



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

FINANCIAL STATEMENTS

JUNE 30, 2012

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

Official Roster

June 30, 2012

Debbie O'Malley	Chairperson
Phillip Gasteyer	Vice-Chairperson
Art De La Cruz	Board Member
Steven Anaya	Board Member
Tim Eichenberg	Board Member
Adrian Oglesby	Board Member
Brad Hill	Board Member
Christina Ainsworth	Board Member
Dan Lewis	Board Member
Don Harris	Board Member
Don Leonard	Board Member
Donald Lopez	Board Member
Donald Rudy	Board Member
Edmond Temple	Board Member
Emily Sanchez	Board Member
Glenn Walters	Board Member
Gloria Chavez	Board Member
Isaac Benton	Board Member
Jack Torres	Board Member
John G. Philips III	Board Member
Joy Ansley	Board Member
Kathy Korte	Board Member
Ken Sanchez	Board Member
Larry Abraham	Board Member
Larson Romero	Board Member
Lawrence Romero	Board Member
Leon Otero	Board Member
Maggie Hart Stebbins	Board Member
Marc Saavedra	Board Member
Mary Andersen	Board Member

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

Official Roster (Continued)

June 30, 2012

Michael Cook	Board Member
Richard Bruce	Board Member
Rick Velarde	Board Member
Robert Chavez	Board Member
Robert Knowlton	Board Member
Robert Perry	Board Member
Robert Vialpando	Board Member
Ron Williams	Board Member
Rudy Jaramillo	Board Member
Tamara Gutierrez	Board Member
Ted Hart	Board Member
Theodore Barela	Board Member
Thomas Swisstack	Board Member
Vandora Casados	Board Member
Wayne Ake	Board Member
Wayne Johnson	Board Member

Report of Independent Auditors

To the Board of Directors
Mid-Region Council of Governments of New Mexico
and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, and each major fund, the aggregate remaining fund information, and the budgetary comparisons for 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, 2012, which collectively comprise the MRCOG's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the MRCOG's nonmajor governmental funds and the budgetary comparisons for the major capital project fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of the MRCOG's management. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
and
Mr. Hector H. Balderas
New Mexico State Auditor

In our opinion, the basic 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, 2012, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparison for the major capital project fund and the nonmajor funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2012 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 18 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

To the Board of Directors
Mid-Region Council of Governments of New Mexico
and
Mr. Hector H. Balderas
New Mexico State Auditor

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.

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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2012**

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 Mid-Region Council of Governments of New Mexico (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.

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.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

Since FY 2011, MRCOG has passed through federal New Freedom monies to ARCA to fund implementation of a program that teaches independent travel skills to people with cognitive challenges. The SMART Travel Program uses smart phones along with applications specifically developed for this purpose by AbleLink Technologies, a Colorado-based company. The actual system is called the "Way Finder System", and it uses pictures, words, audio prompts, and GPS landmarks to help adults with developmental disabilities safely ride mass transit. The program has far exceeded its expectations since it started in February 2011.

In the prior year, the Village of Los Lunas requested the MRCOG to act as the project lead for a study that will identify the location of a transportation facility which will provide relief to congestion on NM6 through the Village, which is to include an interchange and river bridge crossing. During this past year, MRCOG staff continued to assist the Village and its partners as they successfully identified a preferred alignment for a new river crossing. The Village is now moving forward with the next steps of the new river crossing.

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 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, 2012**

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 Moriarity 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, 2012**

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 assets presents information on all of the MRCOG's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 asset changed during the most recent fiscal year. All changes in net assets are report 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. The government-wide financial statements can be found on pages 19-20 of this report.

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, 2012**

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 forty (40) 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, Commuter Rail Capital – Phase II, Transit Operations and Commuter Rail Operations, all of which are considered to be major funds. Data from the other thirty-six (36) 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.

The basic governmental fund financial statement can be found on pages 21-22 of 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. The notes to the financial statements can be found on pages 26-46 of this report.

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 capital projects fund and 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, 2012**

FINANCIAL ANALYSIS OF THE COUNCIL

Overall Financial Position

The MRCOG's overall financial position continues to grow and remain strong. Over the past twenty years the number of funds (projects) administered by the MRCOG has increased from twelve (12) during fiscal year 1992 to forty (40) during fiscal year 2012. Total expenditures over the same period, including capital projects, have increased from \$1.3 million during the fiscal year ending June 30, 1992 to \$11.5 million during the fiscal year ending June 30, 2012. The current year budget is reflective of the fact that the Rail Runner's operations were transferred to Rio Metro in 2010 and that most of the capital projects related to Rail Runner have been completed or are winding down.

The MRCOG's net assets decreased by \$19,815 compared to the prior year (from \$2,824,314 on June 30, 2011 to \$2,804,499 on June 30, 2012). The increase in net assets was principally a result of a change in the accrual for compensated absences.

Compared to the prior year ending June 30, 2011, the MRCOG's Total Governmental Funds expenditures decreased from \$16.8 million (FY11) to \$11.5 million (FY12). The decrease is mostly attributable to two projects being completed or winding down: the Commuter Rail Capital - Phase II project and the Belen Pedestrian Bridge project. During FY12, the MRCOG administered six new funds: Peralta Comprehensive Plan, Jemez Springs Comprehensive Plan, KAFB Joint Land Use Study, Rio Metro Service Plan, TCSP CNM/UNM Study and Rio BRT NW Study. Expenditures increased in several ongoing funds, including the Commuter Rail Operations, Transit Operations, UPWP-FTA, CTCP, EDA Innovation Center, Travel Demand Management, Valencia Transit, and New Freedom. Expenditures decreased in the Commuter Rail Planning, UPWP-FHWA, Ortho, Sandoval Easy Express, Los Lunas Corridor Study, and LPA.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

The MRCOG did not have any business-type activities during the year ended June 30, 2012.

Net Assets

Table A-1 summarizes the MRCOG's net assets for the fiscal year ended June 30, 2012. Net assets are presented on a consolidated basis and are reflected on a full accrual basis. The MRCOG did not have any business-type activities during the year ended June 30, 2012.

Table A-1
The Council's Net Assets

	Governmental Activities 6/30/12	Governmental Activities 6/30/11
Current Assets	\$ 4,154,670	\$ 4,148,455
Capital Assets, net of Accumulated Depreciation	<u>3,422,776</u>	<u>3,494,307</u>
Total Assets	<u>\$ 7,577,446</u>	<u>\$ 7,642,762</u>
Total Current Liabilities	\$ 2,806,986	\$ 2,773,644
Total Long Term Debt	<u>1,965,961</u>	<u>2,044,804</u>
Total Liabilities	<u>\$ 4,772,947</u>	<u>\$ 4,818,448</u>
Net Assets:		
Invested in Capital Assets	\$ 1,575,554	\$ 1,578,752
Unrestricted	<u>1,228,945</u>	<u>1,245,562</u>
Total Net Assets	<u>\$ 2,804,499</u>	<u>\$ 2,824,314</u>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

Changes in Net Assets: The MRCOG's change in net assets for fiscal year 2012 was a decrease of \$19,815. The table below reflects the changes in net assets.

Table A-2
Changes in the Council's Net Assets

	Governmental Activities 6/30/12	Governmental Activities 6/30/11
Expenses – governmental activities	\$ (11,512,242)	\$ (16,691,864)
Add: Charges for services	5,418,100	4,588,153
Operating grants	6,072,654	12,558,3350
Subtotal	(21,488)	454,639
General revenues – total	1,673	1,535
Change in net assets	(19,815)	456,174
Net assets – beginning of year	2,824,314	2,368,140
Net assets – end of year	\$ 2,804,499	\$ 2,824,314

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

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

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

	Governmental Funds 6/30/12	Governmental Funds 6/30/11
Revenues:		
Federal	\$ 3,593,785	\$ 6,031,206
State	2,176,427	5,338,823
Charges for Service	113,118	856,046
Local	776,301	476,934
Reimbursement of Rio Metro costs	4,788,300	4,011,358
Interest and other	44,484	1,535
Total revenues	\$ 11,492,415	\$ 16,715,902
Expenditures:		
Operations	4,030,021	5,807,987
Contractual	750,539	1,613,469
Expenses reimbursed by Rio Metro	4,571,376	4,011,358
Capital outlay	2,076,338	5,247,675
Debt Service	63,568	118,724
Total expenditures	\$ 11,491,842	\$ 16,799,213
Excess (deficiency) of revenues over expenditures	573	(83,311)
Beginning fund balances	1,415,444	1,498,755
Ending fund balances	\$ 1,416,017	\$ 1,415,444

The MRCOG's total expenditures for government-type activities during the fiscal year 2012 were \$11,491,842. They decreased over the prior year because of the decrease in the Commuter Rail Capital - Phase II and Belen Pedestrian Bridge funds.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

Analysis of Major Funds

General Fund (Fund 010): Revenues in the General Fund remained fairly consistent between prior year and the current year. State funding decreased from \$51,281 to \$34,606. This funding is entirely attributable to funding received by New Mexico Department of Transportation for the construction of a security fence around the parking lot of the MRCOG building approximating \$85,000. There was a decrease of charges for services of approximating \$7,000, which consists of lease revenue from State agencies leasing office space, and internal services incurred by the General Fund and allocated to other funds based on usage by those funds.

The expenditures in the General Fund decreased by approximately \$30,000 compared to the prior year. There was a decrease in capital outlay of approximately \$15,000 and salaries and wages and benefits of approximately \$15,000. The Fund Balance increased \$573 from \$1,415,444 on June 30, 2011 to \$1,416,017 on June 30, 2012.

Commuter Rail Operations (Fund 089): The Commuter Rail Operation fund's revenues and expenses increased approximately \$300,000. The increase is due to Rio Metro expanding services for their transit operations.

Commuter Rail Capital – Phase II (Fund 085): The Commuter Rail Capital - Phase II fund's revenues and expenses decreased significantly compared to the prior year. The decrease was due to completion of the extension of the Rail Runner commuter rail service to Santa Fe.

Transit Operations (Fund 049): Rio Metro Transit District operating costs incurred by MRCOG was not originally budgeted. This had been the practice since Rio Metro split off its financial reporting from MRCOG in fiscal year 2010, since Rio Metro Transit District includes these costs in its budget. However, during fiscal year 2012, management decided that it would be appropriate to include these costs in MRCOG's budget, since they are incurred by MRCOG on Rio Metro's behalf.

Budgetary highlights

The differences between the original Budget and final Budget are discussed below, as well as budget variances in the General Fund:

- General Fund: There were no adjustments to the final budget fiscal year 2012. The favorable budget variances were relatively minor. Revenues and expenditures occurred as expected.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

- Commuter Rail Capital Phase II: Additional funding was made available during fiscal year 2012, therefore the final budget was adjusted upward by approximately \$170,000.
- Commuter Rail Operations: Rio Metro Transit District operating costs incurred by MRCOG was not originally budgeted. This had been the practice since Rio Metro split off its financial reporting from MRCOG in fiscal year 2010, since Rio Metro Transit District includes these costs in its budget. However, during fiscal year 2012, management decided that it would be appropriate to include these costs in MRCOG's budget, since they are incurred by MRCOG on Rio Metro's behalf.
- Ortho: This fund tracks the Orthophotography project. The budget was decrease to reflect the actual costs and participation contributions that were finalized during the fiscal year.
- Peralta Comp Plan: This project was entered into during the fiscal year, therefore the budget was adjusted to reflect the expected costs and contributions from the local government.
- Jemez Springs Comp Plan: This project was entered into during the fiscal year, therefore the budget was adjusted to reflect the expected costs and contributions from the local government.
- UPWP #52: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- UPWP #53: MRCOG received additional funding during the fiscal year, therefore the final budget was adjusted to reflect the new funds.
- Moriarity Comp Plan: This project was entered into during the fiscal year, therefore the budget was adjusted to reflect the expected costs and contributions from the local government.
- CTCP: MRCOG received additional funding during the fiscal year, therefore the final budget was adjusted to reflect the new funds.
- EDA Innovation: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Willard Comp Plan: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- CDBG Emergency Grant: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- ARRA Photovoltaic: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Belen Pedestrian Bridge: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- ARRA Energy Conservation: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

- Travel Demand Management, Rio Rancho Transit, Valencia Transit, Sandoval Easy Express, Rio Metro Service Plan, JARC #451, Rio BRT NW Study: All these funds are used to record and track Rio Metro Transit District operating costs incurred by MRCOG. As discussed above, Rio Metro Transit District operating costs incurred by MRCOG was not originally budgeted. This had been the practice since Rio Metro split off its financial reporting from MRCOG in fiscal year 2010, since Rio Metro Transit District includes these costs in its budget. However, during fiscal year 2012, management decided that it would be appropriate to include these costs in MRCOG's budget, since they are incurred by MRCOG on Rio Metro's behalf.
- Job Access and Reverse Commute: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- New Freedom: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- CNM/UNM: This was a new fund during the year. Although the CNM/UNM Study was initiated in the prior year, federal funding was received during fiscal year 2012 to complete this project. This fund was set up to track the federal expenditures on this project.
- Los Lunas Corridor Study: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- EDA Conference: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.

Fund Balance

The MRCOG's governmental funds reported combined fund balances of \$1,416,017. This is \$573 higher than the previous year. The change is relatively small, which is expected, since 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. MRCOG's Board has committed \$500,000 of the \$1.4 million fund balance as a reserve for unexpected downturns and claims.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2012**

Capital Assets

The MRCOG's investment in capital assets as of June 30, 2012 amounted to \$3,422,776. The capital assets consist mainly of office equipment, vehicles, and a building. Depreciation expense of \$169,423 was recorded in the current year. Additions of \$98,925 were purchased during the year ended June 30, 2012, consisting of a server, the parking lot security fence project and vehicles.

Long-Term Debt

Long-term debt consists of the capital lease of the MRCOG building at 809 Copper Ave NW. MRCOG leases the building from Bernalillo County. No additional debt was incurred during the year. The MRCOG reduced the long-term debt on the building by a total of \$68,333. As of June 30, 2012, the MRCOG had total long-term debt in the amount of \$1,847,222.

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 2013 budget has been reduced by nearly \$1 million from the 2012 budget. This is mainly due to multi-year projects that were substantially completed in 2012.

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 ASSETS
June 30, 2012**

	Governmental Activities
ASSETS	
Current	
Cash and cash equivalents	\$ 2,129,728
Other receivables	2,578
Grants receivable	1,654,755
Related entity receivables	354,286
Prepaid expenses	13,323
Total current assets	<u>4,154,670</u>
Noncurrent	
Capital assets, not being depreciated	683,800
Capital assets, net of accumulated depreciation	2,738,976
Total noncurrent assets	<u>3,422,776</u>
Total assets	<u>\$ 7,577,446</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current	
Accounts payable and accrued liabilities	\$ 1,889,462
Deferred revenue	667,387
Accrued compensated absences	181,804
Current portion of capital lease payable	73,333
Total current liabilities	<u>2,811,986</u>
Noncurrent	
Accrued compensated absences	187,072
Capital lease payable	1,773,889
Total noncurrent liabilities	<u>1,960,961</u>
Total liabilities	<u>4,772,947</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,575,554
Unrestricted	1,228,945
Total net assets	<u>2,804,499</u>
Total liabilities and net assets	<u>\$ 7,577,446</u>

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
(GOVERNMENT-WIDE)
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012**

	Expenses	Charges for Services	Program Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets for Governmental Activities
Functions/Programs				
Governmental Activities				
General government				
General activities	\$ 274,764	629,800	46,509	401,545
Reimbursement of Rio Metro costs	-	4,788,300	-	4,788,300
Transportation planning	3,171,812	-	2,874,019	(297,793)
Commuter rail project	1,948,778	-	1,948,778	-
Economic development	243,366	-	203,262	(40,104)
Employment services	687,562	-	703,008	15,446
Other planning programs	309,028	-	297,078	(11,950)
Incurred on behalf of Rio Metro	4,788,300	-	-	(4,788,300)
Interest expense	88,632	-	-	(88,632)
Total governmental activities	11,512,242	5,418,100	6,072,654	(21,488)
General Revenues				
Interest				\$ 1,673
Change in net assets				(19,815)
Net assets, beginning of year				2,824,314
Net assets, end of year				\$ 2,804,499

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2012

	Major Funds					
	General #10	Special Revenue		Capital Projects	Other Non-major Governmental Funds	Total Governmental Funds
		Transit Operations #49	Commuter Rail Ops #89	Commuter Rail Capital #85		
ASSETS						
Cash and equivalents	\$ 2,129,728	-	-	-	-	2,129,728
Other receivables	2,578	-	-	-	-	2,578
Grant reimbursements receivable	-	-	259,087	831,192	564,476	1,654,755
Interfund receivables	817,580	-	-	-	223,095	1,040,675
Related entity receivables	-	103,782	-	-	250,504	354,286
Prepaid expenses	13,323	-	-	-	-	13,323
Total assets	\$ 2,963,209	103,782	259,087	831,192	1,038,075	5,195,345
LIABILITIES						
Accounts payable	\$ 951,945	-	27,923	637,849	182,340	1,800,057
Accrued payroll liabilities	44,719	22,575	-	-	203,915	271,209
Interfund payables	-	81,207	231,164	193,343	534,961	1,040,675
Unearned grant advances	550,528	-	-	-	116,859	667,387
Total liabilities	1,547,192	103,782	259,087	831,192	1,038,075	3,779,328
FUND BALANCES						
Committed	500,000	-	-	-	-	500,000
Unassigned	916,017	-	-	-	-	916,017
Total fund balance	1,416,017	-	-	-	-	1,416,017
Total liabilities and fund balances	\$ 2,963,209	103,782	259,087	831,192	1,038,075	5,195,345

Reconciliation

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported	\$ 3,422,776
Capital lease payable, long term debt	(1,847,222)
Compensated absences, long-term liabilities	(187,072)

Net assets of governmental activities	<u>\$ 2,804,499</u>
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MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	Major Funds				Other Non-major Governmental Funds	Total Governmental Funds
	General #10	Special Revenue Transit Operations #49	Commuter Rail Ops #89	Capital Projects Commuter Rail Capital #85		
REVENUES						
Intergovernmental						
Federal grants and contracts	\$ -	-	-	-	3,593,785	3,593,785
State of New Mexico grants	34,606	-	-	1,948,778	193,043	2,176,427
Charges for services	113,118	-	-	-	-	113,118
Local	472,060	-	-	-	304,241	776,301
Reimbursement of Rio Metro costs	-	1,322,282	1,583,596	-	1,882,422	4,788,300
Miscellaneous	11,903	-	-	-	30,908	42,811
Interest	1,673	-	-	-	-	1,673
Total revenues	633,360	1,322,282	1,583,596	1,948,778	6,004,399	11,492,415
EXPENDITURES						
Current						
Operating	187,288	-	-	143,999	3,698,734	4,030,021
Contractual	27,000	-	-	89,775	633,764	750,539
Expenditures reimbursed by Rio Metro	-	1,322,282	1,375,315	-	1,873,779	4,571,376
Capital outlay	35,868	-	208,281	1,715,004	117,185	2,076,338
Debt service:						
Principal and interest	-	-	-	-	63,568	63,568
Total expenditures	250,156	1,322,282	1,583,596	1,948,778	6,387,030	11,491,842
Excess of expenditures over revenues	383,204	-	-	-	(382,631)	573
OTHER FINANCING SOURCES/USES						
Operating transfers in	-	-	-	-	382,631	382,631
Operating transfers out	(382,631)	-	-	-	-	(382,631)
Net change in fund balance	573	-	-	-	-	573
Fund balance, beginning of year	1,415,444	-	-	-	-	1,415,444
Fund balance, end of year	\$ 1,416,017	-	-	-	-	1,416,017
Reconciliation:						
Change in fund balance-total government funds						573
Amounts reported for governmental activities in the statements of activities are different because:						
Principal portion of capital lease payable						68,333
Depreciation is not recorded as a financial use						(169,423)
Capital assets additions used in governmental activities are not financial resources and, therefore, are not reported						98,925
Loss on disposal of capital assets						(1,033)
Change in accrued vacation liability & increase in sick accrued						(17,190)
Change in Net Assets of Governmental Activities						<u>\$ (19,815)</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, 2012

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	35,868	35,868	34,606	(1,262)
Charges for services	114,000	114,000	113,118	(882)
Local	472,060	472,060	472,060	-
Interest and other	11,100	11,100	13,576	2,476
Total revenues	633,028	633,028	633,360	332
EXPENDITURES				
Current:				
Operating	187,529	187,529	187,288	241
Contractual	27,000	27,000	27,000	-
Capital outlay	35,868	35,868	35,868	-
Debt service	-	-	-	-
Total expenditures	250,397	250,397	250,156	241
Other financing uses	-	-	-	-
Operating transfer out	382,631	382,631	382,631	-
Change in fund balance	\$ -	-	573	573

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - TRANSIT OPERATIONS #049
Year Ended June 30, 2012

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	-	1,322,282	1,322,282	-
Miscellaneous	-	-	-	-
Total revenues	-	1,322,282	1,322,282	-
EXPENDITURES				
Current:				
Operating	-	-	-	-
Incurred on behalf of Rio Metro	-	1,322,282	1,322,282	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	1,322,282	1,322,282	-
Other financing uses	-	-	-	-
Operating transfer out	-	-	-	-
Change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - COMMUTER RAIL OPERATIONS #89
Year Ended June 30, 2012

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	-	1,583,596	1,583,596	
Interest and other	-	-	-	-
Total revenues	-	1,583,596	1,583,596	-
EXPENDITURES				
Current:				
Operating	-	-	-	-
Incurred on behalf of Rio Metro	-	1,375,315	1,375,315	-
Contractual	-	-	-	-
Capital outlay	-	208,281	208,281	-
Total expenditures	-	1,583,596	1,583,596	-
Other financing uses	-	-	-	-
Operating transfer out	-	-	-	-
Change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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.

Mid-Region Council of Governments of New Mexico's former name was the Middle Rio Grande Council of Governments of New Mexico, and the name change was effective June 13, 2002.

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. GASB Statement No. 14 established 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, 2012.

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 Assets, 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, 2012.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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). MRCOG applies Financial Accounting Standards Board (FASB) pronouncements and accounting principles board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements in which case, GASB prevails.

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 2012.

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, 2012

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- The 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- The 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 #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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds:

Commuter Rail Capital – Phase II (No. 85) – A capital projects fund that provides for capital costs associated with Phase II of the commuter rail system (Bernalillo to Santa Fe). The New Mexico State Legislature approved the funding as part of Governor Richard’s Investment Partnership (GRIP).

Commuter Rail-Operations (No. 89) – A special revenue fund that was created by a professional services agreement with Rio Metro. It provides for the operations of the Commuter Rail between Belen and Bernalillo. These funds are also authorized by the U.S. Department of Transportation, Public Law 109-59 Safe, Accountable, Flexible Efficient Transportation Equity Act. Funding paid to MRCOG on a cost reimbursement basis.

Transit operations (No. 85) – A special revenue fund that were created by a professional services agreement with Rio Metro. It includes the operation, administration, budget, utilities, and other various costs of operating and administering Rio Metro Transit 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 Funds in the 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; i.e., 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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement #33, which was adopted as of July 1, 2003 by the MRCOG, 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.

Capital Assets. Capital assets acquired are recorded as expenditures in the funds which finance the acquisitions and are capitalized at cost (except for those related to the NM Rail Runner for which NM Department of Transportation holds title) 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. 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	40 years

GASB Statement #34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. MRCOG did not own any infrastructure assets as of June 30, 2012.

Encumbrances. MRCOG does not use encumbrances.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- 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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets. Net assets on the Statement of Net Assets include the following:

Invested in Capital Assets, net of related debt - the component of net assets 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 assets 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 assets as of June 30, 2012.

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

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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS

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, 2012, the amount of the MRCOG's bank balance of \$2,187,330 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 204,405
Uninsured and collateral held by pledging bank's trust Department not in MRCOG's name	1,132,926

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS (CONTINUED)

MRCOG's bank balances were collateralized in compliance with the State of New Mexico's state statutes are as follows:

Wells Fargo Bank

Account Name	Type	Bank Balance
MRCOG Checking, Savings and Sweep	Demand Deposits	<u>\$ 2,187,330</u>
FDIC coverage (all accounts) *		<u>(850,000)</u>
Uninsured balance		<u>1,337,330</u>
Collateral required:		
MRCOG's 50% Savings collateral required		<u>\$ 213,426</u>
MRCOG's 102% Sweep collateral required		<u>\$ 928,687</u>
Pledged collateral held in the bank's name:		
FNMA, CUSIP #3138AAAX9		
maturing 3/1/26, market value to be used		\$ 27,066
FNMA, CUSIP #3138AULU9		
maturing 10/1/41, market value to be used		<u>195,382</u>
Total savings collateral		<u>\$ 222,448</u>
Stagecoach sweep, CUSIP #3138AALE9		
maturing 4/1/41, market value to be used		<u>\$ 928,687</u>
Collateralization:		
MRCOG Saving over collateralized		<u>\$ 9,022</u>
MRCOG Sweep over collateralized		<u>\$ -</u>

* Each account gets \$250,000 FDIC coverage. Non-interest bearing accounts are 100% FDIC insured. MRCOG has a non-interest bearing checking account. Funds in the sweep account are not FDIC insured.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS (CONTINUED)

Sweep account collateral is located at Wells Fargo Bank in San Francisco, California.
Savings account collateral is located at BNY Mellon, New York, NY.

Following are the descriptions of the cash and certificates of deposit held as of June 30, 2012:

	Book Balance	Bank Balance
Demand deposit – Wells Fargo Bank, Albuquerque, New Mexico	\$ 1,392,855	1,510,478
Business savings account – Wells Fargo Bank, Albuquerque, New Mexico	<u>676,853</u>	<u>676,853</u>
Total	<u>\$ 2,069,708</u>	2,187,331
Less outstanding checks		\$ (57,603)
Deposits in transit		<u>-</u>
Reconciled demand deposits (outstanding checks) per MRCOG		<u>2,129,728</u>
Cash and equivalents per financial statements		<u>\$ 2,129,728</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 3. INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS

Interfund accounts were as follows at June 30, 2012:

	To	From
Due to general fund from major and nonmajor funds	817,580	-
Due from commuter rail capital funds #85 to general fund	-	193,343
Due from commuter rail operations funds #89 to general fund	-	231,164
Due to nonmajor funds from general fund	223,095	-
Due from nonmajor funds to general fund	<u>-</u>	<u>616,168</u>
Total	<u>\$ 1,040,675</u>	<u>1,040,675</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, 2012 to be repaid within one year.

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

NOTE 4. CAPITAL ASSETS

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

	June 30, 2011	Additions	Deletions	Adjustments/ Transfers	June 30, 2012
Nondepreciable					
Land	\$ 683,800	-	-	-	683,800
Depreciable					
Building	2,792,822	-	-	-	2,792,822
Furniture, fixtures and machinery	<u>1,154,606</u>	<u>98,925</u>	<u>(86,489)</u>	-	<u>1,167,042</u>
Total assets	<u>\$4,631,228</u>	<u>98,925</u>	<u>(86,489)</u>	-	<u>4,643,664</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 4. CAPITAL ASSETS (CONTINUED)

	June 30, 2011	Additions	Deletions	Adjustments/ Transfers	June 30, 2012
Accumulated depreciation					
Building	\$(391,818)	(69,821)	-	-	(461,639)
Furniture, fixtures and machinery	<u>(745,103)</u>	<u>(99,602)</u>	<u>85,457</u>	<u>-</u>	<u>(759,248)</u>
Total accumulated depreciation	<u>(1,136,921)</u>	<u>(169,423)</u>	<u>85,457</u>	<u>-</u>	<u>(1,220,888)</u>
Net capital assets	<u>\$3,494,307</u>	<u>(70,498)</u>	<u>(1,033)</u>	<u>-</u>	<u>3,422,776</u>

Furniture, equipment and machinery have been provided from grants accounted for in Special Revenue Funds in the amount of \$1,167,042.

The MRCOG also had on hand at June 30, 2012, \$96,462 in surplus (idle) equipment that is fully depreciated and included in the capital assets total of \$1,167,042.

Depreciation expense for the year ended June 30, 2012 was \$169,423. 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.

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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)

Employees may not carry over more than 1200 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, 2012, 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, 2012, has been recorded as a liability in the Government-Wide Statement of Net Assets as current portion due (\$181,804) and long-term portion due (\$187,072). Typically, General funds are used to liquidate this liability, which totaled \$187,072 at June 30, 2012. Funds accumulated from grantor reimbursements are used to liquidate the funded portion of the liabilities, which total \$181,804 at June 30, 2012. Detail of accumulated leave for the year is as follows:

Beginning Balance 6/30/11	Additions	Deletions	Ending Balance 6/30/12	Due Within One Year
\$ 320,770	469,615	(421,509)	368,876	181,804

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 6. CHANGES IN LONG-TERM DEBT

A summary of long-term debt and changes in long-term debt for the year ended June 30, 2012 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:

	Principal	Interest
2013	\$ 73,333	86,500
2014	73,333	84,175
2015	78,333	81,150
2016	88,333	79,332
2017	88,333	79,957
2018-2022	480,557	314,809
2023-2027	555,000	188,750
2028-2029	<u>410,000</u>	<u>41,750</u>
Total	<u>1,847,222</u>	<u>953,123</u>
Less current portion	<u>(73,333)</u>	
Long-term portion of debt	<u>\$ 1,773,889</u>	

	June 30, 2011	Reductions	Additions	June 30, 2012	Amounts Due Within One Year
Capital lease	\$ 1,915,555	(68,333)	-	1,847,222	73,333

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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7. RIO METRO REIMBURSEMENTS/INCURRED COSTS

The MRCOG has several funds that pay expenditures for Rio Metro. The MRCOG then invoices Rio Metro for these expenditures. The following is a break out of what these expenditures consists of:

	Transit Operations 049	Travel Demand Management 411	Commuter Rail Operations 089	ARRA Photovoltaic 214
Reimbursement of Rio Metro				
Costs to MRCOG				
Rio Metro RTD Revenue	<u>\$1,322,282</u>	<u>306,375</u>	<u>1,583,596</u>	<u>8,643</u>
Incurred on behalf of Rio Metro				
Operating Expenses	1,281,693	299,614	1,364,845	8,438
Building Lease Expense	28,794	6,669	-	200
Contractual	11,795	92	10,470	5
Capital Outlay	-	-	208,281	-
Total Expenditures	<u>1,322,282</u>	<u>306,375</u>	<u>1,583,596</u>	<u>8,643</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

	JARC 451	Rio Rancho Transit 425	Valencia Transit 430	Rio Metro Service Plan 445
Reimbursement of Rio Metro				
Costs to MRCOG				
Rio Metro RTD Revenue	<u>\$ 80,680</u>	<u>449,784</u>	<u>837,383</u>	<u>21,473</u>
Incurred on behalf of Rio Metro				
Operating Expenses	78,897	439,928	818,867	20,998
Building Lease Expense	1,761	9,729	18,216	475
Contractual	22	127	300	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>80,680</u>	<u>449,784</u>	<u>837,383</u>	<u>21,473</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7. RIO METRO REIMBURSEMENTS/INCURRED COSTS (CONTINUED)

	Rio BRT NW Study FTA 467	Sandoval Easy Express 435	Total
Reimbursement of Rio Metro			
Costs to MRCOG			
Rio Metro RTD Revenue	\$ 39,165	138,919	4,788,300
Incurred on behalf of Rio Metro			
Operating Expenses	38,236	135,846	4,487,362
Building Lease Expense	929	3,052	69,825
Contractual	-	21	22,832
Capital Outlay	-	-	208,281
Total expenditures	39,165	138,919	4,788,300
Excess revenues over expenditures	\$ -	-	-

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. The MRCOG's contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$835,270, \$805,510 and \$677,432, respectively, which equal the amount of the required contributions for each fiscal year.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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. Administrative fees for these services for the year ended June 30, 2012 were \$34,279. As of June 30, 2012, nothing was owed to the City of Albuquerque for administrative fees, payroll, payroll taxes, and PERA contributions.

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, 2012:

Insurer and Policy Type	Term	Coverage
New Mexico Mutual (worker's compensation)	2/12/12 - 2/12/13	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	9/29/11 - 9/29/12	\$1,000,000 each occurrence, No general aggregate limit
Auto liability - Owned and non-owned vehicles	9/29/11 - 9/29/12	Combined single limit \$1,000,000
Special Property Insurance Program	7/1/11 - 7/1/12	Boiler and machining property \$25,000,000 aggregate other limitation apply
Employee Dishonesty Bond	7/1/11 - 7/1/12	\$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 \$1,050,000 - total damages in any single occurrence

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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, 2012

NOTE 11. POST- EMPLOYMENT BENEFITS (CONTINUED)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute .917% of their salary.

In the fiscal year ending June 30, 2013, the contribution rates for employees and employers will rise as follows:

<u>Fiscal year</u>	<u>Employer contribution rate</u>	<u>Employee contribution rate</u>
FY 13	2.000%	1.000%

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

For the fiscal years ended June 30, 2012, 2011 and 2010, the MRCOG remitted \$80,582, \$70,592 and \$45,654, respectively, in employer contributions to the Retiree Health Care Authority.

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.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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. Employees for Rio Metro and WCCNM are employees of the MRCOG. MRCOG invoices Rio Metro and WCCNM for their portion of salaries as well as rent and other operating expenses. The MRCOG reimbursed the City of Albuquerque \$6,522,678 for payroll expenses. The MRCOG was reimbursed \$4,788,300 by Rio Metro and \$697,475 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 \$515,016 at June 30, 2012.

Workforce Connection of Central New Mexico (WCCNM). The MRCOG's accounts receivable balance from WCCNM was \$98,356 at June 30, 2012.

Payments made to related entities during the year ended June 30, 2012:

Bernalillo County	\$ 22,446
City of Albuquerque	6,559,347
Leonard Tire & Automotive Repair, Inc.	6,504
Rio Metro	<u>524,385</u>
	<u>\$ 7,112,682</u>

SUPPLEMENTARY INFORMATION

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2012

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.

Temporary Assistance for Needy Families (No. 22 and 23) – Provides support for the operations of the Temporary Assistance for Needy Families (TANF) program that is managed by New Mexico State University and the New Mexico Department of Health and Human Services.

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.

Peralta Comp Plan – (No. 35) – To assist the Town of Peralta in developing a comprehensive plan for land use and community development. The Town 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, 2012**

Jemez Springs Planning Services (No. 39) – To assist the Village of Jemez Springs in reviewing and updating zoning and subdivision ordinances. The Village received funding through the Community Development Block Grant through the New Mexico Community Development Council for the purpose of updating the zoning and subdivision ordinances for 3rd the Village. The Village is utilizing the COG's technical and professional expertise to complete the plan

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.

Moriarity Comp Plan – (No.58) – To assist the City of Moriarity in updating the comprehensive plan and developing a water conservation plan. The City received funding through a New Mexico Finance Authority Grant for the purpose of updating the existing comprehensive plan and preparing a water conservation plan and related ordinances for the City. The City 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, 2012**

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).

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.

Willard Comp Plan – (No. 79) – To assist the Village of Willard in developing a comprehensive plan for land use and community development. The Village received funding through the Community Development Block Grant through the New Mexico Community Development Council for the purpose of developing and adopting a comprehensive plan for the Village. The Village is utilizing the COG's technical and professional expertise to complete the plan

CDBG Emergency Grant (No. 80) – Provides funds to individuals who qualify (not to exceed \$2000) for emergency home repairs related to damage done to homes as a result of the severe weather that affected the COG's member's residents during the winter months of 2011.

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.

ARRA Photovoltaic System (No. 214) – Provides for the installation of solar photovoltaic cells at the Belen commuter rail station to offset utility costs.

Belen Pedestrian Bridge (No. 216) – Funding provided by the Federal Highway Administration to plan, design, and construct the Belen Pedestrian Overpass and station improvements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2012**

ARRA Energy Conservation (No. 220) – Provides funds for the Moriarity Community Outreach Project Energy Assessment and Building Upgrades to a targeted neighborhood in the City of Moriarity. Home owners and residents who chose to utilize the services receive assessments, simple conservation ideas and upgrades to their homes/businesses. Upgrades to homes and businesses include door weather stripping, efficient light bulbs low-flow shower heads, water heater insulation blankets, water heater temperature adjustments, and power strips. .

KAFB Joint Land Use Study (No. 310) – Funding provided by the U.S. Department of Defense, Office of Economic Adjustment, to encourage collaborative planning between Kirtland Air Force Base and the surrounding local jurisdictions.

RTD Travel Demand Management (No. 411) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. The funding is to be used provide public education, outreach efforts, and responds to inquiries regarding urban area transit and rail services.

RTD Rio Rancho Transit (No. 425) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. The funding is to be used to provide regional transit services in the City of Rio Rancho.

RTD Valencia Transit (No. 430) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. The funding is to be used to provide regional transit services in the Valencia County Area.

RTD Sandoval (No. 435) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. The funding is to be used to provide regional transit services in the Sandoval County Area.

RTD Rio Metro Service Plan (No. 445) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro The funding is to be used to account for personnel and administrative costs incurred by MRCOG that is associated with Rio Metro's Service Plan project.

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.

RTD JARC (No. 451) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. This fund is used to account for the administration of Job Access/Reverse Commute program by Rio Metro personnel.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2012**

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.

RTD BRT Study (No. 467) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro. The funding is to be used to account for personnel and administrative costs incurred by MRCOG that is associated with Rio Metro’s Paseo Del Norte Corridor study.

Los Lunas Corridor Study (No. 470) – Funding provided by the New Mexico State Legislature to evaluate existing and future transportation problems and needs within the NM 6 corridor in the Los Lunas area.

EDA Conference (No. 472) – To organize and conduct regional EDA Conference.

UNM/CNM Transportation Study (No. 485) – Funding provided by the City of Albuquerque, the University of New Mexico (UNM), the Central New Mexico Community College (CNM), and the County of Bernalillo for the MRCOG to undertake a cooperative and 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, 2012

	WORKFORCE #20	TANF #22/23	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	PERALTA COMP PLAN STUDY #35	JEMEZ SPRINGS COMP PLAN STUDY #39	UPWP #52
ASSETS								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	1,402	159,460	-	3,395	-	-	-
Related entity receivable	98,357	-	-	-	-	-	-	-
Grant reimbursements receivable	-	-	27,155	4,615	895	3,107	10,596	177,125
Total assets	98,357	1,402	186,615	4,615	4,290	3,107	10,596	177,125
LIABILITIES								
Accounts payable	-	-	65,735	3,291	-	-	-	9,560
Accrued liabilities	14,396	1,402	27,155	558	4,290	91	354	27,867
Due to other funds	83,961	-	-	766	-	3,016	10,242	139,698
Due to other agencies	-	-	-	-	-	-	-	-
Unearned grant advances	-	-	93,725	-	-	-	-	-
Total liabilities	98,357	1,402	186,615	4,615	4,290	3,107	10,596	177,125
FUND BALANCES								
Unassigned	-	-	-	-	-	-	-	-
Total liabilities and fund balances	98,357	1,402	186,615	4,615	4,290	3,107	10,596	177,125

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 COMBINING BALANCE SHEET
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	UPWP FTA NMSHTD #53	UPWP LOCAL GOV ASSISTANCE #54	Morriarity COMP PLAN #58	CTCP #67	TRAVEL TIME PROGRAM #68	EDA #72	EDA INNOVATION CENTER #74	WILLARD COMP #79
ASSETS								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	6,900	-	-	-	-	-	-	2,060
Related entity receivable	-	-	-	-	-	-	-	-
Grant reimbursements receivable	-	295	30,107	57,465	110,389	7,578	33,593	-
Total assets	\$ 6,900	295	30,107	57,465	110,389	7,578	33,593	2,060
LIABILITIES								
Accounts payable	-	-	-	-	-	-	-	-
Accrued liabilities	6,900	-	1,042	24,537	42,051	1,120	340	2,060
Due to other funds	-	295	29,065	32,928	68,338	6,458	10,119	-
Due to other agencies	-	-	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-	23,134	-
Total liabilities	6,900	295	30,107	57,465	110,389	7,578	33,593	2,060
FUND BALANCES								
Unassigned	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 6,900	295	30,107	57,465	110,389	7,578	33,593	2,060

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 COMBINING BALANCE SHEET
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	CDBG EMERG GRANT #80	LPA #93	ARRA PHOTO- VOLTAIC #214	BELEN PEDESTRIAN BRIDGE #216	ARRA ENERGY CONSERV. #220	KAFB JOINT LAND USE STUDY #310	TRAVEL DEMAND MANAGEMENT #411	RIO RANCHO TRANSIT #425
ASSETS								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	4,150	-	-	-	-	-	-
Related entity receivable	-	-	-	-	-	-	24,164	33,816
Grant reimbursements receivable	-	-	-	-	479	23,456	-	-
Total assets	-	4,150	-	-	479	23,456	24,164	33,816
LIABILITIES								
Accounts payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	4,150	-	-	-	1,994	5,770	10,819
Due to other funds	-	-	-	-	479	21,462	18,394	22,997
Due to other agencies	-	-	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-	-	-
Total liabilities	-	4,150	-	-	479	23,456	24,164	33,816
FUND BALANCES								
Unassigned	-	-	-	-	-	-	-	-
Total liabilities and fund balances	-	4,150	-	-	479	23,456	24,164	33,816

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 COMBINING BALANCE SHEET
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	VALENCIA TRANSIT #430	SANDOVAL EASY EXPRESS #435	RIO METRO SERVICE PLAN #445	JARC #450	JARC #451	NEW FREEDOM #452/453	TCSF CNM/UNM #460	RIO BRT NW STUDY FTA #467
ASSETS								
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	39,489	-	3,739	-	-
Related entity receivable	62,068	4,159	10,265	-	7,328	-	-	10,347
Grant reimbursements receivable	-	-	-	56,926	-	6,420	14,272	-
Total assets	\$ 62,068	4,159	10,265	96,415	7,328	10,159	14,272	10,347
LIABILITIES								
Accounts payable	\$ -	-	-	95,047	-	8,671	36	-
Accrued liabilities	18,457	638	1,037	1,368	690	912	620	797
Due to other funds	43,611	3,521	9,228	-	6,638	576	13,616	9,550
Due to other agencies	-	-	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-	-	-
Total liabilities	\$ 62,068	4,159	10,265	96,415	7,328	10,159	14,272	10,347
FUND BALANCES								
Unassigned	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 62,068	4,159	10,265	96,415	7,328	10,159	14,272	10,347

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 COMBINING BALANCE SHEET
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	LOS LUNAS CORRIDOR STUDY #470	EDA CONFERENCE #472	UNM/CNM TRANSPORTATION STUDY #485	TOTAL
ASSETS				
Cash and cash equivalents	\$ -	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	2,500	223,095
Related entity receivable	-	-	-	250,504
Grant reimbursements receivable	3	-	-	564,476
Total assets	\$ 3	-	2,500	1,038,075
LIABILITIES				
Accounts payable	\$ -	-	-	182,340
Accrued liabilities	-	-	2,500	203,915
Due to other funds	3	-	-	534,961
Due to other agencies	-	-	-	-
Unearned grant advances	-	-	-	116,859
Total liabilities	3	-	2,500	1,038,075
FUND BALANCES				
Unassigned	-	-	-	-
Total liabilities and fund balances	\$ 3	-	2,500	1,038,075

See Notes to Financial Statements.

**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, 2012**

	WORKFORCE #20	TANF #22/23	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	PERALTA COMP PLAN STUDY #35	JEMEZ SPRINGS COMP PLAN STUDY #39	UPWP #52
REVENUES								
Intergovernmental								
Federal	\$ 697,476	5,533	-	23,867	85,614	-	-	795,618
State	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Local	-	-	212,531	-	-	3,107	10,596	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
Miscellaneous	-	-	550	-	-	-	-	250
Total revenues	\$ 697,476	5,533	213,081	23,867	85,614	3,107	10,596	795,868
EXPENDITURES								
Current:								
Operating	\$ 681,912	5,430	111	16,662	97,664	2,997	10,380	846,528
Contractual	222	1	212,970	12,822	47	-	-	66,351
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Principal and interest	15,342	102	-	350	2,493	110	216	18,572
Total expenditures	697,476	5,533	213,081	29,834	100,204	3,107	10,596	931,451
OTHER FINANCING SOURCES/USES								
Operating transfers in	-	-	-	5,967	14,590	-	-	135,583
Operating transfers out	-	-	-	-	-	-	-	-
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, 2012

	UPWP FTA #53	UPWP LOCAL GOV ASSISTANCE #54	Moriarity Comp Plan #58	CTCP #67	TRAVEL TIME PROGRAM #68	EDA #72	EDA INNOVATION CENTER #74	WILLARD COMP #79
REVENUES								
Intergovernmental								
Federal	\$ 334,782	295	-	305,576	138,115	56,672	72,479	2,952
State	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	48,319	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
Miscellaneous	-	-	30,108	-	-	-	-	-
Total revenues	\$ 334,782	295	30,108	305,576	138,115	56,672	120,798	2,952

EXPENDITURES								
Current:								
Operating	\$ 389,091	399	29,989	313,357	-	92,373	60,887	2,937
Contractual	20,918	-	119	2,655	161,652	77	58,545	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	39,320	-	-	-	-
Principal and interest	8,468	-	-	6,476	-	2,004	1,366	15
Total expenditures	418,477	399	30,108	361,808	161,652	94,454	120,798	2,952

OTHER FINANCING SOURCES/USES								
Operating transfers in	83,695	104	-	56,232	23,537	37,782	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
Fund balance, end of year	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

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, 2012

	CDBG EMERG GRANT #80	LPA #93	ARRA PHOTO- VOLTAIC #214	BELEN PEDESTRIAN BRIDGE #216	ARRA ENERGY CONSERV. #220	KAFB JOINT LAND USE STUDY #310	TRAVEL DEMAND MANAGEMENT #411	RIO RANCHO TRANSIT #425
Intergovernmental								
Federal	\$ 11,325	-	-	77,865	4,781	55,717	-	-
State	-	95,743	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	8,643	-	-	-	306,375	449,784
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	\$ 11,325	95,743	8,643	77,865	4,781	55,717	306,375	449,784

EXPENDITURES

Current:								
Operating	\$ 11,325	108,078	8,443	-	4,582	60,670	-	-
Contractual	-	39	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	306,375	449,784
Capital outlay	-	-	-	77,865	-	-	-	-
Principal and interest	-	3,129	200	-	199	1,238	-	-
Total expenditures	11,325	111,246	8,643	77,865	4,781	61,908	306,375	449,784

OTHER FINANCING SOURCES/USES

Operating transfers in	-	15,503	-	-	-	6,191	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-	-

See Notes to Financial Statements.

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, 2012

	VALENCIA TRANSIT #430	SANDOVAL EASY EXPRESS #435	RIO METRO SERVICE PLAN #445	JARC #450	JARC #451	NEW FREEDOM #452/453	TCSP CNM/UNM #460	RIO BRT NW STUDY FTA #467
REVENUES								
Intergovernmental								
Federal	\$ -	-	-	485,353	-	419,133	19,392	-
State	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	837,383	138,919	21,473	-	80,680	-	-	39,165
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	\$ 837,383	138,919	21,473	485,353	80,680	419,133	19,392	39,165
EXPENDITURES								
Current:								
Operating	\$ -	-	-	484,013	-	418,315	22,158	-
Contractual	-	-	-	24	-	15	-	-
Incurring on behalf of Rio Metro	837,383	138,919	21,473	-	80,680	-	-	39,165
Capital outlay	-	-	-	-	-	-	-	-
Principal and interest	-	-	-	1,316	-	803	538	-
Total expenditures	837,383	138,919	21,473	485,353	80,680	419,133	22,696	39,165
OTHER FINANCING SOURCES/USES								
Operating transfers in	-	-	-	-	-	-	3,304	-
Operating transfers out	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEX
 COMBINING STATEMENT OF REVENUES, EXPENDITURE
 AND CHANGES IN FUND BALANCES
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012**

	LOS LUNAS CORRIDOR STUDY #470	EDA CONFERENCE #472	UNM TRANSPORTATION STUDY #485	TOTAL
REVENUES				
Intergovernmental				
Federal	-	1,240	-	3,593,785
State	97,300	-	-	193,043
Charges for services	-	-	-	-
Local	-	684	29,004	304,241
Reimbursement of Rio Metro costs	-	-	-	1,882,422
Miscellaneous	-	-	-	30,908
Total revenues	\$ 97,300	1,924	29,004	6,004,399
EXPENDITURES				
Current:				
Operating	4	2,000	28,429	3,698,734
Contractual	97,296	-	11	633,764
Incurred on behalf of Rio Metro	-	-	-	1,873,779
Capital outlay	-	-	-	117,185
Principal and interest	-	67	564	63,568
Total expenditures	97,300	2,067	29,004	6,387,030
OTHER FINANCING SOURCES/USES				
Operating transfers in	-	143	-	382,631
Operating transfers out	-	-	-	-
Change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	-	-	-

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - COMMUTER RAIL CAPITAL - PHASE II #85
Year Ended June 30, 2012

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	1,771,179	1,948,778	1,948,778	-
Charges for services	-	-	-	-
Local	-	-	-	-
Interest and other	-	-	-	-
Total revenues	1,771,179	1,948,778	1,948,778	-
EXPENDITURES				
Current:				
Operating	-	143,999	143,999	-
Contractual	-	89,775	89,775	-
Capital outlay	1,771,179	1,715,004	1,715,004	-
Debt service	-	-	-	-
Total expenditures	1,771,179	1,948,778	1,948,778	-
Other financing uses	-	-	-	-
Operating 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
SPECIAL REVENUE FUNDS
Year Ended June 30, 2012**

	WORKFORCE #20				TANF #22/23				ORTHO #29			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 700,000	700,000	697,476	(2,524)	-	5,533	5,533	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	800,000	800,000	212,531	587,469
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	212,531
Miscellaneous	-	-	-	-	-	-	-	-	-	-	550	550
Total revenues	\$ 700,000	700,000	697,476	(2,524)	-	5,533	5,533	-	800,000	800,000	213,081	800,550
EXPENDITURES												
Current:												
General Government	\$ 700,000	700,000	697,476	2,524	-	5,533	5,533	-	800,000	800,000	213,081	586,919
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	700,000	700,000	697,476	2,524	-	5,533	5,533	-	800,000	800,000	213,081	586,919
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	1,387,469
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	1,387,469

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
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2012

	SALT MISSION TRAIL #32				RPO #33				PERALTA COMP PLAN STUDY # 35				JEMEZ SPRINGS COMP PLAN # 39			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ 24,000	26,725	23,867	(2,858)	94,735	87,697	85,614	(2,083)	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	46,000	3,107	(42,893)	-	30,000	10,596	(19,404)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 24,000	26,725	23,867	(2,858)	94,735	87,697	85,614	(2,083)	-	46,000	3,107	(42,893)	-	30,000	10,596	(19,404)
EXPENDITURES																
Current:																
General government	\$ 30,000	33,406	29,834	3,572	110,879	102,642	100,204	2,438	-	46,000	3,107	42,893	-	30,000	10,596	19,404
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	30,000	33,406	29,834	3,572	110,879	102,642	100,204	2,438	-	46,000	3,107	42,893	-	30,000	10,596	19,404
Excess of revenues and other financing sources over expenditures	(6,000)	(6,681)	(5,967)	714	(16,144)	(14,945)	(14,590)	355	-	-	-	-	-	-	-	-
Other financing sources (uses)																
Transfers in	6,000	6,681	5,967	714	16,144	14,945	14,590	355	-	-	-	-	-	-	-	-
Transfers 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
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2012

	UPWP #52			UPWP/FTA/NMSHTD #53			UPWP-LOCAL GOVT ASSISTANCE #54			MORIARITY COMP PLAN #58			CTCP #67			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	1,384,628	1,415,520	795,618	(619,902)	259,864	334,782	334,782	-	85,100	85,000	295	(84,705)	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000	30,108	(4,892)
Local	-	-	250	250	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 1,384,628	\$ 1,415,520	\$ 795,668	(619,652)	\$ 259,864	\$ 334,782	\$ 334,782	-	\$ 85,100	\$ 85,000	\$ 295	(84,705)	\$ -	\$ 35,000	\$ 30,108	(4,892)
EXPENDITURES																
Current:																
General government	1,620,585	1,656,741	931,451	725,290	324,830	418,477	418,477	-	115,000	114,865	399	114,466	-	35,000	30,108	4,892
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	1,620,585	1,656,741	931,451	725,290	324,830	418,477	418,477	-	115,000	114,865	399	114,466	-	35,000	30,108	4,892
Total expenditures	1,620,585	1,656,741	931,451	725,290	324,830	418,477	418,477	-	115,000	114,865	399	114,466	-	35,000	30,108	4,892
Excess of revenues and other financing sources over expenditures	(235,957)	(241,221)	(135,583)	105,638	(64,966)	(83,695)	(83,695)	-	(29,900)	(29,865)	(104)	29,761	-	-	-	-
Other financing sources (uses)																
Transfer in	235,957	241,221	135,583	105,638	64,966	83,695	83,695	-	29,900	29,865	104	29,761	-	-	-	-
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
SPECIAL REVENUE FUND
Year Ended June 30, 2012

	TIME TRAVEL PROGRAM #68				EDA #72				EDA INNOVATION CENTER #74			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 184,915	190,359	138,115	(52,244)	60,000	60,600	56,672	(3,928)	240,000	302,121	72,479	(229,642)
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	160,000	201,414	48,319	(153,095)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 184,915	190,359	138,115	(52,244)	60,000	60,600	56,672	(3,928)	400,000	503,535	120,798	(382,737)
EXPENDITURES												
Current:												
General government	\$ 216,427	222,799	161,652	61,147	100,000	101,000	94,454	6,546	400,000	503,535	120,798	382,737
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	216,427	222,799	161,652	61,147	100,000	101,000	94,454	6,546	400,000	503,535	120,798	382,737
Excess of revenues and other financing sources over expenditures	(31,512)	(32,440)	(23,537)	8,903	(40,000)	(40,400)	(37,782)	2,618	-	-	-	-
Other financing sources (uses)												
Transfer in	31,512	32,440	23,537	8,903	40,000	40,400	37,782	2,618	-	-	-	-
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
SPECIAL REVENUE FUNDS
Year Ended June 30, 2012**

	WILLARD COMP #79			CDBG EMERG GRANT #80			LPA #93			Variances Favorable (unfavorable)
	Initial Budget	Final Budget	Actual	Initial Budget	Final Budget	Actual	Initial Budget	Final Budget	Actual	
REVENUES										
Intergovernmental										
Federal	\$ -	2,952	2,952	-	-	-	-	-	-	-
State	-	-	-	137,143	36,233	11,325	95,743	95,743	95,743	-
Local	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	2,952	2,952	137,143	36,233	11,325	95,743	95,743	95,743	-
EXPENDITURES										
Current:										
General government	\$ -	2,952	2,952	-	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	137,143	36,233	11,325	150,000	150,000	111,246	38,754
Noncurrent:										
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	2,952	2,952	137,143	36,233	11,325	150,000	150,000	111,246	38,754
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	(54,257)	(54,257)	(15,503)	38,754
Other financing sources (uses)										
Transfer in	-	-	-	-	-	-	54,257	54,257	15,503	38,754
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
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2012

	ARRA PHOTOVOLTAIC #214				BELEN PEDESTRIAN BRIDGE #216				ARRA ENERGY CONSERV #220			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	-	-	-	-	-	77,865	77,865	-	-	4,781	4,781	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	8,643	8,643	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	8,643	8,643	-	-	77,865	77,865	-	-	4,781	4,781	-
EXPENDITURES												
Current:												
General government	-	8,643	8,643	-	-	-	-	-	-	4,781	4,781	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	77,865	77,865	-	-	-	-	-
Total expenditures	-	8,643	8,643	-	-	77,865	77,865	-	-	4,781	4,781	-
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfer in	-	-	-	-	-	-	-	-	-	-	-	-
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
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2012

	KAFB JOINT LAND USE STUDY #310			TRAVEL DEMAND MANAGEMENT #411			RIO RANCHO TRANSIT #425					
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 118,800	118,800	55,717	(63,083)	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	306,375	306,375	-	-	449,784	449,784	-
Total revenues	\$ 118,800	118,800	55,717	(63,083)	-	306,375	306,375	-	-	449,784	449,784	-
EXPENDITURES												
Current:												
General government	\$ 131,800	131,800	61,908	69,892	-	-	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	306,375	306,375	-	-	449,784	449,784	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	131,800	131,800	61,908	69,892	-	306,375	306,375	-	-	449,784	449,784	-
Excess of revenues and other financing sources over expenditures	(13,000)	(13,000)	(6,191)	6,809	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfers in	13,000	13,000	6,191	6,809	-	-	-	-	-	-	-	-
Transfers 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
SPECIAL REVENUE FUNDS
Year Ended June 30, 2012

	VALENCIA TRANSIT #430				Regional Transit District-Sandoval Easy Express #435				RIO METRO SERVICE PLAN #445			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	-	-	-	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	837,383	837,383	-	-	138,919	138,919	-	-	21,473	21,473	-
Total revenues	\$ -	837,383	837,383	-	-	138,919	138,919	-	-	21,473	21,473	-
EXPENDITURES												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	837,383	837,383	-	-	138,919	138,919	-	-	21,473	21,473	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	837,383	837,383	-	-	138,919	138,919	-	-	21,473	21,473	-
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Local match transfer in	-	-	-	-	-	-	-	-	-	-	-	-
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
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2012

	RIO BRT NW STUDY #467			LOS LUNAS CORRIDOR STUDY #470			EDA CONFERENCE #472			UNM TRANSPORTATION STUDY #485		
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	-	-	-	-	-	-	-	-	-	-	-	-
State	-	-	-	-	203,000	145,781	97,300	(48,481)	-	-	-	-
Local	-	39,165	39,165	-	-	-	-	-	29,004	29,004	29,004	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 39,165	\$ 39,165	\$ -	\$ 203,000	\$ 145,781	\$ 97,300	\$ (48,481)	\$ 29,004	\$ 29,004	\$ 29,004	\$ 29,004
EXPENDITURES												
Current:												
General government	-	-	-	-	203,000	145,781	97,300	48,481	-	-	-	-
Incurred on behalf of Rio Metro	-	39,165	39,165	-	-	-	-	-	4,786	4,786	2,067	2,719
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	\$ 39,165	\$ 39,165	-	\$ 203,000	\$ 145,781	\$ 97,300	\$ 48,481	\$ 4,786	\$ 4,786	\$ 2,067	\$ 2,719
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statements.

SINGLE AUDIT INFORMATION

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012**

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	\$ 56,673
Innovation Center Grant	11.302	08-79-04463	074	72,479
EDA Regional Conference	11.302	08-88-04681	472	1,240
Total U.S. Department of Commerce				<u>130,392</u>
<u>U.S. Department of Defense</u>				
Office of Economic Adjustment				
Kirtland Airforce Base Joint Land Use Study	12.610	EN6179-11-02	310	55,717
Total U.S. Department of Defense				<u>55,717</u>
<u>U.S. Department of Energy</u>				
Passed through State of New Mexico Energy, Minerals & Natural Resources Department				
Energy Efficiency & Conservation Block Grant Program - ARRA	81.128	11-521-R1DOE00002-0085	220	4,786
Total U.S. Department of Energy				<u>4,786</u>
<u>U.S. Department of Housing & Economic Development</u>				
Passed through State of New Mexico DFA Local Government Division				
Community Development Block Grants	14.218	11-C-NR-I-5-G-03	080	11,323
Total U.S. Department of Housing & Economic Development				<u>11,323</u>
<u>U.S. Department of Transportation</u>				
Federal Transportation Administration (FTA)				
Transit Services Program Cluster:				
Job Access/Reverse Commute Program	20.516	NM-37-X018-00	450	485,350
New Freedom Program	20.521	NM-57-X003-00	452	36,783
New Freedom Program	20.521	NM-57-X006-00	453	382,350
Total U.S. Department of Transportation Direct				<u>904,483</u>
<u>U.S. Department of Transportation</u>				
Passed through State of New Mexico Department of Transportation				
Unified Planning Work Program - FTA	20.505	M01028	053	334,782
Highway Planning and Construction:				
Regional Planning Organization	20.205	M01037	033	85,614
Salt Missions Trail Scenic Byway	20.205	D13299	032	23,867
Unified Planning Work Program - FHWA	20.205	M01028	052	795,618
Local Government Assistance	20.205	M01028	054	295
Transportation Surveillance Program	20.205	M01028	067	305,576
Travel Time Program	20.205	80500-0000100923	068	138,116
TCSP Funds UNM/CNM Area Transportation and Land Use Coordination	20.205	M01028	460	19,391
Belen Pedestrian Bridge	20.205	D12997	216	77,865
Total Highway Planning and Construction				<u>1,446,342</u>
Total U.S. Department of Transportation Pass-through Awards				<u>1,781,124</u>
Total Expenditures of Federal Awards				<u>\$ 2,887,825</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 Year Ended June 30, 2012

Notes to Schedule of Expenditures of Federal Awards

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) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. Non-cash Assistance

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

3. Subrecipients

MRCOG provided federal awards (JARC and New Freedom) to Rio Metro RTD, City of Albuquerque, and ARCA as subrecipients during the year.

<u>Name</u>	<u>Amount</u>
Rio Metro RTD	\$ 399,922
City of Albuquerque	107,748
ARCA	299,896
Total	<u>\$ 807,566</u>

4. MRCOG provided services to Workforce Solutions, New Mexico State University, San Ysidro and Willard in which they were paid with federal dollars. The relationships with these entities is a vendor relationship rather than as a subrecipient. Those dollars received by MRCOG under the related contracts are detailed below:

<u>Name</u>	<u>Amount</u>
Workforce Solutions	\$ 697,475
New Mexico State University	5,533
Willard	2,952
Total Federal Contracts	<u>705,960</u>
Total Federal Grants	2,887,825
Total Federal grants and contracts	<u>\$ 3,593,785</u>

See Notes to Financial Statements.

**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
and
Mr. Hector Balderas, State Auditor

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and each major special revenue fund, and the combining and the individual funds and related budgetary comparisons presented as supplementary information of the Mid-Region Council of Governments of New Mexico (MRCOG) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. 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.

Internal Control Over Financial Reporting

Management of MRCOG is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the MRCOG's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. 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

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
and
Mr. Hector Balderas, State Auditor

entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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 tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, MRCOG's Board of Directors, others within MRCOG, the State of New Mexico Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

**Report of Independent Auditors on Compliance with
Requirements That Could Have a Direct and Material
Effect on Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
and
Mr. Hector Balderas, State Auditor

Compliance

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, 2012. MRCOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of MRCOG's management. Our responsibility is to express an opinion on the MRCOG's compliance based on our audit.

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. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on MRCOG's compliance with those requirements.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
and
Mr. Hector Balderas, State Auditor

In our opinion, MRCOG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of MRCOG is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered MRCOG's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

To the Board of Directors
Mid-Region Council of Governments of New Mexico
Albuquerque, New Mexico
and
Mr. Hector Balderas, State Auditor

The purpose of this report is solely to 1) describe the scope of our testing of internal control over compliance and the results of that testing; and 2) express an opinion on compliance based on our audit. This report is an integral part of an audit performed in accordance with OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2012**

11-1 Fringe Benefits

Resolved

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2012**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

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

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? Yes No
- Significant deficiency (ies) identified? Yes None Reported

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

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 Programs:

CFDA Number Name of 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, 2012**

B. FINDINGS - FINANCIAL STATEMENTS

NONE

C. FINDINGS - FEDERAL AWARD

NONE

D. FINDINGS - COMPLIANCE AND OTHER MATTERS

NONE

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2012**

An exit conference was held on November 26, 2012 in a closed session. The contents of this report were discussed. Present at the exit conference were:

Representing MRCOG:

Debbie O'Malley
Phillip Gasteyer
Dewey Cave
Thaddeus Lucero

Amy Myer, CPA

Board Chair
Board Vice-Chair
Executive Director
Director of Planning and
General Services
Finance Manager

Representing Moss Adams LLP:

Scott Eliason, CPA

Assurance Partner

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.