

2015

North Central Regional Transit District, New Mexico



Comprehensive Annual Financial Report

For the year ended June 30, 2015

www.ncrtd.org



(Cover photo of the Rio Grande Gorge is courteous of C. Jim Cox)

The Rio Grande Gorge is a geological feature in northern New Mexico where the watercourse of the Rio Grande follows a tectonic chasm. Beginning near the Colorado border, the approximately 50-mile gorge runs from northwest to southeast of Taos, New Mexico, through the basalt flows of the Taos Plateau volcanic field. The gorge depth is 800 feet just south of the Rio Grande Gorge Bridge, which spans the gorge 10 miles northwest of Taos. Geologically, the Rio Grande Gorge is a rift valley, a separation in the earth's crust caused by faulting and other earth movements when the North American and Pacific plates scraped against each other some twenty-nine million years ago. The canyon ecosystem descends 800 feet from rim to river, creating a unique diversity in plant and animal life. Ancient pinon and juniper forests are home to 500-year-old trees. Wildlife include mule deer, red-tailed hawk, mountain blue-bird, and prairie dog. The climate is semi-arid with summer thunderstorms common in July and August, and snow possible from November through March. Summer temperatures range from 45 to 90 °F and in winter from -15 to 45 °F. In 1968, the Rio Grande was among the first eight rivers the US Congress designated into the National Wild and Scenic Rivers System to protect outstanding resources values. The Wild and Scenic River flows through the Rio Grande Gorge Recreation Area. The recreation areas include the *Wild Rivers* area in the north and the *Orialla Verde* area in the south,^[4] which provide hiking, boating, fishing and camping facilities. The gorge and 242,500 acres of surrounding land was designated a National Monument, Rio Grande del Norte National Monument, on March 25, 2013. The gorge has Class II to Class V white water rapids that are managed for recreation by The U.S. Bureau of Land Management (BLM). The BLM maintains two developed recreation areas along the river that include hiking, biking and other recreational opportunities. In New Mexico, The Rio Grande has two main sections for rafting near Taos: the Taos Box and the Racecourse Run. The Taos Box, a more dramatic, deep canyon, is famous for its big, technical Class IV rapids, while the Racecourse Run is a Class III stretch better suited for first-time rafters and families. The gorge is also the site of many ancient petroglyphs. At the bottom of the gorge, the Rio Grande is flanked by hidden hot springs and many ruins. The former Chili Line train line also ran along the gorge.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

Prepared by:

Finance

1327 N. Riverside Drive

Española, NM 87532

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015**

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2015

North Central Regional Transit District,
New Mexico



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Introductory Section

INTRODUCTORY SECTION

Letter of Transmittal

Official Roster

Organization of the District



North Central Regional Transit District

1327 North Riverside Dr.
Española, NM 87532

January 8, 2016

Citizens and Board of Directors of North Central New Mexico

The State Auditor's office of New Mexico requires that the North Central Regional Transit District (the District) publish within six months of the close of their fiscal year a complete set of audited financial statements presented in the conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the North Central Regional Transit District for the fiscal year ending June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame work of internal control that it has established for this purpose. To provide a reasonable basis for making these representations, management of the North Central Regional Transit District has established a comprehensive internal control of framework that is designed both to protect the governments' assets from loss, theft, or misuse and to compile sufficient statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The North Central Regional Transit District's financial statements have been audited by Hinkle & Landers PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District finance statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Transit District

The North Central Regional Transit District (District) was the first Regional Transit District to be formed and certified by the New Mexico Transportation Commission in September 2004 pursuant to the 2003, Regional Transit District Act, NMSA 1978, Chapter 73, and Article 25. The District began transporting passengers in October 2007 through the acquisition and consolidation of the City of Española and Rio Arriba County's Los Valles Transit services. The District services 10,079 square miles, having an estimated population of 239,000. It provides predominately free bus transit connecting communities and pueblos throughout the counties of north central New Mexico including Los Alamos, Rio Arriba, Santa Fe and Taos. Further expanding its reach, the

signature RTD Blue Buses provide riders with connections to New Mexico Rail Runner, Santa Fe Trails, New Mexico Park and Ride, Los Alamos Atomic City Transit, Taos Chile Line and Red River Miner’s Transit. All of its buses are ADA accessible and equipped with bicycle racks. The RTD provides service on twenty-one fixed routes and three demand response routes. It provides services as far north as Costilla near the Colorado border and as far south as the Town of Edgewood.

The District operates under a publicly appointed Board of Directors consisting of fourteen elected officials from the Counties of Santa Fe, Los Alamos, Rio Arriba, Taos and the cities and towns of Española, Santa Fe, Edgewood, Taos and the Pueblos of Pojoaque, Tesuque, Nambe, San Ildefonso, Santa Clara and Ohkay Owingeh. The Board is responsible for, among other things, policymaking, adopting a budget, appointing committees, managing long-range planning, and hiring the Executive Director. The Executive Director is responsible for executing the policies of the Board of Directors as well as overseeing the daily operations.

In support of the Board’s activities there are three operating committees:

Finance Committee - consists of the four county Board members and one tribal member of the Board

Tribal Committee - consists only of tribal members of the Board

Environmental Sustainability Committee - consisting of seven members-at-large representing expertise in sustainability, alternative energy or the environmental field

Factors involving Financial and Economic Impact

The four county area that encompasses the District service area consists of an economy based upon a foundation of government employment, the Los Alamos National Laboratory, tourism, and a variety of small businesses and industries that support these employers.

Top 10 Employers in the District	Type of Business	2015	
		Number of Employees	Rank
State of New Mexico	Government	21,832	1
Los Alamos National Laboratory	Research and Development	10,827	2
Santa Fe Community College	Education	2,027	3
Santa Fe Public Schools	Education	2,027	3
St. Vincent Regional Medical Center	Medical Services	1,750	5
U.S. Government (Various Agencies)	Government	1,750	5
City of Santa Fe	Government	1,471	7
Santa Fe County	Government	1,078	8
U.S. Bureau of Land Management	Government	726	9
Los Alamos County	Government	673	10

2015 Taxable Gross Receipts reflect the economy is back to pre-economic downturn levels that started in FY2009.

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Total Taxable Gross Receipts (in 1,000s)	5,416,770	6,477,825	6,423,124	6,499,142	5,830,150	6,034,179	5,827,477	5,587,041	5,702,804	6,431,593

This recovery in the economic environment within the District's service area is significant as it directly impacts the operations and performance of the District transit system since 54% of its revenues are generated through collection of gross receipts taxes.

Short-term and Long-term Transit Service Planning and Major Initiatives

The District's operating and capital planning decisions are based on the strategic initiatives contained within its Short-term Transit Service Plan, Long Range Strategic Plan, and adopted Financial Policies. The initiatives are guided by the mission statement of the District. Our primary focus is to provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and to spur economic opportunities throughout the region.

Recently the District completed its update of the Short-term Transit Service Plan which provides a roadmap for service improvements, modifications and future routes to be added over the next five years. In particular the plan assessed existing routes and recommended modifications in order to enhance critical timed connections and adding additional stops on existing routes, as well as several new routes. Coming next year the District will assume operation of the Taos Chile Line and add routes that will serve Santa Fe Mountain and Ski Basin, and La Cienega area within Santa Fe County.

The Long Range Strategic Plan focuses on long-term direction of the District, the future of transit services, and future funding strategies for the District and plans for increasing services if the voters continue the Gross Receipt Tax for transit past its sunset in 2023. This plan will be integrated in future budgets and will serve as a general direction of the District covering a twenty year strategic horizon.

Highlights of significant progress made in FY 2015 include the following:

- Economic Vitality – the District acquired funding directly from the Federal Transit Administration for Tribal Transit Grants for the pueblos currently served by the District, along with exploring alternative fueled buses for possible cost reductions in the future;
- Quality of Life – the District implemented electronic bus tracker solution for riders to get up to date information on routes and wait times at stops, along with studying the current stops for ADA compliance and future changes for better access; and
- Quality Governance – participated in regional planning and with regional transit partners on specific initiatives that grow transit in North Central New Mexico and New Mexico as whole.

The District has identified and is working on the following initiatives:

- A future maintenance facility for in-house repairs and maintenance on the fleet;
- Technology solutions for ridership and maintenance data and reporting;
- Continuing to improve the District's long-range financial projections to integrate operating needs with funding.

Awards and Highlights


In 2015 the District received the Federal Transit Administration (FTA) Administrator's Award for Outstanding Public Service in Rural Public Transportation. The FTA stated that, "This year's award features rural transit providers who improved the mobility of Americans in rural areas, allowing them better access to employment, training, education and other services that provide 'Ladders of Opportunity.' North Central Regional Transit District's application successfully addressed all the evaluation criteria, and demonstrated that its services are a vital link in building ladders for your community."

The District was also the recipient of the 2014 New Mexico Department of Transportation's Section 5311 Transit System of the Year for federal fiscal year ending September 2014. The District received this award for exemplary compliance with State and Federal Transit regulations, safety, and efficiency over twenty other potential subgrantees in the state of New Mexico.

Acknowledgements

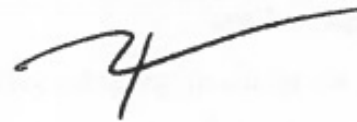
The preparation of this report would have not been made possible without the dedicated finance staff of the District. We would also like to thank the other administrative departments in their contributions made in preparation of this report. A sincere appreciation to the Board of Directors, for their leadership and support in planning and conducting the financial operations of the District in a responsible and progressive manner. We express our gratitude to all the citizens of the District for their overall support.

Respectfully,



Anthony J. Mortillaro
Executive Director

Respectfully,



Troy Bingham
Finance Director

NORTH CENTRAL REGIONAL TRANSIT DISTRICT

OFFICIAL ROSTER

As of June 30, 2015

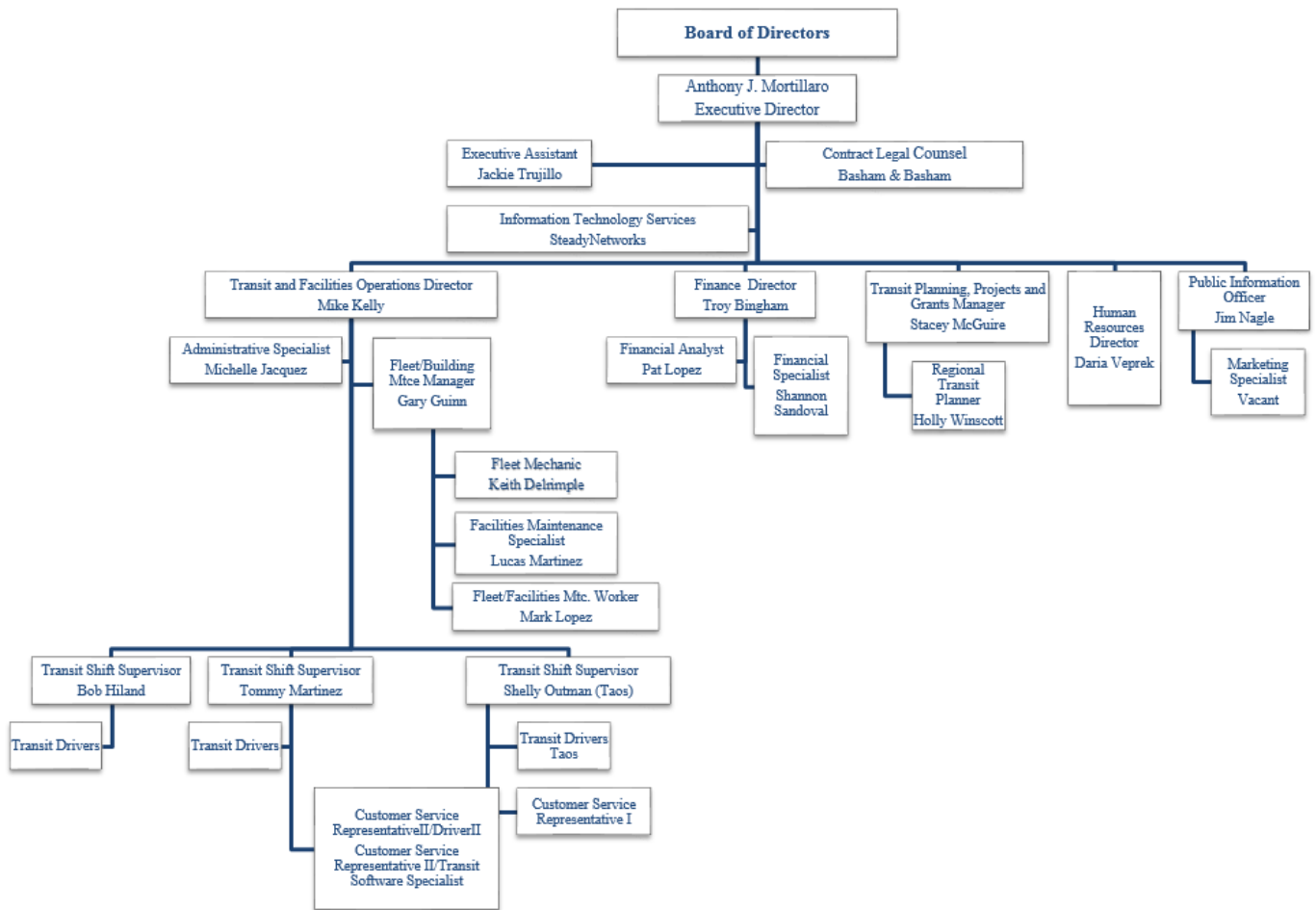
Board of Directors

Board Member	Title	Representing
Daniel R. Barron, Chair	Mayor	Town of Taos
Miguel Chavez, Vice Chair	Commissioner	Santa Fe County
Dennis Tim Salazar, Treasurer	Councilor	City of Española
Pete Sheehey	Councilor	Los Alamos County
Jim Fambro	Commissioner	Taos County
Alex M. Naranjo	Commissioner	Rio Arriba County
Patti Bushee	Councilor	City of Santa Fe
Chuck Ring	Councilor	Town of Edgewood
Tim Vigil	Special Projects Director	Pojoaque Pueblo
James Baca	Tribal Sheriff	Santa Clara Pueblo
Lillian Garcia	Transportation Planning Manager	San Idldefonso Pueblo
Christy VanBuren	Planning Manager	Ohkay Owingeh Pueblo
Arnold Garcia	Lieutenant Governor	Nambé Pueblo
Charles Dorame	Former Governor	Tesuque Pueblo

Administration

Name	Title
Anthony J. Mortillaro	Executive Director

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
ORGANIZATIONAL CHART
As of June 30, 2015





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2015

North Central Regional Transit District,
New Mexico



Comprehensive Annual Financial Report

For the year ended June 30, 2015
www.ncrtd.org

FINANCIAL SECTION

Report of Independent Auditors

Management's Discussion And Analysis

Basic Financial Statements

Required Supplementary Information

Supplemental Schedules



INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management of
North Central Regional Transit District
and
Mr. Tim Keller, New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the North Central Regional Transit District (NCRTD) as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the NCRTD's basic financial statements as listed in the table of contents. We have also audited the budgetary comparison presented as supplementary information, as defined by the *Governmental Accounting Standards Board*, as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities NCRTD as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparison schedule referred to above presents fairly, in all material respects, the budget comparison of the NCRTD for the year ended June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 25 to the financial statements, the 2015 beginning balance of net position has been restated due to an adjustment of capital assets related to accumulated depreciation and due to the implementation of GASB 68. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the NCRTD's June 30, 2014 financial statements. In our report dated November 21, 2014, we expressed an unmodified opinion on those financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, and the Schedules related to PERA and Net Pension Liabilities, listed as "*Required Supplemental Information*" in the table of contents, 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 NCRTD's financial statements, and the budgetary comparisons. The *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 other schedules listed as "other supplemental information" in the table of contents, required by 2.2.2 NMAC*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The *other schedules listed as "other supplemental information (unaudited)" in the table of contents*, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the NCRTD'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 the NCRTD's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.
Albuquerque, NM
November 20, 2015

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides an overview of the North Central Regional Transit District's (the District) financial performance and activity for the fiscal year ended June 30, 2015. The discussion that follows has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section

This MD&A is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. As with other sections of the financial report, the information contained within the MD&A should be considered only as part of a greater whole. The reader of this MD&A should take the time to read and evaluate all sections of this report, including the notes to financial statements and other supplementary information that is provided in addition to this MD&A. Additional information outside the scope of this analysis can be found in the Letter of Transmittal.

FISCAL YEAR 2015 FINANCIAL HIGHLIGHTS

- The NCRTD total assets/deferred outflows of resources as of June 30, 2015 decreased \$1,531 or zero percent from \$15,448,713 in FY2014 to \$15,218,640 in FY 2015.
- The District's total liabilities/deferred inflows of resources at June 30, 2015, increased by \$1,391,561 or 87.8 percent from \$1,584,566 to \$2,976,127 from the prior year.
- The District had a decrease of 35.5 percent in accounts payable. The District implemented new procedures inclusive of auto payments to vendors and more stringent time lines that has allowed the District to decrease its liability and enhance accountability to the public and its vendors.
- The net position of the District (assets less liabilities) at June 30, 2015, decreased 10.0 percent or \$1,393,092 from \$13,864,147 to \$12,471,055 from the prior year due to GASB 68 pension reporting of a pension liability of \$1,458,021.
- At June 30, 2015, total net position of \$5,702,703 was unrestricted. This is a decrease of \$1,123,108 from FY2014 unrestricted net position of \$6,825,811 related to the pension liability reporting. Investment in capital asset was \$6,608,352 which was a decrease of \$269,984, due to a delay in the capital acquisitions of buses from the manufacturer. Restricted-net position remained static at \$700,000 for each year from 2010-2014, and is for short-term capital funding if needed by the District for capital purchases.
- Total operating and non-operating revenues decreased 1.4 percent, from \$5,134,800 in FY14 to \$5,062,167 during FY15, a difference of \$72,633. Slower than expected bus acquisitions reflected as less federal funds reimbursements for capital purchases.
- Gross receipt tax increased by \$305,519 from \$6,941,122 in FY14 to \$7,246,641 in FY15 which reflects an improving economy in all four counties that we serve. Higher gross receipt tax revenue caused higher pass-thru requirements to regional partners which reduced the District's net gross receipt taxes \$123,931 more than in FY2014 from \$4,387,272 in FY2014 to \$4,511,203 in FY2015. The net effect on gross receipt taxes was \$181,588 more gross receipt taxes in FY2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) consists of four sections: introductory, financial, statistical, and compliance.

- The introductory section includes the letter of transmittal, the District's organizational chart, and a list of principal officials.
- The financial section includes the Independent Auditor's Report, management's discussion and analysis (this section), the basic financial statements, required supplemental information, and individual schedules to clarify the financial statements.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

- The statistical section includes selected financial and demographic data related to the District, generally presented on a multi-year basis.
- The compliance section is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-profit Organizations; and includes the auditor's reports on compliance and internal controls. Compliance findings for the current and previous audits, and if applicable, management plans to rectify future findings are found in the compliance section.

Financial Section Overview

This management discussion and analysis, which is preceded by the Independent Auditor's Report, is intended to serve as an introduction to the Financial Section of the CAFR. It is followed by three additional parts – the basic financial statements, required supplementary information, and individual schedules.

The Independent Auditor's Report reflects the results of the external audit. The auditor expresses an opinion on whether the financial statements have been presented in conformity with Generally Accepted Accounting Principles (GAAP).

The basic financial statements of the District are comprised of two components: (1) government-wide financial statements and (2) notes to the financial statements. Other governments typically have third component, the fund financial statements, but the District's reporting type is one enterprise fund that essentially presents like the government-wide financials so the redundancy is removed. The one key distinguishing feature of fund financial statements is the designation of fund balance that can be found in Note 21 of the financial statements.

The required supplementary information includes this discussion and analysis, the Schedule of Proportional Share of the Net Pension Liability of the New Mexico Public Employee Retirement System.

Finally, the individual schedules are included, which other supporting schedules required by New Mexico State Auditor's Office.

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those found in the private sector. They also report the District's net position and how it has changed during the fiscal year. These statements provide both short-term and long-term information about the District's overall financial status.

The Statement of Net Position presents information on all of the District's assets and liabilities. Net position is the residual amount remaining after liabilities are deducted from the balance of assets, and provides a measure of the District's financial health, or financial condition. Over time, changes in the net position may serve as an indicator of whether the District's financial condition is improving or declining. Other non-financial factors will also need to be considered, such as changes in the gross receipt tax base and the condition of the District's facilities and vehicles.

The Statement of Revenue, Expenses and Change in Fund Net Position presents information using the accrual basis of accounting, and shows how the District's net position changed during the fiscal year. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows. The Statement of Revenue, Expenses and Change in Fund Net Position presents expenses before revenues to emphasize that the government's revenues are generated for the express purpose of providing

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

services.

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 within the financial statements. The notes to the financial statements are as listed in the Table of Contents.

FINANCIAL ANALYSIS OF THE DISTRICT

Change in Net Position

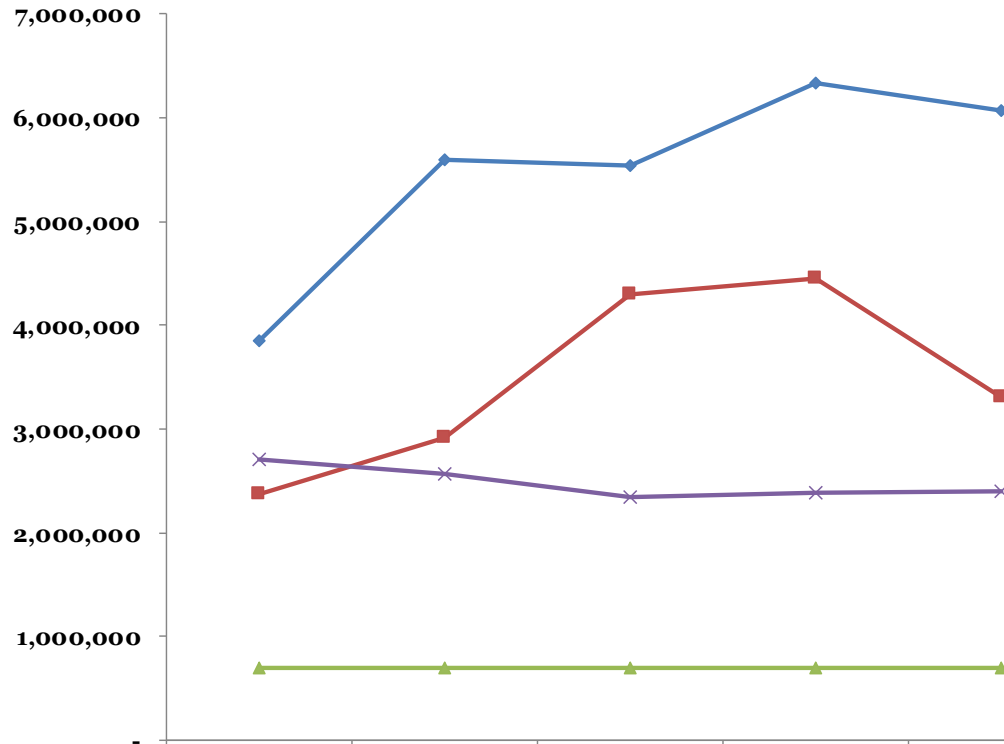
Net Position consist of three key areas, investment in capital assets, restricted, and unrestricted.

- Investment in Capital Assets – Represents the total investment in capital assets by the District and includes the reduction of accumulated depreciation over time of those assets.
- Restricted – Represents the Boards contractual commitment to Los Alamos County’s initial contribution to the District to reserve \$700,000 of cash unobligated for short term funding of necessary capital purchases by the Board.
- Unrestricted – Represents the remaining balance of assets (excluding capital assets) less liabilities of the District and further restricted balances. The District further designates the unrestricted net position as follows in Note 21 of the financial statements:
 - Designated – Represents the Board commitment through financial policies to always hold 25 percent of revenues as unobligated cash for financial stability of the District.
 - Undesignated – Represents the remaining balance of unrestricted net position for future budget needs of the District in accordance with existing policy of the use of fund balance.

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

Net Position Over Time



	2011	2012	2013	2014	2015
Investment in Capital Assets	3,851,537	5,593,594	5,539,060	6,338,336	6,068,352
Unrestricted - Undesignated	2,369,433	2,918,886	4,299,345	4,445,294	3,300,960
Unrestricted - Designated	2,711,212	2,572,317	2,338,178	2,380,518	2,401,743
Restricted	700,000	700,000	700,000	700,000	700,000

Total (\$): 9,632,182 11,784,797 12,876,797 13,864,147 12,471,055

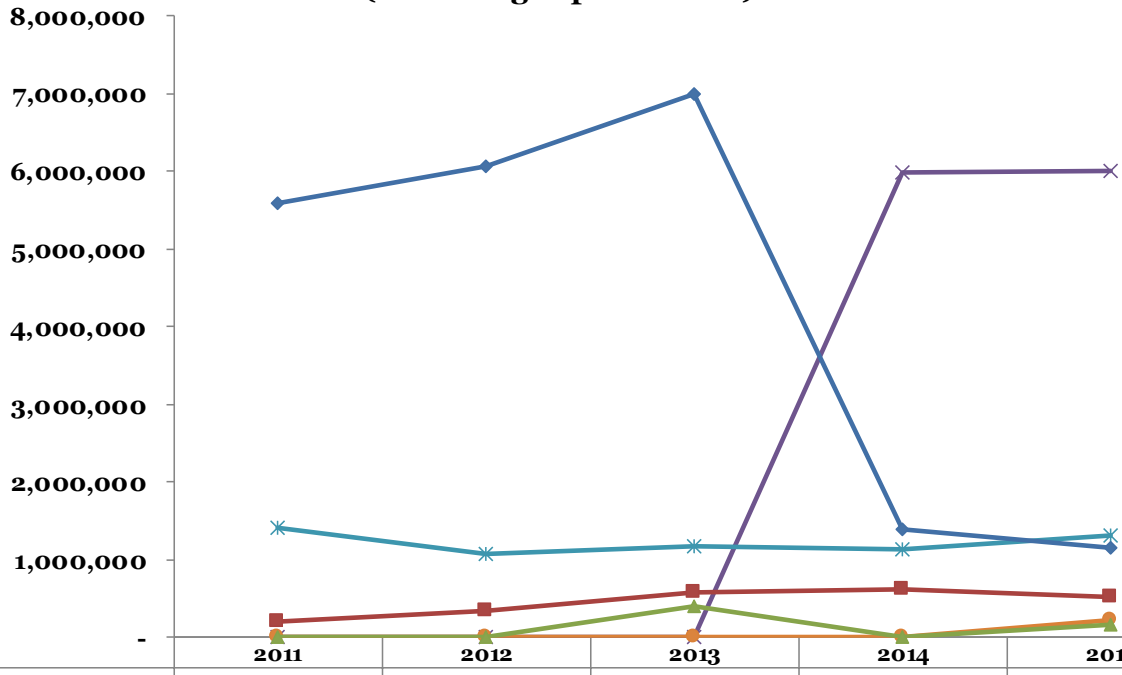
The total net position of the District (assets less liabilities) at June 30, 2015, decreased 10.0 percent or \$1,386,414, from \$13,864,148 to \$12,471,055 from the prior year. The investment in capital assets decreased \$269,984 or 4.3 percent due to the slow manufacturing of buses lead to no significant replacement of vehicles in the fleet or additions to the fleet. The unrestricted net position - undesignated of \$3,300,960 decreased \$1,144,334 or 25.7 percent due to the pension liabilities arising from GASB 68. The unrestricted net position - designated of \$2,380,518 increased \$21,225 or 0.9 percent due to higher revenues require larger reserves in FY2015. Restricted net position has remained static at \$700,000 for each year from 2011-2015.

Change in Assets

The NCRTD total assets (excluding capital assets) at June 30, 2015 increased \$268,453 or 2.9 percent from \$9,110,377 in FY2014 to \$9,378,830 in FY 2015. This increase is due to new pension reporting of deferred outflows related to the pension which are quantifying changes in the pension to the period that they apply.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

**Assets Over Time
(Excluding Capital Assets)**



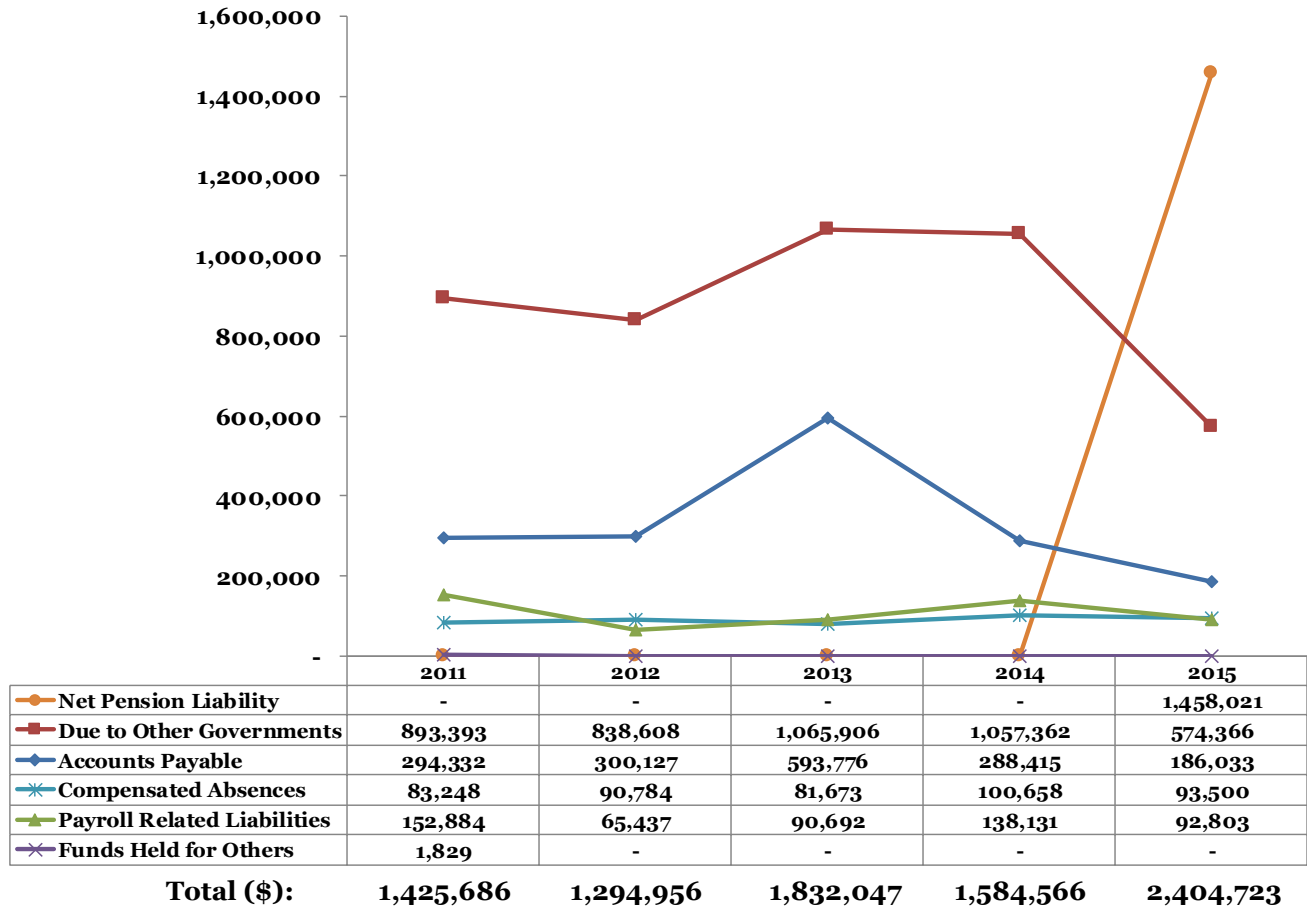
	2011	2012	2013	2014	2015
Investments	-	-	-	5,979,131	5,998,780
Due From Other Governments	1,422,258	1,073,696	1,181,094	1,131,859	1,306,690
Cash	5,581,059	6,073,820	7,004,069	1,388,449	1,155,279
Receivables	202,364	337,993	576,189	610,888	528,579
Pension Deferral	-	-	-	-	228,542
Other Assets	650	650	408,217	50	160,960
Total (\$):	7,206,331	7,486,159	9,169,569	9,110,377	9,150,288

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

Change in Liabilities

Liabilities Over Time



The District's total liabilities at June 30, 2015, increased \$820,157 from \$1,584,566 to \$2,404,723, a change of 51.8 percent. The change can also be attributed to the pension reporting of \$1,458,021 which represents the impact of providing a pension at a specific point in time. Outstanding payments due to other governments were reduced by making significant payments before year end which offset the increase in the pension liability increase.

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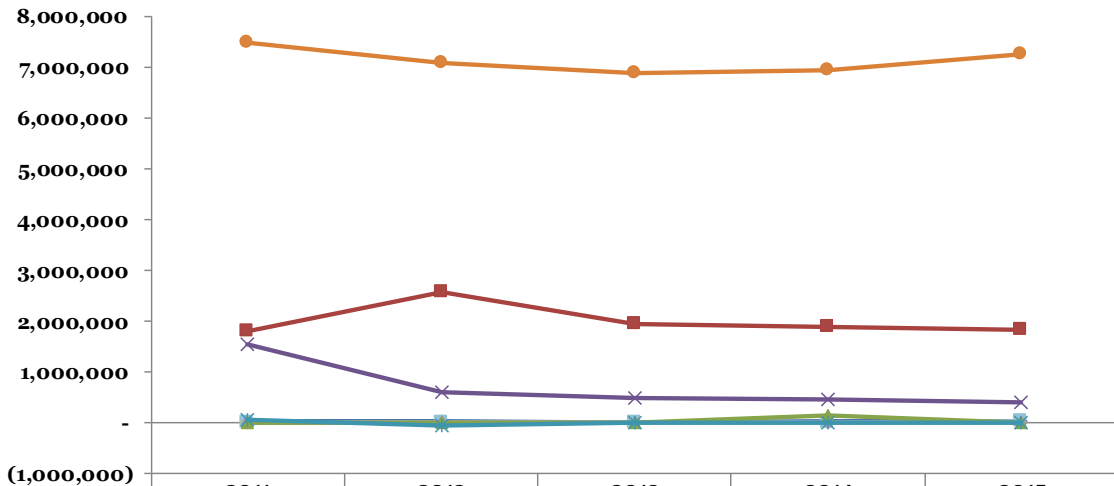
**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

Revenues

Total revenues increased \$84,898 or 0.9 percent, from \$9,522,072 in FY2014 to \$9,606,970 in FY2015. The slight increase was due to gross receipt tax which increased by \$305,519 from \$6,941,122 in FY2014 to \$7,246,641 in FY2015.

- Capital contributions were recorded in FY2015 in connection with a below market bus purchase from the Town of Taos in agreement for running the Taos Express route for the town.
- Interest income increased from \$3,584 in FY2014 to \$19,651 in FY2015 due to a more active investment approach related to short term investments.
- Insurance proceeds increased from \$6,403 in FY2014 to \$14,645 in FY2015 due to increase damage that was covered by insurance.

Revenue By Funding Source



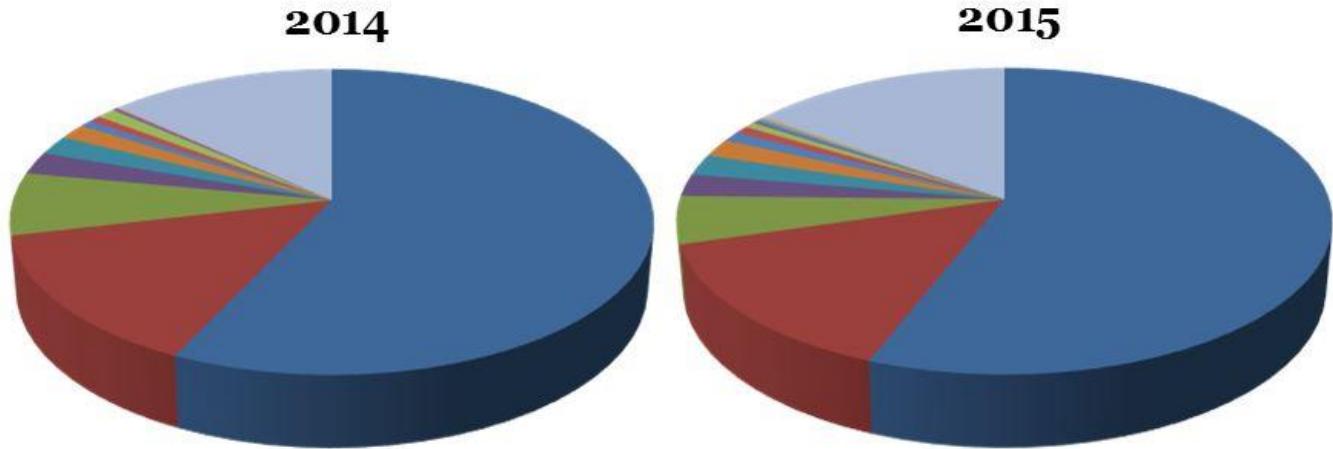
	2011	2012	2013	2014	2015
Gross Receipts and Other Taxes	7,477,175	7,083,927	6,871,271	6,941,122	7,246,641
Federal Grants	1,798,955	2,566,482	1,957,128	1,902,036	1,833,820
Member local match	1,540,000	600,000	500,000	450,000	400,000
Charges for Services	25,965	30,550	17,925	44,685	44,821
Capital Contributions	-	-	-	-	33,600
Investment Income	-	-	-	3,584	19,651
Other Revenue	-	-	3,010	6,403	14,645
Advertising Sales	-	-	-	10,513	13,035
Interest Income	2,752	8,309	3,377	2,541	757
State and Local Grants	-	-	-	161,188	-
Gain/Loss on Disposal of Assets	70,925	(42,766)	(4,734)	-	-
Total (\$):	10,915,772	10,246,502	9,347,977	9,522,072	9,606,970

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

Expenses

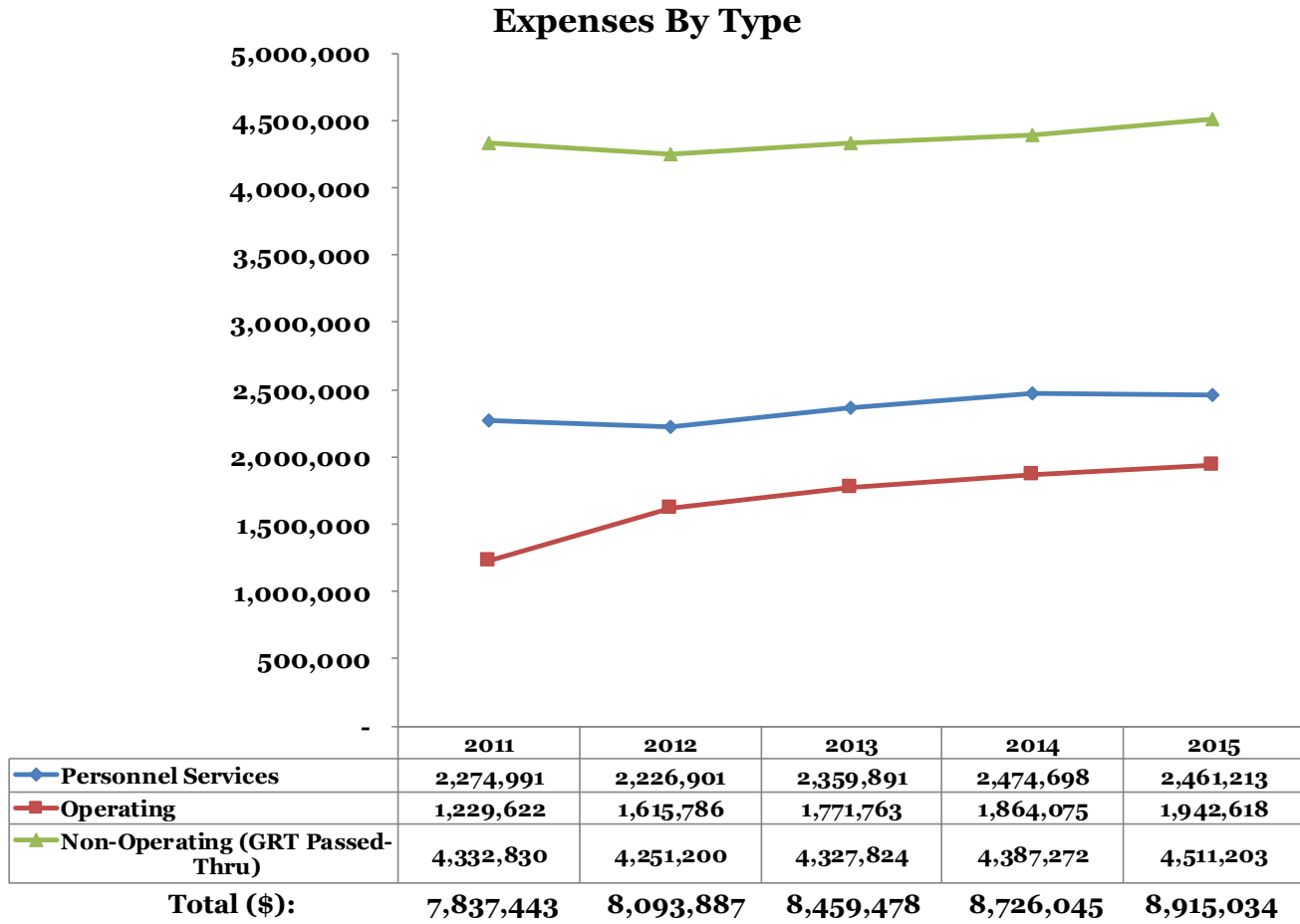
Total operating expenses increased \$65,058 or 1.5 percent in FY2015. Depreciation increased \$84,924 to reflect the Federal Transportation Administrations recommended useful life of transit assets.



Comparative Expenses by Type:	2014		2015		Difference	
	\$	%	\$	%	\$	%
Salaries and Payroll Related Expenses	2,474,698	57.0%	2,461,214	55.9%	(13,484)	-0.5%
Vehicle Repairs and Maintenance	619,802	14.3%	636,380	14.5%	16,578	2.7%
Professional Services	287,724	6.6%	221,738	5.0%	(65,986)	-22.9%
Maintenance, Repairs, Occupancy, and Utilities	103,128	2.4%	102,777	2.3%	(351)	-0.3%
Insurance	87,589	2.0%	97,372	2.2%	9,783	11.2%
Advertising	70,706	1.6%	83,882	1.9%	13,176	18.6%
Office Expenses and Miscellaneous Expenses	31,510	0.7%	46,776	1.1%	15,266	48.4%
Travel, Meetings, Travel, Lodging, and Per Diem	29,655	0.7%	34,222	0.8%	4,567	15.4%
Equipment Expense	46,019	1.1%	25,857	0.6%	(20,162)	-43.8%
Dues, Licenses and Fees	14,233	0.3%	15,961	0.4%	1,728	12.1%
Uniforms	-	0.0%	13,320	0.3%	13,320	100.0%
Training	3,388	0.1%	9,087	0.2%	5,699	168.2%
Depreciation	570,321	13.1%	655,245	14.9%	84,924	14.9%
Total Personnel and Operating Expenses	4,338,773	100%	4,403,831	100%	65,058	1.5%

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**



Actual FY2015 total expenses were \$8,915,034. Personnel services, which consists of salaries and benefits, comprised 27.6 percent of total expenses, with operating expenses comprising 21.8 percent, and non-operating expenses with 50.6 percent. Non-operating expenses are related to payments to non-regional transit district entities like the Rio Metro RailRunner, City of Santa Fe Santa Fe Trails and Los Alamos County Atomic City Transit for providing regional services in their jurisdictions that are approved by the District's Board.

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

BUDGETARY ANALYSIS

**Budgetary Comparison
For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<u>Operating Revenues</u>			
Charges for Services	\$ -	\$ -	\$ 44,821
<u>Operating Expenses</u>			
Personnel Services	2,721,287	2,721,287	2,461,213
Other Operating Expenses	1,485,172	1,904,127	1,287,373
Capital Outlay	1,138,373	1,475,828	480,734
Total Operating Expenses	<u>5,344,832</u>	<u>6,101,242</u>	<u>4,229,320</u>
Operating Income (Loss)	<u>(5,344,832)</u>	<u>(6,101,242)</u>	<u>(4,184,499)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Federal Grants	2,080,390	2,667,728	1,833,820
Member Local Match	400,000	400,000	400,000
Gross Receipts Taxes	6,809,100	6,809,100	7,246,641
Gross Receipts Pass-Thru	(4,415,094)	(4,415,094)	(4,511,203)
Investment Income	-	-	20,408
Other Revenue	<u>470,436</u>	<u>639,508</u>	<u>27,680</u>
Total Non-Operating Revenues (Expenses)	<u>5,344,832</u>	<u>6,101,242</u>	<u>5,017,346</u>
Change in Net Position	\$ <u>-</u>	\$ <u>-</u>	\$ <u>832,847</u>

During the year, budget amendments approved by the Board could be classified in the following key categories:

- Amendments for operating and capital projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects and/or change orders for prior approved projects.

Final amended budget increased \$756,410 from the original budget that was adopted by the Board in June 2014. Actual expenses for the District totaled \$4,229,320 or \$1,871,922 less than the amended budget. Savings can be contributed to District departmental efforts to control spending and pending capital expenses for buses that were not received in Fy2015. The District uses budgetary control in its accounting system to ensure compliance with annual appropriated amounts. The Board of Directors may revise the budget from time to time upon request and resolution presented by staff. The District also reports any amendments to the New Mexico Department of Finance Administration for compliances and controls.

CAPITAL ASSETS AND LONG-TERM DEBT

The North Central Regional Transit District's investment in capital assets as of June 30, 2015 amounts to \$6,068,352 (net of accumulated depreciation). This investment in capital assets includes land,

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Management Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2015**

buildings, buses, other vehicles, and equipment and fixtures over \$5,000. The District has no debt, but the State of New Mexico is reflected as a lien holder for all assets that were acquired with federal grants administered by New Mexico Department of Transportation. The liens are released when the assets reach their Federal Transportation Administrations recommended useful lives.

**North Central Regional Transit District
Capital Assets**

	2014	2015
Land	\$ 1,228,011	1,228,011
Vehicles	3,066,956	3,200,321
Furniture, Fixture, & Equipment	469,898	107,426
Buildings & Improvements	3,280,357	3,212,893
Intangible Assets	-	550,453
Construction in Progress	-	131,460
Total Capital Assets	8,045,222	8,430,564
 Less: Accumulated Depreciation	 (1,706,887)	 (2,362,212)
Net Capital Assets	\$ 6,338,335	6,068,352

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Gross Receipt Taxes have historically been a stable source of income over time and generated 75.8 percent of the Districts overall revenue for 2015. For the past ten years the District has seen a slight decline in GRT revenues ranging from 3 to 5 percent annually before FY2014, with FY2014 seeing the first slight increase of 1 percent. The GRT increase for FY2015 was 4.4 percent increase from FY2014.

The District implemented a five-year transit service plan in FY15 modifying services in its 10,000 square mile service area. The District's operational changes necessitate service level adjustments which have impacted ridership and route coverage in the District service area. These changes can affect our federal grant revenue positively or negatively and will have to be monitored over time.

The District entered into negotiation with the union in April of 2013 for a 2-year collective bargaining agreement for represented personnel. The renegotiated Collective Bargaining Agreement started in June of 2014. The District agreed to a 2 percent wage increase for Fiscal Year 2016 and increased benefits involving the PERA contribution for Fiscal Year 2015.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of North Central Regional Transit District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Finance Director, North Central Regional Transit District, 1327 N. Riverside Drive, Española, NM 87532 telephone (505) 629-4701, or visit the District's website at www.ncrtd.org.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and cash equivalents	\$ 1,155,279	1,388,449
Investments	5,998,780	5,979,131
Receivables	528,579	610,888
Due from other governments	1,306,690	1,131,859
Total Current Assets	<u>8,989,328</u>	<u>9,110,327</u>
Non-Current Assets		
Other assets	160,960	50
Land and construction in progress	1,228,011	1,228,011
Other capital assets, net of accumulated depreciation	4,840,341	5,110,325
Total Non-Current Assets	<u>6,229,312</u>	<u>6,338,386</u>
Total Assets	<u>15,218,640</u>	<u>15,448,713</u>
Deferred Outflows of Resources		
Pension deferral	228,542	-
Total Deferred Outflows of Resources	<u>228,542</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 15,447,182</u>	<u>15,448,713</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 186,033	288,415
Due to other governments	574,366	1,057,362
Payroll related liabilities	92,803	138,131
Compensated absences - current portion	51,425	55,362
Total Current Liabilities	<u>904,627</u>	<u>1,539,270</u>
Non-Current Liabilities		
Compensated absences - non-current portion	42,075	45,296
Net pension liability	1,458,021	-
Total Non-Current Liabilities	<u>1,500,096</u>	<u>45,296</u>
Total Liabilities	<u>2,404,723</u>	<u>1,584,566</u>
Deferred Inflows of Resources		
Pension deferral	571,404	-
Total Deferred Inflows of Resources	<u>571,404</u>	<u>-</u>
NET POSITION		
Investment in capital assets	6,068,352	6,338,336
Unrestricted	5,702,703	6,825,811
Restricted	700,000	700,000
Total Net Position	<u>12,471,055</u>	<u>13,864,147</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 15,447,182</u>	<u>15,448,713</u>

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014**

	2015	2014
OPERATING REVENUES		
Charges for services (program revenues)	\$ <u>44,821</u>	<u>44,685</u>
Total operating revenues	<u>44,821</u>	<u>44,685</u>
OPERATING EXPENSES		
Personnel Services		
Salaries and wages	1,763,174	1,761,419
Payroll taxes	97,754	99,380
Employee benefits	<u>600,285</u>	<u>613,899</u>
Total personnel services	<u>2,461,213</u>	<u>2,474,698</u>
Other Operating Expenses		
Advertising	83,882	70,706
Dues, licenses and fees	15,961	14,233
Equipment expense	25,857	46,019
Insurance	97,372	87,589
Travel, meetings, travel, lodging, and per diem	26,243	24,351
Occupancy and utilities	49,806	52,005
Office supplies, postage and photocopies	46,608	30,546
Penalties and interest	43	-
Professional services	221,738	287,724
Repairs and maintenance	23,435	23,850
Telephone and internet	24,832	27,273
Training	9,087	3,388
Transit expenses	7,979	5,304
Uniforms	13,320	-
Vehicle repairs and maintenance	636,380	619,802
Property taxes	4,704	-
Miscellaneous expenses	126	964
Depreciation	<u>655,245</u>	<u>570,321</u>
Total other operating expenses	<u>1,942,618</u>	<u>1,864,075</u>
Total operating expenses	<u>4,403,831</u>	<u>4,338,773</u>
Operating income (loss)	<u>(4,359,010)</u>	<u>(4,294,088)</u>
NON-OPERATING REVENUES (EXPENSES)		
Federal grants	1,833,820	1,902,036
State appropriation	-	161,188
Member local match	400,000	450,000
Gross receipts and other taxes	7,246,641	6,941,122
Gross receipts passed-thru to other entities	<u>(4,511,203)</u>	<u>(4,387,272)</u>
Advertising sales	13,035	10,513
Other revenue	14,645	6,403
Investment income	19,651	3,584
Interest income	<u>757</u>	<u>2,541</u>
Total non-operating revenues (expenses)	<u>5,017,346</u>	<u>5,090,115</u>
Income (loss) before contributions	<u>658,336</u>	<u>796,027</u>
Capital contributions	<u>33,600</u>	<u>-</u>
Change in net position	<u>691,936</u>	<u>796,027</u>
Beginning net position	13,864,147	12,876,582
Restatement	<u>(2,085,028)</u>	<u>191,538</u>
Beginning net position as restated	<u>11,779,119</u>	<u>13,068,120</u>
Ending net position	<u>\$ 12,471,055</u>	<u>13,864,147</u>

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers (charges for services)	\$ 44,821	44,685
Cash paid to employees (personnel services)	(2,668,772)	(2,408,274)
Cash paid to suppliers (other operating expenses)	(2,126,180)	(1,563,488)
Net cash provided by (used for) operating activities	(4,750,131)	(3,927,077)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from grants and agreements	2,246,855	2,523,737
Cash received from gross receipts and other taxes	7,246,641	6,941,122
Cash paid to other entities for pass-thru taxes	(4,511,203)	(4,387,272)
Net cash provided by (used for) noncapital financing activities	4,982,293	5,077,587
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash paid for acquisition of capital assets	(480,734)	(1,178,059)
Reclass from other assets to capital assets	-	378,530
Cash received from sale of capital assets	14,645	6,403
Net cash provided by (used for) capital and related financing activities	(466,089)	(793,126)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(19,651)	(5,979,131)
Investment income	19,651	3,584
Interest income	757	2,541
Net cash provided by (used for) investing activities	757	(5,973,006)
Net increase (decrease) in cash and cash equivalents	(233,170)	(5,615,622)
Cash and cash equivalents, beginning of year	1,388,449	7,004,071
Cash and cash equivalents at end of year	\$ 1,155,279	1,388,449
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating income/(loss)	\$ (4,359,010)	(4,294,088)
Adjustments to reconcile operating income/(loss) in net position to cash provided by operating activities:		
Depreciation expense	655,245	570,321
Pension expense	(155,073)	-
Change in assets and liabilities:		
Other assets	(160,910)	29,637
Accounts receivable	(92,522)	14,536
Accounts payables	(585,375)	(313,907)
Payroll related liabilities	(45,328)	47,439
Compensated absences	(7,158)	18,985
Net cash provided by (used for) operating activities	\$ (4,750,131)	(3,927,077)

Supplementary Disclosures

A transfer of capital contributions in the amount of \$33,600 from Town of Taos, for a bus, was added by the District for the year ended June 30, 2015.

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

NOTE 1—NATURE OF OPERATIONS

Purpose

The NCRTD was established in September 2004, and operations of the NCRTD commenced in May 2005. The purpose of the NCRTD is to:

- A. Serve the public by providing for the creation of regional networks of safe and efficient public transit services;
- B. Allow multi-jurisdictional public transit systems to reduce the congestion of single-occupant motor vehicle traffic by providing transportation options for residents;
- C. Decrease automobile accidents by reducing traffic congestion on freeways and streets;
- D. Reduce noise and air pollution produced by motor vehicles.
- E. Prolong and extend the life of New Mexico's existing roadways by easing the traffic burden;
- F. Provide residents with a choice of transportation alternatives so that seniors, youth, low-income and mobility-impaired residents and others unable to drive or afford motor vehicles continue to have full access to the goods, services, jobs and activities of the community;
- G. Improve the New Mexico economy by increasing workforce and citizen access to education and higher paying jobs; and
- H. Prolong and extend petroleum resources.

Membership

The NCRTD is a membership organization that is open to governmental units, which means the State of New Mexico, Counties, Municipalities of New Mexico, Indian Nations, Tribes, and or Pueblos located within the boundaries of Los Alamos, Rio Arriba of Santa Fe Counties in New Mexico may join. Members may be added or deleted pursuant to Article VIII of the NCRTD's bylaws and State Statute Section 73-25-17.

The Board is composed of one Director from each participating member of the NCRTD. A Director shall be an elected official or official designee, Tribal Governor or Tribal Council Member. The Director shall hold office until removed by the appointing member governmental unit or until the Director no longer holds elective office in the governing body of the appointing governmental unit or until the Director submits written resignation to the Chairman of the Board. Directors shall not serve a term longer than four years unless re-appointed by their Member governing body.

Reporting Entity

The financial statements of the NCRTD encompass the activities of the NCRTD and any applicable component units.

In evaluating how to define the NCRTD, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, there were no component units identified as needing to be disclosed or presented as part of the reporting entity.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

A— Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The NCRTD's activities are reported as business-type activities. As a result, the financial statements are comprised solely of proprietary fund financial statements. Proprietary statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the NCRTD are user fees generated from transportation services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. In 2008, the NCRTD began generating user fees and these amounts are expected to increase as the NCRTD continues to grow and develop, with the exception of if the board elects to suspend the user fees.

When both restricted and unrestricted resources are available for use, it is the NCRTD's policy to use applicable restricted resources first, then unrestricted resources as they are needed.

B—Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C—Advertising

The NCRTD expenses advertising costs as incurred. Advertising costs are incurred primarily for the dissemination of program information.

D—Net Position

The proprietary fund financial statements utilize a net position presentation. Net position is categorized in the following three categories: investment in capital assets (net of related debt), restricted and unrestricted.

1. *Investment in capital assets* (net of related debt) – Is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. The NCRTD did not have any related debt during the year ended June 30, 2015.
2. *Restricted net position* – Consist of net position with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation or federal law.
3. *Unrestricted net position* – Consist of assets, deferred outflows, less liabilities, deferred inflows, after the amount invested in capital assets and any restricted and designated net position have been subtracted.

The statement of net position reports \$700,000 of net position restricted by enabling legislation. All the restricted net position is considered restricted by enabling legislation under the various grant and contract agreements. The enabling legislation has been determined to be legally enforceable. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment, which may be based on actions such as analyzing the legislation to determine if it meets the qualifying criteria for enabling legislation, reviewing determinations made for similar legislation of the government or other governments, or obtaining the opinion of legal counsel. However, enforceability cannot ultimately be proven unless tested through the judicial process, which may never occur. The determination of legal enforceability should be based on the underlying facts and circumstances surrounding each individual restriction. The determination that a particular restriction is not legally enforceable may lead a government to reevaluate the legal enforceability of similar enabling legislation restrictions, but should not necessarily lead a government to conclude that all enabling legislation restrictions are unenforceable.

E—Reclassifications

Certain reclassifications may have been made to the 2014 financial statements to conform to those used in 2015.

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F—Prior Year Comparative Totals

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the NCRTD's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

G—Cash and Cash Equivalents

For purposes of the statement of cash flows, the NCRTD considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents

H—Capital Assets

Capital assets are defined by the NCRTD as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the NCRTD during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

Property and equipment of the NCRTD are depreciated using the straight line method over the following estimated useful lives:

<u>Classification</u>	<u>Estimated Useful Life</u>
Land	Perpetuity
Buildings and improvements	20 - 40 years
Leasehold improvements	20 years
Vehicles	5 - 7 years
Furniture, fixtures, & equipment	5 - 7 years

I—Donated Capital Assets

Donations of capital assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash must be used to acquire property and equipment, and are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the NCRTD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The NCRTD reclassifies restricted net position to unrestricted net position at that time. During the year ended June 30, 2015, the NCRTD did not receive any contributed capital assets.

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J—Compensated Absences

The NCRTD's policy permits employees to accumulate earned but unused vacation, compensatory hours, and sick pay benefits. Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and overtime. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the NCRTD and its employees is accrued as employees earn the right to the benefits. Compensated absences that related to future services or that are contingent on a special event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or when such events take place. Compensated absences liability includes annual leave which has been accrued but not taken. Sick leave is not required to be paid out upon termination and therefore is not part of the liability calculated for years 2015, and 2014.

The maximum accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is lost. The maximum amount that may be accumulated and carried over into the following year is not to exceed two (2) times the annual maximum accrual. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to the aforementioned maximums at their current hourly rate. See the "changes in long term debt" note in this report for the accrued compensated absences payable outstanding as of June 30, 2015.

K—Grant Revenues

Proceeds from the Department of Transportation and other grants are considered voluntary nonexchange revenues under GASB Statement 33. Accordingly, revenues are recorded when all underlying eligibility requirements have been met, which occurs when the NCRTD has incurred an allowable expenditure under the terms of the grant agreement. Other grant revenue consists of grants from members of the NCRTD, to include monies for which the NCRTD must match (through user fees or other grants) at least one dollar for every four dollars provided by the Department of Transportation grant.

L—Budgets

The NCRTD's budget is not prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of anticipated revenues and expenses. The budget is presented on a modified accrual basis of accounting, which does not include capitalizing fixed capital assets over \$5,000, instead these expenditures are presented as capital outlay.

The Financial Manager prepares an overall budget by project fund for the NCRTD which is adopted by the Board. This budget includes expected receipts and expenditures of the Operating Fund. The NCRTD is required to prepare budgets for each program for submission directly to that program's funding source. Each funding 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 NCRTD to monitor each program, are also used for comparisons in the accompanying financial statements. Therefore, the NCRTD legally approves its budget by total expenditures by fund.

Formal budgetary integration is employed as a management control device during the year. The difference between non-GAAP budgetary basis financial statements and the GAAP basis financial statements is the following: the GAAP basis financial statements capitalize capital outlay amounts greater than \$5,000 on the statement of net position and the non-GAAP budget basis financial statements record capital outlay greater than \$5,000 as expenditures.

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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. There were no appropriations received by the NCRTD as of June 30, 2015.

The legal level of budgetary control is as follows: personnel expenses and other operating expenses. 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.

New Mexico State law prohibits the NCRTD from making expenditures in excess of approved appropriations. If a fund is not overspent, it is in compliance with state law. The 2015/2014 budget has been legally adopted.

M—Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The NCRTD has the following deferred outflows of resources during fiscal year 2015 on the government wide financials:

Deferred Outflows of Resources - GW

	2015	2014
Pension deferrals	\$ 228,542	-
Total deferred outflows of resources	\$ 228,542	-

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then. The NCRTD has the following deferred outflows of resources during fiscal year 2015 on the government wide financials:

Deferred Inflows of Resources - GW

	2015	2014
Pension deferrals	\$ 571,404	-
Total deferred inflows of resources	\$ 571,404	-

M—Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of net position date but before the financial statements are issued. The NCRTD recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process of preparing the financial statements. The NCRTD's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position but arose after the statement of net position date and before financial statements are available to be issued. The organization has evaluated subsequent events through November 20, 2015, which is the date the financial statements were available to be issued.

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NOTE 3—CASH AND CASH EQUIVALENTS

Please see the Schedule of Cash and Investments and Schedule of Collateral in the supplementary information section of the audit report. Below are required disclosures regarding credit and interest risk.

The NCRTD's cash balances consist of demand deposits. The NCRTD's cash balances totaled the following as of June 30:

<u>Cash and Cash Equivalents</u>	<u>2015</u>	<u>2014</u>
Los Alamos National Bank - Checking	\$ 1,155,179	1,249,485
Bank of America Espanola	-	138,944
Petty cash	100	20
Total	<u>\$ 1,155,279</u>	<u>1,388,449</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the NCRTD's deposits may not be returned to it. State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of 50% of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions.

As of June 30, 2015, all of the NCRTD's uninsured deposits were collateralized with securities held by pledging financial institution's trust department or agent in the NCRTD's name. Specific details of the collateralization of the NCRTD's deposits are included on the Schedule of Cash and Investments and Schedule of Collateral on as listed in the table of contents.

NOTE 4—INVESTMENTS

The NCRTD's investments totaled the following as of June 30:

<u>Investments</u>	<u>2015</u>	<u>2014</u>
CD's	\$ 4,094,499	4,077,152
State NM LGIP	1,904,281	1,901,979
Total	<u>\$ 5,998,780</u>	<u>5,979,131</u>

In compliance with Governmental Accounting Standards Board Statement No. 31, the NCRTD's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The NCRTD generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not necessarily reflect realized gains or losses but rather the fair value of those investments as of June 30, 2015.

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As of June 30, 2015, the NCRTD has the following invested in the State Treasurer Local Government Investment Pool:

Financial Institution	Cost Basis	Market	Risk Rating	
State of NM Local Government Investment Pool (LGIP)	\$ 1,904,281	1,904,281	AAAm	[54.6] day WAR (R); [77.7] day WAM (F)

New Mexico State Statutes authorize the creation of the short-term investment fund in the New Mexico State Treasury. The Statutes authorize the State Treasurer to pool monies received from local public bodies for investment purposes with public monies under control. The purpose of the local short-term fund is to provide a voluntary investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. The local short-term investment fund, along with other public monies in the State Treasurer's investment account, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collaterals at 102% of investment balances for the NCRTD. All investing is performed in accordance with State Statutes and the NCRTD's investment policy.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 67-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government, or by its departments or agencies and are either direct obligations of the United States, or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The NCRTD has no investment policy that would further limit its investment choices. As of June 30, 2015, the NCRTD's investment in the New MexiGROW Local Government Investment Pool (LGIP) was rated AAAM by Standard & Poor's. The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditor's report on compliance and internal controls are available from New Mexico State Treasurer, 2019 Galisteo Street, Bldg K, Santa Fe, New Mexico 87504, upon written request.

Credit Risk LGIP – With respect to credit risk, the LGIP, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

Concentration of Risk – GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

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Foreign Currency Risk – GASB Statement No. 40 defines interest rate risk that interest rate variation may adversely affect the fair value of an investment. The NCRTD is not exposed to the risk that exchange rates will adversely affect the fair value of an investment as none of the investments pools or certificates of deposit are dominated in a foreign currency.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the NCRTD. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Specific details of the collateralization of the NCRTD’s deposits are included on the Schedule of Collateral as listed in the table of contents.

As of June 30, 2015, NCRTD’s bank and investment balances of \$7,154,059 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized (fully covered)	\$	-
Uninsured, collateral held by the pledging banks, but not in the name of the NCRTD		<u>3,858,236</u>
	\$	<u><u>3,858,236</u></u>

NOTE 5—RECEIVABLES

Type	2015	2014
AR - customers	\$ 1,411	162,256
NM DOT federal grant receivable	359,498	448,632
Tribal transit receivables	<u>167,670</u>	-
Total	<u><u>\$ 528,579</u></u>	<u><u>610,888</u></u>

All receivables noted above are deemed fully collectible and an allowance for doubtful accounts has not been established. All amounts are deemed collectible within one year of June 30, 2015.

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NOTE 6—DUE TO/FROM OTHER GOVERNMENTS

Amounts due to other governments consisted of the following at June 30:

<u>Entity</u>	<u>Purpose</u>	<u>2015</u>	<u>2014</u>
Rio Metro RTD	Gross receipts pass-thru	\$ 574,366	344,402
Los Alamos County	Transit services provided	-	638,137
Taos County	Gross receipts pass-thru	-	74,823
		<u>\$ 574,366</u>	<u>1,057,362</u>

Amounts due from other governments consisted of the following at June 30:

<u>Entity</u>	<u>Purpose</u>	<u>2015</u>	<u>2014</u>
Los Alamos County	Transit services provided	\$ 270,127	165,523
Taos County	Gross receipts pass-thru	151,757	182,255
Rio Arriba	Gross receipts pass-thru	98,863	95,276
Santa Fe County	Gross receipts pass-thru	785,943	688,805
		<u>\$ 1,306,690</u>	<u>1,131,859</u>

NOTE 7—ACCRUED LIABILITIES

Accrued liabilities at June 30, consist of the following:

<u>Type</u>	<u>2015</u>	<u>2014</u>
Accrued payroll	\$ 37,704	55,989
Payroll related taxes and deductions	55,099	82,142
Total	<u>\$ 92,803</u>	<u>138,131</u>

NOTE 8—PERA PENSION PLAN

A—Plan Description

Substantially all of the NCRTD'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.

B—Funding Policy

The NCRTD was contributes to the Municipal Plan #2. Under Municipal Plan #2, state statute requires that plan members contribute 10.65% of their gross salary. The NCRTD is required to contribute 9.55% of the gross covered salary. In August 2014, under the municipal employer "option", the NCRTD Board of Directors passed a resolution to reduce the plan members' share to 5.05% and increase the NCRTD's share to 15.15%. The contribution requirements of plan members and the NCRTD are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The NCRTD's contributions to PERA for the fiscal years ending June 30, 2015, 2014 and 2013

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were \$220,029, \$152,857, and \$132,721, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 9— PENSION PLAN AND POST EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and NCRTD are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage option that applies to NCRTD is: Municipal General Division. Statutorily required contributions to the pension plan from NCRTD were \$147,331 and employer paid member benefits that were "picked up" by the employer were \$81,212 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles.

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

For PERA Fund Division; Municipal General Division, at June 30, 2015, NCRTD reported a liability of \$1,458,021 for its proportionate share of the net pension liability. At June 30, 2014, NCRTD's proportion was 0.19 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, NCRTD recognized PERA Fund Division; Municipal General Division pension expense of \$155,073.

At June 30, 2015, NCRTD reported PERA Fund Division; Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<u>Municipal General Division</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	988
Net difference between projected and actual earnings on pension plan investments	-	570,416
Change in proportion and differences between NCRTD contributions and proportionate share of contributions	-	-
NCRTD contributions subsequent to the measurement date	<u>228,542</u>	<u>-</u>
Total	<u>\$ 228,542</u>	<u>571,404</u>

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\$228,542 reported as deferred outflows of resources related to pensions resulting from NCRTD contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		Amount
June 30:		
2016	\$	142,850
2017		142,850
2018		142,850
2019		142,850
2020		5
Thereafter		-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

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

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

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The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>All Funds - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	21.1%	5.00%
International Equity	24.8%	5.20%
Private Equity	7.0%	8.20%
Core and Global Fixed Income	26.1%	1.85%
Fixed Income Plus Sectors	5.0%	4.80%
Real Estate	5.0%	5.30%
Real Assets	7.0%	5.70%
Absolute Return	4.0%	4.15%
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of NCRTD's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present NCRTD's net pension liability in each Page 7 PERA Fund Division that NCRTD participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

<u>PERA Fund Division - Municipal General Division</u>	<u>1% Decrease (6.75)%</u>	<u>Current Discount Rate (7.75)%</u>	<u>1% Increase (8.75)%</u>
NCRTD's proportionate share of the net pension liability	\$ <u>2,748,697</u>	\$ <u>1,458,021</u>	\$ <u>460,912</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

NOTE 10 – NOTES TO REQUIRED PERA SUPPLEMENTARY INFORMATION

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report%20FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

NOTE 11—POST-EMPLOYMENT BENEFITS—STATE RETIREE HEALTH CARE PLAN

A—Plan Description

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

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

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

B—Funding Policy

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

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

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

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. During the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee is required to contribute 1.0% of their salary.

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary. 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 NCRTD's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$30,883, \$30,257, and \$27,645, respectively, which equal the required contributions for each year.

NOTE 12 – GOVERNMENTAL MONEY PURCHASE PLAN AND TRUST

During FY14, the NCRTD elected to open a Governmental Money Purchase Plan and Trust (401(a)). This plan services as a retirement plan for employees who wish to opt-out of Social Security, and who meet the requirements to be employees who perform services as members of a coverage group (as defined in Section 218(d)(4) of the Act) designated as Part A of the Public Employees Retirement Association of New Mexico. The NCRTD filed a Section 218 Modification in order to be able to allow eligible employees to opt-out of Social Security coverage.

The NCRTD approved a resolution on August 2, 2013, providing for an individual choice election of eligible employees. Under the 401(a), the normal retirement age is 59 ½ years. The eligible employee and employer contribute 4.2% and 6.2% respectively, every pay period. Contributions made to this plan by the employer for the years ended June 30, 2015 and 2014 were \$118,686 and \$28,265, respectively. The FY15 amount includes a contribution of \$80,002, which was a partial refund of Social Security contributions from the previous 3 years. The participating employees made the following contributions to the plan for the years ended June 30, 2015 and 2014; \$28,114 and \$20,121, respectively. The employees are allowed to make additional after tax contributions.

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NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

NOTE 13—PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are summarized as follows:

Business Type Activities	Balance 2014	Additions	Deletions	Adjustments	Balance 2015
Capital assets not being depreciated:					
Land	\$ 1,228,011	-	-	-	1,228,011
Construction in progress	-	131,460	-	-	131,460
Total capital assets not being depreciated	<u>1,228,011</u>	<u>131,460</u>	<u>-</u>	<u>-</u>	<u>1,359,471</u>
Capital assets being depreciated:					
Vehicles	3,066,956	248,788	(115,423)	-	3,200,321
Furniture, fixtures, & equipment	469,898	10,907	(13,569)	(359,810)	107,426
Buildings and improvements	3,280,357	-	-	(67,464)	3,212,893
Intangible assets	-	123,179	-	427,274	550,453
Total capital assets being depreciated	<u>6,817,211</u>	<u>382,874</u>	<u>(128,992)</u>	<u>-</u>	<u>7,071,093</u>
Less accumulated depreciation for:					
Vehicles	(1,427,410)	(499,293)	115,423	(134,133)	(1,945,413)
Furniture, fixtures, & equipment	(76,889)	(15,016)	13,569	4,138	(74,198)
Buildings and improvements	(202,588)	(92,561)	-	923	(294,226)
Intangible assets	-	(48,375)	-	-	(48,375)
Total accumulated depreciation	<u>(1,706,887)</u>	<u>(655,245)</u>	<u>128,992</u>	<u>(129,072)</u>	<u>(2,362,212)</u>
Total capital assets being depreciated	<u>5,110,324</u>	<u>(272,371)</u>	<u>-</u>	<u>(129,072)</u>	<u>4,708,881</u>
Capital assets, net	<u>\$ 6,338,335</u>	<u>(140,911)</u>	<u>-</u>	<u>(129,072)</u>	<u>6,068,352</u>

For the years ended June 30, 2015 and 2014, depreciation expense was \$655,245 and \$570,321, respectively. As of the year ended June 30, 2015, the NCRTD had no idle equipment. The adjustments are related to a restatement. See Note 25 for more detail. Additionally, the NCRTD received a capital contribution of \$33,600, for the purchase of a bus from the Town of Taos. The NCRTD paid \$15,000 for a bus that was valued at \$48,600.

Liens

All capital equipment purchased with funds provided by New Mexico Department of Transportation (NMDOT) shall reflect a lien held by NMDOT. The maturity of liens is as follows: four years for vans, sedans, and station wagons and seven years for small buses from the date of issuance of Certificate of Title.

NOTE 14—CHANGES IN LONG-TERM DEBT

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

	Balance 2014	Additions	Deletions	Restatement	Balance 2015	Due Within One Year
Compensated absences	\$ 100,658	57,151	(64,309)	-	93,500	51,425
Net pension liability	-	151,465	(649,400)	1,955,956	1,458,021	-
Total	<u>\$ 100,658</u>	<u>208,616</u>	<u>(713,709)</u>	<u>1,955,956</u>	<u>1,551,521</u>	<u>51,425</u>

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

Prior year compensated absences have been liquidated by the operating fund. No short-term debt was incurred during fiscal year 2015 or 2014.

NOTE 15—GROSS RECEIPTS TAX REVENUE

Starting in 2009, the NCRTD began collecting 1/8th of a percent of gross receipts tax (GRT) in four counties, which was approved by the voters of those counties in 2008. The counties are made up of Los Alamos, Rio Arriba, Santa Fe, and Taos. The GRT is applied and collected in the four local counties. The businesses in each county collect the tax and remit it to the New Mexico State Tax and Revenue Department (the Department). Then, the Department sends it to the NCRTD via the counties. The tax sunsets in 2023; therefore a district-wide election will need to be held in order to renew the tax.

The NCRTD also has an agreement with Rio Metro Regional Transit District regarding sharing a portion of the taxes collects out of Santa Fe County. It is unknown is this agreement will be renegotiated in 2023 when the tax expires. The funds that are paid to Santa Fe Trails and Los Alamos County are subject to annual review of the regional services they provide, by the Board of Directors. If any of the services were to be modified by the two entities, it could impact the amount of funding they receive for reimbursements. Any modifications are required to be reviewed by the staff at the NCRTD and subsequently approved by the NCRTD's Board of Directors.

The NCRTD collects the GRT and passes 62% of the collection on to the respective entities that provide regional services as noted above. The NCRTD then keeps the remaining 38%, which is utilized for the NCRTD provided services. Any excess revenue is place into the NCRTD's cash reserves. The following table shows the amount of the collection and amount passed through at June 30;

	<u>2015</u>	<u>2014</u>
Gross receipts and other taxes	\$ 7,246,641	6,941,122
Gross receipts passed-thru to other entities	<u>4,511,203</u>	<u>4,387,272</u>
Net GRT	<u>\$ 2,735,438</u>	<u>2,553,850</u>

NOTE 16—OTHER ASSETS

In FY14, when the NCRTD filed a Section 218 Modification in order to be able to allow eligible employees to opt-out of Social Security coverage, the NCRTD was allowed to go back 3 years and apply for reimbursements of taxes paid related to social security. As a result of this election, the NCRTD determined in FY15 that the amount due back to the NCRTD is \$160,910. This amount is expected to be collected in January 2016. It has been classified as a non-current asset on the statement of net position. Below is the following amounts that make up other assets for the year ended June 30, 2015.

<u>Type</u>	<u>2015</u>	<u>2014</u>
IRS refund	\$ 160,910	-
Security deposit	<u>50</u>	<u>50</u>
Total	<u>\$ 160,960</u>	<u>50</u>

NOTE 17—RISK MANAGEMENT

The NCRTD is insured through purchase of commercial insurance policies for general liability and purchases Worker's Compensation Insurance from the New Mexico Self Insurer's Fund. Worker's Compensation claims are handled by the New Mexico Self Insurer's Fund.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

NOTE 18—GRANTS

The NCRTD receives financial assistance from federal sources in the form of grants. The expenditures of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. The federal agencies reserve the right to conduct a follow-up review. Any disallowed expenditures resulting from federal agency review could become a liability of the NCRTD.

NOTE 19—LEASE COMMITMENTS

The NCRTD entered into a lease beginning November 17, 2008 for office space. The term of the lease is \$1,900 a month. Rental expenses under the lease in 2015 were \$5,508 and were \$7,803 in 2014. The NCRTD also entered into a lease with Taos Ski Valley, Inc. on October 1, 2011, for a radio tower lease. The term of the lease is \$450 a month.

The future remaining lease payments under these agreements are as follows:

<u>Year</u> <u>Ended</u>	<u>Lease</u> <u>Payments</u>
2016	\$ 2,250
2017	-
2018	-
2019	-
2020	-
Thereafter	-
Total	<u>\$ 2,250</u>

NOTE 20—RESTRICTED NET POSITION

On March 20, 2007, an agreement between the NCRTD and Los Alamos County was reached where funding in the amount of \$1,600,000 was awarded to the NCRTD to fund operations. Of the total, \$500,000 was received in fiscal year 2007 and \$1,100,000 was received in 2008. As part of the agreement, the NCRTD is to maintain a revolving fund for working capital maintained in perpetuity through reimbursement from other revenue sources, including federal grants. At June 30, 2015, the revolving fund balance was \$700,000 and at June 30, 2014, the revolving fund balance was \$700,000. These amounts are presented as restricted net position on the statement of net position.

NOTE 21—UNRESTRICTED NET POSITION

Unrestricted net position consists of undesignated and designated net position. The designated net position is 25% of all revenue, during the current fiscal year. This 25% of total revenue, serves as a cash reserve fund, in case the NCRTD ever needed significant immediate funds. The reserve can vary from year to year depending on the use of the reserve fund. The undesignated net position, is the remaining net position, less net position in capital assets. The NCRTD had the following unrestricted net position:

<u>Type</u>	<u>2015</u>	<u>2014</u>
Undesignated \$	<u>3,300,960</u>	4,445,294
Designated	<u>2,401,743</u>	2,380,518
Total	<u>\$ 5,702,703</u>	<u>6,825,811</u>

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Notes To Financial Statements
For The Year Ended June 30, 2015, With Comparative Totals For 2014

NOTE 22—RELATED PARTY TRANSACTIONS

The by-laws of the NCRTD require the composition of the Board of Directors to represent member governments. As a result, many members of the Board of Directors are employed by, or serve in an elected capacity for, the member governments. Due to the nature of the NCRTD, Board members have a significant interest in the NCRTD's transactions related to the furnishing of services to their respective governments, community and constituents.

In addition, the finance director facilitates collection of money on behalf of the Tesuque Pueblo, Pojoaque Pueblo, Pueblo de San Ildefonso, and Santa Clara Pueblo. The NCRTD has MOU's with the pueblos, and processes paperwork on behalf of the pueblos, so they can collect federal transit revenues.

NOTE 23 – CONTINGENCIES

As of June 30, 2015, the NCRTD did not have a signed MOU with the Pojoaque Pueblo. However, the NCRTD still provided services based on the MOU, because they had received verbal confirmation that the NCRTD's operating expenses would be reimbursed by the Pueblo. There is an outstanding receivable of \$38,557 due from the Pueblo, to the NCRTD. The amount is expected to be collected.

NOTE 24 –SUBSEQUENT EVENTS

The NCRTD and the Town of Taos signed an agreement to authorize NCRTD to operate and maintain the Taos Chile Line transit services beginning on July 1, 2015. The Town of Taos transferred all of its assets including nine buses and the right to claim the entire Federal Transit Administration (FTA) Section 5311 Rural Transit fund allocated by the New Mexico Transportation Rail and Transit Division. The annual operating budget is \$646,098 and consists of 9.57 FTE.

NOTE 25 – RESTATEMENTS

Restatements were made as follows for June 30:

	2015	2014
To record adjustment of capital assets related to accumulated depreciation	\$ (129,072)	-
To record restatement due to GASB 68 implementation, and related net pension liability	(1,955,956)	-
To adjust the useful life amount for capital assets, per change in estimate	-	<u>191,538</u>
Total restatements	<u>\$ (2,085,028)</u>	<u>191,538</u>

The NCRTD implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (as amendment of GASB Statement No. 27), in the fiscal year June 30, 2015. The implementation of the statement required the NCRTD to record beginning net pension liability and the effects on net position of contributions made by the NCRTD during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the business-type activities was restated by the amount noted in the above schedule.

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NORTH CENTRAL REGIONAL TRANSIT DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY OF PERA FUND DIVISION;
MUNICIPAL GENERAL DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS***

		2015
The NCRTD's proportion of the net pension liability (asset) (%)		0.19%
The NCRTD's proportionate share of the net pension liability (asset) (\$)	\$	1,458,021
The NCRTD's covered-employee payroll	\$	1,483,608
The NCRTD's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		98%
Plan fiduciary net position as a percentage of the total pension liability		81.29%

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

See Note 10 for Notes to Required Supplementary Information

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NORTH CENTRAL REGIONAL TRANSIT DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
 PERA FUND DIVISION; MUNICIPAL GENERAL DIVISION
 LAST 10 FISCAL YEARS***

		2015
Contractually required contribution	\$	228,542
Contributions in relation to the contractually required contribution		228,542
Contribution deficiency (excess)	\$	-
NCRTD's covered-employee payroll	\$	1,483,608
Contributions as a percentage of covered-employee payroll		15.40%

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

See Note 10 for Notes to Required Supplementary Information

See Independent Auditor's Report

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
BUDGET (NON-GAAP BUDGET BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues				
Revenue				
Charges for services	\$ -	-	<u>44,821</u>	<u>44,821</u>
Operating Expenses				
Personnel services	2,721,287	2,721,287	2,461,213	260,074
Other operating expenses	1,485,172	1,904,127	1,287,373	616,754
Capital outlay	<u>1,138,373</u>	<u>1,475,828</u>	<u>480,734</u>	<u>995,094</u>
Total operating expenses	<u>5,344,832</u>	<u>6,101,242</u>	<u>4,229,320</u>	<u>1,871,922</u>
Operating income (loss)	<u>(5,344,832)</u>	<u>(6,101,242)</u>	<u>(4,184,499)</u>	<u>1,916,743</u>
Nonoperating Revenues (Expenses)				
Federal grants	2,080,390	2,667,728	1,833,820	(833,908)
Member local match	400,000	400,000	400,000	-
Gross receipts and other taxes	6,809,100	6,809,100	7,246,641	437,541
Gross receipts pass-thru to other entities	(4,415,094)	(4,415,094)	(4,511,203)	(96,109)
Investment and interest income	-	-	20,408	20,408
Other revenue	<u>470,436</u>	<u>639,508</u>	<u>27,680</u>	<u>(611,828)</u>
Total nonoperating revenues (expenses)				
Income (loss)	<u>5,344,832</u>	<u>6,101,242</u>	<u>5,017,346</u>	<u>1,083,896</u>
Change in net position	-	-	<u>832,847</u>	<u>3,000,639</u>
Net position, beginning of year			<u>13,864,147</u>	
Net position, end of year			<u>\$ 14,696,994</u>	

Reconciliation to Statement of Revenue, Expenses and Changes in Net Position

Change in net position-budget basis	\$ 832,847
Subtract depreciation that was recorded on the statement of revenue, expenses and changes in net position but not on non-GAAP Budget Basis	(655,245)
Capital outlay that was capitalized on the statement of net position but not on non-GAAP Budget Basis	<u>514,334</u>
Change in net position-business type activity - full accrual basis	<u>\$ 691,936</u>

See Independent Auditor's Report

2015

North Central Regional Transit District,
New Mexico



Comprehensive Annual Financial Report

For the year ended June 30, 2015
www.ncrtd.org

STATISTICAL SECTION

(Unaudited)

Statistical Section

North Central Regional Transit District (NCRTD)

Statistical Section

For the Year End June 30, 2015

This part of NCRTD's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about NCRTD's overall financial health.

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
NET POSITION BY COMPONENT (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Business-type activities				
Investment in capital assets	\$ -	-	703,459	1,245,723
Restricted	-	196,657	490,157	490,157
Unrestricted	(1,281)	323,777	1,097,322	880,600
Total business-type activities net position [a]	\$ <u>(1,281)</u>	<u>520,434</u>	<u>2,290,938</u>	<u>2,616,480</u>

Source: North Central Regional Transit District CAFRs

Notes:

- [a] The District implemented GASB 63 during FY2013 in which formerly titled "Net Assets" are now named "Net Position".
- [b] The District implemented GASB 68 during FY2015 which includes net pension liability. The reduction of net position is related to the recording of pension expense and the associated deferred inflows and outflows of resources.

Table 1

<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
2,841,769	3,851,537	5,593,594	5,539,060	6,338,336	6,068,352
700,000	700,000	700,000	700,000	700,000	700,000
<u>3,012,084</u>	<u>5,080,645</u>	<u>5,491,203</u>	<u>6,637,523</u>	<u>6,825,811</u>	<u>5,702,703 [b]</u>
<u>6,553,853</u>	<u>9,632,182</u>	<u>11,784,797</u>	<u>12,876,583</u>	<u>13,864,147</u>	<u>12,471,055</u>

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Expenses				
Business-type activities:				
Transit	\$ <u>134,745</u>	<u>461,092</u>	<u>1,817,105</u>	<u>2,887,356</u>
Total business-type activities expenses	<u>134,745</u>	<u>461,092</u>	<u>1,817,105</u>	<u>2,887,356</u>
Program Revenues				
Business-type activities:				
Charges for services:				
Transit	-	-	17,772	12,394
Operating grants and contributions	<u>135,444</u>	<u>978,741</u>	<u>3,102,080</u>	<u>3,193,156</u>
Total business-type activities program revenues	<u>135,444</u>	<u>978,741</u>	<u>3,119,852</u>	<u>3,205,550</u>
Net (Expenses)/Revenues				
Business-type activities	\$ <u>699</u>	<u>517,649</u>	<u>1,302,747</u>	<u>318,194</u>
General Revenues and Other Changes in Net Position				
Business-type activities:				
Net gross receipts taxes [a]	\$ -	-	-	-
Investment earnings	-	4,066	29,959	7,348
Special items	-	-	<u>437,798</u>	-
Total business-type activities	<u>-</u>	<u>4,066</u>	<u>467,757</u>	<u>7,348</u>
Change in Net Position				
Business-type activities	\$ 699	521,715	1,770,504	325,542

Source: North Central Regional Transit District CAFRs

Notes:

[a] The District implemented a transit Gross Receipt Tax for all 4 counties in its service area

[b] The transit Gross Receipt Tax is net of the pass-thru to other entities in the service area

Table 2

<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>3,770,124</u>	<u>3,504,613</u>	<u>3,842,687</u>	<u>4,131,654</u>	<u>4,338,773</u>	<u>4,403,831</u>
<u>3,770,124</u>	<u>3,504,613</u>	<u>3,842,687</u>	<u>4,131,654</u>	<u>4,338,773</u>	<u>4,403,831</u>
15,484	25,965	30,550	17,925	44,685	44,821
<u>4,182,238</u>	<u>3,338,955</u>	<u>3,166,482</u>	<u>2,457,128</u>	<u>2,513,224</u>	<u>2,233,820</u>
<u>4,197,722</u>	<u>3,364,920</u>	<u>3,197,032</u>	<u>2,475,053</u>	<u>2,557,909</u>	<u>2,278,641</u>
<u>427,598</u>	<u>(139,693)</u>	<u>(645,655)</u>	<u>(1,656,601)</u>	<u>(1,780,864)</u>	<u>(2,125,190)</u>
3,553,772 [b]	3,144,345 [b]	2,832,727 [b]	2,543,447 [b]	2,553,850 [b]	2,735,438 [b]
5,400	2,752	8,309	3,377	6,125	20,408
-	70,925	(42,766)	(1,724)	16,916	61,280
<u>3,559,172</u>	<u>3,218,022</u>	<u>2,798,270</u>	<u>2,545,100</u>	<u>2,576,891</u>	<u>2,817,126</u>
3,986,770	3,078,329	2,152,615	888,499	796,027	691,936

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
TAXABLE GROSS RECEIPTS BY BUSINESS SECTOR (in \$1,000s)**

Table 3

LAST TEN FISCAL YEARS

Business Sector	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Los Alamos County										
Services [a]	\$ 186,785	1,172,898 [b]	1,100,489	1,444,328	1,209,968	1,462,395	1,258,852	979,818	901,467	946,416
Construction	271,679	169,010	10,048	80,782	97,986	58,998	67,112	79,044	61,740	36,136
Retail & Food Service	72,616	60,421	58,979	68,454	68,929	63,160	61,631	65,708	59,269	79,008
Telecommunications	9,962	10,752	10,824	11,883	23,470	23,263	27,940	26,867	27,422	24,974
Manufacturing	3,242	4,151	8,207	8,394	2,920	4,735	3,712	5,637	5,936	5,376
Wholesale	18,736	14,692	7,587	9,339	7,351	5,360	7,236	3,532	1,920	2,327
Financial Services	4,180	5,230	4,729	4,905	4,798	4,993	6,301	5,146	4,919	5,833
Agriculture	117	29	-	-	-	20	-	-	29	66
Mining	-	-	-	-	-	-	-	-	-	-
Public Administration	1	5,640 [c]	29	3,973	5,991	8,278	331	301	12,512	16,556
Other	171,863	92,774	99,488	85,640	79,245	68,648	75,016	70,060	63,385	70,057
Totals	\$ 739,181	1,535,597	1,300,380	1,717,698	1,500,658	1,699,850	1,508,131	1,236,113	1,138,599	1,186,749
Rio Arriba County										
Services [a]	\$ 14,427	16,092	16,279	20,064	18,438	18,631	17,182	12,686	12,167	15,444
Construction	74,888	86,012	102,065	111,940	71,437	70,592	66,749	67,594	59,716	68,168
Retail & Food Service	161,495	190,995	190,588	179,772	164,178	158,694	156,733	151,346	152,731	177,565
Telecommunications	12,755	14,627	13,592	13,670	27,092	27,566	29,511	30,369	31,235	32,642
Manufacturing	8,766	9,655	8,430	7,440	4,746	5,459	9,507	34,727	25,299	27,666
Wholesale	45,765	41,615	30,214	29,885	23,488	35,567	33,624	21,788	18,450	18,822
Financial Services	1,157	2,091	2,518	1,559	871	615	702	1,517	1,462	1,008
Agriculture	613	1,218	1,391	1,477	1,047	1,516	1,639	2,500	2,770	3,596
Mining	52,820	97,200	97,764	90,977	42,656	42,598	42,951	27,086	21,855	34,670
Public Administration	28,203	28,133	33,967	31,339	30,473	28,945	29,115	29,262	31,387	32,117
Other	125,812	103,954	82,060	90,465	59,131	63,763	61,407	55,094	64,753	85,185
Totals	\$ 526,701	591,592	578,868	578,588	443,557	453,946	449,120	433,969	421,825	496,883
Santa Fe County										
Services [a]	\$ 260,858	288,726	310,476	309,742	299,239	328,864	327,938	352,899	367,868	413,483
Construction	669,271	727,852	869,286	715,961	537,341	437,716	442,061	436,951	482,857	482,278
Retail & Food Service	1,480,149	1,523,304	1,553,186	1,466,858	1,358,312	1,371,891	1,391,275	1,401,424	1,449,517	1,726,016
Telecommunications	74,474	89,151	90,196	102,643	200,428	188,904	198,147	197,371	210,570	216,346
Manufacturing	76,626	81,899	78,216	64,568	59,357	60,848	60,891	60,586	69,804	70,084
Wholesale	91,182	128,520	111,214	85,109	52,594	83,433	77,844	58,914	65,804	89,576
Financial Services	29,262	33,286	39,554	32,333	30,429	34,013	33,390	39,893	43,479	48,357
Agriculture	20,355	18,180	19,683	15,895	13,151	12,447	10,643	8,480	8,063	9,059
Mining	180	357	881	1,034	463	412	1,268	1,023	1,290	1,285
Public Administration	133,817	139,239	146,259	141,190	147,565	142,434	151,990	160,466	161,711	173,502
Other	724,419	716,977	728,014	679,842	612,525	632,899	629,157	653,219	689,393	813,712
Totals	\$ 3,560,593	3,747,491	3,946,965	3,615,175	3,311,404	3,293,861	3,324,604	3,371,226	3,550,356	4,043,698
Taos County										
Services [a]	\$ 20,264	26,813	29,132	32,902	29,441	29,733	26,717	28,169	32,859	85,552
Construction	133,724	118,362	113,047	119,933	116,317	123,297	80,205	78,392	90,346	91,344
Retail & Food Service	246,037	257,965	259,456	253,010	240,789	252,605	252,713	253,129	263,517	303,112
Telecommunications	15,248	15,594	16,183	20,316	36,365	33,328	34,517	34,571	41,836	41,077
Manufacturing	11,527	12,803	13,182	11,550	9,704	9,882	10,169	12,854	13,333	14,667
Wholesale	10,686	12,590	11,704	10,224	9,486	11,884	8,958	5,495	7,050	6,684
Financial Services	2,941	2,725	2,838	2,018	2,555	2,387	1,975	2,572	2,172	2,451
Agriculture	979	672	1,018	1,332	1,065	1,200	1,284	607	933	773
Mining	-	66	71	-	73	63	2,321	-	8,664	9,896
Public Administration	39,645	43,771	44,075	41,495	39,634	37,463	40,687	42,461	42,834	42,923
Other	109,244	111,784	106,205	94,901	89,102	84,680	86,076	87,483	88,480	105,784
Totals	\$ 590,295	603,145	596,911	587,681	574,531	586,522	545,622	545,733	592,024	704,263

Source: Taxable Gross Receipts (from State of New Mexico Taxation and Revenue Department - quarterly report NM_RP-80 Gross Receipts by Geographic Area and 2-digit NAICS Code) - in \$1,000s

Notes:

General Note: The State will not distribute information on individual taxpayers; thus, the County cannot disclose information on the largest individual taxpayers.

[a] Services include professional services, health care, education, administration and support, and waste management and remediation services

[b] The marked increase in activity could be largely due to the new taxable status of the largest employer, Los Alamos National Laboratory. In prior years, the laboratory was a non-profit.

[c] The State's reporting system corrected a prior period filing error in the "Public Administration" sector.

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
GROSS RECEIPTS TAX (GRT) REVENUES AND RATES
LAST TEN FISCAL YEARS**

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
<u>Regional Transit GRT Revenues</u>				
Los Alamos County	\$			
- Less Regional Services Provided by Atomic City Transit				
Net Los Alamos County GRT				
Rio Arriba County				
Santa Fe County				
- Less Regional Services Provided by Santa Fe Trails				
- Less Regional Services Provided by RailRunner				
Net Santa Fe County GRT				
Taos County				
Total Net GRT Revenues \$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>GRT Rates by Imposing Authority</u>				
State Imposed Rate	5.0000%	5.0000%	5.0000%	5.0000%
Locally Imposed by County:				
Los Alamos County	1.8750% [b]	1.9375% [c]	2.0625%	2.0625%
Rio Arriba County	1.0625%	0.8125% [d]	1.0625%	1.0625%
Santa Fe County	1.3125% [g]	1.3125%	1.6250% [h]	1.3750% [i]
Taos County	1.3125%	1.3125%	1.8750% [k]	1.8750%

North-Central Regional Transit District (NCRTD):
Regional Transit 1/8th

Sources: NCRTD Financial System and NM State Gross Receipt Tax Rate Schedules

Notes:

[a] State Rate Changed July 1, 2010

[b] Los Alamos County Rate Changed July 1, 2005 to 1.5625% and changed January 1, 2006 to 1.6875%

[c] Los Alamos County Rate Changed July 1, 2006 to 1.9375%

[d] Rio Arriba County Rate Changed July 1, 2006 to 1.0625% and changed January 1, 2007 to 0.8125%

[e] Rio Arriba County Rate Changed July 1, 2010 to 1.0625% and changed January 1, 2011 to 1.1875%

[f] Rio Arriba County Rate Changed July 1, 2011 to 1.2500%

Table 4

<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
1,909,877	2,284,466	1,838,146	1,509,469	1,380,501	1,367,132
(738,997)	(1,459,741)	(1,313,896)	(1,332,180)	(1,344,249)	(1,361,838)
<u>1,170,880</u>	<u>824,725</u>	<u>524,250</u>	<u>177,289</u>	<u>36,252</u>	<u>5,294</u>
<u>568,209</u>	<u>578,994</u>	<u>593,160</u>	<u>567,199</u>	<u>548,414</u>	<u>595,908</u>
3,888,579	3,845,798	3,959,371	4,027,621	4,204,355	4,392,219
(875,000)	(952,776)	(957,630)	(981,831)	(1,015,670)	(953,974)
<u>(1,944,288)</u>	<u>(1,922,924)</u>	<u>(1,979,674)</u>	<u>(2,013,813)</u>	<u>(2,102,176)</u>	<u>(2,196,110)</u>
<u>1,069,291</u>	<u>970,098</u>	<u>1,022,067</u>	<u>1,031,977</u>	<u>1,086,509</u>	<u>1,242,135</u>
<u>745,392</u>	<u>770,528</u>	<u>693,250</u>	<u>766,982</u>	<u>882,675</u>	<u>892,101</u>
<u>3,553,772</u>	<u>3,144,345</u>	<u>2,832,727</u>	<u>2,543,447</u>	<u>2,553,850</u>	<u>2,735,438</u>
5.0000%	5.1250% [a]	5.1250%	5.1250%	5.1250%	5.1250%
2.0625%	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
1.0625%	1.1875% [e]	1.2500% [f]	1.2500%	1.2500%	1.2500%
1.3750%	1.3750%	1.3750%	1.3750%	1.6250% [j]	1.6250%
1.8750%	1.8750%	1.8750%	1.8750% [l]	1.8750%	1.8750%
0.1250% [m]	0.1250%	0.1250%	0.1250%	0.1250%	0.1250%

[g] Santa Fe County Rate Changed July 1, 2005 to 1.2500% and changed January 1, 2006 to 1.3125%

[h] Santa Fe County Rate Changed July 1, 2007 to 1.5625% and changed January 1, 2008 to 1.6250%

[i] Santa Fe County Rate Changed July 1, 2008 to 1.6250% and changed January 1, 2009 to 1.3750%

[j] Santa Fe County Rate Changed July 1, 2013 to 1.6250%

[k] Taos County Rate Changed July 1, 2007 to 1.8750%

[l] Taos County Rate Changed July 1, 2011 to 1.3750% and changed January 1, 2012 to 1.8750%

[m] Regional Transit increment effective July 1, 2009

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
TEN LARGEST GROSS RECEIPT TAX GENERATING COMMUNITIES IN THE DISTRICT**

Table 5

June 30, 2015

COMMUNITY	COUNTY	FY 2015			FY 2006		
		TAXABLE GROSS RECEIPTS (LESS DEDUCTIONS)	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION	TAXABLE GROSS RECEIPTS (LESS DEDUCTIONS)	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION
City of Santa Fe	Santa Fe	\$ 1,106,038,711	1	17.20%	\$ 731,865,806	1	13.51%
Los Alamos (City & County)	Los Alamos	590,250,281	2	9.18%	195,276,627	2	3.61%
Santa Fe County (remainder)	Santa Fe	207,494,975	3	3.23%	180,466,855	3	3.33%
Town of Taos	Taos	109,882,393	4	1.71%	83,444,089	4	1.54%
Española (Rio Arriba)	Rio Arriba	77,022,612	5	1.20%	59,999,087	5	1.11%
Rio Arriba County (remainder)	Rio Arriba	71,918,990	7	1.12%	63,806,444	6	1.18%
Taos County (remainder)	Taos	74,945,162	6	1.17%	52,946,412	7	0.98%
Town of Edgewood	Santa Fe	45,576,346	8	0.71%	15,327,330	8	0.28%
Española (Santa Fe)	Santa Fe	14,675,519	9	0.23%	11,406,066	10	0.21%
Town of Red River	Taos	9,411,407	10	0.15%	-	-	-
Jicarilla Apache Nation	Rio Arriba	-	-	-	15,593,119	9	0.29%
Total of ten largest GRT generating communities		2,307,216,396		35.87%	1,394,538,716		25.74%
Total GRT generated in remainder of the district		4,124,376,604		64.13%	4,022,231,284		74.26%
Total GRT generated in district		\$ 6,431,593,000		100.00%	\$ 5,416,770,000		100.00%

Source: Taxable Gross Receipts (from State of New Mexico Taxation and Revenue Department - quarterly report NM_RP-80 Gross Receipts by NAICS Code)

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS FOR THE DISTRICT
LAST TEN FISCAL YEARS

Table 6

Fiscal Year	Population	Personal Income (In thousands)	Per Capita Personal Income	Full and Part-time Employment	Unemployment Rate
2006	228,886	8,894,968	38,862	147,582	3.9%
2007	230,490	9,222,366	40,012	151,262	3.5%
2008	232,094	9,059,093	39,032	148,877	4.2%
2009	233,698	9,108,380	38,975	143,305	7.4%
2010	235,704	9,186,563	38,975	140,457	7.4%
2011	237,509	9,594,651	40,397	139,587	7.0%
2012	237,581	9,906,653	41,698	138,582	6.7%
2013	238,328	9,910,632	41,584	139,082	6.6%
2014	238,707	10,586,178	44,348	139,316	6.3%
2015	*	*	*	*	*

Sources: Population estimate provided by U.S Census Bureau. Per Capita Personal Income and Full and Part-time Employment provided by U.S. Bureau of Economic Analysis. All other data provided by New Mexico Department of Workforce Solutions.

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
LARGEST EMPLOYERS**

Table 7

June 30, 2015

Employer	Type of Business	FY2015			FY2006		
		Number of Employees	Rank	% of Total District Employment	Number of Employees	Rank	% of Total District Employment
State of New Mexico	Government	21,832	1	15.67%	9,159	1	6.21%
Los Alamos National Laboratory	Research and Development	10,827	2	7.77%	9,280	2	6.29%
Santa Fe Community College	Education	2,027	3	1.45%	717	8	0.49%
Santa Fe Public Schools	Education	2,027	3	1.45%	2,000	3	1.36%
St. Vincent Regional Medical Center	Medical Services	1,750	5	1.26%	1,540	6	1.04%
U.S. Government (Various Agencies)	Government	1,750	5	1.26%	1,750	4	1.19%
City of Santa Fe	Government	1,471	7	1.06%	1,719	5	1.16%
Santa Fe County	Government	1,078	8	0.77%	800	7	0.54%
U.S. Bureau of Land Management	Government	726	9	0.52%	-	-	-
Los Alamos County	Government	673	10	0.48%	623	10	0.42%
Los Alamos Public Schools	Education	-	-	-	700	9	0.47%
KSL Services, Inc.	Maintenance and Operations Services	-	-	-	1,633	6	1.11%
Other employers		95,155		68.30%	117,661		79.73%
Total workforce [a]		139,316		100.00%	147,582		100.00%

Sources: Individual Employers, New Mexico Department of Labor, City of Santa Fe and Los Alamos County CAFRs

Notes:

[a] U.S. Bureau of Economic Analysis

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**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>
Business-type activities			
Administration			
Executive Director's Office	2	2	2
Finance			1
Public Information Office			
Special Projects	1	1	
Human Resources			
Operations			
Operations Administration			2
Transportation Planning	1	1	1
Route Supervision			3
Dispatchers			1.5
Fleet & Facilities			
Drivers			18.5
Totals	<u>4.0</u>	<u>4.0</u>	<u>29.0</u>

Source: Fiscal Year Budgets

Table 8

<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
2	2	2	2	2	2	2.3
2	2	3	3	3	3	3
1	1	1	1	1	1	2
		1	1	1		
					1	1
3	3	3	3	2	2	2
2	2	1	1	1	1	1
3	3	2	2	2	2	2
1.5	1.5	2	2	2	2	2
1	1	1	1	3	2.5	2.5
30	30	31	34	33.1	32.8	33.1
<u>45.5</u>	<u>45.5</u>	<u>47.0</u>	<u>50.0</u>	<u>50.1</u>	<u>49.3</u>	<u>50.9</u>

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
OPERATING INDICATORS BY FUNDING/SERVICE TYPE
LAST TEN FISCAL YEARS

		<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
NCRTD Operated Routes (first year of complete data was FY2009)					
Greater Eldorado Express	Started October 2007			7,969	12,972
Questa to Taos	Started October 2007			2,119	11,208
Taos to Española	Started October 2007			1,189	6,603
Peñasco to Taos	Started October 2007			3,001	6,985
Riverside Drive	Started October 2007			1,399	5,880
Westside	Started October 2007			1,127	3,907
Española to Santa Fe	Started October 2007			1,214	9,911
Tesuque to Santa Fe	Started October 2007			320	4,232
Española to Los Alamos	Started January 2008			47	563
Santa Clara to Española/Santa Fe	Started April 2008			105	1,671
El Rito to Española	Started July 2008				1,932
Alcalde Velarde	Started December 2008				1,003
Española to Chimayo	Started April 2009				324
Las Trampas	Started October 2009				
San Idelfonso	Started December 2009				
Red River	Started January 2010				
UNM Klauer	Started January 2010				
Chama	Started February 2010				
Turquoise Trail/Route 599	Started July 2010				
Eldorado	Started July 2010				
Edgewood	Started September 2011				
Tres Piedras	Started March 2015				
Taos Express	Started January 2015				
Demand Response	Los Valles & Española Transit Not Availa			11,169	[d] 11,838
Pojoaque/Nambe Dial-a-Ride	Started April 2009				200
Demand Response Pojoaque Students	Started September 2010				
Total Unlinked Riders on NCRTD Operated Routes				<u>29,659</u>	<u>79,229</u>
NCRTD Partially Funded Routes (first year of complete data was FY2009)					
RailRunner	Started December 2008				251,186
Santa Fe Route 2	Started February 2010				
Santa Fe Route 4	Started February 2010				
Santa Fe Route 22	Started February 2010				
Santa Fe Pick Up	Started February 2010				
Los Alamos Route 2 White Rock	Started March 2010				
Los Alamos Enhanced Services on Route 3, 4, 5, & 6	Started October 2010				
Los Alamos Route 11 White Rock Express	Started October 2010				
Total Unlinked Riders on NCRTD Partially Funded Routes					<u>251,186</u>
Total Unlinked Passenger Rides for All Operated and Funded Routes				<u>29,659</u>	<u>330,415</u>

Sources: Ridership Reports

[a] Suspended Service May 2010 with All Aboard America

[b] Suspended July 2011

[c] Suspended Service January 2015 for the remainder of FY2015

[d] NCRTD Started Service October 2007

[e] Systemwide Route Modifications implemented March 2015

Table 9

<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
8,835	[a]				
11,949	13,482	12,201	12,913	10,792	9,794
7,097	9,837	12,169	10,500	10,243	9,862
5,838	6,034	8,697	9,189	7,707	6,567
11,473	24,341	40,507	41,470	48,943	45,007
7,376	9,828	13,062	13,359	15,393	12,864
13,121	18,853	24,170	25,286	29,643	23,972
7,228	8,861	7,176	7,524	10,448	9,322
745	1,258	1,317	1,461	1,685	1,820
2,117	5,501	7,022	7,225	8,027	5,680
3,695	3,972	4,149	4,876	4,980	3,229
624	1,453	[b]			
3,040	5,920	5,873	6,645	7,818	8,633
866	2,146	2,052	2,196	2,311	1,768
514	1,883	3,399	3,347	2,951	1,997
828	3,275	4,890	5,219	4,380	3,605
1,326	3,446	3,197	4,504	3,579	1,908
246	1,101	1,887	3,292	3,834	2,902
	4,508	6,852	5,899	7,438	9,220
	7,665	8,243	7,045	6,636	5,154
		4,946	7,568	9,612	8,822
					236
					731
6,070	7,762	7,762	7,849	8,030	7,028
2,276	3,913	3,167	2,035	1,389	1,251
	4,724	3,088	3,515	3,911	2,695
<u>95,264</u>	<u>149,763</u>	<u>185,826</u>	<u>192,917</u>	<u>209,750</u>	<u>184,067 [e]</u>
399,569	392,239	360,076	309,115	360,269	337,680
16,726	46,512	48,773	48,382	49,393	50,606
4,131	11,805	11,116	10,015	11,543	9,626
4,779	6,580	8,950	10,925	10,318	7,739
15,005	66,394	66,180	80,318	76,413	86,790
8,655	36,247	37,352	46,008	106,671	98,779
	54,183	66,820	66,523	51,148	57,204
	3,883	6,930	6,792	6,230	6,873
<u>448,865</u>	<u>617,843</u>	<u>606,197</u>	<u>578,078</u>	<u>671,985</u>	<u>655,297</u>
<u>544,129</u>	<u>767,606</u>	<u>792,023</u>	<u>770,995</u>	<u>881,735</u>	<u>839,364</u>

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Transit				
Lease Space	1	1	1	1
Buildings				
Buses			11	14
Other Vehicles			3	3
Bus Stops			32	86
Shelters				

Sources: District Departments and Capital Asset Records

Table 10

<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
1	1	1			
			1	1	1
19	19	21	33	37	38
3	4	8	8	8	11
141	167	195	195	220	382
		33	33	34	34



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SERVING NORTH CENTRAL NEW MEXICO

2015

North Central Regional Transit District, New Mexico



Comprehensive Annual Financial Report

For the year ended June 30, 2015
www.ncrtd.org

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards
Notes to Schedule of Expenditures of Federal Awards

Report of Independent Auditors on Internal Controls
in Accordance with Government Auditing Standards

Report of Independent Auditors on Compliance with
OMB Circular A-133

Schedule of Findings and Questioned Costs

Compliance Section

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Direct from New Mexico Department of Transportation			
5311 Grant - Capital Funding	20.509 *	M01166	\$ 61,870
5311 Grant - Tribal Transit	20.509 *	N/A	167,670
Grant - ADA Upgrades to Shelters	20.XXX	D14373	<u>45,508</u>
Total Direct U.S. Department of Transportation			<u>275,048</u>
Passed through New Mexico Department of Transportation			
5311 Grant - Formula Grants for Other Than Urbanized Areas	20.509 *	M01252 & M01337	1,476,116
5316 Grant - Transportation Assistance	20.516	M01167 & M01252	15,197
5304 Grant - Service Plan Update & Design	20.515	M01311	<u>67,459</u>
Total Passed Through U.S. Department of Transportation			<u>1,558,772</u>
Total Expenditures of Federal Awards			<u>\$ 1,833,820</u>

* = Denotes major program

Reconciliation of federal expenditures to federal revenues:

Federal revenue per Statement of Activities	\$ 1,833,820
Federal awards expended per SEFA	<u>1,833,820</u>
Difference	<u>\$ -</u>

SELECTED DISCLOSURES:

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant expenditure activity for the financial statements of the organization. The schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2 - Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended June 30, 2015.

3 - Subrecipients

The organization provided no federal awards presented above to sub-recipients during the year.

4 - Federal Insurance

The organization is re-deemed an employee of the Federal Government for the purposes of malpractice liability protection under the Federal Tort Claims Act (FTCA) during the budget period, for the period this audit report covers.

See Independent Auditor's Report



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

Board of Directors and Management of
North Central Regional Transit District
and
Mr. Tim Keller, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the North Central Regional Transit District (NCRTD) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the NCRTD's basic financial statements, and the related budget comparison of the NCRTD, presented as supplementary information, and have issued our report thereon dated November, 20, 2015.

Internal Control over Financial Reporting

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

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

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

November 20, 2015

**Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
On Based On An Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards*,
continued**

Compliance and Other Matters

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

Purpose of This Report

This 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 NCRTD's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hinkle + Landers, P.C.
Albuquerque, NM
November 20, 2015

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

Board of Directors and Management of
North Central Regional Transit District
and
Mr. Tim Keller, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the North Central Regional Transit District's (NCRTD) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the NCRTD's major federal programs for the year ended June 30, 2015. The NCRTD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the NCRTD is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the NCRTD's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine

the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the NCRTD's internal control over compliance.

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

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

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



Hinkle + Landers, P.C.
Albuquerque, NM
November 20, 2015

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued Unmodified

Internal Control over financial reporting:

Material weaknesses identified? ___ Yes X No

Significant deficiencies identified that are
Not considered to be material weaknesses? ___ Yes X No

Non-compliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal Control

Material weaknesses identified? ___ Yes X No

Significant deficiencies identified that are
Not considered to be material weaknesses? ___ Yes X No

Type of auditor’s report issued on major programs Unmodified

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

CFDA Numbers Funding Source	Name of Federal Programs	Funding Source
20.509	Capital, Administrative and Operating Expenses	U.S. Dept of Transportation

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk Auditee? No

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015**

<u>Reference Finding</u>	<u>Status of Current and Prior Year Findings</u>	<u>Type of Finding</u>
Prior Year Findings		
NONE		
Current Year Findings		
NONE		

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance to Federal Awards
- G. Compliance with State Audit Rule

PRIOR YEAR FINDINGS

NONE

CURRENT YEAR FINDINGS

NONE



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2015

North Central Regional Transit District, New Mexico



Comprehensive Annual Financial Report

For the year ended June 30, 2015
www.ncrtd.org

OTHER SUPPLEMENTARY INFORMATION SECTION

Schedule of Cash and Investments

Schedule of Collateral

Schedule of Joint Powers Agreements and Govern-
mental Agreements

Schedule of Vendor Information for Purchases Exceed-
ing \$60,000 (excluding GRT)

Exit Conference

Other Supplementary
Information Section

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF CASH AND INVESTMENTS
AS OF JUNE 30, 2015**

Financial Institution	Account Type	Reconciled Balance	Balance Per Bank	Treasury Obligations or FDIC Coverage	Total Uninsured	Required Collateral Coverage	Collateral Requirement	Collateral Pledged	Over/ (Under) Collateralized
	Petty cash	\$ 100							
Los Alamos National Bank	Checking	1,551,179	1,859,456	250,000	1,609,456	50%	804,728	1,859,456	1,054,728
Total cash and cash equivalents		1,552,279	1,859,456	250,000	1,609,456		804,728	1,859,456	1,054,728
Los Alamos National Bank									
0161485160	Certificate of deposit	251,126	250,000	250,000	1,126	50%	563	250,000	249,437
0161485141	Certificate of deposit	251,087	250,000	250,000	1,087	50%	543	250,000	249,457
0161485142	Certificate of deposit	251,094	250,000	250,000	1,094	50%	547	250,000	249,453
0161485143	Certificate of deposit	251,102	250,000	250,000	1,102	50%	551	250,000	249,449
0161485144	Certificate of deposit	251,061	250,000	250,000	1,061	50%	530	250,000	249,470
0161485145	Certificate of deposit	251,079	250,000	250,000	1,079	50%	539	250,000	249,461
0161485146	Certificate of deposit	251,151	250,000	250,000	1,151	50%	576	250,000	249,424
0161485147	Certificate of deposit	251,221	250,000	250,000	1,221	50%	610	250,000	249,390
0161485148	Certificate of deposit	251,324	250,000	250,000	1,324	50%	662	250,000	249,338
0161485149	Certificate of deposit	577,240	574,199	250,000	327,240	50%	163,620	250,000	86,380
Total Los Alamos National Bank		2,837,484	2,854,199	2,500,000	337,484		168,742	2,500,000	2,331,258
State Employees Credit Union									
3002230840	Certificate of deposit	251,844	250,000	250,000	1,844	50%	922	250,000	249,078
3002230820	Savings	50	-	-	50	0%	-	-	-
Total State Employees Credit Union		251,894	250,000	250,000	1,894		922	250,000	249,078
Washington Federal - cert #362-270034-6									
	Certificate of deposit	251,332	250,000	250,000	1,332	50%	666	250,000	249,334
Guadalupe Credit Union - cert #0639									
	Certificate of deposit	251,415	250,000	250,000	1,415	50%	708	250,000	249,592
US NM Federal Credit Union - cert # 0399									
	Certificate of deposit	251,844	250,000	250,000	1,844	50%	922	250,000	249,078
Bank of New Mexico - cert #2242									
	Certificate of deposit	250,529	250,000	250,000	529	50%	264	250,000	249,736
Total certificate of deposits		4,094,499	4,074,199	3,750,000	344,499		172,224	3,750,000	3,577,776
State of NM Local Government Investment Pool (LGP)									
	Investment Pool	1,904,281	1,904,281	-	1,904,281	102%	1,942,366	1,942,366	-
Total State of NM Local Government Investment Pool		1,904,281	1,904,281	-	1,904,281		1,942,366	1,942,366	-
Total investments		5,998,780	5,978,480	3,750,000	2,248,780		2,114,590	5,692,366	3,577,776

See Independent Auditor's Report

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF COLLATERAL
AS OF JUNE 30, 2015**

<u>Bank</u>	<u>CUSIP</u>	<u>Current Shares or Face Value</u>	<u>Coupon or Rate</u>	<u>Market Value</u>	<u>Maturity Date</u>
Los Alamos National Bank					
Not Designated: FHLMC Pool #849288	31300MJ95	\$ 405,095	2.400%	\$ 432,873	1/1/2038
FHLB Dallas: FHLB Bullet	313370TW8	2,500,000	2.000%	2,546,465	9/9/2016
Not Designated: FHLB Bullet	313370TW8	750,000	2.000%	763,940	9/9/2016
FHLB Dallas: FHLB Bullet	313370TW8	750,000	2.000%	763,940	9/9/2016
FHLB Dallas: FHLB Bullet	313370TW8	500,000	2.000%	509,293	9/9/2016
		<u>\$ 4,905,095</u>		<u>\$ 5,016,510</u>	

See Independent Auditor's Report

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF JOINT POWERS AGREEMENTS AND GOVERNMENTAL AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Item #	Name of Entity	Type of Agreement JPA/MOA/MOU	Description of Services	Type of Funds	Beginning Date	End Date	Total Estimated Project Amount and Amount Applicable to Agency	Amount Contributed by NCRID During Current Fiscal Year	Contribution of Working Capital to NCRID	Termination Clause
1.	Pueblo of Tesuque	MOA	Provide Transportation Services to Tesuque Pueblo	5311 Federal Grant	9/24/2014	9/30/2015	\$ 45,433	0.00	\$ -	Termination for Cause by either Party
							Federal 45,433 Local Match 0.00			
2.	Pueblo of Pojoaque	MOA	Provide Transportation Services to Pojoaque Pueblo	5311 Federal Grant	8/26/2014	9/30/2015	\$ 38,557 (1)	0.00	\$ -	Termination for Cause by either Party
							Federal 38,557 Local Match 0.00			
3.	Pueblo of San	MOA	Provide Transportation Services to San Ildefonso	5311 Federal Grant	9/24/2014	9/30/2015	\$ 41,232	0.00	\$ -	Termination for Cause by either Party
							Federal 41,232 Local Match 0.00			
4.	Pueblo of Santa Clara	MOA	Provide Transportation Services to Santa Clara Pueblo	5311 Federal Grant	11/25/2014	9/30/2015	\$ 119,656	0.00	\$ -	Termination for Cause by either Party
							Federal 119,656 Local Match 0.00			
5.	Pueblo of Santa Clara	MOA	Provide Transportation Services to Santa Clara Pueblo	5311 Federal Grant	9/9/2014	9/30/2015	\$ 140,000	0.00	\$ -	Termination for Cause by either Party
							Federal 140,000 Local Match 0.00			
6.	NMIDOT	MOA	Vehicle Scheduling, Reporting & Monitoring Vehicle Locations	5311 Federal Grant	6/21/2012	9/30/2015	450,000	61,869.55		Termination for Cause by either Party
							Federal 225,000 Local 225,000			
7.	NMDOT	MOA	Federal Assistance for Public Transportation in Rural and Non-Urbanized Areas	5311 Federal Grant	10/1/2013	9/30/2014	2,157,292	854,257.60		Termination for Cause by either Party
							Federal 1,291,257.90 (1) 9,027.70 (2) 1,300,285.60			
							Local Match 845,229.90 (1) 9,027.70 (2) 854,257.60			
8.	NMIDOT	MOA	Federal Assistance for Public Transportation in Rural and Non-Urbanized Areas	5311 Federal Grant	10/1/2014	9/30/2015	2,864,929.50	1,107,228.60 (3)	(3)	Termination for Cause by either Party
							Federal 814,898.02 (3) Local Match 1,107,228.60 (3)			

See Independent Auditor's Report

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF JOINT POWERS AGREEMENTS AND GOVERNMENTAL AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Item #	Name of Entity	Type of Agreement JPA/MOA/MOU	Description of Services	Type of Funds	Beginning Date	End Date	Total Estimated Project Amount and Amount Applicable to Agency	Amount Contributed by NCRID During Current Fiscal Year	Contribution of Working Capital to NCRID	Termination Clause
9.	NMDOT	MOA	Federal Assistance for Transportation Services to Low Income Individuals	5316 Federal Grant	10/1/2013	9/30/2014	360,852.00	180,426.00		Termination for Cause by either Party
					Federal		189,453.70 <u>(9,027.70) (2)</u>			
					Local Match		<u>180,426.00</u>			
10.	NMDOT	MOA	State Planning and Research/Long Range Plan	5304 Federal Grant	5/21/2014	6/4/2014	80,000.00	15,639.37		Termination for Cause by either Party
					Federal		64,000			
					Local Match		<u>16,000</u>			
11.	NMDOT	MOA	State of Good Repair	5309 Federal Grant	1/9/2015	1/4/2015	253,075.13	0.00		Termination for Cause by either Party
					Federal		202,460.10	0.00		
					Local Match		<u>50,615.03</u>			
12.	NMDOT	MOA	ADA Upgrades to Shelters	Federal Grant	4/11/2015	9/30/2016	87,500.00	7,755.16		Termination for Cause by either Party
					Federal		74,760			
					Local Match		<u>12,740</u>			
13.	Rio Metro RTD	Intergovernmental Agreement	Commuter Rail Service	Santa Fe County Gross Receipts Tax	4/29/2009	Indefinite	2,196,109	2,196,109		Upon Continuation of GRT from Santa Fe County
14.	County of Los Alamos	MOU	To Provide Local Match for Federal Grants	Los Alamos Contribution	7/1/2014	6/30/2015	400,000	-		Upon 30-Day Written Notice by Either Party
					Total			\$ 4,423,285.28		
					Total Project Amount		\$ 9,234,636			
					Total Federal Amount		\$ 3,246,708			
					Total Local Match Amount		\$ 2,446,267			

(1) As of this date, the MOA is unsigned by the Pueblo of Pojoaque.
(2) FTA currently combines the 5311 and 5316 grant. However, NMDOT requested the grants be separate. NMDOT approved the 5316 grant be over drawn by
(3) Expenditures from 10-1-2014 thru 6-30-2015 (state fiscal year).

See Independent Auditor's Report

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GKT)
FOR THE YEAR ENDED JUNE 30, 2015**

#	RFB#/RFP# / State-Wide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State / Out-of State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
1.	RFP 2015-001	RFP	Felsburg, Holt & Ullevig	\$ 78,196.84	\$ 86,460.51	Felsburg, Holt & Ullevig PO Box 911704 Denver, CO 80291	Out-of-State	N/A	Long Range Plan
2.	RFQ 2015-02	RFQ	Wilson & Company, Inc. Engineers & Architects	\$ 67,720.34	N/A	Wilson and Company 4900 Linn Avenue NE Albuquerque, NM 87109 Civil Transformations Inc. 2929 Coors Blvd NW Suite 102F Albuquerque, NM 87120 Hunt-Zollars 6501 America's Parkway NE Suite 550 Albuquerque, NM 87110 ABQ Engineering, Inc. 8102 Menaul Blvd. NE Suite 4D Albuquerque, NM 87110	In-State	N	System Wide Assessment of Bus Facilities for ADA Compliance

See Independent Auditor's Report

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
Exit Conference
For the Year Ended June 30, 2015

An exit conference was held in a closed session on November 20, 2015, at NCRTD's offices in Española, New Mexico. In attendance were the following:

Representing the NCRTD:

Anthony Mortillaro
Troy Bingham
Pete Sheehey
Miguel Chavez
Christy VanBuren

Executive Director
Finance Director
Los Alamos County, Chair
Santa Fe County, Vice Chair
Ohkay Owingeh Pueblo

Representing Hinkle + Landers, PC:

Farley Vener

President & Managing Shareholder

FINANCIAL STATEMENTS

The financial statements of NCRTD as of June 30, 2015, were substantially prepared by Hinkle + Landers, PC; however, the financial statements are the responsibility of management.

2015

North Central Regional Transit District, New Mexico

NCRTD Mission:

To provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and economic opportunities throughout the region.

NCRTD Vision Statement:

To be the leading rural public transportation organization connecting communities and enhancing cultural, environmental, social, and economic opportunities for the betterment of our region.

