



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

FINANCIAL STATEMENTS

JUNE 30, 2013

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

Official Roster

June 30, 2013

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO

Official Roster (Continued)

June 30, 2013

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

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and each major special revenue fund of the Mid-Region Council of Governments of New Mexico (MRCOG), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the MRCOG's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the MRCOG's nonmajor governmental funds and the budgetary comparisons for the nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the MRCOG as of June 30, 2013, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the respective budgetary comparison for the non-major funds for the year ended June 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the

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

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

Other Information

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

The *Schedule of Expenditures of Federal Awards and Schedule of Pledged Collateral* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures of Federal Awards and Schedule of Pledged Collateral* are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2013, on our consideration of the MRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering MRCOG's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2013

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2013**

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

COUNCIL'S MISSION AND FUNCTION

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

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

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

RECENT PROGRAM OPPORTUNITIES

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

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

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

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

integrate with the existing transit system, provide an attractive alternative to SOV travel, connect employment and residential uses, provide economic development opportunities and encourage transit-supportive land uses.

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

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

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the MRCOG's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the MRCOG's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the MRCOG is improving or deteriorating. The statement of activities presents information showing how the MRCOG's net asset changed during the most recent fiscal year. All changes in net assets are report as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as expenses pertaining to earned but unused vacation and sick leave. All of MRCOG's activities are reported under governmental-type activities and there are no component units. The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

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

The MRCOG maintains forty (39) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Transit Operations and Commuter Rail Operations, all of which are considered to be major funds. Data from the other thirty-six (36) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statement can be found on pages 22-23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-46 of this report.

Budgetary Comparisons

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

FINANCIAL ANALYSIS OF THE COUNCIL

Overall Financial Position

The MRCOG's overall financial position continues to grow and remain strong. Over the past twenty years the number of funds (projects) administered by the MRCOG has increased from twelve (12) during fiscal year 1992 to forty (39) during fiscal year 2013. Total expenditures over the same period, including capital projects, have increased from \$1.3 million during the fiscal year ending June 30, 1992 to \$10.7 million during the fiscal year ending June 30, 2013. The current year expenditures is reflective of the fact that most of the capital projects related to Rail Runner have been completed or are winding down and several MRCOG projects were completed during the year.

The MRCOG's net assets increased by \$264,527 compared to the prior year (from \$2,804,499 on June 30, 2012 to \$3,069,026 on June 30, 2013). The increase in net assets was principally a result of the change in the accrual for compensated absences.

Compared to the prior year ending June 30, 2012, the MRCOG's Total Governmental Funds expenditures decreased from \$11.5 million (FY12) to \$11.1 million (FY13). The decrease is mostly attributable to several projects being completed or winding down: the Commuter Rail Capital – Phase II project, Salt Missions Trail, and Moriarty comprehensive plan project. During FY13, the MRCOG administered four new funds: AMPA Wide Regional Travel Survey, Veteran's Initiative Website, Transit Amenities Study, and FTA CNM UNM Transportation Study. Expenditures increased in several ongoing funds, including Transit Operations, Workforce, Peralta and Jemez Springs Comp Plans, UPWP-FHWA, UPWP Local Government Assistance, EDA, EDA Innovation Center, LPA, Travel Demand Management, Valencia Transit, Rio Metro Service Plan and JARC, New Freedom, and CNM UNM Transportation Study for TCSP and FTA and the BRT Study. Expenditures decreased in the Commuter Rail Operations, Ortho, Salt Missions Trail, RPO, Moriarty Comp Plan, Travel Time, Commuter Rail Capital, UPWP-FTA, Sandoval Easy Express, Los Lunas Corridor Study, and LPA.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

Net Position

Table A-1 summarizes the MRCOG's net position for the fiscal year ended June 30, 2013. Net position are presented on a consolidated basis and are reflected on a full accrual basis. The MRCOG did not have any business-type activities during the year ended June 30, 2013.

Table A-1
MRCOG's Net Position

	Governmental Activities 6/30/13	Governmental Activities 6/30/12
Current Assets	\$ 4,476,274	\$ 4,154,670
Capital Assets, net of Accumulated Depreciation	<u>3,627,393</u>	<u>3,422,776</u>
Total Assets	<u>\$ 8,103,667</u>	<u>\$ 7,577,446</u>
Total Current Liabilities	\$ 3,238,758	\$ 2,806,986
Total Long Term Debt	<u>1,795,883</u>	<u>1,965,961</u>
Total Liabilities	<u>\$ 5,034,641</u>	<u>\$ 4,772,947</u>
Net Position:		
Net investment in Capital Assets	\$ 1,853,504	\$ 1,575,554
Unrestricted	<u>1,215,522</u>	<u>1,228,945</u>
Total Net Position	<u>\$ 3,069,026</u>	<u>\$ 2,804,499</u>

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

Changes in Net Position: The MRCOG's change in net position for fiscal year 2013 was an increase of \$264,527. The table below reflects the changes in net position.

Table A-2
MRCOG's Net Position

	Governmental Activities 6/30/13	Governmental Activities 6/30/12
Expenses – governmental activities	\$ (10,743,787)	\$ (11,512,242)
Add: Charges for services	5,526,667	5,418,100
Operating grants	5,480,064	6,072,654
Subtotal	262,944	(21,488)
General revenues – total	1,583	1,673
Change in net position	264,527	(19,815)
Net position – beginning of year	2,804,499	2,824,314
Net position – end of year	\$ 3,069,026	\$ 2,804,499

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

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

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

	Governmental Funds 6/30/13	Governmental Funds 6/30/12
Revenues:		
Federal	\$ 3,984,749	\$ 3,593,785
State	1,276,721	2,176,427
Charges for Service	108,449	113,118
Local	744,837	776,301
Reimbursement of Rio Metro costs	4,886,049	4,788,300
Interest and other	7,509	44,484
Total revenues	\$ 11,008,314	\$ 11,492,415
Expenditures:		
Operations	4,050,847	4,030,021
Contractual	755,236	750,539
Expenses reimbursed by Rio Metro	4,860,826	4,571,376
Capital outlay	1,300,676	2,076,338
Debt Service	145,897	63,568
Total expenditures	\$ 11,113,482	\$ 11,491,842
Excess (deficiency) of revenues over expenditures	(105,168)	573
Beginning fund balances	1,416,017	1,415,444
Ending fund balances	\$ 1,310,849	\$ 1,416,017

The MRCOG's total expenditures for government-type activities during the fiscal year 2013 were \$11,113,482. They decreased over the prior year because of the decrease in the Commuter Rail Capital - Phase II project, Salt Missions Trail, and Moriarty comprehensive plan project.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

Analysis of Major Funds

General Fund (Fund 010): Revenues in the General Fund remained fairly consistent between prior year and the current year. State funding decreased from \$34,606 to \$0. This funding is entirely attributable to funding received by New Mexico Department of Transportation for the construction of a security fence around the parking lot of the MRCOG building approximating \$90,000. There was a decrease of charges for services of approximating \$7,900, which consists of lease revenue from State agencies leasing office space, and internal services incurred by the General Fund and allocated to other funds based on usage by those funds.

The expenditures in the General Fund decreased by approximately \$30,000 compared to the prior year. There was an increase in capital outlay of approximately \$26,000 and an increase in salaries and wages and benefits of approximately \$40,000, a decrease in fuel and vehicle maintenance of \$34,000 and other operating costs of \$62,000. The Fund Balance decreased \$105,168 from \$1,416,017 on June 30, 2012 to \$1,310,849 on June 30, 2013.

Commuter Rail Operations (Fund 089): The Commuter Rail Operation fund's revenues and expenses decreased approximately \$300,000. The decrease is primarily due capital outlay expended by MRCOG in 2012. Beginning 2012, Rio Metro began paying all direct expenditures, except for personnel costs, directly and no longer having MRCOG and pay and then pass such expenditures.

Transit Operations (Fund 049): The Transit Operation fund's revenues and expenses increased approximately \$150,000. The increase is primarily due to Rio Metro increasing its workforce in fiscal year 2013 due to expanding services.

Budgetary highlights

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

- General Fund: The budget was increased \$125,000 from original. This adjustment was to provide for WCCNM salaries that MRCOG paid in excess of the contract of \$31,000, capital outlay of \$62,000, the annual event of \$15,000 and professional services of \$17,000, The favorable budget variances were relatively minor.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

- Commuter Rail Capital Phase II: This grant was closed out during the year. The budget was adjusted down to reflect final closed out expenditures.
- Belen Pedestrian Bridge: This grant was closed out during the year. The budget was adjusted to reflect final closed out expenditures.
- Rio Metro Operations: The budget was adjusted upward to reflect Rio Metro's increase in expected costs. The increase is due to Rio Metro's expanded operations.
- Ortho: This fund tracks the Orthophotography project. The budget was decrease to reflect the actual costs and participation contributions that were finalized during the fiscal year.
- Moriarty Comp Plan: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Jemez Springs Comp Plan: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- UPWP LGA #56: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- RPO #33: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Los Lunas Corridor Study: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- CTCP: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Travel Time: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Salt Mission: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- UNM CNM - TCSP: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- Veterans Transportation – MRCOG was awarded this grant during the fiscal year.
- EDA: MRCOG received \$256,000 from the State for Keshet Dance Studio capital outlay during the fiscal year.
- Job Access and Reverse Commute: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- New Freedom: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.
- EDA Innovation: The original budget had only estimated carryover funds. The final budget reflects the final known carryover amounts.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

Fund Balance

The MRCOG's governmental funds reported combined fund balances of \$1,310,849. This is \$105,168 Lower than the previous year. The change is relatively small, which is expected, since MRCOG's budget is designed to fully utilize resources in providing services to its members and their communities, while maintaining a prudent reserve for unexpected downturns. MRCOG's Board has committed \$500,000 of the \$1.3 million fund balance as a reserve for unexpected downturns and claims.

Capital Assets

The MRCOG's investment in capital assets as of June 30, 2013 amounted to \$3,627,393. The capital assets consist mainly of office equipment, vehicles, and a building. Depreciation expense of \$181,166 was recorded in the current year. Additions of \$385,783 were purchased during the year ended June 30, 2013, consisting of servers and vehicles.

Long-Term Debt

Long-term debt consists of the capital lease of the MRCOG building at 809 Copper Ave NW. MRCOG leases the building from Bernalillo County. No additional debt was incurred during the year. The MRCOG reduced the long-term debt on the building by a total of \$73,333. As of June 30, 2013, the MRCOG had total long-term debt in the amount of \$1,700,556.

Economic Factors and Next Year's Budgets

As State and Federal resources continue to be squeezed, the MRCOG's budget for the next year is also being challenged. Programs, such as TANF, have been cut by the State, and the MRCOG has seen some reductions in its transportation planning funding. The 2014 budget has been reduced by nearly half a million from the 2014 budget. This is mainly due to multi-year projects that were substantially completed in 2013.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2013**

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

Request for Information

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
(GOVERNMENT-WIDE)
STATEMENT OF NET POSITION
June 30, 2013**

	Governmental Activities
ASSETS	
Current	
Cash and cash equivalents	\$ 2,185,190
Other receivables	11,620
Grants receivable	1,555,086
Related entity receivables	712,889
Prepaid expenses	11,489
Total current assets	<u>4,476,274</u>
Noncurrent	
Capital assets, not being depreciated	683,800
Capital assets, net of accumulated depreciation	2,943,593
Total noncurrent assets	<u>3,627,393</u>
Total assets	<u><u>\$ 8,103,667</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current	
Accounts payable and accrued liabilities	\$ 2,281,328
Deferred revenue	605,268
Accrued compensated absences	278,829
Current portion of capital lease payable	73,333
Total current liabilities	<u>3,238,758</u>
Noncurrent	
Accrued compensated absences	95,327
Capital lease payable	1,700,556
Total noncurrent liabilities	<u>1,795,883</u>
Total liabilities	<u>5,034,641</u>
NET POSITION	
Net Investment in capital assets	1,853,504
Unrestricted	1,215,522
Total net position	<u>3,069,026</u>
Total liabilities and net position	<u><u>\$ 8,103,667</u></u>

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
(GOVERNMENT-WIDE)
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013**

	Expenses	Charges for Services	Program Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets for Governmental Activities
Functions/Programs				
Governmental Activities				
General government				
General activities	\$ 298,543	640,018	-	341,475
Reimbursement of Rio Metro costs	4,886,049	4,886,049	-	-
Transportation planning	3,208,820	-	2,912,988	(295,832)
Commuter rail project	860,869	-	860,869	-
Economic development	130,681	600	480,961	350,880
Employment services	750,000	-	750,000	-
Other planning programs	608,825	-	475,246	(133,579)
Total governmental activities	<u>10,743,787</u>	<u>5,526,667</u>	<u>5,480,064</u>	<u>262,944</u>
General Revenues				
Interest				\$ 1,583
Change in net position				<u>264,527</u>
Net position, beginning of year				<u>2,804,499</u>
Net position, end of year				<u><u>\$ 3,069,026</u></u>

See Notes to Financial Statements.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013**

	Major Funds			Other Non-major Governmental Funds	Total Governmental Funds
	General #10	Special Revenue Transit Operations #49	Commuter Rail Ops #89		
ASSETS					
Cash and equivalents	\$ 2,185,190	-	-	-	2,185,190
Other receivables	11,620	-	-	-	11,620
Grant reimbursements receivable	-	-	307,049	1,248,037	1,555,086
Interfund receivables	1,450,809	-	-	78,704	1,529,513
Related entity receivables	-	290,308	-	422,581	712,889
Prepaid expenses	11,489	-	-	-	11,489
Total assets	\$ 3,659,108	290,308	307,049	1,749,322	6,005,787
LIABILITIES					
Accounts payable	\$ 1,698,887	20,425	60	337,256	2,056,628
Accrued payroll liabilities	98,844	37,506	44,454	322,725	503,529
Interfund payables	-	232,377	262,535	1,034,601	1,529,513
Unearned grant advances	550,528	-	-	54,740	605,268
Total liabilities	2,348,259	290,308	307,049	1,749,322	4,694,938
FUND BALANCES					
Committed	500,000	-	-	-	500,000
Unassigned	810,849	-	-	-	810,849
Total fund balance	1,310,849	-	-	-	1,310,849
Total liabilities and fund balances	\$ 3,659,108	290,308	307,049	1,749,322	6,005,787

Reconciliation

Total fund balance - governmental funds 1,310,849

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported	\$ 3,627,393
Capital lease payable, long term debt	(1,773,889)
Compensated absences, long-term liabilities	(95,327)

Net position of governmental activities \$ 3,069,026

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	Major Funds			Other Non-major Governmental Funds	Total Governmental Funds
	General #10	Special Revenue Transit Operations #49	Commuter Rail Ops #89		
REVENUES					
Intergovernmental					
Federal grants and contracts	\$ -	-	-	3,984,749	3,984,749
State of New Mexico grants	-	-	-	1,276,721	1,276,721
Charges for services	105,228	-	-	3,221	108,449
Local	472,060	-	-	272,777	744,837
Reimbursement of Rio Metro costs	-	1,474,943	1,276,277	2,134,829	4,886,049
Miscellaneous	433	-	-	5,493	5,926
Interest	1,583	-	-	-	1,583
Total revenues	579,304	1,474,943	1,276,277	7,677,790	11,008,314
EXPENDITURES					
Current					
Operating	3,838	-	-	4,047,009	4,050,847
Contractual	8,355	-	-	746,881	755,236
Expenditures reimbursed by Rio Metro	-	1,474,943	1,276,277	2,109,606	4,860,826
Capital outlay	62,068	-	-	1,238,608	1,300,676
Debt service:					
Principal and interest	145,897	-	-	-	145,897
Total expenditures	220,158	1,474,943	1,276,277	8,142,104	11,113,482
Excess of expenditures over revenues	359,146	-	-	(464,314)	(105,168)
OTHER FINANCING SOURCES/USES					
Operating transfers in	-	-	-	464,314	464,314
Operating transfers out	(464,314)	-	-	-	(464,314)
Net change in fund balance	(105,168)	-	-	-	(105,168)
Fund balance, beginning of year	1,416,017	-	-	-	1,416,017
Fund balance, end of year	\$ 1,310,849	-	-	-	1,310,849
Reconciliation:					
Change in fund balance-total government funds					(105,168)
Amounts reported for governmental activities in the statements of activities are different because:					
Principal portion of capital lease payable					73,333
Depreciation is not recorded as a financial use					(181,166)
Capital assets additions used in governmental activities are not financial resources and, therefore, are not reported					385,783
Change in accrued vacation liability and increase in sick accrued					91,745
Change in Net Position of Governmental Activities					<u>\$ 264,527</u>

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2013

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Charges for services	70,228	70,228	105,228	35,000
Local	472,535	472,535	472,060	(475)
Interest and other	36,500	36,500	2,016	(34,484)
Total revenues	579,263	579,263	579,304	41
EXPENDITURES				
Current:				
Operating	106,728	153,054	149,735	3,319
Contractual	-	16,605	8,355	8,250
Capital outlay	-	62,069	62,068	1
Debt service	-	-	-	-
Total expenditures	106,728	231,728	220,158	11,570
Other financing uses	-	-	-	-
Operating transfer out	472,535	472,535	464,314	8,221
Change in fund balance	\$ -	(125,000)	(105,168)	19,832

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - TRANSIT OPERATIONS #049
Year Ended June 30, 2013

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	1,474,943	1,474,943	1,474,943	-
Miscellaneous	-	-	-	-
Total revenues	1,474,943	1,474,943	1,474,943	-
EXPENDITURES				
Current:				
Operating	-	-	-	-
Incurred on behalf of Rio Metro	1,474,943	1,474,943	1,474,943	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	1,474,943	1,474,943	1,474,943	-
Other financing uses	-	-	-	-
Operating transfer out	-	-	-	-
Change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MAJOR FUND - COMMUTER RAIL OPERATIONS #089
Year Ended June 30, 2013

	Original Budget	Final Budget	Current Year Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal	\$ -	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Local	-	-	-	-
Reimbursement of Rio Metro Costs	1,307,206	1,307,206	1,276,277	(30,929)
Interest and other	-	-	-	-
	<hr/>			
Total revenues	1,307,206	1,307,206	1,276,277	(30,929)
	<hr/>			
EXPENDITURES				
Current:				
Operating	-	-	-	-
Incurred on behalf of Rio Metro	1,307,206	1,307,206	1,276,277	30,929
Contractual	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>			
Total expenditures	1,307,206	1,307,206	1,276,277	30,929
	<hr/>			
Other financing uses	-	-	-	-
Operating transfer out	-	-	-	-
	<hr/>			
Change in fund balance	\$ -	-	-	-
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See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Reporting Entity. Certain GASB statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The MRCOG is the primary government and is not a component unit of any other entity. It is the financial reporting entity, and it did not have any component units during the fiscal year ended June 30, 2013.

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Interfund activity is eliminated in the government-wide financial statements. There was no internal service fund activity which needed to be eliminated for the year of 2013.

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Under the requirements of GASB #34, the MRCOG is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds:

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

Transit operations (No. 49) – This special revenue fund was created by a professional services agreement with Rio Metro. It includes the operation, administration, budget, utilities, and other various costs of operating and administering Rio Metro Transit activities.

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

The Government-wide Financial Statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting.

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement #33, which was adopted as of July 1, 2003 by the MRCOG, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient. Grant revenues are not recognized until eligibility requirements are met.

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

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

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

MRCOG did not own any infrastructure assets as of June 30, 2013.

Encumbrances. MRCOG does not use encumbrances.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues. Revenues are recognized as follows:

- 1) Special and capital outlay appropriations require project and draw down approval from NM Department of Finance and Administration (DFA) Board of Finance. MRCOG considers this part of the eligibility requirements and does not recognize the revenues and receivables until the approval is obtained.
- 2) Federal and other grants revenues are recognized when the applicable eligibility criteria, including time requirements, are met and the resources are available. Resources received for which applicable eligibility criteria have not been met are reflected as deferred revenues in the accompanying financial statements.
- 3) Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded, as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

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

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

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Restricted - the component of net position that reports the difference between assets and liabilities of the MRCOG that consists of assets with constraints placed on their use that are legally enforceable by legislation and the like to be used only for the purposes specified. MRCOG had no restricted net position as of June 30, 2013.

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

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

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or amounts constrained due to enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (MRCOG’s Board of Directors) and does not lapse at year-end. The MRCOG’s Board of Directors committed fund balance of \$500,000 to be maintained for the protection to the local member governments, including potential claims against the MRCOG due to financial reductions.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the management.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS

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

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

Custodial credit risk is the risk that in the event of a bank failure, the MRCOG's deposits may not be returned to it. The MRCOG's deposit policy is to collateralize one half of the uninsured public money in each account. As of June 30, 2013, the amount of the MRCOG's bank balance of \$2,448,748 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 349,502
Uninsured and collateral held by pledging bank's trust Department not in MRCOG's name	428,605

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2. DEPOSIT AND INVESTMENT ACCOUNTS (CONTINUED)

Following are the descriptions of the cash and repurchase agreements as of June 30, 2013:

	Book Balance	Bank Balance
Repurchase agreement sweep account	\$ 907,083	1,170,641
Demand deposit	600,000	600,000
Business savings account	<u>678,107</u>	<u>678,107</u>
Total	<u>\$ 2,185,190</u>	2,448,748
Outstanding checks		\$ (263,558)
Deposits in transit		<u>-</u>
Cash and equivalents per financial statements		<u>\$ 2,185,190</u>

NOTE 3. INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS

Interfund accounts were as follows at June 30, 2013:

	To	From
Due to general fund from major and nonmajor funds	\$ 1,450,809	-
Due from Transit operations fund #49	-	232,377
Due from commuter rail operations funds #89 to general fund	-	262,535
Due to nonmajor funds from general fund	78,704	-
Due from nonmajor funds to general fund	<u>-</u>	<u>1,034,601</u>
Total	<u>\$ 1,529,513</u>	<u>1,529,513</u>

Interfund accounts occur because expenditures are paid for by the General fund because the Special Revenue Funds are on a reimbursement basis. When the Special Revenue Funds receive the reimbursements from the grantors, the General fund is repaid. Management expects all of Interfund balances at June 30, 2013 to be repaid within one year.

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4. CAPITAL ASSETS

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

	June 30, 2012	Additions	Deletions	Adjustments/ Transfers	June 30, 2013
Nondepreciable					
Land	\$ 683,800	-	-	-	683,800
Depreciable					
Building	2,792,822	-	-	-	2,792,822
Furniture, fixtures and machinery	<u>1,167,042</u>	<u>385,783</u>	<u>(141,309)</u>	-	<u>1,411,515</u>
Total assets	<u>\$4,643,664</u>	<u>385,783</u>	<u>(141,309)</u>	-	<u>4,888,137</u>
Accumulated depreciation					
Building	\$(461,639)	(69,821)	141,309	-	(531,460)
Furniture, fixtures and machinery	<u>(759,249)</u>	<u>(111,345)</u>	-	-	<u>(729,284)</u>
Total accumulated depreciation	<u>(1,220,888)</u>	<u>(181,166)</u>	<u>141,309</u>	-	<u>(1,260,744)</u>
Net capital assets	<u>\$3,422,776</u>	<u>(204,617)</u>	-	-	<u>3,627,393</u>

Furniture, equipment and machinery have been provided from grants accounted for in Special Revenue Funds in the amount of \$1,411,515. The MRCOG also had on hand at June 30, 2013, \$98,950 in surplus (idle) equipment that is fully depreciated and included in the capital assets.

Depreciation expense for the year ended June 30, 2013 was \$181,166. It was charged to the general activities function in the Statement of Activities.

NOTE 5. ACCRUED VACATION AND SICK LEAVE

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)

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

Employees may not carry over more than 1200 hours of sick leave. Upon retirement, employees may cash out all sick leave hours accrued.

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

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

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

In accordance with the above criteria, the MRCOG has accrued a liability using payroll rates in effect at June 30, 2013, for vacation and sick leave which has been earned but not taken by the MRCOG employees. Accrued vacation and sick leave is charged to grant programs in accordance with OMB Circular A-87.

The accumulated leave for the year ended June 30, 2013, has been recorded as a liability in the Government-Wide Statement of Net Position as current portion due (\$278,829) and long-term portion due (\$95,327). Typically, General funds are used to liquidate this liability, which totaled \$95,327 at June 30, 2013. Funds accumulated from grantor reimbursements are used to liquidate the funded portion

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5. ACCRUED VACATION AND SICK LEAVE (CONTINUED)

of the liabilities, which total \$279,248 at June 30, 2013. Detail of accumulated leave for the year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
	\$ 368,876	298,340	(293,060)	374,156	278,829

NOTE 6. CHANGES IN LONG-TERM DEBT

A summary of long-term debt and changes in long-term debt for the year ended June 30, 2013 is as follows:

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

Schedule of Capital Lease Payable:

Year Ended June 30:

	Principal	Interest
2014	\$ 73,333	84,175
2015	78,333	81,850
2016	88,333	79,332
2017	88,333	75,956
2018	93,333	72,781
2019-2023	487,224	290,277
2024-2028	585,000	161,000
2029	<u>280,000</u>	<u>21,250</u>
Total	<u>1,773,889</u>	<u>866,621</u>
Less current portion	<u>(73,333)</u>	
Long-term portion of debt	<u>\$ 1,700,556</u>	

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

	June 30, 2012	Reductions	Additions	June 30, 2013	Amounts Due Within One Year
Capital lease	\$ 1,847,222	(73,333)	-	1,773,889	73,333

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

NOTE 7. RIO METRO REIMBURSEMENTS/INCURRED COSTS

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

	Transit Operations 049	Travel Demand Management 411	Commuter Rail Operations 089	UNM/CNM FTA 480
Reimbursement of Rio Metro				
Costs to MRCOG				
Rio Metro RTD Revenue	\$1,474,943	410,766	1,276,277	21,696
Incurred on behalf of Rio Metro				
Operating Expenses	1,467,431	410,766	1,276,277	3,893
Building Lease Expense	-	-	-	-
Contractual	745	-	-	17,803
Capital Outlay	6,767	-	-	-
Total Expenditures	1,474,943	410,766	1,276,277	21,696
Excess revenues over expenditures	\$ -	-	-	-

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

	JARC	Rio Rancho Transit	Valencia Transit	Rio Metro Service Plan
	451	425	430	445
Reimbursement of Rio Metro Costs to MRCOG				
Rio Metro RTD Revenue	<u>\$ 101,649</u>	<u>453,807</u>	<u>932,120</u>	<u>82,434</u>
Incurred on behalf of Rio Metro				
Operating Expenses	101,649	453,807	932,120	82,434
Building Lease Expense	-	-	-	-
Contractual	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>101,649</u>	<u>453,807</u>	<u>932,120</u>	<u>82,434</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Rio BRT NW Study FTA 467	Sandoval Easy Express 435	Total
Reimbursement of Rio Metro Costs to MRCOG			
Rio Metro RTD Revenue	<u>\$ 77,347</u>	<u>51,483</u>	<u>4,882,522</u>
Incurred on behalf of Rio Metro			
Operating Expenses	77,347	51,483	4,857,207
Building Lease Expense	-	-	-
Contractual	-	-	18,548
Capital Outlay	-	-	6,767
Total expenditures	<u>77,347</u>	<u>51,483</u>	<u>4,882,522</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8. PERA PENSION PLAN

Plan Description. Substantially all of the MRCOG's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 13.15% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The MRCOG is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the MRCOG's are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The MRCOG's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$886,270, \$835,270 and \$805,510, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 9. CITY OF ALBUQUERQUE SERVICES

The City of Albuquerque provides administrative support to the MRCOG for payroll, personnel, computer services, legal and risk management, among other things, under a contractual agreement. Administrative fees for these services for the year ended June 30, 2013 were \$34,278. As of June 30, 2013, nothing was owed to the City of Albuquerque for administrative fees, payroll, payroll taxes, and PERA contributions.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 10. INSURANCE COVERAGE

The MRCOG is subject to various risks of loss, which are covered through the purchase of commercial insurance and participation in the City of Albuquerque's Risk Management Pool. The following insurance coverage was in effect at June 30, 2013:

Insurer and Policy Type	Term	Coverage
New Mexico Mutual (worker's compensation)	2/12/13 - 2/12/14	Injury by accident (\$1,000,000) each accident) Bodily injury by disease (\$1,000,000) each employee) Bodily injury by disease (\$1,000,000 policy limit)
Alliant Insurance Services, Inc. Commercial general liability	9/29/12 - 9/29/13	\$1,000,000 each occurrence, No general aggregate limit
Auto liability - Owned and non-owned vehicles	9/29/12 - 9/29/13	Combined single limit \$1,000,000
Special Property Insurance Program	7/1/12 - 7/1/13	Boiler and machining property \$25,000,000 aggregate other limitation apply
Employee Dishonesty Bond	7/1/12 - 7/1/13	\$1,000,000 faithful performance/ employee honesty
City of Albuquerque Risk Management Fund		Covered under limits of the Tort Claims Act of NM
Auto vehicles liability - MRCOG owned	Continuous policy	\$1,000,000 - property damage \$1,000,000 - per person for single occurrence

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11. POST- EMPLOYMENT BENEFITS

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

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

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

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

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11. POST- EMPLOYMENT BENEFITS (CONTINUED)

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

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

The MRCOG's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$92,985, \$80,582 and \$70,592, respectively, which equal the required contributions for each year.

NOTE 12. CONTINGENCIES

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

**NOTE 13. OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
AGREEMENT**

The MRCOG has an operations, maintenance, and management agreement with the City of Albuquerque, Rio Metro Regional Transit District (Rio Metro) and the Workforce Connection of Central New Mexico (WCCNM). The City of Albuquerque processes and pays all payroll for the MRCOG. Employees for Rio Metro and WCCNM are employees of the MRCOG. MRCOG invoices Rio Metro and WCCNM for their portion of salaries as well as rent and other operating expenses. The MRCOG reimbursed the City of Albuquerque \$6,316,117 for payroll expenses. The MRCOG was reimbursed \$591,687 by Rio Metro and \$750,000 By WCCNM for payroll and other operating expenses.

NOTE 14. RELATED ENTITY TRANSACTIONS

Rio Metro Regional Transit District (Rio Metro). The MRCOG's accounts receivable balance from Rio Metro was \$957,920 at June 30, 2013.

Workforce Connection of Central New Mexico (WCCNM). The MRCOG's accounts receivable balance from WCCNM was \$74,688 at June 30, 2013.

Payments made to related entities during the year ended June 30, 2013:

Bernalillo County	\$ 1,756,763
City of Albuquerque	6,375,834
Leonard Tire & Automotive Repair, Inc.	444
Rio Metro	<u>447,019</u>
	<u>\$ 8,580,060</u>

NOTE 15. SUBSEQUENT EVENT

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

SUPPLEMENTARY INFORMATION

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2013

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

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

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

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

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

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

Peralta Comp Plan – (No. 35) – To assist the Town of Peralta in developing a comprehensive plan for land use and community development. The Town is utilizing the COG's technical and professional expertise to complete the plan.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2013**

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

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

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

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

Wide Regional Travel Survey (No. 56) - Regional Travel Demand Survey (No. 56) – Provides inputs to the regional travel demand model for the Albuquerque Metropolitan Planning Area (AMPA). The survey is comprised of a household survey and an on-board travel survey. The surveys are projected to be completed by June 2013.

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2013**

Moriarty Comp Plan – (No. 58) – To assist the City of Moriarty in updating the comprehensive plan and developing a water conservation plan. The City received funding through a New Mexico Finance Authority Grant for the purpose of updating the existing comprehensive plan and preparing a water conservation plan and related ordinances for the City. The City is utilizing the COG's technical and professional expertise to complete the plan.

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

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

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

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

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

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2013**

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

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

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

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

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

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

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

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

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

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2013**

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

Transit Amenities Study (No. 454) - RTD Rio Metro Transit Amenities Study (No. 454) (Separate fund required by grantor) – This fund was created by an agreement with Rio Metro The funding is to be used to account for personnel and administrative costs incurred by MRCOG that is associated with Rio Metro’s Transit Amenities Study project.

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

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

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

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

UNM/CNM Transportation Study (No. 485) – Funding provided by the City of Albuquerque, the University of New Mexico (UNM), the Central New Mexico Community College (CNM), and the County of Bernalillo for the MRCOG to undertake a cooperative and comprehensive study of transportation issues associated with the UNM and CNM main campuses and surrounding areas.

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	WORKFORCE #20	TANF #22/23	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	PERALTA COMP PLAN STUDY #35	JEMEZ SPRINGS COMP PLAN STUDY #39
ASSETS							
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	1,402	44,602	906	7,207	-	461
Related entity receivable	74,688	-	-	-	-	-	-
Grant reimbursements receivable	-	-	-	-	-	16,615	-
Total assets	\$ 74,688	1,402	44,602	906	7,207	16,615	461
LIABILITIES							
Accounts payable	\$ 26	-	-	-	-	-	-
Accrued liabilities	23,474	1,402	-	906	7,207	70	461
Due to other funds	51,188	-	-	-	-	16,545	-
Due to other agencies	-	-	-	-	-	-	-
Unearned grant advances	-	-	44,602	-	-	-	-
Total liabilities	74,688	1,402	44,602	906	7,207	16,615	461
FUND BALANCES							
Unassigned	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 74,688	1,402	44,602	906	7,207	16,615	461

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	UPWP #52	UPWP FTA NMSHTD #53	UPWP LOCAL GOV ASSISTANCE #54	AMPA Wide Regional Travel Survey #56	Moriarty COMP PLAN #58	CTCP #67	TRAVEL TIME PROGRAM #68
ASSETS							
Cash and cash equivalents	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	5,900	-	-	1,014	-	-
Related entity receivable	-	-	-	-	-	-	-
Grant reimbursements receivable	366,570	1,486	3,165	47	-	66,421	37,634
Total assets	366,570	7,386	3,165	47	1,014	66,421	37,634
LIABILITIES							
Accounts payable	22,329	685	-	42	-	17,652	-
Accrued liabilities	24,942	6,701	405	-	1,014	11,137	26,453
Due to other funds	319,299	-	2,760	5	-	37,632	11,181
Due to other agencies	-	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-	-
Total liabilities	366,570	7,386	3,165	47	1,014	66,421	37,634
FUND BALANCES							
Unassigned	-	-	-	-	-	-	-
Total liabilities and fund balances	366,570	7,386	3,165	47	1,014	66,421	37,634

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	EDA #72	EDA INNOVATION CENTER #74	COMMUTER RAIL CAPITAL #85	LPA #93	ARRA PHOTO- VOLTAIC #214	BELEN PEDESTRIAN BRIDGE #216	KAFB JOINT LAND USE STUDY #310
ASSETS							
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	572	863	8,414	-	-	2,807
Related entity receivable	-	-	-	-	-	-	-
Grant reimbursements receivable	269,725	25,500	69,487	-	-	-	-
Total assets	\$ 269,725	26,072	70,350	8,414	-	-	2,807
LIABILITIES							
Accounts payable	\$ 78	13,319	70,350	1,154	-	-	-
Accrued liabilities	483	2,615	-	7,260	-	-	2,807
Due to other funds	269,164	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-	-
Unearned grant advances	-	10,138	-	-	-	-	-
Total liabilities	269,725	26,072	70,350	8,414	-	-	2,807
FUND BALANCES							
Unassigned	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 269,725	26,072	70,350	8,414	-	-	2,807

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	Veteran's Initiative Website - Admin #350	TRAVEL DEMAND MANAGEMENT #411	RIO RANCHO TRANSIT #425	VALENCIA TRANSIT #430	SANDOVAL EASY EXPRESS #435	RIO METRO SERVICE PLAN #445	JARC #450
ASSETS							
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	775
Related entity receivable	-	80,457	72,552	153,081	4,931	6,691	-
Grant reimbursements receivable	277	-	-	-	-	-	105,217
Total assets	\$ 277	80,457	72,552	153,081	4,931	6,691	105,992
LIABILITIES							
Accounts payable	-	-	-	-	-	-	43,416
Accrued liabilities	15	10,767	11,421	24,416	1,225	1,853	62,576
Due to other funds	262	69,690	61,131	128,665	3,706	4,838	-
Due to other agencies	-	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-	-
Total liabilities	277	80,457	72,552	153,081	4,931	6,691	105,992
FUND BALANCES							
Unassigned	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 277	80,457	72,552	153,081	4,931	6,691	105,992

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	JARC #451	NEW FREEDOM #452/453	Transit Amenities Study FTA/RMRTD #454	TCSP CNM/UNM #460	RIO BRT NW STUDY FTA #467	LOS LUNAS CORRIDOR STUDY #470
ASSETS						
Cash and cash equivalents	\$ -	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	-	1,281	-	-	-	-
Related entity receivable	17,280	-	-	-	12,901	-
Grant reimbursements receivable	-	157,663	3,221	27,376	-	3
Total assets	\$ 17,280	158,944	3,221	27,376	12,901	3
LIABILITIES						
Accounts payable	-	119,532	-	19,469	-	-
Accrued liabilities	1,256	39,412	94	1,907	2,334	-
Due to other funds	16,024	-	3,127	6,000	10,567	3
Due to other agencies	-	-	-	-	-	-
Unearned grant advances	-	-	-	-	-	-
Total liabilities	17,280	158,944	3,221	27,376	12,901	3
FUND BALANCES						
Unassigned	-	-	-	-	-	-
Total liabilities and fund balances	\$ 17,280	158,944	3,221	27,376	12,901	3

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	REGIONAL CRIMINAL JUSTICE #480	UNM/CNM TRANSPORTATION STUDY #485	TOTAL
ASSETS			
Cash and cash equivalents	\$ -	-	-
Other receivables	-	-	-
Due from other funds	-	2,500	78,704
Related entity receivable	-	-	422,581
Grant reimbursements receivable	97,630	-	1,248,037
	<hr/>		
Total assets	\$ 97,630	2,500	1,749,322
	<hr/>		
LIABILITIES			
Accounts payable	29,204	-	337,256
Accrued liabilities	45,612	2,500	322,725
Due to other funds	22,814	-	1,034,601
Due to other agencies	-	-	-
Unearned grant advances	-	-	54,740
	<hr/>		
Total liabilities	97,630	2,500	1,749,322
	<hr/>		
FUND BALANCES			
Unassigned	-	-	-
	<hr/>		
Total liabilities and fund balances	\$ 97,630	2,500	1,749,322
	<hr/>		

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	WORKFORCE #20	TANF #22/23	ORTHO #29	SALT MISSIONS TRAIL #32	RPO #33	PERALTA COMP PLAN STUDY #35	JEMEZ SPRINGS COMP PLAN STUDY #39
REVENUES							
Intergovernmental							
Federal	\$ 750,000	-	-	2,858	67,243	-	-
State	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Local	-	-	157,219	-	-	42,893	19,404
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	\$ 750,000	-	157,219	2,858	67,243	42,893	19,404
EXPENDITURES							
Current:							
Operating	\$ 750,000	-	14,531	3,572	78,702	42,893	19,404
Contractual	-	-	111,441	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-
Capital outlay	-	-	31,247	-	-	-	-
Principal and interest	-	-	-	-	-	-	-
Total expenditures	750,000	-	157,219	3,572	78,702	42,893	19,404
OTHER FINANCING SOURCES/USES							
Operating transfers in	-	-	-	714	11,459	-	-
Operating transfers out	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	UPWP #52	UPWP FTA NMSHTD #53	UPWP LOCAL GOV ASSISTANCE #54	AMPA Wide Regional Travel Survey #56	Moriarty Comp Plan #58	CTCP #67	TRAVEL TIME PROGRAM #68
REVENUES							
Intergovernmental							
Federal	\$ 899,282	221,773	27,578	46	-	324,623	57,288
State	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	4,893	-	-
Total revenues	\$ 899,282	221,773	27,578	46	4,893	324,623	57,288
EXPENDITURES							
Current:							
Operating	\$ 909,172	271,232	37,267	54	4,879	365,433	6,088
Contractual	143,358	5,984	-	-	14	2,124	60,962
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	22,978	-
Principal and interest	-	-	-	-	-	-	-
Total expenditures	1,052,530	277,216	37,267	54	4,893	390,535	67,050
OTHER FINANCING SOURCES/USES							
Operating transfers in	153,248	55,443	9,689	8	-	65,912	9,762
Operating transfers out	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	EDA #72	EDA INNOVATION CENTER #74	COMMUTER RAIL CAPITAL #85	LPA #93	ARRA PHOTO- VOLTAIC #214	BELEN PEDESTRIAN BRIDGE #216	KAFB JOINT LAND USE STUDY #310
REVENUES							
Intergovernmental							
Federal	\$ 50,479	117,695	-	-	-	69,103	63,083
State	256,668	-	860,869	95,743	-	-	-
Charges for services	-	-	-	-	-	-	-
Local	-	53,261	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	3,527	-	-
Miscellaneous	600	-	-	-	-	-	-
Total revenues	\$ 307,747	170,956	860,869	95,743	3,527	69,103	63,083
EXPENDITURES							
Current:							
Operating	\$ 84,732	96,453	-	176,012	3,527	-	70,092
Contractual	-	75,039	2,257	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-
Capital outlay	256,668	-	858,612	-	-	69,103	-
Principal and interest	-	-	-	-	-	-	-
Total expenditures	341,400	171,492	860,869	176,012	3,527	69,103	70,092
OTHER FINANCING SOURCES/USES							
Operating transfers in	33,653	536	-	80,269	-	-	7,009
Operating transfers out	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	Veteran's Initiative Website -Admin #350	TRAVEL DEMAND MANAGEMENT #411	RIO RANCHO TRANSIT #425	VALENCIA TRANSIT #430	SANDOVAL EASY EXPRESS #435	RIO METRO SERVICE PLAN #445
REVENUES						
Intergovernmental						
Federal	\$ 277	-	-	-	-	-
State	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Local	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	410,766	453,807	932,120	51,483	82,434
Miscellaneous	-	-	-	-	-	-
Total revenues	\$ 277	410,766	453,807	932,120	51,483	82,434
EXPENDITURES						
Current:						
Operating	\$ 277	-	-	-	-	-
Contractual	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	410,766	453,807	932,120	51,483	82,434
Capital outlay	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-
Total expenditures	277	410,766	453,807	932,120	51,483	82,434
OTHER FINANCING SOURCES/USES						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	JARC #450	JARC #451	NEW FREEDOM #452/453	Transit Amenities Study FTA/RMRTD #454	TCSP CNM/UNM #460	RIO BRT NW STUDY FTA #467
REVENUES						
Intergovernmental						
Federal	\$ 568,781	-	463,008	-	214,846	-
State	-	-	-	-	-	-
Charges for services	-	-	-	3,221	-	-
Local	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	101,649	-	-	-	77,347
Miscellaneous	-	-	-	-	-	-
Total revenues	\$ 568,781	101,649	463,008	3,221	214,846	77,347
EXPENDITURES						
Current:						
Operating	\$ 568,781	-	463,008	3,221	58,213	-
Contractual	-	-	-	-	193,245	-
Incurred on behalf of Rio Metro	-	101,649	-	-	-	77,347
Capital outlay	-	-	-	-	-	-
Principal and interest	-	-	-	-	-	-
Total expenditures	568,781	101,649	463,008	3,221	251,458	77,347
OTHER FINANCING SOURCES/USES						
Operating transfers in	-	-	-	-	36,612	-
Operating transfers out	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-

**MID-REGION COUNCIL OF GOVERNMENTS
OF NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	LOS LUNAS CORRIDOR STUDY #470	REGIONAL CRIMINAL JUSTICE #480	UNM TRANSPORTATION STUDY #485	TOTAL
REVENUES				
Intergovernmental				
Federal	\$ -	86,786	-	3,984,749
State	63,441	-	-	1,276,721
Charges for services	-	-	-	3,221
Local	-	-	-	272,777
Reimbursement of Rio Metro costs	-	21,696	-	2,134,829
Miscellaneous	-	-	-	5,493
				<hr/>
Total revenues	\$ 63,441	108,482	-	7,677,790
				<hr/>
EXPENDITURES				
Current:				
Operating	\$ -	19,466	-	4,047,009
Contractual	63,441	89,016	-	746,881
Incurred on behalf of Rio Metro	-	-	-	2,109,606
Capital outlay	-	-	-	1,238,608
Principal and interest	-	-	-	-
				<hr/>
Total expenditures	63,441	108,482	-	8,142,104
				<hr/>
OTHER FINANCING SOURCES/USES				
Operating transfers in	-	-	-	464,314
Operating transfers out	-	-	-	-
				<hr/>
Change in fund balance	-	-	-	-
				<hr/>
Fund balance, beginning of year	-	-	-	-
				<hr/>
Fund balance, end of year	\$ -	-	-	-
				<hr/>

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	WORKFORCE #20				TANF #22/23				ORTHO #29			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 750,000	750,000	750,000	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	193,250	193,250	157,219	(36,031)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 750,000	750,000	750,000	-	-	-	-	-	193,250	193,250	157,219	(36,031)
EXPENDITURES												
Current:												
General Government	\$ 750,000	750,000	750,000	-	-	-	-	-	193,250	193,250	157,219	36,031
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	750,000	750,000	750,000	-	-	-	-	-	193,250	193,250	157,219	36,031
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	SALT MISSION TRAIL #32				RPO #33				PERALTA COMP PLAN STUDY # 35				JEMEZ SPRINGS COMP PLAN # 39			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ 2,858	2,858	2,858	-	67,243	67,243	67,243	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	42,893	42,893	42,893	-	19,404	19,404	19,404	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 2,858	2,858	2,858	-	67,243	67,243	67,243	-	42,893	42,893	42,893	-	19,404	19,404	19,404	-
EXPENDITURES																
Current:																
General government	\$ 3,572	3,572	3,572	-	78,702	78,702	78,702	-	42,893	42,893	42,893	-	19,404	19,404	19,404	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,572	3,572	3,572	-	78,702	78,702	78,702	-	42,893	42,893	42,893	-	19,404	19,404	19,404	-
Excess of revenues and other financing sources over expenditures	(714)	(714)	(714)	-	(11,459)	(11,459)	(11,459)	-	-	-	-	-	-	-	-	-
Other financing sources (uses)																
Transfers in	714	714	714	-	11,459	11,459	11,459	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	UPWP #52				UPWP/FTA/NMSHTD #53				UPWP-LOCAL GOVT ASSISTANCE #54				AMPA WIDE TRAVEL SURVEY #56				MORIARTY COMP PLAN #58			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																				
Intergovernmental																				
Federal	\$ 1,236,785	1,236,785	899,282	(337,503)	230,046	230,046	221,773	(8,273)	173,649	173,649	27,578	(146,071)	380,089	380,089	46	(380,043)	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,893	4,893	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 1,236,785	1,236,785	899,282	(337,503)	230,046	230,046	221,773	(8,273)	173,649	173,649	27,578	(146,071)	380,089	380,089	46	(380,043)	-	4,893	4,893	-
EXPENDITURES																				
Current:																				
General government	\$ 1,236,785	1,236,785	1,052,530	184,255	287,558	287,558	277,216	10,342	228,485	228,485	37,267	191,218	444,757	44,757	54	444,703	-	4,893	4,893	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																				
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,236,785	1,236,785	1,052,530	184,255	287,558	287,558	277,216	10,342	228,485	228,485	37,267	191,218	444,757	44,757	54	444,703	-	4,893	4,893	-
Excess of revenues and other financing sources over expenditures	-	-	(153,248)	(153,248)	(57,512)	(57,512)	(55,443)	(18,615)	(54,836)	(54,836)	(9,689)	45,147	(64,668)	(64,668)	(8)	(64,660)	-	-	-	-
Other financing sources (uses)																				
Transfer in	210,424	210,424	153,248	57,176	57,512	57,512	55,443	2,069	54,836	54,836	9,689	45,147	64,668	64,668	8	64,660	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ 210,424	210,424	-	(210,424)	-	-	-	(16,546)	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUND
Year Ended June 30, 2013

	CTCP #67				TIME TRAVEL PROGRAM #68				EDA #72				EDA INNOVATION CENTER #74			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	680,058	680,058	324,623	(355,435)	250,877	250,877	57,288	(193,589)	60,000	60,000	50,479	(9,521)	202,642	202,642	117,695	(84,947)
State	-	-	-	-	-	-	-	-	-	256,668	256,668	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	600	600	135,095	135,095	53,261	(81,834)
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	680,058	680,058	324,623	(355,435)	250,877	250,877	57,288	(193,589)	60,000	316,668	307,747	(8,921)	337,737	337,737	170,956	(166,781)
EXPENDITURES																
Current:																
General government	808,424	808,424	390,535	417,889	293,561	293,561	67,050	226,511	100,000	100,000	84,732	15,268	337,737	337,737	171,492	166,245
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	256,668	256,668	-	-	-	-	-
Total expenditures	808,424	808,424	390,535	417,889	293,561	293,561	67,050	226,511	100,000	356,668	341,400	15,268	337,737	337,737	171,492	166,245
Excess of revenues and other financing sources over expenditures	(128,366)	(128,366)	(65,912)	62,454	(42,684)	(42,684)	(9,762)	32,922	(40,000)	(40,000)	(33,653)	6,347	-	-	(536)	(536)
Other financing sources (uses)																
Transfer in	128,366	128,366	65,912	62,454	42,684	42,684	9,762	32,922	40,000	40,000	33,653	6,347	-	-	536	(536)
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,072)

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	Commuter Rail Capital - Phase II #85				LPA #93				ARRA PHOTOVOLTAIC #214			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	-	-	-	-	-	-	-	-	-	-	-	-
State	754,437	860,869	860,869	-	95,743	95,743	95,743	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	3,527	3,527	51,483	47,956
Total revenues	754,437	860,869	860,869	-	95,743	95,743	95,743	-	3,527	3,527	51,483	47,956
EXPENDITURES												
Current:												
General government	-	-	-	-	191,486	191,486	176,012	15,474	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	3,527	3,527	51,483	47,956
Noncurrent:												
Capital outlay	754,437	860,869	860,869	-	-	-	-	-	-	-	-	-
Total expenditures	754,437	860,869	860,869	-	191,486	191,486	176,012	15,474	3,527	3,527	51,483	47,956
Excess of revenues and other financing sources over expenditures	-	-	-	-	(95,743)	(95,743)	(80,269)	15,474	-	-	-	95,912
Other financing sources (uses)												
Transfer in	-	-	-	-	95,743	95,743	80,269	15,474	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	-	-	-	-	-	-	-	-	-	-	-	95,912

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	BELEN PEDESTRIAN BRIDGE #216				KAFB JOINT LAND USE STUDY #310			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES								
Intergovernmental								
Federal	\$ -	69,103	69,103	-	63,083	63,083	63,083	-
State	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-
Total revenues	\$ -	69,103	69,103	-	63,083	63,083	63,083	-
EXPENDITURES								
Current:								
General government	\$ -	-	-	-	70,092	70,092	70,092	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-
Noncurrent:								
Capital outlay	-	69,103	69,103	-	-	-	-	-
Total expenditures	-	69,103	69,103	-	70,092	70,092	70,092	-
Excess of revenues and other financing sources over expenditures	-	-	-	-	(7,009)	(7,009)	-	-
Other financing sources (uses)								
Transfer in	-	-	-	-	7,009	7,009	7,009	-
Transfer out	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	VETERAN'S LIVING INITIATIVE #350				TRAVEL DEMAND MANAGEMENT #411				RIO RANCHO TRANSIT #425			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ 326,000	326,000	277	(325,723)	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	410,766	410,766	410,766	-	453,807	453,807	453,807	-
Total revenues	\$ 326,000	326,000	277	(325,723)	410,766	410,766	410,766	-	453,807	453,807	453,807	-
EXPENDITURES												
Current:												
General government	\$ 407,500	407,500	277	407,223	-	-	-	-	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	410,766	410,766	410,766	-	453,807	453,807	453,807	-
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	407,500	407,500	277	407,223	410,766	410,766	410,766	-	453,807	453,807	453,807	-
Excess of revenues and other financing sources over expenditures	(81,500)	(81,500)	-	81,500	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Transfers in	81,500	81,500	-	81,500	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	VALENCIA TRANSIT #430				Regional Transit District-Sandoval Easy Express #435				RIO METRO SERVICE PLAN #445			
	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variances Favorable (unfavorable)
REVENUES												
Intergovernmental												
Federal	\$ -	-	-	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	968,010	968,010	932,120	(35,890)	53,330	53,330	51,483	(1,847)	86,916	86,916	82,434	(4,482)
Total revenues	\$ 968,010	968,010	932,120	(35,890)	53,330	53,330	51,483	(1,847)	86,916	86,916	82,434	(4,482)
EXPENDITURES												
Current:												
General government	\$ -	-	-	-	-	-	-	-	-	-	-	-
Incurred on behalf of Rio Metro	968,010	968,010	932,120	35,890	53,330	53,330	51,483	1,847	86,916	86,916	82,434	4,482
Noncurrent:												
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	968,010	968,010	932,120	35,890	53,330	53,330	51,483	1,847	86,916	86,916	82,434	4,482
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)												
Local match transfer in	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2013

	JARC #450				JARC #451				NEW FREEDOM #452/453				CNM UNM STUDY #460				Transit Amenities Study #454			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES																				
Intergovernmental																				
Federal	\$ 773,404	773,404	568,781	(204,623)	99,244	101,649	101,649	-	699,567	699,567	419,133	(280,434)	306,780	306,780	214,846	(91,934)	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Rio Metro costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,221	3,221	3,221	-
Total revenues	\$ 773,404	773,404	568,781	(204,623)	99,244	101,649	101,649	-	699,567	699,567	419,133	(280,434)	306,780	306,780	214,846	(91,934)	3,221	3,221	3,221	-
EXPENDITURES																				
Current:																				
General government	\$ 773,404	773,404	568,781	204,623	99,244	101,649	101,649	-	699,567	699,567	419,133	280,434	358,975	358,975	251,458	107,517	-	-	-	-
Incurred on behalf of Rio Metro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,221	3,221	3,221	-
Noncurrent:																				
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	773,404	773,404	568,781	204,623	99,244	101,649	101,649	-	699,567	699,567	419,133	280,434	358,975	358,975	251,458	107,517	3,221	3,221	3,221	-
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-	(52,195)	(52,195)	(36,612)	15,583	-	-	-	-
Other financing sources (uses)																				
Local match transfer in	-	-	-	-	-	-	-	-	-	-	-	-	52,195	52,195	36,612	15,583	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 Year Ended June 30, 2013

	RIO BRT NW STUDY #467				LOS LUNAS CORRIDOR STUDY #470				UNM Transportation Study #480				UNM Transportation Study #485			
	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)	Initial Budget	Final Budget	Actual	Variations Favorable (unfavorable)
REVENUES																
Intergovernmental																
Federal	\$ -	-	-	-	-	-	-	-	400,000	400,000	86,786	(313,214)	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	63,441	63,441	63,441	-	100,000	100,000	21,696	(78,304)	-	-	-	-
Reimbursement of Rio Metro costs	77,347	77,347	-	(77,347)	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 77,347	77,347	-	(77,347)	63,441	63,441	63,441	-	500,000	500,000	108,482	(391,518)	-	-	-	-
EXPENDITURES																
Current:																
General government	\$ -	-	-	-	63,441	63,441	63,441	-	500,000	500,000	108,482	391,518	-	-	-	-
Incurred on behalf of Rio Metro	77,347	77,347	-	77,347	-	-	-	-	-	-	-	-	-	-	-	-
Noncurrent:																
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	77,347	77,347	-	77,347	63,441	63,441	63,441	-	500,000	500,000	108,482	391,518	-	-	-	-
Excess of revenues and other financing sources over expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)																
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fund balance	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

See Notes to Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2013**

<u>Account</u>	<u>Description of Pledged Collateral</u>	<u>Type of Pledged Collateral</u>	<u>CUSIP Number</u>	<u>Sweep Collateral Value at June 30, 2013</u>	<u>Safe keeper</u>
Rio Metro Sweep					
	Repurchase Agreement	Shares	3128LLAS5	\$ 6,067,016	Wells Fargo
	Accrued Interest	Interest	3128LLAS5	12,339	Wells Fargo
	Total Collateral			<u>6,079,355</u>	
	Bank balance			<u>5,960,152</u>	
	Collateral required at 102%			<u>6,079,355</u>	
	Excess Collateral			<u>\$ -</u>	
MRCOG Sweep					
	Repurchase Agreement	Shares	3128LLBB1	\$ 1,191,656	Wells Fargo
	Accrued Interest	Interest	3128LLBB1	2,398	Wells Fargo
	Total Collateral			<u>1,194,054</u>	
	Bank balance			<u>1,170,641</u>	
	Collateral required at 102%			<u>1,194,054</u>	
	Excess Collateral			<u>\$ -</u>	

Combined bank Accounts

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Type of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value at June 30, 2013</u>	<u>Location of Safekeeper</u>
Wells Fargo	FN	Bonds	12/1/2040	3138A2BQ1	\$ 8,578	Bank of New York Mellon
Wells Fargo	FN	Bonds	12/1/2040	3138A2BX6	9,263	Bank of New York Mellon
Wells Fargo	FN	Bonds	12/1/2025	3138A2CB3	16,771	Bank of New York Mellon
Wells Fargo	FN	Bonds	3/1/2026	3138AAAX9	20,050	Bank of New York Mellon
Wells Fargo	FN	Bonds	3/1/2041	3138AAYX3	80,659	Bank of New York Mellon
Wells Fargo	FN	Bonds	4/1/2041	3138ACCA3	46,719	Bank of New York Mellon
Wells Fargo	FN	Bonds	7/1/2041	3138AMUC7	9,617	Bank of New York Mellon
Wells Fargo	FN	Bonds	10/1/2041	3138AULU9	93,774	Bank of New York Mellon
Wells Fargo	FN	Bonds	3/1/2042	3138E5LF3	70,130	Bank of New York Mellon
Wells Fargo	FN	Bonds	3/1/2042	3138ECCY7	34,875	Bank of New York Mellon
Wells Fargo	FN	Bonds	11/1/2041	3138EHB50	8,187	Bank of New York Mellon
Wells Fargo	FN	Bonds	1/1/2043	3138MRF30	19,227	Bank of New York Mellon
Wells Fargo	FN	Bonds	6/1/2036	31407HZE9	1,981,046	Bank of New York Mellon
Wells Fargo	FN	Bonds	9/1/2042	31417DAK9	59,513	Bank of New York Mellon
Wells Fargo	FN	Bonds	1/1/2043	31417EKY7	19,258	Bank of New York Mellon
Wells Fargo	FN	Bonds	1/1/2043	31417EM57	47,974	Bank of New York Mellon
Wells Fargo	FN	Bonds	2/1/2043	31417FNF1	72,480	Bank of New York Mellon
Wells Fargo	FN	Bonds	8/1/2040	31418WPP9	17,608	Bank of New York Mellon
Wells Fargo	FN	Bonds	11/1/2040	31419FFW1	98,829	Bank of New York Mellon
Total Pledged Collateral					<u>\$ 2,714,558</u>	
Bank Account Balances						
MRCOG Checking					\$ 600,000	
MRCOG Savings					678,107	
Rio Metro Checking					4,400,014	
Total Bank Balances					<u>5,678,121</u>	
FDIC Coverage					<u>(750,000)</u>	
Uninsured Amount					4,928,121	
Collateral required at 50%					2,464,061	
Pledged Collateral					<u>(2,714,558)</u>	
Excess Collateral					<u>\$ (250,497)</u>	

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor/Program Title	Federal CFDA Number	Grant/Pass Through Number	Fund #	Federal Expenditures
<u>U.S. Department of Commerce</u>				
Economic Development Administration:				
Economic Development Support for Planning Organizations (Economic Development Planning Grant)	11.302	08-83-04533	072	\$ 50,479
Center Grant)	11.302	08-79-04463	074	<u>117,695</u>
Total U.S. Department of Commerce				<u>168,174</u>
<u>U.S. Department of Defense</u>				
Office of Economic Adjustment				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies (Kirtland Airforce Base Joint Land Use Study)	12.610	EN6179-11-02	310	<u>63,083</u>
<u>U.S. Department of Transportation</u>				
Federal Transportation Administration (FTA)				
Transit Services Program Cluster:				
Job Access and Reverse Commute Program	20.516	NM-37-X018-00	450	568,781
New Freedom Program	20.521	NM-57-X003-00	452	22,707
New Freedom Program	20.521	NM-57-X006-00	453	<u>440,301</u>
Total Transit Services Program Cluster				1,031,789
Federal Transit Capital Investment Grants (Veteran's Initiative Website - Admin)	20.500	NM-04-0030-00	350	277
Alternatives Analysis (FTA Funds UNM/CNM Area Transportation and Land Total U.S. Department of Transportation Direct	20.522	NM-39-0001-00	480	<u>86,786</u>
				<u>1,118,852</u>
<u>U.S. Department of Transportation</u>				
Passed through State of New Mexico Department of Transportation				
Metropolitan Transportation Planning (Unified Planning Work Program)	20.505	M01028	053	221,773
Highway Planning and Construction:				
Highway Planning and Construction (Regional Planning Organization)	20.205	M01037	033	67,243
Highway Planning and Construction (Salt Missions Trail Scenic Byway)	20.205	D13299	032	2,858
Highway Planning and Construction (Unified Planning Work Program)	20.205	M01028	052	899,282
Highway Planning and Construction (Local Government Assistance)	20.205	M01028	054	27,578
Highway Planning and Construction (Transportation Surveillance Program)	20.205	M01028	067	324,623
Highway Planning and Construction (AMPA Wide Travel Survey)	20.205	M01028	056	46
Highway Planning and Construction (Travel Time Program)	20.205	80500-0000100923	068	57,288
Highway Planning and Construction (Land Use Coordination)	20.205	M01028	460	214,846
Highway Planning and Construction (Belen Pedestrian Bridge)	20.205	D12997	216	<u>69,103</u>
Total Highway Planning and Construction				<u>1,662,867</u>
Total U.S. Department of Transportation Pass-through Awards				<u>1,884,640</u>
Total Expenditures of Federal Awards				<u>\$ 3,234,749</u>

See Notes to Schedule of Expenditures of Federal Awards.

MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mid-Region Council of Governments of New Mexico (MRCOG) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirement of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of MRCOG, it is not intended to and does not present the financial position, changes in net position or cash flows of MRCOG.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Non-cash Assistance

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

4. Subrecipients

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

Name	Amount
Rio Metro RTD	\$ 591,687
VSA New Mexico	35,586
ARCA	323,574
Total	<u>\$ 950,847</u>

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

Name	Amount
Workforce Solutions	\$ 750,000
Total Federal Grants	3,234,749
Total Federal grants and contracts	<u>\$ 3,984,749</u>

See Notes to Financial Statements.

COMPLIANCE

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and each major special revenue fund of the Mid-Region Council of Governments of New Mexico (MRCOG) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise MRCOG's basic financial statements, the combining and the individual funds and related budgetary comparisons of MRCOG as presented as supplementary information and have issued our report thereon dated December 14, 2013.

Internal Control Over Financial Reporting

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

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

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

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 over that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2013

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

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

Report on Compliance for the Major Federal Program

We have audited the Mid-Region Council of Governments of New Mexico's (MRCOG), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on MRCOG's major federal programs for the year ended June 30, 2013. MRCOG's major federal program is 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 MRCOG's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MRCOG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on The Major Federal Program

In our opinion, MRCOG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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

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

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2013

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013**

None

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2013**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

• Material weakness (es) identified?

Yes No

• Significant deficiency (ies) identified?

Yes None Reported

Non-compliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

• Material weakness (es) identified?

Yes No

• Significant deficiency (ies) identified?

Yes None Reported

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

Unmodified

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

Yes No

Identification of Major Programs:

CFDA Number Name of Federal Program or Cluster

20.205 Highway Planning and Construction

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

\$ 300,000

Auditee qualified as low-risk auditee?

Yes No

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2013**

B. FINDINGS - FINANCIAL STATEMENTS

NONE

C. FINDINGS - FEDERAL AWARD

NONE

**MID-REGION COUNCIL OF GOVERNMENTS OF NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2013**

An exit conference was held on December 13, 2013 in a closed session. The contents of this report were discussed. Present at the exit conference were:

Representing MRCOG:

Phillip Gasteyer
Dewey Cave
Thaddeus Lucero

Amy Myer, CPA

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

Representing Moss Adams LLP:

Scott Eliason, CPA

Assurance Partner

PREPARATION OF FINANCIAL STATEMENTS

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