



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

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**MOSS-ADAMS<sub>LLP</sub>**

Certified Public Accountants | Business Consultants

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# MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

## Official Roster

June 30, 2014

Debbie O'Malley	Chairperson
Phillip Gasteyer	Vice-Chairperson
Adrian Oglesby	Board Member
Brad Hill	Board Member
Christina Ainsworth	Board Member
Don Harris	Board Member
Donald Lopez	Board Member
Donald Rudy	Board Member
Edmond Temple	Board Member
Emily Sanchez	Board Member
Glen Walters	Board Member
Gloria Chavez	Board Member
Isaac Benton	Board Member
Jack Torres	Board Member
Janice Arnold-Jones	Board Member
John G. Phillips III	Board Member
Kathy Korte	Board Member
Ken Sanchez	Board Member
Larry Abraham	Board Member
Lawrence Romero	Board Member
Leon Otero	Board Member
Lonnie Freyburger	Board Member
M. Steven Anaya	Board Member
Marc Saavedra	Board Member
Mary Anderson	Board Member
Nora M. Scherzinger	Board Member
Rey Garduno	Board Member
Richard Bruce	Board Member
Rick Velarde	Board Member
Robert Chavez	Board Member

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

**Official Roster (Continued)**

**June 30, 2014**

Robert Knowlton	Board Member
Robert Perry	Board Member
Robert Vialpando	Board Member
Ron Williams	Board Member
Roxanne Meyers	Board Member
Rudy Jaramillo	Board Member
Tamara Gutierrez	Board Member
Ted Hart	Board Member
Theodore Barela	Board Member
Thomas Swisstack	Board Member
Tim Eichenberg	Board Member
Tom Zdunek	Board Member
Vandora Casados	Board Member
Wayne Ake	Board Member
Wayne Johnson	Board Member
Wilbur Lockwood	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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Mid Region Council of Governments (MRCOG), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise MRCOG's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of MRCOG's non-major governmental funds and the budgetary comparisons presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the MRCOG as of June 30, 2014, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the respective budgetary comparison for the non-major funds of MRCOG for the year ended June 30, 2014, and the respective change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements and the combining and individual fund financial statements and budgetary comparisons that collectively comprise MRCOG's basic financial statements. The accompanying *Schedule of Expenditures of Federal Awards* as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Schedule of Pledged Collateral* as required by the *New Mexico State Audit Rule*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditures of Federal Awards and Schedule of Pledged Collateral* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements



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

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures of Federal Awards and Schedule of Pledged Collateral* are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2014, on our consideration of the MRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering MRCOG's internal control over financial reporting and compliance.

*Mess Adams LLP*

Albuquerque, New Mexico  
December 15, 2014

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2014**

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, 2014**

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.

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, 2014**

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

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

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the MRCOG's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the MRCOG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the MRCOG is improving or deteriorating. The statement of activities presents information showing how the MRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to earned but unused vacation and sick leave. All of MRCOG's activities are reported under governmental-type activities and there are no component units. 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, 2014**

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 thirty-one (31) 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, Rio Metro Operations and Unified Planning Work Program (UPWP)-FHWA, all of which are considered to be major funds. Data from the other twenty-eight (28) 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 26-44 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 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, 2014**

**FINANCIAL ANALYSIS OF THE COUNCIL**

Overall Financial Position

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

Over the past twenty-two years the number of funds (projects) administered by the MRCOG has increased from twelve (12) during fiscal year 1992 to thirty-one (31) during fiscal year 2014. 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 million during the fiscal year ending June 30, 2014. Nearly fifty percent (50%) of current year expenditures relate to Rio Metro operations.

The MRCOG's net position increased by \$92,530 compared to the prior year (from \$3,069,026 on June 30, 2013 to \$3,161,556 on June 30, 2014). The increase in net position was principally a result of the MRCOG utilizing a fixed with carry over indirect cost rate.

Compared to the prior year ending June 30, 2013, the MRCOG's Total Governmental Funds expenditures remained relatively stable, increasing from \$11.113 million (FY13) to \$11.156 million (FY14), a change of approximately \$43,000. Within the individual funds there were significant changes: Expenditures for Rio Metro operations increased over by \$600,000, however, Rail Runner Phase 2 and Belen Pedestrian Bridge projects, related to Rio Metro Rail Runner capital projects, ended in FY2013, decreasing expenditures by over \$800,000 from FY13 to FY14 in those funds. There were several special projects that MRCOG undertook during FY14, increasing expenditures by over \$200,000 from FY13 to FY14 (Uptown Pedestrian Study, Paseo del Volcan Corridor Study, Rio Metro MPO, Complete Streets & Agribusiness).

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

Net Position

Table A-1 summarizes the MRCOG's net position for the fiscal year ended June 30, 2014. Net position 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, 2014.

Table A-1  
MRCOG's Net Position

	<b>Governmental Activities 6/30/14</b>	Governmental Activities 6/30/13
Current Assets	\$ 5,294,083	\$ 4,476,274
Capital Assets, net of Accumulated Depreciation	<u>3,925,669</u>	<u>3,627,393</u>
Total Assets	<u>\$ 9,219,752</u>	<u>\$ 8,103,667</u>
Total Current Liabilities	\$ 3,830,894	\$ 3,238,758
Total Long Term Debt	<u>2,227,302</u>	<u>1,795,883</u>
Total Liabilities	<u>\$ 6,058,196</u>	<u>\$ 5,034,641</u>
Net Position:		
Net investment in Capital Assets	\$ 1,639,847	\$ 1,853,504
Unrestricted	<u>1,521,709</u>	<u>1,215,522</u>
Total Net Position	<u>\$ 3,161,556</u>	<u>\$ 3,069,026</u>



**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

Changes in Net Position: The MRCOG's change in net position for fiscal year 2014 was an increase of \$92,530. The table below reflects the changes in net position.

Table A-2  
MRCOG's Net Position

	<b>Governmental Activities 6/30/14</b>	Governmental Activities 6/30/13
Expenses – governmental activities	\$ <b>(11,245,163)</b>	\$ (10,743,787)
Add: Charges for services	<b>6,024,981</b>	5,526,667
Operating grants	<b>5,311,440</b>	5,480,064
<b>Subtotal</b>	<b>91,258</b>	(262,944)
General revenues – total	<b>1,272</b>	1,583
Change in net position	<b>92,530</b>	264,527
Net position – beginning of year	<b>3,069,026</b>	2,804,449
<b>Net position – end of year</b>	<b>\$ 3,161,556</b>	<b>\$ 2,804,499</b>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

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

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

	<b>Governmental Funds 6/30/14</b>	Governmental Funds 6/30/13
Revenues:		
Federal	\$ 4,051,912	\$ 3,984,749
State	95,743	1,276,721
Charges for Service	84,462	108,449
Local	747,105	744,837
Reimbursement of Rio Metro costs	5,467,985	4,886,049
Interest and other	243,596	7,509
<b>Total revenues</b>	<b>\$ 10,690,803</b>	<b>\$ 11,008,314</b>
Expenditures:		
Operations	4,371,363	4,050,847
Contractual	623,038	755,236
Expenses reimbursed by Rio Metro	5,457,793	4,860,826
Capital outlay	551,275	1,300,676
Debt Service	152,621	145,897
<b>Total expenditures</b>	<b>\$ 11,156,090</b>	<b>\$ 11,113,482</b>
Excess (deficiency) of revenues over expenditures	(465,287)	(105,168)
Other financing sources	750,000	-
Net change in fund balance	284,713	(105,168)
Beginning fund balances	1,310,849	1,416,017
<b>Ending fund balances</b>	<b>\$ 1,595,562</b>	<b>\$ 1,310,849</b>

The MRCOG's total expenditures for government-type activities during the fiscal year 2014 were \$11,156,091. The increase is relatively small and the net effect is due to the completion of the Commuter Rail Capital - Phase II project and Belen Pedestrian Bridge project and the addition of the Agribusiness program and Rio Metro MPO and several short-term projects: Uptown Pedestrian Study, Paseo del Volcan Corridor Study, and Complete Streets.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

Analysis of Major Funds

**General Fund (Fund 010):** Revenues in the General Fund increased approximately \$250,000. The increase is due primarily to MRCOG's indirect cost rate methodology: fixed rate with carry over. In FY14, MRCOG's rate was higher than actual indirect costs incurred, causing an increase in general fund revenues. In FY15, MRCOG's rates were determine based on this carry over so that amounts over collected in FY14 will be rectified by end of FY15. This method is acceptable per federal regulations and is approved by MRCOG's federal oversight agency.

**Rio Metro Operations:** Rio Metro Operations reported by MRCOG are only those costs incurred by MRCOG, such as payroll, and reimbursed by Rio Metro. In FY13, MRCOG reported Rio Metro Operations in various funds. In FY14, MRCOG combined all these funds into one. This is due to fact that this is how Rio Metro Operations budget is approved by and reported to the MRCOG Board.

In FY14, Rio Metro Operations expenditures totaled \$5,467,985, an increase of \$600,411 from FY13. This increase is due to the growth in Rio Metro operations and the filling of vacant positions.

**UPWP - FHWA (Fund 052):** Expenditures increased by over \$100,000 from FY13 to FY14. Costs in this fund are reimbursed by federal highway planning funds and are restricted to the amount of funds provided. In FY14, the amount authorized was increased by approximately \$184,000. This was the result of the authorizing agency (NMDOT) moving the fiscal period from state fiscal year to the federal fiscal year and the addition of a bridge award that increased funding.

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:** The budget increased \$32,000 from original. This adjustment was to provide for WCCNM salaries that MRCOG paid in excess of the contract of \$32,000 in FY13 but reimbursed by WCCNM in FY14. The favorable budget variances were relatively minor.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

- Rio Metro Operations: The budget was adjusted upward to reflect Rio Metro's increase in expected costs. The increase is due to Rio Metro's expanded operations and the filling of vacant positions.
- UPWP-FHWA: The budget variance is due to MRCOG budgeting the program over 2 years. Prior to FY14, the funds were authorized on a state fiscal year basis rather than a federal fiscal year basis, causing amounts authorized from the federal government to overlap MRCOG fiscal years.

Fund Balance

The MRCOG's governmental funds reported combined fund balances of \$1,595,562. This is \$284,713 higher than the previous year. The change is attributed to proceeds on the building renovation loan from Bernalillo County that had not been expended by year-end, and the increase in revenues in the general fund related to the indirect cost rate methodology, as discussed above. 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 \$1.5 million fund balance as a reserve for unexpected downturns and claims.

Capital Assets

The MRCOG's investment in capital assets as of June 30, 2014 amounted to \$3,925,669. The capital assets consist mainly of office equipment, vehicles, and a building. Depreciation expense of \$248,204 was recorded in the current year. Additions of \$551,275 were purchased during the year ended June 30, 2014, consisting of Furniture and Fixtures in addition to replacing the HVAC system.

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. During the year, MRCOG amended and restated its capital lease agreement. The restructured loan includes the balance on the capital lease of \$1,612,644 plus \$750,000 that the County loaned MRCOG for building renovations and replacement of the HVAC system. The net increase to debt is \$511,933 from FY13 to FY14. As of June 30, 2014, the MRCOG had total long-term debt in the amount of \$2,285,822.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2014**

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 2014 budget has been reduced by nearly half a million from the 2013 budget. This is mainly due to multi-year projects that were substantially completed in 2013.

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

Request for Information

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
(GOVERNMENT-WIDE)  
STATEMENT OF NET POSITION  
June 30, 2014**

	Governmental Activities
<b>ASSETS</b>	
Current	
Cash and cash equivalents	\$ 3,110,063
Other receivables	901,283
Grants receivable	649,656
Related entity receivables	613,453
Prepaid expenses	19,628
<b>Total current assets</b>	<u>5,294,083</u>
Noncurrent	
Capital assets, not being depreciated	683,800
Capital assets, net of accumulated depreciation	3,241,869
<b>Total noncurrent assets</b>	<u>3,925,669</u>
<b>Total assets</b>	<u><u>\$ 9,219,752</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current	
Accounts payable and accrued liabilities	\$ 2,549,052
Unearned revenue	845,086
Accrued compensated absences	304,383
Current portion of capital lease payable	132,373
<b>Total current liabilities</b>	<u>3,830,894</u>
Noncurrent	
Accrued compensated absences	73,853
Capital lease payable	2,153,449
<b>Total noncurrent liabilities</b>	<u>2,227,302</u>
<b>Total liabilities</b>	<u>6,058,196</u>
<b>NET POSITION</b>	
Net Investment in capital assets	1,639,847
Unrestricted	1,521,709
<b>Total net position</b>	<u>3,161,556</u>
<b>Total liabilities and net position</b>	<u><u>\$ 9,219,752</u></u>

*See Notes to Financial Statements.*

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
(GOVERNMENT-WIDE)  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014**

	Expenses	Charges for Services	Program Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position for Governmental Activities
Functions/Programs				
Governmental Activities				
General government				
General activities	\$ 827,591	556,996	273,649	3,054
Reimbursement of Rio Metro costs	5,467,985	5,467,985	-	-
Transportation planning	3,497,163	-	3,574,341	77,178
Economic development	177,018	-	177,018	-
Employment services	721,081	-	732,106	11,026
Other planning programs	554,326	-	554,326	-
<b>Total governmental activities</b>	<u>11,245,163</u>	<u>6,024,981</u>	<u>5,311,440</u>	<u>91,258</u>
General Revenues				
Interest				\$ <u>1,272</u>
<b>Change in net position</b>				92,530
Net position, beginning of year				<u>3,069,026</u>
<b>Net position, end of year</b>				<u>\$ <u>3,161,556</u></u>

*See Notes to Financial Statements.*

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2014**

	Major Funds			Other Non-major Governmental Funds	Total Governmental Funds
	General #10	Rio Metro Operations	UPWP #52		
<b>ASSETS</b>					
Cash and equivalents	\$ 3,110,063	-	-	-	3,110,063
Other receivables	60,585	8,074	228,089	604,535	901,283
Grant reimbursements receivable	-	96,089	377,624	175,943	649,656
Interfund receivables	1,246,632	16,253	-	251,394	1,514,279
Related entity receivables	-	486,766	-	126,687	613,453
Prepaid expenses	19,628	-	-	-	19,628
<b>Total assets</b>	<b>\$ 4,436,908</b>	<b>607,182</b>	<b>605,713</b>	<b>1,158,559</b>	<b>6,808,362</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,418,094	-	111	11,632	1,429,837
Accrued payroll liabilities	872,724	154,772	46,828	349,274	1,423,598
Interfund payables	-	452,410	558,774	503,280	1,514,464
Unearned grant advances	550,528	-	-	294,558	845,086
<b>Total liabilities</b>	<b>2,841,346</b>	<b>607,182</b>	<b>605,713</b>	<b>1,158,744</b>	<b>5,212,985</b>
<b>FUND BALANCES</b>					
Committed	500,000	-	-	-	500,000
Unassigned	1,095,562	-	-	-	1,095,562
<b>Total fund balance</b>	<b>1,595,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,595,562</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,436,908</b>	<b>607,182</b>	<b>605,713</b>	<b>1,158,744</b>	<b>6,808,547</b>

**Reconciliation**

Total fund balance - governmental funds 1,595,562

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported	\$ 3,925,669
Capital lease payable, long term debt	(2,285,822)
Compensated absences, long-term liabilities	(73,853)

Net position of governmental activities \$ 3,161,556



MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
- GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

	Major Funds			Other Non-major Governmental Funds	Total Governmental Funds
	General #10	Rio Metro Operations	UPWP #52		
<b>REVENUES</b>					
Intergovernmental					
Federal grants and contracts	\$ 31,325	-	1,006,269	3,014,318	4,051,912
State of New Mexico grants	-	-	-	95,743	95,743
Charges for services	84,462	-	-	-	84,462
Local	472,534	-	-	274,571	747,105
Reimbursement of Rio Metro costs	-	5,467,985	-	-	5,467,985
Miscellaneous	242,324	-	-	-	242,324
Interest	1,272	-	-	-	1,272
<b>Total revenues</b>	<b>831,917</b>	<b>5,467,985</b>	<b>1,006,269</b>	<b>3,384,632</b>	<b>10,690,803</b>
<b>EXPENDITURES</b>					
Current					
Operating	14,503	-	1,087,091	3,269,769	4,371,363
Contractual	17,250	-	70,574	535,214	623,038
Expenditures reimbursed by Rio Metro	-	5,457,793	-	-	5,457,793
Capital outlay	465,940	10,192	20,084	55,059	551,275
Debt service:					
Principal and interest	152,621	-	-	-	152,621
<b>Total expenditures</b>	<b>650,314</b>	<b>5,467,985</b>	<b>1,177,749</b>	<b>3,860,042</b>	<b>11,156,090</b>
Excess of expenditures over revenues	181,603	-	(171,480)	(475,410)	(465,287)
<b>OTHER FINANCING SOURCES/USES</b>					
Other financing source	750,000	-	-	-	750,000
Operating transfers (out) in	(646,890)	-	171,480	475,410	-
<b>Net change in fund balance</b>	<b>284,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,713</b>
<b>Fund balance, beginning of year</b>	<b>1,310,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,310,849</b>
<b>Fund balance, end of year</b>	<b>\$ 1,595,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,595,562</b>
<b>Reconciliation:</b>					
Change in fund balance-total government funds					284,713
Amounts reported for governmental activities in the statements of activities are different because:					
Principal portion of capital lease payable					238,067
Addition to capital lease					(750,000)
Depreciation is not recorded as a financial use					(248,204)
Capital assets additions used in governmental activities are not financial resources and, therefore, are not reported					551,275
Loss on disposal of capital asset					(4,795)
Change in accrued vacation liability and increase in sick accrued					21,474
Change in Net Position of Governmental Activities					<u>\$ 92,530</u>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2014**

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ -	32,000	31,325	(675)
State	-	-	-	-
Charges for services	-	-	84,462	84,462
Local	472,534	472,534	472,534	-
Interest and other	35,000	35,000	90,975	55,975
<b>Total revenues</b>	<b>507,534</b>	<b>539,534</b>	<b>679,296</b>	<b>139,762</b>
<b>EXPENDITURES</b>				
Current:				
Operating	-	20,000	14,503	5,497
Contractual	-	18,000	17,250	750
Capital outlay	-	470,000	465,940	4,060
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>508,000</b>	<b>497,693</b>	<b>10,307</b>
Other financing uses	-	750,000	750,000	-
Operating transfer out	472,534	646,890	646,890	-
<b>Change in fund balance</b>	<b>\$ 35,000</b>	<b>134,644</b>	<b>284,713</b>	<b>150,069</b>

*See Notes to Financial Statements.*

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**MAJOR FUND - RIO METRO OPERATIONS**  
**Year Ended June 30, 2014**

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	5,517,551	5,617,551	5,467,985	(149,566)
Miscellaneous	-	-	-	-
	<hr/>			
<b>Total revenues</b>	<b>5,517,551</b>	<b>5,617,551</b>	<b>5,467,985</b>	<b>(149,566)</b>
	<hr/>			
<b>EXPENDITURES</b>				
Current:				
Operating	-	-	-	-
Incurred on behalf of Rio Metro	5,517,551	5,617,551	5,467,985	149,566
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<hr/>			
<b>Total expenditures</b>	<b>5,517,551</b>	<b>5,617,551</b>	<b>5,467,985</b>	<b>149,566</b>
	<hr/>			
Other financing uses	-	-	-	-
Operating transfer out	-	-	-	-
	<hr/>			
<b>Change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>			

*See Notes to Financial Statements.*

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**MAJOR FUND - UNIFIED PLANNING WORK PROGRAM-FHWA #52**  
**Year Ended June 30, 2014**

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ 1,643,211	1,643,211	1,006,269	(636,942)
State	-	-	-	-
Charges for services	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	-	-	-	-
Interest and other	-	-	-	-
	<hr/>			
<b>Total revenues</b>	1,643,211	1,643,211	1,006,269	(636,942)
	<hr/>			
<b>EXPENDITURES</b>				
Current:				
Operating	1,923,234	1,923,234	1,177,749	745,485
Incurred on behalf of Rio Metro	-	-	-	-
Contractual	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>			
<b>Total expenditures</b>	1,923,234	1,923,234	1,177,749	745,485
	<hr/>			
Other financing uses				
Operating transfer in	280,023	280,023	171,480	108,543
	<hr/>			
<b>Change in fund balance</b>	\$ -	-	-	-
	<hr/> <hr/>			

*See Notes to Financial Statements.*

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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.* Certain GASB statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The MRCOG is the primary government and is not a component unit of any other entity. It is the financial reporting entity, and it did not have any component units during the fiscal year ended June 30, 2014.

*Basic Financial Statements.* The basic financial statements include both government-wide (based on MRCOG as a whole) and fund financial statements. The focus is on either the MRCOG as a whole or major individual funds (fund financial statements). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on an economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The MRCOG did not have any business-type activities during the year ended June 30, 2013.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

Interfund activity is eliminated in the government-wide financial statements. There was no internal service fund activity which needed to be eliminated for the year of 2014.

*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, 2014**

**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, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Major Funds:**

Rio Metro – ( Program No. 49, 89, 411, 425, 430, 435 ,439, 440, 441, 445, 451, 454, 467) – A special revenue fund that was created by a professional services agreement with Rio Metro. It includes the personnel costs of the operation and administration and other various costs of operating and administering Rio Metro’s transit, rail and planning activities.

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, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

*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, 2014**

**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 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 and improvement	40 years

MRCOG did not own any infrastructure assets as of June 30, 2014.

*Encumbrances.* MRCOG does not use encumbrances.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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. For budgetary purposes, the general fund treats principal and interest payments on its debt as an operating cost. These expenditures are then transferred out and allocated out to certain other funds.

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Position.* Net position on the Statement of Net Position include the following:

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

*Restricted* – the component of net position that reports the difference between assets and liabilities of the MRCOG that consists of assets with constraints placed on their use that are legally enforceable by legislation and the like to be used only for the purposes specified. MRCOG had no restricted net position as of June 30, 2014.

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

*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, 2014**

**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, 2014, the amount of the MRCOG's bank balance of \$2,179,221 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ (2,668,629)
Uninsured and collateral held by pledging bank's trust Department not in MRCOG's name	3,508,239

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS (CONTINUED)**

Following are the descriptions of the cash and repurchase agreements as of June 30, 2014:

	Book Balance	Bank Balance
Repurchase agreement sweep account	\$ 186,575	186,575
Demand deposit	2,244,267	1,500,000
Business savings account	<u>679,221</u>	<u>679,221</u>
<b>Total</b>	<u>\$ 3,110,063</u>	2,365,796
Outstanding checks		(34,273)
Deposits in transit		778,511
Other Adjustments		<u>29</u>
Cash and equivalents per financial statements		<u>\$ 3,110,063</u>

**NOTE 3. INTERFUND RECEIVABLES/PAYABLES**

Interfund accounts were as follows at June 30, 2014:

	To	From
Due to general fund from major and nonmajor funds	\$ 1,246,632	-
Due to Rio Metro operations	16,253	-
Due from Rio Metro operations	-	452,410
Due from UPWP-FTA #52 to general fund	-	558,774
Due to nonmajor funds from general fund	251,394	-
Due from nonmajor funds to general fund	<u>-</u>	<u>503,095</u>
<b>Total</b>	<u>\$ 1,514,279</u>	<u>1,514,279</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, 2014 to be repaid within one year.

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 4. CAPITAL ASSETS**

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

	June 30, 2013	Additions	Deletions	Adjustments/ Transfers	June 30, 2014
Nondepreciable					
Land	\$ 683,800	-	-	-	683,800
Depreciable					
Building and improvements	2,792,822	396,618	-	-	3,189,440
Furniture, fixtures and machinery	<u>1,411,515</u>	<u>154,657</u>	<u>(66,489)</u>	-	<u>1,499,683</u>
Total assets	<u>4,888,137</u>	<u>551,275</u>	<u>(66,489)</u>	-	<u>5,372,923</u>
Accumulated depreciation					
Building	(531,460)	(69,821)	-	-	(601,281)
Furniture, fixtures, and machinery	<u>(729,284)</u>	<u>(178,383)</u>	<u>61,694</u>	-	<u>(845,973)</u>
Total accumulated depreciation	<u>(1,260,744)</u>	<u>(248,204)</u>	<u>61,694</u>	-	<u>(1,447,254)</u>
Net capital assets	<u>\$3,627,393</u>	<u>303,071</u>	<u>(4,795)</u>	-	<u>3,925,669</u>

Furniture, equipment and machinery have been provided from grants accounted for in Special Revenue Funds in the amount of \$1,499,683, including on hand at June 30, 2014, \$79,786 in surplus (idle) equipment that is fully depreciated and included in the capital assets.

Depreciation expense for the year ended June 30, 2014 was \$248,204. It was charged to the general activities function in the Statement of Activities.

**NOTE 5. ACCRUED VACATION AND SICK LEAVE**

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)**

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

Employees may not carry over more than 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, 2014, 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, 2014, has been recorded as a liability in the Government-Wide Statement of Net Position as current portion due \$304,383 and long-term portion due \$73,853. Typically, General funds are used to liquidate this liability, which totaled \$73,853 at June 30, 2014. Funds accumulated from grantor reimbursements are used to liquidate the funded portion



**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)**

of the liabilities, which total \$304,383 at June 30, 2014. Detail of accumulated leave for the year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
	\$ 374,156	297,551	(293,471)	<b>378,236</b>	304,383

**NOTE 6. CHANGES IN LONG-TERM DEBT**

On December 12, 2013, MRCOG amended and restated its capital lease agreement with Bernalillo County. The new agreement refinances the principal balance of \$2,362,644 over seventeen (17) years at .65% interest rate. The principal balance includes an additional \$750,000 for renovations to the building. Annual payments are approximately \$147,000 under the restated lease agreement. MRCOG estimates savings of about \$700,000 in interest expense under the new agreement.

A summary of long-term debt and changes in long-term debt for the year ended June 30, 2014 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
2015	\$ 132,373	14,464
2016	133,235	13,601
2017	134,104	12,732
2018	134,978	11,858
2019 -2031	<u>1,751,132</u>	<u>72,091</u>
<b>Total</b>	<u>2,285,822</u>	<u>124,746</u>
Less current portion	<u>(132,373)</u>	
<b>Long-term portion of debt</b>	<u>\$ 2,153,449</u>	

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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

	June 30, 2013	Reductions	Additions	<b>June 30, 2014</b>	Amounts Due Within One Year
Capital lease	\$ 1,773,889	(238,067)	750,000	<b>2,285,822</b>	132,373

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

**NOTE 7. RIO METRO REIMBURSEMENTS/INCURRED COSTS**

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

Reimbursement to MRCOG	
Rio Metro RTD Revenue	\$ <u>5,467,985</u>
Incurred on behalf of Rio Metro	
Operating Expenses	<u>5,467,985</u>
Total Expenditures	<u>5,467,985</u>
Excess revenues over	
Expenditures	<u>\$ -</u>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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](http://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, 2014, 2013 and 2012 were \$951,266, \$886,270 and \$835,270, respectively, which equal the amount of the required contributions for each fiscal year.

In June 2012, GASB Statement No. 68 - Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, is effective for financial reporting periods beginning after June 15, 2014. The MRCOG has adopted this standard effective July 1, 2014. It is anticipated that a liability for pension participation will be included in the FY15 financial statements.

**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, 2014 were \$34,279. As of June 30, 2014, nothing was owed to the City of Albuquerque for administrative fees, payroll, payroll taxes, and PERA contributions.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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, 2014:

Insurer and Policy Type	Term	Coverage
<b>New Mexico Mutual</b> (worker's compensation)	2/12/14 - 2/12/15	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)
<b>Alliant Insurance Services, Inc.</b> Commercial general liability	9/29/13 - 9/29/14	\$1,000,000 each occurrence, No general aggregate limit
Auto liability - Owned and non-owned vehicles	9/29/13 - 9/29/14	Combined single limit \$1,000,000
Special Property Insurance Program	7/1/13 - 7/1/14	Boiler and machining property \$25,000,000 aggregate other limitation apply
Employee Dishonesty Bond	7/1/13 - 7/1/14	\$1,000,000 faithful performance/employee honesty
<b>City of Albuquerque Risk Management Fund</b>		Covered under limits of the Tort Claims Act of NM
Auto vehicles liability - MRCOG owned	Continuous policy	\$1,000,000 - property damage \$1,000,000 - per person for single occurrence
Below are not MRCOG's		
<b>General Star Indemnity Company</b>		
Excess Auto	11/10/13 - 11/10/14	\$4,000,000 - Aggregate
<b>National Indemnity Company</b>		
Commercial Automobile	11/10/13 - 11/10/14	\$1,000,000 - Single Limit \$5,000-Medical Payments Any one person \$1,000,000 -Uninsured Motorist CSL \$1,272,069 - Collision \$1,272,069 - Comprehensive
<b>Essex Insurance Company</b>		
Commercial General Liability	11/10/13 - 11/10/14	\$2,000,000 - General Aggregate \$1,000,000- Each Occurrence \$1,000,000- Personal &Advertising Injury \$5,000-MedicalPayments / Any one person \$100,000- Damage to Premises
<b>Evanston Insurance Company</b>		
Excess Liability	11/10/13- 11/10/14	\$4,000,000 - Annual Aggregate \$4,000,000- Each Occurrence

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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](http://www.nmrhca.state.nm.us).

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 11. POST- EMPLOYMENT BENEFITS (CONTINUED)**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 2% of each participating employee's annual salary; each participating employee is required to contribute 1% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The MRCOG's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$100,081, \$92,985 and \$80,582, respectively, which equal the required contributions for each year.

**NOTE 12. CONTINGENCIES**

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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 \$7,259,117 for payroll expenses. The MRCOG was reimbursed \$2,946,147 by Rio Metro and \$732,106 By WCCNM for payroll and other operating expenses.

**NOTE 14. RELATED ENTITY TRANSACTIONS**

*Rio Metro Regional Transit District (Rio Metro).* The MRCOG's accounts receivable balance from Rio Metro was \$610,703 and the accounts payable balance to Rio Metro was \$11,501 at June 30, 2014. MRCOG also had from Rio Metro a cash advance balance of \$550,528 at June 30, 2014.

*Workforce Connection of Central New Mexico (WCCNM).* The MRCOG's accounts receivable balance from WCCNM was \$115,768 at June 30, 2014.

Payments made to related entities during the year ended June 30, 2014:

Bernalillo County	\$ 170,024
City of Albuquerque	7,303,250
Rio Metro	<u>503,481</u>
	<u>\$ 7,976,755</u>

**SUPPLEMENTARY INFORMATION**



**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2014**

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.

*LEPC (No. 25)* – Provides for a grant from the New Mexico Department of Homeland Security and Emergency Management passed through to the Local Emergency Planning Committee to perform the Albuquerque/Bernalillo County Commodity Flow Planning and Study.

*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.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2014**

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

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

*Metropolitan Transportation Planning Organization (MPO) – Other local funds (No. 55, 50, 51&63)* – Rio Metro and other local government’s participation in MPO and other transportation planning activities.

*Regional Travel Demand Survey (No. 56)* – Provides inputs to the regional travel demand model for the Albuquerque Metropolitan Planning Area (AMPA). The survey is comprised of a household survey and an on-board travel survey. The surveys are projected to be completed by June 2014.

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
June 30, 2014**

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

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

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

*Commuter Rail Capital – Phase II (No. 85)* – 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).

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

*Veterans Initiative Website (No. 350&351)* – Funding provided by the U.S. Department of Transportation, Federal Transit Administration, to create and implement a regional One-Call/One-Click center to connect public transportation services with human services programs, with an emphasis on veterans and military families.

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
June 30, 2014**

*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.

*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.

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

**MID-REGION COUNCIL OF GOVERNMENTS  
OF NEW MEXICO  
COMBINING BALANCE SHEET  
ALL NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	WORKFORCE #20	TANF #22/23	LEPC #25	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	Uptown Study #50	Paseo del Volcan #51	UPWP FTA NMSHTD #53	UPWP LOCAL GOV ASSISTANCE #54
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	23,000	1,000	20,215	-	-	68,081	134,210
Due from other funds	-	-	-	125,881	5,500	-	79,063	-	-	-
Related entity receivable	115,768	-	-	-	-	-	-	-	-	-
Grant reimbursements receivable	-	-	-	-	-	-	47,438	19,025	-	(126,619)
<b>Total assets</b>	<b>\$ 115,768</b>	<b>-</b>	<b>-</b>	<b>148,881</b>	<b>6,500</b>	<b>20,215</b>	<b>126,501</b>	<b>19,025</b>	<b>68,081</b>	<b>7,591</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	-	-	-	-	71	-	-	60	-
Accrued liabilities	17,994	-	-	-	-	12,029	47,438	19,025	7,553	830
Due to other funds	97,774	-	-	-	-	8,115	-	-	60,468	6,761
Unearned grant advances	-	-	-	148,881	6,500	-	79,063	-	-	-
<b>Total liabilities</b>	<b>115,768</b>	<b>-</b>	<b>-</b>	<b>148,881</b>	<b>6,500</b>	<b>20,215</b>	<b>126,501</b>	<b>19,025</b>	<b>68,081</b>	<b>7,591</b>
<b>FUND BALANCES</b>										
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 115,768</b>	<b>-</b>	<b>-</b>	<b>148,881</b>	<b>6,500</b>	<b>20,215</b>	<b>126,501</b>	<b>19,025</b>	<b>68,081</b>	<b>7,591</b>

**MID-REGION COUNCIL OF GOVERNMENTS  
OF NEW MEXICO  
COMBINING BALANCE SHEET  
ALL NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	UPWP Rio Metro #55	AMPA Wide Regional Travel Survey #56	COMPLETE STREETS BERNALILLO #63	CLIMATE CHANGE & TRANS #65	CTCP #67	TRAVEL TIME PROGRAM #68	AGRIBUSINESS #70	EDA #72	EDA INNOVATION CENTER #74	Commuter Rail #85	LPA #93
<b>ASSETS</b>											
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-	-
Other receivables	-	115,055	-	8,455	53,852	133,787	8,677	21,495	14,507	-	-
Due from other funds	-	-	-	-	-	-	13,710	-	9,438	-	13,022
Related entity receivable	10,644	-	-	-	-	-	-	-	-	-	-
Grant reimbursements receivable	-	107,712	2,360	30,000	1,360	-	-	(3,716)	-	27,231	-
<b>Total assets</b>	<b>\$ 10,644</b>	<b>222,767</b>	<b>2,360</b>	<b>38,455</b>	<b>55,212</b>	<b>133,787</b>	<b>22,387</b>	<b>17,779</b>	<b>23,945</b>	<b>27,231</b>	<b>13,022</b>
<b>LIABILITIES</b>											
Accounts payable	\$ -	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	195	126,067	-	30,500	9,633	212	50	1,163	1,168	-	13,022
Due to other funds	10,449	96,700	2,360	7,955	45,579	133,575	-	1,616	-	27,231	-
Unearned grant advances	-	-	-	-	-	-	22,337	15,000	22,777	-	-
<b>Total liabilities</b>	<b>10,644</b>	<b>222,767</b>	<b>2,360</b>	<b>38,455</b>	<b>55,212</b>	<b>133,787</b>	<b>22,387</b>	<b>17,779</b>	<b>23,945</b>	<b>27,231</b>	<b>13,022</b>
<b>FUND BALANCES</b>											
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 10,644</b>	<b>222,767</b>	<b>2,360</b>	<b>38,455</b>	<b>55,212</b>	<b>133,787</b>	<b>22,387</b>	<b>17,779</b>	<b>23,945</b>	<b>27,231</b>	<b>13,022</b>

**MID-REGION COUNCIL OF GOVERNMENTS  
OF NEW MEXICO  
COMBINING BALANCE SHEET  
ALL NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	Veteran's Initiative Website - Admin #350	Veteran's Initiative Website - Admin #351	Veteran's Initiative Website - Research #352	JARC #450	NEW FREEDOM #452/453	TCSP CNM/UNM #460	LOS LUNAS CORRIDOR STUDY #470	UNM/CNM TRANSPORTATION STUDY #480	TOTAL
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-
Other receivables	1,286	-	(185)	-	-	-	-	1,100	<b>604,535</b>
Due from other funds	-	1,068	205	778	1,283	-	-	1,446	<b>251,394</b>
Related entity receivable	-	-	-	-	-	-	-	275	<b>126,687</b>
Grant reimbursements receivable	1	4,268	-	5,959	55,793	5,127	4	-	<b>175,943</b>
<b>Total assets</b>	<b>\$ 1,287</b>	<b>5,336</b>	<b>20</b>	<b>6,737</b>	<b>57,076</b>	<b>5,127</b>	<b>4</b>	<b>2,821</b>	<b>1,158,559</b>
<b>LIABILITIES</b>									
Accounts payable	\$ -	-	-	-	11,501	-	-	-	<b>11,632</b>
Accrued liabilities	14	5,336	20	6,737	45,573	1,894	-	2,821	<b>349,274</b>
Due to other funds	1,273	-	185	-	2	3,233	4	-	<b>503,280</b>
Unearned grant advances	-	-	-	-	-	-	-	-	<b>294,558</b>
<b>Total liabilities</b>	<b>1,287</b>	<b>5,336</b>	<b>205</b>	<b>6,737</b>	<b>57,076</b>	<b>5,127</b>	<b>4</b>	<b>2,821</b>	<b>1,158,744</b>
<b>FUND BALANCES</b>									
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 1,287</b>	<b>5,336</b>	<b>205</b>	<b>6,737</b>	<b>57,076</b>	<b>5,127</b>	<b>4</b>	<b>2,821</b>	<b>1,158,744</b>

**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, 2014**

	WORKFORCE #20	TANF #22/23	LEPC #25	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	Uptown Study #50	Paseo del Volcan #51	UPWP FTA NMSHTD #53	UPWP LOCAL GOV ASSISTANCE #54	UPWP Rio Metro #55	AMPA Wide Regional Travel Survey #56
<b>REVENUES</b>												
Intergovernmental												
Federal	\$ 732,106	-	48,750	-	-	66,503	-	-	125,165	18,590	-	721,342
State	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	124,971	-	-	47,438	19,025	-	-	18,322	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 732,106</b>	<b>-</b>	<b>48,750</b>	<b>124,971</b>	<b>-</b>	<b>66,503</b>	<b>47,438</b>	<b>19,025</b>	<b>125,165</b>	<b>18,590</b>	<b>18,322</b>	<b>721,342</b>
<b>EXPENDITURES</b>												
Current:												
Operating	\$ 721,914	-	48,750	-	-	92,438	47,438	19,025	138,011	30,063	18,322	844,267
Contractual	-	-	-	124,971	-	-	-	-	18,445	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	10,192	-	-	-	-	-	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>732,106</b>	<b>-</b>	<b>48,750</b>	<b>124,971</b>	<b>-</b>	<b>92,438</b>	<b>47,438</b>	<b>19,025</b>	<b>156,456</b>	<b>30,063</b>	<b>18,322</b>	<b>844,267</b>
<b>OTHER FINANCING SOURCES/USES</b>												
Operating transfers in	-	-	-	-	-	25,935	-	-	31,291	11,473	-	122,925
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**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, 2014**

	COMPLETE STREETS BERNALILLO #63	CLIMATE CHANGE & TRANS #65	CTCP #67	TRAVEL TIME PROGRAM #68	AGRIBUSINESS #70	EDA #72	EDA INNOVATION CENTER #74	Commuter Rail #85	LPA #93	Veteran's Initiative Website - Admin #350
<b>REVENUES</b>										
Intergovernmental										
Federal	\$ -	51,906	332,240	180,975	-	64,721	47,325	-	-	8,273
State	-	-	-	-	-	-	-	-	95,743	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Local	2,360	-	-	-	11,340	-	22,361	-	3,110	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 2,360</b>	<b>51,906</b>	<b>332,240</b>	<b>180,975</b>	<b>11,340</b>	<b>64,721</b>	<b>69,686</b>	<b>-</b>	<b>98,853</b>	<b>8,273</b>
<b>EXPENDITURES</b>										
Current:										
Operating	\$ 2,360	51,906	359,129	20,843	11,340	107,868	45,256	-	212,133	10,341
Contractual	-	-	40,634	190,972	-	-	23,894	-	2,562	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,360</b>	<b>51,906</b>	<b>399,763</b>	<b>211,815</b>	<b>11,340</b>	<b>107,868</b>	<b>69,150</b>	<b>-</b>	<b>214,695</b>	<b>10,341</b>
<b>OTHER FINANCING SOURCES/USES</b>										
Operating transfers in	-	-	67,523	30,840	-	43,147	-	-	115,842	2,068
Operating transfers out	-	-	-	-	-	-	(536)	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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, 2014**

	Veteran's Initiative Website - Admin #351	Veteran's Initiative Website - Research #352	JARC #450	NEW FREEDOM #452/453	TCSP CNM/UNM #460	LOS LUNAS CORRIDOR STUDY #470	UNM/CNM TRANSPORTATION STUDY #480	TOTAL
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 57,125	2,195	178,528	213,669	62,328	-	102,577	<b>3,014,318</b>
State	-	-	-	-	-	-	-	<b>95,743</b>
Charges for services	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	25,644	<b>274,571</b>
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 57,125</b>	<b>2,195</b>	<b>178,528</b>	<b>213,669</b>	<b>62,328</b>	<b>-</b>	<b>128,221</b>	<b>3,384,632</b>
<b>EXPENDITURES</b>								
Current:								
Operating	\$ 26,539	2,195	178,528	213,669	22,586	-	44,848	<b>3,269,769</b>
Contractual	-	-	-	-	50,363	-	83,373	<b>535,214</b>
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Capital outlay	44,867	-	-	-	-	-	-	<b>55,059</b>
Principal and interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>71,406</b>	<b>2,195</b>	<b>178,528</b>	<b>213,669</b>	<b>72,949</b>	<b>-</b>	<b>128,221</b>	<b>3,860,042</b>
<b>OTHER FINANCING SOURCES/USES</b>								
Operating transfers in	14,281	-	-	-	10,621	-	-	<b>475,946</b>
Operating transfers out	-	-	-	-	-	-	-	<b>(536)</b>
Change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2014**

	WORKFORCE #20				LEPC #25				ORTHO #29			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
<b>REVENUES</b>												
Intergovernmental												
Federal	\$ 750,000	750,000	732,106	(17,894)	-	48,750	48,750	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	400,000	400,000	124,971	(275,029)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 750,000</b>	<b>750,000</b>	<b>732,106</b>	<b>(17,894)</b>	<b>-</b>	<b>48,750</b>	<b>48,750</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>	<b>124,971</b>	<b>(275,029)</b>
<b>EXPENDITURES</b>												
Current:												
General Government	\$ 750,000	750,000	732,106	17,894	-	48,750	48,750	-	400,000	400,000	124,971	275,029
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>750,000</b>	<b>750,000</b>	<b>732,106</b>	<b>17,894</b>	<b>-</b>	<b>48,750</b>	<b>48,750</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>	<b>124,971</b>	<b>275,029</b>
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2014

	SALT MISSION TRAIL #32				RPO #33				Uptown Study # 50				Paseo del Volcan # 51			
	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)
<b>REVENUES</b>																
Intergovernmental																
Federal	\$ -	-	-	-	61,011	74,116	66,503	(7,613)	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	1,250	-	(1,250)	-	-	-	-	-	79,063	47,438	(31,625)	-	74,900	19,025	(55,875)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>1,250</b>	<b>-</b>	<b>(1,250)</b>	<b>61,011</b>	<b>74,116</b>	<b>66,503</b>	<b>(7,613)</b>	<b>-</b>	<b>79,063</b>	<b>47,438</b>	<b>(31,625)</b>	<b>-</b>	<b>74,900</b>	<b>19,025</b>	<b>(55,875)</b>
<b>EXPENDITURES</b>																
Current:																
General government	\$ -	1,250	-	1,250	76,264	100,051	92,438	7,613	-	79,063	47,438	31,625	-	74,900	19,025	55,875
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>1,250</b>	<b>76,264</b>	<b>100,051</b>	<b>92,438</b>	<b>7,613</b>	<b>-</b>	<b>79,063</b>	<b>47,438</b>	<b>31,625</b>	<b>-</b>	<b>74,900</b>	<b>19,025</b>	<b>55,875</b>
Excess of revenues and other financing sources over expenditures	-	-	-	-	(15,253)	(25,935)	(25,935)	-	-	-	-	-	-	-	-	-
Other financing sources (uses)																
Transfers in	-	-	-	-	15,253	25,935	25,935	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2014

	UPWP/FTA/NMSHTD #53				UPWP-LOCAL GOVT ASSISTANCE #54				UPWP-Rio Metro #55				AMPA WIDE TRAVEL SURVEY #56			
	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)
<b>REVENUES</b>																
Intergovernmental																
Federal	\$ 537,875	246,484	125,165	(121,319)	152,456	152,800	18,590	(146,071)	-	-	-	-	1,000,000	1,000,000	721,342	(278,658)
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	200,000	18,322	(181,678)	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>\$ 537,875</u>	<u>246,484</u>	<u>125,165</u>	<u>(121,319)</u>	<u>152,456</u>	<u>152,800</u>	<u>18,590</u>	<u>(146,071)</u>	<u>-</u>	<u>200,000</u>	<u>18,322</u>	<u>(181,678)</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>721,342</u>	<u>(278,658)</u>
<b>EXPENDITURES</b>																
Current:																
General government	\$ 672,344	308,105	156,456	151,649	190,570	191,000	30,063	191,218	-	200,000	18,322	181,678	1,170,412	1,170,412	844,267	326,145
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>672,344</u>	<u>308,105</u>	<u>156,456</u>	<u>151,649</u>	<u>190,570</u>	<u>191,000</u>	<u>30,063</u>	<u>191,218</u>	<u>-</u>	<u>200,000</u>	<u>18,322</u>	<u>181,678</u>	<u>1,170,412</u>	<u>1,170,412</u>	<u>844,267</u>	<u>326,145</u>
Excess of revenues and other financing sources over expenditures	(134,469)	(61,621)	(31,291)	30,330	(38,114)	(38,200)	(11,473)	26,727	-	-	-	-	(170,412)	(170,412)	(122,925)	47,487
Other financing sources (uses)																
Transfer in	134,469	61,621	31,291	30,330	38,114	38,200	11,473	26,727	-	-	-	-	170,412	170,412	122,925	47,487
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
NON-MAJOR SPECIAL REVENUE FUND  
Year Ended June 30, 2014

	COMPLETE STREETS BERNALILLO #63				Climate Change & Transportation #65				CTCP #67				TIME TRAVEL PROGRAM #68			
	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)
<b>REVENUES</b>																
Intergovernmental																
Federal	-	-	-	-	-	120,000	51,906	(68,094)	580,942	580,942	332,240	(248,702)	276,126	276,126	180,975	(95,151)
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	29,369	2,360	(27,009)	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	-	29,369	2,360	(27,009)	-	120,000	51,906	(68,094)	580,942	580,942	332,240	(248,702)	276,126	276,126	180,975	(95,151)
<b>EXPENDITURES</b>																
Current:																
General government	-	29,369	2,360	27,009	-	120,000	51,906	68,094	698,899	698,899	399,763	299,136	323,181	323,181	211,815	111,366
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	29,369	2,360	27,009	-	120,000	51,906	68,094	698,899	698,899	399,763	299,136	323,181	323,181	211,815	111,366
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	(117,957)	(117,957)	(67,523)	50,434	(47,055)	(47,055)	(30,840)	16,215
Other financing sources (uses)																
Transfer in	-	-	-	-	-	-	-	-	117,957	117,957	67,523	50,434	47,055	47,055	30,840	(16,215)
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2014**

	AGRIBUSINSS#70				EDA #72				EDA INNOVATION CENTER #74			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
<b>REVENUES</b>												
Intergovernmental												
Federal	-	-	-	-	60,000	67,911	64,721	(3,190)	85,984	86,351	47,325	(39,026)
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	40,000	11,340	(28,660)	-	-	-	-	57,323	58,103	22,361	(35,742)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>40,000</b>	<b>11,340</b>	<b>(28,660)</b>	<b>60,000</b>	<b>67,911</b>	<b>64,721</b>	<b>(3,190)</b>	<b>143,307</b>	<b>144,454</b>	<b>69,686</b>	<b>(74,768)</b>
<b>EXPENDITURES</b>												
Current:												
General government	-	40,000	11,340	28,660	100,000	113,185	107,868	5,317	143,307	143,918	69,150	74,768
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>40,000</b>	<b>11,340</b>	<b>28,660</b>	<b>100,000</b>	<b>113,185</b>	<b>107,868</b>	<b>5,317</b>	<b>143,307</b>	<b>143,918</b>	<b>69,150</b>	<b>74,768</b>
Excess of revenues and other financing sources over expenditures	-	-	-	-	(40,000)	(45,274)	(43,147)	2,127	-	536	536	-
Other financing sources (uses)												
Transfer in	-	-	-	-	40,000	45,274	43,147	2,127	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	536	(536)	-
<b>Change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,072</b>	<b>-</b>

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2014**

	LPA #93				Veteran's Initiative Website 350,351 & 352			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ -	-	-	-	326,000	326,000	67,593	(258,407)
State	95,743	95,743	95,743	-	-	-	-	-
Local	-	-	3,110	3,110	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 95,743</b>	<b>95,743</b>	<b>98,853</b>	<b>3,110</b>	<b>326,000</b>	<b>326,000</b>	<b>67,593</b>	<b>(258,407)</b>
<b>EXPENDITURES</b>								
Current:								
General government	\$ 191,486	216,486	214,695	1,791	407,500	407,500	83,942	323,558
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Noncurrent:								
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>191,486</b>	<b>216,486</b>	<b>214,695</b>	<b>1,791</b>	<b>407,500</b>	<b>407,500</b>	<b>83,942</b>	<b>323,558</b>
Excess of revenues and other financing sources over expenditures	(95,743)	(120,743)	(115,842)	4,901	(81,500)	(81,500)	(16,349)	65,151
Other financing sources (uses)								
Transfer in	95,743	120,743	115,842	(4,901)	81,500	81,500	16,349	65,151
Transfer out	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Year Ended June 30, 2014**

	NEW FREEDOM #452/453				TCSP CNM/UNM #460				UNM/CNM TRANSPORTATION STUDY-FTA #480			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
<b>REVENUES</b>												
Intergovernmental												
Federal	\$ 244,800	399,081	213,669	(185,412)	99,275	91,863	62,328	(29,535)	361,918	313,214	102,577	(210,637)
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	90,479	78,304	25,644	(52,660)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 244,800</b>	<b>399,081</b>	<b>213,669</b>	<b>(185,412)</b>	<b>99,275</b>	<b>91,863</b>	<b>62,328</b>	<b>(29,535)</b>	<b>452,397</b>	<b>391,518</b>	<b>128,221</b>	<b>(263,297)</b>
<b>EXPENDITURES</b>												
Current:												
General government	\$ 244,800	399,081	213,669	185,412	116,193	107,518	72,949	34,569	452,397	391,518	128,221	263,297
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>244,800</b>	<b>399,081</b>	<b>213,669</b>	<b>185,412</b>	<b>116,193</b>	<b>107,518</b>	<b>72,949</b>	<b>34,569</b>	<b>452,397</b>	<b>391,518</b>	<b>128,221</b>	<b>263,297</b>
Excess of revenues and other financing sources over expenditures	-	-	-	-	(16,918)	(15,655)	(10,621)	5,034	-	-	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	16,918	15,655	10,621	(5,034)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**OTHER SUPPLEMENTARY INFORMATION**

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2014

<u>Account</u>	<u>Description of Pledged Collateral</u>	<u>Type of Pledged Collateral</u>	<u>CUSIP Number</u>	<u>Sweep Collateral Value at June 30, 2014</u>	<u>Safe keeper</u>	
<b>MRCOG Sweep</b>	Repurchase Agreement	Shares	3138XDTT7	\$ 189,712	Wells Fargo	
	Accrued Interest	Interest	3138XDTT7	595	Wells Fargo	
	<b>Total Collateral</b>			<u>190,307</u>		
	<b>Bank balance</b>			<u>186,575</u>		
	<b>Collateral required at 102%</b>			<u>190,307</u>		
	<b>Excess Collateral</b>			<u>\$ -</u>		
<b>Combined bank Accounts</b>						
<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Type of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value at June 30, 2014</u>	<u>Location of Safekeeper</u>
Wells Fargo	FN	Bonds	7/1/2043	3138W9BD1	\$ 24,889	Bank of New York Mellon
Wells Fargo	FN	Bonds	1/1/2043	31418ANY0	3,483,350	Bank of New York Mellon
	<b>Total Pledged Collateral</b>				<u>\$ 3,508,239</u>	
	<b>Bank Account Balances</b>					
	MRCOG Checking				\$ 1,500,000	
	MRCOG Savings				679,221	
	<b>Total Bank Balances</b>				<u>2,179,221</u>	
	<b>FDIC Coverage</b>				<u>(500,000)</u>	
	<b>Uninsured Amount</b>				1,679,221	
	<b>Collateral required at 50%</b>				839,611	
	<b>Pledged Collateral</b>				<u>(3,508,239)</u>	
	<b>Excess Collateral</b>				<u>\$ (2,668,629)</u>	

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014**

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	\$ 64,721
Innovation Center Grant	11.302	08-79-04463	074	47,325
Total U.S. Department of Commerce Direct				<u>112,046</u>
<u>U.S. Department of Homeland Security</u>				
Passed through New Mexico Department of Homeland Security & Emergency Management				
Hazardous Material Emergency Preparedness	20.703	HMHMP0293120100- ABQ-Bernaillo Cnty LEPC	25	<u>48,750</u>
<u>U.S. Department of Transportation</u>				
Federal Transportation Administration (FTA)				
Transit Services Program Cluster:				
Job Access and Reverse Commute Program	20.516	NM-37-X018-00	450	178,528
New Freedom Program	20.521	NM-57-X003-00	452	-
New Freedom Program	20.521	NM-57-X006-00	453	213,669
Total Transit Services Program Cluster				<u>392,197</u>
Federal Transit Capital Investment Grants (Veteran's Initiative				
Website - Admin)	20.500	NM-04-0030-00	350/351/352	65,398
Alternatives Analysis (FTA Funds UNM/CNM Area Transportation and Land	20.522	NM-39-0001-00	480	102,577
Veteran's Initiative Website Marketing Project	20.514	NM-26-0004-00	350/351/352	2,195
Total U.S. Department of Transportation Direct				<u>562,367</u>
<u>U.S. Department of Transportation</u>				
Passed through State of New Mexico Department of Transportation				
Highway Planning and Construction:				
Highway Planning and Construction (Regional Planning Organization)	20.205	M01037	033	66,503
Highway Planning and Construction (Unified Planning Work Program)	20.205	M01028	052	1,006,269
Highway Planning and Construction (Unified Planning Work Program)	20.505	M01028	053	125,165
Highway Planning and Construction (Local Government Assistance)	20.205	M01028	054	18,590
Highway Planning and Construction (Transportation Surveillance Program)	20.205	M01028	067	332,240
Highway Planning and Construction (AMPA Wide Travel Survey)	20.205	M01028	056	721,342
Highway Planning and Construction (Travel Time Program)	20.205	80500-0000100923	068	180,975
Highway Planning and Construction (Land Use Coordination)	20.205	M01028	460	62,327
Highway Planning and Construction (Climate Change Scenario Planning)	20.205	HEPN-0713-M445-0007	065	51,906
Total Highway Planning and Construction				<u>2,565,317</u>
Total U.S. Department of Transportation Pass-through Awards				<u>2,565,317</u>
Total Expenditures of Federal Awards				<u>\$ 3,288,480</u>

See Notes to Schedule of Expenditures of Federal Awards.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mid-Region Council of Governments of New Mexico (MRCOG) under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirement of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of MRCOG, it is not intended to and does not present the financial position, changes in net position or cash flows of MRCOG.

2. Summary of Significant Accounting Policies

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

3. Non-cash Assistance

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

4. Subrecipients

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

Name	Amount
Rio Metro RTD CFDA #20.516 and #20.521	\$ 242,753
VSA New Mexico CFDA #20.516 and #20.521	1,260
ARCA CFDA #20.516 and #20.521	87,928
Albuquerque Transit CFDA #20.516 and #20.521	60,256
Total	<u>\$ 392,197</u>

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

The relationships with this entity is a vendor relationship rather than as a subrecipient. Those dollars received by MRCOG under the related contracts are detailed below:

Name	Amount
Workforce Solutions	\$ 763,432
Total Federal Grants	3,288,480
Total Federal grants and contracts	<u>\$ 4,051,912</u>

## **COMPLIANCE**

**Report of Independent Auditors on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial  
Statements Performed in Accordance With  
Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and each major special revenue fund of the Mid-Region Council of Governments of New Mexico (MRCOG) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise MRCOG's basic financial statements, the combining and the individual funds and related budgetary comparisons of MRCOG as presented as supplementary information and have issued our report thereon dated December 15, 2014.

### **Internal Control Over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the MRCOG's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item FS 2014-001.

### **Management's Response to Findings**

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

### **Purpose of this Report**

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



Albuquerque, New Mexico  
December 15, 2014



**Report of Independent Auditors on Compliance for  
Each Major Federal Program and Report on Internal Control  
Over Compliance as Required by OMB Circular A-133**

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

**Report on Compliance for each Major Federal Program**

We have audited the Mid-Region Council of Governments of New Mexico's (MRCOG), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MRCOG's major federal programs for the year ended June 30, 2014. MRCOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of MRCOG's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MRCOG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

***Opinion on Each Major Federal Program***

In our opinion, MRCOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico  
December 15, 2014

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2014**

None

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2014**

**A. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness (es) identified?  Yes  No
  - Significant deficiency (ies) identified?  Yes  None Reported
- Non-compliance material to financial statements noted?  Yes  No

***Major Federal Awards***

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of Major Federal Programs:

<u>CFDA Number</u>	<u>Name of Major Federal Program or Cluster</u>
20.205	Highway Planning and Construction
20.516 & 20.521	Transit Services Program Cluster

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, 2014**

**B. FINDINGS – FINANCIAL STATEMENTS**

**2014-001 Violation of the Fair Labor Standards Act, (Findings that do not rise to the level of a significant deficiency)**

*Condition:* During our inquiry with the MRCOG Finance Manager we noted the U.S. Department of Labor performed an audit and self-disclosed to whom that payroll hours were not properly documented and compensated. As a result the affected employees were found to be due time and a half totaling \$13,066 for all undocumented hours in excess of 40 hours in a seven consecutive day period.

*Criteria:* Per Section 7 of the Fair Labor Standards Act (Act) Unless, exempted employees covered by the Act must receive overtime pay for hours worked in excess of 40 in a workweek at a rate not less than time and one-half their regular rates of pay. There is no limit in the Act on the number of hours an employee aged 16 and older may work in any workweek. The Act does not require overtime pay for work on Saturdays, Sundays, holidays, or regular days of rest, as such.

*Effect:* MRCOG is in violation of the Fair Labor Standards Act Section 7.

*Cause:* The hours worked by the employees were not being properly documented.

*Auditor's Recommendation:* We recommend MRCOG implement a system to better track and document the overtime hours worked by employees.

*Management's Response:* Management of MRCOG had USDOL conduct trainings so they could be in compliance in the future. Management also agreed to institute a new time keeping system as well as ensure the federal minimum wage poster is posted in the establishment.

**C. FINDINGS – FEDERAL AWARD**

NONE

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO  
EXIT CONFERENCE  
Year Ended June 30, 2014**

An exit conference was held on December 11, 2014 in a closed session. The contents of this report were discussed. Present at the exit conference were:

Representing MRCOG:

Phillip Gasteyer  
Dewey Cave  
Thaddeus Lucero  
  
Amy Myer, CPA

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

Representing Moss Adams LLP:

Larry Carmony, CPA  
Michael McGinley, CPA

On-Site Manager  
Senior Accountant

**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.