funding source. Each funding's source has its own requirements as to the timing of budget preparation and interim reports, line items and categories to be used and amounts to be included. Some require a report of grantor expenditures only, while others require a report of total program expenditures. The budgets, used by the MRCOG to monitor each program, are also used for comparisons in the accompanying financial statements. Therefore, MRCOG approves its budget by total expenditures by fund.

Formal budgetary integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. There are no differences between the GAAP basis and the budgetary basis because both are modified accrual.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The time at which appropriations lapse depends on the funding source and related legal requirements. Unexpended appropriations funded by all grants do not lapse at the fiscal year-end and may be carried forward.

The level of classification detail at which expenditures may not legally exceed appropriations varies depending on the funding source. The legally permissible methods for amending the initially approved budget vary depending on the funding source. Applications for additional funds must be submitted to the funding source. The presented budgetary information has been properly amended during the year. For budgetary purposes, the general fund treats principal and interest payments on its debt as an operating cost. These expenditures are then transferred out and allocated out to certain other funds.

Due To and From Other Funds. Interfund receivables represent project costs paid by the General Fund in anticipation of reimbursements from grants in the Special Revenue Funds. When the reimbursements from grants are received, the Interfund receivables are repaid. Interfund activities are eliminated in determining government-wide financial statements.

Grants and Receivables. Grant reimbursements receivable represent qualified expenditures made under grant agreements for which reimbursements are due but not yet received. An allowance for doubtful accounts is not provided for, since all receivables are from the federal, state, or local governments and are deemed to be fully collectible. All other receivables are expected to be collected and, therefore, no allowance has been set up.

Revenues. Revenues are recognized as follows:

- 1) Special and capital outlay appropriations require project and draw down approval from NM Department of Finance and Administration (DFA) Board of Finance. MRCOG considers this part of the eligibility requirements and does not recognize the revenues and receivables until the approval is obtained.
- 2) Federal and other grants revenues are recognized when the applicable eligibility criteria, including time requirements, are met and the resources are available. Resources received for which applicable eligibility criteria have not been met are reflected as deferred revenues in the accompanying financial statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 3) Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded, as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

Unearned Grant Advances. Unearned grant advances represent cash received under agreements which have not yet been expended for their intended purposes and are, therefore, unearned.

Reimbursement of Rio Metro Costs and Incurred on behalf of Rio Metro. Reimbursement of Rio Metro Costs represents cash received from Rio Metro Regional Transit District (Rio Metro) for expenses that were incurred by Rio Metro and paid by the MRCOG. The MRCOG then invoices Rio Metro for these expenditures. See Note 7 for detail of these revenues and expenditures.

Net Position. Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted – the component of net position that reports the difference between assets and liabilities of the MRCOG that consists of assets with constraints placed on their use that are legally enforceable by legislation and the like to be used only for the purposes specified. MRCOG had no restricted net position as of June 30, 2015.

Unrestricted – the difference between the assets and liabilities that is not reported in net position invested in capital assets or restricted net position.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance. In the fund level financial statements, fund balance reserves represent those portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use. MRCOG classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or amounts constrained due to enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (MRCOG's Board of Directors) and does not lapse at year-end. The MRCOG's Board of Directors committed fund balance of \$500,000 to be maintained for the protection to the local member governments, including potential claims against the MRCOG due to financial reductions.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the management.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The MRCOG requires restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring matching spending.

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS

The MRCOG invests its funds in accordance with state statutes which require that financial institutions pledge collateral of federal or state securities whose market value is equal to at least 50 percent of the deposits in excess of FDIC insurance coverage made by MRCOG with a financial institution. Also, MRCOG in accordance with state statutes may only have deposits in financial institutions, or invest in federal direct obligations or the New Mexico State Treasurer's Local Government Pooled Investments.

Securities which are obligations of the State of New Mexico, its agencies, institutions, counties or municipalities or other subdivisions are accepted at par value; all other securities are accepted at market value. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration.

Custodial credit risk is the risk that in the event of a bank failure, the MRCOG's deposits may not be returned to it. The MRCOG's deposit policy is to collateralize one half of the uninsured public money in each account. As of June 30, 2015, the amount of the MRCOG's bank balance of \$2,179,987 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ (176,509)
Uninsured and collateral held by pledging bank's trust	
Department not in MRCOG's name	1,016,502

Following are the descriptions of the cash and repurchase agreements as of June 30, 2015:

	<u>Book Balance</u>	<u>Bank Balance</u>
Repurchase agreement sweep account	\$ 2,553,024	\$ 2,553,024
Checking account	(32,460)	1,500,000
Business savings account	<u>679,904</u>	<u>679,904</u>
	<u>\$ 3,200,468</u>	4,732,928
Outstanding checks		(1,553,719)
Deposits in transit		21,176
Other Adjustments		<u>83</u>
Cash and equivalents		
per financial statements		<u>\$ 3,200,468</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3. INTERFUND RECEIVABLES/PAYABLES

Interfund accounts were as follows at June 30, 2015:

	<u>Due To</u>	<u>Due From</u>
Due to General fund from major and nonmajor funds	\$ 2,437,574	\$ -
Due from General Fund to other funds	-	610,291
Due to Rio Metro operations	73,065	-
Due from Rio Metro operations	-	1,428,238
Due to nonmajor funds from general fund	119,859	-
Due from nonmajor funds to general fund	<u>-</u>	<u>591,969</u>
	<u>\$ 2,630,498</u>	<u>\$ 2,630,498</u>

Interfund accounts occur because expenditures are paid for by the General fund because the Special Revenue Funds are on a reimbursement basis. When the Special Revenue Funds receive the reimbursements from the grantors, the General fund is repaid. Management expects all of Interfund balances at June 30, 2015 to be repaid within one year.

Matching funds transfers are made by the General Fund as required to meet the matching requirements of grants.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows at June 30:

	June 30, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	June 30, <u>2015</u>
Nondepreciable					
Land	\$ 683,800	\$ -	\$ -	\$ -	\$ 683,800
Depreciable					
Building and improvements	3,189,440	-	-	(396,618)	2,792,822
Furniture, fixtures and machinery	<u>1,499,683</u>	<u>296,875</u>	<u>(29,551)</u>	<u>396,618</u>	<u>2,163,625</u>
Total assets	<u>5,372,923</u>	<u>296,875</u>	<u>(29,551)</u>	<u>-</u>	<u>5,640,247</u>
Accumulated depreciation					
Building	(601,281)	(69,821)	-	-	(671,102)
Furniture, fixtures, and machinery	<u>(845,973)</u>	<u>(187,486)</u>	<u>27,259</u>	<u>-</u>	<u>(1,006,200)</u>
Total accumulated depreciation	<u>(1,447,254)</u>	<u>(257,307)</u>	<u>27,259</u>	<u>-</u>	<u>(1,677,302)</u>
	<u>\$3,925,669</u>	<u>\$ 39,568</u>	<u>\$ (2,292)</u>	<u>\$ -</u>	<u>\$ 3,962,945</u>

Furniture, equipment and machinery have been provided from grants accounted for in Special Revenue Funds in the amount of \$2,163,625, including on hand at June 30, 2015, \$88,669 in surplus (idle) equipment that is fully depreciated and included in the capital assets.

Depreciation expense for the year ended June 30, 2015 was \$257,307. It was charged to the general activities function in the Statement of Activities.

NOTE 5. ACCRUED VACATION AND SICK LEAVE

The amount of annual vacation leave that employees of the MRCOG earn depends on their length of service with the MRCOG. The total number of hours which can be earned ranges from a minimum of 100 hours per year to a maximum of 192.14 hours per year. Any vacation leave in excess of a 24 month total which remains unused at the end of each calendar year is forfeited.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)

A total of 96 sick leave hours per year may be accumulated by each full-time employee. Part-time employees accrue sick leave on a prorated basis. Employees with less than 500 hours of accumulated sick leave lose those hours upon termination of employment, except those who terminate due to retirement. Employees who have accumulated more the 500 hours of sick leave may choose to convert sick leave to either vacation leave or cash at the end of each calendar year, or upon resignation, based on the following conversion schedule: Over 500 hours may be converted at 3 hours of sick leave to 1 hour of vacation leave; over 850 hours may be converted at 2 hours of sick leave to 1 hour of vacation leave; hours in excess of 1,200 will be converted at 3 hours of sick to 2 hours of vacation.

Employees may not carry over more than 1,200 hours of sick leave. Upon retirement, employees may cash out all sick leave hours accrued.

The MRCOG accrues a liability for vacation and sick leave when the following criteria are met:

1. The MRCOG's obligation relating to employee's rights to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation related to rights that vest of accumulated leave.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements, or if the amounts have been funded through reimbursements from programs and grants.

In accordance with the above criteria, the MRCOG has accrued a liability using payroll rates in effect at June 30, 2015, for vacation and sick leave which has been earned but not taken by the MRCOG employees. Accrued vacation and sick leave is charged to grant programs in accordance with OMB Circular A-87.

The accumulated leave for the year ended June 30, 2015, has been recorded as a liability in the Government-Wide Statement of Net Position as current portion due \$345,368 and long-term portion due \$86,088. Typically, General funds are used to liquidate this liability, which totaled \$86,088 at June 30, 2015. Funds accumulated from grantor reimbursements are used to liquidate the funded portion

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)

of the liabilities, which total \$345,368 at June 30, 2015. Detail of accumulated leave for the year is as follows:

Beginning Balance	<u>Additions</u>	<u>Deletions</u>	Ending Balance	Due Within <u>One Year</u>
\$ 378,236	\$ 522,218	\$ (468,998)	\$ 431,456	\$ 345,368

NOTE 6. CHANGES IN LONG-TERM DEBT

On December 12, 2013, the MRCOG amended and restated its capital lease agreement with Bernalillo County. The new agreement refinances the principal balance of \$2,362,644 over seventeen years at 0.65% interest rate. The principal balance includes an additional \$750,000 for renovations to the building. Annual payments are approximately \$147,000 under the restated lease agreement. MRCOG estimates savings of about \$700,000 in interest expense under the new agreement.

A summary of long-term debt and changes in long-term debt for the year ended June 30, 2015 is as follows:

Building and land located at 809 Copper Avenue N.W.
Lessor-Bernalillo County
Term-25 years beginning August 2005

Schedule of Capital Lease Payable:

Year Ended June 30:

	<u>Principal</u>	<u>Interest</u>
2016	\$ 133,236	\$ 13,601
2017	134,104	12,732
2018	134,978	11,858
2019 -2031	<u>1,751,132</u>	<u>72,090</u>
	<u>2,153,450</u>	<u>\$ 110,282</u>
Less current portion	<u>(133,236)</u>	
Long-term portion of debt	<u>\$ 2,020,214</u>	

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6. CHANGES IN LONG-TERM DEBT (CONTINUED)

	June 30, <u>2014</u>	<u>Reductions</u>	<u>Additions</u>	June 30, <u>2015</u>	Amounts Due Within One Year
Capital lease	\$ <u>2,285,822</u>	\$ <u>(132,372)</u>	\$ <u>-</u>	\$ <u>2,153,450</u>	\$ <u>133,236</u>

General revenue and special revenue funds are used to pay long-term debt as allocated by the MRCOG's indirect cost allocation plan. The capital lease is paid to Bernalillo County, a related party.

NOTE 7. RIO METRO REIMBURSEMENTS/INCURRED COSTS

The MRCOG pays for several expenditures on behalf of Rio Metro. The MRCOG then invoices Rio Metro for these expenditures. The following is a break out of what these expenditures consists of:

Reimbursement to MRCOG	
Rio Metro RTD Revenue	\$ <u>6,062,577</u>
Incurred on behalf of Rio Metro	
Operating Expenses	<u>6,062,577</u>
Total Expenditures	<u>6,062,577</u>
Excess revenues over	
Expenditures	\$ <u>-</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. PERA PENSION PLAN

Plan Description. Substantially all of the MRCOG's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) 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 and beneficiaries. PERA 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 PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 13.15% (ranges from 3.83% to 16.65% depending upon the plan – i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The MRCOG is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the MRCOG's are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

GASB 68 – Financial Reporting and Disclosure for Cost Sharing Pensions Plans by Employers. Compliant with the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015.

Contributions. The contribution requirements of defined benefit plan members and the MRCOG are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366 Public Employees Retirement Association 20 14.pdf](http://osanm.org/media/audits/366%20Public%20Employees%20Retirement%20Association%2014.pdf). The PERA coverage option that applies to the Mid-Region Council of Governments is Municipal Plan 3. Statutorily required contributions to the pension plan from the Mid-Region Council of Governments were \$499,414 and employer paid member benefits that were “picked up” by the employer were \$515,172 for the year ended June 30, 2015.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. PERA PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were 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.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Mid-Region Region Council of Government's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

During fiscal years 2014 and 2015, the MRCOG was not reported as a separate employer agency under PERA, but was reported under the City of Albuquerque. The City of Albuquerque provided the Mid-Region Council of Governments their proportionate share information.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. PERA PENSION PLAN (CONTINUED)

At June 30, 2015, the MRCOG reported a liability of \$4,788,855 for its proportionate share of the net pension liability in PERA. At June 30, 2014, the MRCOG's proportion was 3.1623 percent of the City of Albuquerque's 19.4121 percent of the Municipal General PERA Fund, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the MRCOG's recognized pension expense of \$735,533. At June 30, 2015, the MRCOG reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in assumptions	\$ -	\$ (3,246)
Net difference between projected and actual earnings on pension plan investments	-	(1,873,526)
MRCOG contributions subsequent to the measurement date	<u>1,014,585</u>	<u>-</u>
	<u>\$ 1,014,585</u>	<u>\$ (1,876,772)</u>

Deferred outflows totaling \$1,014,585 are related to pensions resulting from MRCOG's contributions subsequent to the measurement date of June 30, 2014 and 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:

2016	\$ 469,193
2017	469,193
2018	469,193
2019	<u>469,193</u>
	<u>\$ 1,876,772</u>

Actuarial Assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. PERA PENSION PLAN (CONTINUED)

There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	21.1%	5.00%
International Equity	24.8%	5.20%
Private Equity	7.0%	8.20%
Core and Global Fixed Income	26.1%	1.85%
Fixed Income Plus Sectors	5.0%	4.80%
Real Estate	5.0%	5.30%
Real Assets	7.0%	5.70%
Absolute Return	4.0%	4.15%

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. PERA PENSION PLAN (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB No. 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Mid-Region Council of Governments' proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Mid-Region Council of Governments' net pension liability in the PERA Fund Division that Mid-Region Council of Governments participates in, 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%)
Proportionate share of the net pension liability	<u>\$ 9,028,069</u>	<u>\$6,921,803</u>	<u>\$1,513,860</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report.

The report is available at <http://www.pera.state.nm.us/publications.html>.

NOTE 9. CITY OF ALBUQUERQUE SERVICES

The City of Albuquerque provides administrative support to the MRCOG for payroll, personnel, computer services, legal and risk management, among other things, under a contractual agreement.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10. INSURANCE COVERAGE

The MRCOG is subject to various risks of loss, which are covered through the purchase of commercial insurance and participation in the City of Albuquerque's Risk Management Pool. The following insurance coverage was in effect at June 30, 2015:

Insurer and Policy Type	Term	Coverage
New Mexico Mutual (worker's compensation)	2/12/15 – 2/12/16	Injury by accident (\$1,000,000) each accident) Bodily injury by disease (\$1,000,000) each employee) Bodily injury by disease (\$1,000,000 policy limit)
Alliant Insurance Services, Inc. Commercial general liability	9/29/14 – 9/29/15	\$1,000,000 each occurrence, No general aggregate limit
Auto liability – Owned and non-owned vehicles	9/29/14 – 9/29/15	Combined single limit \$1,000,000
Special Property Insurance Program	7/1/14 – 7/1/15	Boiler and machining property \$25,000,000 aggregate other limitation apply
Employee Dishonesty Bond	7/1/14 – 7/1/15	\$1,000,000 faithful performance/employee honesty
City of Albuquerque Risk Management Fund		Covered under limits of the Tort Claims Act of NM
Auto vehicles liability – MRCOG owned	Continuous policy	\$1,000,000 – property damage \$1,000,000 – per person for single occurrence
Below are not MRCOG's		
General Star Indemnity Company		
Excess Auto	11/10/14 – 11/10/15	\$4,000,000 – Aggregate
National Indemnity Company		
Commercial Automobile	11/10/14 – 11/10/15	\$1,000,000 – Single Limit \$5,000–Medical Payments Any one person \$1,000,000 –Uninsured Motorist CSL \$1,272,069 – Collision \$1,272,069 – Comprehensive
Essex Insurance Company		
Commercial General Liability	11/10/14 – 11/10/15	\$2,000,000 – General Aggregate \$1,000,000- Each Occurrence \$1,000,000- Personal &Advertising Injury \$5,000-Medical Payments / Any one person \$100,000- Damage to Premises
Evanston Insurance Company		
Excess Liability	11/10/14- 11/10/15	\$4,000,000 – Annual Aggregate \$4,000,000- Each Occurrence

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11. POST- EMPLOYMENT BENEFITS

Plan Description. The MRCOG contributes to the New Mexico Retiree Health Care Fund, a costsharing 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 the 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 N.E., 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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11. POST- EMPLOYMENT BENEFITS (CONTINUED)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 2% of each participating employee's annual salary; each participating employee is required to contribute 1% 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 MRCOG's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$104,625, \$100,081 and \$92,985, respectively, which equal the required contributions for each year.

NOTE 12. CONTINGENCIES

Amounts received or receivable from the grantors are subject to audit and adjustment by those grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the MRCOG. The amount, if any, of expenditures which may be disallowed by those grantors cannot be determined at this time, although the MRCOG's management expects such amounts, if any, to be immaterial.

In the normal course of business, MRCOG is party to certain pending lawsuits and claims. In the opinion of management these lawsuits and claims will be covered by MRCOG's insurance. The ultimate outcome of these lawsuits and claims cannot be determined at this time.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13. OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES AGREEMENT

The MRCOG has an operations, maintenance, and management agreement with the City of Albuquerque, Rio Metro Regional Transit District (Rio Metro) and the Workforce Connection of Central New Mexico (WCCNM). The City of Albuquerque processes and pays all payroll for the MRCOG. The employees that work on Rio Metro and WCCNM are not employees of Rio Metro and WCCNM but are employees of the MRCOG. MRCOG invoices Rio Metro and WCCNM for their portion of salaries relating to the use of MRCOG employees as well as rent and other operating expenses. The MRCOG reimbursed the City of Albuquerque \$6,626,272 for payroll expenses and \$8,910 for fuel charges. The MRCOG was reimbursed \$6,036,314 by Rio Metro and \$608,904 By WCCNM for payroll and other operating expenses.

NOTE 14. RELATED ENTITY TRANSACTIONS

Rio Metro Regional Transit District (Rio Metro). The MRCOG's accounts receivable balance from Rio Metro was \$666,075 and the accounts payable balance to Rio Metro was \$14,685 at June 30, 2015. MRCOG also had from Rio Metro a cash advance balance of \$550,528 at June 30, 2015.

Workforce Connection of Central New Mexico (WCCNM). The MRCOG's accounts receivable balance from WCCNM was \$170,016 at June 30, 2015.

Payments made to related entities during the year ended June 30, 2015:

Bernalillo County	\$ 151,721
City of Albuquerque	6,635,182
Rio Metro	<u>23,787</u>
	<u>\$ 6,810,690</u>

REQUIRED SUPPLEMENTARY INFORMATION

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF MRCOG'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Public Employees Retirement Association (PERA) Plan
June 30, 2015**

MRCOG' proportion of the net pension liability	0.6139%
MRCOG's proportionate share of the net pension liability	\$ 4,788,85
MRCOG's covered-employee payroll	\$ 5,007,828
MRCOG's proportionate share of the net pension liability as a percentage of its covered-employee payroll	95.63%
Plan's fiduciary net position as a percentage of the total pension liability	23.5%

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF MRCOG'S CONTRIBUTIONS
Public Employees Retirement Association (PERA) Plan
June 30, 2015

Contractually required contribution	\$ 499,414
Contributions in relation to the contractually required contribution	\$ 499,414
Contribution deficiency (excess)	-
Mid-Region Council of Governments' covered-employee payroll	\$ 5,229,462
Contributions as a percentage of covered-employee payroll	9.55%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Mid-Region Council of Governments will present information for those years for which information is available.

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/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.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%20Valuation%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. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

SUPPLEMENTARY INFORMATION

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2015

SPECIAL REVENUE FUNDS are used to account for various grants from Federal, State, and Local agencies and other sources which are restricted by the granting agency to use for expenditures for specified purposes. The following is a description of the purpose of the Non-major Special Revenue Funds. Although there is no specific authority establishing these funds, MRCOG tracks state and federal programs in separate funds for internal and external compliance and reporting purposes.

Workforce Investment Act (No. 20) – The Council serves as the administrative entity and fiscal agent for the Workforce Connection of Central New Mexico (WCCNM). The Council administers the Federal Workforce Investment Act (WIA) program to ensure that quality workforce development services are provided in the Central Local Area, and ensure compliance with the Workforce Investment Act and all applicable regulations.

Ortho Digital Photography (No. 29) – Provides for the acquisition of regional digital orthophotography and digital terrain data on a 2-year cycle. The project includes working with Federal, State and local agencies to fully fund the project.

Salt Missions Trail Scenic Byway (No. 32) – COG's mission is to foster economic development on the Salt Missions Trail Scenic Byway. Under the agreement with the NM Dept. of Tourism, the COG is to establish a sustainable Scenic Byways Organization, update the 1998 Corridor Management Plan (CMP) and to implement projects in the new CMP pursuant to Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Funding source is 80% FHWA.

Regional Planning Organization (No. 33) – Provides for transportation planning efforts in the non-metropolitan areas of the MRCOG district, including technical assistance to local governments for transportation planning, project development, and coordination of transportation improvements.

Jemez Springs Planning Services (No. 39) – To assist the Village of Jemez Springs in reviewing and updating zoning and subdivision ordinances. The Village is utilizing the COG's technical and professional expertise to complete the plan

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2015

Local and Regional Studies (No. 50 & 51) – From time to time, MRCOG’s government members request MRCOG’s assistance in the performance of studies and analysis of transportation issues in the region. These studies are funded by the local agencies requesting assistance.

Metropolitan Transportation Planning Organization (MPO) – Federal Highway Administration (FHWA) (No. 52) – Provides for the conduct of the cooperative, coordinated, comprehensive (3c) transportation system planning process in the Albuquerque Metropolitan Planning Area, with emphasis on improving safety, reducing traffic congestion, improving efficiency in freight movement, and increasing intermodal connectivity. Service and products include maintenance of the Metropolitan Planning Organization (MPO) process, coordination of urban transportation planning activities, and provision of traffic data and forecasts, base socio-economic data and forecasts, special studies, and technical assistance to the member local governments. These funds are authorized by the U.S. Department of Transportation, Public Law 109-59 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Metropolitan Transportation Planning Organization – Federal Transit Administration (No. 53) – Provides for the conduct of the cooperative, coordinated, comprehensive (3c) transportation system planning process in the Albuquerque Metropolitan Planning Area, with emphasis on the development of cost effective multimodal transportation improvement programs which include the planning, engineering, and designing of Federal Transit projects. These funds are authorized by the U.S. Department of Transportation, Public Law 109-59 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Local Government Assistance (No. 54) – Provides for the assistance of local agencies in working cooperatively with NMDOT to quickly execute funding agreements for programmed projects, to help identify and rectify scheduling problems, and identify joint opportunities with NMDOT and local agencies.

Metropolitan Transportation Planning Organization (MPO) – Other local funds (No. 55.) – Rio Metro and other local government’s participation in MPO and other transportation planning activities.

Regional Travel Demand Survey (No. 56) – Provides inputs to the regional travel demand model for the Albuquerque Metropolitan Planning Area (AMPA). The survey is comprised of a household survey and an on-board travel survey. The surveys are projected to be completed by June 2015.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2015

Communities Leading Health Change (REACH) (No. 62) –The REACH grant focus is healthy living and access to environments that support physical activity for residents living in the metro area. REACH is a CDC grant which is passed through Presbyterian Health Services.

Complete Streets Bernalillo (No. 63) – Complete Streets provides for the consideration of opportunities to help incorporate the needs of all roadway users.

Climate Change and Transportation Scenario Planning Project (No. 65) – Provides for the collaboration between NMDOT and Mid-Region Metropolitan Planning Organization (MRMPO) to conduct the Multi-Agency Transportation, Land Use, and Climate Change Scenario Planning Project. The project will inform transportation and land use decision-making in the selected study area by using scenario planning to analyze strategies to reduce GHG emission and adapt to climate change impacts.

Transportation Surveillance Program (No. 67) – Provides for the collection and processing of traffic data for routine monitoring of the transportation network and special needs traffic counts. Directional volume data are collected on all major roads in the Albuquerque Metropolitan Planning Area (AMPA).

Travel Time Program (No. 68) – Provides for the acquisition of regional travel time information for the top 30 congested roadways, Interstate 25 and Interstate 40 in the Albuquerque Metropolitan Planning Area (AMPA).

Agribusiness (No. 70) – Provides for technical and planning assistance to entities relating to regional agricultural issues. The funding for the program is collaborative effort between local government and the private sector.

Economic Development Administration (No. 72) – Provides for technical and planning assistance to entities seeking funds from the U.S. Department of Commerce, Economic Development Administration and maintenance of the region's Comprehensive Economic Development Strategy (CEDS).

EDA Innovation Center (No. 74) – Funding provided by the U.S. Department of Commerce, Economic Development Administration, to conduct a strategic planning process to define, identify, and characterize innovation clusters within the region.

Transportation and Logistics Hub Feasibility Study (No. 75) – A multi-agency funded project to analyze the capacity of the Albuquerque Metropolitan Planning Area to serve as a primary transportation and logistics hub, the results of which capacity analysis could increase economic development opportunities and enhance the Area's potential as a major trade corridor.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2015

Locality Planning Assistance (No. 93) – Provides for technical assistance to member governments in the development of plans and programs including developing or updating ordinances, zoning codes, and long-range strategies.

Veterans Initiative Website Admin ((No. 350,351,352) – Funding provided by the U.S. Department of Transportation, Federal Transit Administration, to develop an extensive media campaign, to design and produce brochures and other announcements, to distribute informational items among all participating partners and veteran-related organizations throughout the four county area of central New Mexico relating to the regional One-Call/One-Click Center.

Job Access/Reverse Commute (No. 450) – Funding provided by the Federal Transit Administration to develop transportation services to connect welfare recipients and low-income persons to employment and support services.

New Freedom (No. 452 and 453) – Funding provided by the Federal Transit Administration to for new public transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act, to assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

UNM/CNM Transportation Study (No. 460) – Funding is provided by Federal Transit Administration and the Federal Highway Administration's Transportation and Community and System Preservation program to perform a comprehensive study of transportation issues associated with the UNM and CNM main campuses and surrounding areas.

Regional Criminal Justice (No. 480) – UNM/CNM Transportation Study (No. 480) – Funding is provided by Federal Transit Administration, and is separate funding from FHWA's TCSP funds, to perform a comprehensive study of transportation issues associated with the UNM and CNM main campuses and surrounding areas.

MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015

	WORKFORCE Investment Act #20	ORTHO Digital PHOTOGRAGPY #29	SALT MISSIONS TRAIL SCENIC BYWAY #32	REGIONAL PLANNING ORGANIZATION #33	JEMEZ SPRINGS PLANNING SERVICES #39	LOCAL AND REGIONAL STUDIES #50/51	METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FHWA #52	METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FTA #53	LOCAL GOVERNMENT ASSISTANCE #54
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other receivables	-	-	-	17,440	-	-	172,792	63,268	-
Due from other funds	-	66,305	8,250	-	-	-	-	-	548
Related entity receivable	170,016	-	-	-	-	-	-	-	-
Grant reimbursements receivable	-	-	-	-	-	-	-	-	-
Total assets	\$ 170,016	\$ 66,305	\$ 8,250	\$ 17,440	\$ -	\$ -	\$ 172,792	\$ 63,268	\$ 548
LIABILITIES									
Accounts payable	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -	1,854	\$ -	\$ -
Accrued liabilities	19,935	18	-	3,986	(146)	-	29,108	9,959	548
Due to other funds	150,051	-	-	12,454	146	-	141,830	53,309	-
Unearned grant advances	-	66,287	8,250	1,000	-	-	-	-	-
Total liabilities	170,016	66,305	8,250	17,440	-	-	172,792	63,268	548
FUND BALANCES									
Unassigned	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 170,016	\$ 66,305	\$ 8,250	\$ 17,440	\$ -	\$ -	\$ 172,792	\$ 63,268	\$ 548

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	METROPOLITAN TRANSPORTATION PLANNING RIO METRO #55	REGIONAL TRAVEL DEMAND SURVEY #56	COMMUNITIES LEADING HEALTH CHANGE #62	COMPLETE STREETS BERNALILLO #63	CLIMATE CHANGE & TRANS #65	TRANSPORTATION SURVEILLANCE PROGRAM #67	TRAVEL TIME PROGRAM #68	AGRIBUSINESS #70	ECONOMIC DEVELOPMENT ADMINISTRATION #72	EDA INNOVATION CENTER #74	Transportation LOGISTICS HUB FEASIBILITY STUDY #75	LOCALITY PLANNING ASSISTANCE #93
ASSETS												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other receivables	-	59,658	7,443	-	-	59,264	34,258	-	15,000	-	5,000	149
Due from other funds	-	-	-	2,023	679	-	-	28,844	-	-	2,500	7,718
Related entity receivable	38,696	-	-	-	-	-	-	-	-	-	-	-
Grant reimbursements receivable	-	7,946	-	-	-	6,080	10,719	-	-	-	65,000	-
Total assets	\$ 38,696	\$ 67,604	\$ 7,443	\$ 2,023	\$ 679	\$ 65,344	\$ 44,977	\$ 28,844	\$ 15,000	\$ -	\$ 72,500	\$ 7,867
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	1,054	9,450	83	39	679	16,865	12,770	(9)	1,642	791	-	7,867
Due to other funds	37,642	58,154	7,360	-	-	48,479	32,207	-	4,671	1,912	-	-
Unearned grant advances	-	-	-	1,984	-	-	-	28,853	8,687	(2,703)	72,500	-
Total liabilities	38,696	67,604	7,443	2,023	679	65,344	44,977	28,844	15,000	-	72,500	7,867
FUND BALANCES												
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 38,696	\$ 67,604	\$ 7,443	\$ 2,023	\$ 679	\$ 65,344	\$ 44,977	\$ 28,844	\$ 15,000	\$ -	\$ 72,500	\$ 7,867

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	Veteran's Initiative Website - Admin #350/351/352	JOB ACCESS REVERSE COMMUTE #450	NEW FREEDOM #452/453	TRANSPORTATION STUDY UNM/CNM #460	REGIONAL CRIMINAL JUSTICE #480	TOTAL
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other receivables	33,240	-	-	1,655	1,183	470,350
Due from other funds	-	995	1,279	718	-	119,859
Related entity receivable	-	-	-	-	-	208,712
Grant reimbursements receivable	2,785	-	14,689	-	12,605	119,824
Total assets	\$ 36,025	\$ 995	\$ 15,968	\$ 2,373	\$ 13,788	\$ 918,745
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 14,685	\$ -	\$ -	\$ 16,569
Accrued liabilities	2,981	995	1,283	2,373	3,078	125,349
Due to other funds	33,044	-	-	-	10,710	591,969
Unearned grant advances	-	-	-	-	-	184,858
Total liabilities	36,025	995	15,968	2,373	13,788	918,745
FUND BALANCES						
Unassigned	-	-	-	-	-	-
Total liabilities and fund balances	\$ 36,025	\$ 995	\$ 15,968	\$ 2,373	\$ 13,788	\$ 918,745

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

	Workforce Investment Act #20	Ortho Digital Photography #29	Salt Mission Trail Scenic Byway #32	Regional Planning Organization #33	Jemez Springs Planning Services #39	Local and Regional Studies #50/51	METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FHWA #52	METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FTA #53	LOCAL GOVERNMENT ASSISTANCE #54
REVENUES									
Intergovernmental									
Federal	\$ 707,264	\$ -	\$ -	\$ 65,057	\$ -	\$ -	\$ 708,206	\$ 245,853	\$ 10,736
State	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	-	-	-	-
Local	-	192,844	-	-	-	87,500	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	\$ 707,264	\$ 192,844	\$ -	\$ 65,057	\$ 10,000	\$ 87,500	\$ 708,206	\$ 245,853	\$ 10,736
EXPENDITURES									
Current:									
Operating	\$ 699,879	\$ 1,504	\$ -	\$ 81,321	\$ 10,000	\$ 87,500	\$ 838,133	\$ 296,948	\$ 13,795
Contractual	7,385	191,340	-	-	-	-	18,550	10,368	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-	-	-	-
Total expenditures	707,264	192,844	-	81,321	10,000	87,500	856,683	307,316	13,795
OTHER FINANCING SOURCES/USES									
Operating transfers in	-	-	-	16,264	-	-	148,477	61,463	3,059
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources/uses	-	-	-	16,264	-	-	148,477	61,463	3,059
Change in fund balance	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

	METROPOLITAN TRANSPORTATION PLANNING RIO METRO #55	REGIONAL TRAVEL DEMAND SURVEY #56	COMMUNITIES LEADING HEALTH CHANGE #62	COMPLETE STREETS BERNALILLO #63	CLIMATE CHANGE & TRANS #65	TRANSPORTATION SURVEILLANCE PROGRAM #67	TRAVEL TIME PROGRAM #68	AGRIBUSINESS #70
REVENUES								
Intergovernmental								
Federal	\$ -	\$ 190,358	\$ 12,728	\$ -	\$ 68,094	\$ 265,555	\$ 49,800	\$ -
State	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Local	159,621	-	-	21,848	-	-	-	52,442
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	\$ 159,621	\$ 190,358	\$ 12,728	\$ 21,848	\$ 68,094	\$ 265,555	\$ 49,800	\$ 52,442
EXPENDITURES								
Current:								
Operating	\$ 131,455	\$ 222,797	\$ 12,728	\$ 21,848	\$ 68,094	\$ 308,673	\$ (3,706)	\$ 52,442
Contractual	-	-	-	-	-	19,230	64,208	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-	-	-
Total expenditures	131,455	222,797	12,728	21,848	68,094	327,903	60,502	52,442
OTHER FINANCING SOURCES/USES								
Operating transfers in	-	32,439	-	-	-	62,348	10,702	-
Operating transfers out	(28,166)	-	-	-	-	-	-	-
Total other financing sources/uses	(28,166)	32,439	-	-	-	62,348	10,702	-
Change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

	ECONOMIC DEVELOPMENT ADMINISTRATION #72	EDA INNOVATION CENTER #74	Transportation LOGISTICS HUB FEASIBILITY STUDY #75	LOCALITY PLANNING ASSISTANCE #93	Veteran's Initiative Website - Admin #350/351/352	JOB ACCESS REVERSE COMMUTE #450	NEW FREEDOM #452/453	TRANSPORTATION STUDY UNM/CNM #460	REGIONAL CRIMINAL JUSTICE #480	TOTAL
REVENUES										
Intergovernmental										
Federal	\$ 63,534	\$ 37,622	\$ -	\$ -	\$ 70,525	\$ -	\$ 14,684	\$ 16,500	\$ 15,483	\$ 2,541,999
State	-	-	-	95,486	-	-	-	-	-	95,486
Charges for services	-	-	-	-	-	-	-	-	-	10,000
Local	-	25,480	-	-	-	-	-	-	10,323	550,058
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 63,534	\$ 63,102	\$ -	\$ 95,486	\$ 70,525	\$ -	\$ 14,684	\$ 16,500	\$ 25,806	\$ 3,197,543
EXPENDITURES										
Current:										
Operating	\$ 105,890	\$ 3,102	\$ -	\$ 154,971	\$ 63,332	\$ -	\$ 14,684	\$ 19,312	\$ 16,380	\$ 3,221,082
Contractual	-	60,000	-	-	1,876	-	-	-	9,426	382,383
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	15,786	-	-	-	-	15,786
Principal and interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	105,890	63,102	-	154,971	80,994	-	14,684	19,312	25,806	3,619,251
OTHER FINANCING SOURCES/USES										
Operating transfers in	42,356	-	-	59,485	10,469	-	-	2,812	-	449,874
Operating transfers out	-	-	-	-	-	-	-	-	-	(28,166)
Total other financing sources/uses	42,356	-	-	59,485	10,469	-	-	2,812	-	421,708
Change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	WORKFORCE #20				ORTHO #29				Salt Missions Trail Scenic Byway #32			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 750,000	\$ 750,000	\$ 707,264	\$ (42,736)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	200,000	200,000	192,844	(7,156)	9,000	9,000	-	(9,000)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 707,264</u>	<u>\$ (42,736)</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 192,844</u>	<u>\$ (7,156)</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ (9,000)</u>
EXPENDITURES												
Current:												
General Government	\$ 750,000	\$ 750,000	\$ 707,264	\$ 42,736	\$ 200,000	\$ 200,000	\$ 192,844	\$ 7,156	\$ 9,000	\$ 9,000	\$ -	\$ 9,000
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>750,000</u>	<u>750,000</u>	<u>707,264</u>	<u>42,736</u>	<u>200,000</u>	<u>200,000</u>	<u>192,844</u>	<u>7,156</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Excess of revenues and other financing sources over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	RPO #33				Jemez Springs Comp Plan #39				Local Studies #50/51				PL- Federal Highway Administration #52			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ 85,000	\$ 85,000	\$ 65,057	\$ (19,943)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 837,409	\$ 837,409	\$ 708,206	\$ (129,203)
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	10,000	10,000	-	-	87,500	87,500	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 65,057</u>	<u>\$ (19,943)</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,500</u>	<u>\$ 87,500</u>	<u>\$ -</u>	<u>\$ 837,409</u>	<u>\$ 837,409</u>	<u>\$ 708,206</u>	<u>\$ (129,203)</u>
EXPENDITURES																
Current:																
General government	\$ 106,250	\$ 106,250	\$ 81,321	\$ 24,929	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 87,500	\$ 87,500	\$ -	\$ 980,113	\$ 980,113	\$ 856,683	\$ 123,430
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>106,250</u>	<u>106,250</u>	<u>81,321</u>	<u>24,929</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>87,500</u>	<u>87,500</u>	<u>-</u>	<u>980,113</u>	<u>980,113</u>	<u>856,683</u>	<u>123,430</u>
Excess of revenues and other financing sources over expenditures	<u>(21,250)</u>	<u>(21,250)</u>	<u>(16,264)</u>	<u>4,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,704)</u>	<u>(142,704)</u>	<u>(148,477)</u>	<u>(5,773)</u>
Other financing sources (uses)																
Transfers in	21,250	21,250	16,264	4,986	-	-	-	-	-	-	-	-	142,704	142,704	148,477	5,773
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	UPWP/FTA/NMSHTD #53				UPWP-LOCAL GOVT ASSISTANCE #54				UPWP-Rio Metro #55				AMPA WIDE TRAVEL SURVEY #56			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ 365,428	\$ 365,428	\$ 245,853	\$ (119,575)	\$ 49,234	\$ 49,234	\$ 10,736	\$ (38,498)	\$ -	\$ -	\$ -	\$ -	\$ 68,686	\$ 386,324	\$ 190,358	\$ (195,966)
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	41,585	241,858	159,621	(82,237)	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 365,428</u>	<u>\$ 365,428</u>	<u>\$ 245,853</u>	<u>\$ (119,575)</u>	<u>\$ 49,234</u>	<u>\$ 49,234</u>	<u>\$ 10,736</u>	<u>\$ (38,498)</u>	<u>\$ 41,585</u>	<u>\$ 241,858</u>	<u>\$ 159,621</u>	<u>\$ (82,237)</u>	<u>\$ 68,686</u>	<u>\$ 386,324</u>	<u>\$ 190,358</u>	<u>\$ (195,966)</u>
EXPENDITURES																
Current:																
General government	\$ 456,785	\$ 456,785	\$ 307,316	\$ 149,469	\$ 61,542	\$ 61,542	\$ 13,795	\$ 47,747	\$ 41,585	\$ 213,692	\$ 131,455	\$ 82,237	\$ 80,391	\$ 452,158	\$ 222,797	\$ 229,361
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>456,785</u>	<u>456,785</u>	<u>307,316</u>	<u>149,469</u>	<u>61,542</u>	<u>61,542</u>	<u>13,795</u>	<u>47,747</u>	<u>41,585</u>	<u>213,692</u>	<u>131,455</u>	<u>82,237</u>	<u>80,391</u>	<u>452,158</u>	<u>222,797</u>	<u>229,361</u>
Excess of revenues and other financing sources over expenditures	<u>(91,357)</u>	<u>(91,357)</u>	<u>(61,463)</u>	<u>29,894</u>	<u>(12,308)</u>	<u>(12,308)</u>	<u>(3,059)</u>	<u>9,249</u>	<u>-</u>	<u>28,166</u>	<u>28,166</u>	<u>-</u>	<u>(11,705)</u>	<u>(65,834)</u>	<u>(32,439)</u>	<u>33,395</u>
Other financing sources (uses)																
Transfer in	91,357	91,357	61,463	29,894	12,308	12,308	3,059	9,249	-	-	-	-	11,705	65,834	32,439	33,395
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,166)</u>	<u>(28,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUND
Year Ended June 30, 2015

	Communities Leading Health Change Grant #62				COMPLETE STREETS BERNALILLO #63				Climate Change & Transportation #65				CTCP #67			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ -	\$ 31,100	\$ 12,728	\$ (18,372)	\$ -	\$ -	\$ -	\$ -	\$ 29,402	\$ 68,094	\$ 68,094	\$ -	\$ 475,458	\$ 475,458	\$ 265,555	\$ (209,903)
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	29,009	21,848	(7,161)	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 31,100	\$ 12,728	\$ (18,372)	\$ -	\$ 29,009	\$ 21,848	\$ (7,161)	\$ 29,402	\$ 68,094	\$ 68,094	\$ -	\$ 475,458	\$ 475,458	\$ 265,555	\$ (209,903)
EXPENDITURES																
Current:																
General government	\$ -	\$ 31,100	\$ 12,728	\$ 18,372	\$ -	\$ 29,009	\$ 21,848	\$ 7,161	\$ 29,402	\$ 68,094	\$ 68,094	\$ -	\$ 594,322	\$ 594,322	\$ 327,903	\$ 266,419
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	31,100	12,728	18,372	-	29,009	21,848	7,161	29,402	68,094	68,094	-	594,322	594,322	327,903	266,419
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-	(118,864)	(118,864)	(62,348)	56,516
Other financing sources (uses)																
Transfer in	-	-	-	-	-	-	-	-	-	-	-	-	118,864	118,864	62,348	(56,516)
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	TRAVEL TIME PROGRAM #68				AGRIBUSINESS #70				EDA #72				EDA INNOVATION CENTER #74			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ 145,536	\$ 145,536	\$ 49,800	\$ (95,736)	\$ -	\$ -	\$ -	\$ -	\$ 66,633	\$ 66,633	\$ 63,534	\$ (3,099)	\$ 9,256	\$ -	\$ 37,622	\$ 37,622
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	26,000	69,295	52,442	(16,853)	-	-	-	-	-	37,861	25,480	(12,381)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 145,536</u>	<u>\$ 145,536</u>	<u>\$ 49,800</u>	<u>\$ (95,736)</u>	<u>\$ 26,000</u>	<u>\$ 69,295</u>	<u>\$ 52,442</u>	<u>\$ (16,853)</u>	<u>\$ 66,633</u>	<u>\$ 66,633</u>	<u>\$ 63,534</u>	<u>\$ (3,099)</u>	<u>\$ 9,256</u>	<u>\$ 37,861</u>	<u>\$ 63,102</u>	<u>\$ 25,241</u>
EXPENDITURES																
Current:																
General government	\$ 170,337	\$ 170,337	\$ 60,502	\$ 109,835	\$ 26,000	\$ 69,295	\$ 52,442	\$ 16,853	\$ 111,055	\$ 111,055	\$ 105,890	\$ 5,165	\$ 15,427	\$ 63,102	\$ 63,102	\$ -
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>170,337</u>	<u>170,337</u>	<u>60,502</u>	<u>109,835</u>	<u>26,000</u>	<u>69,295</u>	<u>52,442</u>	<u>16,853</u>	<u>111,055</u>	<u>111,055</u>	<u>105,890</u>	<u>5,165</u>	<u>15,427</u>	<u>63,102</u>	<u>63,102</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	<u>(24,801)</u>	<u>(24,801)</u>	<u>(10,702)</u>	<u>14,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,422)</u>	<u>(44,422)</u>	<u>(42,356)</u>	<u>2,066</u>	<u>(6,171)</u>	<u>(25,241)</u>	<u>-</u>	<u>25,241</u>
Other financing sources (uses)																
Transfer in	24,801	24,801	10,702	14,099	-	-	-	-	44,422	44,422	42,356	2,066	6,171	25,241	-	(25,241)
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	REGIONAL TRANSPORTATION & LOGISTICS #75				LPA #93				Veteran's Initiative Website 350,351 & 352			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,375	\$ 283,375	\$ 70,525	\$ (212,850)
State	-	-	-	-	95,486	95,486	95,486	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
 Total revenues	\$ -	\$ -	\$ -	\$ -	\$ 95,486	\$ 95,486	\$ 95,486	\$ -	\$ 283,375	\$ 283,375	\$ 70,525	\$ (212,850)
EXPENDITURES												
Current:												
General government	\$ -	\$ -	\$ -	\$ -	\$ 191,486	\$ 191,486	\$ 154,971	\$ 36,515	\$ 338,433	\$ 338,433	\$ 65,208	\$ 273,225
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	15,786	15,786	15,786	-
 Total expenditures	-	-	-	-	191,486	191,486	154,971	36,515	354,219	354,219	80,994	273,225
Excess of revenues and other financing sources over expenditures	-	-	-	-	(96,000)	(96,000)	(59,485)	36,515	(70,844)	(70,844)	(10,469)	60,375
Other financing sources (uses)												
Transfer in	-	-	-	-	96,000	96,000	59,485	(36,515)	70,844	70,844	10,469	60,375
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-
 Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2015

	NEW FREEDOM #452/453				TCSP CNM/UNM #460				UNM/CNM TRANSPORTATION STUDY-FTA #480			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 27,731	\$ 27,731	\$ 14,684	\$ (13,047)	\$ 21,134	\$ 21,134	\$ 16,500	\$ (4,634)	\$ 215,222	\$ 215,222	\$ 15,483	\$ (199,739)
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	53,805	53,805	10,323	(43,482)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 27,731	\$ 27,731	\$ 14,684	\$ (13,047)	\$ 21,134	\$ 21,134	\$ 16,500	\$ (4,634)	\$ 269,027	\$ 269,027	\$ 25,806	\$ (243,221)
EXPENDITURES												
Current:												
General government	\$ 27,731	\$ 27,731	\$ 14,684	\$ 13,047	\$ 24,736	\$ 24,736	\$ 19,312	\$ 5,424	\$ 269,027	\$ 269,027	\$ 25,806	\$ 243,221
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	27,731	27,731	14,684	13,047	24,736	24,736	19,312	5,424	269,027	269,027	25,806	243,221
Excess of revenues and other financing sources over expenditures	-	-	-	-	(3,602)	(3,602)	(2,812)	790	-	-	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	3,602	3,602	2,812	(790)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2015

Account	Description of Pledged Collateral	Type of Pledged Collateral	CUSIP Number	Sweep Collateral Value at June 30, 2015	Safe keeper	
MRCOG Sweep						
	Repurchase Agreement	Shares	3138WTM60	\$ 2,597,598	Wells Fargo	
	Accrued Interest	Interest	3138WTM60	6,486	Wells Fargo	
	Total Collateral			<u>2,604,084</u>		
	Bank balance			<u>2,553,024</u>		
	Collateral required at 102%			<u>2,604,084</u>		
	Excess Collateral			<u>\$ -</u>		
Combined bank Accounts						
Name of Depository	Description of Pledged Collateral	Type of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015	Location of Safekeeper
Wells Fargo	FN	Bonds	12/1/2040	3138A2BQ1	\$ 14,252	Bank of New York Mellon
Wells Fargo	FN	Bonds	2/1/2026	3138A7G28	11,318	Bank of New York Mellon
Wells Fargo	FN	Bonds	2/1/2042	3138E67L4	163,663	Bank of New York Mellon
Wells Fargo	FN	Bonds	7/1/2042	3138M0YQ7	4,560	Bank of New York Mellon
Wells Fargo	FN	Bonds	9/1/2038	31410KZW7	6,652	Bank of New York Mellon
Wells Fargo	FN	Bonds	7/1/2043	31417G4Y9	810,045	Bank of New York Mellon
Wells Fargo	FN	Bonds	6/1/2043	31417GZX7	1,723	Bank of New York Mellon
Wells Fargo	FN	Bonds	4/1/2041	31417YXX0	4,289	Bank of New York Mellon
	Total Pledged Collateral				<u>\$ 1,016,502</u>	
	Bank Account Balances					
	MRCOG Checking				\$ 1,500,000	
	MRCOG Savings				679,904	
	Total Bank Balances				2,179,904	
	FDIC Coverage				<u>(500,000)</u>	
	Uninsured Amount				1,679,904	
	Collateral required at 50%				839,952	
	Pledged Collateral				<u>(1,016,502)</u>	
	Excess Collateral				\$ (176,550)	

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/Program Title	Federal CFDA Number	Grant/Pass Through Number	Fund #	Federal Expenditures
<u>U.S. Department of Commerce</u>				
Economic Development Administration:				
Economic Development Planning Grant	11.302	08-83-04533	072	\$ 63,534
Innovation Center Grant	11.302	08-79-04463	074	37,622
Total U.S. Department of Commerce Direct				<u>101,156</u>
<u>U.S. Department of Health and Human Services</u>				
National Center for Chronic Disease Prevention and Health Promotion (CDC)				
Passed through Presbyterian Healthcare Services				
Racial and Ethnic Approaches to Community Health (REACH)	93.738	1U58DP0058568-01	062	<u>12,728</u>
<u>U.S. Department of Transportation</u>				
Federal Transportation Administration (FTA)				
Transit Services Program Cluster:				
New Freedom Program	20.521	NM-57-X006-00	453	1,484
New Freedom Program	20.521	NM-57-X017-00	453	13,200
Total Transit Services Program Cluster				<u>14,684</u>
FTA Funds UNM/CNM Area Transportation and Land Use Coordination	20.522	NM-39-0001-00	480	15,483
Veteran's Initiative Website Development Project	20.500	NM-04-0030-00	350/351	41,876
Veteran's Initiative Website Marketing Project	20.514	NM-26-0004-00	352	28,649
Total U.S. Department of Transportation Direct				<u>100,692</u>
<u>U.S. Department of Transportation</u>				
Passed through State of New Mexico Department of Transportation				
Highway Planning and Construction:				
Highway Planning and Construction (Regional Planning Organization)	20.205	M01037	033	65,057
Highway Planning and Construction (Unified Planning Work Program)	20.205	M01028	052	708,206
Highway Planning and Construction (Unified Planning Work Program)	20.505	M01028	053	245,853
Highway Planning and Construction (Local Government Assistance)	20.205	M01028	054	10,736
Highway Planning and Construction (Transportation Surveillance Program)	20.205	M01028	067	265,555
Highway Planning and Construction (AMPA Wide Travel Survey)	20.205	M01028	056	190,358
Highway Planning and Construction (Travel Time Program)	20.205	80500-0000100923	068	49,800
Highway Planning and Construction (Land Use Coordination)	20.205	M01028	460	16,500
Highway Planning and Construction (Climate Change Scenario Planning)	20.205	HEPN-0713-M445-0007	065	68,094
Total Highway Planning and Construction				<u>1,620,159</u>
Total U.S. Department of Transportation Pass-through Awards				<u>1,620,159</u>
Total Expenditures of Federal Awards				<u>\$ 1,834,735</u>

See Notes to Schedule of Expenditures of Federal Awards.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mid-Region Council of Governments of New Mexico (MRCOG) under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirement of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of MRCOG, it is not intended to and does not present the financial position, changes in net position or cash flows of MRCOG.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Non-cash Assistance

MRCOG received no non-cash federal assistance for the year.

4. Subrecipients

MRCOG provided federal awards (JARC and New Freedom) to Rio Metro RTD as a subrecipient during the year.

Name	Amount
Rio Metro RTD CFDA #20.516 and #20.521	\$ 14,684
Total	<u>\$ 14,684</u>

5. MRCOG provided services to Workforce Solutions in which they were paid with federal dollars.

The relationships with this entity is a vendor relationship rather than as a subrecipient.

Those dollars received by MRCOG under the related contracts are detailed below:

Name	Amount
Workforce Solutions	\$ 707,264
Total Federal Grants	1,834,735
Total Federal grants and contracts	<u>\$ 2,541,999</u>

OTHER INFORMATION

Example Entity
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 20XX
Prepared by Agency Staff Name: Kim Monjaras Title: Procurement Officer Date 10/22/15

[illegible]

COMPLIANCE

**REPORT OF INDEPENDENT AUDITORS 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 Board of Directors
 Mid-Region Council of Governments of New Mexico
 Albuquerque, New Mexico
 Mr. Timothy 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 the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and each major special revenue fund of the Mid-Region Council of Governments of New Mexico (MRCOG) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise MRCOG's basic financial statements, the combining and the individual funds and related budgetary comparisons of MRCOG as presented as supplementary information and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the MRCOG'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 MRCOG's internal control. Accordingly, we do not express an opinion on the effectiveness of the MRCOG's internal control over financial reporting.

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.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
Mr. Timothy Keller
New Mexico State Auditor

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 over that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 MRCOG's financial statements are free of 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.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2015

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
Mr. Timothy Keller
New Mexico State Auditor

Report on Compliance for each Major Federal Program

We have audited the Mid-Region Council of Governments of New Mexico's (MRCOG), 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 MRCOG's major federal programs for the year ended June 30, 2015. MRCOG'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 MRCOG'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 MRCOG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
Mr. Timothy Keller
New Mexico State Auditor

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 on MRCOG's compliance.

Opinion on Each Major Federal Program

In our opinion, MRCOG 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 program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of MRCOG 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 MRCOG'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 our 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 MRCOG's internal control over compliance.

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

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
Mr. Timothy Keller
New Mexico State Auditor

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.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2015

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2015

2014-001 Violation of the Fair Labor Standards Act

Resolved

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified?

☐ Yes ☒ No

- Significant deficiency (ies) identified?

☐ Yes ☒ None Reported

Non-compliance material to financial statements noted?

☐ Yes ☒ No

Major Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified?

☐ Yes ☒ No

- Significant deficiency (ies) identified?

☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of Major Federal Programs:

CFDA Number

Name of Major Federal Program or Cluster

20.205

Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2015**

B. FINDINGS – FINANCIAL STATEMENTS

NONE

C. FINDINGS – FEDERAL AWARD

NONE

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2015**

An exit conference was held on December 2, 2015 in a closed session. The contents of this report were discussed. Present at the exit conference were:

Representing MRCOG:

Steven Anaya
Dewey Cave
Amy Myer, CPA

Board Chair
Executive Director
Senior Finance Manager

Representing Moss Adams LLP:

Kory I. Hoggan, CPA
Michael McGinley, CPA

Senior Manager
Senior Auditor

PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared with the assistance of Moss Adams LLP from the books and records of the Mid-Region Council of Governments of New Mexico. The financial statements and related footnotes remain the responsibility of management.