



**NEW MEXICO TRANSIT ASSOCIATION
BOARD OF DIRECTORS' MEETING AGENDA
September 19, 2024 – 12:00 PM
Atomic City Transit – Los Alamos County
101 Camino Entrada Bldg 1, Los Alamos, NM 87544**

- 1. Call to Order**
- 2. Roll Call**

Board Members:

Elizabeth Carter (President), Director at Large	Present / Absent / Called In
James Barela (Vice President), Director at Large	Present / Absent / Called In
Ed Powers (Treasurer), Director at Large	Present / Absent / Called In
Rebecka Hicks, (Secretary), representing 5311 programs	Present / Absent / Called In
Kevin Olinger, (Ex-Officio representing NMDOT)	Present / Absent / Called In
Leslie Baca, representing 5310 programs	Present / Absent / Called In
Mike Bartholomew, representing 5307 programs	Present / Absent / Called In
Brent Roy, Business Member	Present / Absent / Called In
Todd Naktewa, Director at Large, representing Tribal Transit	Present / Absent / Called In
Tom Marking, Professional Business Member	Present / Absent / Called In
Anthony Mortillaro, representing Regional Transit Districts (RTD)	Present / Absent / Called In

Staff

Melissa Drake, Executive Director	Present / Absent / Called In
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Guests: _____ Present / Called In

_____ Present / Called In

- 3. Approval of the Agenda**
- 4. Approval of Meeting Minutes – July 18, 2024**
- 5. Approval of Treasurer's Monthly Financial Reports for July and August 2024**
- 6. Presentations:**
 - FY 2024 Financial Audit – Farley Vener, Hinkle + Landers
- 7. Action Items:**
 - Approval of FY 2024 Financial Audit
 - Approval of 2024 Fall Managers' Leadership Venue Contract
- 8. Discussion Items:**
 - FY 2025 Training Calendar
 - 2025 Roadeo, Conference and Expo Update
 - 2024 LIT Leadership Summit Update
 - 2025 LIT Leadership Summit Update
- 9. Subcommittee Updates:**
 - **Conference, Roadeo and Training**
(Ed Powers, James Barela, Liz Carter)
 - **Legislative and Communications**
(Tony Mortillaro, Tom Marking, Liz Carter and David Armijo)
 - **Membership and Sponsors**
(Mike Bartholomew, Becky Hicks, Todd Naktewa and Brent Roy)

10. Board Member Announcements

- 11. Adjourn - Next Meeting Date/Time/Location: November 21, 2024 – Roswell Transit at 515 N. Main, Roswell, NM**

**NEW MEXICO TRANSIT ASSOCIATION
BOARD OF DIRECTORS' MEETING MINUTES
July 18, 2024 – 12:00 PM**

Hosting Agency: Rio Metro Regional Transit District-Valencia Division

Meeting Location: 3734 Lambros Loop SE, Los Lunas, NM

1. Call to Order

President Elizabeth Carter called the meeting to order at 12:02 PM.

2. Roll Call

Board Members:

Elizabeth Carter (President), Director at Large	Present
James Barela (Vice-President), Director at Large	Called In 12:05
Ed Powers (Treasurer), Director at Large	Present
Rebecka Hicks (Secretary), representing 5311 programs	Called In
Kevin Olinger, (Ex-Officio representing NMDOT)	Called In
Leslie Baca, representing 5310 programs	Absent
Mike Bartholomew, representing 5307 programs	Called In
Brent Roy, Business Member	Called In
Todd Naktewa, Director at Large, representing Tribal Transit	Absent
Tom Marking, Professional Business Member	Called In 12:05
Anthony Mortillaro, representing Regional Transit Districts (RTD)	Called In Left 1:20

Staff:

Melissa Drake, Administrative Director	Present
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Guests: Calvin Castillo, Navajo Transit; Anthony Duran, Rio Metro;	Present
Harmony Tapia, Liz Carter's Granddaughter	Present

3. Approval of the Agenda

Motion to approve agenda: Ed Powers; Second: Becky Hicks

Vote: Passed 6-0

4. Approval of Meeting Minutes – June 20, 2024

Motion to approve meeting minutes: Tony Mortillaro; Second: Brent Roy

Vote: Passed 8-0

5. Approval of Treasurer's Monthly Financial Reports for June 2024

Reports included in the Board packet. Notes: 3 uncategorized deposits. \$1,794 from Q-Straint; \$243.68 from Jemez Pueblo; \$1,248 from City of Socorro. AP balance of \$854.70, working with accountants to write-off.

Motion to approve Treasurer's reports: James Barela; Second: Tom Marking

Vote: Passed 8-0

6. Presentations:

None.

7. Action Items:

- **Approval of Amendment of Professional Service Agreement for J.D. Bullington Government Relations**

Changed dates to extend through upcoming year. New RFP because this contract is 10 years old-October, November time period. May make some items in the scope of work more specific. Discussed the value of using his services. NMTA needs to provide additional information to help J.D. do his job more efficiently. The Legislator that promised to help us push the Permanent Fund through for Transit last year let us down. We are in charge of providing the message. J.D. is in charge of getting it in front of the right people. Our message in the past was ineffective partly because we did not connect Transit's interests to what the governor deems important. Motion to approve both: Becky Hicks; Second: Tony Mortillaro
Vote: Passed 8-0

- **Approval of Professional Service Agreement for Sunny505**

New agreement based on our new strategy made requests more specific for website layout improvements in updating map for all transit services being provided in NM by House and Senate district and rapid design template so all transit information for each provider is the same. Included statement that Sunny505 may be asked to attend certain meetings. Motion made to approve: Tony Mortillaro; Second: Tom Marking.
Vote: Passed 8-0.

- **Discussion and Approval of Revisions to Bylaws**

Liz reviewed bylaws to make them compliant with State Statutes. Added Article 1 for general purpose and statute number and specific purpose including what part of federal type of nonprofit. Definitions of Board positions moved from the end to closer to the front. Section 6 added additional meeting formats. Section 7 limits ex-officio from going to closed session and voting. Changed the last amendment to two members and added signature page. Only needs new signature when bylaws are amended or repealed, not when the officers of the Board are changed. Motion made to approve: Ed Powers; Second: Becky Hicks.
Vote: Passed 8-0.

8. Discussion Items:

- **FY2024 Financial Audit Update**

Currently gathering documents for auditors. Had an entrance meeting, still part of 4-year contract. Need new one next year.

- **FY2025 Training Calendar**

Ideas in the table included in the packet. Added Mental Health issues and coping with and managing homelessness (transit policies and procedures); holistic approach possibly. Adding marketing sessions to the Fall Conference. Talked about taking better care of ourselves both physically and mentally. Health training then a short check-in a couple of months later. Melissa and Becky created a subcommittee for an NMTA Health Challenge, possible walking contest. Webinar August 21, explanation of grant for matching funds.

- **FY2025 NMTA Board Meeting Calendar and Hosting Agencies**

Added Roswell to November 21, 2024. Made December 19, 2024, a Virtual only meeting. Tony will look at his calendar about taking January 16, 2025. Added Atomic City as host for February 20, 2025. Mike (who might be retired by then) might take the May 15, 2025 meeting.

- **2024 LIT Leadership Summit – Travel and Ad for Agenda Update**

Travel arrangements have been made for Melissa and Leslie to go. Applied for NMDOT assistance. Melissa built an ad to put in the LIT agenda (see packet). Liz will be working a mentorship program to help individuals that are nervous about attending the summit.

- **2025 LIT Leadership Summit RFP Update**

Melissa created a letter to show what we would provide if we get the Summit in 2025. Rio Metro RTD is trying to get local sponsorships.

9. Subcommittee Updates:

- **Conference, Rodeo and Training**

(Liz Carter, Ed Powers and James Barela)

Rodeo: Heard from judges that breaks are needed during the Rodeo. We will be working on adding 15-minute breaks throughout the Rodeo for the judges next year. We will also work on providing some sort of sun protection for the handful of outdoor judges. Atomic City Transit and All Aboard America! Have tents that can be used. Another option is contracting two days with the Rio Rancho Event Center (RREC), both Saturday and Sunday. Saturday will be used for Rodeo prep training and judges training in the morning. Then we will be able to move the outdoor events (Wheelchair Securement and Pre-trip) inside the event center on Saturday afternoon. Sunday will be completely for the driving obstacles if we go with the two-day idea. Ed mentioned that we look at Tingley Coliseum. This venue has more space, but we will need to contract for exhaust equipment and audio-visual services/equipment. We will also need to look into a better two-way radio system. Our radios do not work well with all the equipment in the RREC because it is indoors and most of it is underground. We can discuss this with RREC and possibly rent from them or rent mountain top radios from an outside source.

Conference: Increase the room block. Last year, we ran out of rooms well before the hotel reservation deadline. Breakout rooms were also getting very crowded during the conference. Options will be expanding breakout rooms into the ballroom, using an air wall. This will require the Santa Ana staff to “flip” the room, but they say it can be done easily within about 15 minutes. There is also access to use the Comedy Club, but it is on the other side of the food court in the casino. This is a possibility depending on what we use it for.

- **Legislative and Communications**

(Tony Mortillaro, Tom Marking, Liz Carter and David Armijo)

Meeting with governor’s chief of staff about 3 weeks ago, Joni, J.D., Liz, Melissa and Tony shared talking points. They asked for additional info, Liz sent. Meeting with NMDOT Secretary Serna. He and governor’s office said it will be a challenge to get recurring funding. Included map for rural veteran’s transportation. Discussed requests we have. Serna said the joint NMDOT and NMTA public transit policy should be done and should be funded by NMDOT. Serna slogan, “Do More with More (funding).” What do agencies really need? Funding? Staff? Technical capability to do or oversee projects? How can NMDOT help in those areas? Serna requested Oklahoma RFP for public transportation plan, Liz sent it to him. They will be working on the scope of work.

Governor's chief of staff recommended that we look at Medicaid contracts and at what other agencies provide transportation. Also create a budget to start new service in areas where there is currently none. Liz put that together and will send it to the Board Members. One-time request for 2-3 years to put new transportation in place increased to 45 million. Mentioned transportation in and out of Artesia. Even with Medicaid and other service providers there are still gaps in service. Medicaid contracts have an annual limit of \$1,000 per insured. Can ask for a waiver for medical necessity, but most people are not able to get the waiver because dr.'s not filling out paperwork. All NEMT's must get certified through NMPRC, now NMDOT, but all rates are different, they aren't standardized. That eats up the \$1,000 limit quickly (depending on miles travelled) and then the individual has to pay out of pocket. Melissa will send us additional documents. Good conversations, productive and positive. David Armijo was instrumental in getting us the meeting. House representative, Joanne Ferrari, joined the meeting with Secretary Serna via Zoom. Tom Marking would like to keep AARP in the loop as we get success with this journey. They would be a great supporter.

- **Membership and Sponsors**

(Mike Bartholomew, Becky Hicks, Todd Naktewa and Brent Roy)

Nothing new to report.

10. Board Member Announcements

None.

11. Adjourn

Motion made to adjourn at 1:30 PM: Tom Marking; Second: James Barela.

Vote: Passed 7-0

NEXT MEETING DATE/TIME/LOCATION: September 19, 2024 at 12pm at Atomic City Transit, 101 Camino Estrada, Building 1, Los Alamos, NM 87544.

NM Transit Association

1000 Bank Of America - checking, Period Ending 07/31/2024

RECONCILIATION REPORT

Reconciled on: 08/21/2024

Reconciled by: Melissa Drake

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance	33,835.00
Checks and payments cleared (17)	-18,287.47
Deposits and other credits cleared (2)	1,102.00
Statement ending balance	16,649.53
Uncleared transactions as of 07/31/2024	-1,137.94
Register balance as of 07/31/2024	15,511.59
Cleared transactions after 07/31/2024	0.00
Uncleared transactions after 07/31/2024	999.20
Register balance as of 08/21/2024	16,510.79

Details

Checks and payments cleared (17)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2024	Bill Payment	1972	USF Business Payments	-4,747.00
06/30/2024	Bill Payment	1973	Walter Diangson dba WRLDCO	-6,236.09
06/30/2024	Bill Payment	1975	Melissa Drake	-48.40
07/10/2024	Expense		QuickBooks Payments	-0.52
07/18/2024	Bill Payment	1976	Rio Rancho Storage Inc.	-240.00
07/31/2024	Bill Payment	1978	Sunny505	-1,571.27
07/31/2024	Bill Payment	Debit	Adobe Acrobat Systems	-21.48
07/31/2024	Bill Payment	Debit	Verizon Wireless	-109.60
07/31/2024	Bill Payment	Debit	AASHTO	-34.00
07/31/2024	Bill Payment	EFT	EPX - Credit card processing f...	-62.89
07/31/2024	Bill Payment	Debit	Vista Print	-112.78
07/31/2024	Bill Payment	EFT	ADP Tax	-990.98
07/31/2024	Bill Payment	Debit	Alaska Airlines	-536.19
07/31/2024	Bill Payment	Debit	Allianz Global Assistance	-29.49
07/31/2024	Bill Payment	EFT	Melissa Drake	-3,208.71
07/31/2024	Bill Payment	Debit	Teofilo's	-253.32
07/31/2024	Bill Payment	Debit	Staples	-84.75
Total				-18,287.47

Deposits and other credits cleared (2)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/10/2024	Deposit		Ride	52.00
07/22/2024	Deposit		Rio Metro RTD	1,050.00
Total				1,102.00

Additional Information

Uncleared checks and payments as of 07/31/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/23/2024	Bill Payment	EFT	NM Taxation and Revenue	-293.46
07/31/2024	Bill Payment	Debit	Hyatt Regency Portland at the...	-844.48
Total				-1,137.94

Uncleared checks and payments after 07/31/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/13/2024	Expense		QuickBooks Payments	-30.80
Total				-30.80

Uncleared deposits and other credits after 07/31/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/13/2024	Deposit		Santa Fe Trails	1,030.00
Total				1,030.00

NM Transit Association

Balance Sheet

As of July 31, 2024

ASSETS	TOTAL
Current Assets	
Bank Accounts	
1000 Bank Of America - checking	
1010 Bank of America - Savings	15,511.59
Total Bank Accounts	48,139.69
Accounts Receivable	\$63,651.28
1100 DOT Receivable	
1110 NMTA Receivables	54,195.85
Total Accounts Receivable	200.00
Other Current Assets	\$54,395.85
1200 Undeposited Funds	
1300 Prepaid Insurance	0.00
1350 Prepaid Payroll Tax Expense - 2	1,317.96
1360 Prepaid Conference and Rodeo Expenses - 2	0.00
Prepaid Conference and Rodeo E	0.00
Prepaid Payroll Tax Expense	0.00
Total Other Current Assets	0.00
Total Current Assets	\$1,317.96
TOTAL ASSETS	\$119,365.09
	\$119,365.09
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 AP	
Total Accounts Payable	855.22
Other Current Liabilities	\$855.22
2400 Payroll Liabilities	
Deferred Revenue	948.61
Total Other Current Liabilities	0.00
Total Current Liabilities	\$948.61
Total Liabilities	\$1,803.83
Equity	\$1,803.83
3000 Net Assets	
3020 Temp Restricted Net Assets	9,581.32
3200 Unrestricted Net Assets	0.00
Net Income	100,578.43
Total Equity	7,401.51
TOTAL LIABILITIES AND EQUITY	\$117,561.26
	\$119,365.09

NM Transit Association

1000 Bank Of America - checking, Period Ending 08/31/2024

RECONCILIATION REPORT

Reconciled on: 09/10/2024

Reconciled by: Melissa Drake

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	16,649.53
Checks and payments cleared (10).....	-4,765.45
Deposits and other credits cleared (5).....	48,195.80
Statement ending balance.....	<u>60,079.88</u>

Uncleared transactions as of 08/31/2024.....	-7,116.26
Register balance as of 08/31/2024.....	52,963.62
Cleared transactions after 08/31/2024.....	0.00
Uncleared transactions after 08/31/2024.....	600.00
Register balance as of 09/10/2024.....	53,563.62

Details

Checks and payments cleared (10)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/01/2024	Bill Payment	EFT	NM Department of Workforce ...	-4.30
08/01/2024	Bill Payment	EFT	EPX - Credit card processing f...	-56.95
08/09/2024	Bill Payment	EFT	Melissa Drake	-1,653.96
08/09/2024	Bill Payment	EFT	ADP Tax	-511.42
08/12/2024	Bill Payment	Debit	Adobe Acrobat Systems	-21.48
08/13/2024	Expense		QuickBooks Payments	-30.80
08/19/2024	Bill Payment	Debit	DropBox, Inc	-214.67
08/23/2024	Bill Payment	Debit	ADP Tax	-511.41
08/23/2024	Bill Payment	Debit	Verizon Wireless	-106.49
08/23/2024	Bill Payment	Debit	Melissa Drake	-1,653.97

Total -4,765.45

Deposits and other credits cleared (5)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/06/2024	Deposit		City of Farmington - Red Appl...	1,000.00
08/13/2024	Deposit		Santa Fe Trails	1,030.00
08/28/2024	Deposit		NM Dept. of Transportation	17,706.42
08/28/2024	Deposit		NM Dept. of Transportation	22,259.38
08/28/2024	Deposit			6,200.00

Total 48,195.80

Additional Information

Uncleared checks and payments as of 08/31/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/23/2024	Bill Payment	EFT	NM Taxation and Revenue	-293.46
07/31/2024	Bill Payment	Debit	Hyatt Regency Portland at the...	-844.48
08/22/2024	Bill Payment	1981	Sunny505	-966.94
08/22/2024	Bill Payment	1979	Los Alamos County - Atomic ...	-4,500.16
08/22/2024	Bill Payment	1980	Hinkle and Landers	-511.22

Total -7,116.26

Uncleared deposits and other credits after 08/31/2024

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/10/2024	Deposit			600.00
Total				600.00

NM Transit Association

Balance Sheet

As of August 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Bank Of America - checking	52,963.62
1010 Bank of America - Savings	48,140.91
Total Bank Accounts	\$101,104.53
Accounts Receivable	
1100 DOT Receivable	9,866.99
1110 NMTA Receivables	200.00
Total Accounts Receivable	\$10,066.99
Other Current Assets	
1200 Undeposited Funds	0.00
1300 Prepaid Insurance	1,317.96
1350 Prepaid Payroll Tax Expense - 2	0.00
1360 Prepaid Conference and Rodeo Expenses - 2	0.00
Prepaid Conference and Rodeo E	0.00
Prepaid Payroll Tax Expense	0.00
Total Other Current Assets	\$1,317.96
Total Current Assets	\$112,489.48
TOTAL ASSETS	\$112,489.48
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 AP	855.22
Total Accounts Payable	\$855.22
Other Current Liabilities	
2400 Payroll Liabilities	948.61
Deferred Revenue	0.00
Total Other Current Liabilities	\$948.61
Total Current Liabilities	\$1,803.83
Total Liabilities	\$1,803.83
Equity	
3000 Net Assets	9,581.32
3020 Temp Restricted Net Assets	0.00
3200 Unrestricted Net Assets	102,149.70
Net Income	-1,045.37
Total Equity	\$110,685.65
TOTAL LIABILITIES AND EQUITY	\$112,489.48



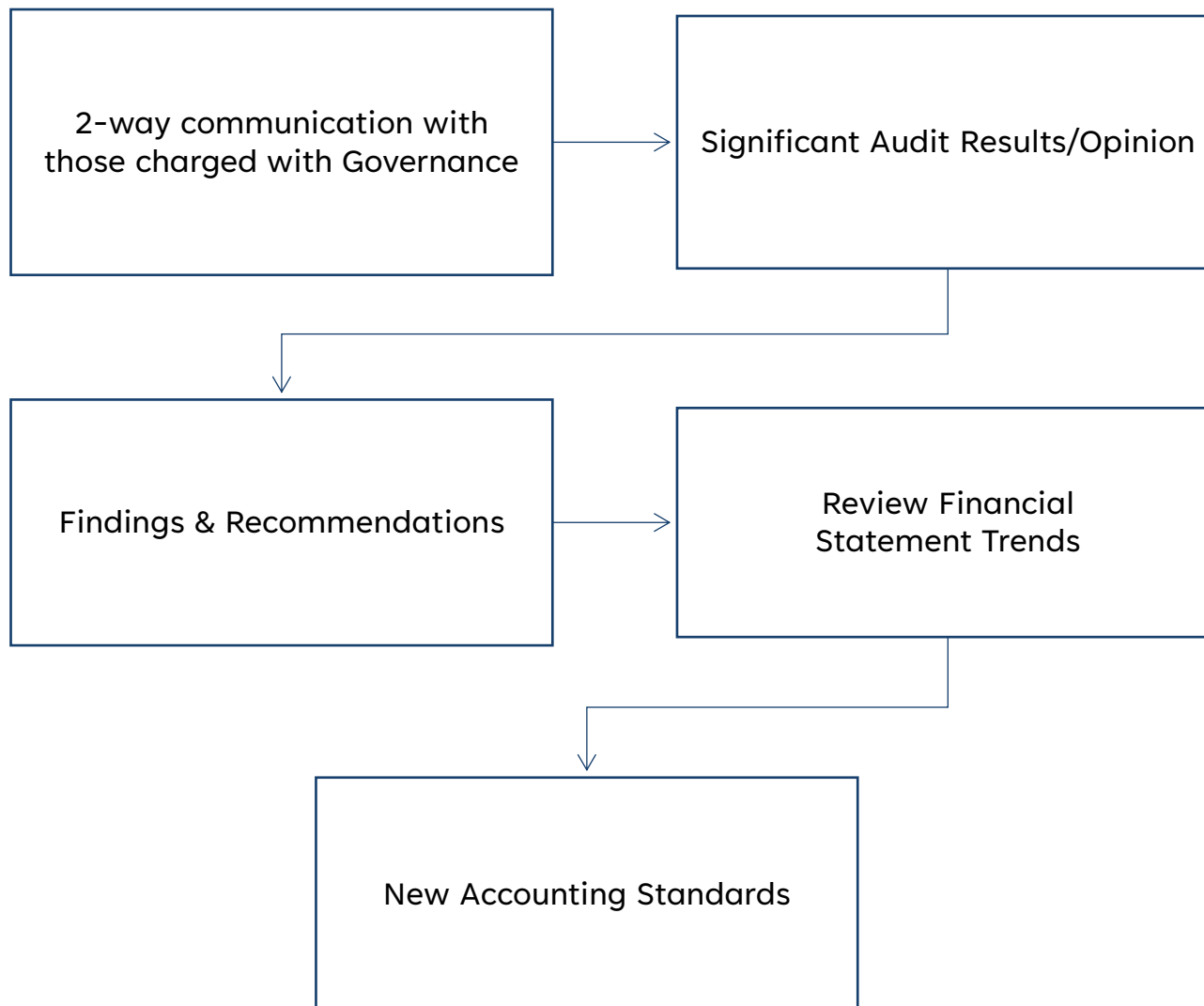
2024 Audit Presentation of Results New Mexico Transit Association



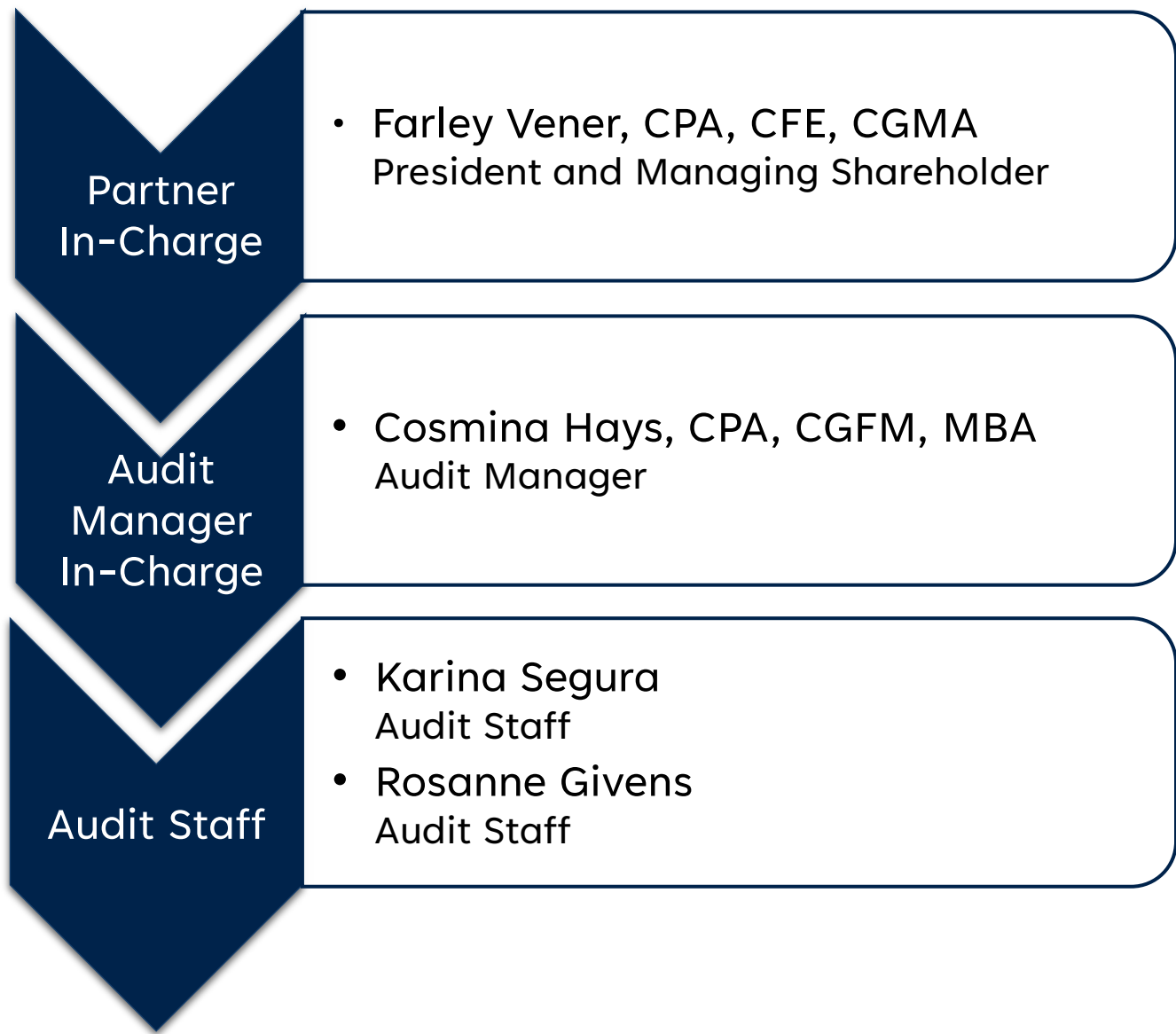
Presented by:
Farley Vener, CPA, CFE, CGMA
President & Managing Shareholder

This communication is intended solely for the information and use of management and those charged with governance and is not intended to be and should not be used by anyone other these specific parties.

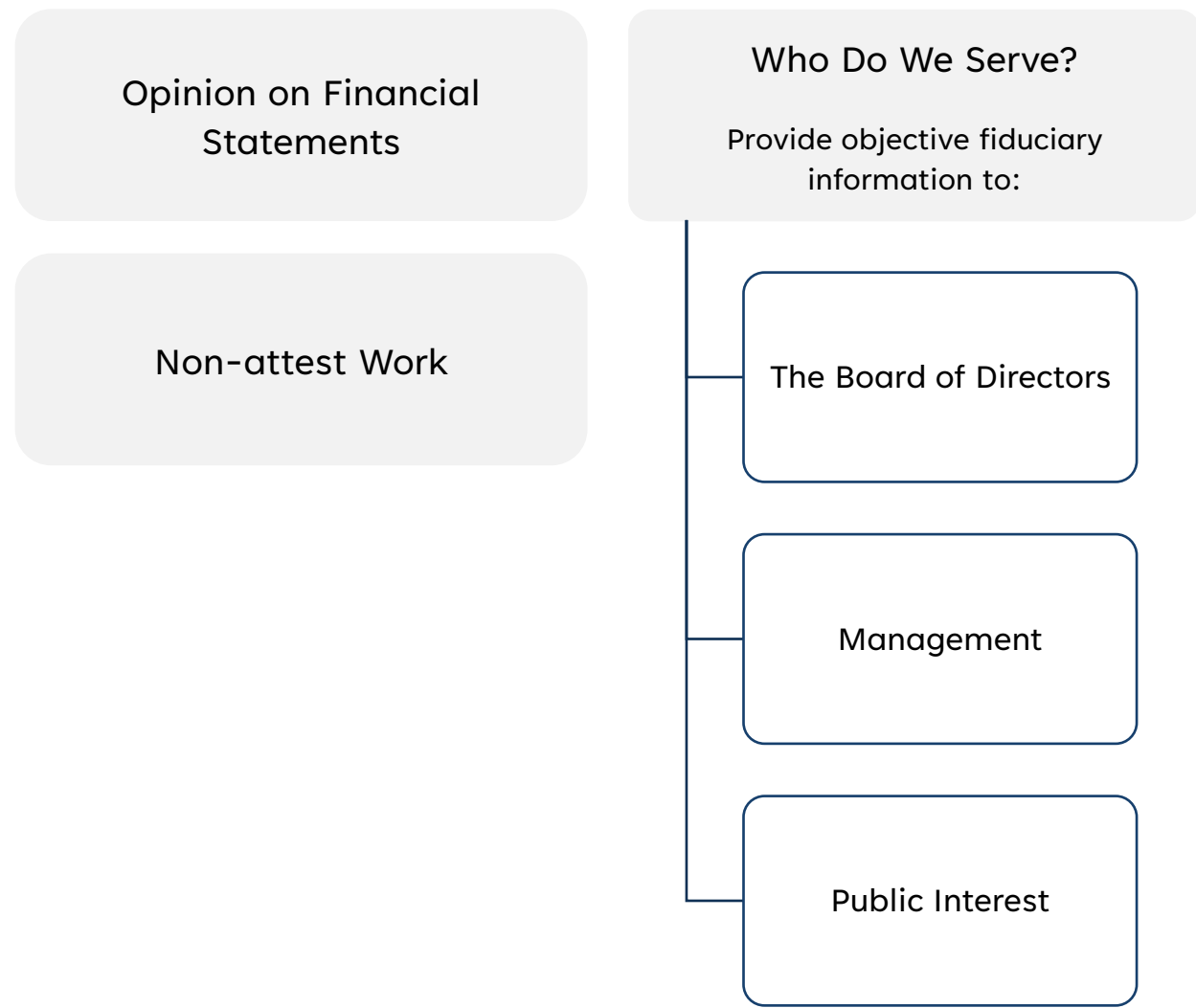
Today's Agenda



Engagement Team



Scope of Our Audit and Who We Serve



Auditor's Communication (AU-C 260)

Those Charged with Governance

Governance, as a good steward, is responsible for:

With Management:

- **Set a positive tone at the top:** Actively review financial practices for alignment with regulations and best practices.
- **Overseeing the financial reporting process:** Ensure transparency and accountability in financial reporting.



- **Discussing significant accounting and internal control matters:** Ensure compliance with accounting and audit standards.

With Auditors:

- **Review our audit plans:** Understand how we address significant risks of material misstatement, including our evaluation of significant accounting estimates.
- **Communicate objectives and risks:** Inform us of any objectives and organizational risks that may lead to significant risks of material misstatement
- **Discuss fraud risks:** Share your views on fraud risks and disclose any known or suspected fraud.

Auditor's Communication (AU-C 260)

Management's Responsibilities

Accept responsibility for:



- **Internal controls**—designing, implementing, and maintaining FS free from material misstatement (whether due to fraud or error)
- **Program controls**—design and implementation of controls to prevent and detect fraud
- **Informing auditors** —about known or suspected fraud or allegations
- **Significant estimates**—based on documentation of method and assumptions and data used.
- **Oversee non-audit services** (Preparation of FS, note disclosures, etc.)

Provide auditor's with:

- **All financial records** and related information
- **Access to information** relevant to preparation of financial statements (related party relationships/transactions)
- **Unrestricted access** to persons necessary to obtain audit evidence.



- **Written representations** at conclusion of the engagement
- **Corrective action plan** on findings, when applicable

Auditor's Communication (AU-C 260)

Required Communications

COMMUNICATIONS	CONCLUSION
Accounting Practices	Significant accounting policies are disclosed in notes to the financial statements and appear appropriate. The organization has adopted Financial Instruments—Credit Losses (Topic 326) as of July 1, 2023.
Proposed Adjustments	6
Adjustments Provided by Client	3
Adjustments for Presentation Purposes Only	1
Passed Adjustments-Because of Immateriality	None
Disagreements with Management	None
Management's Consultations with Other Accountants	Aware of None
Discussion of Accounting Issues Prior to Retention	None
Significant Difficulties in Performing the Audit	None
Financial Statement Disclosure Highlights	Updated note disclosure for functional allocation of expenses and policies on receivables and credit loss.

Auditor's Communication (AU-C 260)

Required Communications

Estimate	Management's determination process	Hinkle + Landers' conclusions regarding reasonableness
Allocation of expenses by function to program, administration and fundraising	Identified indirect costs that benefit more than one function based on appropriate cost driver.	Reasonable in relation to the financial statements as a whole.

Final Audit Plan and Risk Assessment

Significant Areas	Level of Risk	Test of Controls/ Test of Details	Analytics	Purpose and Risk Associated with Area	Audit Response
<ul style="list-style-type: none"> • Audit Planning and Strategy, • Entity level controls and • IT systems 	Moderate	✓	✓	<ul style="list-style-type: none"> • To deter and detect material misstatements, we gained an understanding of the control environment, risk assessment, monitoring, information and communications designed to prevent/detect fraud. • We evaluated information in determining our overall all audit approach of testing (including IT systems). 	<ul style="list-style-type: none"> • We performed walk-throughs of key controls and test implementation and test of controls to determine their effectiveness. • We assessed IT's ability to identify risks related to data accuracy, security and system reliability. Evaluated controls to ensure, fraud prevention, data integrity and proper financial reporting.
Fraud Risks, including Risk of Management Override/ Segregation of Duties	Moderate	✓		<p>Management override is a presumed fraud risk.</p> <p>Management is in a unique position where they are responsible for the design and implementation of controls over these financial reporting processes, while also being able to circumvent controls in order to realize personal gain, insert bias, or otherwise manipulate financial information.</p>	<p>Required by AICPA professional standards.</p> <ol style="list-style-type: none"> 1. Identify/assess risks of material misstatement due to fraud. 2. Maintain professional skepticism throughout the audit. 3. Discuss susceptibility of fraud with key team members and our response 4. Inquiry of management related to fraud risk. 5. Tested journal entries.

Final Audit Plan and Risk Assessment

Significant Areas	Level of Risk	Test of Controls/ Test of Details	Analytics	Purpose and Risk Associated with Area	Audit Response
Revenue Recognition	High	>	>	<ul style="list-style-type: none"> There is a presumed risk of fraud related to revenue. Revenue recognition under ASC 606 and (Contracts and other exchanges transactions) and 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made can be complex, including the appropriate cut-off and completeness of revenues. Risk of unrecorded receivables as well as prior year receivables not relieved when revenue is received. Risk of cash recorded as revenue when it should be deferred revenue. 	<ul style="list-style-type: none"> Receivables for accuracy and completeness and proper cut-off. Search subsequent receipts for unrecorded receivables. (financial close). Review analysis of allowance for uncollectible accounts with methodology and accuracy of inputs Improper recognition of revenue when it is unearned. Test internal controls of approvals and segregation of duties over revenue (cash receipts) and deposits (random and significant sampling).
<ul style="list-style-type: none"> Accounts Payable Prepaid Assets Payroll, Related Liabilities All Expenditures, including payroll Functional Allocation of Expenses (significant estimate) 	High	✓	✓	<ul style="list-style-type: none"> Accounts payable may be understated due to unidentified obligations at year-end or overstated due to the lack of the release of obligations when paid. Compensated absences at year end is based on an estimate High volume of transactions and their liquidity. 	<ul style="list-style-type: none"> Tested accounts payable for accuracy at year end and search subsequent cash disbursements (after fiscal year end) for unrecorded accounts payable (financial close). Tested prepaids Tested substantive and internal controls over expenditures, (cash disbursements), including a random sample and significant selection of transactions from the entire population. Perform additional tests of credit card purchases, per diem, travel and reimbursements to staff. Tests included review for approvals and detailed itemized receipts (fraud risk). Analytical review of payroll, including reconciliation of 941 to the general ledger. Reviewed allocation methodology between program, admin and fundraising.

Final Audit Plan and Risk Assessment

Significant Areas	Level of Risk	Test of Controls/ Test of Details	Analytics	Purpose and Risk Associated with Area	Audit Response
<ul style="list-style-type: none"> Cash and Cash Equivalents 	Moderate	✓	✓	The risk of material misstatement of cash is significant because of size and liquidity of cash as well as the number of transactions impacting account.	<ul style="list-style-type: none"> Confirmed balances from bank accounts. Combined with testing of cash receipts and cash disbursements. Reviewed outstanding deposits and checks on bank reconciliations for timeliness, recalculated FDIC coverage, and independently confirmed ending balances with bank (financial close). Tested for
Equity	Moderate	✓		<ul style="list-style-type: none"> Risk that beginning equity does not reconcile to the prior year's ending equity. Risk that donor restrictions are not properly traced and presented according to revenue recognition rules 	Reconciled equity and reviewed donor restrictions for accuracy and relation to revenue recognition.
Financial Reporting	Moderate	✓	✓	There is a risk of material inaccuracies in preparing FS and note disclosures including omission of significant disclosures.	Assigned experienced auditors to critical areas. Ensured underlying detailed information accurately reconciled and supported amounts/ balances that are relied upon to prepare financial statements. Assisted in preparing FS and note

Auditor's Results and Findings

Auditor's opinion
 Financial Statements – Unmodified

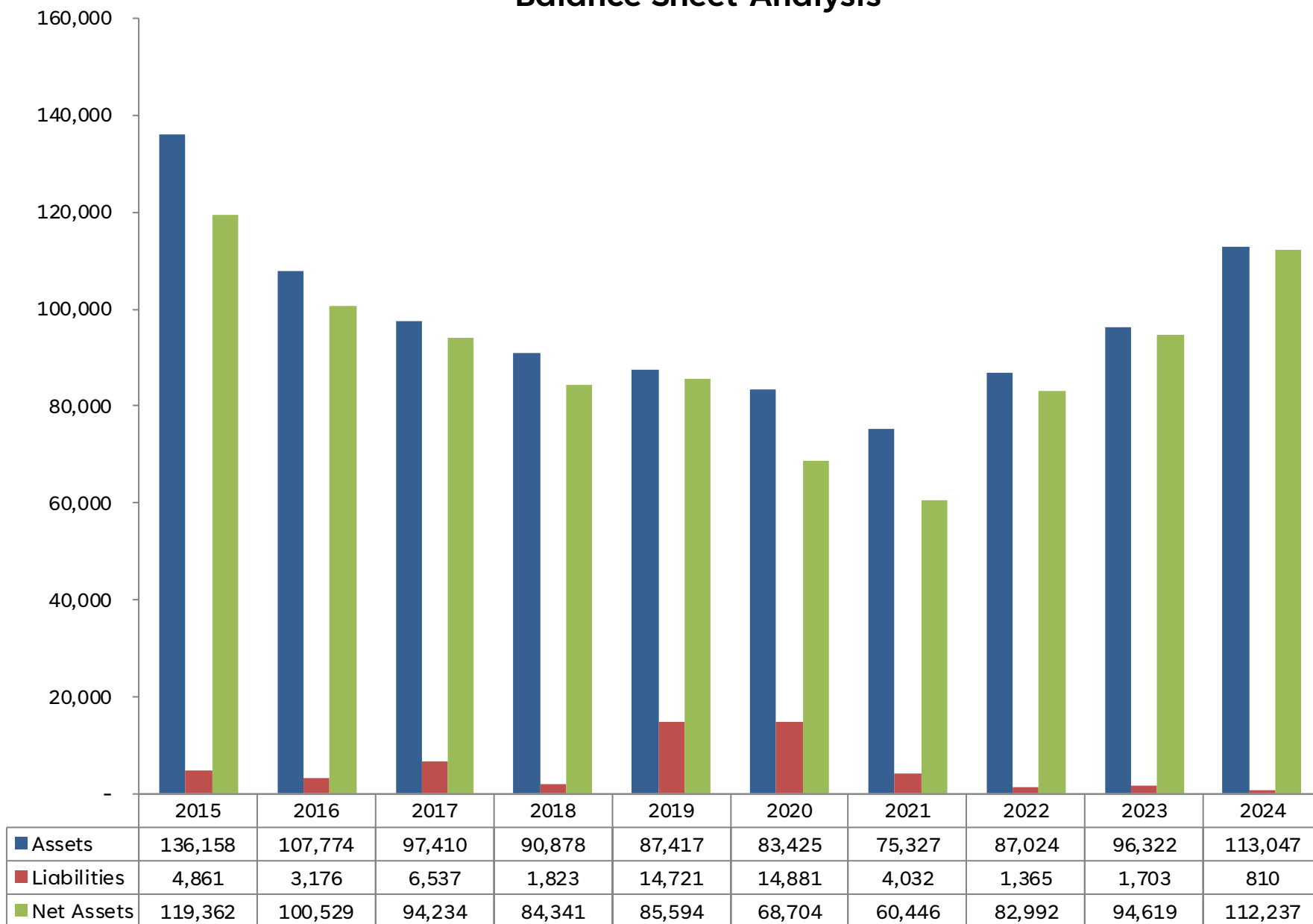
Reference #	Findings	Status of Prior Year Findings	Type of Finding *
Prior year	None	N/A	
Current year	None	N/A	

- * Legend for type of finding
- A. Material Weakness in Internal Control Over Financial Reporting
 - B. Significant Deficiency in Internal Control Over Financial Reporting
 - C. Other Matters Involving Internal Control Over Financial Reporting

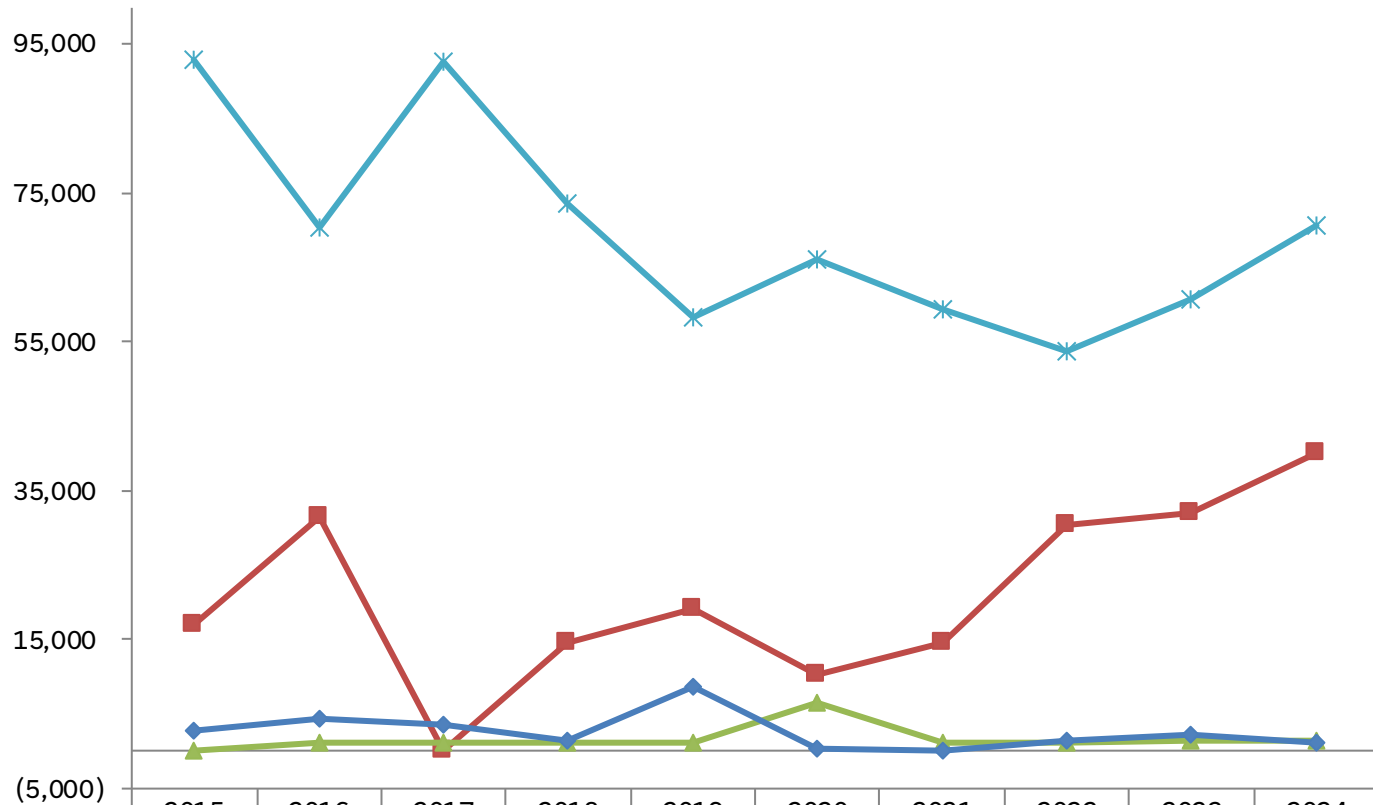
Recommendations and Comments

- Recommend matching the dates from debit card purchases in QBO and the statements
- Recommend to separate the NMTA receivables from DOT receivables

Balance Sheet Analysis

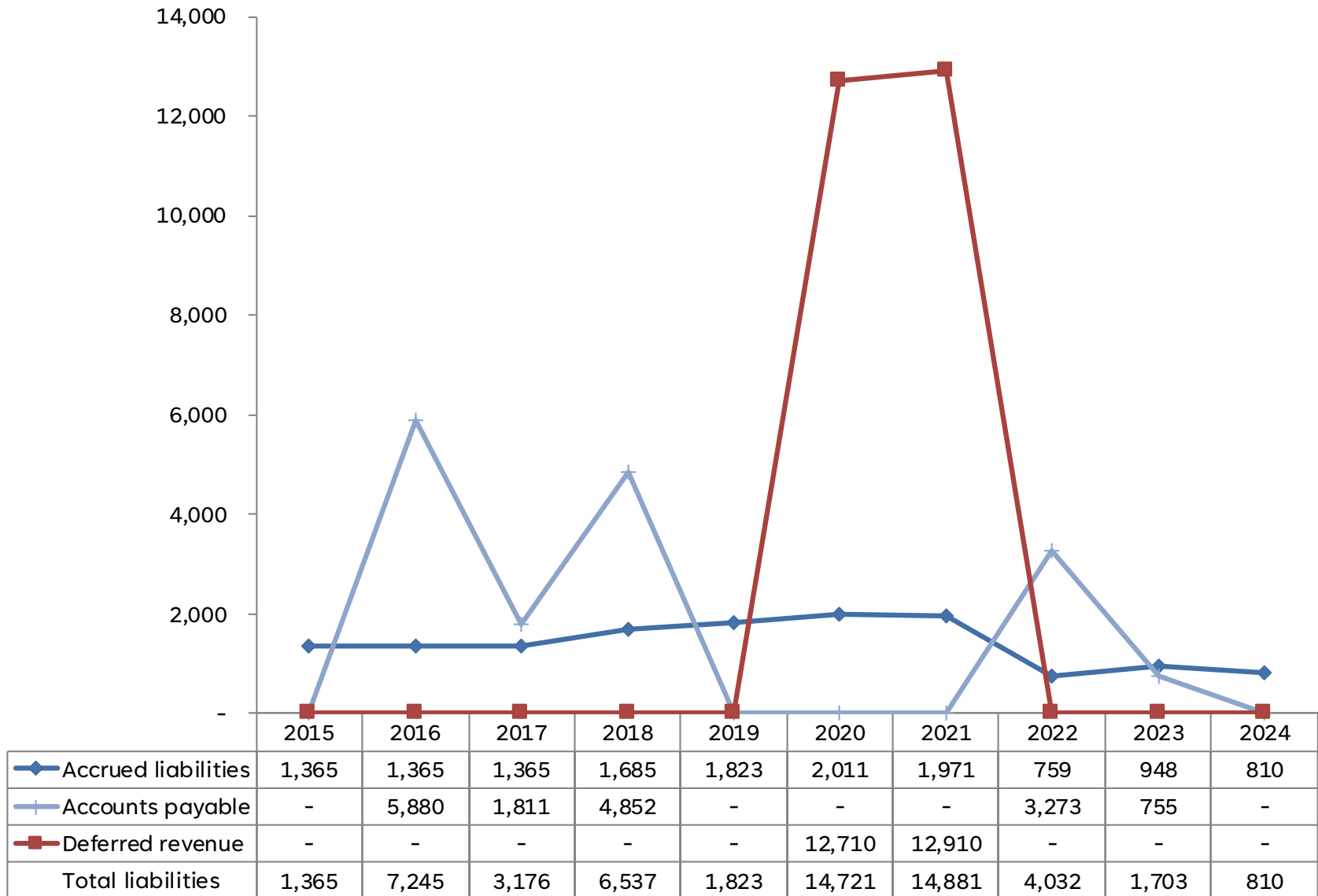


Assets Over Time

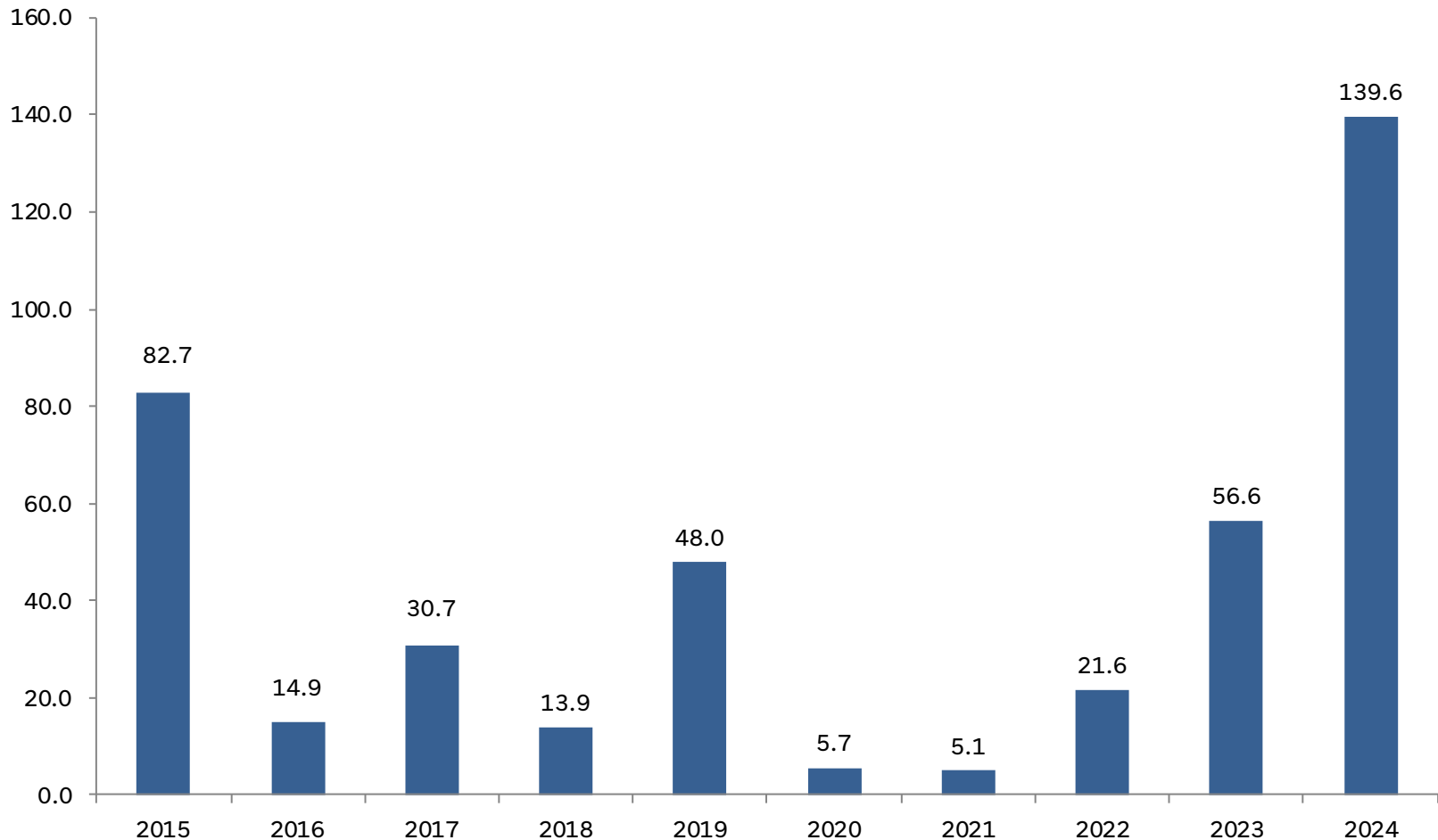


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
✱ Cash and cash equivalents	92,962	70,427	92,531	73,684	58,250	66,007	59,516	53,751	60,726	70,649
■ Department of Transportation receivables	17,051	31,593	-	14,505	19,197	10,386	14,559	30,496	32,028	39,966
▲ Prepaid expenses	-	1,289	1,154	1,139	1,251	6,557	1,252	1,252	1,318	1,330
◆ Memberships receivable	2,890	4,465	3,725	1,550	8,719	475	-	1,525	2,250	1,102
Total assets	112,903	107,774	97,410	90,878	87,417	83,425	75,327	87,024	96,322	113,047

Liabilities Over Time

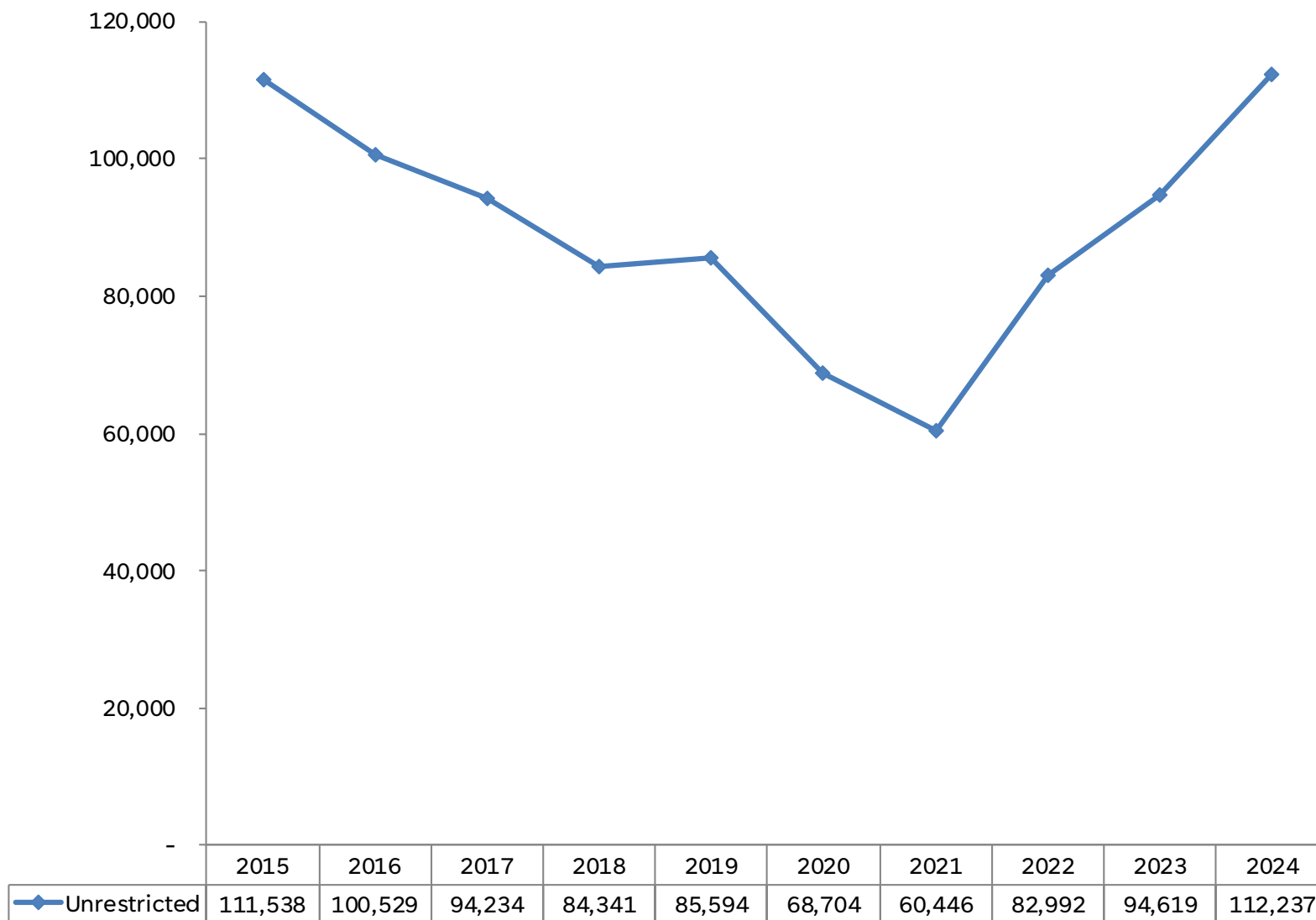


Current Ratio (Current Assets/Current Liabilities)

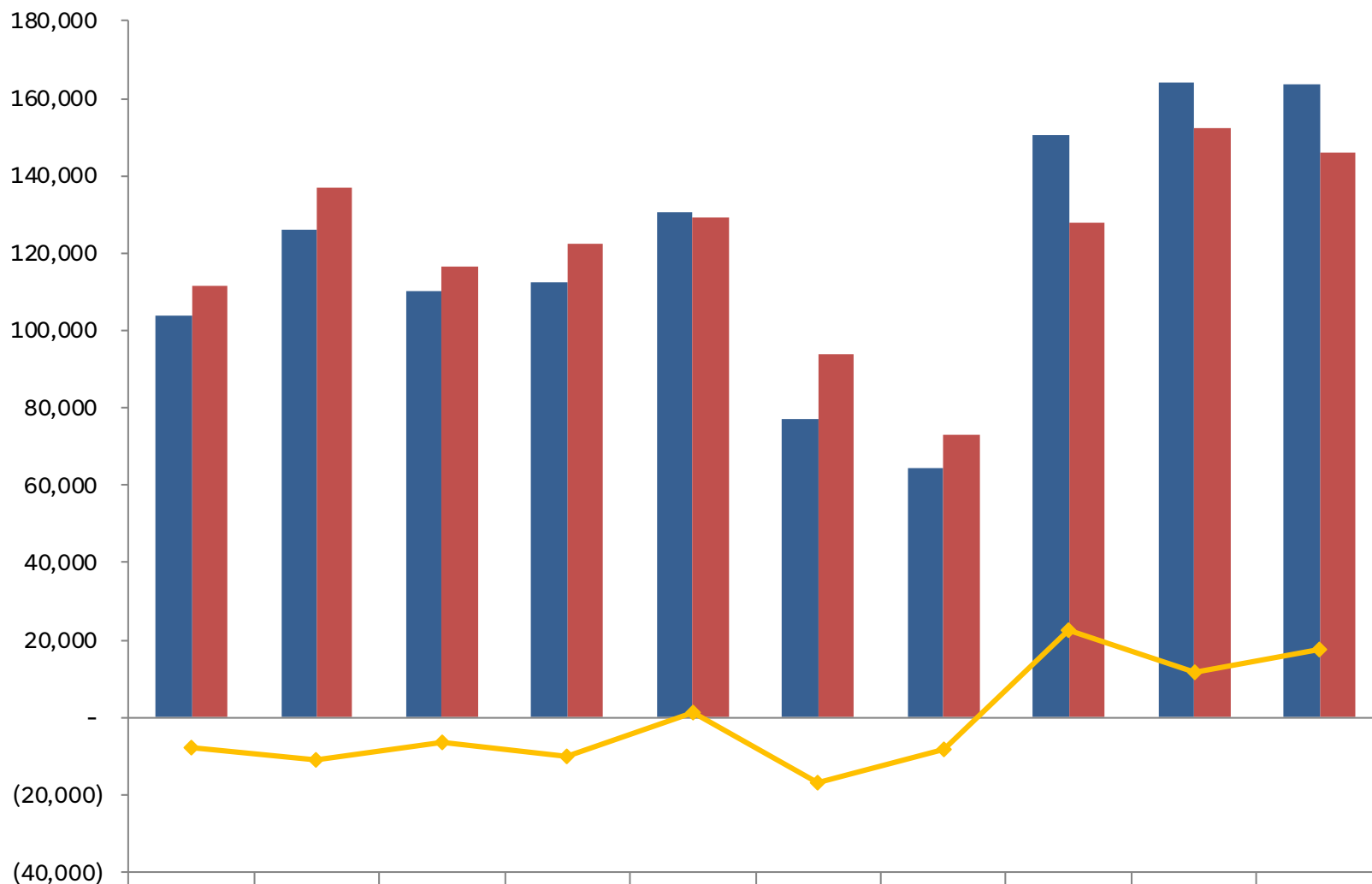


Typically, an ideal current ratio varies between 1.5 to 3. If this range, the organization expects to have a reasonable safety margin to meet its liabilities while using its capital effectively. Current ratios are usually made up of cash, cash equivalents, receivables, inventory, short-term investments. If current liabilities exceed current assets (the current ratio is below 1), then the organization may have problems meeting its short-term obligations. In certain situations, organizations should consider investing excess current assets into middle and long-term objectives.

Net Assets Over Time

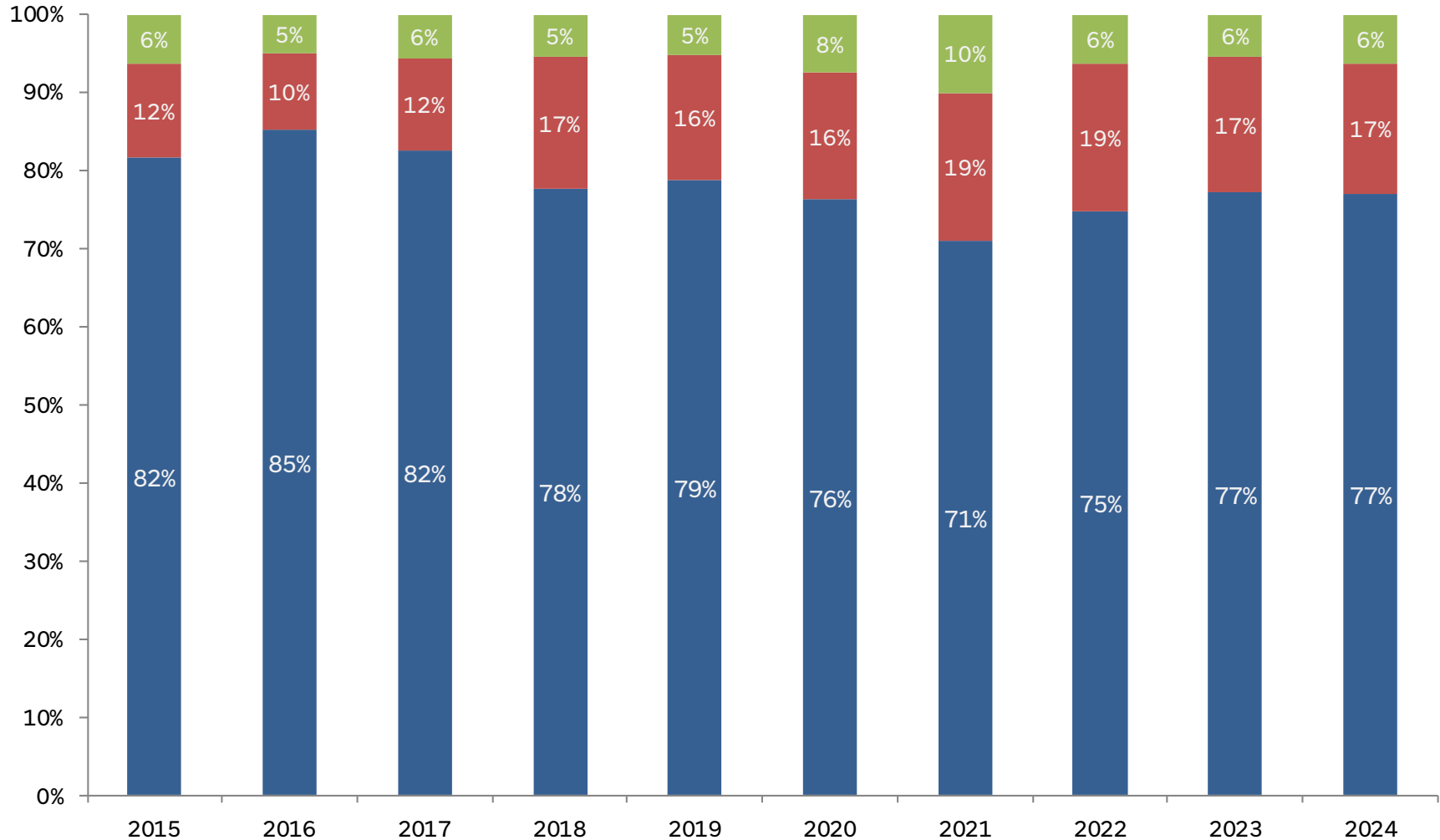


Change in Net Assets



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Support & Revenue	103,660	125,981	110,375	112,527	130,388	77,026	64,557	150,383	163,964	163,740
Expenses	111,484	136,990	116,670	122,420	129,135	93,916	72,814	127,837	152,337	146,122
Change in Net Assets	(7,824)	(11,009)	(6,295)	(9,893)	1,253	(16,890)	(8,257)	22,546	11,627	17,618

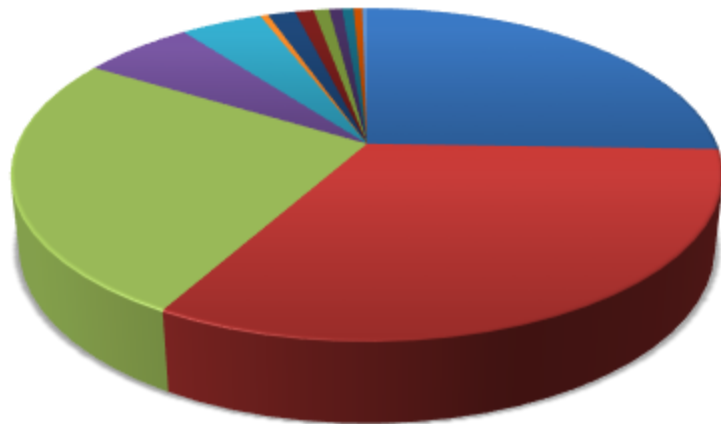
Expenses By Type



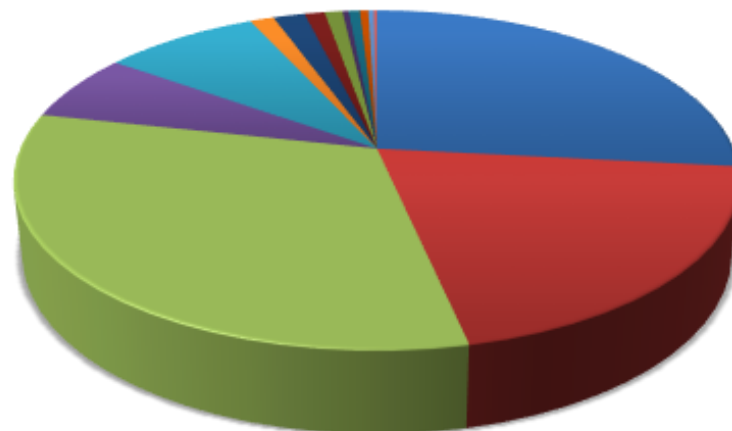
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program services	90,993	116,752	96,411	95,093	101,796	71,600	51,695	95,675	117,537	112,637
General & administrative	13,398	13,413	13,773	20,615	20,541	15,254	13,834	24,033	26,416	24,341
Fundraising	7,093	6,825	6,486	6,712	6,798	7,062	7,285	8,129	8,384	9,144
Total expenses	111,484	136,990	116,670	122,420	129,135	93,916	72,814	127,837	152,337	146,122

Comparative Expenses by Type

2023



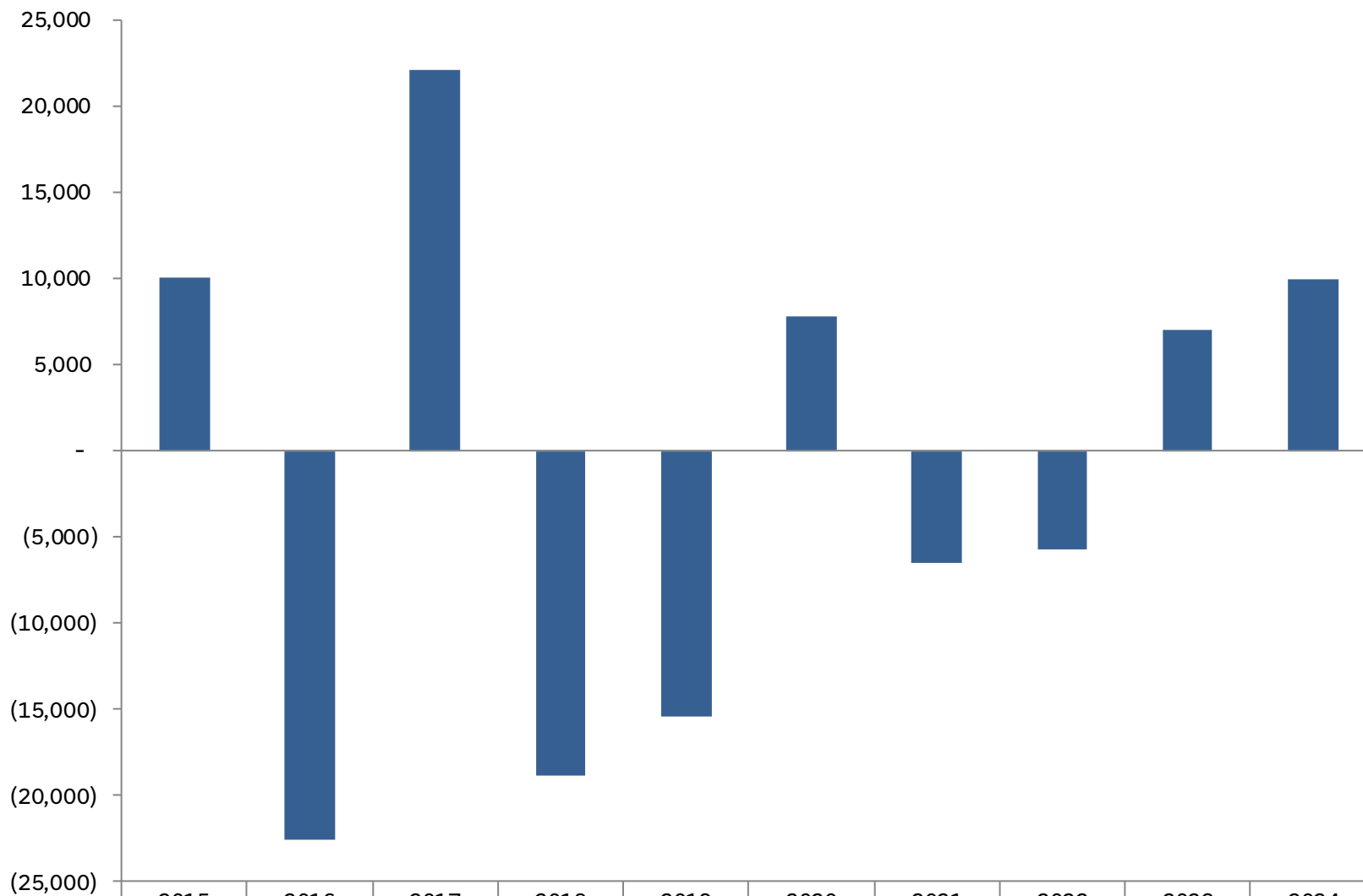
2024



Comparative Expenses by Type: Chart Data

	2023		2024		Difference	
					(\$)	(%)
Salaries and payroll related expenses	52,180	34.3%	57,206	39.1%	5,026	9.6%
Training	66,771	43.8%	42,687	29.2%	(24,084)	-36.1%
Road-eo & conference	52,157	34.2%	68,233	46.7%	16,076	30.8%
Professional service fees	12,358	8.1%	13,835	9.5%	1,477	12.0%
Legislative services/public relations	9,100	6.0%	17,800	12.2%	8,700	95.6%
Travel & lodging	867	0.6%	2,700	1.8%	1,833	211.4%
Postage and printing	3,063	2.0%	3,628	2.5%	565	18.4%
Insurance	2,062	1.4%	2,281	1.6%	219	10.6%
Subscriptions, dues, & memberships	1,709	1.1%	2,034	1.4%	325	19.0%
Office supplies and expenses	1,461	1.0%	708	0.5%	(753)	-51.5%
Cell phone	1,269	0.8%	1,291	0.9%	22	1.7%
Occupancy	960	0.6%	960	0.7%	-	0.0%
Meetings and conferences	537	0.4%	623	0.4%	86	16.0%
Other expenses	-	0.0%	369	0.3%	369	100.0%
Total expenses	204,494	134.2%	214,355	146.7%	9,861	4.8%
Less direct expenses of conference	(52,157)	-34.2%	(68,233)	-46.7%	(16,076)	30.8%
Total expenses	152,337	100.0%	146,122	100.0%	(6,215)	-4.1%

Cash Flows



■ Operating activities

New Accounting Standards

Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial instruments (ASU 2016-13)— Effective after December 15 2022, this update established the current expected credit loss (CECL) model established by ASU 2016-13, and requires the immediate recognition of estimated expected credit losses over the life of a financial instrument.

Covers:	Does Not Cover
<ul style="list-style-type: none"> • Trade receivables • Loans receivable • Held-to-maturity debt securities • Loan commitments • Receivables from repurchase agreements • Net investments in sales-type and direct financing leases • Reinsurance receivables • Financial guarantees receivables 	<ul style="list-style-type: none"> • Investments at fair value with changes in fair value reported through the change in net assets • Available-for-sale debt securities (covered by ASC 326-30) • Loans receivable that are held for sale • Contributions receivable • Loans and receivables between entities under common control • Operating lease receivables • Equity method investments • Derivatives

Financial Instruments—Credit Losses (Topic 326)

Prior to the adoption of CECL, credit loss expense (or what was commonly referred to as “bad debt expense”) was recognized only when it was probable that a credit loss had been incurred. Under the CECL model, an allowance is recorded at the point of initial recognition of the asset for all expected losses over the life of the asset. The CECL model requires that an entity's estimate of expected credit losses includes a measure of the expected risk of credit loss even if that risk is remote.

Old incurred loss model	Historical loss information	+ Current conditions		= Bad debt expense (Allowance for doubtful accounts)
New current expected credit loss model	Historical loss information	+ Current conditions	+ Reasonable and supportable forecasts	= Credit loss expense (Allowance for credit losses)



New Audit Standards - SAS 143 & 145



- SAS 143—Auditing accounting estimates and related disclosure

This standard requires auditors to take a deeper dive into management's estimates, examining how they were developed, selected, and the assumptions used to determine them.

- SAS 145—Understanding the entity and its environment and assessing the risks of material misstatement

This standard requires auditors to obtain a deeper understanding of the control environment, specifically the information technology (IT) environment. The audit team will inquire if key IT controls have been implemented.

Subsequent Events/Planning for Next Year

- New debt?
- Major projects?
- Significant changes in revenue sources (i.e. new grants/funding sources)?
- Changes in accounting software?
- Changes in key personnel?
- Other items of significance?

Wrap Up

- Ensure we have names and position titles of attendees
- Ensure you receive the adjusting journal entries and final trial balance
- Number of hard copies of audit report

Done?	Remaining Items for Wrap Up	Responsibility	Date
<input type="checkbox"/>	Signed Management Representation Letter	Management	Prior to Release
<input type="checkbox"/>	Complete Form 990 Tax Return Based on Audit	H + L Tax Dept.	11/15/2024
<input type="checkbox"/>	Download Meeting, Plan Next Year	H + L	After Release

Audit Assistance List For 990 (Deliverables)


HINKLE + LANDERS Certified Public Accountants + Business Consultants

1	If you had volunteers last year, what was the total number of volunteers?	Part I, Q6	<input type="text" value="119"/>	Previous Year	<input type="text" value="119"/>
2	Did the organization undertake any significant program services during the year which were not listed on the prior Form 990?	Part III, Q2	<input type="text" value="No"/>	No	<input type="text" value="No"/>
3	Did the organization cease conducting, or make any significant changes in how it conducts program services?	Part III, Q3	<input type="text" value="No"/>	No	<input type="text" value="No"/>
4	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office?	Part IV, Q3	<input type="text" value="No"/>	No	<input type="text" value="No"/>

Additional Required Information:

 audit **990 Questions** Officer Directors Independent Contractors Sch B Contributors Sch C Lobbying Sch I Ass ...

Adjusting Journal Entries and Final Trial Balance



Adjusting Journal Entries



Final Trial Balance

Thank you

We appreciate all the support we received from
Finance and Management!





Contact Information

On call throughout the year

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- Managing Shareholder
- Fvener@HL-cpas.com
- (505) 385-4899

Hinkle + Landers, PC (Main Office)

- 2500 9th St. NW
- Albuquerque, NM 87102
- (505) 883-8788

Hinkle + Landers, PC (Santa Fe Office)

- 404 Brunn School Rd. #B
- Santa Fe, NM 87505
- (505) 883-8788



**NEW MEXICO
TRANSIT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
For The Year Ended June 30, 2024, with
Comparative Totals for 2023**

2500 9th St. NW
Albuquerque, NM 87102
505.883.8788
www.HL-cpas.com

NEW MEXICO TRANSIT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
For the Year Ended June 30, 2024, With Comparative Totals for 2023

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NEW MEXICO TRANSIT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
OFFICIAL ROSTER
As June 30, 2024

BOARD OF DIRECTORS

Elizabeth Carter	President
James Barela	Vice President
Ed Powers	Treasurer
Rebecka Hicks	Secretary
Anthony Mortillaro	Director
Leslie Baca	Director
Michael Bartholomew	Director
Todd Naktewa	Director
Thomas Marking	Professional Business Director
Brent Roy	Business Director
Kevin Olinger	Ex-Officio

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Board of Directors and Management
New Mexico Transit Association
Rio Rancho, NM

Opinion

We have audited the accompanying financial statements of New Mexico Transit Association, Inc. (NMTA), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Mexico Transit Association as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Mexico Transit Association, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter**Accounting Pronouncements Adopted**

Effective July 1, 2023, New Mexico Transit Association adopted the provisions of FASB ASC Topic 326, Financial Instruments—Credit Losses: Measurement of Credit Losses on

Financial Instruments (ASU 2016-13). This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, and net investments in leases. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. Management has concluded that the new standard had no material impact in the year of adoption for the year ended June 30, 2024, other than an update to conform to the new disclosures and terminology of the standard.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Mexico Transit Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 New Mexico Transit Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Mexico Transit Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Prior Year Summarized Comparative Information

We have previously audited New Mexico Transit Association's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hinkle & Landers, P.C.

Hinkle + Landers, P.C.

Albuquerque, NM

August 28, 2024

NEW MEXICO TRANSIT ASSOCIATION

Statement of Financial Position

As of June 30, 2024, With Comparative Totals for 2023

ASSETS	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 70,649	60,726
Membership receivables	1,102	2,250
Department of Transportation receivables	39,966	32,028
Prepaid expenses	<u>1,330</u>	<u>1,318</u>
Total current assets	<u>113,047</u>	<u>96,322</u>
Total assets	<u>\$ 113,047</u>	<u>96,322</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	755
Accrued liabilities	<u>810</u>	<u>948</u>
Total current liabilities	810	1,703
Net Assets		
Net assets without donor restrictions	<u>112,237</u>	<u>94,619</u>
Total net assets	<u>112,237</u>	<u>94,619</u>
Total liabilities and net assets	<u>\$ 113,047</u>	<u>96,322</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements

NEW MEXICO TRANSIT ASSOCIATION

Statement of Activities

For The Year Ended June 30, 2024, With Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
Revenues and Support		
Conference	\$ 52,790	36,508
Less: costs of conference	<u>(68,233)</u>	<u>(52,157)</u>
Net conference revenue	(15,443)	(15,649)
 Federal grant (passed-through NM DOT)	165,000	165,000
Memberships	13,600	14,600
Miscellaneous revenue	<u>583</u>	<u>13</u>
Total revenues and support	163,740	163,964
 Expenses and Losses		
Program services	112,637	117,537
General & administrative	24,341	26,416
Fundraising	<u>9,144</u>	<u>8,384</u>
Total expenses	<u>146,122</u>	<u>152,337</u>
 Change in net assets	17,618	11,627
 Net assets, beginning of period	<u>94,619</u>	<u>82,992</u>
Net assets, end of period	\$ <u><u>112,237</u></u>	<u><u>94,619</u></u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements

NEW MEXICO TRANSIT ASSOCIATION
Statement of Functional Expenses
For The Year Ended June 30, 2024, With Comparative Totals for 2023

	Program Services	General & Admin	Fundraising	2024 Total	2023 Total
Wages	\$ 36,981	7,924	7,924	52,829	48,307
Taxes	3,063	657	657	4,377	3,873
Total personnel expenses	40,044	8,581	8,581	57,206	52,180
Road-ee & conference	68,233	-	-	68,233	52,157
Training	34,150	8,537	-	42,687	66,771
Legislative services/public relations	15,394	2,406	-	17,800	9,100
Professional service fees	13,835	-	-	13,835	12,358
Postage and printing	3,265	363	-	3,628	3,063
Travel & lodging	2,565	135	-	2,700	867
Insurance	1,369	912	-	2,281	2,062
Subscriptions, dues, & memberships	-	2,034	-	2,034	1,709
Cell phone	581	387	323	1,291	1,269
Occupancy	432	288	240	960	960
Office supplies and expenses	566	142	-	708	1,461
Meetings and conferences	436	187	-	623	537
Other expenses	-	369	-	369	-
Total expenses	180,870	24,341	9,144	214,355	204,494
Less expenses included in revenue on the statement of activities:					
Direct expenses of conference	(68,233)	-	-	(68,233)	(52,157)
Total expenses	\$ <u>112,637</u>	<u>24,341</u>	<u>9,144</u>	<u>146,122</u>	<u>152,337</u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements

NEW MEXICO TRANSIT ASSOCIATION
Statement of Cash Flows
For The Year Ended June 30, 2024, With Comparative Totals for 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from conference	\$ 52,790	36,508
Cash received from grants	158,210	162,743
Cash received from memberships	13,600	14,600
Cash received from miscellaneous revenues	583	13
Cash paid to and on behalf of employees	(57,344)	(51,991)
Cash paid for conference	(68,233)	(52,157)
Cash paid for operating expenses	(89,683)	(102,741)
Net cash provided (used) by operating activities	<u>9,923</u>	<u>6,975</u>
Net increase (decrease) in cash and cash equivalents	9,923	6,975
Cash and cash equivalents at beginning of year	<u>60,726</u>	<u>53,751</u>
Cash and cash equivalents at end of year	<u><u>\$ 70,649</u></u>	<u><u>60,726</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 17,618	11,627
Adjustments to reconcile changes in net assets to cash provided by operating activities:		
(Increase) Decrease in accounts receivable	(6,790)	(2,257)
(Increase) Decrease in prepaids	(12)	(66)
Increase (Decrease) in accounts payable	(755)	(2,518)
Increase (Decrease) in accrued liabilities	(138)	189
Net cash provided (used) by operating activities	<u><u>\$ 9,923</u></u>	<u><u>6,975</u></u>

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements

NEW MEXICO TRANSIT ASSOCIATION

Notes To Financial Statements

For The Year Ended June 30, 2024, With Comparative Totals for 2023

NOTE A—NATURE OF OPERATIONS

New Mexico Transit Association (NMTA) was established as a nonprofit corporation in 1987. NMTA's purpose is to be the collective voice for both public and private transportation providers in rural and urban areas across New Mexico.

Under an agreement with the New Mexico Department of Transportation's Transit Bureau, NMTA coordinates training and provides technical support for New Mexico's rural transit providers and sub-grantees. Training and support are directed primarily to transit programs funded through the Federal Transit Administration's 5310 program, which serves senior and disabled populations, and the 5311 program, which provides transit rural areas or small towns. In addition, NMTA publishes quarterly newsletters, coordinates Board development and meetings, arranges training for members and non-members, and organizes the annual NMTA Conference and Van/Bus Road-eo.

Training

NMTA recognizes the value of providing training for Association members. To attain this goal, NMTA, through its partnership with New Mexico Department of Transportation's Transit Bureau, funds quarterly training for drivers and management. NMTA connects communities throughout the state by sponsoring its annual conference, providing the most current safety updates, and hosting the annual Van/Bus Road-eo.

Education

Education of industry members and affected stakeholders is key in developing and maintaining a strong public transportation system. NMTA develops informational literature and strong public education tools to keep members up to date on issues affecting the industry. NMTA analyzes the impacts of national and statewide agency and legislative actions and publishes a quarterly newsletter.

NEW MEXICO TRANSIT ASSOCIATION

Notes To Financial Statements

For The Year Ended June 30, 2024, With Comparative Totals for 2023

Advocacy

NMTA identifies and disseminates information to our members that may be used for promoting additional funding at the federal, state and local levels. NMTA provides member training for effective grant writing, and monitors and evaluates state legislation affecting our members.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below:

Accounting Method

The accompanying financial statements of NMTA has been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations.

Accounting Pronouncements Adopted

Effective July 1, 2023, New Mexico Transit Association adopted the provisions of FASB ASC Topic 326, Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13). This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, and net investments in leases. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. Management has concluded that the new standard had no material impact in the year of adoption for the year ended June 30, 2024, other than an update to conform to the new disclosures and terminology of the standard.

Basis of Presentation

NMTA is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor

NEW MEXICO TRANSIT ASSOCIATION

Notes To Financial Statements

For The Year Ended June 30, 2024, With Comparative Totals for 2023

restrictions, and net assets with donor restrictions. Accordingly, net assets of the NMTA and changes therein are classified and reported as follows:

- **Net Assets without Donor Restrictions**—represent net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions have arisen from exchange transactions and receipt of unrestricted contributions.
- **Net Assets with Donor Restrictions**—arise from contributions whose use by the NMTA have been limited by donors. Some donor restrictions are temporary in nature; those purpose/time restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. Contributions with donor restrictions are recorded as net assets without donor restrictions to the extent that the restrictions are satisfied in the same reporting period. NMTA has no net assets with donor restrictions for the years ended June 30, 2024 and 2023.
- **Net Assets with Donor Restrictions-Perpetual in Nature**—represent net assets subject to donor-imposed stipulations that must be maintained permanently by the NMTA. NMTA has no net assets with donor restrictions perpetual in nature for the years ended June 30, 2024 and 2023.

Liquidity and Availability of Financial Resources

NMTA regularly monitors liquidity to meet cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, and external limitations imposed by donors or contracts with others. NMTA is not substantially supported by restricted grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, NMTA must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be

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available for general expenditure within one year. As part of NMTA's liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due. In addition, NMTA may invest cash in excess of daily requirements in short-term investments. Occasionally, the board designates a portion of any operating surplus to its liquidity reserve.

Liquidity is as follows:

Financial assets at year end	2024	2023
Cash and cash equivalents	\$ 70,649	60,726
Receivables expected to be received during the next year	41,068	34,278
	111,717	95,004
Less those unavailable for general expenditures with in year, due to:		
Restricted by donor with purpose restrictions	-	-
Current assets available to meet cash needs for general expenditures within one year	\$ 111,717	95,004

Income Taxes

NMTA has been established as a nonprofit corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. The Internal Revenue Service has classified NMTA as other than a private foundation.

NMTA files its Federal Form 990 tax returns in the U.S. federal jurisdiction. Management believes that they are operating within their tax-exempt purpose.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. The estimate that is particularly

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susceptible to significant changes in the near term that could have a material effect on the financial statements is the allocation of expenses by function to program, administration and fundraising.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with maturities of less than 90 days. As of June 30, 2024 and 2023, NMTA had deposits with one depository institution, which is insured by the Federal Deposit Insurance Corporation with a \$250,000 limit.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due to memberships charges. NMTA determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position. NMTA has no deferred revenue for the years ended June 30, 2024, 2023, or 2022.

Fair Value Measurements

FASB ASC 820-10 and subsections establish a framework for measuring fair value.

The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments.

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Revenue Recognition

The following summarizes the revenue recognition policies for major classifications of revenue:

- Conference/Road-eto Registration – NMTA earns revenue through an annual conference. This revenue is reported at the amount that reflects the consideration to which NMTA expects to be entitled in exchange for providing the conference to the participants. Conference fees cover training sessions, information sessions for the Federal Transit Association and the NM Department of Transportation updates, and interactions with participating vendors. Performance obligations are determined based on the nature of the conference provided by NMTA. Performance obligations are met, and revenue is recognized, when the conference is held. Unearned conference revenue is reflected as deferred revenue on the statement of financial position. NMTA does not have any unearned revenue for the years ended June 30, 2024, 2023 or 2022.
- Membership Dues – Membership dues are billed on an annual basis with the bills sent out at the beginning of the fiscal year, in the month of July or August. Revenue related to membership is recognized based on a fiscal year ended June 30. Management has determined the benefits (performance obligations) match the membership revenue and there is no unearned revenue as of the year-end, June 30. Management reviews the membership revenue activity each year to determine if this method continues to be reasonable.

Management has adopted the practical expedient whereby costs to obtain membership contracts are not capitalized as the average length of a membership contract is less than one year. NMTA provides a wide variety of services, which are considered performance obligations to membership. Significant benefits are as follows:

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- continuing education and professional development training,
 - quarterly training and networking sessions,
 - government relations and input on transportation policy, and
 - a discounted registration fee for the annual conference.
-
- **Conditional Contributions** – NMTA receives governmental grants to provide services to the public. The terms of these grants specify that NMTA must incur certain qualifying expenses or costs in compliance with the rules and regulations established by the grantor. These grant funds are paid predominantly on a cost-reimbursement basis, but there can be upfront payments received at the beginning of the grant cycle. The advance payments are considered unearned revenue until services are provided. For expedient purposes, these amounts are recorded as revenue as the services will soon be provided and “trued up” at year-end, if necessary. Any advances of upfront payments must be returned, if unused. Any unused assets are forfeited, and any unallowed costs that have been drawn down by NMTA are required to be refunded. These grants are determined to be conditional as they are required to be spent on qualifying expenses and therefore the revenue is recognized once NMTA has incurred those qualifying expenses. These grants are recorded without donor restrictions. Federal grants are this type of revenue.

Property, Equipment and Depreciation

NMTA defines equipment as nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more with an estimated life greater than one year. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset. Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expenses as incurred. Gains or losses on dispositions of property and equipment are included in revenue. As of June 30, 2024 and June 30, 2023, NMTA had no property or equipment.

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Functional Classification of Expenses

The financial statements report certain categories of expenses that are attributable in one or more services provided by the organization. Expenses and support services that can be identified with a specific service are charged directly to a program according to the natural expenditure classification. Direct costs are recorded to the functional classification which the expense relates. All other expenses require allocation on a reasonable basis that is consistently applied.

These expenses are allocated among the services on the following basis:

Significant Type of Expense

Salaries, wages and related payroll expenses, occupancy, repairs, insurance, dues and fees, program travel, training, offices supplies, equipment, furniture, telephone

Basis of Allocation of Expenses

- Direct to program or supporting services
- Appropriate allocation based on time and effort

The functional expense allocation ratios for the years ended June 30 are:

<u>Expense Allocation</u>	<u>2024</u>	<u>2023</u>
Program	77%	77%
General & administrative	17%	17%
Fundraising	6%	6%
	<u>100%</u>	<u>100%</u>

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Prior Year Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not in each net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with NMTA's financial statements for the year ended June 30, 2023.

Reclassifications

Certain reclassifications may have been made to the 2023 summarized financial statement information to conform to the current year presentation.

NOTE C—CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30:

Cash & Cash Equivalents	2024	2023
Bank of America	\$ 70,649	60,726

All deposits with financial institutions are fully insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE D—RECEIVABLES

Receivables consisted of the following at June 30:

Receivables	2024	2023
Membership receivables	\$ 1,102	2,250
DOT receivables	39,966	32,028
	\$ 41,068	34,278

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NOTE E – PREPAID EXPENSES

Prepaid expenses consisted of the following at June 30:

	2024	2023
Prepaid insurance	\$ 1,330	1,318
	\$ 1,330	1,318

NOTE F—CONTINGENCY AND CONCENTRATION

NMTA receives monies from grants for specific purposes that are subject to review and audit by the funding agencies. Such audits could result in a request for reimbursement by the funding agencies for expenditures disallowed under the terms and conditions of the appropriate agency. As of June 30, 2024 and June 30, 2023, there were no disallowed expenditures identified.

A significant portion of NMTA's revenues is from a government award. Please see the concentration of revenue as follows:

Revenue Concentration	2024	2023
% of revenue from DOT	\$ 71%	76%

NOTE G—EVALUATION OF SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. NMTA recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. NMTA's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and the before financial statements are available to be issued. NMTA has evaluated subsequent events through August 28, 2024, which is the date the financial statements were available to be issued.



Managers' Leadership Conference - NM Transit

Estimate of Charges

Meeting Space / Food & Beverage

Date	Description	Price	# of Item	Subtotal	Service Charge	Sales Tax	Subtotal
Nov 8th 2024	Bosque Breakfast Buffet	\$26.00	60	\$1,560.00	\$374.40	\$139.28	\$2,073.68
Nov 8th 2024	AM / PM Break All Day	\$30.00	60	\$1,800.00	\$432.00	\$160.70	\$2,392.70
Nov 8th 2024	Star Lunch Buffet	\$50.00	60	\$3,000.00	\$720.00	\$267.84	\$3,987.84
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00
TOTAL		\$0.00		\$6,360.00	\$1,526.40	\$567.82	\$8,454.22

Guest Rooms

			0	\$0.00		\$0.00	\$0.00
			0	\$0.00		\$0.00	\$0.00
			0	\$0.00		\$0.00	\$0.00
			0	\$0.00		\$0.00	\$0.00
							\$0.00

Audio Visual Needs

Day 1	Item	Cost	Quantity	SubTotal	Service Charge	Tax	Total
	Projector Drop Down Screen Package	\$400.00	1	\$400.00	\$96.00	\$35.71	\$531.71
	Wireless Mic Package	\$150.00	1	\$150.00	\$36.00	\$13.39	\$199.39
	Additional Mic	\$75.00	1	\$75.00	\$18.00	\$6.70	\$99.70
							\$830.80
Total:							\$9,285.02

FY 2025 Approved Training Topics

Training Title	Possible Presenters	Date and Location
Braun Wheelchair Lift Maintenance/repair	Braun	NCRTD?, TBD
Train the Trainer and Defensive Driving with Hazardous Weather Driving Conditions (including how to prepare and handle driving in snow/ice, extreme heat, cold and high wind - Signs of Hazardous Weather that Drivers Can Look for, ie: Tornadoes	Russ Parish (RLS & Associates)	TBD
Dispatch training	National RTAP, CTAA, or RLS	TBD