

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO
ECONOMIC DEVELOPMENT DISTRICT**

**Financial Statements
For the Year Ended June 30, 2015**

(With Independent Auditor's Report Thereon)

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC
 DEVELOPMENT DISTRICT
 June 30, 2015

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 NORTH CENTRAL NEW MEXICO ECONOMIC
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**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC
DEVELOPMENT DISTRICT
June 30, 2015**

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**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Official Roster
as of June 30, 2015**

Board Of Directors

Nick L. Salazar President
Lawry Mann Vice-President
Jim Trujillo Treasurer
Ernesto J. Salazar Secretary

COLFAX COUNTY

Sandra Mantz
Fred Sparks
Mary-Alice Boyce
Landon Newton

LOS ALAMOS COUNTY

Rick Reiss
David Woodruff
Harry Burgess
Lawry Mann

MORA COUNTY

John Olivas
Anita LaRan
Tomas Garcia
Vacant

RIO ARRIBA COUNTY

Vacant
Alice Lucero
Nick L. Salazar
Michael Padilla

SANDOVAL COUNTY

Vacant
Vacant
Darryl Madalena
Peggy Cote

SAN MIGUEL COUNTY

Tim Dodge
Les Montoya
Ernesto J. Salazar
Alfonso Ortiz, Jr.

SANTA FE COUNTY

Vacant
Jim Trujillo
David Griscum
Daniel Mayfield

TAOS COUNTY

Roberto Gonzales
Barbara Wiard
Linda Calhoun
Gabriel Romero

**INDIAN
REPRESENTATIVES**

James R. Madalena

EX-OFFICIO MEMBER

R.J. Griego

ADMINISTRATIVE OFFICIAL

Tim Armer Executive Director

FINANCIAL SECTION

Robert J. Rivera, CPA, PC

Certified Public Accountants

6 Calle Medico, Suite 4

Santa Fe, New Mexico 87505-4761

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INDEPENDENT AUDITOR'S REPORT

Nick L. Salazar, President
and
Tim Armer, Executive Director
North Central New Mexico Economic Development District
and
Mr. Timothy M. Keller
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, North Central New Mexico Economic Development District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's non-major governmental funds, and the budgetary comparisons for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of New Mexico, North Central New Mexico Economic Development District, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds 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 nonmajor governmental fund of the District as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2-G.14, during the year ended June 30, 2015, the District adopted new accounting guidance, GASB Statement 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 xi through xvii, the Schedule of Employers Proportionate Share of the Net Pension Liability of PERA Municipal General Division Public Employees Retirement Association (PERA) Plan-Last 10 Fiscal Years (Schedule 1), and the Schedule of Employer's Contribution Public Employees Retirement Association (PERA) Plan PERA Municipal General Division-Last 10 Fiscal Years (Schedule 2), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's basic financial statements, the combining and individual fund financial statements, and the related budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the combining and individual fund financial statements presented as supplementary information and the other schedules (Schedule 3) required by 2.2.2.NMAC included as other supplemental information as listed in the table of contents, 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 (Schedule 5) and other schedules (Schedule 3) required by 2.2.2 NMAC included as other supplementary information in the table of contents are the responsibility of management and were derived from and relate to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the combining and individual fund financial statements and the other supplemental information schedules (Schedule 3) required by 2.2.2 NMAC included as other supplementary information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT), (Schedule 4) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated February 8, 2016, on our consideration of the District'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** in considering the District's internal control over financial reporting and compliance.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
February 8, 2016

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The Management's Discussion and Analysis (MD & A) for the North Central New Mexico Economic Development District (District) will provide an overview of the District's activities and programs by (1) evaluating the operating results for the year, (2) assess its financial position and condition, (3) understand its sources and uses of financial resources, (4) determine if budgets were met, and (5) identify budget issues or concerns.

AGENCY HIGHLIGHTS

The District was created on May 31, 1967, by a joint powers agreement between eight counties. The eight counties that are part of the agreement are: Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora. The authority for the creation of the District is the Joint Powers Agreement Act, Sections 11-1-1 to 11-1-7, NMSA, 1978 Compilation. The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members. Another principal purpose of the District is to implement specific programs and projects that are considered essential and worthy to the welfare of the members of the District. To fulfill this purpose, the District also administers services provided to elderly citizens under the Older American Act through a contract with the New Mexico Aging and Long-Term Care Department.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred outflows of the District exceeded assets and deferred inflows at the close of the most recent fiscal year by \$(489,078) (*net deficit position*). A significant reason for the District's negative net position balance is its recognition of net pension liability in the amount of \$1,501,707.
- The District's total net position decreased by \$2,251,900 compared to the prior year.
- As of the close of the current fiscal year, the District's governmental activities reported combined ending net position of \$(1,704,524), a decrease of \$2,307,761 from the previous year.
- Long-term liabilities at June 30, 2015 was comprised of compensated absences payable and net pension plan liabilities. The balance increased by \$1,580,700.

USING THIS ANNUAL REPORT

With implementation of GASB 34, the District has made significant changes in the financial statement presentation. The focus is now on government-wide reporting and major individual funds. The financial report includes the sections described below:

Management's Discussion and Analysis

This section provides an analysis of the District's financial activities based on currently known facts, decisions or conditions. It also provides an analysis of the District's overall financial position and results of operations to assist users in assessing whether the financial position has improved or if changes have occurred as a result of the year's activities.

Government-Wide Financial Statements

The Government-Wide Financial Statements report information about the District as a whole using accounting similar to those used by private sector businesses. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The financial statements report the District's net position and how it has changed.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

USING THIS ANNUAL REPORT (Cont'd)

Fund Financial Statements

The fund Financial Statements provide a more detailed look at the District's significant funds. Funds are accounting methods that the District uses to keep track of specific sources of funding and spending for a particular purpose. The District has two types of funds:

Governmental Funds - Most of the District's services are included in governmental funds. The funds present sources and uses of liquid resources. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

Proprietary Funds - These funds are used to account for ongoing organizations and activities that are similar to those found in the private sector. The revolving loan funds are accounted for as enterprise funds since capital maintenance is critical, the funds carry long-term assets and cash flow information is necessary to assess the activity of the funds.

The funds are further classified as major and non-major. Major funds are determined by a percentage of assets, liabilities, revenues, or expenditures/expenses in relation to the totals of all funds in those categories. The General fund will always be considered major. The Area Agency on Aging PSA fund, the BTOP fund, and all of the revolving loan funds were determined to be major funds.

Budgetary Comparisons

GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both the original and the final appropriated budgets for the reporting period as well as the actual inflows, outflows and balances, stated on the governments's budgetary basis. As required by the Office of the State Auditor, the budgetary comparison statements are presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

Notes to Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: Following is a summary of the District's net position for the fiscal year ending 2015. The District reports balances in the following three categories of net position: (1) invested in capital assets, (2) restricted, and (3) unrestricted. Restricted net position is created by grant agreements and are required to be used for loans. See page 1 of this report for a more detailed look at the Statement of Net Position.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

**Net Position
(in thousands)**

	2014			2015			Increase (Decrease)
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	
Assets							
Current assets	\$ 1,654.5	\$ 434.5	\$ 2,089.0	\$ 1,999.5	\$ 415.8	\$ 2,415.3	326.3
Noncurrent assets	50.4	775.1	825.5	0.0	799.6	799.6	(25.9)
Capital assets	110.0	0.0	110.0	115.4	0.0	115.4	5.4
Total assets	1,814.9	1,209.6	3,024.5	2,114.9	1,215.4	3,330.3	305.8
Deferred Outflows of Resources							
Related to pension plan	0.0	0.0	0.0	62.7	0.0	62.7	62.7
Total assets and deferred outflows	\$ 1,814.9	\$ 1,209.6	\$ 3,024.5	\$ 2,445.1	\$ 1,215.4	\$ 3,393.0	\$ 368.5
Liabilities							
Current liabilities	1,211.7	50.0	1,261.7	1,712.9	0.0	1,712.9	451.2
Long-term liabilities	0.0	0.0	0.0	1,580.7	0.0	1,580.7	1,580.7
Total liabilities	1,211.7	50.0	1,261.7	3,293.6	0.0	3,293.6	2,031.9
Deferred Inflows of Resources							
Related to pension plan	0.0	0.0	0.0	588.5	0.0	588.5	588.5
Total liabilities and deferred outflows	1,211.7	50.0	1,261.7	3,882.1	0.0	3,882.1	2,620.4
Net position							
Invested in capital assets	110.0	0.0	110.0	115.4	0.0	115.4	5.4
Restricted	0.0	754.5	754.5	0.0	734.9	734.9	(19.6)
Unrestricted	493.2	405.1	898.3	(1,819.9)	480.5	(1,339.4)	(2,237.7)
Total net position	603.2	1,159.6	1,762.8	(1,704.5)	1,215.4	(489.1)	(2,251.9)
Total liabilities, deferred inflows of resources and net position	\$ 1,814.9	\$ 1,209.6	\$ 3,024.5	\$ 2,177.6	\$ 1,215.4	\$ 3,393.0	\$ 368.5

The largest portion of the District's assets is related to the cash, due from grantors, and loan receivable balances of the revolving loan funds. These balances account for 88% of the District's assets. In accordance with GASB 34, the District has capitalized fixed assets, recorded depreciation, and recognized a liability for compensated absences payable in the governmental activities.

Net position of the District's governmental activities decreased by \$2,307,761, or 382.6 percent (\$603,237 compared to \$(1,704,524)). Unrestricted net position-the part of net position that can be used to finance the day-to-day operations without constraints established by enabling legislation or other legal requirements-changed from \$493,200 at June 30, 2014, to \$(1,819,895) at the end of the year.

The unrestricted governmental net position decreased by \$2,307,761. The decrease was mostly due to the recognition of the net pension liability.

The net position of our business-type activities decreased by 4.8 percent (\$1,159,596 compared to \$1,215,446) for the year ended June 30, 2015.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Statement of Activities: The following represents the revenues and expenses for fiscal year 2015. See page 2 for a more detailed look at the Statement of Activities.

Net Position Changes (in thousands)							
	2014			2015			
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	Increase (Decrease)
Revenues:							
<i>Program revenues</i>							
Operating grants & contracts	\$ 22,634.6	\$ 0.0	\$ 22,634.6	\$ 22,575.4	\$ 0.0	\$ 22,575.4	\$ (59.2)
Charges for services	6.0	14.5	20.5	0.0	13.6	13.6	(6.9)
General revenues							
Interest	1.3	0.2	1.5	1.3	0.2	1.5	0.0
Other	378.7	3.7	382.4	127.4	12.6	140.0	(242.4)
Total revenues	23,020.6	18.4	23,039.0	22,704.1	26.4	22,730.5	(308.5)
Expenses:							
Community welfare	23,102.5	0.0	23,102.5	22,950.2	0.0	22,950.2	(152.3)
Economic development	0.0	0.0	0.0	0.0	12.5	12.5	12.5
Total expenses	23,102.5	0.0	23,102.5	22,950.2	12.5	22,962.7	(139.8)
Excess (deficiency) before transfers	(81.9)	18.4	(63.5)	(246.1)	13.9	(232.2)	(168.7)
Transfers	137.6	(150.0)	(12.4)	53.8	(53.8)	0.0	12.4
Increase (decrease) in net position	55.7	(131.6)	(75.9)	(192.3)	(39.9)	(232.2)	(156.3)
Net position-beginning (as restated)	547.6	1,291.2	1,838.8	(1,026.9)	1,255.3	228.4	(1,610.4)
Net position-ending	\$ 603.3	\$ 1,159.6	\$ 1,762.9	\$ (1,219.2)	\$ 1,215.4	\$ (3.8)	\$ (1,766.7)

The District's total revenues decreased insignificantly by 1.3 percent (\$308,500). The total cost of all programs increased insignificantly by 0.61 percent (\$139,800).

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Governmental Activities

Revenues of the District's governmental activities decreased insignificantly by \$316,500, or 1.4 percent (\$22,704,100 in FY 2015 compared to \$23,020,600 in FY 2014) while total expenses decreased insignificantly by \$152,325, or 0.66 percent (\$22,950,228 in FY 2015 compared to \$23,102,553 in FY 2014).

The majority of the NCNMEDD's governmental activities relating to the provision of services to the elderly has remained fairly constant compared to the previous year.

Business-Type Activities

Proprietary Funds: Proprietary fund net position increased insignificantly by \$55,850, or 4.82 percent from \$1,159,596 in FY 2014 compared to \$1,215,446 in FY 2015. \$734,957 of proprietary fund net position is restricted to making loans in accordance with the agreements that provided the initial capitalization of the loan funds. The restrictions associated with the Tri-County loan program fund have expired, and the net position balance of \$734,957 is unrestricted.

THE DISTRICT'S FUNDS

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. As mentioned previously, funds are used by the District to keep track of specific sources of funding and spending for a particular purpose.

For the current year, the District had nineteen governmental funds and three proprietary funds. Twelve of the District's governmental funds are used to account for specific grants. One governmental fund is the general fund, one governmental fund is used to account for long-term care services to senior citizens and finally, two governmental funds are used to account for the administration of the revolving loan programs. The three proprietary funds are used to account for the revolving loan programs.

As the District completed the year, its governmental funds (as presented in the balance sheet on Exhibit C) reported a combined fund balance of \$286,616, which is below last year's total of \$586,617.

Governmental fund revenue and transfers-in, decreased by \$321,748 (\$22,842,043 in FY 2015 compared to \$23,163,791 in FY 2014) or 1.4 percent, and governmental fund expenditures and transfers out, decreased by \$165,356 (\$23,054,275 in FY 2015 compared to \$23,219,631 in FY 2014) or 0.7 percent. This is an insignificant decrease.

The majority of the NCNMEDD's individual governmental funds remained fairly constant compared to the previous year.

BUDGETARY HIGHLIGHTS

The District's budget was amended several times during the year and subsequent to the end of the year. The primary reason for budget adjustments was to reflect amendments in grant agreements and to reflect revised activity projections. The variance from the original budget to the final amended budget was an insignificant increase of \$468,575, or 2.03%, from \$22,987,854 to \$23,584,169.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

CAPITAL ASSET AND ADMINISTRATION

Capital Assets: The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$115,371 (net of accumulated depreciation). This investment in capital assets consists mainly of vehicles and office equipment.

Major capital asset events during the current year included \$32,210 of depreciation expense. There were capital asset additions during the year of \$37,564, and there were \$56,545 of capital assets deleted.

Capital Assets

Governmental Activities

	<u>2014</u>	<u>2015</u>
Capital assets net of depreciation	\$110,017	\$115,371

Long-Term Debt: At the end of the current fiscal year, the District had no outstanding long-term debt. However, long-term liabilities were increased significantly due to the recognition of net pension liability in the amount of \$1,501,700.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

See information below under activity highlights. The District does not anticipate any significant changes in next year's operations and budgets.

ACTIVITY HIGHLIGHTS:

In fiscal year 2014-2015, North Central New Mexico Economic Development District (NCNMEDD) continued its provision of services to the elderly much as it had the previous year in the 32 county service area known as the Non-Metro Area Agency on Aging. To cover this service area, NCNMEDD has offices in Clovis, Deming, Taos, Tucumcari, and Santa Fe.

Staff continued to work with each provider to help them determine a true cost for each unit of the various services they provide. Programs were encouraged to determine their full cost and to estimate how many of each service type they could provide. Contracts were based on the program's self-identified costs and the number of service units anticipated.

Non-Metro staff also continued the administration of the federally mandated data collection system for services to the elderly. This enabled contractors to simply verify the number of services provided each month in order to be paid based on the pre-determined fee.

Reimbursement of state and federal funds to senior programs was based on the agreed upon unit costs and the verified number of services provided.

The Long Term Care Program did not generate any revenues for NCNMEDD this year. All providers in the program has begun billing the state directly. This program, known as the Medicaid Personal Care Fund, allowed payment to providers of certain in-home services to eligible senior citizens. NCNMEDD does not expect additional revenue in this area and will use the reserve fund created for board approved activities.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

ACTIVITY HIGHLIGHTS (Cont'd)

NCNMEDD concluded its contract work with New Mexico's Land Grant communities, but continues to work with them as special purpose units of government within the District.

NCNMEDD continued to administer two contracts with the New Mexico Department of Transportation for Regional Planning Organizations. The Northern Pueblos RPO provided transportation planning to Santa Fe, Los Alamos, Rio Arriba and Taos Counties and the cities (with the exception of Santa Fe) and Indian Nations in that area. The Northeast RPO provided similar services in Colfax, Mora and San Miguel Counties.

NCNMEDD continues to work on water and wastewater issues. The District is assisting the mutual domestic water consumers associations, Santa Fe and Rio Arriba Counties and the city of Española in the development of greater regional cooperation. This has led to an extensive use of District GIS resources to map small systems and to help them develop asset management plans.

NCNMEDD continues to participate in a team led by the Regional Development Corporation to develop a 25-year strategic economic development plan for Los Alamos, Santa Fe, Rio Arriba and Taos Counties and the associated municipalities and tribes.

As part of that process, NCNMEDD served as the applicant for a grant from the US Department of Commerce National Telecommunications and Information Administration for the Broadband Technology Opportunity Program, representing Los Alamos, Santa Fe and Rio Arriba Counties, the City of Española and the Pueblos of Pojoaque, Tesuque, San Ildefonso, Santa Clara and Ohkay Owingeh. Upon the award of the grant, NCNMEDD continues as the fiscal and administrative agent for the grant and the resulting operations.

NCNMEDD continues to operate three loan funds for business development. The TCR Revolving Loan Fund is no longer providing new loans. Authority has been given to the District to use the balance of the funds for unrestricted economic development. Outstanding loan balances will continue to be collected upon.

Finally, NCNMEDD did experience reductions in funds for regional planning as provided through the contract with the Department of Finance and Administration. These reductions did curtail services. Continued reductions are anticipated.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide the general public and other interested parties with a general overview of this District's finances and accountability of funds. Questions regarding this report or requests for additional information should be addressed to:

**Tim Armer, Director
North Central New Mexico Economic Development District
P.O. Box 5115
Santa Fe, NM 87502-5115**

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 770,896	\$ 415,858	\$ 1,186,754
Due from grantors	1,218,971	-	1,218,971
Loans receivable (net)	-	799,588	799,588
Other receivables	3,900	-	3,900
Due from fiduciary funds-NCNMEDD	2,000	-	2,000
Security deposits	3,004	-	3,004
Other assets	726	-	726
Total current assets	<u>1,999,497</u>	<u>1,215,446</u>	<u>3,214,943</u>
Non-current assets:			
Capital assets (net)	<u>115,371</u>	<u>-</u>	<u>115,371</u>
Total non-current assets	<u>115,371</u>	<u>-</u>	<u>115,371</u>
Total assets	<u>2,114,868</u>	<u>1,215,446</u>	<u>3,330,314</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan - Employer contributions subsequent to measurement date	<u>62,660</u>	<u>-</u>	<u>62,660</u>
Total Deferred Outflows of Resources	<u>62,660</u>	<u>-</u>	<u>62,660</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,177,528</u>	<u>\$ 1,215,446</u>	<u>\$ 3,392,974</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,426,525	\$ -	\$ 1,426,525
Accrued payroll payable	43,475	-	43,475
Due to State of NM	29,683	-	29,683
Due to fiduciary funds-NCNMEDD	138,014	-	138,014
Assets held for others	<u>75,184</u>	<u>-</u>	<u>75,184</u>
Total current liabilities	<u>1,712,881</u>	<u>-</u>	<u>1,712,881</u>
Non-current liabilities:			
Compensated absences:			
Due within one year	78,378	-	78,378
Due after one year	561	-	561
Net pension plan liability:			
Due after one year	<u>1,501,707</u>	<u>-</u>	<u>1,501,707</u>
Total non-current liabilities	<u>1,580,646</u>	<u>-</u>	<u>1,580,646</u>
Total liabilities	<u>3,293,527</u>	<u>-</u>	<u>3,293,527</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan - Change in assumptions	1,018	-	1,018
Pension plan - Net difference between expected and actual earnings	<u>587,507</u>	<u>-</u>	<u>587,507</u>
Total Deferred Inflows of Resources	<u>588,525</u>	<u>-</u>	<u>588,525</u>
NET POSITION			
Net investment in capital assets	115,371	-	115,371
Restricted for:			
Loans	-	734,957	734,957
Unrestricted	<u>(1,819,895)</u>	<u>480,489</u>	<u>(1,339,406)</u>
Total net position	<u>(1,704,524)</u>	<u>1,215,446</u>	<u>(489,078)</u>
Total Liabilities, deferred inflows of resources and net position	<u>\$ 2,177,528</u>	<u>\$ 1,215,446</u>	<u>\$ 3,392,974</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities:						
Community welfare	\$ (22,950,228)	\$ -	\$ 22,575,353	\$ (374,875)	\$ -	\$ (374,875)
Business-type Activities:						
Economic development	(12,520)	13,623	-	-	1,103	1,103
Total	<u>\$ (22,962,748)</u>	<u>\$ 13,623</u>	<u>\$ 22,575,353</u>	<u>(374,875)</u>	<u>1,103</u>	<u>(373,772)</u>
General Revenues:						
Interest				1,321	252	1,573
Program income				256,369	-	256,369
Other income				9,000	-	9,000
Loan loss recoveries				-	12,556	12,556
Transfers				53,779	(53,779)	-
Residual equity transfers (out) to fiduciary funds				(138,014)	-	(138,014)
Total general revenues and transfers				<u>182,455</u>	<u>(40,971)</u>	<u>141,484</u>
Change in net assets - increase (decrease)				<u>(192,420)</u>	<u>(39,868)</u>	<u>(232,288)</u>
Net position, beginning, as reported				603,237	1,159,596	1,762,833
Restatements:						
Prior-period adjustment (note 11)				(95,718)	95,718	-
Prior-period adjustment (note 11)				7,949	-	7,949
Prior-period adjustment (note 11)				(2,027,572)	-	(2,027,572)
Net position, beginning, as restated				<u>(1,512,104)</u>	<u>1,255,314</u>	<u>(256,790)</u>
Net position, ending				<u>\$ (1,704,524)</u>	<u>\$ 1,215,446</u>	<u>\$ (489,078)</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2015

	Major Funds			Non-Major Funds	Total Before Eliminations	Eliminations	Total
	Special Revenue Funds			Special Revenue Funds			
	General Fund	Area Agency on Aging PSA	BTOP-ARRA Grant	Other Funds			
ASSETS							
Cash on deposit and equivalent	\$ 191,692	\$ 467,454	\$ 29,124	\$ 82,626	\$ 770,896	\$ -	\$ 770,896
Due from grantors	-	1,096,591	-	122,380	1,218,971	-	1,218,971
Other receivables	3,900	-	-	-	3,900	-	3,900
Due from fiduciary funds	-	1,000	1,000	-	2,000	-	2,000
Due from other special revenue funds	-	9,043	107,890	-	116,933	(116,933)	-
Security deposits	-	3,004	-	-	3,004	-	3,004
Other assets	-	-	-	726	726	-	726
Total assets	\$ 195,592	\$ 1,577,092	\$ 138,014	\$ 205,732	\$ 2,116,430	\$ (116,933)	\$ 1,999,497
LIABILITIES							
Accounts payable	\$ 9	\$ 1,418,833	\$ -	\$ 7,683	\$ 1,426,525	\$ -	\$ 1,426,525
Accrued payroll payable	1	36,957	-	6,517	43,475	-	43,475
Due to General Fund	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	116,933	116,933	(116,933)	-
Due to fiduciary funds	-	-	138,014	-	138,014	-	138,014
Assets held for others	-	75,184	-	-	75,184	-	75,184
Due to State of New Mexico	-	25,475	-	4,208	29,683	-	29,683
Due to State of New Mexico-CRS	-	-	-	-	-	-	-
Total liabilities	10	1,556,449	138,014	135,341	1,829,814	(116,933)	1,712,881
FUND BALANCES							
Fund balances:							
Committed:							
Capital asset acquisition	163,025	-	-	-	163,025	-	163,025
Payment of compensated absences	13,192	-	-	-	13,192	-	13,192
Assigned:							
Administration	-	-	-	70,391	70,391	-	70,391
Unassigned	19,365	20,643	-	-	40,008	-	40,008
Total fund balances	195,582	20,643	-	70,391	286,616	-	286,616
Total liabilities and fund balance	\$ 195,592	\$ 1,577,092	\$ 138,014	\$ 205,732	\$ 2,116,430	\$ (116,933)	\$ 1,999,497

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Reconciliation of the Balance Sheet to the Statement of Net Position
 Governmental Funds
 June 30, 2015

	Total
Total fund balance for the governmental funds (Exhibit C)	\$ 286,616
 Amount 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 in the funds. These assets consist of:	
Capital assets (net)	115,371
 Some liabilities and deferred outflows of resources are not reported in governmental funds, but they are reported in the Statement of Net Position. These amounts consist of the following:	
Compensated absences	(78,939)
Net pension liability	(1,501,707)
Deferred pension plan items, net	(525,865)
Net position of Governmental Activities (Exhibit A)	\$ <u>(1,704,524)</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds			Non-Major Funds	
	Special Revenue Funds			Special Revenue Funds	
	General Fund	Area Agency		Other Funds	Total
		on Aging PSA	BTOP-ARRA Grant		
REVENUES					
Federal operating grants	\$ -	\$ 7,912,126	\$ -	\$ 266,853	\$ 8,178,979
State operating grants and contracts	-	14,231,497	-	116,286	14,347,783
Local and private grants and contributions	-	27,591	-	21,000	48,591
Membership assessments	40,517	-	-	-	40,517
Program income	-	-	215,702	150	215,852
Bank interest	1,321	-	-	-	1,321
Other revenue	9,000	-	-	-	9,000
Total revenues	50,838	22,171,214	215,702	404,289	22,842,043
EXPENDITURES					
Current:					
Community welfare:					
Health and welfare	-	19,209,968	-	-	19,209,968
Administration	8,544	2,953,733	239,151	517,699	3,719,127
Capital outlay	19,195	17,769	90	3,891	40,945
Total expenditures	27,739	22,181,470	239,241	521,590	22,970,040
Excess (deficiency) of revenues over expenditures	23,099	(10,256)	(23,539)	(117,301)	(127,997)
Other financing sources (uses):					
Operating transfers in (out)	(58,326)	-	-	58,326	-
Residual equity transfers (out) - fiduciary funds	-	-	(138,014)	-	(138,014)
Residual equity transfers in - proprietary funds	-	-	-	53,779	53,779
Total other financing sources (uses)	(58,326)	-	(138,014)	112,105	(84,235)
Net change in fund balance	(35,227)	(10,256)	(161,553)	(5,196)	(212,232)
Fund balance - beginning, as reported	230,809	17,720	161,553	176,534	586,616
Restatements:					
Prior-period adjustment (note 11)	-	13,179	-	(100,947)	(87,768)
Fund balance - beginning, as restated	230,809	30,899	161,553	75,587	498,848
Fund balance - ending	\$ 195,582	\$ 20,643	\$ -	\$ 70,391	\$ 286,616

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance to the Statement of Activities
Governmental Funds
June 30, 2015

		<u>Total</u>									
Net Change in Fund Balance - Governmental Funds (Exhibit E)	\$	(212,232)									
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital outlay additions</td> <td style="width: 10%; text-align: right;">\$ 37,564</td> <td style="width: 30%;"></td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;"><u>(32,210)</u></td> <td style="text-align: right;">5,354</td> </tr> </table> <p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">(Increase) in compensated absences</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;"><u>14,458</u></td> </tr> </table>			Capital outlay additions	\$ 37,564		Depreciation expense	<u>(32,210)</u>	5,354	(Increase) in compensated absences		<u>14,458</u>
Capital outlay additions	\$ 37,564										
Depreciation expense	<u>(32,210)</u>	5,354									
(Increase) in compensated absences		<u>14,458</u>									
Changes in Net Position of Governmental Activities (Exhibit B)	\$	<u>(192,420)</u>									

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
Major Governmental Funds
General Fund - All Accounts
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Membership assessments	\$ 15,000	\$ 40,667	\$ 40,517	\$ (150)
Bank interest	1,100	1,322	1,321	(1)
Other revenue	6,200	18,100	9,000	(9,100)
Prior cash budgeted	<u>215,563</u>	<u>246,775</u>	<u>-</u>	<u>(246,775)</u>
Total revenues	<u>237,863</u>	<u>306,864</u>	<u>50,838</u>	<u>(256,026)</u>
EXPENDITURES:				
Community welfare:				
Administration	6,200	75,201	8,544	66,657
Capital outlay	-	-	19,195	(19,195)
Operating transfers out	-	58,342	58,326	16
Budgeted reserves	<u>231,663</u>	<u>173,321</u>	<u>-</u>	<u>173,321</u>
Total expenditures	<u>237,863</u>	<u>306,864</u>	<u>86,065</u>	<u>220,799</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,227)</u>	<u>\$ (35,227)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 50,838	\$ 86,065	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 50,838</u>	<u>\$ 86,065</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
 Major Governmental Funds
 Area Agency on Aging PSA Special Revenue Fund
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ 7,622,484	\$ 7,912,221	\$ 7,912,126	\$ (95)
State operating grants and contracts	14,093,399	14,233,674	14,231,497	(2,177)
Local and private gifts and grants	-	-	27,591	27,591
Prior year cash budgeted	<u>17,036</u>	<u>17,036</u>	<u>-</u>	<u>(17,036)</u>
Total revenues	<u>21,732,919</u>	<u>22,162,931</u>	<u>22,171,214</u>	<u>8,283</u>
EXPENDITURES:				
Community welfare:				
Health and welfare	19,013,905	19,199,737	19,209,968	(10,231)
Administration	2,701,978	2,963,194	2,953,733	9,461
Capital outlay	<u>-</u>	<u>-</u>	<u>17,769</u>	<u>(17,769)</u>
Total expenditures	<u>21,715,883</u>	<u>22,162,931</u>	<u>22,181,470</u>	<u>(18,539)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ 17,036</u>	<u>\$ -</u>	<u>\$ (10,256)</u>	<u>\$ (10,256)</u>
Reconciliation of GAAP basis to budget basis:				
GAAP basis		<u>\$ 22,171,214</u>	<u>\$ 22,181,470</u>	
Adjustments - residual equity transfer to new provider		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 22,171,214</u>	<u>\$ 22,181,470</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis)
 Major Governmental Funds
 BTOP-ARRA Special Revenue Fund (04-240)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Program income	\$ 226,666	\$ 226,666	\$ 215,702	\$ (10,964)
Prior-year cash budgeted	-	-	-	-
Total revenues	<u>226,666</u>	<u>226,666</u>	<u>215,702</u>	<u>(10,964)</u>
EXPENDITURES:				
Community welfare:				
Health and welfare	-	-	-	-
Administration	106,568	106,568	239,151	(132,583)
Capital outlay	-	-	90	(90)
Budgeted reserves	<u>120,098</u>	<u>120,098</u>	-	<u>120,098</u>
Total expenditures	<u>226,666</u>	<u>226,666</u>	<u>239,241</u>	<u>(12,575)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,539)</u>	<u>\$ (23,539)</u>
Reconciliation of GAAP basis to budget basis:				
GAAP basis		<u>\$ 215,702</u>	<u>\$ 239,241</u>	
Adjustments- none		-	-	
Budget basis		<u>\$ 215,702</u>	<u>\$ 239,241</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2015

	(24-601) Tri-County RLF (TCR)	(25-601) Economic Development Administration RLF (EDA)	(28-601) Economic Development District Fund (EDDF)	Total Before Eliminations	Eliminations	Total
ASSETS						
<i>Current Assets:</i>						
Cash on deposit	\$ 15,957	\$ 346,044	\$ 53,857	\$ 415,858	\$ -	\$ 415,858
Due from other proprietary funds	-	63,126	5,217	68,343	(68,343)	-
	<u>15,957</u>	<u>409,170</u>	<u>59,074</u>	<u>484,201</u>	<u>(68,343)</u>	<u>415,858</u>
<i>Noncurrent Assets:</i>						
Loans receivable	373,698	361,986	152,747	888,431	-	888,431
Less: Allowance for uncollectible accounts	(37,370)	(36,199)	(15,274)	(88,843)	-	(88,843)
Total noncurrent assets	<u>336,328</u>	<u>325,787</u>	<u>137,473</u>	<u>799,588</u>	<u>-</u>	<u>799,588</u>
Total assets	<u>\$ 352,285</u>	<u>\$ 734,957</u>	<u>\$ 196,547</u>	<u>\$ 1,283,789</u>	<u>\$ (68,343)</u>	<u>\$ 1,215,446</u>
LIABILITIES						
<i>Current Liabilities:</i>						
Due to other proprietary funds	\$ 5,848	\$ -	\$ 62,495	\$ 68,343	\$ (68,343)	\$ -
Total liabilities	<u>5,848</u>	<u>-</u>	<u>62,495</u>	<u>68,343</u>	<u>(68,343)</u>	<u>-</u>
NET POSITION						
Restricted for loans	-	734,957	-	734,957	-	734,957
Unrestricted	346,437	-	134,052	480,489	-	480,489
Total net position	<u>346,437</u>	<u>734,957</u>	<u>134,052</u>	<u>1,215,446</u>	<u>-</u>	<u>1,215,446</u>
Total liabilities and net position	<u>\$ 352,285</u>	<u>\$ 734,957</u>	<u>\$ 196,547</u>	<u>\$ 1,283,789</u>	<u>\$ (68,343)</u>	<u>\$ 1,215,446</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2015

	(24-601) Tri-County RLF (TCR)	(25-601) Economic Development Administration RLF (EDA)	(28-601) Economic Development District Fund (EDDF)	Total Before Eliminations	Eliminations	Total
OPERATING REVENUES						
Loan interest	\$ 2,173	\$ 8,794	\$ 2,656	\$ 13,623	\$ -	\$ 13,623
Loan loss recoveries	1,103	11,453	-	12,556	-	12,556
Total operating revenues	<u>3,276</u>	<u>20,247</u>	<u>2,656</u>	<u>26,179</u>	<u>-</u>	<u>26,179</u>
OPERATING EXPENSES						
Administrative expenses	-	-	2,846	2,846	-	2,846
Provision for loan losses	-	-	9,674	9,674	-	9,674
Total operating expenses	<u>-</u>	<u>-</u>	<u>12,520</u>	<u>12,520</u>	<u>-</u>	<u>12,520</u>
Operating income (loss)	3,276	20,247	(9,864)	13,659	-	13,659
NON-OPERATING REVENUES						
Bank interest	7	245	-	252	-	252
Income (loss) before contributions and transfers	<u>3,283</u>	<u>20,492</u>	<u>(9,864)</u>	<u>13,911</u>	<u>-</u>	<u>13,911</u>
Contributions and transfers:						
Operating transfers in - other proprietary funds	-	-	54,977	54,977	(54,977)	-
Operating transfers (out) - other proprietary funds	(54,977)	-	-	(54,977)	54,977	-
Operating transfers (out) - to governmental funds	(7,000)	(40,000)	(6,779)	(53,779)	-	(53,779)
Net income (loss)	<u>(58,694)</u>	<u>(19,508)</u>	<u>38,334</u>	<u>(39,868)</u>	<u>-</u>	<u>(39,868)</u>
Net position, beginning (as reported)	405,131	754,465	-	1,159,596	-	1,159,596
Restatements:						
Prior-period adjustments (note 11)	-	-	95,718	95,718	-	95,718
Net position, beginning (as restated)	<u>405,131</u>	<u>754,465</u>	<u>95,718</u>	<u>1,255,314</u>	<u>-</u>	<u>1,255,314</u>
Net position, ending	<u>\$ 346,437</u>	<u>\$ 734,957</u>	<u>\$ 134,052</u>	<u>\$ 1,215,446</u>	<u>\$ -</u>	<u>\$ 1,215,446</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Statement of Cash Flows - Increase (Decrease) in Cash and Cash Equivalents
 Proprietary Funds
 For the Year Ended June 30, 2015

	(24-601) Tri-County RLF (TCR)	(25-601) Economic Development Administration RLF (EDA)	(28-601) Economic Development District Fund (EDDF)	Total
Cash flows from operating activities:				
Other operating expenses	\$ -	\$ -	\$ (2,846)	\$ (2,846)
Program loans made	-	(6,667)	(133,333)	(140,000)
Program loan repayments	11,034	121,202	36,586	168,822
Loan interest received	<u>2,173</u>	<u>8,794</u>	<u>2,656</u>	<u>13,623</u>
Net cash provided (used) by operating activities	<u>13,207</u>	<u>123,329</u>	<u>(96,937)</u>	<u>39,599</u>
Cash flows from non-capital financing activities:				
Transfer of prior-year due to governmental funds-NCNMEDD	(15,000)	(35,000)	-	(50,000)
Operating transfers in (out) to proprietary funds	(54,977)	(63,126)	54,977	(63,126)
Less: operating transfer due to proprietary funds at year end	5,848	-	57,278	63,126
Operating transfers in (out) to governmental funds	<u>(7,000)</u>	<u>(40,000)</u>	<u>(6,779)</u>	<u>(53,779)</u>
Net cash provided (used) by non-capital financing activities	<u>(71,129)</u>	<u>(138,126)</u>	<u>105,476</u>	<u>(103,779)</u>
Cash flows from investing activities:				
Interest income	<u>7</u>	<u>245</u>	<u>-</u>	<u>252</u>
Net cash provided (used) by investing activities	<u>7</u>	<u>245</u>	<u>-</u>	<u>252</u>
Net increase (decrease) in cash	(57,915)	(14,552)	8,539	(63,928)
Cash, beginning of year	<u>73,872</u>	<u>360,596</u>	<u>45,318</u>	<u>479,786</u>
Cash, end of year	<u>\$ 15,957</u>	<u>\$ 346,044</u>	<u>\$ 53,857</u>	<u>\$ 415,858</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 3,276	\$ 20,247	\$ (9,864)	\$ 13,659
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
(Increase) decrease in loans receivable	11,034	114,535	(96,747)	28,822
Increase (decrease) in allowance	<u>(1,103)</u>	<u>(11,453)</u>	<u>9,674</u>	<u>(2,882)</u>
Net cash provided (used) by operating activities	<u>\$ 13,207</u>	<u>\$ 123,329</u>	<u>\$ (96,937)</u>	<u>\$ 39,599</u>

Noncash investing, capital and financial activities:

There were no significant noncash investing, capital and financing activities during the reporting period.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

Assets

Cash in bank	\$ <u>216,534</u>
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Liabilities

Assets held for others	\$ <u>216,534</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

1. History and Organization

The North Central New Mexico Economic Development District (District) was created on May 31, 1967, pursuant to a joint powers agreement between Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora Counties under the authority of the Joint Powers Agreement Act, Section 11-1 to 11-1-7, NMSA, 1978 Compilation.

The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members.

2. Summary of Significant Accounting Policies

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and interpretations, APB opinions, and ARB's of the Committee on Accounting Procedure. FASB statements and interpretations issued after November 30, 1989, have not been applied.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No.34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation based on the size of the government.

In June 2001, the GASB unanimously approved Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38 *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statements 34 and should be implemented simultaneously with Statement 34. Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB Statement No. 34, 37 and 38 effective July 1, 2001. As part of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and, therefore, is unaffected by this requirement.

A. Financial Reporting Entity

The District is a special purpose government created by a joint powers agreement between eight counties under the authority of the Joint Powers Agreement Act. The District is governed by a Board of Directors constituted as follows:

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

A. Financial Reporting Entity (Cont'd)

8	Elected county officials - one per county
8	Elected city officials or delegates - one from the largest city of each county
8	Overall Economic Development Program committee members - one per county
8	Lay persons at large
<u>2</u>	Indian representatives
<u>34</u>	Total board members

The officers of the District are selected from the Board of Directors. The District is a governmental subdivision of the State of New Mexico and a body with all the powers of public or quasi-municipal corporation and these financial statements include all funds and activities over which the District officers have oversight responsibility. The officers of the District have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. The District does not have any component units.

B. Basic Financial Statements - Government-Wide Statements

The District's basic financial statements include both government-wide (based on the District as a whole) and fund financial statements and report information on all non-fiduciary activities. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). The District is a multiple-program government that engages in both governmental and business-type activities and has no component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities are presented using the 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 District's net position is reported in three parts - invested in capital assets, restricted net position and unrestricted net position.

Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general revenues (primarily interest on cash deposits). The Statement of Activities reduces gross expense (including depreciation) by related program revenues, charges for services and operating grants and contributions. Program revenues must be directly associated with the function. The District includes only two functions: community welfare and economic development.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in the governmental fund category.

The governmental fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. This presentation is deemed more appropriate to

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

B. Basic Financial Statements - Government-Wide Statements (Cont'd)

demonstrate legal compliance, to demonstrate the source and use of liquid resources and to demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental-wide presentation.

The proprietary fund statements (enterprise funds) are presented on the full accrual, economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Proprietary fund equity is classified as net position.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District first uses restricted resources then unrestricted resources.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported on the basis of funds in the fund financial statements. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is reported by a generic fund type classification within the financial statements known as governmental funds.

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. The special revenue funds are also reported by a generic type classification known as governmental funds.

PROPRIETARY FUNDS

Enterprise Funds - The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

PROPRIETARY FUNDS (Cont'd)

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide Statement of Net Position.

The funds are further classified as major or nonmajor, with emphasis placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the General fund of the District or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

All funds have been administratively established by the Board of Directors to account for the sources and uses of specific operating grants or where the Board has decided that establishment for a separate fund is necessary for accountability.

MAJOR FUNDS

General Fund

Special Revenue Funds

Area Agency on Aging PSA Fund - Accounts for revenues and expenditures associated with a grant agreement with the New Mexico State Agency on Aging funded by the Older Americans Act, Title IIIB, IIIC, IIID and IIIE and the General Appropriations Act (House Bill 2). The counties served by PSA are: San Juan, Rio Arriba, Taos, Colfax, McKinley, Sandoval, Los Alamos, Santa Fe, San Miguel, Cibola, Valencia and Torrance, Catron, Socorro, Hidalgo, Grant, Sierra, Luna, Dona Ana and Otero.

Broadband Technology Opportunities Program (BTOP) - Accounts for the activities associated with a grant from the U.S. Department of Commerce, pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 (2009) (ARRA) for the costs of constructing a broadband infrastructure in a four-county region in New Mexico. The fund will be closed during FY2016.

Proprietary Funds

Economic Development Administration Revolving Loan Fund - Accounts for activities initially capitalized by a grant from the U. S. Department of Commerce and 25% matching funds. The fund was originally established in 1983 and is currently in its revolving phase. Loans are made to eligible borrowers to stimulate economic development. The principal and a portion of the interest on loan payments must remain intact and be used to recapitalize the fund for future loans.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

Proprietary Funds (Cont'd)

Tri-County Revolving Loan Fund - Accounts for activities initially capitalized by a grant from the U. S. Department of Energy. The purpose of the grant was to stimulate economic development in Los Alamos, Rio Arriba and Santa Fe counties as a result of workforce displacement at Los Alamos National Laboratory. The restrictions associated with the grant expired in May 1999, however, it is the Board's intention to maintain the fund for economic development.

Economic Development District Fund accounts for the activities associated with implementation of an economic development program designed to encourage new employment opportunities. (Was reported as a Special Revenue Fund in the prior year.)

NONMAJOR FUNDS

Special Revenue Funds

Medicaid Personal Care Fund - Accounts for services provided and funds received under agreement with the New Mexico Human Services Department.

State Grant-in-Aid Fund - Created under Section 4-58-4, et. Seq., NMSA, 1978 Compilation. The purpose of the fund is to account for grant monies to assist units of local governments in development and implementation of regional economic development programs.

Economic Development Administration Planning Fund - Accounts for EDA grant funds used to implement an economic development program designed to encourage new employment opportunities and to foster a stable and diversified local economy. Funded by Section 301(b) of the Public Works and Economic Development Act of 1985, as amended.

San Miguel County Planning Funds - Accounts for the activities associated with a grant from San Miguel County.

NPRPO Transportation Planning - Accounts for activities associated with a grant from the New Mexico State Highway Department for the Northern Pueblos Regional Planning Organization.

Economic Development Administration RLF Administration Fund - Accounts for the cost of administering the Economic Development Administration Revolving Loan Fund.

Tri-County RLF Administration Fund - Accounts for the cost of administering the Tri-County Revolving Loan Fund.

NERPO Planning - Accounts for activities associated with a grant from the New Mexico State Highway Department for the Northeast Regional Planning Organization for planning.

Santa Fe County Planning - Accounts for activities associated with a grant for planning and technical assistance for Santa Fe County.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

NONMAJOR FUNDS (Cont'd)

Special Revenue Funds (Cont'd)

MIPPA - Accounts for activities associated with a contract from the Aging and Long-term Services Department (ALTSD) to work throughout the State of New Mexico to collect applications for medicare services in collaboration with our providers.

SAVVY - Accounts for activities associated with a contract from the Aging and Long-term Services Department (ALTSD) to train families and others as caregiver (SAVVY Caregiver) for a relative or friend with Alzheimer's disease or other dementia.

Questa Mine Closure - Accounts for activities associated with a grant from the U.S. Department of Commerce - EDA for technical assistance addressing workforce needs after the Questa, NM mine closure.

NPRPO-GIS - Accounts for activities associated with a grant from the U.S. Department of Transportation, through the NM Department of Transportation for administering the Geographical Information System (GIS) for the Northern Pueblos Regional Transportation Planning Organization.

Wal-Mart Foundation - Accounts for activities associated with a grant from the Wal-Mart Foundation to reduce hunger among seniors in rural counties in New Mexico.

CDBG Chama Planning - Accounts for activities associated with a planning grant from the NM Department of Finance and Administration Local Government Division under the Community Development Block Grant.

VA Resource Center - Accounts for activities associated with funding from the Aging and Disabilities Resources Center (ADRC) to develop a pilot program for veterans to develop a self-directed care program.

D. **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.

Accrual - The government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - The governmental funds financial statements are presented on 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 (normally

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

D. Basis of Accounting (Cont'd)

sixty days). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

E. Encumbrances

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation, is not employed by the District.

F. 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.

G. Financial Statement Amounts

1. Cash and Cash Equivalents

For the purpose of the Proprietary Fund Statement of Cash Flows, the District considers highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash consists of petty cash and cash on deposit with banks.

2. Accrued Revenue

Various reimbursement procedures are used for Federal, State and Local awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent amounts expended during the fiscal year that are related to grant programs, however, the reimbursement for the expenditure was not received prior to the end of the fiscal year.

3. Interfund Receivables and Payables

To improve efficiency and physical control, the District maintains a pooled cash account for all governmental funds with each fund having an interest in the pooled cash account and reporting its interest in its balance sheet. Funds that have overdrawn their share of the pooled cash account report an interfund liability to the fund(s) which have absorbed the deficit cash balance (the fund(s) that management has deemed to have "loaned" the cash to the overdrawn fund). The funds which have absorbed the deficit cash balance reports a receivable from the overdrawn fund. Interfund balances are expected to be repaid within one year from the date of the financial statements of June 30, 2015.

4. Loans Receivable and Allowance for Loan Losses

The District administers various revolving loan funds. The funds were initially capitalized through grants from other governmental entities. The grants provide capital for loan pools which finance business development activities consistent with local economic development strategies. Loan

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

4. Loans Receivable and Allowance for Loan Losses (Cont'd)

repayments, plus interest and other related income, create a revolving source of capital to finance other business enterprises.

Loans are stated at unpaid principal balances. Interest income generally is not recognized on specific impaired loans unless the likelihood of further loss is remote. Interest income on impaired loans is recognized only to the extent of interest payments received. Loans are secured by various assets pledged by the borrower.

The allowance for loan losses is maintained at a level which, in management's judgement, is adequate to absorb credit losses inherent in the loans. The amount of the allowance is based on management's evaluation of the collectibility of the loans, including the nature of the loans, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the loans. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for loan losses in the near future. However, the amount of the change that is reasonably possible cannot be estimated. The allowance is increased by a provision for loan losses or reduced by loan loss recoveries, which is charged to expense or credited to income and reduced by charge-offs, net of recoveries. Changes in the allowance are charged to the provision for loan losses or credited to loan loss recoveries.

5. Capital Assets

Capital assets of the District include data processing equipment, furniture and fixtures, equipment and automobiles. The District does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMSA 1978. Section 12-6-10 NMSA 1978, was amended effective June 19, 2005, changing the capitalization threshold of movable chattels and equipment from items costing more than \$1,000 to items costing more than \$5,000. The District has adopted this change in an accounting estimate, per Accounting Principles Board (APB) 20. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list and continue to be depreciated. Any items received after July 1, 2005, will be added to the inventory only if they meet the new capitalization policy. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with data processing computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5) The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The District does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets. Capital assets of the District are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

Depreciation on all exhaustible capital assets is provided on the straight-line basis with no salvage value. The estimated useful life for capital assets is as follows:

Office equipment - 3 years
Office furniture - 7 years

Vehicles - 5 years
Leasehold improvements - lease term

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

5. Capital Assets (Cont'd)

GASB Statement No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. The District does not own any infrastructure assets.

6. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item, Pension plan - Employer contribution subsequent to measurement date, is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources the next period. The District has recorded \$330,239 related to contributions subsequent to the measurement date.

7. Due to Grantees

The District manages programs for the elderly under contract with the New Mexico State Agency on Aging pursuant to the Older Americans Act. The District contracts with local governments and not-for-profit organizations to provide services for the elderly. Amounts due to those providers are services rendered prior to year-end are recorded as due to grantees.

8. Unearned Revenue/Advances

In accordance with GASB Statement No. 33, most governmental grants are considered voluntary nonexchange transactions. Accordingly, revenues are recognized when allowable costs have been incurred and any other eligibility requirements have been met. Amounts provided in advance of requirements being met are presented as unearned revenues. The grants stipulate that any grant funds which are advanced and not expended by the expiration of the grant must be returned to the U. S. Treasury. The District does not anticipate any funds being returned to the grantors.

9. Compensated Absences

Employees are entitled to accumulate annual leave at a rate of three to four weeks per year depending on their tenure. A maximum of 240 hours of annual leave may be accrued. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid annual leave as of the date of termination.

Employees are entitled to accumulate sick leave at a rate of eight hours per month. There is no limit to the amount of sick leave that an employee may accumulate. Employees may trade in sick leave for annual leave at a rate of four hours of sick leave for one hour of annual leave.

The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources in accordance with GASB Interpretation No. 6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

10. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. The District has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, Pension-plan Change in assumptions and Pension-plan - Net difference between expected and actual earnings, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$1,018 related to change in assumptions and \$587,507 related to the net difference between expected and actual earnings.

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position. Net position is the difference between assets and liabilities. Net position invested in capital assets represents the historical cost of assets or fair value on date of receipt less accumulated depreciation on those assets. Net position is reported as restricted when there are legal litigations imposed on their use by the District or external restrictions by other governments, creditors or grantors. Unrestricted net position is all other net position that does not meet the definition of "restricted" or "invested in capital assets."

Fund Statements

Governmental fund equity is classified as fund balance.

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition, was implemented by the District for the year ending June 30, 2013. Statement No. 54 replaces the old fund balance terminology ("reserved," "unreserved," "designated," and "undesignated") with new financial reporting categories for fund balances of governmental funds.

Governmental fund balances are now divided into five classifications based on the extent to which government is bound to honor constraints on the specific purposes for which amounts in that fund can be spent.

Non-spendable includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

The spendable fund categories can be depicted as follows:

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2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

11. Equity Classifications (Cont'd)

Restricted are amounts that are so due to enabling legislation, constitutional provisions, externally imposed by grantors, contributors, laws or regulations of other governments, or by creditors, such as through debt covenants.

Committed are amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and removal of the constraint would require a formal action by the same authority.

Assigned consists of amounts that are intended to be used for a specific purpose established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the general fund, assigned fund balance represents the residual amount in the fund balance.

Unassigned represents the residual amount after all classifications have been considered for the government's general fund, and could report a surplus or a deficit.

Proprietary fund equity is classified in the same manner as in the government-wide financial statements.

12. Revenues and Expenditures

Substantially all governmental fund revenues are accrued. Program revenues consist principally of Federal operating and State grants that are restricted to expenditure for a particular purpose. Proprietary fund program revenues consist principally of interest on loans receivable and are recognized when earned, except for interest on impaired loans which is recognized when received.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Non-operating revenues are all other revenues. For the District, non-operating revenues include interest income.

Expenditures are recognized when the related fund liability is incurred.

13. Pensions

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

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2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

14. Other GASB Pronouncements and Adoptions

During the year ended June 30, 2015, the District adopted GASB Statements no. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* ("GASB 68") and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* ("GASB 71"). These two statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability ("NPL") measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

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3. Stewardship, Compliance and Accountability

By its nature as a government unit, the District is subject to various laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. A proposed operating budget is prepared prior to May 1 by the district's fiscal officers. The budget request includes proposed expenditures and the means of financing them through Federal and State grants and membership assessments.
- B. A proposed budget is presented to the Executive Committee for review in its June meeting and subsequently approved by the Board of Directors. The Board of Directors must approve all subsequent budget transfers and increases. The budget was amended during the year. The legal level of budgetary control is by fund. In addition, budgetary control is also exercised at the grant level by program. (See note 10).
- C. The General and Special Revenue funds operating budgets for the District are adopted on a basis consistent with accounting principles generally accepted in the United States of America, with the exception that prior cash budgeted is treated as a revenue source in the accompanying budgetary comparison statements. The District does not utilize an encumbrance system and appropriations do not lapse at year-end. Budgets are adopted for proprietary funds.

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4. Detail Notes on Accounts and Transaction Classes

A. Cash on Deposit

Cash deposits are reported at carrying amount which reasonable estimates fair value. At year-end, the carrying amounts of bank accounts and bank balances were as follows:

	<u>Account Type</u>	<u>Balance per Depository</u>	<u>Reconciling Items</u>	<u>Balance Per Financial Statements</u>
Los Alamos Bank:				
General operating account	Demand	\$ 754,109	\$ 4,144	\$ 758,253
EDA RLF account	Demand	412,377	167	412,544
TC RLF account	Demand	<u>15,957</u>	-	<u>15,957</u>
Total per government-wide and fund financial statements		<u>\$1,182,443</u>	<u>\$ 4,311</u>	<u>\$1,186,754</u>

Agency Funds:

Los Alamos National Bank:

RediNet Operational	Demand	\$213,386	\$(7,106)	\$206,279
New Mexico Cares	Demand	<u>12,265</u>	<u>(2,010)</u>	<u>10,255</u>
Total Fiduciary funds		<u>\$225,651</u>	<u>\$ (9,116)</u>	<u>\$ 216,534</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's deposit policy for custodial credit risk is as follows:

Bank accounts are insured by the FDIC up to \$250,000, per bank, per type of account. In general, State statute require that banks pledge collateral equal to one half of the deposit balance in excess FDIC insurance limits. Accounts are in one financial institution as listed above. As of June 30, 2015, \$932,443 of the District's bank balances of 1,182,443 is exposed to custodial credit risk as follows:

<u>Custodial Credit Risk</u>	<u>Bank Balance</u>
Fully insured (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions trust department or agent	<u>932,443</u>
	<u>\$ 1,182,443</u>

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NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015**

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

A. Cash on Deposit (Cont'd)

The following schedule presents cash on deposit with various banks and the collateral pledged by each institution in accordance with Section 6-10-16, NMSA, 1978 compilation:

Los Alamos National Bank	<u>Carrying Amount</u>	<u>Book Balance</u>
Total deposits per bank	\$ 1,182,443	\$ 1,186,754
Less deposits covered by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
Total	<u>\$ 932,443</u>	<u>\$ 936,754</u>
50% collateral requirement	\$ (466,422)	\$ (468,377)
Pledged collateral	<u>4,164,091</u>	<u>4,164,091</u>
Over (under) requirement	<u>\$ 3,697,669</u>	<u>\$ 3,695,714</u>

Pledged security consists of the following items and is held by the Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Suite 100, Irving TX 75063-2547:

<u>Note Number</u>	<u>Description</u>	<u>Market Value</u>
31418AE95	Fixed Rate Note, 5/1/2032	\$ 1,324,093
31300MJ95	Fixed Rate Note, 1/1/2038	445,605
36225EUR1	Fixed Rate Note, 9/20/2039	712,766
36179MDQ0	Fixed Rate Note, 5/20/2042	681,627
313370JB5	Fixed Rate Note, 9/11/2015	<u>1,000,000</u>
		<u>\$ 4,164,091</u>

B. Due from Grantors

Amounts are due from granting authorities as follows:

New Mexico Agency on Aging - PSA	\$ 1,105,634
U.S. Department of Transportation - NERPO - Regional Planning	42,197
U.S. Department of Transportation - NPRPO - Regional Planning	40,520
U.S. Department of Transportation - NPRPO - GIS	<u>30,620</u>
Due from Grantors, June 30, 2015	<u>\$ 1,218,971</u>

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4. Detail Notes on Accounts and Transaction Classes (Cont'd)

C. Loan Receivable and Allowance for Loan Losses

Net loans receivable of business-type activities are comprised of economic development loans with average maturities of seven years. Net loans receivable are comprised of the following amounts:

	<u>TC RLF</u>	<u>EDA RLF</u>	<u>EDDF</u>	<u>Total</u>
Loans receivable - beginning	\$ 384,732	\$ 476,521	\$ 56,000	\$ 917,253
Add: loans originated	-	6,667	133,333	140,000
Add: Accrued interest	-	-	-	-
Less: loans repaid	(11,034)	(121,202)	(36,586)	(168,822)
Less: loans adjusted (prior-period)	-	-	-	-
	<u>373,698</u>	<u>361,986</u>	<u>152,747</u>	<u>888,431</u>
Loans receivable - ending				
Allowance for loan losses - beginning	38,473	47,652	5,600	91,725
Plus : provision for loan losses	(1,103)	(11,453)	9,674	(2,882)
Less: loan loss recoveries	-	-	-	-
	<u>37,370</u>	<u>36,199</u>	<u>15,274</u>	<u>88,843</u>
Allowance for loan losses - end				
Net loans receivable	<u>\$ 336,328</u>	<u>\$ 325,787</u>	<u>\$ 137,473</u>	<u>\$799,588</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities:				
Furniture and equipment	\$ 117,106	\$ -	\$ -	\$ 117,106
Leasehold improvements	19,980	-	-	19,980
Vehicles	248,293	37,564	(56,545)	229,312
	<u>385,379</u>	<u>37,564</u>	<u>(56,545)</u>	<u>366,398</u>
Total capital assets				
Less accumulated depreciation:				
Furniture and equipment	95,561	8,085	-	103,646
Leasehold improvements	11,179	3,996	-	15,175
Vehicles	168,622	20,129	(56,545)	132,206
	<u>275,362</u>	<u>32,210</u>	<u>(56,545)</u>	<u>251,027</u>
Total accumulated depreciation				
Net capital assets:				
Furniture and equipment	21,545	(8,085)	-	13,460
Leasehold improvements	8,801	(3,996)	-	4,805
Vehicles	79,671	17,435	-	97,106
	<u>110,017</u>	<u>5,354</u>	<u>-</u>	<u>115,371</u>
Net capital assets	<u>\$ 110,017</u>	<u>\$ 5,354</u>	<u>\$ -</u>	<u>\$ 115,371</u>

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 June 30, 2015

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

D. Capital Assets (Cont'd)

The District does not have any debt related to capital assets.

Depreciation expense of \$32,210 was charged and is included in the Community Welfare expense function of the governmental activities in the Statement of Activities, Exhibit B.

E. Long-Term Liabilities

Long-term liability activity of the governmental activities for the year ended June 30, 2015, was as follows:

	Adjusted Balance July 1, 2014	Increase	Decrease	Balance June 30, 2015
Compensated absences payable	\$ 93,397	\$ 132,438	\$147,458	\$ 78,378
Net pension plan liability	\$ -	\$1,501,707	\$ -	\$ 1,501,707

Management estimates that the amount of compensated absences payable within one year will be approximately \$78,378. In prior years the general fund has been used to liquidate compensated absences.

F. Lease Commitments

The District leases office space in Santa Fe, Taos, and Deming, NM. There are no future minimum rentals under the lease. Lease expenditures for the year ended June 30, 2015, amount to \$106,880.

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G. Due From/To Other Funds

The following amounts are due to/from other funds resulting from funds that have overdrawn their share of the District's internal pooled cash.

<u>Due From Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
BTOP-ARRA (04-240)	\$ 107,890	\$ -
State Grant-In-Aid (04-160)	9,043	-
EDA Questa Mine Closure (04-275)	13,868	-
 <u>Due To Other Funds (To BTOP-ARRA)</u>		
NPRPO - Transportation (04-250)	-	38,792
NPRPO - GIS (04-252)	-	29,318
NERPO - Transportation (04-255)	-	39,782
	<u>116,933</u>	<u>107,890</u>
 <u>Due To Other Funds (To Ste Funds-HB2 02-100)</u>		
SAVVY (30-121)	-	9,043
	<u>-</u>	<u>9,043</u>
	<u>\$ 116,933</u>	<u>\$ 116,933</u>

See Note 2.G.3 regarding the purpose of interfund balances. The interfund balances have been eliminated in the government-wide financial statements.

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4. Detail Notes on Accounts and Transaction Classes (Cont'd)

H. Due From/Due to Other Programs (Intra-Fund)

The following amounts are due to/from other funds resulting from funds that have overdrawn their share of the District's internal pooled cash.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other AAA Programs</u>	<u>Due To Other AAA Programs</u>
<u>AAA - PSA Special Revenue Fund</u>				
State Funds/HB2 (02-100)	\$ 9,043	\$ -	\$ 477,367	\$ -
Senior Employment Program (02-110)	-	-	-	99,965
Title III-B (02-201)	-	-	-	35,894
Title III C-1 (02-202)	-	-	-	211,949
Title III C-2 (02-203)	-	-	-	83,562
Title III-D (02-204)	-	-	-	6,942
Title III-E (02-205)	-	-	-	39,055
SAVVY (30-121)	-	9,043	-	-
	<u>-</u>	<u>9,043</u>	<u>-</u>	<u>-</u>
 Totals	 <u>\$ 9,043</u>	 <u>\$ 9,043</u>	 <u>\$ 477,367</u>	 <u>\$ 477,367</u>

I. Interfund Transfers

Operating transfers are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Business type activities:		
EDDF Proprietary Fund (28-601)	\$ 54,977	-
Tri-County RLF Proprietary Fund (24-601)	-	54,977
	<u>54,977</u>	<u>54,977</u>

Interfund transfers are used to provide matching funds on grants or to transfer funds from the fund required to receive resources to the fund that budgets expenditure of resources. Interfund transfers have been eliminated in the government-wide financial statements except for the residual transfers between governmental activities and business-type activities.

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4. **Detail Notes on Accounts and Transaction Classes (Cont'd)**

J. **Interfund Transfers and Transfers From Other Entities**

Residual equity transfers are as follow:

	Transfers In	Transfers Out
Governmental activities:		
General Fund (01-601)	\$ -	58,326
EDA RLF Administration Special Revenue Fund (11-601)	20,000	-
TCR RLF Administration Special Revenue Fund (10-601)	23,564	-
Economic Devel. Admin. Plan. Special Rev Fund (04-230)	25,192	-
Medicaid Personal Care Special Revenue Fund (02-420)	-	7,477
NPRPO Trans Plan. Special Revenue Fund (04-250)	11,209	-
NERPO Plan. Special Revenue Fund (04-255)	17,436	-
San Miguel County Plan. Special Revenue Fund (04-430)	5,747	-
Santa Fe County Special Revenue Fund (04-306)	13	-
CDBG Chama Plan. Special Revenue Fund (04-234)	1,587	-
MIPPA Special Revenue Fund (29-120)	7,475	-
SAVVY Special Revenue Fund (30-121)	2	-
NPRPO-GIS Special Revenue Fund (04-252)	7,267	-
	119,582	65,803
Business-type activities:		
Economic Devel. Admin. RLF Proprietary Fund (25-601)	-	40,000
Tri-County RLF Proprietary Fund (24-601)	-	7,000
EDDF Proprietary Fund (28-601)	-	6,779
	-	53,779

5. **Pension Plan**

General Information about the Pension Plan

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

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

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5. Pension Plan (Cont'd)

- B. *Benefits provided.*** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.
- C. *Contributions.*** The contribution requirements of defined benefit plan members and the North Central New Mexico Economic Development District (District) are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at: http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to the District are: Municipal General Division. Statutorily required contributions to the pension plan from the District were \$169,376 and there were \$160,863 employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2015. The total District contributions, including the "picked up" amount were \$330,239.
- D. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013.

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

For PERA Fund Municipal Division, at June 30, 2015, the District reported a liability of \$1,501,707 for its proportionate share of the net pension liability. At June 30, 2014, the District's proportion was 19.25 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference. For the year ended June 30, 2015, the District recognized PERA Fund

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5. Pension Plan (Cont'd)

D. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Cont'd)*

Municipal General Division pension expense of \$211,830. At June 30, 2015, the District reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 1,018
Net difference between projected and actual earnings on pension plan investments	-	587,507
District contributions subsequent to the measurement date	62,660	-
Total	62,660	588,525

\$62,660 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 147,130
2017	147,130
2018	147,130
2019	147,130
2020	5
Thereafter	-

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

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Notes to Financial Statements
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5. Pension Plan (Cont'd)

E. Actuarial assumptions (Cont'd)

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

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

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	<u>4.00</u>	4.15
Total	100.00%	

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

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

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Notes to Financial Statements
 June 30, 2015

5. **Pension Plan (Cont'd)**

G. Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. (Cont'd)

PERA Fund Municipal General Division	1% Decrease <u>(6.75%)</u>	Current <u>Discount Rate</u>	1% Increase <u>(8.75%)</u>
District's proportionate share of the net pension liability	\$ <u>2,831,055</u>	\$ <u>1,501,707</u>	\$ <u>474,722</u>

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

I. Payables to the pension plan. The District reported \$5,661 as payable to PERA at June 30, 2015. The liability is included in the District's accrued payroll adjustment for wages and benefits earned but not yet paid at year end.

6. **Post Employment Benefits - State Retiree Health Care Plan**

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

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

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

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.

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Notes to Financial Statements
June 30, 2015

6. Post Employment Benefits - State Retiree Health Care Plan (Cont'd)

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2015, 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 District's contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013, were \$35,635, \$31,617 and \$26,537 respectively, which equal the required contributions for each year.

7. Risk Management

The District obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the District are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2014, through June 30, 2015. The District paid \$289,756 to the RMD in insurance premiums for the 2014-2015 fiscal year.

8. Contingencies

The District receives funding pursuant to various grant programs. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant that, if not met, could require the District to refund amounts received in the granting agency. The District carefully monitors grant requirements and believes it has met all such conditions.

9. Joint Powers Agreement

- A. The District was created by a joint powers agreement entered into on May 13, 1967, pursuant to the Joint Powers Agreement Act, between the District, the City of Santa Fe, and the following counties: Colfax, Taos, Rio Arriba, Sandoval, Los Alamos, San Miguel, Mora and Santa Fe.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

9. Joint Powers Agreement (Cont'd)

The governing body of the district is its Board of Directors, which is made up of representatives of each county. The Board has thirty-four members.

The District was created for the following purposes:

1. To implement and carry out the provisions and spirit of the Public Works and Economic Development Act of 1965, Public Law 8-136, and all subsequently enacted Federal and State legislation related to these purposes.
2. To stimulate economic growth and orderly development through multi-county planning and investment, pooling of total resources and vigorous local leadership involvement.
3. To prepare, adopt and extend a District "Overall Economic Development Program" (OEDP) as required for District formal designation.
4. To formulate, develop and administer the District OEDP and coordinate this activity among the member Counties and Municipalities.
5. To implement specific programs and projects as are considered essential and worth to the members of the District.
6. To carry out such research, planning and advisory functions as are necessary and helpful to the foregoing.

The agreement is perpetual or until dissolved by the Board of Directors with approval of the New Mexico State Board of Finance.

The District prepares an annual budget and keeps records of all transactions. All records are audited annually by proper authority.

- B. A joint powers agreement was entered into on November 19, 2010, pursuant to the Joint Powers Agreement Act, Section 4-22-1 to 4-22-7, New Mexico Statutes annotated, 1953 compilation, for management of the Redi Middle Mile Broadband Network by and among the NCNMEDD the incorporated County of Los Alamos, Santa Fe County, the City of Espanola, Rio Arriba County, Ohkay Owingeh, the Pueblo of Santa Clara, the pueblo of Pojoaque and the Pueblo of Tesuque.

The joint powers agreement was created for the following purposes:

1. Manage the design, construction, implementation and operation of Redi-net, a high-speed broadband service which supports economic development, education, and distance learning, health care and telemedicine, and advanced public safety and energy applications required to improve the quality of life and ensure the health, safety and welfare of the regions' residents.
2. NCNMEDD shall act as the fiscal agent and is responsible for all reporting and compliance with federal grant funding requirements of the American Recovery Reinvestment Act of 2008.
3. Upon completion of the project, NCNMEDD shall transfer the Redi-net assets to the local parties. The local parties shall own a portion of the infrastructure. (See Note 15 for Summary of Project.) The project was completed in January 2015.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015**

10. Original and Final Budgets - By Fund

	<u>Reference</u>	<u>Original Budget</u>	<u>Final Budget</u>
<u>Major Funds</u>			
General Fund - All accounts	01-601 Exhibit G	\$ 237,863	\$ 306,864
AAA - PSA - Special Revenue Fund	02-all Exhibit H	21,732,919	22,162,931
BTOP-ARRA Grant Special Revenue Fund	04-240 Exhibit I	<u>226,666</u>	<u>226,666</u>
Total Major Funds		<u>22,197,448</u>	<u>22,696,461</u>
<u>Non-Major Funds</u>			
Special Revenue Funds:			
Medicaid personal care	02-420 Statement 3	2,000	9,799
State Grant-in-aid	04-160 Statement 4	95,472	95,486
EDA Planning	04-230 Statement 5	80,000	85,192
NPRPO Planning	04-250 Statement 7	85,000	96,209
NPRPO-GIS	04-252 Statement 6	65,000	56,017
NERPO Planning	04-255 Statement 10	85,000	102,436
EDA Questa Mine Closure	04-275 Statement 19	74,910	74,910
CD General	04-308 Statement 20	6,200	30,200
TCR-RLF Admin	10-601 Statement 9	7,000	49,774
EDA-RLF Admin	11-601 Statement 8	20,000	37,970
MIPPA	29-120 Statement 18	45,250	52,725
SAVVY	30-121 Statement 21	<u>25,000</u>	<u>25,002</u>
Total Non-Major Funds		<u>590,832</u>	<u>715,720</u>
<u>Proprietary Funds</u>			
TCR-RLF	24-601 Statement 15	44,590	61,977
EDA-RLF	25-601 Statement 16	54,984	54,984
Economic Development District Fund	28-601 Statement 17	<u>100,000</u>	<u>54,997</u>
Total Proprietary Funds		<u>199,574</u>	<u>117,958</u>
Total All Funds		<u>\$ 22,987,854</u>	<u>\$ 23,584,169</u>

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

11. Prior-Period Adjustments

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position			
Net position, June 30, 2014 (as reported)	\$ 603,237	\$ 1,159,596	\$ 1,762,833
Restatements:			
Reclassification from governmental to fiduciary	(95,718)	95,718	-
Posting errors	(5,310)	-	(5,310)
Reclassification of deferred revenue	13,259	-	13,259
Recognition of pension liability	<u>(2,027,572)</u>	<u>-</u>	<u>(2,027,572)</u>
Net position, June 30, 2014 (as restated)	<u>\$ (1,512,104)</u>	<u>\$ 1,255,314</u>	<u>\$ (256,790)</u>

	<u>AAA PSA</u>	<u>Medicaid Person. Care</u>	<u>San Mig. County</u>	<u>SFe County</u>	<u>EDDF Fund</u>
Fund Balances (Governmental funds)					
Fund balance, June 30, 2014 (as reported)	\$ 17,720	\$ 62,644	\$ (8,739)	-	\$ 95,718
Restatements:					
Reclassification of deferred revenue	13,259	-	-	-	-
Reclassification from governmental to fiduciary	-	-	-	-	(95,718)
Postings errors and other	<u>(80)</u>	<u>417</u>	<u>114</u>	<u>(5,747)</u>	<u>(13)</u>
Fund balance, June 30, 2014 (as restated)	<u>\$ 30,899</u>	<u>\$ 63,061</u>	<u>\$ (8,625)</u>	<u>(5,747)</u>	<u>\$ (13)</u>

12. Subsequent Events Review

A review of subsequent events through February 8, 2016, which is the date the financial statements were available for issuance, revealed no significant subsequent events which require disclosure.

13. Budget Deficits and Retroactive Approval of Budget Adjustments

Actual expenditures exceeded budgeted expenditures at year end as follows:

	<u>Budget Deficits 6/30/2015</u>	<u>BAR's Approved 1/19/2016</u>	<u>Remaining Budget Deficits 6/30/2015</u>
Area Agency on Aging Funds	\$ 18,539	\$ -	\$18,539
BTOP (04-240)	12,575	-	12,575
EDA Planning (04-230)	5,192	(5,192)	-
NPRPO Transportation (04-250)	12,012	(11,209)	1,012
TC-RLF Admin. (24-601)	2,422	(2,412)	-
NERPO Transportation (04-255)	22,657	(17,436)	5,221
Economic Devel. Dist. (28-601)	2,846	(2,846)	-
SAVVY (30-121)	2	(2)	-

On January 19, 2016, the board approved budget adjustments retroactively effective to June 30, 2015; however, fund budget over-expenditures still existed in four funds at June 30, 2015.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2015

14. Net Position and Fund Balances (Cont'd)

A. Net Position (Cont'd)

At June 30, 2015, the District reported a deficit unrestricted net position of \$(1,704,524) for the governmental activities on the Statement of Net Position. The deficit was a result of recognizing the District's proportionate share of the New Mexico Public Employees Retirement Association net pension liability, as required by GASB Statements 68 and 71.

At June 30, 2015 the District reported no restricted net position for the governmental activities on the Statement of Net Position.

B. Governmental Fund Balances

The District's spendable fund balances are classified into four categories: restricted, committed, assigned and unassigned.

15. Summary of Broadband Technology Opportunities Program (BTOP) project for Redinet

The activities associated with a grant from the U.S. Department of Commerce, pursuant to the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 (2009) (ARRA) for the costs of constructing a broadband infrastructure in a four-county region in New Mexico (known as Redinet), are presented below. Other revenue and program income collected during FY's 2013, 2014 and 2015, as well as other non-federal costs are included below. Total federal revenues and expenses were \$10,565,792. The project was completed in January 2016 and the infrastructure assets are to be transferred to Redinet board.

	2011 FY	2012 FY	2013 FY	2014 FY	2015 FY	Total
Revenue:						
Federal grant revenue - BTOP	\$ 481,106	\$ 7,548,616	\$ 2,218,202	\$ 317,868	\$ -	\$ 10,565,792
Other revenue	571,500	600,000	100,000	-	-	1,271,500
Program income	-	-	58,354	362,330	215,701	636,385
	<u>1,052,606</u>	<u>8,148,616</u>	<u>2,376,556</u>	<u>680,198</u>	<u>215,701</u>	<u>12,473,677</u>
Expenditures:						
Personal services/employee benefits	19,870	28,089	17,094	43,355	47,983	156,391
Travel	821	1,311	1,717	1,904	1,457	7,210
Supplies and equipment	1,371	6,588	287	6,197	269	14,712
Professional services and construction contracts	1,028,686	8,105,679	2,167,152	508,248	173,257	11,983,022
Other operating expenses	1,858	6,949	31,952	117,294	16,275	174,328
	<u>1,052,606</u>	<u>8,148,616</u>	<u>2,218,202</u>	<u>676,998</u>	<u>239,241</u>	<u>12,335,663</u>
Excess revenue over (under) expenditures			158,354	3,200	(23,540)	138,014
Transfers to Redinet	-	-	-	-	(138,014)	(138,014)
Excess revenue over (under) expend/transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,354</u>	<u>\$ 3,200</u>	<u>\$ (161,554)</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF PERA MUNICIPAL GENERAL DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS *

	<u>2015</u>
District's proportion of the net pension liability	0.1925%
District's proportionate share of the net pension liability	\$ 1,501,707
District's covered-employee payroll	\$ 1,773,571
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	84.67%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

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

See independent auditor's report.
See notes to required supplementary information

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
 PERA MUNICIPAL GENERAL DIVISION
 LAST 10 FISCAL YEARS *

		<u>2015</u>
Contractually required contributions	\$	62,660
Contributions in relation to the contractually required contribution		<u>(62,660)</u>
Contribution deficiency (excess)	\$	<u><u>-</u></u>
District's covered employee payroll as a percentage of its covered-employee payroll	\$	1,773,571
Contributions as a percentage of covered-employee payroll		3.5%

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

See independent auditor's report.
 See notes to required supplementary information

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Required Supplementary Information
June 30, 2015**

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA audit available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014, report is available at:

http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states” based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

SUPPLEMENTAL INFORMATION SECTION

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds					Subtotal
	02-420 Medicaid Personal Care	04-160 State Grant-in- Aid	04-230 & 04-232 Economic Development Admin. Planning	04-250 NPRPO Transportation Planning	11-601 EDA-RLF Administration	
Assets						
Cash on deposit	\$ 53,263	\$ 5,017	\$ 708	\$ -	\$ 4,297	\$ 63,285
Due from grantors	-	-	-	40,520	-	40,520
Other assets	-	363	363	-	-	726
Total assets	<u>\$ 53,263</u>	<u>\$ 5,380</u>	<u>\$ 1,071</u>	<u>\$ 40,520</u>	<u>\$ 4,297</u>	<u>\$ 104,531</u>
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ -	\$ 421	\$ 233	\$ 120	\$ 1,709	\$ 2,483
Accrued payroll payable	-	751	835	1,617	136	3,339
Due to other special revenue funds	-	-	-	38,783	-	38,783
Due to State of New Mexico	-	4,208	-	-	-	4,208
Total liabilities	<u>-</u>	<u>5,380</u>	<u>1,068</u>	<u>40,520</u>	<u>1,845</u>	<u>48,813</u>
Fund Equity:						
Fund balance:						
Assigned	53,263	-	3	-	2,452	55,718
Total fund equity	<u>53,263</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>2,452</u>	<u>55,718</u>
Total liabilities and fund equity	<u>\$ 53,263</u>	<u>\$ 5,380</u>	<u>\$ 1,071</u>	<u>\$ 40,520</u>	<u>\$ 4,297</u>	<u>\$ 104,531</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non -Major Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>						<u>Subtotal</u>
	<u>10-601</u> <u>TC-RLF</u> <u>Admin.</u>	<u>04-255</u> <u>NERPO</u> <u>Planning</u>	<u>04-117</u> <u>Walmart</u> <u>Foundation</u>	<u>04-430</u> <u>San Miguel</u> <u>County</u> <u>Planning</u>	<u>04-306</u> <u>Santa Fe</u> <u>County</u>	<u>04-234</u> <u>CDBG</u> <u>Chama</u> <u>Planning</u>	
<u>Assets</u>							
Cash on deposit	\$ 4,257	\$ -	\$ 1,216	\$ -	\$ -	-	\$ 5,473
Due from grantors	-	42,197	-	-	-	-	42,197
Other assets	-	-	-	-	-	-	-
Total assets	<u>\$ 4,257</u>	<u>\$ 42,197</u>	<u>\$ 1,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 47,670</u>
<u>Liabilities and Fund Equity</u>							
Liabilities:							
Accounts payable	\$ 4,122	\$ 814	\$ -	\$ -	\$ -	-	\$ 4,936
Accrued payroll payable	135	1,634	-	-	-	-	1,769
Due to other special revenue funds	-	39,789	-	-	-	-	39,789
Due to State of New Mexico	-	-	-	-	-	-	-
Total liabilities	<u>4,257</u>	<u>42,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,494</u>
Fund Equity:							
Fund balance:							
Assigned	-	(40)	1,216	-	-	-	1,176
Total fund equity	<u>-</u>	<u>(40)</u>	<u>1,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,176</u>
Total liabilities and fund equity	<u>\$ 4,257</u>	<u>\$ 42,197</u>	<u>\$ 1,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 47,670</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non -Major Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>							
	29-120 MIPPA	30-121 SAVVY	04-252 NPRPO- GIS	04-275 Questa Mine Closure	Subtotal	Total Before Eliminations	Elimi- nations	Total
<u>Assets</u>								
Cash on deposit	\$ -	\$ -	\$ -	\$ 13,868	\$ 13,868	\$ 82,626	\$ -	\$ 82,626
Due from grantors	-	9,043	30,620	-	39,663	122,380	-	122,380
Other assets	-	-	-	-	-	726	-	726
Total assets	\$ -	\$ 9,043	\$ 30,620	\$ 13,868	\$ 53,531	\$ 205,732	\$ -	\$ 205,732
<u>Liabilities and Fund Equity</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 108	\$ 156	264	\$ 7,683	\$ -	\$ 7,683
Accrued payroll payable	-	-	1,194	215	1,409	6,517	-	6,517
Due to other special revenue funds	-	9,043	29,318	-	38,361	116,933	-	116,933
Due to State of New Mexico	-	-	-	-	-	4,208	-	4,208
Total liabilities	-	9,043	30,620	371	40,034	135,341	-	135,341
Fund Equity:								
Fund balance:								
Assigned	-	-	-	13,497	13,497	70,391	-	70,391
Total fund equity	-	-	-	13,497	13,497	70,391	-	70,391
Total liabilities and fund equity	\$ -	\$ 9,043	\$ 30,620	\$ 13,868	\$ 53,531	\$ 205,732	\$ -	\$ 205,732

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds					Subtotal
	02-420 Medicaid Personal Care	04-160 State Grant-in- Aid	04-230 & 04-232 Economic Development Administration Planning	04-250 NPRPO Transp. Planning	11-601 EDA-RLF Admin.	
REVENUES						
Federal	\$ -	\$ -	\$ 60,000	\$ 86,012	\$ -	\$ 146,012
State	-	91,286	-	-	-	91,286
Local and private grants and contributions	-	-	-	-	-	-
Program income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>91,286</u>	<u>60,000</u>	<u>86,012</u>	<u>-</u>	<u>237,298</u>
EXPENDITURES						
Community welfare:						
Administration	2,321	91,286	85,192	93,856	32,979	305,634
Capital outlay	-	-	-	3,365	-	3,365
Total expenditures	<u>2,321</u>	<u>91,286</u>	<u>85,192</u>	<u>97,221</u>	<u>32,979</u>	<u>308,999</u>
Excess (deficiency) of revenue over expenditures	<u>(2,321)</u>	<u>-</u>	<u>(25,192)</u>	<u>(11,209)</u>	<u>(32,979)</u>	<u>(71,701)</u>
Other financing sources (uses)						
Operating transfers in (out)	(7,477)	-	-	11,209	-	3,732
Residual equity transfers in (note 4)	-	-	25,192	-	20,000	45,192
Total other financing sources (uses)	<u>(7,477)</u>	<u>-</u>	<u>25,192</u>	<u>11,209</u>	<u>20,000</u>	<u>48,924</u>
Net change in fund balance	<u>(9,798)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,979)</u>	<u>(22,777)</u>
Fund balance - beginning (as reported)	62,644	-	3	-	15,431	78,078
Restatements:						
Prior-period adjustments	417	-	-	-	-	417
Fund balance - beginning (as restated)	<u>63,061</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>15,431</u>	<u>78,495</u>
Fund balance - ending	<u>\$ 53,263</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2,452</u>	<u>\$ 55,718</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>					<u>Subtotal</u>
	<u>10-601 TC-RLF Admin.</u>	<u>04-255 NERPO Planning</u>	<u>04-117 Walmart Foundation</u>	<u>04-430 San Miguel County Planning</u>	<u>04-306 Santa Fe County</u>	
REVENUES						
Federal	\$ -	\$ 90,221	\$ -	\$ -	\$ -	\$ 90,221
State	-	-	-	-	-	-
Local and private grants and contributions	-	-	-	-	-	-
Program income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>90,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,221</u>
EXPENDITURES						
Community welfare:						
Administration	35,542	107,131	-	-	-	142,673
Capital outlay	-	526	-	-	-	526
Total expenditures	<u>35,542</u>	<u>107,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,199</u>
Excess (deficiency) of revenue over expenditures	<u>(35,542)</u>	<u>(17,436)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,978)</u>
Other financing sources (uses)						
Operating transfers in (out)	16,654	17,436	-	5,747	13	39,850
Residual equity transfers in (note 4)	7,000	-	-	-	-	7,000
Total other financing sources (uses)	<u>23,654</u>	<u>17,436</u>	<u>-</u>	<u>5,747</u>	<u>13</u>	<u>46,850</u>
Net change in fund balance	<u>(11,888)</u>	<u>-</u>	<u>-</u>	<u>5,747</u>	<u>13</u>	<u>(6,128)</u>
Fund balance - beginning (as reported)	11,888	(40)	1,216	-	-	13,064
Restatements:						
Prior-period adjustments	-	-	-	(5,747)	(13)	(5,760)
Fund balance - beginning (as restated)	<u>11,888</u>	<u>(40)</u>	<u>1,216</u>	<u>(5,747)</u>	<u>(13)</u>	<u>7,304</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ (40)</u>	<u>\$ 1,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,176</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>					<u>Subtotal</u>
	<u>04-234 CDBG Chama Planning</u>	<u>29-120 MIPPA</u>	<u>30-121 SAVVY</u>	<u>04-252 NPRPO-GIS</u>	<u>04-275 Questa Mine Closure</u>	
REVENUES						
Federal	\$ -	\$ -	\$ -	\$ 30,620	\$ -	\$ 30,620
State	-	-	25,000	-	-	25,000
Local and private grants and contributions	-	1,000	-	-	20,000	21,000
Program income	-	150	-	-	-	150
Total revenues	<u>-</u>	<u>1,150</u>	<u>25,000</u>	<u>30,620</u>	<u>20,000</u>	<u>76,770</u>
EXPENDITURES						
Community welfare:						
Administration	-	-	25,002	37,887	6,503	69,392
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>25,002</u>	<u>37,887</u>	<u>6,503</u>	<u>69,392</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>1,150</u>	<u>(2)</u>	<u>(7,267)</u>	<u>13,497</u>	<u>7,378</u>
Other financing sources (uses)						
Operating transfers in (out)	-	7,475	2	7,267	-	14,744
Residual equity transfers in (note 4)	<u>1,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,587</u>
Total other financing sources (uses)	<u>1,587</u>	<u>7,475</u>	<u>2</u>	<u>7,267</u>	<u>-</u>	<u>16,331</u>
Net change in fund balance	<u>1,587</u>	<u>8,625</u>	<u>-</u>	<u>-</u>	<u>13,497</u>	<u>23,709</u>
Fund balance - beginning (as reported)	(1,587)	(8,739)	-	-	-	(10,326)
Restatements:						
Prior-period adjustments	<u>-</u>	<u>114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114</u>
Fund balance - beginning (as restated)	<u>(1,587)</u>	<u>(8,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,212)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,497</u>	<u>13,497</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds		
	28-601 Economic Dev. District Fund	Subtotal	Total
REVENUES			
Federal	\$ -	\$ -	\$ 266,853
State	-	-	116,286
Local and private grants and contributions	-	-	21,000
Program income	-	-	150
	-	-	404,289
Total revenues	-	-	404,289
EXPENDITURES			
Community welfare:			
Administration	-	-	517,699
Capital outlay	-	-	3,891
	-	-	521,590
Total expenditures	-	-	521,590
Excess (deficiency) of revenue over expenditures	-	-	(117,301)
Other financing sources (uses)			
Operating transfers in (out)	-	-	58,326
Residual equity transfers in (note 4)	-	-	53,779
	-	-	112,105
Total other financing sources (uses)	-	-	112,105
Net change in fund balance	-	-	(5,196)
Fund balance - beginning (as reported)	95,718	95,718	176,534
Restatements:			
Prior-period adjustments	(95,718)	(95,718)	(100,947)
	-	-	75,587
Fund balance - beginning (as restated)	-	-	75,587
Fund balance - ending	\$ -	-	\$ 70,391

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 MEDICAID PERSONAL CARE (LTC) SPECIAL REVENUE FUND (02-420)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Prior cash budgeted	<u>2,000</u>	<u>9,799</u>	<u>-</u>	<u>(9,799)</u>
Total revenues	<u>2,000</u>	<u>9,799</u>	<u>-</u>	<u>(9,799)</u>
EXPENDITURES:				
Community welfare:				
Administration	-	-	2,321	(2,321)
Operating transfers out	-	7,478	7,478	
Budgeted reserves	<u>2,000</u>	<u>2,321</u>	<u>-</u>	<u>2,321</u>
Total expenditures	<u>2,000</u>	<u>9,799</u>	<u>9,799</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,799)</u>	<u>\$ (9,799)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ -	\$ 9,799	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ -</u>	<u>\$ 9,799</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
STATE GRANT-IN-AID SPECIAL REVENUE FUND (04-160)
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ 95,742	\$ 95,486	\$ 91,286	\$ (4,200)
Total revenues	<u>95,742</u>	<u>95,486</u>	<u>91,286</u>	<u>(4,200)</u>
EXPENDITURES:				
Community welfare: Administration	<u>95,742</u>	<u>92,126</u>	<u>91,286</u>	<u>840</u>
Total expenditures	<u>95,742</u>	<u>92,126</u>	<u>91,286</u>	<u>840</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ -</u>	<u>\$ (3,360)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 91,286	\$ 91,286	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 91,286</u>	<u>\$ 91,286</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
ECONOMIC DEVELOPMENT ADMINISTRATION - PLANNING SPECIAL REVENUE FUND (04-230)
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants and contracts	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Operating transfers in	20,000	25,192	25,192	-
Prior cash budgeted	-	-	-	-
	<u>80,000</u>	<u>85,192</u>	<u>85,192</u>	<u>-</u>
Total revenues				
EXPENDITURES:				
Community welfare:				
Administration	<u>80,000</u>	<u>85,192</u>	<u>85,192</u>	<u>-</u>
Total expenditures	<u>80,000</u>	<u>85,192</u>	<u>85,192</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 85,192	\$ 85,192	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 85,192</u>	<u>\$ 85,192</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 NPRPO GIS - SPECIAL REVENUE FUND (04-252)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants and contracts	\$ 65,000	\$ 48,750	\$ 30,620	\$ (18,130)
Operating transfers in	-	7,267	7,267	-
Prior cash budgeted	-	-	-	-
	<u>65,000</u>	<u>56,017</u>	<u>37,887</u>	<u>(18,130)</u>
EXPENDITURES:				
Community welfare:				
Administration	<u>65,000</u>	<u>56,017</u>	<u>37,887</u>	<u>18,130</u>
Total expenditures	<u>65,000</u>	<u>56,017</u>	<u>37,887</u>	<u>18,130</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 37,887	\$ 37,887	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 37,887</u>	<u>\$ 37,887</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 NPRPO TRANSPORTATION PLANNING - SPECIAL REVENUE FUND (04-250)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ 85,000	\$ 85,000	\$ 86,012	\$ 1,012
Operating transfers in	-	11,209	11,209	-
Prior cash budgeted	-	-	-	-
	<u>85,000</u>	<u>96,209</u>	<u>97,221</u>	<u>1,012</u>
EXPENDITURES:				
Community welfare:				
Administration	85,000	96,209	93,856	2,353
Capital outlay	-	-	3,365	(3,365)
	<u>85,000</u>	<u>96,209</u>	<u>97,221</u>	<u>(1,012)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 97,221	\$ 97,221	
Adjustments- none		-	-	
Budget basis		<u>\$ 97,221</u>	<u>\$ 97,221</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 EDA - RLF ADMINISTRATION SPECIAL REVENUE FUND (11-601)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Operating transfers in	\$ 20,000	\$ 32,970	\$ 20,000	\$ (12,970)
Prior year cash budgeted		5,000	-	(5,000)
	<u>20,000</u>	<u>37,970</u>	<u>20,000</u>	<u>(17,970)</u>
EXPENDITURES:				
Community welfare:				
Administration	15,000	37,970	32,979	4,991
Budgeted reserves	5,000	-	-	-
	<u>20,000</u>	<u>37,970</u>	<u>32,979</u>	<u>4,991</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,979)</u>	<u>\$ (12,979)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 20,000	\$ 32,979	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 20,000</u>	<u>\$ 32,979</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 TC-RLF ADMINISTRATION SPECIAL REVENUE FUND (10-601)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES:				
Operating transfers in	\$ 7,000	\$ 49,774	\$ 23,654	\$ (26,120)
Prior year cash budgeted	-	-	-	-
	<u>7,000</u>	<u>49,774</u>	<u>23,654</u>	<u>(26,120)</u>
Total revenues				
EXPENDITURES:				
Community welfare:				
Administration	7,000	49,774	35,542	14,232
Budgeted reserves	-	-	-	-
	<u>7,000</u>	<u>49,774</u>	<u>35,542</u>	<u>14,232</u>
Total expenditures				
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(11,888)</u>	\$ <u>(11,888)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 23,654	\$ 35,542	
Adjustments- none		-	-	
		<u>23,654</u>	<u>35,542</u>	
Budget basis				

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 NERPO PLANNING SPECIAL REVENUE FUND (04-255)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ 85,000	\$ 85,000	\$ 90,221	\$ 5,221
Operating transfers in	-	17,436	17,436	-
Prior cash budgeted	-	-	-	-
	<u>85,000</u>	<u>102,436</u>	<u>107,657</u>	<u>5,221</u>
Total revenues				
EXPENDITURES:				
Community welfare:				
Administration	85,000	102,436	107,131	(4,695)
Capital outlay	-	-	526	(526)
	<u>85,000</u>	<u>102,436</u>	<u>107,657</u>	<u>(5,221)</u>
Total expenditures				
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 107,657	\$ 107,657	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 107,657</u>	<u>\$ 107,657</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 MIPPA (29-120)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES:				
Program income	\$ -	\$ -	\$ 150	\$ 150
Other state revenue	45,250	45,250	1,000	(44,250)
Operating transfers in	-	7,475	7,475	-
	<u>45,250</u>	<u>52,725</u>	<u>8,625</u>	<u>(44,100)</u>
Total revenues				
EXPENDITURES:				
Administrative expenses	4,525	45,250	-	45,250
Budgeted reserves	40,725	7,475	-	7,475
	<u>45,250</u>	<u>52,725</u>	<u>-</u>	<u>52,725</u>
Total expenditures				
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ 8,625	\$ 8,625
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 8,625	\$ -	
Adjustments - none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 8,625</u>	<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
EDA QUESTA MINE CLOSURE SPECIAL REVENUE FUND (04-275)
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Other revenues	\$ 74,910	\$ 74,910	\$ -	\$ (74,910)
State operating grants and contracts	\$ -	\$ -	\$ 20,000	\$ 20,000
Total revenues	<u>74,910</u>	<u>74,910</u>	<u>20,000</u>	<u>(54,910)</u>
EXPENDITURES:				
Community welfare: Administration	<u>74,910</u>	<u>74,910</u>	<u>6,503</u>	<u>68,407</u>
Total expenditures	<u>74,910</u>	<u>74,910</u>	<u>6,503</u>	<u>68,407</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,497</u>	<u>\$ (123,317)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 20,000	\$ 6,503	
Adjustments- none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 20,000</u>	<u>\$ 6,503</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 PLANNING/TECHNICAL ASSISTANCE CD GENERAL GENERAL FUND (04-308)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Other revenues	\$ 6,200	\$ 15,100	\$ 6,000	\$ (9,100)
Prior cash budgeted	-	15,100	-	(15,100)
Total revenues	<u>6,200</u>	<u>30,200</u>	<u>6,000</u>	<u>(24,200)</u>
EXPENDITURES:				
Community welfare:				
Administration	<u>6,200</u>	<u>30,200</u>	<u>1,647</u>	<u>28,553</u>
Total expenditures	<u>6,200</u>	<u>30,200</u>	<u>1,647</u>	<u>28,553</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,353</u>	\$ <u>4,353</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 6,000	\$ 1,647	
Adjustments- none		-	-	
Budget basis		<u>\$ 6,000</u>	<u>\$ 1,647</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
SAVVY (30-121)
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Operating transfers in	-	2	2	-
	<u>25,000</u>	<u>25,002</u>	<u>25,002</u>	<u>-</u>
Total revenues				
EXPENDITURES:				
Administrative expenses	25,000	25,002	25,002	-
Budgeted reserves	-	-	-	-
	<u>25,000</u>	<u>25,002</u>	<u>25,002</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 25,000	\$ 25,002	
Adjustments - none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 25,000</u>	<u>\$ 25,002</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Non-Major Governmental Funds
 CDBG Chama Planning (04-234)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget	Budgetary Basis	Favorable (Unfavorable)
REVENUES:				
State operating grants and contracts	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	1,587	1,587	-
	-	1,587	1,587	-
Total revenues	-	1,587	1,587	-
EXPENDITURES:				
Administrative expenses	-	-	-	-
Budgeted reserves	-	1,587	1,587	-
	-	1,587	1,587	-
Total expenditures	-	1,587	1,587	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP basis to budget basis:				
		Revenues	Expenditures	
GAAP basis		\$ 1,587	\$ -	
Adjustments - none		-	-	
Budget basis		\$ 1,587	\$ -	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 COMBINING BALANCE SHEET
 GENERAL FUND - ALL ACCOUNTS
 June 30, 2015

	General Fund - All Accounts						Total General Fund
	01-601 General Fund Account	20-601 Vehicle Reserve General Fund Account	21-601 Leave-Gen Expend. Res General Fund Account	22-601 Cap. Equip Reserve General Fund Account	23-601 Office Bldg. Reserve General Fund Account	04-308 CD-General General Fund Account	
ASSETS							
Cash on deposit and equivalents	\$ 11,112	\$ 5,805	\$ 13,192	\$ 22,200	\$ 135,020	\$ 4,363	\$ 191,692
Due from other funds	-	-	-	-	-	-	-
Other receivables	3,900	-	-	-	-	-	3,900
Total assets	<u>\$ 15,012</u>	<u>\$ 5,805</u>	<u>\$ 13,192</u>	<u>\$ 22,200</u>	<u>\$ 135,020</u>	<u>\$ 4,363</u>	<u>\$ 195,592</u>
LIABILITIES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 9
Accrued payroll payable	-	-	-	-	-	1	1
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
FUND BALANCE							
Fund Balances:							
Committed:							
Capital asset acquisition	-	5,805	-	22,200	135,020	-	163,025
Payment of compensated absences	-	-	13,192	-	-	-	13,192
Unassigned	15,012	-	-	-	-	4,353	19,365
Total fund balance	<u>15,012</u>	<u>5,805</u>	<u>13,192</u>	<u>22,200</u>	<u>135,020</u>	<u>4,353</u>	<u>195,582</u>
Total liabilities and fund balance	<u>\$ 15,012</u>	<u>\$ 5,805</u>	<u>\$ 13,192</u>	<u>\$ 22,200</u>	<u>\$ 135,020</u>	<u>\$ 4,363</u>	<u>\$ 195,592</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
General Fund - All Accounts
For the Year Ended June 30, 2015

	General Fund - All Accounts						Total General Fund
	01-601 General Fund Account	20-601 Vehicle Reserve General Fund Account	21-601 Leave-Gen Expend. Res General Fund Account	22-601 Cap. Equip Reserve General Fund Account	23-601 Office Bldg. Reserve General Fund Account	04-308 CD-General General Fund Account	
REVENUES							
Membership assessment	\$ 40,517	\$ -	\$ -	\$ -	\$ -	\$ -	40,517
Bank interest	1,321	-	-	-	-	-	1,321
Other revenue	3,000	-	-	-	-	6,000	9,000
Total revenues	<u>44,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>50,838</u>
EXPENDITURES							
Administration	6,897	-	-	-	-	1,647	8,544
Capital outlay	-	19,195	-	-	-	-	19,195
Total expenditures	<u>6,897</u>	<u>19,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,647</u>	<u>27,739</u>
Excess revenues over (under) expenses	<u>37,941</u>	<u>(19,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,353</u>	<u>23,099</u>
Other financing Sources (uses)							
Operating transfers out	<u>(58,326)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,326)</u>
Total other financing sources (uses)	<u>(58,326)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,326)</u>
Excess (deficiency of revenues over expenditures)	<u>(20,385)</u>	<u>(19,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,353</u>	<u>(35,227)</u>
Fund balance, beginning	<u>35,397</u>	<u>25,000</u>	<u>13,192</u>	<u>22,200</u>	<u>135,020</u>	<u>-</u>	<u>230,809</u>
Fund balance, ending	<u>\$ 15,012</u>	<u>\$ 5,805</u>	<u>\$ 13,192</u>	<u>\$ 22,200</u>	<u>\$ 135,020</u>	<u>\$ 4,353</u>	<u>195,582</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - BY PROGRAM
State of New Mexico Agency on Aging - PSA SPECIAL REVENUE FUND
June 30, 2015

	02-100	02-110	02-111	02-112	02-113	02-115	02-201	02-202	02-203	02-204	02-205	
	State Funds	Senior	SEP/	SER State	Temp Mgt	VA Resource	Title	Title III	Title III	Title	Title	Sub-
	HB2	Employ Pro	Enrollee		Dona Ana	Center	III-B	C-1	C-2	III-D	III-E	Total
ASSETS												
Cash	\$ 301,433	\$ -	\$ 1,378	\$ 8,898	\$ 75,180	\$ 13,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,148
Due from grantors	60,182	219,725	-	-	4	-	140,066	394,308	145,192	29,467	106,494	1,095,438
Due from other special revenue funds	9,043	-	-	-	-	-	-	-	-	-	-	9,043
Due from fiduciary funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from other AAA programs	477,367	-	-	-	-	-	-	-	-	-	-	477,367
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 848,025	\$ 219,725	\$ 1,378	\$ 8,898	\$ 75,184	\$ 13,259	\$ 140,066	\$ 394,308	\$ 145,192	\$ 29,467	\$ 106,494	\$ 1,981,996
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable	\$ 845,906	\$ 118,060	\$ 937	\$ -	\$ -	\$ -	\$ 102,073	\$ 181,957	\$ 59,138	\$ 21,722	\$ 60,503	\$ 1,390,296
Accrued payroll payable	-	1,700	441	-	-	-	-	-	-	-	-	2,141
Due to other AAA programs	-	99,965	-	-	-	-	35,894	211,949	83,562	6,942	39,055	477,367
Other liabilities-Due to grantees	-	-	-	-	75,184	-	-	-	-	-	-	75,184
Due to State of New Mexico	2,119	-	-	8,898	-	-	2,099	402	2,492	803	6,936	23,749
Total liabilities	848,025	219,725	1,378	8,898	75,184	-	140,066	394,308	145,192	29,467	106,494	1,968,737
Fund balance	-	-	-	-	-	13,259	-	-	-	-	-	13,259
Total liabilities and fund balance	\$ 848,025	\$ 219,725	\$ 1,378	\$ 8,898	\$ 75,184	\$ 13,259	\$ 140,066	\$ 394,308	\$ 145,192	\$ 29,467	\$ 106,494	\$ 1,981,996

	02-210	02-501	02-503	02-506	02-507	02-509	02-510	02-511	Total			
	Cash in Lieu	PSA	Consumer	PSA	PSA	Provider	Hunger	Provider &	Sub-	Before	Total	
	NSIP	Adminis.	Coordinator	Alliance	Dir. Sr.	Support	Summit	Support II	Total	Eliminations	Eliminations	
ASSETS												
Cash	\$ 2	\$ 58,477	\$ 2,116	\$ 777	\$ 4	\$ 55	\$ 5,780	\$ 95	\$ 67,306	\$ 467,454	\$ -	\$ 467,454
Due from grantors	-	1,153	-	-	-	-	-	-	1,153	1,096,591	-	1,096,591
Due from other special revenue funds	-	-	-	-	-	-	-	-	-	9,043	-	9,043
Due from fiduciary funds	-	-	-	-	-	-	1,000	-	1,000	1,000	-	1,000
Due from other AAA programs	-	-	-	-	-	-	-	-	-	477,367	(477,367)	-
Security deposits	-	3,004	-	-	-	-	-	-	3,004	3,004	-	3,004
Total assets	\$ 2	\$ 62,634	\$ 2,116	\$ 777	\$ 4	\$ 55	\$ 6,780	\$ 95	\$ 72,463	\$ 2,054,459	\$ (477,367)	\$ 1,577,092
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable	\$ -	\$ 28,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,537	\$ 1,418,833	\$ -	\$ 1,418,833
Accrued payroll payable	-	34,270	546	-	-	-	-	-	34,816	36,957	-	36,957
Due to other AAA programs	-	-	-	-	-	-	-	-	-	477,367	(477,367)	-
Other liabilities-Due to Provider	-	-	-	-	-	-	-	-	-	75,184	-	75,184
Due to State of New Mexico	2	-	1,570	-	4	55	-	95	1,726	25,475	-	25,475
Total liabilities	2	62,807	2,116	-	4	55	-	95	\$ 65,079	2,033,816	(477,367)	1,556,449
Fund balance	-	(173)	-	777	-	-	6,780	-	7,384	20,643	-	20,643
Total liabilities and fund balance	\$ 2	\$ 62,634	\$ 2,116	\$ 777	\$ 4	\$ 55	\$ 6,780	\$ 95	\$ 72,463	\$ 2,054,459	\$ (477,367)	\$ 1,577,092

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY PROGRAM
State of New Mexico Agency on Aging - PSA SPECIAL REVENUE FUND
For the Year Ended June 30, 2015

	02-100 State Funds HB2	02-110 Senior Employ Pro	02-111 SEP/ Enrollee	02-112 SER- State	02-113 Temp Mgt Dona Ana	02-115 VA Resource Center	02-201 Title III-B	02-202 Title III C-1	02-203 Title III C-2	02-204 Title III-D	02-205 Title III-E	Sub- Total
REVENUES												
Federal - AAA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,292,375	\$ 2,248,892	\$ 1,119,690	\$ 110,000	\$ 716,441	\$ 5,487,398
State	11,171,486	838,823	31,677	-	-	-	-	-	-	-	-	12,041,986
Local	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	11,171,486	838,823	31,677	-	-	-	1,292,375	2,248,892	1,119,690	110,000	716,441	17,529,384
EXPENDITURES and TRANSFERS												
Administration	-	117,518	31,677	-	17,036	-	-	-	-	-	-	166,231
Distribution to grantees	11,171,486	721,305	-	-	-	-	1,292,375	2,248,892	1,119,690	110,000	716,441	17,380,189
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	11,171,486	838,823	31,677	-	17,036	-	1,292,375	2,248,892	1,119,690	110,000	716,441	17,546,420
Excess (deficiency of revenues over expenditures)	-	-	-	-	(17,036)	-	-	-	-	-	-	(17,036)
Fund balance, beg, as reported	-	-	-	-	17,036	-	-	-	-	-	-	17,036
Restatements:												
Prior-period adjustments	-	-	-	-	-	13,259	-	-	-	-	-	13,259
Fund balance, beg, as restated	-	-	-	-	17,036	13,259	-	-	-	-	-	30,295
Fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,259

	02-210 Cash in Lieu NSIP	02-501 PSA Admin.	02-503 Consumer Coordinator	02-506 PSA Alliance	02-507 PSA Dir. Sr.	02-509 Provider Support	02-510 Hunger Summit	02-511 Provider & Support II	Sub- Total	Total
REVENUES										
Federal - AAA	\$ 1,767,154	\$ 603,506	\$ 18,786	\$ -	\$ 22,877	\$ -	\$ -	\$ 12,405	\$ 2,424,728	\$ 7,912,126
State	-	2,023,250	7,718	-	108,323	50,220	-	-	2,189,511	14,231,497
Local	-	-	-	-	-	-	27,591	-	27,591	27,591
Total revenues	1,767,154	2,626,756	26,504	-	131,200	50,220	27,591	12,405	4,641,830	22,171,214
EXPENDITURES and TRANSFERS										
Administration	-	2,608,987	26,504	-	131,200	-	20,811	-	\$ 2,787,502	2,953,733
Distribution to grantees	1,767,154	-	-	-	-	50,220	-	12,405	1,829,779	19,209,968
Capital outlay	-	17,769	-	-	-	-	-	-	17,769	17,769
Total expenditures	1,767,154	2,626,756	26,504	-	131,200	50,220	20,811	12,405	4,635,050	22,181,470
Excess (deficiency of revenues over expenditures)	-	-	-	-	-	-	6,780	-	6,780	(10,256)
Fund balance, beg, as reported	-	(93)	-	777	-	-	-	-	684	17,720
Restatements:										
Prior-period adjustments	-	(80)	-	-	-	-	-	-	(80)	13,179
Fund balance, beg, as restated	-	(173)	-	777	-	-	-	-	604	30,899
Fund balance, ending	\$ -	\$ (173)	\$ -	\$ 777	\$ -	\$ -	\$ 6,780	\$ -	\$ 7,384	\$ 20,643

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Proprietary Fund
Tri-County RLF (24-601)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary	Favorable
	Budget	Budget	Basis	(Unfavorable)
REVENUES:				
Bank interest income	\$ 90	\$ 90	\$ 7	\$ (83)
Loan interest income	3,500	3,500	2,173	(1,327)
Loan loss recoveries (non cash)	-	-	1,103	1,103
Prior year cash budgeted	41,000	58,387	-	(58,387)
Total revenues	44,590	61,977	3,283	(58,694)
EXPENDITURES:				
Operating transfers out	7,000	61,977	61,977	-
Budgeted reserves	37,590	-	-	-
Total expenditures	44,590	61,977	61,977	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ (58,694)	\$ (58,694)
Reconciliation of GAAP basis to budget basis:				
		Revenues	Expenditures	
GAAP basis		\$ 3,283	\$ 61,977	
Adjustments - none		-	-	
Budget basis		\$ 3,283	\$ 61,977	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Proprietary Fund
 Economic Development Administration RLF (25-601)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES:				
Bank interest income	\$ 200	\$ 200	\$ 245	\$ 45
Loan interest income	14,784	14,784	8,794	(5,990)
Loan loss recoveries (non cash)	-	-	11,453	11,453
Prior year cash budgeted	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total revenues	<u>54,984</u>	<u>54,984</u>	<u>20,492</u>	<u>(34,492)</u>
EXPENDITURES:				
Administrative expenses	-	-	-	-
Operating transfers out	40,000	40,000	40,000	-
Budgeted reserves	<u>14,984</u>	<u>14,984</u>	<u>-</u>	<u>14,984</u>
Total expenditures	<u>54,984</u>	<u>54,984</u>	<u>40,000</u>	<u>14,984</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,508)</u>	<u>\$ (19,508)</u>
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 20,492	\$ 40,000	
Adjustments - none		<u>-</u>	<u>-</u>	
Budget basis		<u>\$ 20,492</u>	<u>\$ 40,000</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Proprietary Funds
 Economic Development District Fund (28-601)
 For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Other revenue	\$ -	\$ -	\$ -	\$ -
Accrued loan interest	-	-	2,656	2,656
Residual equity transfers in	-	54,977	54,977	-
Loan loss recoveries (non-cash)	-	-	-	-
Prior year cash budgeted	100,000	-	-	-
Total revenues	<u>100,000</u>	<u>54,977</u>	<u>57,633</u>	<u>2,656</u>
EXPENDITURES:				
Administrative expenses	-	2,846	2,846	-
Loan loss (non-cash)	-	9,674	9,674	-
Transfers out to governmental funds	-	6,779	6,779	-
Budgeted reserves	100,000	35,678	-	35,678
Total expenditures	<u>100,000</u>	<u>54,977</u>	<u>19,299</u>	<u>35,678</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ 38,334	\$ 38,334
Reconciliation of GAAP basis to budget basis:				
		<u>Revenues</u>	<u>Expenditures</u>	
GAAP basis		\$ 57,633	\$ 19,299	
Adjustments - none		-	-	
Budget basis		<u>\$ 57,633</u>	<u>\$ 19,299</u>	

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTAL INFORMATION SECTION

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Schedule of Changes in Assets and Liabilities
 Agency Funds
 Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Ending Balance</u>
<u>REDI Net Operational (04-239)</u>				
<u>Assets</u>				
Cash in bank	\$ -	\$ 315,567	\$ (109,288)	\$ 206,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities</u>				
Assets held for others	\$ -	\$ 212,874	\$ (205,362)	\$ 7,512
Due to governmental funds	-	198,767	-	198,767
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	411,641	(205,362)	206,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>NM Cares (04-350)</u>				
<u>Assets</u>				
Cash in Bank	\$ -	\$ 16,770	\$ (6,515)	\$ 10,255
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities</u>				
Assets held for others	\$ -	\$ 13,769	\$ (3,514)	\$ 10,255
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash in Bank	\$ -	\$ 332,337	\$ (115,803)	\$ 216,534
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities</u>				
Assets held for others	\$ -	\$ 226,643	\$ (208,876)	\$ 17,767
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	198,767	-	198,767
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	425,410	(208,876)	216,534
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Schedule 4

NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Anita Guillen Title: Chief Financial Officer Date: December 15, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

COMPLIANCE AND FEDERAL FINANCIAL ASSISTANCE SECTION

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Expenditures of Federal Awards
For Year Ending June 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal Catalog Assistance Number	Pass- Through Entity Identifying Number	Federal Expenditures	To Sub- recipients	For Admin- istration
U.S. Department of Commerce					
Economic Development - State and Local Economic Development Planning	11.302	N/A	\$ 60,000	\$ -	\$ -
Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA loans (MAJOR)	11.307	N/A	741,009	-	-
Total U.S. Department of Commerce			<u>801,009</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation					
NPRPO - Transportation-Regional Planning (MAJOR) (Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00371	86,012	-	86,012
NPRPO - GIS Transportation-Regional Planning (Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205		30,620	-	30,620
NERPO - Transportation-Regional Planning (MAJOR) (Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00473/WA	90,221	-	-
Total U.S. Department of Transportation			<u>206,853</u>	<u>-</u>	<u>116,632</u>
U.S. Department of Health and Human Services					
New Mexico State Agency on Aging Title III, Part B - Supportive Services and Senior Centers (MAJOR)	93.044	Cluster	1,435,972	1,292,375	143,597
Title III, Part C-1 - Nutrition Services (MAJOR)	93.045	Cluster	2,504,410	2,248,892	255,518
Title III, Part C-1 - Nutrition Services (MAJOR) Consumer Coordinator	93.045	Cluster	15,394	-	15,394
Title III, Part C-1 - Nutrition Services (MAJOR) Direct Senior Services	93.045	Cluster	22,877	-	22,877
Title III, Part C-1 - Nutrition Services (MAJOR) Provider Support II	93.045	Cluster	12,405	12,405	-
Total Title III, Part C-1			<u>2,555,086</u>	<u>2,261,297</u>	<u>293,789</u>
Title III, Part C-2 - Nutrition Services (MAJOR)	93.045	Cluster	1,244,476	1,119,690	124,786
Title III, Part C-2 - Nutrition Services (MAJOR) Consumer Coordinator	93.045	Cluster	3,392	-	3,392
			<u>1,247,868</u>	<u>1,119,690</u>	<u>128,178</u>
Title III, Part D - Disease Prevention and Health Promotion (MAJOR)	93.043		110,000	110,000	-
Title III, Part E - National Family Caregiver Support (MAJOR)	93.052		796,046	716,441	79,605
Nutrition services Incentive Program (MAJOR)	93.053	Cluster	1,767,154	1,767,154	-
Total U.S. Department of Health and Human Services			<u>7,912,126</u>	<u>7,266,957</u>	<u>645,169</u>
Total Expenditure of Federal Awards			<u>\$ 8,919,988</u>	<u>\$ 7,266,957</u>	<u>\$ 761,801</u>

The accompanying notes are an integral part of this schedule.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2015**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Northern Central New Mexico Economic Development District (the District) and is presented on the accrual basis of accounting, except that loans outstanding at the beginning of the period and loans made during the period are presented as expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of states, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of the basic financial statements.

2. Loans Outstanding

The District had the following loan balances outstanding at June 30, 2015. The loan balances were initially funded with Federal funds at the rate of 75%. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Loans Outstanding</u>
Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Economic Deterioration	11.307	\$ 361,986

3. Federal Revolving Loan Funds

The Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA Loans is a federal revolving loan fund (RLF). Monies were originally received from the US Department of Commerce as grant funds.

For the RLF part of the Special Economic Development and Adjustment Assistance Program, calculation of Federal awards expended for the current year consider the following:

- a. Balance of RLF loans outstanding at the end of the fiscal year, plus
- b. Cash and investment balance in the RLF at the end of the fiscal year, plus
- c. Administrative expenses paid out of the RLF income during the fiscal year.

The federal share of the grantee's RLF is calculated as follows: [sum of all EDA-RLF dollars from all of grantee's RLF awards) / (sum of all project dollars for all of grantee's RLF awards)] x grantee's RLF.

<u>6/30/15 Loan Balance</u>	+	<u>6/30/15 Cash Balance</u>	+	<u>FY 15 Operating Expenses</u>	=	<u>Federal Expense</u>
\$ 361,986	+	\$ 361,986	+	\$ 32,979	=	\$ 741,009

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 Notes to the Schedule of Expenditures of Federal Awards
 June 30, 2015

4. **Subrecipients**

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Sub- recipients Amount Provided</u>
Special Programs for the Aging:		
Title III, Part B - Supportive Services and Senior Centers	93.044	\$ 1,292,375
Title III, Part C -1 - Nutrition Services	93.045	2,261,297
Title III, Part C -2 - Nutrition Services	93.045	1,119,690
Title III, Part D - Disease Prevention and Health Promotion	93.043	110,000
Title III, Part E - National Family Caregiver Support	93.052	716,441
Nutrition Services Incentive Program	93.053	<u>1,767,154</u>
		<u>\$ 7,266,957</u>

5. **Reconciliation of Schedule to Basic Financial Statements**

Expenditures per Schedule of Expenditures of Federal Awards	\$ 8,919,988
Less: Loans at end of year, cash balances and administrative expenditures	<u>(741,009)</u>
Federal operating grant revenues per the Fund Financial Statements (Exhibit E)	<u>\$ 8,178,979</u>

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

INDEPENDENT AUDITORS' REPORT

Nick L. Salazar, President
and
Tim Armer, Executive Director
North Central New Mexico Economic Development District
and
Mr. Timothy M. Keller
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, North Central New Mexico Economic Development District (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated February 8, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies identified as items 2013-001 and 2014-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and which are described in the accompanying schedule of findings and questioned costs as items 2014-004 and 2015-001.

The District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
February 8, 2016

Robert J. Rivera, CPA, PC

Certified Public Accountants

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

Nick L. Salazar, President
and
Tim Armer, Executive Director
North Central New Mexico Economic Development District
and
Mr. Timothy M. Keller
New Mexico State Auditor
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the State of New Mexico, North Central New Mexico Economic Development District's (District) compliance with the types of compliance requirements described in the **OMB Circular A-133 Compliance Supplement** that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying **Schedule of Findings and Questioned Costs**.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District'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 the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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.

Purpose of this Report

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.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
February 8, 2016

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements and the combining and individual fund financial statements of the State of New Mexico, North Central New Mexico Economic Development District.
2. Two significant deficiencies in internal control disclosed during the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the State of New Mexico, North Central New Mexico Economic Development District, which would be required to be reported in accordance with **Government Auditing Standards**, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133. No material weakness are reported.
5. The auditor's report on compliance for the major federal award programs for the State of New Mexico, North Central New Mexico Economic Development District expresses an unmodified opinion on all major federal programs. No instances of noncompliance are reported.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	US Department of Commerce -
	<i>Special Economic Development and Adjustment Assistance Program:</i>
11.307	Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA loans
	US Department of Transportation -
20.205	NPRPO - Transportation-Regional Planning
20.205	NERPO - Transportation-Regional Planning
	US Department of Health and Human Services -
	<i>New Mexico State Agency on Aging -</i>
93.044	Title III, Part B - Supportive Services and Senior Centers
93.045	Title III, Part C-1 - Nutrition Services
93.045	Title III, Part C-2 - Nutrition Services
93.043	Title III, Part D - Disease Prevention and Health Promotion
93.052	Title III, Part E - National Family Caregiver Support
93.053	Nutrition Services Incentive Program

8. The threshold for distinguishing Types A and B programs was \$300,000.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS (Cont'd)

9. The North Central New Mexico Economic Development District was determined to be a high-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

2013-001 Reconciliation of Accounting Records-General Ledger (Repeated and modified) (Significant Deficiency in Internal Control)

CONDITION

Financial Management staff were trained as specified in the response to the finding at year ended June 30, 2014. However, the North Central New Mexico Economic Development District (District) continues to experience critical turnover of Financial Management staff. As a result, during fiscal year 2015, the District failed to timely monitor and reconcile all general ledger accounts. Many adjustments to the general ledger were made by the District covering this period; however, there were several adjustments made that we identified during our field work.

CRITERIA

In accordance with State Auditor Rule 2.2.2.8(O)(2), the District is responsible for maintaining a complete and accurate set of books that are properly adjusted and ready for audit. Individual accounts should be reconciled on a monthly basis and discrepancies should be investigated and corrected as soon as they are discovered. In addition, sound internal controls include procedures to ensure that financial closing and reporting are completed timely and lead to accurate financial reporting.

CAUSE

The District experienced staff turnover and reassignments that were critical to the financial accounting function and internal control system designed by the District. Staff hires were made in the last month of the fiscal year; however, the hired employees were not totally familiar with the computer system used to maintain the general ledger.

EFFECT

As a result of not reconciling all general ledger accounts on a timely basis and the inexperience of newly hired staff, accurate financial reporting is lacking. Errors may not be prevented or discovered without proper, consistent and timely reconciliations and financial statement preparation. However, all required adjustments to the general ledger are reflected in the year-end financial statements.

RECOMMENDATION

We recommend that management review the current responsibilities and tasks of the District financial accounting staff to insure that an appropriate number of staff is employed and that those employees are properly trained to perform the functions required. A complete understanding of the general ledger accounts reconciliation process is essential to those who are assigned this task. Employees involved in the general ledger reconciliation process tasks should be provided with cross training in multiple financial reporting areas. Account balances in the general ledger should be adjusted to reflect their accurate balances prior to preparing financial statements.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

B. FINANCIAL STATEMENT FINDINGS (Cont'd)

2013-001 Reconciliation of Accounting Records-General Ledger (Repeated and modified) (Significant Deficiency in Internal Control) (Cont'd)

ENTITY RESPONSE

As noted in the finding, the District has had difficulty securing and retaining employment of qualified staff who have the capacity to address the demands of this task. Further, the District had a significant period of staff vacancy in the Financial Department that required temporarily assigning other staff to perform the required functions related to this task. Beginning with FY 2015-2016, the District has taken steps from a programmatic and budgetary approach to reduce the level of work required in this task including eliminating programs, consolidation of contractual expenses, and reducing operating expenses that directly affect monthly reconciliations. We have hired competent staff in FY 2015-2016, and have restructured our financial management staffing to focus on achieving the objective of monthly reconciliation of account records. Additionally, we are pursuing competent, third party, temporary, contractual assistance to move from a reactive to a proactive approach to more immediately achieve monthly reconciliations. The objective is to complete this work concurrent with the close of this fiscal year and in preparation for the FY 2015-2016 audit. District management and the Financial Management staff is responsible to accomplish the necessary tasks.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

D. COMPLIANCE AND OTHER MATTERS FINDINGS

2014-004 Budgetary Compliance - Other (Repeated and modified) (Significant Deficiency in Internal Control and Other Noncompliance)

CONDITION

Financial Management staff were trained as specified in the response to the finding at year ended June 30, 2014. However, the North Central New Mexico Economic Development District (District) continues to experience critical turnover of Financial Management staff. As a result, actual expenses exceeded budgeted expenses for the following special revenue funds as of June 30, 2015:

<u>FUND</u>	<u>As of June 30, 2015</u>	<u>As of January 19, 2016</u>
Area Agency on Aging	\$ 18,539	\$18,539
BTOP	12,575	12,575
EDA Planning	5,192	-
NPRPO Transportation	12,221	1,012
TC-RLF Administration	2,422	-
NERPO Transportation	22,657	5,221
Economic Development District	2,846	-
SAVVY	2	-

On January 19, 2016, the board approved retroactive budget adjustments effective to the June 30, 2015 budgets; however, not all budget over-expenditures were eliminated.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

D. COMPLIANCE AND OTHER MATTERS FINDINGS (Cont'd)

2014-004 Budgetary Compliance - Other (Repeated and modified) (Significant Deficiency in Internal Control and Other Noncompliance) (Cont'd)

CRITERIA

Per SAO Rule 2.2.2.10P(1), "If actual expenditures exceed budgeted expenditures at the legal level of budgetary compliance, that fact must be reported in a finding."

CAUSE

As a result of the inadequate and timely monitoring and reconciliation of the general ledger during the year, the District failed to observe that some funds were over-expended at year end. This was also due to an oversight. Budget adjustments were not made to account for these excess expenses on a timely basis.

EFFECT

The District was not in compliance with SAO Rule 2.2.2.10P(1) at year-end; however, retroactive budget adjustment approval brought the District into compliance with some over-spent funds, but not all funds.

RECOMMENDATION

We recommend that the District comply with legal budget requirements as outlined in the State Auditor Rule.

ENTITY RESPONSE

As noted regarding the cause associated with this finding, this was primarily a result of the inadequate and timely monitoring and reconciliation of the general ledger. We have hired competent staff in FY 2015-2016, and have restructured our financial management staffing to focus on achieving the objective of monthly reconciliation of account records. Additionally, we are pursuing competent, third party, temporary, contractual assistance to move from a reactive to a proactive approach to more immediately achieve monthly reconciliations. Together with a monthly reconciliation, the District management staff and designated members of the Executive Committee will conduct a mid-year and end-of-year budget review to address any budget or other financial management revisions necessary and approved by the governing body to ensure timely budgetary compliance.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

D. COMPLIANCE AND OTHER MATTERS FINDINGS (Cont'd)

**2015-001 Late Delivery of Audit Report
(Finding that does not give rise to a significant deficiency/Compliance with State Auditor
Rules and Regulations)**

CONDITION

The North Central New Mexico Economic Development District did not submit its annual financial report to the State Auditor's Office prior to the deadline of December 15, 2015. The report was submitted on February 10, 2016.

CRITERIA

In accordance with State Auditor Rule 2.2.2.9, NMAC, the District was required to submit its fiscal year 2014-2015 annual financial report to the State Auditor's Office by December 15, 2015.

CAUSE

The auditors assisted the District in the preparation financial statements. There were numerous adjustments which were needed to be made to the general ledger by the District at year end which had not been made timely and which further delayed the preparation of the financial statements in order to meet the report submission deadline. In addition, other adjustments and disclosures required this year due to the implementation of GASB Statement 68 relating to the District's pension plan also caused delays in the preparation of the financial statements. The final review and acceptance of the financial statements by the District has further caused the report to be delivered late.

EFFECT

The District was not in compliance with the State Auditor Rule 2.2.2.9, NMAC. Users of the financial statements (i.e. board members, legislators, creditors, bondholders and state and federal grantors) do not have timely audit reports and financial statements available for their review.

RECOMMENDATION

We recommend that management develop policies and procedures that ensure financial records are ready for audit in a timely manner so that future fiscal periods' financial reports can be submitted prior to the established deadline.

ENTITY RESPONSE

The response to finding 2013-001 applies to this finding and will remedy this finding as well. We anticipate that this will be corrected in time for timely submission of the June 30, 2016 audit report. District management and Financial Management staff are responsible for ensuring that the audit is not late.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

E. STATUS OF PRIOR AUDIT FINDINGS

<u>Financial Statements Findings</u>	<u>Status</u>
2013-001 - Reconciliation of Accounting Records-General Ledger(Significant Deficiency in Internal Control)	Repeated and modified.
2014-003 - Improper Allocation of Retirement Contributions (Significant Deficiency in Internal Control and Other Noncompliance)	Resolved
 <u>Federal Award Findings and Questioned Costs</u>	
2014-001 - Lack of Time and Effort Certification (Significant Deficiency in Internal Control and Other Noncompliance)	Resolved
2014-002 - Lack of Time Reporting (Significant Deficiency in Internal Control and Other Noncompliance)	Resolved
2014-003 - Improper Allocation of Retirement Contributions (Significant Deficiency in Internal Control and Other Noncompliance)	Resolved
 <u>State Auditor's Compliance and Other Matters</u>	
2014-004 - Budgetary Compliance - Other (Significant Deficiency in Internal Control and Other Noncompliance)	Repeated and modified

OTHER STATE AUDITOR REQUIRED DISCLOSURES

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
June 30, 2015**

Financial Statement Preparation

The financial statements were prepared by the independent certified public accountant performing the audit with the assistance of the District. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. Management has reviewed and approved the financial statements.

Exit Conference

An exit conference was held on February 8, 2016, to discuss the audit. The following individuals were in attendance:

State of New Mexico - North Central New Mexico Economic Development District

New Mexico State Representative Nick L. Salazar, President - Board of Directors
New Mexico State Representative Jim Trujillo, Treasurer - Board of Directors
Tim Armer, Executive Director
Teresa Casados, Administrative Assistant
Jenny Martinez, AAA Director
Anita Guillen, Accounting
Kevin Calabaza, Accounting/Compliance

Audit Firm - Robert J. Rivera, CPA, PC

Robert J. Rivera, CPA
William J. Valdes