



Mayor Martin J. Chávez

CITY OF ALBUQUERQUE
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JULY 1, 2002 THROUGH JUNE 30, 2003
Albuquerque, New Mexico USA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

JULY 1, 2002 THROUGH JUNE 30, 2003

**MAYOR
MARTIN J. CHÁVEZ**

**CHIEF ADMINISTRATIVE OFFICER
JAY CZAR**

**DIRECTOR, DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
SANDRA DOYLE**

**City of Albuquerque, New Mexico
Comprehensive Annual Financial Report
Year ended June 30, 2003**

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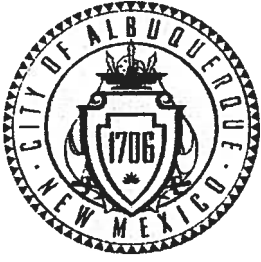
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INTRODUCTORY SECTION



November 7, 2003

Honorable Mayor and City Council
City of Albuquerque, New Mexico

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Albuquerque, New Mexico, (City), for the fiscal year ended June 30, 2003. The report was prepared by the Department of Finance and Administrative Services. The responsibility for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the City. As indicated by the opinion of our independent auditors, the report fairly presents the financial position and results of operations of the City as measured by the financial activity of its various funds. The report has been set forth in a manner that will give the reader a broad understanding of the City's financial affairs. It includes disclosures necessary for the reader to gain an understanding of the City's financial activities.

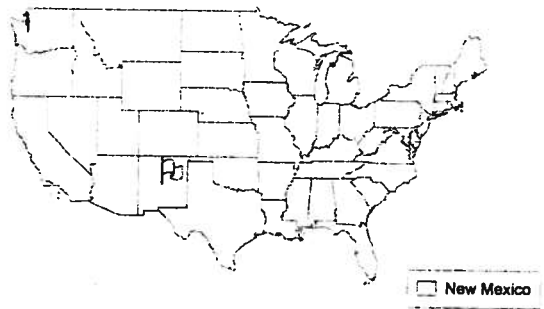
This is the second year the City has prepared the CAFR using the new financial reporting requirements as prescribed by the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34). This GASB Statement requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The City's Comprehensive Annual Financial Report consists of five major sections:

- (1) **The Introductory Section** includes this letter of transmittal that provides information about the organizational structure of the City, the City's economy, internal control structure, budgetary controls, cash management, and risk management.
- (2) **The Financial Section** is prepared in accordance with the GASB 34 requirements by including the MD&A and the Basic Financial Statements including notes. The Basic Financial Statements include government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental, proprietary, fiduciary, and other funds. Also included in this section is the Independent Auditors' Report on the financial statements and schedules.
- (3) **The Statistical Information Section** contains tables with general information about the City and comparative data for prior fiscal years.

- (4) **Single Audit Information** includes the Schedule of Expenditures of Federal Awards as required by the Single Audit Act, and the related findings and recommendations by the City's independent auditors.
- (5) **State Compliance and Operational Findings** includes certain schedules required by the State Auditor's Office.

The CAFR of the City includes all government activities, organizations and functions for which the City is financially accountable. The criteria used to determine financial accountability are based on and consistent with the pronouncements of the Governmental Accounting Standards Board, which sets criteria for defining the financial reporting entity. The City of Albuquerque is a major municipal government providing a full range of services to approximately 464,000 citizens. Included in these services are traditional city functions such as police and fire protection, cultural and recreational activities and venues, storm drainage, road and traffic signal maintenance, water and sewer services, and refuse collection. In addition, the City operates parking facilities, a transit system, an international airport, corrections and detention facilities, and a housing authority. The City does not have relationships with any other organizations not included in this CAFR of such nature and significance that exclusion would render the City's financial statements incomplete or misleading.



ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

Albuquerque is the largest city in New Mexico, accounting for roughly one-quarter of the state's population. Albuquerque is the major commercial, trade, service and financial center of the state. It is located in the central part of the state, at the intersection of two major interstate highways, and served by both rail and air. The Albuquerque Metropolitan Statistical Area (MSA) includes Bernalillo, Sandoval and Valencia Counties. The largest employers in the Albuquerque area are the University of New Mexico, Albuquerque Public Schools, Sandia National Labs (SNL), and Kirtland Air Force Base.

The Albuquerque economy has an industry composition not unlike that of the U.S. as a whole, except that manufacturing is a smaller portion of employment. This is consistent with national trends. In the 1960s manufacturing made up over 30% of the U.S. economy, but by 2002 the manufacturing share of employment had declined to 13%.

Major Industries

Services: The service sector is the largest source of employment in the MSA, accounting for 40.3% of the non-agricultural civilian employment in FY/03. This sector continues to grow in importance in both Albuquerque and the U.S. It is a diverse sector including jobs in medical services, hotels, amusement, movies, legal work, commercial research, business services, engineering, and architectural services. It includes temporary employment agencies, many of the call centers, back office operations, and employment at SNL, which is expanding in response to national homeland security issues. Also, a Center for Integrated Nanotechnologies, with facilities in Albuquerque and Los Alamos, is part of a proposal for five nanotechnology research centers to be developed by the Energy Department's Office of Science. The Sandia Research Park has several high-tech occupants taking advantage of the location and ability to access SNL

facilities and staff. Also located on the Park is the SNL International Programs Building. This houses the Cooperative Monitoring Center and International Security Center. The function of these programs is to strengthen national and international security and reduce the threat of weapons of mass destruction.

As a major regional medical center, the medical services industry has several of the largest employers in the area. The health services industry had been one of the fastest growing sectors in the Albuquerque area, but has slowed recently in part due to changes and uncertainties regarding health care financing and Medicare. Consolidations and acquisitions of several local health care facilities occurred late in FY/03.

Trade (retail and wholesale): The trade sector is a strong catalyst for growth in the area. Many major national chains have expanded into the area and general growth and low interest rates have helped maintain relatively stable levels of consumer spending.

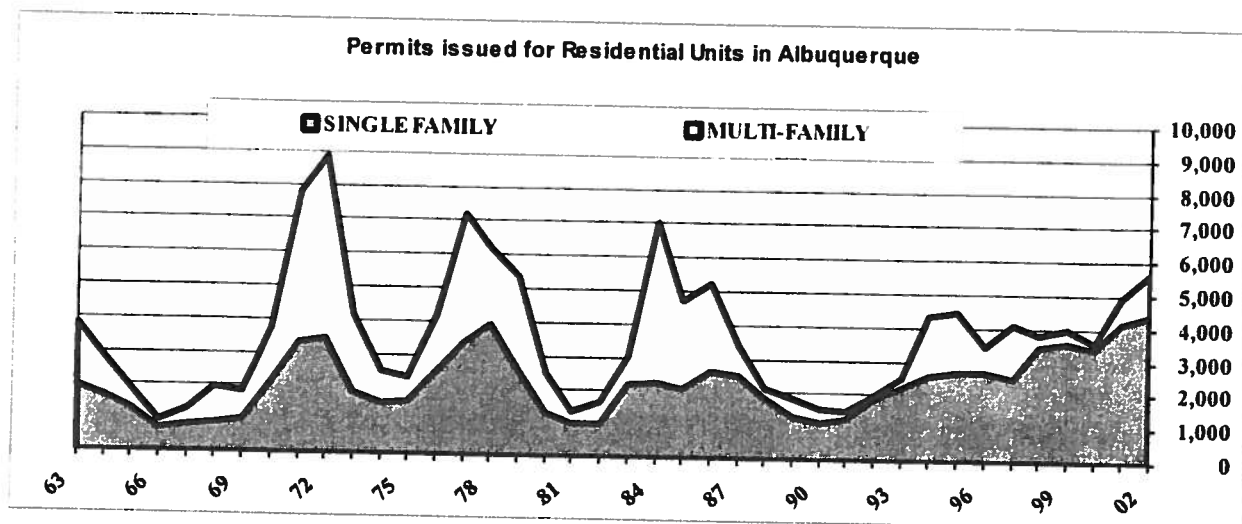
Albuquerque MSA Employment in Thousands

NAICS CATEGORY	Employment FY2003	Share of FY/03 Employment	Growth FY/02 to FY/03	Compound Annual Average FY/98 to FY/03
Total Nonfarm Employment (does not include military)	361.51		1.0%	1.4%
Natural Resources and Mining and Construction	22.95	6%	-4.5%	1.3%
Manufacturing	24.39	7%	-4.2%	-2.9%
Trade, Transportation, and Utilities	65.48	18%	0.9%	0.1%
Information	10.64	3%	-6.7%	5.3%
Financial Activities	19.15	5%	0.6%	1.5%
Aggregate of Services	146.68	41%	2.5%	2.3%
Professional and Business Services	57.28	16%	-0.2%	1.4%
Educational and Health Services	42.67	12%	5.7%	4.1%
Leisure and Hospitality	34.77	10%	2.0%	1.7%
Other Services	11.97	3%	6.4%	2.3%
Government	72.21	20%	2.8%	2.1%
MILITARY	6.56	NA	0.7%	-1.6%

Manufacturing: Albuquerque's small manufacturing sector accounts for about 24.4% of total non-agricultural employment. Investments by Intel and other high tech firms are helping to create a critical mass of activity in Albuquerque that is expected to attract the interest of other firms including competitors, suppliers, and customers. Albuquerque is now rated as one of the top high tech centers in the U.S. by Forbes Magazine and others. Unfortunately, some firms in the semiconductor and high-tech area have not fared well, with Philips Semiconductors closing their Albuquerque operation in October 2003 and Lightpath Technology consolidating its operations in Florida. The over-expansion and collapse of the telecommunications industry has been a major contributing factor. The manufacturing sector lost about 1,300 jobs from August 2001 to August 2002. The losses seem to be slowing with a modest recovery in the semi-conductor industry.

Construction: The construction sector is a source of both growth and volatility in the Albuquerque economy. Growth in employment and in gross receipts in construction tends to be quite cyclical as shown in the following chart for the residential building market. Booms in 1972, 1978, and 1984 were very large, accentuated by the multifamily housing market and certain tax rules that encouraged large developments. Through the 1990s, there has been a more or less sustained growth in single-family home construction. Several factors have helped sustain this growth: reductions in the median prices of homes—the percentage of entry level homes has doubled from 10% to 20% of the market since 1997; lower interest rates and easier lending rules; and programs to help first time home buyers. The number of multi-family units permitted has been limited.

The following chart illustrates residential construction permits issued:



New commercial construction slowed substantially in 2003, from a peak in 1995, but much of this is offset by construction classified as additions and alterations. The expansion of the Indian casinos at Isleta, Sandia, and Santa Ana Pueblos have helped increase construction employment in the area. These projects total nearly \$200 million and include destination resort hotels at Isleta and Santa Ana Pueblos. Recent projects in the City include a large renovation of Presbyterian Hospital and renovation of the Albuquerque sports stadium, which opened in May 2003.

Government: The total number of government employees in the Albuquerque MSA increased by 7,800 between 1995 and 2001, with the majority of the increase attributable to the classification of Indian casino workers as local government employees. Military employment has declined in every year since 1989, and there have been reductions in federal government employment in each year since 1993. Reductions in federal military spending have been responsible for losses in employment at General Electric, Honeywell Defense, Avionics, and BDM. In contrast, the new Sandia Research Park and the push for technology transfer from the labs, is reflected in the growth of high tech industries in central New Mexico. Funding from the federal government for the nuclear weapons program and homeland security now seem relatively secure as SNL assumes new roles in a post-9/11 environment. Kirtland AFB, with its diverse operations, has done relatively well in the waves of base consolidations and closures and they will be gaining a new flight simulator center. The new Theater Air Command and Control Simulation Facility is expected to result in more than 200 new full time jobs and many more part-time jobs. Kirtland will also gain some 73 new military positions in the 58th Special Operations Wing.

Future Economic Outlook

In the near term, Albuquerque will continue to face many of the same challenges as the nation while the economy continues to stabilize after the terrorist attacks of September 11. How we deal with the threat of terrorism at home will have long term impacts on the economy and how Albuquerque and the U.S. will grow. Employment growth remains slow, although there are some modest indications of possible recovery over the next two fiscal years. However, manufacturing is not expected to rebound significantly until the semiconductor and telecommunications industries nationwide recover from their current depression. On the plus side, Albuquerque is doing better than our neighbors. While New Mexico had employment growth of only 1.8%, Colorado, Arizona, and Texas all suffered declines in employment. Tourism, one of New Mexico's largest industries, does not seem to have been impacted as much as in other parts of the nation, primarily because New Mexico is largely a driving destination. With gasoline prices projected to increase, New Mexico may see a decrease in tourism. The national labs are another strength. SNL has devoted a great deal of research to terrorism and homeland security and the mission to protect the nuclear weapons arsenal has become even more critical. The micro-systems technology, or nano-technology, for which SNL

is well known, may provide many novel and inexpensive answers to medical and materials sciences. A large facility will be built at the labs as a joint project between Sandia and Los Alamos National labs to expand abilities in this area. The City believes it is well positioned to attract new investment by suppliers, customers, and other producers.

Additional historic economic information is presented in the statistical section of this report.

FINANCIAL INFORMATION

Internal control structure: The Department of Finance and Administrative Services is responsible for providing financial services for the City including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, purchasing, computer information systems, property management and risk management.

City management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Accounting principles for municipalities are embodied in pronouncements of the Governmental Accounting Standards Board. The Financial Accounting Standards Board, the American Institute of Certified Public Accountants and the Government Finance Officers Association also impact and influence current governmental accounting standards. The internal control structure is designed to provide reasonable, but not absolute, assurance that control objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived while the establishment of an appropriate internal control structure requires estimates and judgments from management. All internal control evaluations occur within the above framework. We believe that the City's current internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary controls: The development and approval of the annual budget is the beginning of the financial transaction process. After approval of the budget by the City Council, budgetary control is maintained by a formal appropriation and encumbrance system. The appropriated amounts reflected in the accompanying financial statements represent departmental budgets by program; it is at this level at which expenditures may not exceed appropriations. Encumbrances, which represent commitments for the purchase of goods or services, are shown as a reservation of fund balance in the governmental funds in limited circumstances for property purchases. Those encumbrances have been reappropriated in fiscal year 2004 for programs that had adequate reversions for the year ended June 30, 2003.

Taxes: Taxable property valuations were \$7.6 billion in fiscal year 2002, a \$2.0 million increase from the previous year. Current property tax collections were 95.4% of the levy, compared to 91.4% in the prior year. Except for fiscal year 2000, current tax collections for the past decade have consistently exceeded 90% of the levy. The ratio of total collections (current and delinquent) to the current tax levy in 2003 was 99.3% compared to 94.8% in 2002. Cumulative total collections for the last ten years are 97.0% of the cumulative billings.

Allocation of the property tax for fiscal year 2003 and the preceding two fiscal years is based on the following mill levy:

<u>Purpose</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Operational mill levy:			
Residential	2.014	2.019	2.020
Non-residential	2.544	2.544	2.544
Debt service levy	8.976	8.976	8.976

The gross receipts tax rate on receipts within the City was 5.8125% at June 30, 2003. The breakdown and sources of the gross receipts tax rate are as follows:

	<u>Tax Rate</u>	<u>Percent of Total Rate</u>
State General Fund	3.2750%	56.34%
Bernalillo County distribution	.2500	4.30
Municipal distribution - State shared	1.0000	17.20
Municipal distribution - in lieu of previous .25% municipal tax - State shared	.2250	3.87
City of Albuquerque general purpose	.5000	8.60
City of Albuquerque basic services	.2500	4.30
City of Albuquerque open space	.2500	4.30
Municipal infrastructure gross receipts tax	<u>.0625</u>	<u>1.08</u>
	5.8125%	100.00%

Additional information about revenues, tax rates, and levies is presented in the statistical section of this report.

Cash management: Pursuant to the Fiscal Agent Ordinance of the City, a pooled cash investment program is in place, and cash temporarily idle during the year was invested in those investments and deposits authorized by the City's Investment Policy. It is the City's policy to minimize investment and market risk while seeking to obtain a competitive yield on its total portfolio. Investments and deposits in the City's common investment pool totaled \$491.4 million at June 30, 2003. Of this amount, \$275.0 million was invested in repurchase agreements and \$192.2 million in securities of the Federal government and its related agencies and certificates of deposit.

The City's portfolio average life at June 30, 2003 was 293 days. The average yield on the investment portfolio was 2.2% at the end of June 2003 and 2.86% at the end of June 2002. Interest earned totaled \$11.1 million during the fiscal year. Pooled cash, investments, and accrued interest balances (in millions) at the end of the year for the last five years are as follows:

2003	\$491.4
2002	323.2
2001	451.1
2000	477.8
1999	408.8

Risk management: The City operates its Risk Management program as an Internal Service Fund; accountability and managerial control over workers compensation, tort liability, and other risks are maintained through this fund. The program is intended as a self-insurance program with added risk control and prevention techniques. "Insurance premiums" are received from the operating departments in the form of transfers. The added risk control and prevention techniques include an executive safety committee to oversee employee accident prevention training and a wellness program.

The transfers to the Risk Management fund from the operating (insured) departments were \$24.5 million compared to transfers in the prior year of \$20.7 million. Claim reserves (current and long-term) as of June 30, 2003 were \$40.6 million, an increase from \$39.3 million in the previous year. The Fund experienced a change in net assets of \$1.5 million in 2003, an increase from the net loss of \$1.1 million in 2002.

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2000	477.8
1999	408.8

Risk management: The City operates its Risk Management program as an Internal Service Fund; accountability and managerial control over workers compensation, tort liability, and other risks are maintained through this fund. The program is intended as a self-insurance program with added risk control and prevention techniques. "Insurance premiums" are received from the operating departments in the form of transfers. The added risk control and prevention techniques include an executive safety committee to oversee employee accident prevention training and a wellness program.

The transfers to the Risk Management fund from the operating (insured) departments were \$24.5 million compared to transfers in the prior year of \$20.7 million. Claim reserves (current and long-term) as of June 30, 2003 were \$40.6 million, an increase from \$39.3 million in the previous year. The Fund experienced a change in net assets of \$1.5 million in 2003, an increase from the net loss of \$1.1 million in 2002.

The deficit fund equity decreased to \$12.7 million at June 30, 2003 from the \$14.1 million at June 30, 2002. The City has implemented a five-year recovery plan and anticipates eliminating the deficit by June 30, 2007 by increasing the annual assessment to all operating funds, as well as improving the City's loss experience through aggressive management.

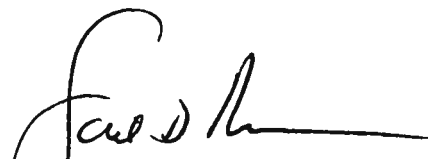
OTHER INFORMATION

Independent audit: New Mexico state law requires that independent public accountants perform an annual audit of a governmental unit's accounting records and Comprehensive Annual Financial Report. The firm of Neff & Ricci LLP has performed the audit for the year ending June 30, 2003. Federal law also requires that a single audit be performed for federal grant funds as required by the Single Audit Act and OMB Circular A-133. The independent auditors' report on the financial statements and schedules is included in the financial section of this report. The independent auditors' reports related specifically to the single audit are included in the Single Audit Section.


Awards: The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albuquerque for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The City has received this prestigious award every year since 1980. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. This report has also been prepared to meet GFOA standards and will be submitted for review. In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2002. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

Acknowledgments: The preparation of this report could not have been accomplished without the dedicated services of the staff of the Department of Finance and Administrative Services. We wish to express our sincere appreciation to all members of the Department who contributed to its preparation and recognize the major effort of the Accounting Division and its Financial Reporting Section in administering the City's accounting system and in preparing this report. We also wish to thank each of you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Gail D. Reese, CPA
Chief Financial Officer



Sandra Doyle, Director
Department of Finance and Administrative
Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albuquerque,
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Albuquerque
New Mexico**

Special Performance Measures Recognition

For the Fiscal Year Beginning
July 01, 2002

William P. ... *Jeffrey P. ...*

President

Executive Director

CITY OF ALBUQUERQUE

PRINCIPAL OFFICIALS

June 30, 2003

MAYOR

MARTIN J. CHÁVEZ

CITY COUNCIL

MIGUEL GOMEZ	District 1
VINCENT E. GRIEGO, PRESIDENT	District 2
ERIC GRIEGO	District 3
BRAD WINTER	District 4
MICHAEL CADIGAN	District 5
HESS YNTEMA	District 6
SALLY MAYER	District 7
GREG PAYNE, VICE-PRESIDENT	District 8
TINA CUMMINS	District 9

CHIEF ADMINISTRATIVE OFFICER

JAY CZAR

DEPUTY CHIEF ADMINISTRATIVE OFFICERS

GAIL D REESE, CHIEF FINANCIAL OFFICER
JAMES LEWIS, CHIEF OPERATING OFFICER
NICK BAKAS, CHIEF PUBLIC SAFETY OFFICER

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

SANDRA DOYLE, DIRECTOR



City of Albuquerque

THE PEOPLE OF ALBUQUERQUE

MAYOR
MARTIN J. CHAVEZ

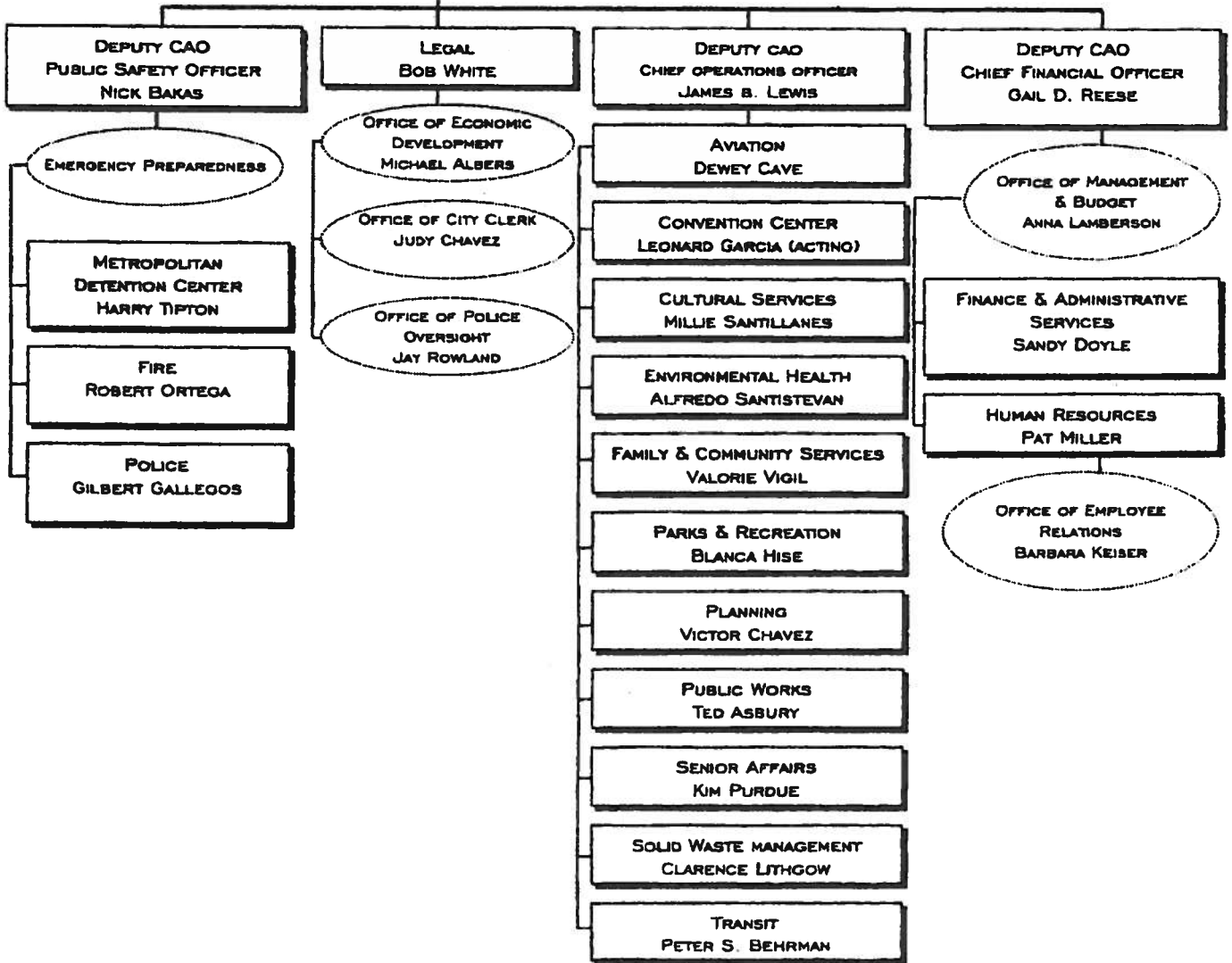
CITY COUNCIL
DIRECTOR OF COUNCIL SERVICES
MARK SANCHEZ

CHIEF ADMINISTRATIVE OFFICER
JAY CZAR

OFFICE OF INTERNAL AUDIT
DEBRA YOSHIMURA

CHIEF OF STAFF
TERI BAIRD

- Dist. 1. Miguel A. Gomez
- Dist. 2. Vincent E. Griego
- Dist. 3. Eric Griego
- Dist. 4. Brad Winter
- Dist. 5. Michael Cadigan
- Dist. 6. Hess Yntema
- Dist. 7. Sally Mayer
- Dist. 8. Greg Payne
- Dist. 9. Tina Cummins



CITY OF ALBUQUERQUE, NEW MEXICO
CONTRIBUTORS
June 30, 2003

The following persons contributed to the preparation of the Comprehensive Annual Financial Report:

Accounting personnel

Cameron Hull
Accounting Officer

George C. Emkes
Accounting Manager

Barbara G. Burns
Principal Accountant

Cynthia L. Carpenter
Principal Accountant

Ruth E. Lott
Principal Accountant

Jacqueline J. Romero
Principal Accountant

Nela I. Wilkinson
Principal Accountant

Cliff A. Wintrode
Principal Accountant

Beatriz Hulverson
Finance Technician

Kathy M. Wheat
Administrative Assistant

FINANCIAL SECTION

NEFF + RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS
6100 UPTOWN BLVD. NE SUITE 400
ALBUQUERQUE, NM 87110

Independent Auditors' Report

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Albuquerque, New Mexico (City), as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented in the accompanying combining financial statements and information in the other supplementary schedules, the schedules of deposits and investments, and pledged collateral by financial institutions as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 City as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for each fund's activities, for the year ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the City, as of June 30, 2003, and the respective changes in the financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying Financial Data Schedule, as required by the U.S. Department of Housing and Urban Development, *Guidelines for Public Housing Authorities and Independent Auditors under Uniform Financial Reporting Standards for Public Housing Authorities*, the other supplementary schedules, and the schedules of deposits and investments, and pledged collateral by financial institutions are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, 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. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Neff + Ricci LLP

Albuquerque, New Mexico
November 7, 2003

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003

This section of the City of Albuquerque's (City) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1.6 billion (net assets). Of this amount, \$138.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in subsequent accounting periods.
- The government's total net assets increased by \$157.3 million during the year, but see Note No. 25 regarding a subsequent event that will have a negative impact on the government's total net assets in FY04.
- As of June 30, 2003, the City's governmental funds reported combined ending fund balances of \$273.0 million. Approximately 66.6% of this amount, \$181.9 million, is unreserved fund balance available for spending at the government's discretion. Of this amount, approximately \$68.3 million is unreserved fund balance in the Capital Acquisition Fund.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$15.0 million or 5.5% of the total general fund expenditures of \$274.8 million.
- The City's total long-term debt decreased by \$62.8 million (7.0%) during the current year. The key factors in this change were: 1) debt reduction payments and liquidations of accrued liabilities totaling \$134.9 million, and 2) the issuance of \$15.0 million notes payable for the construction of a new baseball stadium accompanied by additions to accrued vacation and sick leave pay and claims payable totaling \$43.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements contain three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating, absent extraordinary events.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety and protection, culture and recreation, public works, public health, human services, housing, highways and streets, and special assessments. The business-type activities of the City include an airport, apartments, baseball stadium, joint water and sewer system, refuse disposal, golf courses, parking facilities, and transit system.

The City does not have a relationship with any other government that would cause that government to be considered a component unit of the City.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
June 30, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements – i.e. most of the City's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Corrections and Detention, General Obligations Debt Service, and the Capital Acquisition funds, all of which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund and Corrections and Detention Fund. Budgetary comparison statements for each of these funds are presented in the Basic Financial Statements section of this report. A budgetary comparison statement for the General Obligation Debt Service Fund, a major fund, is presented in the Supplementary Information section. In addition, the City adopts an annual appropriated budget for other nonmajor governmental funds. Budgetary comparison statements for those funds are also presented in the Supplementary Information section.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Albuquerque International Airport, Joint Water and Sewer system, Refuse Disposal, and Housing Authority, which are considered major funds of the City. In addition the following nonmajor funds are reported: Apartments, Golf Course, Parking, Stadium, and Transit.
- **Internal Service funds** are used to report activities that provide supplies and services for certain City programs and activities. These funds account for inventory warehousing and issues; worker's compensation, tort and other claims insurance coverage; vehicle maintenance and motor pool services; and communication services to City departments. In addition, these funds provide health insurance coverage to City employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's Trust and Agency Fund is reported under the fiduciary funds. Since the resources of this fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
 June 30, 2003

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI)

The required budgetary comparison statements for the General Fund and the Corrections and Detention Fund are presented separately and in the basic financial statements. The city is not required to provide other information in the RSI and therefore, no information is presented there.

Combining Statements

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, internal service funds, and fiduciary funds are presented immediately following the Notes to the Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the second year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments. In the first year under the new reporting model, the City did not restate prior fiscal years for the purpose of providing comparative information for the MD&A. Below is a comparative analysis of government-wide data for the most recently completed fiscal year and the prior fiscal year.

NET ASSETS
(in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>		<u>Total Percent Change</u> <u>2002 - 2003</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002 *</u>	<u>2003</u>	<u>2002 *</u>	
Assets:							
Current and other assets	\$ 444.1	\$ 476.3	\$ 276.2	\$ 251.4	\$ 720.3	\$ 727.7	-1.0%
Capital Assets	<u>746.5</u>	<u>691.6</u>	<u>1,143.9</u>	<u>1,136.1</u>	<u>1,890.4</u>	<u>1,827.7</u>	3.4%
Total assets	<u>1,190.6</u>	<u>1,167.9</u>	<u>1,420.1</u>	<u>1,387.5</u>	<u>2,610.7</u>	<u>2,555.4</u>	2.2%
Liabilities:							
Long-term liabilities outstanding	315.5	358.0	523.6	558.7	839.1	916.7	-8.5%
Other liabilities	<u>128.8</u>	<u>161.2</u>	<u>80.5</u>	<u>73.0</u>	<u>209.3</u>	<u>234.2</u>	-10.6%
Total liabilities	<u>444.3</u>	<u>519.2</u>	<u>604.1</u>	<u>631.7</u>	<u>1,048.4</u>	<u>1,150.9</u>	-8.9%
Net assets:							
Invested in capital assets, net of related debt	504.1	439.6	651.1	602.9	1,155.2	1,042.5	10.8%
Restricted	192.0	174.8	76.9	75.0	268.9	249.8	7.6%
Unrestricted	<u>50.2</u>	<u>34.3</u>	<u>88.0</u>	<u>77.9</u>	<u>138.2</u>	<u>112.2</u>	23.2%
Total net assets	<u>\$ 746.3</u>	<u>\$ 648.7</u>	<u>\$ 816.0</u>	<u>\$ 755.8</u>	<u>\$ 1,562.3</u>	<u>\$ 1,404.5</u>	11.2%

* Restated - see note 23

Analysis of Net Assets

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$1.6 billion at the close of the year. The largest portion of the City's net assets (73.9%) reflects its investment of \$1.16 billion in capital assets (e.g. land, buildings, and equipment less any related outstanding debt used to acquire these assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to pay this debt must come from other sources, since the capital assets cannot be liquidated for these liabilities.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
 June 30, 2003

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Analysis of Net Assets, continued

At the end of the current fiscal year, the City has positive balances in all three categories of net assets for the government as a whole, as well as for both the government and business-type activities.

Analysis of Changes in Net Assets

CHANGE IN NET ASSETS
 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2002 - 2003
	2003	2002	2003	2002 *	2003	2002 *	
REVENUES							
Program revenues:							
Charges for services	\$ 75.8	\$ 70.8	\$ 255.2	\$ 239.7	\$ 331.0	\$ 310.5	6.6%
Operating grants and contributions	28.7	28.0	24.8	22.0	53.5	50.0	7.0%
Capital grants and contributions	9.9	8.2	38.9	24.5	48.8	32.7	49.2%
General revenues:							
Gross receipts taxes	122.0	116.3	-	-	122.0	116.3	4.9%
Property taxes	86.4	72.2	-	-	86.4	72.2	19.7%
Other taxes	26.4	23.7	-	-	26.4	23.7	11.4%
State shared taxes and fees	152.5	146.3	-	-	152.5	146.3	4.2%
Grants, investment income, and other	35.5	37.5	2.5	4.5	38.0	42.0	-9.5%
Total revenues	537.2	503.0	321.4	290.7	858.6	793.7	8.2%
EXPENSES							
General government	53.0	52.8	-	-	53.0	52.8	0.4%
Public safety:							
Corrections and detention	40.9	35.5	-	-	40.9	35.5	15.2%
Fire protection	47.3	46.0	-	-	47.3	46.0	2.8%
Police protection	97.9	99.0	-	-	97.9	99.0	-1.1%
Cultural and recreation	71.8	64.8	-	-	71.8	64.8	10.8%
Public works	9.0	12.0	-	-	9.0	12.0	-25.0%
Health	10.3	10.4	-	-	10.3	10.4	-1.0%
Human services	51.6	51.7	-	-	51.6	51.7	-0.2%
Housing	4.0	2.2	-	-	4.0	2.2	81.8%
Highways and streets	22.2	27.1	-	-	22.2	27.1	-18.1%
Special assessments	0.8	15.9	-	-	0.8	15.9	-95.0%
Interest expense	15.3	16.8	-	-	15.3	16.8	-8.9%
Airport	-	-	60.6	60.5	60.6	60.5	0.2%
Joint Water and Sewer	-	-	109.5	107.0	109.5	107.0	2.3%
Refuse Disposal	-	-	37.2	35.8	37.2	35.8	3.9%
Housing Authority	-	-	25.8	24.2	25.8	24.2	6.6%
Non major enterprise funds	-	-	44.1	41.6	44.1	41.6	6.0%
Total expenses	424.1	434.2	277.2	269.1	701.3	703.3	-0.3%
Excess (deficiency) before transfers	113.1	68.7	44.2	21.6	157.3	90.3	74.2%
Transfers	(15.9)	(21.2)	15.9	21.2	-	-	-
Increase (decrease) in net assets	\$ 97.2	\$ 47.5	\$ 60.1	\$ 42.8	\$ 157.3	\$ 90.3	74.2%

* Restated see note 23

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
June 30, 2003

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Analysis of Changes in Net Assets, continued

The City's overall net assets were increased by \$157.3 million during the current fiscal year. However, this does not include depreciation expense on infrastructure assets of governmental activities that have not been capitalized from fiscal years ending after June 30, 1980 through the fiscal year ended June 30, 2001. The increase in net assets is explained in the governmental and business-type activities discussion below.

Governmental activities. Governmental activities increased the City's net assets by \$97.2 million, thereby accounting for 61.8% of the total growth in the net assets of the City.

Since the City has not capitalized infrastructure assets acquired prior to the fiscal year ending June 30, 2001, the change in net assets does not reflect depreciation expense on those assets. City staff estimates that the depreciation expense on roadways could exceed \$40 million. The inclusion of that depreciation expense plus the amount to be recorded for storm sewers and bike trails could result in a very small positive change in net assets or possibly result in a negative change in net assets.

A comparison of revenues with the prior year is provided below:

Due to a continued slow economy, the gross receipts tax revenue and state shared taxes grew modestly from those of the prior year.

- The investment earnings were reduced from \$11.3 million in fiscal year ended June 30, 2002, to \$8.6 million in the current year. The primary cause for this reduction was due to the weakened investment market experienced by virtually all governments and to reduced investment balances during the year.
- The intergovernmental revenues plus operating and capital contributions from sources other than state shared taxes was increased by \$1.6 million.
- Other revenues for the current year were generally higher from the previous fiscal year.

Business-type activities. Business-type activities increased the City's net assets by \$47.5 million, accounting for 38.2% of the total growth in the net assets of the City. Key factors of this increase are as follows:

- The Airport fund had an increase in net assets of \$0.4 million in fiscal year 2003 compared to a \$1.6 million decrease in 2002. The passenger facilities charges (PFC) were increased from the prior year by \$1.1 million. The September 11, 2001 events continued to have a negative impact on the level of air travel in fiscal year 2003. In addition, the weakened investment market rates resulted in reducing investment earnings by \$0.3 million.
- Due to increased rates for water and sewer services, the Joint Water and Sewer fund increased its operating revenues by \$3.9 million over fiscal year 2002. The expenses increased by \$2.6 million. The reduction in investment earnings from fiscal year 2002 was approximately \$0.96 million. In addition, capital contributions from developers for the current year were \$22.2 million compared to \$15.0 million for fiscal year 2002. The net assets of the fund increased by \$45.3 million during the year compared to \$31.4 million for the previous fiscal year.
- For the Refuse Disposal fund, the reported change in net assets of \$3.2 million was increased from \$2.5 million in fiscal year 2002. The primary change was due to increased other revenues and reduced interest expenses.
- The inclusion of the Stadium Fund and the Apartment Fund accounted for most of the change in the nonmajor funds with an increase of \$4.0 million in operating revenues.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
June 30, 2003

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Permanent Funds.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$273.0 million, a decrease of \$10.6 million in comparison with the prior year. Approximately 66.6% of this amount, \$181.9 million, is unreserved fund balance available for spending at the government's discretion. Included in unreserved fund balance is \$68.3 million in the Capital Acquisition Fund. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to fund continued programs or projects in future fiscal periods (\$27.8 million); 2) for acquisition and management of open space and urban enhancement (\$33.3 million); and 3) to show the fund balance representing advances to other funds and other assets not available for spending (\$30.1 million).

Revenues for governmental functions overall totaled approximately \$540.1 million in the fiscal year ended June 30, 2003, which represents an increase of \$25.4 million from last year. The major causes for the increase were: 1) tax revenues increased by \$14.0 million; and 2) intergovernmental revenues increased by \$6.8 million caused by an increase of state shared gross receipts tax; and 3) an increase of \$4.0 million in licenses and permits caused largely by construction activities.

Expenditures for governmental functions of \$548.2 million decreased by \$11.9 million from the previous year total of \$560.1 million. The primary cause of the decrease was from reduced debt service requirements of \$16.8 million and reduced expenditures of \$4.9 million for public works. The decrease was offset by increased expenditures for Corrections and Detention of \$6.5 million and other public safety of \$2.6 million. These increased expenditures generally reflect an increased demand and need for public safety services.

General Fund

This is the City's chief operating fund. At the end of the current fiscal year, the total fund balance was \$43.1 million, of which \$15.0 million is available as an unreserved fund balance. The reserved fund balance of \$28.2 million is designated: 1) for unanticipated expenditures (\$27.8 million equaling 8.33% of recurring expenditures); and 2) to indicate that non-current financial resource assets of \$0.4 million are unavailable to spend or already are committed for spending. Included in the unreserved fund balance is \$0.1 million for unrealized gain on investments since the unrealized gains are not available until the underlying securities are sold. The net change in fund balance for the current fiscal year was an increase of \$6.5 million. A change was made at fiscal year end to bring the City into compliance with the state recommended reserve policy. This change eliminated \$17.8 million of unreserved fund balance designated for future appropriations at the beginning of fiscal year 2003 and changed the determination of the reserved fund balance designated for unanticipated expenditures from 5% of recurring revenues to 8.33% of recurring expenditures.

The total revenues of \$325.8 million for the current fiscal year was \$17.1 million greater than for the previous fiscal year. The increase largely resulted from an increase of \$4.1 million in gross receipts tax revenues, \$5.8 million in intergovernmental revenues, and \$3.6 million in licenses and permits and \$1.1 million increase in charges for services. This was partially offset by a decrease in interest revenues of \$0.2 million caused by weakened investment market rates.

Total expenditures of \$274.8 million represent an increase of \$0.3 million over the previous fiscal year. The expenditures for fire and police protection increased by \$2.6 million due to an increased emphasis on public safety while the expenditures for highways and streets decreased by \$0.5 million. Additional reductions in expenditures from the previous fiscal year are for culture and recreation (\$0.5 million), public works (\$2.4 million) and human services (\$0.4 million). The reductions were necessary due to a weakened economy that resulted in lower revenues than originally anticipated. See the General Fund budgetary highlights for an analysis with respect to budgets.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
 June 30, 2003

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, continued

Proprietary funds

The City's proprietary funds provide the same type of information presented in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets (in millions) were as follows:

Airport Fund	\$13.3
Joint Water and Sewer Fund	51.3
Refuse Disposal Fund	6.5
Housing Authority Fund	9.9
Nonmajor enterprise funds	<u>6.9</u>
 Total	 <u>\$87.9</u>

Internal service funds which are used to account for certain governmental activities had deficit unrestricted net assets of \$6.8 million. The Risk Management fund, an internal service fund, had deficit unrestricted net assets of \$12.7 million resulting from unanticipated judgment awards and claims against the City in prior years. The City is currently in a five-year recovery plan to reduce the deficit unrestricted net assets to zero by the fiscal year ended June 30, 2007. All other internal service funds had positive unrestricted net assets.

Fiduciary funds

The only fund in this category is the City's Trust and Agency fund. This fund is used by the City to account for funds held for third parties.

General Fund budgetary highlights

The City's final budget differs from the original budget. Early in the fiscal year, it became apparent that actual revenues were not meeting forecasted revenues as a result of continuing economic weakness. In response, there were two mid-year modifications in the first six months of the fiscal year. The original budget anticipated revenues of \$339.2 million. In early October 2002, revenue projections were reduced by \$11.1 million to reflect changing expectations. The General Fund budget was reduced by \$4.6 million. A second de-appropriations bill in late November 2002 reduced the budget yet again by \$3.3 million. Subsequent to that, the revenue outlook improved modestly and the total revised revenue shortfall was reduced from \$11.1 million to \$9 million.

In addition to reducing departmental budgets, a hiring freeze, with limited exceptions, was in place the last eight months of the fiscal year. Positions were not filled when they became vacant due to resignations or retirements. Expenses were monitored closely and new disciplinary procedures regarding budgetary responsibility were imposed. All of these actions resulted in actual expenditures being \$10.1 million less than the original budget and \$6.9 million less than the budget as last approved mid-year. General government activities actually returned unused monies to the General Fund in the amount of \$7.2 million, based on the last mid-year budget. All General Fund agencies answered the call for budgetary responsibility by carefully controlling their expenses and returning funds.

Revenues continued to be very difficult to predict during this fiscal year as the economy remained sluggish. Revenues were \$6.3 million less than anticipated in the original budget and \$4.4 million more than the budget as last projected at mid-year, although there was a substantial increase in collections in the last month of the fiscal year. Gross receipts tax (local option and state shared), a major component of the City's operating revenue came in at \$4.6 million more than the last revised budget estimate and \$1.4 million less than the original budget. \$1.4 million in revenue was lost in interest earnings as interest rates remained at historic lows and cash balances declined. Revenues were weaker than budgeted in indirect overhead and CIP funded positions as personnel positions were reduced and government construction activity was less than originally anticipated. In contrast, revenues from permits and fees of \$12.3 million was higher than projected as a result of continued, unusual strength in the construction area, primarily new residential construction.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
 June 30, 2003

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2003, amounts to \$1.9 billion (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, and equipment. The total increase in the City's capital assets for the current fiscal year was \$62.7 million or 3.4%.

CAPITAL ASSETS
 (net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2003	2002	2003	2002 **	2003	2002 **	2002-2003
	Land *	\$ 209.5	\$ 202.8	\$ 81.8	\$ 81.1	\$ 291.4	\$ 283.8
Other *	-	-	0.6	0.6	0.6	0.6	0.0
Buildings and improvements	86.7	50.6	192.0	153.9	278.7	204.5	36.3
Runways and improvements	-	-	105.8	118.0	105.8	118.0	-10.4
Improvements other than buildings and runways	158.4	123.9	656.5	677.8	814.8	801.7	1.6
Equipment	32.6	30.5	48.2	52.8	80.9	83.3	-2.9
Infrastructure	53.2	35.0	-	-	53.2	35.0	52.1
Construction in progress *	206.1	248.8	59.0	51.9	265.0	300.7	-11.9
Total	\$ 746.5	\$ 691.6	\$ 1,143.9	\$ 1,136.1	\$ 1,890.4	\$ 1,827.7	3.4

* assets not depreciated

** restated - see note 23

Major capital asset events during the current fiscal year included the following:

- In *governmental activities*, infrastructure assets of \$18.2 million were added for roadways, storm sewers and bike trails. In addition, a totally renovated baseball stadium was completed for \$23.0 million, land was acquired for open space costing \$5.5 million, a new crime lab was completed for \$8.3 million, and replacement vehicles were acquired for the police (\$0.5 million). The construction work in progress decreased by \$42.7 primarily due to the completion of various construction projects while the other change in construction is a result of continuing facility development at the Balloon Fiesta Park, including the Balloon Park Museum, a major expansion of the Albuquerque Museum, and other facilities.
- In *business-type activities*, additions included water and sewer lines (\$24.4 million) and new transit vehicles (\$3.6 million). The construction work in progress increased by \$7.1 million.

More detailed information may be found in Note 8 of the accompanying financial statements.

Debt Administration

At the end of the current fiscal year, the City had total long-term obligations of \$952.8 million of which \$113.7 million is due within the next fiscal year. The total bonded debt (net of unamortized discounts, deferred amounts on refunding and including unamortized premiums) is \$800.4 million. The remaining debt is for loans, accrued vacation and sick leave pay, and claims payable.

During the fiscal year ended June 30, 2003 the City issued no bonds.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
June 30, 2003

CAPITAL ASSETS AND DEBT ADMINISTRATION, continued

Debt Administration, continued

The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators to management, citizens and investors of the City's debt position. The State's Constitution provides for a legal debt limit of 4% of taxable valuation. The percentage for the City of Albuquerque is 1.5% of the \$7.6 billion taxable value of property within the City's boundaries. The City currently may issue up to an additional \$192 million of general obligation bonds. It has \$113 million of general obligation debt outstanding subject to the legal debt limit at June 30, 2003. The net general bonded debt per capita is \$171.61. The highest per capita amount in the last ten fiscal years was \$498.80 in the fiscal year ended June 30, 1994 and the lowest per capita amount was \$171.61 in the current fiscal year.

The City's ratings on uninsured general obligation bonds remained unchanged from the prior year and as of June 30, 2003 were:

Moody's Investors Service, Inc.	Aa3
Standard & Poor's Ratings Service	AA
Fitch , Inc.	AA

Since the close of the 2003 fiscal year, the City has issued \$100.0 million in general obligation bonds for the governmental activities. No revenue bonds have been issued for the business-type activities.

More detailed information may be found in Note 10 and Note 25 of the accompanying financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2004 budget. Many of the revenues are influenced by the economy. The gross receipts tax revenue forecast particularly is highly influenced by economic conditions. The budget contemplates modest growth in gross receipts tax revenues over the prior year, reflecting slightly stronger economic conditions both nationally and locally.

Construction employment in the area has remained unusually high, particularly with respect to residential construction. The budget contemplates that these high levels will not be sustained throughout the year.

Charges for entry into some City venues and for certain City services are increased in the fiscal year 2004 budget.

Property tax revenues continue to grow as the economy expands, and one mill of taxing authority has been converted from capital to operations. A state imposed limitation on assessed value for residential properties is not expected to have a major fiscal impact in the near term.

Revenues for internal services continue to decline as the City reduces its direct provision of office services, building alternations, surveying and engineering inspections, all of which are available through the private sector.

The State of New Mexico enacted a large personal income tax rate reduction in the 2003 legislative session. A special legislative session called for in October, 2003, failed to address various tax reform proposals. The impact on cities and counties in the state is unknown, although the Governor has pledged that local governments will be held harmless with respect to their revenue streams should tax measures be enacted during the 2004 legislative session.

Also during the 2003 legislative session, legislation was enacted that transfers "all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Albuquerque water and wastewater utility" to a newly created entity, the Albuquerque-Bernalillo Water Utility Authority. Existing debt shall become debt of the Authority, but the Authority shall not impair the rights of any bondholders of outstanding bonds. All contractual obligations of the existing proprietary activity shall be binding on the Authority. Although the legislation had an effective date of June 20, 2003, an audit by the Public Regulation Commission is a condition precedent to the transfer of money, assets and debts to the Authority. That audit is expected to be completed in the last quarter of calendar year 2003. Following the transfer, the Authority is charged with administering the water and wastewater utility, including the determination and imposition of rates for services. It is not possible at this time to forecast if the Authority will chose to administer the utility by itself, contract with the City to provide that service, or select some other alternative.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
 June 30, 2003

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES, continued

The following table presents the underlying assumptions used in the budget process:

Economic Assumptions Underlying the Revenue Estimates			
November 2002			
Fiscal Year	2002	2003	2004
National Economy			
% Chg Real GDP	0.8%	2.5%	3.5%
% Chg Non-Farm Employment	-0.8%	0.0%	1.9%
% Chg Personal Income	2.1%	3.8%	5.0%
% Chg CPI-U	1.8%	2.1%	2.4%
Federal Funds Rate	2.3%	1.4%	2.5%
Per bbl Price of Oil (WTI)	\$ 23.70	\$ 26.92	\$ 24.83
Unemployment Rate	5.5%	5.9%	5.6%
New Mexico Economy			
% Chg Non-Agricultural Employment	0.7%	0.8%	1.5%
% Chg Personal Income	5.1%	4.9%	4.8%
Unemployment Rate	5.5%	6.5%	6.5%
Albuquerque MSA Economy			
% Chg Personal Income	3.8%	4.4%	5.6%
% Chg Non-Agricultural Employment	0.4%	0.4%	1.6%
% Chg Construction Employment	-3.4%	-3.5%	-0.4%
Albuquerque Unemployment Rate	4.7%	5.6%	5.6%
City Housing Permits Issued (Units)			
Single-Family Residential	4,087	4,181	3,769
Multi-Family Residential	1,002	408	614

Source: November 2002 baseline forecasts. National source is Global Insight Inc.
 Local variables from University of New Mexico Bureau of Business and Economic Research

The total General Fund appropriation for fiscal year 2004 is \$350.8 million before interfund eliminations and \$300.0 million after eliminations. The before elimination appropriation of \$14.3 million is a 4.3% increase over the original fiscal year 2003 budget.

The international, national, state and local economies seem to be stabilizing to a modest degree, and the City has not considered it necessary to revise the budget for fiscal year 2004, as opposed to prior years. However, based on recent history, the City continues, and will continue, to diligently monitor expenditures along with revenues so that it can respond quickly should changes be required.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director's office for the Department of Finance and Administrative Services of the City at Director's Office, DFAS, Room 11015, One Civic Plaza N.W., Albuquerque, New Mexico 87102.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS



CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
June 30, 2003

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash, investments and accrued interest	\$ 265,900,776	\$ 45,237,261	\$ 311,138,037
Taxes receivable	61,172,587	-	61,172,587
Accounts receivable	2,803,846	17,216,009	20,019,855
Due from other governments	26,690,884	248,480	26,939,364
Accrued interest	161,755	-	161,755
Deposits	6,679	-	6,679
Internal balances	24,300,000	(24,300,000)	-
Inventories	2,127,008	1,472,034	3,599,042
Prepaid expenses	304,256	-	304,256
Total current assets	<u>383,467,791</u>	<u>39,873,784</u>	<u>423,341,575</u>
Long-term accounts and notes receivable	<u>19,085,292</u>	<u>7,286,844</u>	<u>26,372,136</u>
Restricted assets:			
Cash, investments and accrued interest	34,401,951	191,560,520	225,962,471
Accounts receivable	-	5,910,634	5,910,634
Deferred charges and other assets	-	381,534	381,534
Escrow deposits	-	620,893	620,893
Total restricted assets	<u>34,401,951</u>	<u>198,473,581</u>	<u>232,875,532</u>
Capital assets:			
Land and construction in progress	415,597,995	141,427,093	557,025,088
Capital assets being depreciated	645,277,592	2,077,030,466	2,722,308,058
Accumulated depreciation	<u>(314,345,241)</u>	<u>(1,074,573,990)</u>	<u>(1,388,919,231)</u>
Total capital assets	<u>746,530,346</u>	<u>1,143,883,569</u>	<u>1,890,413,915</u>
Deferred charges and other assets	<u>7,133,265</u>	<u>30,552,564</u>	<u>37,685,829</u>
Total assets	<u>1,190,618,645</u>	<u>1,420,070,342</u>	<u>2,610,688,987</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
June 30, 2003

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	19,800,645	4,620,092	24,420,737
Accrued liabilities	18,967,693	4,294,278	23,261,971
Deposits	849,843	778,386	1,628,229
Due to other governments	2,130,962	569,488	2,700,450
Deferred revenues	19,496,330	-	19,496,330
Current portion of non current liabilities:			
Bonds and notes payable	38,978,499	-	38,978,499
Accrued vacation and sick leave pay	16,234,794	4,614,876	20,849,670
Accrued claims payable	11,153,000	-	11,153,000
Water rights contracts and loan agreements	-	768,932	768,932
Total current liabilities	<u>127,611,766</u>	<u>15,646,052</u>	<u>143,257,818</u>
Liabilities payable from restricted assets:			
Accounts payable	-	6,651,448	6,651,448
Accrued interest	-	9,846,523	9,846,523
Current portion of revenue bonds payable	-	41,720,000	41,720,000
Other	-	5,464,722	5,464,722
Total liabilities payable from restricted assets	<u>-</u>	<u>63,682,693</u>	<u>63,682,693</u>
Noncurrent liabilities:			
Bonds and notes payable, net of unamortized discounts	276,877,441	472,812,104	749,689,545
Water rights contracts and loan agreements	-	48,575,147	48,575,147
Accrued vacation and sick leave pay	9,214,130	2,198,564	11,412,694
Accrued claims payable	29,448,564	-	29,448,564
Total non current liabilities	<u>315,540,135</u>	<u>523,585,815</u>	<u>839,125,950</u>
Deferred credits and other liabilities	1,142,836	1,175,191	2,318,027
Total liabilities	<u>444,294,737</u>	<u>604,089,751</u>	<u>1,048,384,488</u>
NET ASSETS			
Invested in capital assets, net of related debt	504,054,856	651,138,659	1,155,193,515
Restricted for:			
Debt service	73,835,877	19,806,930	93,642,807
Construction	60,439,518	57,047,591	117,487,109
Housing & economic development	13,999,192	-	13,999,192
Federal & state funded programs	2,792,295	-	2,792,295
Open space and urban enhancement:			
Nonexpendable	37,627,202	-	37,627,202
Expendable	3,338,040	-	3,338,040
Unrestricted	<u>50,236,928</u>	<u>87,987,411</u>	<u>138,224,339</u>
Total net assets	<u>\$ 746,323,908</u>	<u>\$ 815,980,591</u>	<u>\$ 1,562,304,499</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year ended June 30, 2003

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues Charges for Services</u>
Governmental Activities:			
General government	\$ 53,021,966	\$ (3,978,961)	\$ 35,131,516
Public Safety			
Corrections	40,966,405	1,523,130	22,706,441
Fire	47,355,223	119,082	404,693
Police	97,884,238	914,660	3,247,777
Culture and recreation	71,782,754	315,537	7,865,001
Public works	9,018,564	22,865	-
Health	10,326,259	239,973	3,332,726
Human services	51,616,880	433,385	1,818,603
Housing	3,994,279	40	90,375
Highways and streets	22,197,881	410,289	1,184,406
Special assessments	838,613	-	-
Interest expense	15,275,693	-	-
Total governmental type activities	<u>424,278,755</u>	<u>-</u>	<u>75,781,538</u>
Business Type Activities:			
Airport	60,643,039	-	59,325,022
Joint Water and Sewer	109,545,515	-	136,252,062
Refuse Disposal	37,131,656	-	41,182,770
Housing Authority	25,796,567	-	1,698,469
Nonmajor enterprise funds	44,107,381	-	16,747,170
Total business type activities	<u>277,224,158</u>	<u>-</u>	<u>255,205,493</u>
Total primary government	<u>\$ 701,502,913</u>	<u>\$ -</u>	<u>\$ 330,987,031</u>

General Revenues:

Taxes:

Gross receipts taxes, local option

Property taxes, levied for debt service

Property taxes, levied for general operations

Property taxes, levied for metropolitan redevelopment

Franchise taxes

Lodgers' tax

State shared taxes and fees not restricted to specific programs

Grants and contributions not restricted to specific programs

Investment income

Other general revenues

Transfers between governmental and business type activities

Total general revenues, special items and transfers

Change in net assets

Net assets (deficit), July 1

Net assets (deficit), June 30

<u>Program Revenues, continued</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Govern- mental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ 197,026	\$ 222,243	\$ (13,492,220)	\$ -	\$ (13,492,220)
-	-	(19,783,094)	-	(19,783,094)
6,963	854,955	(46,207,694)	-	(46,207,694)
3,897,183	-	(91,653,938)	-	(91,653,938)
198,412	1,999,900	(62,034,978)	-	(62,034,978)
204,963	-	(8,836,466)	-	(8,836,466)
1,420,182	-	(5,813,324)	-	(5,813,324)
18,886,019	-	(31,345,643)	-	(31,345,643)
2,459,064	-	(1,444,880)	-	(1,444,880)
1,458,440	4,293,636	(15,671,688)	-	(15,671,688)
-	2,559,441	1,720,828	-	1,720,828
-	-	(15,275,693)	-	(15,275,693)
<u>28,728,252</u>	<u>9,930,175</u>	<u>(309,838,790)</u>	<u>-</u>	<u>(309,838,790)</u>
-	1,022,772	-	(295,245)	(295,245)
-	22,177,697	-	48,884,244	48,884,244
-	-	-	4,051,114	4,051,114
24,770,592	-	-	672,494	672,494
-	15,708,852	-	(11,651,359)	(11,651,359)
<u>24,770,592</u>	<u>38,909,321</u>	<u>-</u>	<u>41,661,248</u>	<u>41,661,248</u>
\$ 53,498,844	\$ 48,839,496	(309,838,790)	41,661,248	(268,177,542)
		121,984,293	-	121,984,293
		68,950,387	-	68,950,387
		17,130,608	-	17,130,608
		312,551	-	312,551
		18,119,767	-	18,119,767
		8,326,069	-	8,326,069
		152,505,829	-	152,505,829
		11,471,037	-	11,471,037
		8,594,542	2,506,826	11,101,368
		15,559,876	-	15,559,876
		(15,943,671)	15,943,671	-
		<u>407,011,288</u>	<u>18,450,497</u>	<u>425,461,785</u>
		97,172,498	60,111,745	157,284,243
		<u>649,151,410</u>	<u>755,868,846</u>	<u>1,405,020,256</u>
		\$ 746,323,908	\$ 815,980,591	\$ 1,562,304,499

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2003

	<u>General Fund</u>	<u>Corrections Fund</u>
ASSETS		
Cash, investments, and accrued interest	\$ 22,925,886	\$ -
Cash with fiscal agents	-	-
Investments with fiscal agents	-	-
Taxes receivable, net of allowance for uncollectible:		
Property tax	1,017,259	-
Gross receipts tax	47,284,307	-
Franchise tax	2,139,856	-
Lodger's tax	-	-
Other taxes	591,134	-
Other receivables, net of allowance for uncollectible	2,395,923	-
Due from other governments	322,016	11,852,509
Due from other funds	9,158,860	-
Advances to other funds	307,636	-
Inventories of supplies	78,948	271,458
Prepaid items	2,800	7,100
Land held for sale	-	-
TOTAL ASSETS	<u>\$ 86,224,625</u>	<u>\$ 12,131,067</u>

<u>GO Bond Debt Service Fund</u>	<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 44,283,613	\$ 68,558,951	\$ 86,345,563	\$ 222,114,013
37,043,476	-	8,454,847	45,498,323
-	1,613,102	-	1,613,102
3,779,330	-	123,900	4,920,489
-	-	5,577,507	52,861,814
-	-	-	2,139,856
-	-	659,294	659,294
-	-	-	591,134
-	96,464	19,396,751	21,889,138
-	6,344,984	8,105,219	26,624,728
-	-	-	9,158,860
-	-	24,300,000	24,607,636
-	-	-	350,406
-	-	-	9,900
-	-	5,065,930	5,065,930
<u>\$ 85,106,419</u>	<u>\$ 76,613,501</u>	<u>\$ 158,029,011</u>	<u>\$ 418,104,623</u>

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2003

	General Fund	Corrections Fund
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 4,633,266	\$ 601,233
Contracts and retainage payable	-	-
Accrued employee compensation and benefits	9,880,312	1,038,571
Due to other funds	-	8,029,463
Due to other governments	-	2,130,962
Deferred revenue	27,823,363	-
Deposits	762,483	76,360
Advances from other funds	-	-
Matured bonds and interest payable	-	-
Total liabilities	43,099,424	11,876,589
Fund balances:		
Reserved for:		
Encumbrances	16,380	1,033
Inventories of supplies	78,948	271,458
Prepaid items	2,800	7,100
Land held for resale	-	-
Advances to other funds	307,636	-
Acquisition and management of open space land	-	-
Urban enhancement	-	-
Operations	27,758,000	-
Unreserved (deficit)	14,961,437	(25,113)
Unreserved (deficit) , reported in:		
Special revenue funds	-	-
Debt service funds	-	-
Capital project funds	-	-
Total fund balances	43,125,201	254,478
TOTAL LIABILITIES AND FUND BALANCES	\$ 86,224,625	\$ 12,131,067

<u>GO Bond Debt Service Fund</u>	<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 12,236	\$ -	\$ 3,032,948	\$ 8,279,683
-	7,113,981	3,345,477	10,459,458
-	124,316	1,025,983	12,069,182
-	-	1,129,397	9,158,860
-	-	-	2,130,962
2,557,295	982,235	24,942,983	56,305,876
-	-	11,000	849,843
-	112,000	195,636	307,636
<u>37,043,476</u>	<u>-</u>	<u>8,477,907</u>	<u>45,521,383</u>
<u>39,613,007</u>	<u>8,332,532</u>	<u>42,161,331</u>	<u>145,082,883</u>
-	-	9,101	26,514
-	-	-	350,406
-	-	-	9,900
-	-	5,065,930	5,065,930
-	-	24,300,000	24,607,636
-	-	22,706,265	22,706,265
-	-	10,574,483	10,574,483
-	-	-	27,758,000
45,493,412	68,280,969	-	128,710,705
-	-	21,466,100	21,466,100
-	-	4,042,465	4,042,465
-	-	27,703,336	27,703,336
<u>45,493,412</u>	<u>68,280,969</u>	<u>115,867,680</u>	<u>273,021,740</u>
<u>\$ 85,106,419</u>	<u>\$ 76,613,501</u>	<u>\$ 158,029,011</u>	<u>\$ 418,104,623</u>

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2003

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

Total fund balance for governmental funds \$ 273,021,740

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets at June 30, 2003 consist of:

Land	\$ 209,261,294	
Construction in progress	206,052,859	
Buildings	119,428,378	
Infrastructure	55,342,445	
Improvements	319,201,809	
Equipment	148,479,596	
Accumulated depreciation	<u>(312,007,978)</u>	
Total capital assets		745,758,403

Long-term obligations applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net assets. Balances at June 30, 2003 are:

General Obligation bonds payable	(126,810,000)	
Sales tax revenue bonds and notes payable	(153,172,800)	
Special assessment debt with governmental commitment	(10,993,899)	
Unamortized bond issue costs	237,335	
Unamortized premiums and discounts	<u>14,099,258</u>	
Total bonds and notes payable, net of premiums, discounts and bond issue costs	(276,640,106)	
Accrued vacation and sick leave pay	(24,845,243)	
Accrued rebatable arbitrage payable reported as deferred credit	<u>(1,142,836)</u>	
		(302,628,185)

Internal service funds are used by the City to charge the cost of tort liability, workers compensation and employee health insurance to other individual funds. In addition, the cost of providing communications, fleet maintenance and supplies warehousing services are also charged. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets (deficit) are: (6,799,351)

Some of the City's taxes will be collected after year-end and amounts due on real estate contracts are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. The amounts are:

Gross receipts tax	29,811,560	
Property taxes	3,650,997	
Other taxes	728,425	
Amounts due on real estate contracts	<u>2,618,564</u>	
		36,809,546

Interest earned on loans receivable are not available for collection and are not included in the governmental fund financial statements. However, the accrued interest is reported in the government-wide financial statements.

161,755

Total net assets of governmental activities \$ 746,323,908



CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
Year ended June 30, 2003

	General Fund	Corrections Fund
Revenues:		
Taxes	\$ 127,128,157	\$ -
Licenses and permits	12,278,896	-
Intergovernmental	147,361,166	20,652,000
Charges for services	37,770,173	1,948,846
Fines and forfeits	43,965	-
Interest	745,784	(194,992)
Special assessments	-	-
Collections on real estate contracts receivable	-	-
Proceeds from disposition of capital assets	-	-
Other interest	-	-
Miscellaneous	459,055	105,595
Total revenues	325,787,196	22,511,449
Expenditures:		
Current:		
General government	43,801,719	-
Public safety	130,106,791	42,775,454
Culture and recreation	48,653,334	-
Public works	6,161,156	-
Highways and streets	12,373,468	-
Health	6,556,698	-
Human services	27,146,121	-
Housing	-	-
Debt service:		
Principal retirement	-	-
Interest	-	-
Fiscal agent fees and other fees	-	-
Capital outlay	-	-
Rebatable arbitrage payments	-	-
Total expenditures	274,799,287	42,775,454
Excess (deficiency) of revenues over expenditures	50,987,909	(20,264,005)
Other financing sources (uses):		
Transfers in	7,122,180	20,766,000
Transfers out	(51,584,352)	(487,245)
Proceeds of bonds, notes and premiums issued	-	-
Total other financing sources (uses)	(44,462,172)	20,278,755
Net change in fund balances	6,525,737	14,750
Fund balances (deficit), July 1, as restated	36,599,464	239,728
Fund balances (deficit), June 30	\$ 43,125,201	\$ 254,478

GO Bond Debt Service Fund	Capital Acquisition Fund	Nonmajor Funds	Total
\$ 67,971,422	\$ 663,000	\$ 36,554,712	\$ 232,317,291
-	-	2,156,674	14,435,570
-	11,468,256	36,692,860	216,174,282
-	-	5,964,251	45,683,270
-	-	670,590	714,555
814,964	1,772,425	4,546,981	7,685,162
-	-	7,163,086	7,163,086
-	-	1,771,488	1,771,488
-	-	336,836	336,836
-	-	260,897	260,897
-	5,871,179	7,165,019	13,600,848
<u>68,786,386</u>	<u>19,774,860</u>	<u>103,283,394</u>	<u>540,143,285</u>
-	-	10,391,771	54,193,490
-	-	6,050,958	178,933,203
-	-	4,237,990	52,891,324
-	-	223,480	6,384,636
-	-	5,706,029	18,079,497
-	-	3,689,922	10,246,620
-	-	23,836,949	50,983,070
-	-	3,994,992	3,994,992
33,245,000	-	11,518,499	44,763,499
7,596,953	-	5,985,074	13,582,027
680,596	-	167,057	847,653
-	95,712,946	17,024,837	112,737,783
-	579,726	-	579,726
<u>41,522,549</u>	<u>96,292,672</u>	<u>92,827,558</u>	<u>548,217,520</u>
<u>27,263,837</u>	<u>(76,517,812)</u>	<u>10,455,836</u>	<u>(8,074,235)</u>
-	6,486,000	16,802,109	51,176,289
-	(639,299)	(14,140,064)	(66,850,960)
-	16,522,445	-	16,522,445
-	22,369,146	2,662,045	847,774
27,263,837	(54,148,666)	13,117,881	(7,226,461)
18,229,575	122,429,635	102,749,799	280,248,201
<u>\$ 45,493,412</u>	<u>\$ 68,280,969</u>	<u>\$ 115,867,680</u>	<u>\$ 273,021,740</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2003

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Net Activities:

Net change in fund balances - total governmental funds \$ (7,226,461)

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	\$ 79,458,785	
Depreciation expense	(24,412,532)	
Gain (loss) on disposition of capital assets	<u>934</u>	
		55,047,187

Bond proceeds, premiums, discounts and bond issue costs are reported as financing sources or uses in governmental funds and contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term obligations and does not affect the statement of activities. Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Principal repayments	44,763,499	
Amortization of premiums, discounts and bond issue costs	<u>(846,013)</u>	
Net adjustment		43,917,486

Internal service funds are used by the City to charge the cost of tort liability, workers compensation and employee health insurance to other individual funds. In addition, the cost of providing communications, fleet maintenance and supplies warehousing services are also charged. The net revenue (loss) of the internal service funds is reported with governmental activities.

1,675,232

Under the modified accrual basis of accounting used in the governmental funds, revenue is recognized when available to provide financing resources for the current period. Likewise, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, revenues and related receivable and expenses and related liabilities are reported regardless of when financial resources are available. This adjustment combines the net change of balances of the following:

Revenue:

Gross receipts tax	2,005,396	
Property tax	1,611,209	
Other taxes	(28,501)	
Collections on real estate contracts, net of deferred gains	(1,205,943)	
Interest on loans receivable	46,094	

Expenses:

Accrued vacation and sick leave pay	491,428	
Rebatable arbitrage	<u>839,371</u>	

3,759,054

Change in net assets of governmental activities \$ 97,172,498

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Current property tax	\$ 15,150,000	\$ 15,650,000	\$ 15,818,910	\$ 168,910
Delinquent property tax	1,200,000	700,000	679,454	(20,546)
Franchise taxes:				
Telephone	4,074,000	4,074,000	3,917,126	(156,874)
Electric	5,937,000	5,937,000	5,829,186	(107,814)
Gas	2,483,000	2,350,000	2,809,485	459,485
Cable television	3,932,000	3,932,000	4,273,789	341,789
New Mexico Utility	130,000	130,000	181,746	51,746
Telecommunications	517,000	517,000	445,435	(71,565)
Gross receipts tax-local option	<u>92,783,000</u>	<u>90,439,000</u>	<u>93,173,026</u>	<u>2,734,026</u>
Total taxes	<u>126,206,000</u>	<u>123,729,000</u>	<u>127,128,157</u>	<u>3,399,157</u>
Licenses and permits:				
Liquor licenses	172,000	172,000	200,113	28,113
Building permits	2,421,000	3,143,000	3,773,543	630,543
Plumbing/mechanical permits	1,282,000	1,909,000	1,674,995	(234,005)
Electrical/refrigeration permits	990,000	1,279,000	1,231,566	(47,434)
Plan checking permits	1,666,000	2,030,000	2,717,940	687,940
Flood plain certification	155,000	200,000	182,231	(17,769)
Reroofing permits	41,000	41,000	36,463	(4,537)
Restaurant inspections	1,177,000	525,000	525,091	91
Food retailers inspections	-	-	142,608	142,608
Swimming pool inspections	140,000	120,000	102,117	(17,883)
Consumer health	-	-	45	45
Animal licenses	414,000	250,000	260,449	10,449
Right of way usage permits	185,000	200,000	143,612	(56,388)
Loading zone permits	9,000	9,000	8,024	(976)
Solicitation permits	6,000	6,000	6,495	495
Business registration fees	1,322,000	1,150,000	1,102,160	(47,840)
Other licenses and permits	<u>209,000</u>	<u>153,000</u>	<u>171,444</u>	<u>18,444</u>
Total licenses and permits	<u>10,189,000</u>	<u>11,187,000</u>	<u>12,278,896</u>	<u>1,091,896</u>
Intergovernmental:				
State shared:				
Gross receipts tax	144,604,000	140,948,000	142,840,456	1,892,456
Cigarette tax	600,000	630,000	585,620	(44,380)
Motor vehicle license distribution	1,749,000	1,300,000	1,106,151	(193,849)
Municipal road - gas tax	2,389,000	2,400,000	2,481,033	81,033
DWI Fines	-	-	11,683	11,683
Grants:				
Other	70,000	-	93,887	93,887
Local & Local administered grants:				
Bernalillo County-shared operations	<u>700,000</u>	<u>283,000</u>	<u>242,336</u>	<u>(40,664)</u>
Total intergovernmental	<u>150,112,000</u>	<u>145,561,000</u>	<u>147,361,166</u>	<u>1,800,166</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues (continued):				
Charges for services:				
General government:				
Photocopying	196,000	180,000	177,396	(2,604)
Engineering fees	1,200,000	1,200,000	1,463,342	263,342
Filing of plats and subdivisions	340,000	340,000	352,582	12,582
Sign fees	52,000	58,000	73,898	15,898
Zoning fence permit fees	229,000	150,000	194,435	44,435
Sale of maps and publications	26,000	30,000	40,872	10,872
Records search fees	260,000	310,000	409,065	99,065
Jury duty and witness fees	13,000	13,000	11,242	(1,758)
Planning services	36,885	20,000	36,885	16,885
Vendor registration fees	44,000	20,000	22,815	2,815
Shooting range fees	200,000	140,000	141,352	1,352
Building maintenance	-	-	(8,327)	(8,327)
Grounds maintenance	521,000	521,000	520,987	(13)
Office services	33,000	37,000	41,170	4,170
Real property services	232,000	70,000	134,394	64,394
Engineering inspections	330,000	200,000	200,207	207
Engineering surveying	67,000	30,000	34,915	4,915
Legal services	2,532,000	2,140,000	1,958,403	(181,597)
Administrative fees	42,000	43,000	56,728	13,728
Administrative charges to other funds	22,142,000	21,518,000	19,365,850	(2,152,150)
Other	759,000	571,000	620,344	49,344
Public safety:				
Police services	1,743,000	1,662,000	2,001,101	339,101
Fire services	185,000	225,000	404,693	179,693
Culture and recreation:				
Community centers	26,000	24,000	31,249	7,249
Swimming pools	599,000	500,000	489,971	(10,029)
Sports programs	506,000	410,000	345,367	(64,633)
Other recreation charges	658,000	262,000	239,229	(22,771)
Tournament/field rental	16,000	13,000	30,491	17,491
Latch key program	219,000	228,000	235,971	7,971
Extended care fees	30,000	21,000	25,864	4,864
Special events	20,000	10,000	7,045	(2,955)
Museum charges	119,000	170,000	92,072	(77,928)
Zoo admissions	1,921,000	1,627,000	1,623,828	(3,172)
Zoo adopt-an-animal	30,000	-	-	-
Other zoo charges	95,000	90,000	74,440	(15,560)
Albuquerque aquarium and gardens	1,087,000	986,000	1,183,182	197,182
Convention center	1,730,000	1,477,000	1,296,091	(180,909)
Facilities concessions	1,118,000	955,000	917,840	(37,160)
Library services	1,044,000	1,039,000	986,193	(52,807)
Cultural affairs	46,000	39,000	50,868	11,868

AUG 2003

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues (continued):				
Charges for services (continued):				
Highways and streets:				
Compaction tests	210,000	210,000	328,082	118,082
Excavation permits	325,000	385,000	364,307	(20,693)
Other street division charges	542,000	403,000	483,993	80,993
Health:				
Animal control charges	508,000	351,000	348,741	(2,259)
Human services:				
Meal programs	161,000	170,000	177,782	7,782
Memberships	76,000	76,000	109,892	33,892
Coffee	14,000	15,000	16,833	1,833
Dances	48,000	30,000	32,051	2,051
Other	19,000	20,000	24,442	4,442
Total charges for services	<u>42,313,000</u>	<u>38,989,000</u>	<u>37,770,173</u>	<u>(1,218,827)</u>
Fines and forfeits:				
Nuisance abatement/enforcement	-	-	41,865	41,865
Air quality penalties	40,000	25,000	2,100	(22,900)
Total fines and forfeits	<u>40,000</u>	<u>25,000</u>	<u>43,965</u>	<u>18,965</u>
Interest:				
Interest on investments	2,109,000	848,000	745,784	(102,216)
Miscellaneous:				
Rental of City property	120,000	120,000	159,767	39,767
Community center rentals	150,000	150,000	179,633	29,633
Sales of real property	70,000	70,000	(360,784)	(430,784)
Sales of other property	30,000	30,000	4,950	(25,050)
Contributions and donations	-	38,000	39,353	1,353
Cash overages and shortages, net	-	-	(249)	(249)
Cash discounts earned	50,000	8,000	11,828	3,828
Other miscellaneous	434,000	390,000	424,557	34,557
Total miscellaneous	<u>854,000</u>	<u>806,000</u>	<u>459,055</u>	<u>(346,945)</u>
Total revenues	<u>331,823,000</u>	<u>321,145,000</u>	<u>325,787,196</u>	<u>4,642,196</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
General government:				
Accounting	2,628,000	2,553,000	2,504,957	48,043
Capital implementation project	1,902,000	1,902,000	1,793,716	108,284
Chief Administrative Officer	1,326,000	1,326,000	1,225,607	100,393
City buildings	4,325,000	3,903,000	3,755,601	147,399
City wide financial support	442,000	442,000	485,866	(43,866)
City/County building rental	2,503,000	2,503,000	2,503,000	-
Community revitalization	1,038,000	1,033,000	1,015,431	17,569
Compensation in lieu of sick leave	350,000	350,000	288,005	61,995
Council services	1,418,000	1,418,000	1,379,786	38,214
Culture	19,000	19,000	19,000	-
Dues and memberships	469,000	469,000	377,000	92,000
Early retirement	4,000,000	4,000,000	5,071,526	(1,071,526)
Economic development	50,000	50,000	50,000	-
Information systems	7,000,000	6,758,000	6,469,774	288,226
International trade	30,000	30,000	22,320	7,680
Legal services	4,044,000	3,940,000	3,926,555	13,445
Legislative coordinator	185,000	185,000	224,000	(39,000)
Mayor's office	504,000	504,000	490,125	13,875
Office of city clerk	925,000	906,000	819,548	86,452
Office of economic development	594,000	557,000	385,605	171,395
Office of internal audit	835,000	794,000	761,495	32,505
Office of management and budget	1,207,000	1,186,000	1,012,860	173,140
Personnel services	2,198,000	2,168,000	2,133,887	34,113
Strategic support - Planning	899,000	893,000	886,435	6,565
Plaza del Sol building	1,133,000	1,133,000	1,133,000	-
Purchasing	1,025,000	1,000,000	944,719	55,281
Real property	496,000	458,000	363,349	94,651
Risk five year recovery plan	1,494,000	1,494,000	1,494,000	-
Strategic support - DFAS	306,000	281,000	275,077	5,923
Treasury	1,340,000	1,311,000	1,293,090	17,910
Utility franchising office	782,000	781,000	696,385	84,615
Total general government	<u>45,467,000</u>	<u>44,347,000</u>	<u>43,801,719</u>	<u>545,281</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public safety:				
Police Department:				
Central support services	20,459,000	20,096,000	20,624,052	(528,052)
Investigative services	17,659,000	17,527,000	17,165,134	361,866
Neighborhood Policing	47,559,000	47,639,000	46,571,600	1,067,400
Off duty police overtime	1,072,000	1,072,000	948,230	123,770
Fire Department:				
AFD headquarters	1,291,000	1,287,000	1,271,985	15,015
Dispatch	1,707,000	1,704,000	1,685,338	18,662
Emergency Management	50,000	50,000	24,993	25,007
Fire dept/CIP funded employees	87,000	87,000	85,850	1,150
Fire dept/technical services	382,000	382,000	379,028	2,972
Fire prevention/fire marshal's office	2,775,000	2,762,000	2,720,714	41,286
Fire suppression	27,954,000	27,912,000	27,819,595	92,405
Fire training and safety	1,318,000	1,214,000	1,209,761	4,239
Logistics	982,000	981,000	948,011	32,989
Paramedic rescue	8,739,000	8,693,000	8,652,500	40,500
Total public safety	<u>132,034,000</u>	<u>131,406,000</u>	<u>130,106,791</u>	<u>1,299,209</u>
Culture and recreation:				
Biological park	9,518,000	9,172,000	8,899,684	272,316
Community events	1,483,000	1,404,000	1,312,068	91,932
Convention center	3,491,000	3,278,000	3,145,638	132,362
Cultural-Capital implementation program				
Explora Science Center	550,000	550,000	550,000	-
Museum	2,279,000	2,024,000	2,005,092	18,908
Quality parks & trails system	784,000	781,000	723,376	57,624
Strategic support - Senior Affairs	808,000	807,000	811,733	(4,733)
Strategic support - PR	791,000	758,000	751,873	6,127
Parks land management	11,977,000	11,595,000	10,871,388	723,612
Promote safe use of firearms	280,000	254,000	252,807	1,193
Provide community recreation	5,342,000	5,321,000	5,083,754	237,246
Provide quality recreation	3,545,000	3,396,000	3,218,304	177,696
Public library	8,882,000	8,621,000	8,312,101	308,899
Strategic support - CS	2,959,000	2,836,000	2,715,516	120,484
Total culture and recreation	<u>52,689,000</u>	<u>50,797,000</u>	<u>48,653,334</u>	<u>2,143,666</u>
Public works:				
Code administration	1,983,000	1,879,000	1,786,766	92,234
Construction management	2,676,000	2,536,000	2,310,552	225,448
Storm drainage/maintenance	2,433,000	2,383,000	2,063,838	319,162
Total public works	<u>7,092,000</u>	<u>6,798,000</u>	<u>6,161,156</u>	<u>636,844</u>
Highways and streets:				
GF street services	13,061,000	12,632,000	12,373,468	258,532
Total highways and streets	<u>13,061,000</u>	<u>12,632,000</u>	<u>12,373,468</u>	<u>258,532</u>

See Notes to Financial Statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2003

Expenditures (continued):	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Current (continued):				
Health:				
Animal services	4,059,000	3,803,000	3,754,204	48,796
Clean city section	50	-	50	(50)
Consumer protection	1,158,000	1,044,000	939,322	104,678
Environmental services	1,597,000	1,482,000	1,453,629	28,371
Program support	<u>427,000</u>	<u>425,000</u>	<u>409,493</u>	<u>15,507</u>
Total health	<u>7,241,050</u>	<u>6,754,000</u>	<u>6,556,698</u>	<u>197,302</u>
Human services:				
Access to basic services	124,000	108,000	75,875	32,125
Develop affordable housing	509,000	508,000	487,300	20,700
Development process & policy	5,853,000	5,846,000	5,726,429	119,571
Plan and coordinate	1,750,000	1,746,000	1,667,609	78,391
Long-range planning	1,178,000	1,138,080	1,091,577	46,503
Offer health & social services	1,803,000	1,800,000	1,764,643	35,357
Partner with public education	5,443,000	5,466,000	4,930,634	535,366
Prevent and reduce youth gangs	1,012,000	1,012,000	1,003,000	9,000
Prevent neighborhood deterioration	48,000	48,000	47,000	1,000
Provide early childhood education	4,306,000	4,153,000	3,908,418	244,582
Provide emergency shelter	163,000	163,000	155,056	7,944
Provide mental health	204,000	219,000	210,714	8,286
Provide transitional housing	212,000	212,000	151,350	60,650
Substance abuse treatment/prevention	2,792,000	2,792,000	2,498,110	293,890
Supportive services to homeless	240,000	240,000	173,853	66,147
Train lower income persons	461,000	461,000	449,886	11,114
Volunteerism	1,000	1,000	714	286
Well-being	<u>3,169,000</u>	<u>3,037,000</u>	<u>2,803,953</u>	<u>233,047</u>
Total human services	<u>29,268,000</u>	<u>28,950,080</u>	<u>27,146,121</u>	<u>1,803,959</u>
Total expenditures	<u>286,852,050</u>	<u>281,684,080</u>	<u>274,799,287</u>	<u>6,884,793</u>
Excess (deficiency) of revenues over expenditures	<u>44,970,950</u>	<u>39,460,920</u>	<u>50,987,909</u>	<u>11,526,989</u>
Other financing sources (uses):				
Transfers in	7,409,000	7,344,000	7,122,180	(221,820)
Transfers out	<u>(49,636,000)</u>	<u>(51,624,920)</u>	<u>(51,584,352)</u>	<u>40,568</u>
Total other financing sources and uses	<u>(42,227,000)</u>	<u>(44,280,920)</u>	<u>(44,462,172)</u>	<u>(181,252)</u>
Net change in fund balance	2,743,950	(4,820,000)	6,525,737	11,345,737
Fund balance, July 1	<u>36,599,464</u>	<u>36,599,464</u>	<u>36,599,464</u>	-
Fund balance, June 30	<u>\$ 39,343,414</u>	<u>\$ 31,779,464</u>	<u>\$ 43,125,201</u>	<u>\$ 11,345,737</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CORRECTIONS AND DETENTION FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
County-shared operations	\$ 17,477,000	\$ 17,315,000	\$ 20,652,000	\$ 3,337,000
Charges for services:				
Care of prisoners-state	343,000	343,000	237,044	(105,956)
Care of prisoners-other	-	-	375	375
Commissary	-	-	10,000	10,000
Community custody program fees	193,000	193,000	183,366	(9,634)
CCP reimbursement	439,000	439,000	434,886	(4,114)
Detoxification reimbursement	1,018,000	1,018,000	971,043	(46,957)
Medical Co-Pay-inmates	-	-	22,132	22,132
Recycling services	90,000	90,000	90,000	-
Total charges for services	2,083,000	2,083,000	1,948,846	(134,154)
Interest:				
Interest on investments	-	-	(194,992)	(194,992)
Miscellaneous:				
Telephone royalties	-	-	3,530	3,530
Other	-	-	102,065	102,065
Total miscellaneous	-	-	105,595	105,595
Total revenues	19,560,000	19,398,000	22,511,449	3,113,449
Expenditures:				
Current:				
Public safety:				
Administrative support	4,109,000	4,087,000	3,900,090	186,910
Community custody	733,000	733,000	855,976	(122,976)
Correction and detention	29,538,000	35,147,000	35,587,845	(440,845)
Detoxification program	1,053,000	1,053,000	942,863	110,137
Metro criminal justice coordinating council	125,000	177,000	176,311	689
Indirect overhead charge	1,579,000	1,579,000	1,312,369	266,631
Total expenditures	37,137,000	42,776,000	42,775,454	546
Excess (deficiency) of revenues over expenditures	(17,577,000)	(23,378,000)	(20,264,005)	3,113,995
Other financing sources (uses):				
Transfers in	17,539,000	20,766,000	20,766,000	-
Transfers out	(488,000)	(488,000)	(487,245)	755
Total other financing sources (uses)	17,051,000	20,278,000	20,278,755	755
Net change in fund balance	(526,000)	(3,100,000)	14,750	3,114,750
Fund balance (deficit), July 1	239,728	239,728	239,728	-
Fund balance (deficit), June 30	\$ (286,272)	\$ (2,860,272)	\$ 254,478	\$ 3,114,750

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2003

	Enterprise Funds	
	Airport Fund	Joint Water and Sewer Fund
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 7,935,010	\$ 14,557,430
Receivables, net of allowance for uncollectibles:		
Accounts	3,377,572	9,144,195
Notes - expansion charges	-	1,474,098
Prepaid expenses	-	-
Due from other governments	-	-
Deposits	-	-
Inventories of supplies	-	-
Total current assets	11,312,582	25,175,723
Non-current notes receivables	-	7,286,844
Restricted assets:		
Cash, investments, and accrued interest	58,201,384	46,017,130
Cash with fiscal agents	9,915,924	37,099,152
Investment with fiscal agents	-	4,984,544
Accounts receivable	-	-
Due from other governments	494,096	1,468,014
Capitalized bond issuance costs	-	-
Interest rate cap	-	-
Escrow deposits	-	143,842
Total restricted assets	68,611,404	89,712,682
Property and equipment:		
Land	33,032,723	22,954,851
Land and improvements acquired from U.S. Air Force	7,630,077	-
Buildings and improvements	146,252,947	2,257,926
Runways and other improvements	242,374,623	-
Improvements other than buildings	98,866,622	1,243,473,350
Machinery and equipment	12,240,548	36,451,372
Other	640,546	-
	541,038,086	1,305,137,499
Less accumulated depreciation and amortization	267,709,138	663,322,224
Net property and equipment	273,328,948	641,815,275
Construction work in progress	3,886,224	42,050,839
Total property and equipment	277,215,172	683,866,114
Other assets		
Capitalized bond issuance costs	1,272,260	577,999
Land - acquired under claim settlement	-	-
Purchased water rights, net of accumulated amortization	-	27,943,094
Total other assets	1,272,260	28,521,093
Total Assets	358,411,418	834,562,456

See Notes to Financial Statements

Enterprise Funds

<u>Refuse Disposal Fund</u>	<u>Housing Authority Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 6,319,698	\$ 10,708,443	\$ 5,716,680	\$ 45,237,261	\$ 31,077,289
2,594,054	197,042	429,048	15,741,911	-
-	-	-	1,474,098	-
-	-	-	-	294,356
-	248,480	-	248,480	66,156
-	-	-	-	6,679
<u>693,134</u>	<u>170,063</u>	<u>608,837</u>	<u>1,472,034</u>	<u>1,776,602</u>
<u>9,606,886</u>	<u>11,324,028</u>	<u>6,754,565</u>	<u>64,173,784</u>	<u>33,221,082</u>
-	-	-	<u>7,286,844</u>	-
12,267,567	-	18,755,469	135,241,550	-
3,647,744	-	273,384	50,936,204	-
-	-	398,222	5,382,766	-
-	-	2,433,365	2,433,365	-
-	-	1,515,159	3,477,269	-
-	-	377,764	377,764	-
-	-	3,770	3,770	-
-	<u>387,487</u>	<u>89,564</u>	<u>620,893</u>	-
<u>15,915,311</u>	<u>387,487</u>	<u>23,846,697</u>	<u>198,473,581</u>	-
5,165,504	3,767,389	9,254,403	74,174,870	283,842
-	-	-	7,630,077	-
37,949,556	47,721,432	100,601,761	334,783,622	406,001
-	-	-	242,374,623	-
-	-	-	1,342,339,972	765,388
53,046,590	396,287	55,397,452	157,532,249	1,653,975
-	-	-	640,546	-
<u>96,161,650</u>	<u>51,885,108</u>	<u>165,253,616</u>	<u>2,159,475,959</u>	<u>3,109,206</u>
<u>46,104,601</u>	<u>35,314,871</u>	<u>62,123,156</u>	<u>1,074,573,990</u>	<u>2,337,263</u>
50,057,049	16,570,237	103,130,460	1,084,901,969	771,943
175,686	2,167,586	10,701,265	58,981,600	-
<u>50,232,735</u>	<u>18,737,823</u>	<u>113,831,725</u>	<u>1,143,883,569</u>	<u>771,943</u>
116,045	-	643,166	2,609,470	-
-	-	-	-	1,830,000
-	-	-	27,943,094	-
<u>116,045</u>	-	<u>643,166</u>	<u>30,552,564</u>	<u>1,830,000</u>
<u>75,870,977</u>	<u>30,449,338</u>	<u>145,076,153</u>	<u>1,444,370,342</u>	<u>35,823,025</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2003

	Enterprise Funds	
	Airport Fund	Joint Water and Sewer Fund
LIABILITIES		
Current liabilities:		
Accounts payable	279,447	2,985,977
Accrued payroll	524,159	1,246,188
Accrued vacation and sick leave pay	628,195	1,596,410
Accrued interest	-	526,918
Accrued fuel cleanup costs	-	-
Fare tokens outstanding	-	-
Deposits	194,085	205,147
Due to other governments	-	-
Current portion of claims and judgements payable	-	-
Current portion of water rights contract and loan agreements	-	768,932
Total current liabilities	1,625,886	7,329,572
Liabilities payable from restricted assets:		
Construction contracts	348,153	5,279,951
Current portion of revenue bonds payable	6,900,000	31,580,000
Current portion of loan agreements	-	191,552
Line of credit	-	3,484,446
Accrued interest	3,235,912	5,341,600
Other	-	-
Total liabilities payable from restricted assets	10,484,065	45,877,549
Non current liabilities excluding current portion:		
Revenue bonds, net of unamortized discounts	199,624,875	211,357,665
Water rights contract and loan agreements	-	48,575,147
Claims and judgements payable	-	-
Accrued vacation and sick leave pay	345,524	586,600
Total non current liabilities	199,970,399	260,519,412
Other liabilities:		
Deferred revenue	-	1,175,191
Advances from other funds	-	-
Total other liabilities	-	1,175,191
Total liabilities	212,080,350	314,901,724
NET ASSETS		
Invested in capital assets, net of related debt	95,536,771	446,162,225
Restricted:		
Debt service	11,857,865	6,441,513
Construction	25,604,749	15,742,696
Unrestricted	13,331,683	51,314,298
Total net assets	\$ 146,331,068	\$ 519,660,732

Enterprise Funds

<u>Refuse Disposal Fund</u>	<u>Housing Authority Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
553,471	422,380	378,817	4,620,092	1,061,504
871,503	108,089	1,017,421	3,767,360	287,205
1,183,044	108,856	1,098,371	4,614,876	458,467
-	-	-	526,918	-
-	-	-	-	68,422
-	-	162,468	162,468	-
68,338	148,348	-	615,918	-
-	569,488	-	569,488	-
-	-	-	-	11,153,000
-	-	-	768,932	-
<u>2,676,356</u>	<u>1,357,161</u>	<u>2,657,077</u>	<u>15,646,052</u>	<u>13,028,598</u>
175,044	-	848,300	6,651,448	-
2,840,000	-	400,000	41,720,000	-
-	-	-	191,552	-
-	-	-	3,484,446	-
807,744	-	461,267	9,846,523	-
1,306,429	387,487	94,808	1,788,724	-
<u>5,129,217</u>	<u>387,487</u>	<u>1,804,375</u>	<u>63,682,693</u>	<u>-</u>
30,559,111	-	31,270,453	472,812,104	-
-	-	-	48,575,147	-
-	-	-	-	29,448,564
766,620	33,783	466,037	2,198,564	145,214
<u>31,325,731</u>	<u>33,783</u>	<u>31,736,490</u>	<u>523,585,815</u>	<u>29,593,778</u>
-	-	-	1,175,191	-
-	-	24,300,000	24,300,000	-
-	-	24,300,000	25,475,191	-
<u>39,131,304</u>	<u>1,778,431</u>	<u>60,497,942</u>	<u>628,389,751</u>	<u>42,622,376</u>
25,240,886	18,737,823	65,460,954	651,138,659	771,943
610,511	-	897,041	19,806,930	-
4,407,520	-	11,292,626	57,047,591	-
6,480,756	9,933,084	6,927,590	87,987,411	(7,571,294)
<u>\$ 36,739,673</u>	<u>\$ 28,670,907</u>	<u>\$ 84,578,211</u>	<u>\$ 815,980,591</u>	<u>\$ (6,799,351)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
Year ended June 30, 2003

	Enterprise Funds	
	Airport Fund	Joint Water and Sewer Fund
Operating revenues:		
Charges for services	\$ 51,133,762	\$ 117,681,329
Operating expenses:		
Salaries and fringe benefits	11,420,298	24,760,183
Professional services	82,540	5,553,843
Utilities	2,364,867	7,923,571
Supplies	500,321	1,528,551
Travel	29,802	5,171
Fuels, repairs and maintenance	2,235,991	7,523,882
Contractual services	3,576,033	2,949,505
Claims and judgements	-	-
Insurance premiums	-	-
Other operating expenses	1,827,578	5,687,026
Depreciation	27,845,671	40,843,474
Amortization	-	457,590
Bad debt expense	-	34,703
Total operating expenses	49,883,101	97,267,499
Operating income (loss)	1,250,661	20,413,830
Non-operating revenues (expenses):		
Interest on investments	663,529	1,073,204
Federal housing grants	-	-
Housing assistance payments	-	-
Passenger facilities charges	8,154,815	-
Gain (loss) on disposition of property and equipment	(22,491)	18,869
Interest expense	(10,527,363)	(12,278,016)
Bond issue costs	(212,349)	-
City water service expansion charges	-	14,432,966
Fiscal agent fees	(20,226)	-
Equipment purchased for another fund	-	(332,631)
Other	58,936	4,451,529
Total non-operating revenues (expenses)	(1,905,149)	7,365,921
Income (loss) before capital contributions and transfers	(654,488)	27,779,751
Capital contributions	1,022,772	22,177,697
Transfers in	-	487,245
Transfers out	-	(5,098,927)
Change in net assets	368,284	45,345,766
Net assets (deficit), July 1	145,962,784	474,314,966
Net assets (deficit), June 30	\$ 146,331,068	\$ 519,660,732

See Notes to Financial Statements

Enterprise Funds

<u>Refuse Disposal Fund</u>	<u>Housing Authority Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 40,757,677	\$ 1,559,127	\$ 14,484,032	\$ 225,615,927	\$ 64,816,329
19,311,480	2,639,874	22,425,562	80,557,397	6,308,207
351,956	8,750	421,548	6,418,637	878,496
339,202	550,041	1,943,252	13,120,933	136,288
821,511	-	396,725	3,247,108	1,187,489
10,850	-	9,967	55,790	843
4,358,458	821,487	3,845,021	18,784,839	2,733,992
1,597,193	-	1,284,648	9,407,379	1,825,366
-	-	-	-	17,507,793
-	-	-	-	30,869,968
4,374,832	902,659	4,159,992	16,952,087	1,968,144
4,782,031	1,733,369	7,933,688	83,138,233	126,179
-	-	-	457,590	-
27,518	47,872	313,738	423,831	-
35,975,031	6,704,052	42,734,141	232,563,824	63,542,765
4,782,646	(5,144,925)	(28,250,109)	(6,947,897)	1,273,564
168,769	179,577	421,747	2,506,826	602,389
-	24,770,592	-	24,770,592	-
-	(19,092,515)	-	(19,092,515)	-
-	-	-	8,154,815	-
34,504	849	-	31,731	12,112
(1,156,625)	-	(1,071,587)	(25,033,591)	-
-	-	(99,016)	(311,365)	-
-	-	-	14,432,966	-
-	-	(202,637)	(222,863)	-
-	-	-	(332,631)	-
390,589	138,493	2,263,138	7,302,685	49,042
(562,763)	5,996,996	1,311,645	12,206,650	663,543
4,219,883	852,071	(26,938,464)	5,258,753	1,937,107
-	-	15,708,852	38,909,321	7,125
-	-	21,927,606	22,414,851	-
(1,061,791)	-	(310,462)	(6,471,180)	(269,000)
3,158,092	852,071	10,387,532	60,111,745	1,675,232
33,581,581	27,818,836	74,190,679	755,868,846	(8,474,583)
\$ 36,739,673	\$ 28,670,907	\$ 84,578,211	\$ 815,980,591	\$ (6,799,351)

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2003

	Enterprise Funds	
	Airport Fund	Joint Water and Sewer Fund
Cash flows from operating activities:		
Cash received from customers	\$ 50,999,597	\$ 113,449,193
Cash received from other funds for goods and services	-	3,790,019
Cash payments to employees for services	(10,439,907)	(22,956,972)
Cash payments to suppliers for goods and services	(8,009,427)	(23,669,127)
Cash payments to other funds for goods and services	(3,498,990)	(8,751,322)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous cash received	58,936	3,779,535
Net cash provided by (used for) operating activities	29,110,209	65,641,326
Cash flow from noncapital financing activities:		
Principal paid on water rights contract	-	(748,500)
Interest paid on water rights contract	-	(649,200)
Purchased water rights	-	(1,287,738)
Operating grants received	-	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	-
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	487,245
Transfers-out to other funds	-	(5,098,927)
Net cash provided by (used for) noncapital financing activities	-	(7,297,120)
Cash flows from capital and related financing activities:		
Proceeds from notes payable	-	7,084,446
Capitalized bond issuance costs	-	(37,537)
Principal paid on revenue bond maturities and refunded bonds	(18,560,000)	(31,160,000)
Interest and other expenses paid on revenue bond maturities	(10,937,520)	(10,691,440)
Principal paid on notes payable	-	(2,452,874)
Interest paid on notes payable	-	(1,666,943)
Acquisition and construction of capital assets	(7,617,388)	(25,416,936)
Cash payments to other funds for goods and services	(122,777)	(1,394,662)
Capital grants received	(423,071)	5,338,468
Passenger facilities charges	8,154,815	-
City water service expansion charges	-	14,432,966
Proceeds from sale of property and equipment	30,813	39,880
Net cash used for capital and related financing activities	(29,475,128)	(45,924,632)
Cash flows from investing activities:		
Interest received on investments	1,530,580	1,587,715
Net cash provided by investing activities	1,530,580	1,587,715
Net increase (decrease) in cash and cash equivalents	1,165,661	14,007,289
Cash and cash equivalents, July 1, restated	74,886,657	88,794,809
Cash and cash equivalents, June 30	\$ 76,052,318	\$ 102,802,098

See Notes to Financial Statements

Enterprise Funds

Refuse Disposal Fund	Housing Authority Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 39,941,389	\$ 1,384,145	\$ 13,946,137	\$ 219,720,461	\$ 6,919,100
893,218	-	263,008	4,946,245	66,918,253
(17,758,239)	(2,412,083)	(21,001,172)	(74,568,373)	(5,967,919)
(7,838,609)	(1,739,258)	(7,595,641)	(48,852,062)	(45,395,571)
(5,533,469)	(712,920)	(6,429,090)	(24,925,791)	(2,591,196)
-	-	-	-	(16,204,742)
390,589	153,316	1,201,800	5,584,176	49,013
10,094,879	(3,326,800)	(19,614,958)	81,904,656	3,726,938
-	-	-	(748,500)	-
-	-	-	(649,200)	-
-	-	-	(1,287,738)	-
-	24,032,756	1,086,913	25,119,669	-
-	(19,092,515)	-	(19,092,515)	-
-	-	(1,300,000)	(1,300,000)	-
-	-	(511,363)	(511,363)	-
-	-	21,927,606	22,414,851	-
(1,061,791)	-	(310,462)	(6,471,180)	(269,000)
(1,061,791)	4,940,241	20,892,694	17,474,024	(269,000)
-	-	15,000,000	22,084,446	-
-	-	-	(37,537)	-
(2,650,000)	-	(625,000)	(52,995,000)	-
(1,012,230)	-	(820,991)	(23,462,181)	-
-	-	-	(2,452,874)	-
-	-	-	(1,666,943)	-
(3,596,277)	(1,249,942)	(26,637,107)	(64,517,650)	95,282
(97,817)	-	(122,172)	(1,737,428)	-
-	1,535,759	10,733,108	17,184,264	-
-	-	-	8,154,815	-
-	-	-	14,432,966	-
144,047	849	130,104	345,693	12,139
(7,212,277)	286,666	(2,342,058)	(84,667,429)	107,421
168,769	179,577	509,028	3,975,669	602,389
168,769	179,577	509,028	3,975,669	602,389
1,989,580	2,079,684	(555,294)	18,686,920	4,167,748
20,245,429	9,016,246	25,788,613	218,731,754	26,909,541
\$ 22,235,009	\$ 11,095,930	\$ 25,233,319	\$ 237,418,674	\$ 31,077,289

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2003

	Enterprise Funds	
	Airport Fund	Joint Water and Sewer Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 1,250,661	\$ 20,413,830
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	27,845,671	40,843,474
Amortization	-	457,590
Miscellaneous cash received	58,936	3,779,535
Provision for claims and judgements	-	-
Decrease (increase) in assets:		
Receivables	(130,049)	(442,117)
Inventories of supplies	-	-
Due from other governments	-	-
Prepaid expenses	-	-
Increase (decrease) in liabilities:		
Accounts payable	(52,869)	632,448
Accrued employee compensation and benefits	141,975	(43,434)
Fare tokens outstanding and deposits	-	-
Escrow liability	-	-
Deferred revenue	(4,116)	-
Net cash provided by (used for) operating activities	\$ 29,110,209	\$ 65,641,326
 Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 7,935,010	\$ 14,557,430
Restricted assets:		
Cash, investments, and accrued interest	58,201,384	46,017,130
Cash with fiscal agents	9,915,924	37,099,152
Investment with fiscal agents	-	4,984,544
Escrow deposits	-	143,842
Total cash and cash equivalents, June 30	\$ 76,052,318	\$ 102,802,098
 Non cash transactions:		
Unrealized gains (losses) on investments	\$ (152,174)	\$ (95,836)
Capital contributions by developers	-	14,183,397
Transfer of capital assets from the Capital Projects Fund	-	-
HUD payment of third party guaranteed debt	-	-

Enterprise Funds

<u>Refuse Disposal Fund</u>	<u>Housing Authority Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 4,782,646	\$ (5,144,925)	\$ (28,250,109)	\$ (6,947,897)	\$ 1,273,564
4,782,031	1,733,369	7,933,688	83,138,233	126,179
-	-	-	457,590	-
390,589	153,316	1,201,800	5,584,176	49,013
-	-	-	-	1,303,051
76,930	(63,983)	(271,939)	(831,158)	2,014,375
(80,164)	(30,212)	(72,991)	(183,367)	129,582
-	-	-	-	11,887
-	-	-	-	6,607
(65,833)	64,627	6,158	584,531	(1,072,243)
208,680	24,135	(170,270)	161,086	(115,077)
-	2,139	8,705	10,844	-
-	(65,266)	-	(65,266)	-
-	-	-	(4,116)	-
<u>\$ 10,094,879</u>	<u>\$ (3,326,800)</u>	<u>\$ (19,614,958)</u>	<u>\$ 81,904,656</u>	<u>\$ 3,726,938</u>
\$ 6,319,698	\$ 10,708,443	\$ 5,716,680	\$ 45,237,261	\$ 31,077,289
12,267,567	-	18,845,033	135,331,114	-
3,647,744	-	671,606	51,334,426	-
-	-	-	4,984,544	-
-	387,487	-	531,329	-
<u>\$ 22,235,009</u>	<u>\$ 11,095,930</u>	<u>\$ 25,233,319</u>	<u>\$ 237,418,674</u>	<u>\$ 31,077,289</u>
\$ (31,560)	\$ -	\$ (227,282)	\$ (506,852)	\$ 626
-	-	-	14,183,397	-
-	-	68,581	68,581	-
-	475,875	-	475,875	-

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

	<u>Agency Fund</u>
ASSETS	
Assets:	
Cash, investments, and accrued interest	\$ 11,601,211
Receivables	194,208
Due from other governments	<u>22</u>
Total Assets	<u>11,795,441</u>
LIABILITIES	
Liabilities:	
Accounts payable	304,109
Funds held for others	<u>11,491,332</u>
Total Liabilities	<u>11,795,441</u>
Net Assets	<u>\$ -</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 1 THE FINANCIAL REPORTING ENTITY

The City of Albuquerque, New Mexico (City), was founded in 1706, chartered as a town in 1885, and organized under territorial law as a city in 1891. The City became a charter city in 1917, and the voters approved a home rule amendment to the charter in 1971. In 1974, the electorate voted to establish a mayor-council form of government; the City Council consists of nine council members elected from districts. As a governmental entity, the City is not subject to Federal or State income taxes.

The City provides traditional services such as public safety, culture and recreation, public works, highways and streets, water and sewer services, and refuse collection. In addition, the City operates parking facilities, a transit system, an international airport, corrections and detention facilities, and a housing authority.

The City of Albuquerque (the primary government) for financial reporting purposes consist of funds, departments, and programs for which the City is financially accountable. Criteria indicating financial accountability include, but are not limited to, the following:

1. (a) appointment by the City of a majority of voting members of the governing body of an organization, and
(b) ability of the City to impose its will on the daily operations of an organization such as the power to remove appointed members at will; to modify or approve budgets, rates or fees, or to make other substantive decisions; or
2. provision by the organization of specific financial benefits or burdens to the City; or
3. fiscal dependency by the organization on the City such as from the lack of authority to determine its budget or issue its own bonded debt without City approval.

Based on the foregoing criteria, the City does not have relationships with other organizations, not included herein, of such nature and significance that exclusion would render the City's financial statements incomplete or misleading.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Albuquerque have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the government's accounting policies are described below.

A. Basis of Presentation

The financial transactions of the City are recorded in individual funds, each of which is considered a separate accounting entity. All financial transactions are reported in basic financial statements, as follows:

1. Government-wide Financial Statements:

The *statement of net assets* and the *statement of activities* display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The net assets of the City are reported in three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Restricted net assets result from constraints placed on the use of net assets when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The *statement of activities* presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. Indirect expense allocations that have been made in the funds are shown in a separate column and are not included in the expenses column. The allocation of indirect expenses is based on the relative usage by the function charged to all functions charged for services rendered by all central service activities of the general government such as Accounting, Information Services, Treasury, Budgeting, and other central services.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

A. Basis of Presentation, continued

2. Fund Financial Statements:

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category; governmental, proprietary, and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and business-type (enterprise) funds, each displayed in a separate column. All remaining governmental and business-type (enterprise) funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues, such as charges for services, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include operating subsidies, investment earnings, interest expense, and transactions that result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This fund is the City's primary operating fund and is used to account for the general operations of the City and for all financial resources except those required to be accounted for in another fund.

Corrections and Detention Fund. This fund accounts for the operations of the joint City/Bernalillo County Corrections and Detentions facilities.

General Obligations Bond Debt Service Fund. This fund accounts for the monies set aside for the payment of principal and interest of all general obligation bonds. The principal source of revenue is from property taxes.

Capital Acquisition Fund. This fund accounts for capital projects for which financing is provided by the sale of general obligation and revenue bonds, miscellaneous revenues and various grants.

The City reports the following major proprietary (enterprise) funds:

Airport Fund. This fund accounts for the operations of the Albuquerque International Sunport.

Joint Water and Sewer Fund. This fund accounts for the general operations of providing water and sewer services.

Refuse Disposal Fund. This fund accounts for the general operations of providing refuse removal services.

Housing Authority Fund. This fund accounts for the operations of the City's low income housing program. Financing is provided by rentals of housing units and grants from the U.S. Department of Housing and Urban Development.

The City reports the following fund types:

Special Revenue Funds. To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds. To account for the accumulation of resources for, and the payment of, general and special assessment long-term principal, interest, and related costs.

Capital Projects Funds. To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Permanent Funds. These funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.

Internal Service Funds. These funds account for inventory warehousing and issues; worker's compensation, tort and other claims insurance coverage; vehicle maintenance and motor pool services; and communication services to City departments. In addition, these funds provide health insurance coverage to City employees.

Agency Funds. These funds account for monies held by the City in a custodial capacity on behalf of third parties or other agencies.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. Measurement Focus, Basis of Accounting

1. Government-Wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts and property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

All governmental and business-type activities of the City follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

2. Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collectible within the current period or within one month following the year-end. Revenues not considered available are recorded as deferred revenues. Property taxes, gross receipts taxes, franchise taxes, licenses, and interest are considered susceptible to accrual. All other revenue items are considered to be measurable and available only when the City receives cash.

Expenditures are recorded when the related fund liability is incurred, except for a) principal and interest payments on general long-term debt which are recorded when amounts have been accumulated in the debt service funds for the current debt service payments on July 1 in the following year and b) vacation and sick leave pay, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

C. Statement of Cash Flows

For purposes of the statement of cash flows, all pooled cash and investments (including restricted assets) of the City are considered to be cash equivalents although there are investments with a maturity in excess of three months when purchased because they have the characteristics of demand deposits for each individual fund. Non-pooled investments with original maturities of three months or more are deducted from cash, investments, and accrued interest and changes therein are reported as cash flows from investing activities.

D. Estimated Amounts Reported in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 year. Actual results could differ from those estimates.

E. Cash, Investments, and Accrued Interest

A significant portion of the cash and investments of funds of the City is pooled for investment purposes. The pooled cash investment program of the City is operated under the provisions of City ordinance and a specific City investment policy. The policy states that the City shall invest cash balances over the anticipated amount needed to meet operating requirements. Investments are recorded at fair value. The balance reported for each participating fund as "Cash, Investments, and Accrued Interest" represents the equity of that fund in the pooled cash, investments, and accrued interest. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. Cash, Investments, and Accrued Interest, continued

The investment policy states that the City will not commit any funds invested in the pool to maturities longer than three years from the date of purchase, except investments held to meet legal reserve requirements on bond indebtedness. The maturity date of these investments will not exceed the final maturity date of the bond issue to which they are pledged. Funds are invested on the basis of a minimum of three bids and/or offers. Certificates of deposit are based on competitive rates for specified maturities.

All investments are valued at quoted market prices except for the investment in Special Assessments District bonds and in State of New Mexico Mortgage Finance Authority bonds which are computed at amortized cost approximating market value. The investment in the State of New Mexico local government investment pool is valued at \$1.00 per share. It is a pool that is not registered with the United States Securities Exchange Commission and the regulatory oversight for that pool rests with the State of New Mexico's Treasurer through the State Treasurer's Investment Committee. This pool is subject to the standards set forth in the State Treasurer's Local Government Investment Policy document incorporated in and made a part of the State Treasurer's Investment Policy document.

The following categories of investments are specifically authorized by the policy:

Repurchase Agreements - secured by collateral, which is delivered to a third-party safekeeping institution, with a market value equal to or greater than the value of the agreement.

U.S. Treasury Obligations - bills, notes, and bonds.

Obligations of Federal Agencies or Instrumentalities - interest bearing or discount form.

Municipal Bonds - rated in any of the three highest major rating categories by one or more nationally recognized rating agencies.

The following categories of deposits are specifically authorized by the policy:

Checking accounts - at insured financial institutions.

Certificates of Deposit - subject to restrictions set forth in the City's Fiscal Agent Ordinance (City policy requires a minimum of 50% security consisting of insurance and/or collateral).

F. Inventories of Supplies

Inventories of supplies are valued at average cost. Expenditures in governmental funds and expenses in proprietary funds are recorded as inventory items are consumed.

G. Land Held for Sale

Land held for sale, which consists primarily of approximately 4,477 acres located throughout the State of New Mexico obtained by trade with the federal government in July 1982, is part of the Acquisition and Management of Open Space Permanent Fund. Upon sale of these properties, a portion of the gain, if any, as defined in an agreement, is payable to a third party. Other land was obtained through foreclosure proceedings required by special assessment bond ordinances. The land for sale is valued at cost, which does not exceed market value.

For the City-wide financial statements, the City recognizes income on real estate transactions by recording the entire gross profit on sales that meet the requirements for the accrual method. Transactions which do not meet the requirements for the accrual method are recorded using the deposit method or installment method until such time as the requirements for the accrual method are met. Under the deposit method, cash received is recorded as a deposit. Under the installment method, the City records the entire contract price and the related costs at the time the transaction is recognized as a sale. Concurrently, the gross profit on the sale is deferred and is subsequently recognized as revenue as payments of principal are received on the related contract receivable. In the financial statements for the governmental funds, the City recognizes income from the sale of real estate when the principal on mortgage contracts are collected. At the time of the sale, the principal on the real estate contracts are recorded as deferred revenue.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

H. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets (roadways and related street and signal lights, storm sewers, bike trails, and bridges) acquired or constructed prior to July 1, 2001 have not been reported.

Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Interest incurred during the construction phase of capital assets of the business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets, which are financed by general obligation bonds (to be repaid solely from property tax levies) for use by a proprietary fund, are reported as construction in progress in the government-wide financial statements during construction. The asset, when placed in service, is transferred at historical cost to the proprietary fund as a capital contribution from the City. Construction costs of water and sewer lines that are reimbursed by users or that are financed directly or indirectly by developers and property owners are capitalized and recorded as capital contributions in the Joint Water and Sewer (Enterprise) Fund.

Buildings and improvements, infrastructure, and machinery and equipment are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	15 - 50 years
Runways and other improvements	15 - 25 years
General infrastructure assets	30 years
Improvements other than buildings and runways	15 - 20 years
Machinery and equipment	3 - 13 years

I. Deferred Charges and Other Assets

Purchased water rights, acquired in 1963, are recorded at cost in the Joint Water and Sewer Fund and are being amortized using the straight-line method over one hundred years.

Land acquired in claim settlement is recorded at the lower of cost or appraised value. The appraised value reflects the impairment of the asset, which was caused by underground contamination that seeped from an adjacent inactive landfill maintained by the City.

Costs incurred in connection with the issuance of bonds are capitalized and are reported as deferred bond issuance costs. These costs are amortized over the remaining maturity period of the related bond issues under a method that approximates the level interest rate method.

J. Claims and Judgments

Liabilities for workers' compensation, tort and other claims as of June 30, 2002, were accrued based on actuarial estimates of the City's self-insurance programs. At June 30, 2003, liabilities were based on a case by case evaluation of the probable outcome of claims filed against the City, as well as an estimate of claims incurred but not reported. The long-term portion of the liability is discounted at 4.0% at June 30, 2003, and 5.5% for 2002, over the estimated payment period. Revenues consist primarily of charges to other funds, the amounts of which approximate the cost of claims and other risk management costs arising from the activities of those funds.

K. Accrued Vacation and Sick Leave Pay

City employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation costs become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements. For proprietary funds, vacation costs are recognized as a liability when incurred.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

K. Accrued Vacation and Sick Leave Pay, continued

City employees may also accumulate limited amounts of sick leave which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which sick leave costs become payable from available, expendable resources. A liability for vested amounts, due to employees meeting the termination or retirement requirements, but not payable from available, expendable resources is reported in the government-wide financial statements. For proprietary funds, accumulated sick leave pay is recognized when vested or taken whichever occurs first.

L. Deferred Revenue

The City defers revenue from nonexchange transactions. The amount deferred results from the difference between the receivable recognized on an accrual basis and the related revenue recognized on the modified accrual basis. The City also defers revenue on a water rights contract, rehabilitation loans, construction loans, economic development loans and special assessments. Revenue is recognized as the receivables are collected. In addition, deferred revenue includes moneys collected for food service and license fees, not yet earned.

M. Special Assessments

Special assessment receivables are recorded upon approval of the assessment roll by the City Council, and the related revenues, interest, and penalties are recognized when due. City participation revenues are recorded at the time of receipt.

N. Long-term Obligations

Long-term obligations used to finance proprietary fund capital acquisitions and payable from revenue of proprietary funds are recorded in the applicable proprietary fund. Long-term obligations of governmental funds payable from general revenues of the City and special assessment levies are reported in the government-wide financial statements.

O. Fund Balance Reserves and Designations

The City records reserves to indicate that a portion of fund balance is legally restricted for a specific future use or is not available for appropriation and/or expenditure. At June 30, 2003, fund balances were reserved for:

Encumbrances - the estimated amount of unperformed contracts and outstanding purchase orders that will be re-appropriated in the subsequent fiscal year.

Inventories of supplies - the amount of inventories on hand not available for appropriation.

Prepaid items - the amount reserved for operating costs paid in advance not available for appropriation.

Land held for resale - the amount of fund balance representing the cost of land held for resale and not available for appropriation and/or expenditure.

Advances to other funds - the amount of advances to other funds not available for appropriation and/or expenditure.

Acquisition and management of open space land - the fund balance of permanent funds legally restricted for this purpose.

Urban enhancement - the fund balance of permanent funds legally restricted for this purpose.

Operations - a portion of the fund balance of the General Fund restricted by the City Council from expenditure, except by specific appropriation, for the purpose of maintaining existing levels of government services to the public.

In addition to reserves, the City designates certain portions of unreserved fund balances or unrestricted net assets, disclosed in Note 2S, as follows:

Designated for unrealized gains on investments - the amount of unrealized gains on investments at fiscal year end that will not be available for expenditures until the related investments are sold.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

P. Encumbrances

Encumbrances, outstanding at year end and that will be re-appropriated for the following fiscal year, are recorded as a reservation of fund balance and are not included in expenditures.

Q. Unbilled Revenues

Water, sewer, and refuse services are billed on a cycle basis; therefore, amounts for service provided but unbilled as of June 30, 2003 are not included in receivables or revenue of the enterprise funds. Such unbilled amounts are not material to the financial position and results of operations of the individual enterprise funds.

R. Interfund Transactions

Transactions that would be recorded as revenues, expenditures, or expenses if they involved organizations external to the City are similarly treated when involving other funds of the City. These transactions include charges for administrative services, building rental, risk management services, vehicle maintenance and motor pool services, inventory and office services, retirees' health care, and payments in lieu of taxes. Other authorized transfers between funds are recorded as operating transfers and are included in the determination of the results of operations in the governmental, proprietary, and fiduciary funds.

S. Budgets

Annual budgets for the General Fund, certain Special Revenue Funds, and certain Debt Service Funds are departmental appropriations by program, the level at which expenditures may not legally exceed appropriations. The annual budget approved by the City Council also includes proprietary funds. The budgetary data is prepared consistent with the basis of accounting described in Note 2B. As required by the home rule City charter, the annual budget is formulated by the Mayor and submitted to the City Council by April 1 for the fiscal year commencing July 1. When there is a proposal for a change in rates or fees, City ordinances provide that the Mayor shall submit the operating budget for the Solid Waste, Golf, Joint Water and Sewer, and Aviation enterprise funds to the City Council no later than March 1. Public hearings are conducted to obtain citizen comments on the proposed budget. By June 1, the budget is legally adopted through passage of an appropriation resolution by the City Council.

The Mayor has the authority to change individual program appropriations by the lesser of five percent of the original appropriation or \$100,000, provided that the total amount of appropriations for the fund as approved by the City Council does not change. Approved appropriations lapse at the end of the fiscal year to the extent that they have not been expended or encumbered except any appropriation continued by ordinance. During fiscal year 2003, several supplemental appropriations were necessary. Following are the programs with expenditures that exceeded their appropriations at the end of the fiscal year prior to any subsequent City Council action.

General Fund:		Corrections and Detention Fund:	
City wide financial support	\$ 43,866	Community custody	\$ 122,976
Early retirement	1,071,526	Correction and detention	440,845
Legislative coordinator	39,000	Joint Water and Sewer Fund:	
Central support services	528,052	San Juan Chama	240,463
Strategic support - Senior Affairs	4,733	Low income utility credit	3,525
Clean city action	50	Refuse Disposal Fund:	
		Payment for General Fund services	13,032

An annual budget, which is not legally adopted, for the City of Albuquerque Housing Authority is prepared in accordance with the Department of Housing and Urban Development regulations on an accrual basis and includes both operating and debt service activities as a single budget. The Special Assessments Debt Service Fund spending is controlled primarily through bond indenture provisions and the Capital Projects Funds do not have annual budgets.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

S. Budgets, continued

Included in the unreserved fund balances (deficits) or unrestricted net assets (deficits) for budgetary purposes is a designation for unrealized gains on investments. The designated amounts (in thousands) by fund types are as follows:

<u>Unreserved fund balance (deficit) - governmental funds</u>						
	<u>General</u>	<u>Corrections and Detention</u>	<u>GO Bond Debt Service</u>	<u>Capital Acquisition</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Designated for:						
Unrealized gains	\$ 97	\$ (27)	\$ 104	\$ 162	\$ 263	\$ 599
Undesignated	<u>14,864</u>	<u>2</u>	<u>45,390</u>	<u>68,119</u>	<u>52,949</u>	<u>181,324</u>
Total Unrestricted	<u>\$ 14,961</u>	<u>\$ (25)</u>	<u>\$ 45,494</u>	<u>\$ 68,281</u>	<u>\$ 53,212</u>	<u>\$ 181,923</u>

<u>Unrestricted net assets (deficits) - enterprise funds</u>						
	<u>Airport</u>	<u>Joint Water and Sewer</u>	<u>Refuse Disposal</u>	<u>Housing Authority</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Designated for:						
Unrealized gains	\$ 155	\$ 127	\$ 42	\$ (5)	\$ 46	\$ 365
Undesignated	<u>13,177</u>	<u>51,187</u>	<u>6,439</u>	<u>9,938</u>	<u>6,881</u>	<u>87,622</u>
Total Unrestricted	<u>\$ 13,332</u>	<u>\$ 51,314</u>	<u>\$ 6,481</u>	<u>\$ 9,933</u>	<u>\$ 6,927</u>	<u>\$ 87,987</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Total fund balances of the City's governmental funds, \$273,021,740, differs from net assets of governmental activities, \$746,323,908, reported in the statement of net assets. The differences primarily result from the long-term economic focus in the statement of net assets versus the current financial resources focus in the governmental fund balance sheets. The differences (*in thousands*) are illustrated below:

	<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Long-term Assets & Liabilities</u>	<u>Reclassi- fications and Eliminations</u>	<u>Statement of Net Assets Totals</u>
Assets:					
Cash, investments and accrued interest	\$ 269,225	\$ 31,077	\$ -	\$ (34,402)	\$ 265,900
Taxes receivable	61,173	-	-	-	61,173
Accounts receivable	21,889	-	-	(19,085)	2,804
Due from other governments	26,625	66	-	-	26,691
Accrued interest	-	-	162	-	162
Deposit	-	7	-	-	7
Long-term accounts and notes receivable	-	-	-	19,085	19,085
Internal balances	33,766	-	-	(9,466)	24,300
Inventories	350	1,777	-	-	2,127
Prepaid expenses	10	294	-	-	304
Restricted assets:					
Cash, investments and accrued interest	-	-	-	34,402	34,402
Capital assets:					
Land and construction in progress	-	284	415,314	-	415,598
Capital assets being depreciated	-	2,825	642,453	-	645,278
Accumulated depreciation	-	(2,337)	(312,008)	-	(314,345)
Deferred charges and other assets	5,066	1,830	237	-	7,133
Total assets	\$ 418,104	\$ 35,823	\$ 746,158	\$ (9,466)	\$ 1,190,619
Liabilities:					
Accounts payable	\$ 18,739	\$ 1,062	\$ -	\$ -	\$ 19,801
Accrued liabilities	12,069	355	-	6,543	18,967
Deposits	850	-	-	-	850
Due to other funds/advances	9,466	-	-	(9,466)	-
Due to other governments	2,131	-	-	-	2,131
Deferred revenues	56,306	-	(36,809)	-	19,497
Current portion of long-term obligations:					
Bonds and notes payable	-	-	-	38,978	38,978
Accrued vacation and sick leave pay	-	458	15,777	-	16,235
Accrued claims payable	-	11,153	-	-	11,153
Matured principal and interest	45,521	-	-	(45,521)	-
Non current long-term obligations:					
Bonds and notes payable	-	-	276,877	-	276,877
Accrued vacation and sick leave pay	-	145	9,069	-	9,214
Accrued claims payable	-	29,449	-	-	29,449
Deferred credit	-	-	1,143	-	1,143
Total liabilities	145,082	42,622	266,057	(9,466)	444,295
Fund balances/net assets (deficit)	273,022	(6,799)	480,101	-	746,324
Total liabilities and fund balances/net assets	\$ 418,104	\$ 35,823	\$ 746,158	\$ (9,466)	\$ 1,190,619

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, continued

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of net activities.

The net change in fund balances for governmental funds, (\$7,226,461), differs from the change in net assets for governmental activities, \$97,172,498, reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The differences (*in thousands*) are illustrated below:

	Total Governmental Funds	Internal Service Funds	Long-term Revenues/ Expenses	Reclassi- fications and Eliminations	Statement of Activities Totals
Revenues:					
Taxes:					
Property taxes	\$ 84,782	\$ -	\$ 1,611	\$ -	\$ 86,393
Gross receipts tax	121,089	-	895	-	121,984
Franchise tax	18,120	-	-	-	18,120
Lodgers tax	8,326	-	-	-	8,326
Licenses and permits	14,436	-	-	-	14,436
Intergovernmental	216,174	-	1,082	-	217,256
Charges for services	45,683	-	-	(8,101)	37,582
Fines and forfeits	715	-	-	-	715
Investment earnings	7,946	603	46	-	8,595
Special assessments	7,163	-	-	-	7,163
Other revenue	15,709	61	(1,205)	2,260	16,825
Total revenues	540,143	664	2,429	(5,841)	537,395
Expenditures/Expenses:					
Current:					
General government	54,193	(171)	2,290	(3,291)	53,021
Corrections	42,788	(166)	(132)	(1,523)	40,967
Fire	45,631	(25)	1,190	559	47,355
Police	90,515	(581)	4,762	3,188	97,884
Culture and recreation	52,891	(134)	(4,695)	23,720	71,782
Public works	6,385	(14)	845	1,804	9,020
Highways and streets	18,079	(144)	1,367	2,896	22,198
Health	10,247	(21)	338	(237)	10,327
Human services	50,983	(24)	1,059	(402)	51,616
Housing	3,995	-	(1)	-	3,994
Special assessments	-	-	-	839	839
Debt service:					
Principal retirement	44,763	-	(44,763)	-	-
Interest and other fiscal charges	14,430	-	846	-	15,276
Capital outlay	112,738	-	(77,084)	(35,654)	-
Miscellaneous	580	-	(840)	260	-
Total expenditures/expenses	548,218	(1,280)	(114,818)	(7,841)	424,279
Other financing sources (uses)/changes in net assets:					
Net transfers (to) from other funds	(15,675)	(269)	-	-	(15,944)
Proceeds from issuance of bonds and loans	16,523	-	(14,523)	(2,000)	-
Total other financing sources (uses)/ changes in net assets	848	(269)	(14,523)	(2,000)	(15,944)
Net change for the year	\$ (7,227)	\$ 1,675	\$ 102,724	\$ -	\$ 97,172

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 4 CASH AND CASH EQUIVALENTS

A. Cash, Investments, Accrued Interest and Cash with Fiscal Agents

The total cash, investments, accrued interest and cash with fiscal agents, net of cash overdrafts of the City at June 30, 2003, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash, investments, accrued interest and cash with fiscal agents, net of unamortized discounts and premiums:				
Repurchase agreements	\$ 158,231,095	\$ 110,724,292	\$ 6,044,612	\$ 274,999,999
Obligations of federal agencies or instrumentalities	111,256,120	76,775,054	4,191,271	192,222,445
State of New Mexico investment council	24,205,539	-	-	24,205,539
State of New Mexico local government investment pool	-	6,677,701	-	6,677,701
Held in trust by NMFA in State of New Mexico local government investment pool	-	4,934,431	-	4,934,431
Held in trust by Wells Fargo Bank in U.S. Treasury Fund	-	3,429,043	-	3,429,043
Held in trust by Bank of Albuquerque in U.S. Treasury Fund	1,613,102	448,335	-	2,061,437
Total investments	<u>295,305,856</u>	<u>202,988,856</u>	<u>10,235,883</u>	<u>508,530,595</u>
Certificates of deposit	100,000	-	-	100,000
Bank accounts (book balance)	4,214,216	33,383,923	1,365,328	38,963,467
Total bank balances	<u>4,314,216</u>	<u>33,383,923</u>	<u>1,365,328</u>	<u>39,063,467</u>
Accrued interest receivable	631,582	412,257	-	1,043,839
Imprest cash funds	51,073	12,745	-	63,818
Total other	<u>682,655</u>	<u>425,002</u>	<u>-</u>	<u>1,107,657</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 300,302,727</u>	<u>\$ 236,797,781</u>	<u>\$ 11,601,211</u>	<u>\$ 548,701,719</u>
Unrestricted cash, investments and accrued interest:				
Cash, investments and accrued interest	\$ 220,402,453	\$ 45,237,261	\$ 11,601,211	\$ 277,240,925
Cash with fiscal agents	45,498,323	-	-	45,498,323
Total unrestricted cash, investments and accrued interest	<u>265,900,776</u>	<u>45,237,261</u>	<u>11,601,211</u>	<u>322,739,248</u>
Restricted cash, investments and accrued interest:				
Cash, investments and accrued interest	34,401,951	140,624,316	-	175,026,267
Cash with fiscal agents	-	50,936,204	-	50,936,204
Total restricted cash, investments and accrued interest	<u>34,401,951</u>	<u>191,560,520</u>	<u>-</u>	<u>225,962,471</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 300,302,727</u>	<u>\$ 236,797,781</u>	<u>\$ 11,601,211</u>	<u>\$ 548,701,719</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 4 CASH AND CASH EQUIVALENTS, continued

A. Cash, Investments, Accrued Interest and Cash with Fiscal Agents, continued

The City's deposits and investments at June 30, 2003, are categorized below to indicate the level of risk assumed by the City:

1. Investment Categories of Credit Risk

- (1) Insured or registered or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department (if a bank) or agent in the City's name.

	<u>Category</u>			
	<u>1</u>	<u>2</u>	<u>Not Categorized</u>	<u>Total</u>
Repurchase agreements	\$ -	\$274,999,999	\$ -	\$274,999,999
U.S. Treasury obligations	-	-	-	-
Obligations of federal agencies or instrumentalities	192,222,445	-	-	192,222,445
State of New Mexico investment council	-	-	24,205,539	24,205,539
State of New Mexico local government investment pool	-	-	6,677,701	6,677,701
Held in trust by NMFA in State of New Mexico local government investment pool	-	-	4,934,431	4,934,431
Held in trust by Wells Fargo Bank in U.S. Treasury Fund	-	-	3,429,043	3,429,043
Held in trust by Bank of Albuquerque in U.S. Treasury Fund	-	-	2,061,437	2,061,437
Total investments	<u>\$192,222,445</u>	<u>\$274,999,999</u>	<u>\$ 41,308,151</u>	<u>\$508,530,595</u>

2. Deposit Categories of Credit Risk

- (A) Insured or collateralized with securities held by the City or by its agent in the City's name.
- (B) Collateralized with securities held by the pledging financial institution's trust department or by its agent in the City's name.

The reported amounts (in thousands) are as follows:

	<u>Category</u>		
	<u>A</u>	<u>B</u>	<u>Total</u>
Bank accounts (bank balance)	\$ 916	\$ 47,428	\$ 48,344
Certificates of deposit	<u>100</u>	<u>-</u>	<u>100</u>
Total deposits	<u>\$ 1,016</u>	<u>\$ 47,428</u>	<u>\$ 48,444</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 4 CASH AND CASH EQUIVALENTS, continued

B. Pledged Collateral by Bank

The City is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC).

The pledged collateral by bank (in thousands) at June 30, 2003, consists of the following:

	<u>First State Bank</u>	<u>Bank of America</u>	<u>Wells Fargo Bank</u>	<u>Apartments Wells Fargo Bank</u>	<u>Wells Fargo Trust</u>	<u>Compass Bank</u>	<u>Bank 1st</u>	<u>NM Bank & Trust</u>
Total amount on deposit	\$ 13,021	\$ 32,593	\$ 2,029	\$ 81	\$ -	\$ 5	\$ 100	\$ 615
Less FDIC coverage	<u>100</u>	<u>100</u>	<u>100</u>	<u>81</u>	<u>-</u>	<u>5</u>	<u>100</u>	<u>530</u>
Total uninsured public funds	12,921	32,493	1,929	-	-	-	-	85
50% collateral requirement	<u>6,461</u>	<u>16,247</u>	<u>965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43</u>
Pledged securities, fair value	<u>11,133</u>	<u>10,228</u>	<u>3,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pledged in excess (deficit) of requirement	<u>\$ 4,672</u>	<u>\$ (6,019)</u>	<u>\$ 2,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43)</u>

Subsequent to the fiscal year end and in accordance with New Mexico Statutes, the banks have complied with the pledging requirements.

NOTE 5 TAXES, ACCOUNTS AND NOTES RECEIVABLE

A. Taxes receivable

The taxes receivable at June 30, 2003 are from the following sources:

Gross receipts tax	\$52,861,814
Property tax	4,920,489
Franchise tax	2,139,856
Lodgers tax	659,294
Other taxes	<u>591,134</u>
 Total	 <u>\$61,172,587</u>

The property taxes above include a receivable of \$3,779,330 in the General Obligation Debt Service Fund, \$1,017,259 in the General Fund, and \$123,900 in the Metropolitan Redevelopment Fund.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located in the City as of the preceding January 1. The taxable valuations for the various classes of property are determined by the Bernalillo County Assessor and the State of New Mexico Department of Taxation and Revenue at one-third of assessed valuation. Property in the City for the fiscal year 2003 tax levy had a taxable value of \$7,623,843,160. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mills (\$20 per \$1000 assessed valuation), of which the City's portion, by state regulation, is limited to 2.225 mills. The 2003 weighted average residential and non-residential City rate for both operations and debt service was 11.153 mills. Taxes are payable in two equal installments on November 10 and April 10 and become delinquent after 30 days.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 5 TAXES, ACCOUNTS AND NOTES RECEIVABLE, continued

B. Accounts receivable and Allowance for uncollectible accounts

Included on Exhibit A-1, "Statement of Net Assets", are balances of receivables which are reported net of allowances for uncollectible accounts. The amounts of these receivables that have allowances as of June 30, 2003, are as follows:

	<u>Total receivables</u>	<u>Allowance for uncollectible accounts</u>	<u>Net receivables</u>
Government Activities:			
Major funds:			
General Fund	\$ 3,066,913	\$ 670,990	\$ 2,395,923
Nonmajor governmental funds	<u>434,037</u>	<u>122,578</u>	<u>311,459</u>
Total government activity funds	<u>\$ 3,500,950</u>	<u>\$ 793,568</u>	<u>\$ 2,707,382</u>
Business-type activities:			
Major funds:			
Airport	\$ 4,193,144	\$ 815,572	\$ 3,377,572
Joint Water and Sewer	11,847,500	1,229,207	10,618,293
Refuse Disposal	2,897,025	302,971	2,594,054
Housing Authority Fund	475,257	278,215	197,042
Nonmajor funds	<u>770,752</u>	<u>341,704</u>	<u>429,048</u>
Total business-type activities	<u>\$ 20,183,678</u>	<u>\$ 2,967,669</u>	<u>\$ 17,216,009</u>

C. Long Term And Notes Receivable

Included in Exhibit A-1 are long term receivables as follows:

	<u>Total receivables</u>	<u>Allowance for uncollectible accounts</u>	<u>Net receivables</u>
Government Activities:			
Nonmajor governmental funds:			
Rehabilitation loans	\$ 6,778,213	\$ 4,289,062	\$ 2,489,151
Notes receivable	56,727	-	56,727
Developer loans	1,704,308	-	1,704,308
Special assessments debt service*	11,833,834	-	11,833,834
Real estate contracts	<u>3,001,272</u>	<u>-</u>	<u>3,001,272</u>
Total government activities	<u>\$ 23,374,354</u>	<u>\$ 4,289,062</u>	<u>\$ 19,085,292</u>
Business-type activities:			
Major funds:			
Joint Water and Sewer:			
Notes receivable	\$ 7,286,844	\$ -	\$ 7,286,844
Nonmajor funds:			
Developer loans	<u>2,433,365</u>	<u>-</u>	<u>2,433,365</u>
Total business-type activities	<u>\$ 9,720,209</u>	<u>\$ -</u>	<u>\$ 9,720,209</u>

* Includes delinquent accounts of \$257,443.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 6 INTERFUND RECEIVABLE AND PAYABLE

The interfund receivable and payable accounts have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2003, consist of the following:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major governmental funds:		
General Fund	\$ 9,158,860	\$ -
Corrections and Detention	-	8,029,463
Nonmajor governmental funds	<u>-</u>	<u>1,129,397</u>
Total	<u>\$ 9,158,860</u>	<u>\$ 9,158,860</u>

NOTE 7 INTERFUND ADVANCES

Interfund advances to be repaid from revenues or proceeds from the sale of assets are as follows as of June 30, 2003.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Acquisition Fund	\$ 112,000
	Open Space Expenditures Fund	195,636
Nonmajor governmental fund *	Nonmajor enterprise fund *	<u>24,300,000</u>
Total advances		<u>\$ 24,607,636</u>

* Revenue bonds payable solely from gross receipts tax revenues were issued in fiscal year 2000. The proceeds of these bonds were advanced by the Sales Tax Refunding Debt Service Fund to the Parking Facilities Fund and are being used to construct, acquire or improve capital assets.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 8 CAPITAL ASSETS

Capital asset activity of the City for the year ended June 30, 2003, was as follows:

A. Governmental Activities

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30</u>
Assets not being depreciated:				
Land	\$ 202,758,574	\$ 6,786,562	\$ -	\$ 209,545,136
Construction work in progress	<u>248,830,022</u>	<u>61,963,634</u>	<u>104,740,797</u>	<u>206,052,859</u>
	<u>451,588,596</u>	<u>68,750,196</u>	<u>104,740,797</u>	<u>415,597,995</u>
Assets being depreciated:				
Buildings	81,193,940	38,640,439	-	119,834,379
Infrastructure	35,599,482	19,742,963	-	55,342,445
Improvements other than buildings	275,684,773	44,282,477	53	319,967,197
Equipment	<u>143,755,836</u>	<u>12,796,339</u>	<u>6,418,604</u>	<u>150,133,571</u>
	<u>536,234,031</u>	<u>115,462,218</u>	<u>6,418,657</u>	<u>645,277,592</u>
Less accumulated depreciation:				
Buildings	30,574,759	2,510,831	-	33,085,590
Infrastructure	593,325	1,515,699	-	2,109,024
Improvements other than buildings	151,825,817	9,758,156	-	161,583,973
Equipment	<u>113,231,233</u>	<u>10,754,025</u>	<u>6,418,604</u>	<u>117,566,654</u>
	<u>296,225,134</u>	<u>24,538,711</u>	<u>6,418,604</u>	<u>314,345,241</u>
Capital Assets being depreciated, net	<u>240,008,897</u>	<u>90,923,507</u>	<u>53</u>	<u>330,932,351</u>
Total capital assets, net	<u>\$ 691,597,493</u>	<u>\$ 159,673,703</u>	<u>\$ 104,740,850</u>	<u>\$ 746,530,346</u>

Infrastructure assets of \$18.2 million were added for roadways, storm sewers and bike trails. In addition, land was acquired for open space costing \$5.5 million; a new crime lab was completed for \$8.3 million and replacement vehicles were acquired for the police for \$0.5 million.

The construction work in progress consists of expenditures made in connection with the Capital Acquisition, Infrastructure Tax, and Quality of Life Funds. The construction work in progress decreased by \$42.8 primarily due to the completion of various construction projects while the other change in construction is a result of continuing facility development at the Balloon Fiesta Park, including the Balloon Park Museum, a major expansion of the Albuquerque Museum, and other facilities.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 8 CAPITAL ASSETS, continued

B. Business-type activities

	<u>Balance July 1*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30</u>
Assets not being depreciated:				
Land	\$ 73,458,646	\$ 842,869	\$ 126,645	\$ 74,174,870
Land and improvements acquired from the U.S. Air Force	7,630,077	-	-	7,630,077
Other	640,546	-	-	640,546
Construction work in progress	<u>51,893,554</u>	<u>35,967,841</u>	<u>28,879,795</u>	<u>58,981,600</u>
Total assets, not being depreciated	<u>133,622,823</u>	<u>36,810,710</u>	<u>29,006,440</u>	<u>141,427,093</u>
Assets being depreciated:				
Buildings and improvements	287,390,042	47,393,580	-	334,783,622
Runways and improvements	242,350,627	23,996	-	242,374,623
Improvements other than buildings and runways	1,314,448,390	27,891,582	-	1,342,339,972
Equipment	<u>155,140,395</u>	<u>7,967,473</u>	<u>5,575,619</u>	<u>157,532,249</u>
Total assets, being depreciated	<u>1,999,329,454</u>	<u>83,276,631</u>	<u>5,575,619</u>	<u>2,077,030,466</u>
Less accumulated depreciation:				
Buildings and improvements	133,496,742	9,296,860	-	142,793,602
Runways and improvements	124,355,577	12,262,796	-	136,618,373
Improvements other than buildings and runways	636,619,834	49,228,223	-	685,848,057
Equipment	<u>102,351,430</u>	<u>12,350,354</u>	<u>5,387,826</u>	<u>109,313,958</u>
Total accumulated depreciation	<u>996,823,583</u>	<u>83,138,233</u>	<u>5,387,826</u>	<u>1,074,573,990</u>
Capital assets being depreciated, net	<u>1,002,505,871</u>	<u>138,398</u>	<u>187,793</u>	<u>1,002,456,476</u>
Total capital assets, net	<u>\$ 1,136,128,694</u>	<u>\$ 36,949,108</u>	<u>\$ 29,194,233</u>	<u>\$ 1,143,883,569</u>

* Restated. See Note 23.

A totally renovated baseball stadium was completed for \$23.0 million. Other additions included water and sewer lines (\$24.4 million) and new transit vehicles (\$3.6 million).

The construction work in progress increased by \$7.1 million. The construction work in progress consists of expenditures made in connection with the Airport Fund, Joint Water and Sewer Fund, Refuse Disposal Fund, Transit Fund, Parking Facilities Fund, and Housing Authority Fund. The major amounts are for Water and Sewer System improvements, parking structures, renovation of old Albuquerque High School, and Solid Waste Disposal Facilities.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 8 CAPITAL ASSETS, continued

C. Depreciation expense

Depreciation expense was charged to functions/programs of the City as follows:

<u>Governmental activities:</u>	
General government	\$ 2,169,365
Public safety:	
Corrections	233,196
Fire protection	1,446,782
Police protection	6,309,385
Culture and recreation	10,250,465
Public works	1,063,218
Highways and streets	1,388,865
Health	496,881
Human services	1,054,375
Capital assets held by the City's internal service funds charged to the various functions on a prorated basis based on their usage of the assets	126,179
Total depreciation expense - governmental activities	\$ 24,538,711
<u>Business-type activities:</u>	
Major funds:	
Airport	\$ 27,845,671
Joint Water and Sewer	40,843,474
Refuse Disposal	4,782,031
Housing Authority	1,733,369
Nonmajor funds	7,933,688
Total depreciation expense - business-type activities	\$ 83,138,233

D. Capitalized interest

Changes to the capital assets for the business-type activities for 2003 include the following amounts of capitalized interest:

	Total Interest	Interest Related to Tax-Exempt Borrowing	Net
Interest expense	\$ 28,849,440	\$ 3,815,849	\$ 25,033,591
Interest income	4,160,786	1,653,960	2,506,826
Capitalized interest		\$ 2,161,889	

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 9 RESTRICTED ASSETS

Restricted assets arise principally from legal restrictions on expenditures of proceeds from general obligations bonds or sales tax revenue bonds in the governmental activities or on expenditures of proceeds from revenue bonds of the enterprise funds. The amount of restricted assets reported in the statement of net assets at June 30, 2003 is as follows:

A. Governmental Activities

Capital Acquisitions Fund	<u>\$ 34,401,951</u>
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B. Business-type activities

Airport Fund	\$ 68,611,404
Joint Water and Sewer Fund	89,712,682
Refuse Disposal Fund	15,915,311
Housing Authority Fund	387,487
Nonmajor Enterprise Funds	<u>23,846,697</u>
Totals	<u>\$ 198,473,581</u>

NOTE 10 LONG-TERM OBLIGATIONS

A. Governmental activities

Bonded obligations of the City consist of various issues of general obligation, revenue, and special assessment bonds. Also included in long-term obligations is a water rights contract, notes payable, claims and judgments, and accrued vacation and sick leave pay. The City has complied with all revenue bond ordinance requirements for maintaining specific reserves for future debt service. All variable rate bonds are callable at 100% after 45 to 60 days notification to bondholders.

The changes in the long-term obligations of the governmental activities for the year ended June 30, 2003, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
General Obligation Bonds	\$ 209,865,000	\$ -	\$ 49,810,000	\$ 160,055,000	\$ 33,245,000
Sales Tax Revenue Bonds	159,790,000	-	3,885,000	155,905,000	3,170,000
Sales Tax Revenue Notes	700,000	-	126,312	573,688	135,888
Special Assessment Bonds and Notes					
With Governmental Commitment	22,407,474	-	8,985,964	13,421,510	2,427,611
Accrued vacation and sick leave pay	26,003,279	19,557,303	20,111,658	25,448,924	16,234,794
Accrued claims payable	39,298,513	17,507,793	16,204,742	40,601,564	11,153,000
Less deferred amounts:					
Unamortized Bond Discounts	(17,053,338)	-	(1,284,722)	(15,768,616)	-
Unamortized Bond Premiums	2,240,264	-	570,906	1,669,358	-
	443,251,192	37,065,096	98,409,860	381,906,428	66,366,293
Current portion of long-term obligations	(85,294,016)	-	(18,927,723)	(66,366,293)	-
Total	\$ 357,957,176	\$ 37,065,096	\$ 79,482,137	\$ 315,540,135	\$ 66,366,293

General Obligation bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on property located within the City. The sick leave and vacation pay obligations are being liquidated primarily by the following funds: General, Air Quality, City/County Facilities, Gas Tax Road, Plaza Del Sol Building, and Acquisition and Management of Open Space Expenditures. Limited amounts are being liquidated by other funds.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

A. Governmental activities, continued

General obligation bonds outstanding at June 30, 2003, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
March 1, 1994 Storm Sewer	\$ 9,000,000	5.00%	July 1, 2003	Not callable
February 1, 1996 General Purpose	4,000,000	5.00%	July 1, 2004	Not callable
February 1, 1996 Storm Sewer	3,500,000	5.00/5.50%	July 1, 2005	Not callable
January 1, 1997 General Purpose	10,100,000	5.00%	July 1, 2005	Not callable
January 1, 1997 Storm Sewer	6,700,000	5.00%	July 1, 2006	Not callable
February 1, 1998 General Purpose	12,620,000	5.00%	July 1, 2005	Not callable
February 1, 1998 Storm Sewer	6,350,000	5.00%	July 1, 2007	100% beginning July 1, 2005
February 1, 1999 General Purpose	8,000,000	3.85/3.95%	July 1, 2006	Not callable
February 1, 1999 Storm Sewer	4,760,000	4.00/4.05%	July 1, 2008	100% beginning July 1, 2006
August 1, 1999 General Purpose	14,000,000	4.50/4.75	July 1, 2009	100% beginning July 1, 2007
July 1, 2000 General Purpose	2,850,000	5.00%	July 1, 2005	Not callable
July 1, 2000 Storm Sewer	6,750,000	5.00%	July 1, 2010	100% beginning July 1, 2008
September 1, 2001 General Purpose	34,315,000	4.00/5.00%	July 1, 2010	100% beginning July 1, 2009
September 1, 2001 Storm Sewer	4,510,000	4.375%	July 1, 2011	100% beginning July 1, 2009
December 1, 2001 Taxable Baseball Stadium	8,000,000	4.00/5.60%	July 1, 2010	Not callable
February 1, 2002 General Purpose	19,000,000	2.50/5.00%	July 1, 2009	Not callable
February 1, 2002 Storm Sewer	<u>5,600,000</u>	4.50%	July 1, 2011	100% beginning July 1, 2010
	<u>\$ 160,055,000</u>			

The Constitution of the State of New Mexico limits the amount of general purpose general obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2003, based on the most recent assessed taxable valuation of \$7,623,843,160, the City may issue an additional \$192,068,000 of general purpose general obligation bonds. Included in the general obligation bonds outstanding at June 30, 2003, are Storm Sewer bonds in the amount of \$47,170,000 that are not subject to the legal debt limit.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

A. Governmental activities, continued

Sales Tax Revenue Bonds of the City are secured by a pledge of gross receipts tax (sales tax) revenues. In addition, the 1996 Refunding issue is secured by limited amounts of parking and airport revenues.

Sales tax revenue bonds and notes outstanding at June 30, 2003, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
November 18, 1991 B				
Refunding and Improvement	\$ 35,305,000	6.60/7.10%	July 1, 2019	103% beginning July 1, 2011
May 1, 1992 Refunding	5,885,000	6.00/6.30%	July 1, 2007	102% beginning July 1, 2002
March 7, 1995	1,300,000	adjustable weekly	July 1, 2023	100% beginning March 7, 1995
October 15, 1996 Refunding	10,885,000	5.00%	July 1, 2011	100% beginning July 1, 2007
January 15, 1999 A Refunding	5,465,000	3.75/5.00%	July 1, 2015	100% beginning July 1, 2009
January 15, 1999 B Refunding	45,335,000	4.60/5.00%	July 1, 2025	100% beginning July 1, 2009
March 15, 1999 C Refunding	27,130,000	4.75/5.25%	July 1, 2022	100% beginning July 1, 2009
January 20, 2000 A	24,600,000	adjustable weekly	July 1, 2014	100% beginning January 20, 2000
April 27, 2001, Note	<u>573,688</u>	3.02/3.62%	July 1, 2006	None
	<u>\$ 156,478,688</u>			

Special Assessment Debt and Notes Payable with Governmental Commitment is secured by pledges of revenues from special assessments levied. The outstanding bonds and notes of certain water and sewer improvement districts are also secured by surplus revenues of the joint water and sewer system, subordinate to bonds and obligations payable solely or primarily from such revenues. Outstanding bonds and notes of paving and sidewalk improvement districts are additionally secured by pledges of one-half of motor fuel tax revenues of the City, to be used only in the event that revenues from assessments and interest levied are not sufficient to meet debt service requirements. All Special Assessment debt is callable at 100% on any semi-annual interest payment date.

Special Assessment debt and notes in the amount of \$13,421,510 are outstanding at June 30, 2003. Interest rates range from 3.21% to 7.10%, and maturities extend through January 1, 2015.

B. Business-type activities

The changes in the Business-type activities obligations for the year ended June 30, 2003, are as follows:

	<u>Outstanding</u>				<u>Payable in one year</u>
	<u>July 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30</u>	
Revenue bonds	\$ 560,100,000	\$ -	\$ 48,020,000	\$ 512,080,000	\$ 41,720,000
Loans and notes payable	49,137,006	18,600,000	3,201,375	64,535,631	960,484
Accrued vacation and sick leave pay	6,714,731	6,520,881	6,422,172	6,813,440	4,614,876
Less deferred amounts:					
Deferred refunding costs	(11,910,634)	-	(2,228,027)	(9,682,607)	-
Unamortized bond premiums	6,057,950	-	1,059,898	4,998,052	-
Unamortized bond discounts	(9,588,405)	-	(1,725,064)	(7,863,341)	-
	<u>600,510,648</u>	<u>25,120,881</u>	<u>54,750,354</u>	<u>570,881,175</u>	<u>47,295,360</u>
Current portion	(46,592,057)	-	703,303	(47,295,360)	-
Business-type activity					
long-term obligations	<u>\$ 553,918,591</u>	<u>\$ 25,120,881</u>	<u>\$ 55,453,657</u>	<u>\$ 523,585,815</u>	<u>\$ 47,295,360</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities, continued

The sick leave and vacation pay obligations are being liquidated primarily by the following funds: Airport, Joint Water and Sewer, Refuse Disposal, Housing Authority, Golf Course, Transit, and Parking Facilities.

Airport Revenue Bonds are secured by pledges of net revenues of the airport.

Airport Revenue bonds outstanding at June 30, 2003, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
May 3, 1995 Refunding	53,000,000	a *	July 1, 2014	100% on any interest payment date
April 3, 1997 Refunding	29,335,000	6.25/6.75%	July 1, 2018	102% beginning July 1, 2007
September 1, 1998 Refunding	40,785,000	3.80/5.00%	July 1, 2019	100% beginning July 1, 2008
May 4, 2000 A	6,800,000	a	July 1, 2020	100% on any interest payment date
May 4, 2000 B	39,500,000	a	July 1, 2020	100% on any interest payment date
August 1, 2001	<u>42,330,000</u>	3.20/4.75%	July 1, 2016	100% beginning July 1, 2012
Total outstanding	211,750,000			
Unamortized premiums	748,578			
Deferred refunding costs	<u>(5,973,703)</u>			
Net outstanding	<u>\$ 206,524,875</u>			

a - adjustable weekly

* Concurrently, with the issuance of these bonds, the City entered into an interest rate exchange agreement in order to effectively fix the City's interest obligation on the Series 1995 bonds. In that agreement, the City is obligated to pay interest at the fixed interest rate of 6.685% per annum.

The Apartments Revenue Bonds are secured by pledges of net revenues of the apartments.

In July 2000, the City pursuant to a mortgage and indenture of trust issued the \$15,080,000 Affordable Housing Projects Refunding Revenue Bonds Series 2000 (Series 2000) to refund previously issued revenue bonds. The Series 2000 revenue bonds consist of debt issued by three City owned trusts; Beach, Bluewater Village and Manzano Vista Apartments. The debt constitutes a limited obligation of the City and is payable solely from the resources of these trusts. The respective facilities and the revenues derived from these facilities are pledged for the repayment of the bonds. The mortgage and indenture of trust contain significant requirements for annual debt service and use of project revenues and resources. Required funds include escrow and expense funds, a debt service fund, use of project reserve funds (debt service, retained earnings coverage and sinking fund installment accounts) and restricted property reserve funds (rehabilitation, renovation, repair and replacement accounts).

The Series 2000 bonds mature July 1, 2003 and bear a variable interest rate based upon similar tax free obligations (BMA index). At the option of the City, interest is paid on market rates for either daily, weekly, short term or long term interest rate periods. Based on interest rate periods, interest is paid no less than monthly or in the case of long term periods paid semi annually each July and January. At June 30, 2003 and 2002 interest was being paid monthly. The average interest rate on the Series 2000 bonds for the years ended June 30, 2003 and 2002 was 1.26% and 1.7% respectively. The weekly interest rate at June 30, 2003 and 2002 was .97% and 1.23% respectively.

The City has executed a standby bond purchase agreement (expires July 20, 2005) to provide a liquid facility for the potential repurchase of bonds at the option of the bond owner (at par) as allowed under the terms of the mortgage and indenture of trust. The City has contracted with a remarketing agent to resell bonds purchased pursuant to the standby bond purchase agreement.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities, continued

The Series 2000 bonds are subject to optional and mandatory redemptions generally at par (unless long term rates are in effect) as required by the mortgage and indenture of trust commencing July 1, 2001. The Apartments debt in the amount of \$14,380,000 is outstanding at June 30, 2003 and maturities extend through July 1, 2030.

Golf Course Revenue Bonds are secured by a pledge of net golf course revenues and a pledge of revenues received by the City from gross receipts tax revenues.

Golf Course Revenue bonds outstanding at June 30, 2003 are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
February 1, 2001	\$ 2,295,000	5.70/6.70%	July 1, 2011	100% beginning July 1, 2007
Unamortized discounts	(4,547)			
Net outstanding	<u>\$ 2,290,453</u>			

Joint Water and Sewer Revenue Bonds are secured by a pledge of net revenues derived from the operations of the joint water and sewer system. In ordinances pursuant to the issuance of these bonds, the City has agreed to charge all users of the system such reasonable rates as are sufficient to produce net revenues annually to pay 133% of the annual debt service requirements on all outstanding system obligations. The City met those requirements at the end of the fiscal year.

Joint Water and Sewer Revenue Bonds outstanding at June 30, 2003, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
June 1, 1990 A	\$ 32,580,000	6.00/7.20%	July 1, 2008	100% beginning July 1, 2000
January 1, 1994 A	27,375,000	2.75/5.50%	July 1, 2005	Not callable
August 1, 1995	22,360,000	3.625/6.00%	July 1, 2007	Not callable
June 15, 1997	34,670,000	4.75%	July 1, 2009	100% beginning July 1, 2006
January 1, 1999A	83,400,000	3.80/5.25%	July 1, 2011	Not callable
May 1, 2000A	19,735,000	5.00%	July 1, 2006	Not callable
December 1, 2001	29,900,000	3.00/4.50%	July 1, 2013	100% beginning July 1, 2010
Total outstanding	250,020,000			
Unamortized:				
premiums	3,718,156			
discounts	(7,573,860)			
deferred refunding costs	(3,226,631)			
Net outstanding	<u>\$ 242,937,665</u>			

Included in the outstanding Joint Water and Sewer Revenue Bonds are the June 1, 1990A issue, capital appreciation bonds with a par amount of \$32,580,000, net of original issue discount of \$22,588,290. No payment of principal or interest is due on these bonds until July 1, 2003. In accordance with the bond agreement, the payment for these bonds is not provided for in the current revenue rate structure; however, interest in the amount of \$15,014,430 has accreted as of June 30, 2003, and accordingly, the interest expense and related liability are included in the financial statements of the City. The accreted interest is included as a reduction of the unrestricted net assets.

Joint Water and Sewer Notes Payable and Loan Agreements

A Water Rights Contract with the United States Government was entered into by the City during the fiscal year ended June 30, 1963 to pay a portion of the construction, operation, and maintenance costs for the San Juan-Chama diversion project in return for a portion of the water rights resulting from the project.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities, continued

The contract provides for payment in fifty annual installments with final maturity in 2022, and has an interest rate of 3.046%. The amount of the contract outstanding at June 30, 2003, was \$20,758,437.

A line of credit agreement with the New Mexico Environment Department was entered into by the Fund on June 18, 2002. This agreement provides that the Fund may draw a total of \$12,000,000 for the purpose of defraying the cost of extending, enlarging, bettering, and repairing and otherwise improving the waste water facilities of the City's municipal joint water and sewer system. Interest is 3.0 percent on funds drawn. At June 30, 2003, the Fund had drawn \$3,484,446.

On October 1, 1994, the City executed a promissory note with the New Mexico Environment Department that converted an existing line of credit agreement of \$7,907,582 to a long-term note payable with an interest rate of 5%. On March 12, 2001, the City refinanced the note payable, which lowered the interest rate to 3%. Annual payments are \$567,926, with a final payment due on July 1, 2013. The balance due at June 30, 2003, was \$4,844,525.

On October 5, 1995, the City executed a promissory note with the New Mexico Environment Department that converted an existing \$4,000,000 line of credit agreement. The note payable of \$2,521,846 (total draws on the line of credit at the time of project completion) had an interest rate of 5%. On March 12, 2001, the City refinanced the note payable, which lowered the interest rate to 3%. Final payment is due on July 1, 2008. The balance due at June 30, 2003, was \$1,231,859.

On July 1, 1997, the City executed a promissory note with the New Mexico Environment Department that converted an existing line of credit agreement of \$9,000,000 to a long-term note payable with an interest rate of 5%. On March 12, 2001, the City refinanced the note payable, which lowered the interest rate to 3%. Final payment is due on July 1, 2008. The balance due at June 30, 2003, was \$4,396,274.

On June 14, 2000, the City executed a promissory note with the New Mexico Environment Department that converted an existing line of credit agreement of \$15,000,000 to a long term note payable with an interest rate of 4% with annual payments of \$1,587,627. Final payment is due on July 1, 2012. The balance due at June 30, 2003, was \$11,804,536.

On April 12, 2002, the City executed a loan agreement with the New Mexico Finance Authority in the amount of \$450,000 with an average interest rate of 3.6%. The proceeds from the loan will be used to construct chemical storage facilities used as part of the City's drinking water disinfection system. Final payment is due on July 1, 2014. The balance due at June 30, 2003 was \$450,000.

On May 10, 2002, the City executed a loan agreement with the New Mexico Finance Authority in the amount of \$2,450,000 with an average interest rate of 2.8%. The proceeds from the loan will be used for the construction of a drinking water disinfection system in the City's water and wastewater utility system. Final payment is due on July 1, 2014. The balance due at June 30, 2003 was \$2,450,000.

On April 11, 2003, the City executed a loan agreement with the New Mexico Finance Authority in the amount of \$3,600,000 with an interest rate of 2.0%. The proceeds from the loan will be used for the construction of a pump station in the City's water and wastewater utility system. Final payment is due on January 1, 2016. The balance due at June 30, 2003 was \$3,600,000.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities, continued

Refuse Disposal Revenue Bonds are secured by a pledge of net revenues from refuse disposal operations.

Refuse Disposal Revenue Bonds outstanding at June 30, 2003, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
September 1, 1992	\$ 1,610,000	5.20/5.60%	July 1, 2005	102% beginning July 1, 2002
July 1, 1995	10,180,000	3.85/5.30%	July 1, 2009	Not callable
February 1, 1998	8,060,000	3.75/5.00%	July 1, 2013	100% beginning July 1, 2007
May 1, 2001A	2,965,000	4.00/4.10%	July 1, 2008	Not callable
May 1, 2001B	<u>10,820,000</u>	3.63/5.25%	July 1, 2012	Not callable
Total outstanding	33,635,000			
Unamortized premiums	246,383			
Deferred refunding costs	<u>(482,272)</u>			
Net outstanding	<u>\$ 33,399,111</u>			

Stadium Loans are secured by pledges of net revenues of the Albuquerque baseball stadium.

On October 4, 2002 the City entered into a Taxable Stadium Lease loan agreement with the New Mexico Finance Authority in the amount of \$6,000,000 with an average interest rate of 5.2%. Final payment is due on July 1, 2026. The balance due on June 30, 2003 was \$6,000,000.

On December 27, 2002 the City entered into a Taxable Surcharge loan agreement with the New Mexico Finance Authority in the amount of \$9,000,000 with an average interest rate of 4.2%. Final payment is due on July 1, 2026. The balance due on June 30, 2003 was \$9,000,000.

Both loans were used to finance reconstruction of the existing baseball stadium. See Note 22.

Housing Authority Debt. The U.S. Housing and Urban Development Department (HUD) guaranteed third party debt consisting of new Housing Authority (HA) revenue bonds and permanent notes payable to the Federal Financing Bank were issued to provide for the development and modernization of low rent housing units. These bonds and notes are payable by HUD and secured by annual contributions to the HA. HUD regulations state that the bonds and notes do not constitute a debt of the HA and, accordingly, these have not been reported in the accompanying financial statements. At June 30, 2003, the outstanding balance of the revenue bonds was \$1,065,000 with annual payments required through 2013 and the outstanding balance of the permanent notes was \$8,332,048 with annual payments required through 2017.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 10 LONG-TERM OBLIGATIONS, continued

C. Summary of Annual Debt Service Requirements

The annual debt service requirements on the obligations outstanding at June 30, 2003 are as follows:

Year ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2004	\$ 36,550,888	\$ 12,746,609	\$ 42,680,484	\$ 23,648,525
2005	28,742,836	11,212,277	49,017,658	22,700,918
2006	29,886,451	9,834,319	51,721,836	20,418,413
2007	27,669,505	8,630,860	52,878,810	18,122,394
2008	24,888,139	7,436,845	55,963,871	15,950,811
2009-2013	82,187,380	25,345,137	210,742,549	50,176,684
2014-2018	37,550,000	17,165,375	91,643,480	15,764,532
2019-2023	44,360,000	9,598,439	35,336,824	3,500,184
2024-2028	18,120,000	1,612,688	7,950,119	728,017
2029-2031	-	-	2,980,000	59,558
Total	\$ 329,955,199	\$ 103,582,548	\$ 600,915,631	\$ 171,070,036

D. Arbitrage

Section 148 of the Internal Revenue Code provides generally that bonds issued by a municipality will be "arbitrage bonds", if any portion of the proceeds of the bonds are reasonably expected to be invested in obligations with a yield that is "materially higher" than the yield on the bonds. While municipalities are entitled to earn a certain amount of positive arbitrage during the period the bonds are outstanding, Section 148(f) generally requires that these earnings be paid to the Internal Revenue Service (IRS) at least every five years. As of June 30, 2003, the City has set aside an amount of \$1,142,836 in arbitrage interest due the IRS in connection with future filings and payments to the IRS. This amount is reported as a deferred credit in the statement of net assets.

NOTE 11 DEMAND BONDS

Included in long-term debt (Notes 10A and 10B) is \$139,255,000 of various demand bonds, the proceeds of which were used to (a) provide funds for certain capital improvements, (b) establish bond reserve funds in accordance with the trust agreements, (c) establish a construction period interest account, and (d) pay costs incurred to issue the bonds. The bonds are included in the summary of annual debt service requirements in Note 10C assuming retirement in accordance with the related mandatory sinking fund redemption requirements.

The holders of the bonds may demand payment at a price equal to principal plus accrued interest upon delivery to the City's remarketing agent. The remarketing agents are authorized to use their best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. If a remarketing agent is unable to resell any tendered bonds, the City has a non-cancelable "take out" agreement that would be exercised. The City is required to pay an annual fee for the "take out" agreements. The remarketing agent receives a fee for their services.

At June 30, 2003, no amounts were drawn on the "take out" agreements, which are as follows:

Sales Tax Revenue Bonds March 7, 1995

Remarketing Agent

Citigroup

Terms of "Take-Out" Agreement:

Purchaser

Bank of America

Method of Purchase

Direct Pay Letter of Credit

Expiration Date

November 27, 2004

Annual Fee

.45% on the stated amount of the letter of credit

Stated Amount at Time of Issuance

\$2,018,220 (Principal outstanding plus 295 days of interest at 15%)

Bonds Outstanding at 6/30/2003

\$1,300,000

Annual Debt Service Requirements

\$195,000, Final payment of \$1,300,000 due July 1, 2023

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 11 DEMAND BONDS, continued

Airport Subordinate Lien Adjustable Tender Refunding Revenue Bonds May 3, 1995

Remarketing Agent	Citigroup
Terms of "Take-Out" Agreement:	
Purchaser	Bayerische Hypo-und Vereinsbank, AG
Method of Purchase	Direct Pay Letter of Credit
Expiration Date	November 30, 2003
Annual Fee	.25% on the stated amount of the letter of credit
Stated Amount at Time of Issuance	\$67,963,699 (Principal outstanding plus 35 days of interest at 15%)
Bonds Outstanding at 6/30/2003	\$53,000,000
Annual Debt Service Requirements	Range of payment is from \$622,500 to \$5,025,000

Airport Subordinate Lien Adjustable Rate Revenue Bonds, Series 2000 A & B May 4, 2000

Remarketing Agent	Dain Rauscher, Inc.
Insured by	Ambac Assurance Inc.
Terms of "Take-Out" Agreement:	
Purchaser	Morgan Guaranty Trust Company of New York
Method of Purchase	Liquidity Facility
Expiration Date	May 3, 2005
Annual Fee	.175% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$47,858,193 (Principal outstanding plus 35 days of interest at 12% for 2000A and 15% for Series 2000B)
Bonds Outstanding at 6/30/2003	\$46,300,000
Annual Debt Service Requirements	Range of payment is from \$5,413,000 to \$9,679,000

Variable Rate Taxable Gross Receipts Tax Improvement Bonds, Series 2000A, January 20, 2000

Remarketing Agent	Dain Rauscher, Inc.
Insured by	MBIA Insurance Corporation
Terms of "Take-Out" Agreement:	
Purchaser	Bank of America, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	Jan 20, 2005
Annual Fee	.11% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$27,733,333 (Principal outstanding plus 200 days of interest at 15%)
Bonds Outstanding at 6/30/2003	\$24,600,000
Annual Debt Service Requirements	Range of payment is from \$2,800,000 to \$4,564,000

Affordable Housing Projects Refunding Revenue Bonds, Series 2000, July 1, 2000

Remarketing Agent	Newman & Associates, Inc.
Insured by	MBIA Insurance Corporation
Terms of "Take-Out" Agreement:	
Purchaser	Bank of America, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	July 20, 2005
Annual Fee	.125% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$16,085,333 (Principal outstanding plus 200 days of interest at 12%)
Bonds Outstanding at 6/30/2003	\$14,380,000
Annual Debt Service Requirements	Range of payment is from \$1,428,400 to \$2,798,400

NOTE 12 REFUNDED BONDS

The City has refunded various bond issues by issuing refunding bonds, the proceeds of which have been placed in escrow and used to purchase securities of the United States Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. These assets are administered by trustees and are restricted to use for retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying general purpose financial statements as the City satisfied its obligation for payment of the refunded debt upon completion of the refunding transactions. Refunded debt outstanding at June 30, 2003, is as follows:

Sales Tax Revenue Bonds

\$21,266,597

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 13 CONDUIT BONDS

The City has acted from time to time as the issuer of conduit bonds, the proceeds of which have been immediately loaned to a private borrower. Such bonds are payable by the City only from amounts paid to the City by such conduit borrowers pursuant to a lease, loan or other agreement. The City has assigned its rights with respect to such bonds to various trustees which monitor amounts due by the borrowers and pay the principal and interest as due on such conduit bonds from the borrowers' payments. The City has no obligation to repay all or any portion of such bonds in the event the private borrowers fail to make their payments when due.

Industrial Revenue Bonds

As of June 30, 2003, there were seventy-four series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the thirty-seven series issued after July 1, 1995, is \$1.2 billion. The aggregate principal amount payable for the thirty-seven series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$601.9 million.

Metropolitan Redevelopment Bonds

As of June 30, 2003, there were nine series of Metropolitan Redevelopment Bonds outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995 is \$5.42 million. The aggregate principal amount for the six series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$24,875,000.

NOTE 14 DEFICIT FUND EQUITIES

Special Revenue Funds

The Community Development Fund at June 30, 2003 has a deficit unreserved fund balance of \$478,480 and the deficit total fund balance is \$478,480. The deficit results from expenditures made in anticipation of future revenue from sources other than grants.

Capital Projects Funds

While the total unreserved fund balance of the Capital Acquisition Fund is not in a deficit position, deficit unreserved fund balances for certain purposes result because capital expenditures and encumbrances are made prior to issuance of general obligation bonds. The resulting deficit fund balance of the Rio Grande Zoo purpose at June 30, 2003, is \$1,555,580.

While the total unreserved fund balance of the Quality of Life Fund is not in a deficit position, deficit unreserved fund balances for certain purposes result because capital expenditures and encumbrances are made in anticipation of additional revenues and transfers. The resulting deficit unreserved fund balance of the Quarter Cent Storm Drain purpose at June 30, 2003, was \$88,202 and the Rio Grande Bosque RR purpose was \$260, at June 30, 2003.

Internal Service Funds

The deficit fund net assets of the Risk Management Fund decreased to \$12,651,150 at June 30, 2003 from the \$14,109,749 deficit fund net assets at June 30, 2002. The City has implemented a five year recovery plan that will reduce the deficit net assets beginning in the fiscal year ending June 30, 2003 by increasing charges to other funds.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 15 INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2003, were as follows:

From	To	
General Fund	Corrections and Detention Fund	\$ 20,766,000
General Fund	Capital Acquisition Fund	6,486,000
General Fund	Nonmajor Proprietary Funds	15,556,000
General Fund	Nonmajor Governmental Funds	8,776,352
Corrections Fund	Joint Water & Sewer Capital Fund	487,245
Capital Acquisition Fund	Nonmajor Proprietary Funds	639,299
Joint Water & Sewer Fund	General Fund	5,098,927
Refuse Disposal Fund	General Fund	1,061,791
Nonmajor Governmental Funds	General Fund	651,000
Nonmajor Proprietary Funds	General Fund	310,462
Nonmajor Governmental Funds	Nonmajor Governmental Funds	8,025,757
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	5,732,307
Total transfers		<u>\$ 73,591,140</u>

	<u>Transfers In</u>	<u>Transfers Out</u>
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds	\$ 51,176,289	\$ 66,850,960
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets - All Proprietary Funds	<u>22,414,851</u>	<u>6,740,180</u>
Total transfers	<u>\$ 73,591,140</u>	<u>\$ 73,591,140</u>

The transfers from the General Fund to the other funds are for the purpose of: 1) providing a subsidy for the operations of the Transit and Parking Facilities nonmajor enterprise funds, 2) funding the City's share of the cost of operations of the Corrections and Detention Fund with Bernalillo County, 3) providing the City's local match for operating grants from federal and state agencies, 4) funding the purchase of police and fire vehicles, and various construction projects, and 5) transferring resources to debt service funds for the retirement of General Obligation and Sales Tax Refunding bonds.

The transfers to the General Fund from the major and nonmajor enterprise funds are primarily for payments in lieu of taxes.

Other transfers relating to funds within the nonmajor governmental funds type are: 1) for debt retirement and various other purposes, and 2) from permanent funds to the related expenditures governmental special revenue funds. The transfers from the nonmajor governmental fund to the nonmajor proprietary funds are for the transfer of a portion of the Infrastructure Tax Revenues to the Transit fund to be used for improvements to the local bus service.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 16 SEGMENT INFORMATION

Significant financial data for identifiable activities of major enterprise funds are reported in the statements for proprietary funds in the basic financial statements section. Significant financial data for identifiable activities of nonmajor enterprise funds as of and for the year ended June 30, 2003, (in thousands of dollars) is as follows:

	<u>Golf Course Fund</u>	<u>Apartment- ments Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Total</u>
CONDENSED STATEMENT OF NET ASSETS						
Assets:						
Current assets	\$ 330	\$ 501	\$ 336	\$ 603	\$ 4,985	\$ 6,755
Restricted assets	2,362	3,980	7,302	398	9,805	23,847
Capital assets	5,744	15,608	28,686	22,618	41,175	113,831
Other assets	83	-	291	269	-	643
Total assets	<u>8,519</u>	<u>20,089</u>	<u>36,615</u>	<u>23,888</u>	<u>55,965</u>	<u>145,076</u>
Liabilities:						
Current liabilities	196	110	260	26	2,065	2,657
Liabilities payable from restricted assets	312	306	-	377	809	1,804
Bonds and other long-term liabilities	2,155	14,180	42	15,004	355	31,736
Advance from other funds	-	-	24,300	-	-	24,300
Total liabilities	<u>2,663</u>	<u>14,596</u>	<u>24,602</u>	<u>15,407</u>	<u>3,229</u>	<u>60,497</u>
Net assets:						
Invested in capital assets, net of related debt	4,570	1,807	10,023	7,886	41,175	65,461
Net assets restricted for:						
Debt service	52	-	823	22	-	897
Construction	1,164	-	1,134	-	8,995	11,293
Unrestricted net assets (deficit)	<u>70</u>	<u>3,686</u>	<u>33</u>	<u>573</u>	<u>2,566</u>	<u>6,928</u>
Total net assets	<u>\$ 5,856</u>	<u>\$ 5,493</u>	<u>\$ 12,013</u>	<u>\$ 8,481</u>	<u>\$ 52,736</u>	<u>\$ 84,579</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS						
Operating revenues	\$ 3,861	\$ 3,067	\$ 3,575	\$ 705	\$ 3,276	\$ 14,484
Depreciation	(430)	(660)	(1,243)	(518)	(5,083)	(7,934)
Other operating expenses	(3,436)	(2,154)	(3,023)	(122)	(26,065)	(34,800)
Operating income (loss)	<u>(5)</u>	<u>253</u>	<u>(691)</u>	<u>65</u>	<u>(27,872)</u>	<u>(28,250)</u>
Nonoperating revenues (expenses):						
Investment earnings	51	114	(8)	6	259	422
Interest and other debt related expenses	(160)	(288)	(415)	(510)	-	(1,373)
Other	69	(19)	-	8	2,205	2,263
Capital contributions	-	-	(367)	8,912	7,163	15,708
Transfers in	-	-	-	-	21,928	21,928
Transfers out	(50)	-	(121)	-	(139)	(310)
Change in net assets	<u>(95)</u>	<u>60</u>	<u>(1,602)</u>	<u>8,481</u>	<u>3,544</u>	<u>10,388</u>
Beginning net assets	5,951	5,433	13,615	-	49,192	74,191
Ending net assets	<u>\$ 5,856</u>	<u>\$ 5,493</u>	<u>\$ 12,013</u>	<u>\$ 8,481</u>	<u>\$ 52,736</u>	<u>\$ 84,579</u>
CONDENSED STATEMENT OF CASH FLOWS						
Net cash provided (used) by:						
Operating activities						
Noncapital financing activities	\$ 450	\$ 869	\$ 633	\$ 335	\$ (21,902)	\$ (19,615)
Capital and related financing activities	(50)	-	(1,933)	-	22,875	20,892
Investing activities	(337)	(1,026)	(2,832)	374	1,479	(2,342)
Net increase (decrease)	<u>51</u>	<u>114</u>	<u>79</u>	<u>6</u>	<u>259</u>	<u>509</u>
Beginning cash and cash equivalents	114	(43)	(4,053)	715	2,711	(556)
Ending cash and cash equivalents	<u>2,563</u>	<u>4,089</u>	<u>9,184</u>	<u>-</u>	<u>9,952</u>	<u>25,788</u>
	<u>\$ 2,677</u>	<u>\$ 4,046</u>	<u>\$ 5,131</u>	<u>\$ 715</u>	<u>\$ 12,663</u>	<u>\$ 25,232</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 17 DEFINED BENEFIT PENSION PLAN

Substantially all of the City of Albuquerque's full-time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Association (PERA) of the State of New Mexico, a cost-sharing, multiple-employer public employee retirement plan. PERA provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. A publicly available financial report that includes financial statements and required supplementary financial information for PERA can be obtained by correspondence to Comptroller, Public Employees Retirement Association, P.O. Box 2123, Santa Fe, New Mexico, 87504-2123.

RETIREMENT ELIGIBILITY - An employee may retire when 25 or more years of service are attained at any age (20 years for Police and Fire) or under the following age options: age 60 with 20 or more years of service, age 61 with 17 or more years of service, age 62 with 14 or more years of service, age 63 with 11 or more years of service, age 64 with 8 or more years of service, or age 65 with 5 or more years of service.

RETIREMENT BENEFITS - An employee's retirement benefit is based on a formula which considers credit for years of service multiplied by a percentage factor and is then applied against the employee's average highest three-year salary. Retirement benefits are vested upon reaching five years of service. The plan also provides death and disability benefits. Benefits are established by State statute.

FUNDING POLICY - Covered employees are required by State statute to contribute a percentage of their gross salary; the City of Albuquerque is also required by State statute to contribute a certain percent depending on the type of plan. The following are the plans covered by the City, contribution requirements, and contributions actually made (in thousands of dollars) for the year ended June 30, 2003.

<u>Group Covered</u>	<u>Employee</u>		<u>Employer</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
General - Management, Blue Collar and White Collar	3.29%	\$ 4,871	19.01%	\$ 28,172
General - Bus Drivers	13.15%	829	9.15%	577
General - Other	7.00%	156	7.00%	156
Police	16.30%	6,892	18.50%	7,822
Fire	15.20%	4,284	20.25%	5,620
		<u>\$ 17,032</u>		<u>\$ 42,347</u>

The total required contributions and amounts actually paid (in thousands of dollars) in prior years is as follows:

<u>Fiscal year ended June 30</u>	<u>Employee</u>	<u>Employer</u>
2002	\$17,168	\$43,344
2001	16,058	41,251

If a member's employment is terminated before the member is eligible for any other benefits under PERA, the member may receive a refund of the member's contribution and interest accrued based on rates established biannually by the retirement board.

The payroll for employees covered by PERA for the year ended June 30, 2003, was \$225,441,020; the total payroll for all employees of the City of Albuquerque was \$254,522,658.

NOTE 18 POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits described in Note 17, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach the normal retirement eligibility conditions while working for the City.

LIFE INSURANCE BENEFITS: Life insurance benefits authorized by the City's Merit System Ordinance and Personnel Rules and Regulations for eligible employees are reduced by 50%, not to exceed \$25,000, upon retirement. Life insurance benefits are paid through premiums to an insurance company under an indemnity plan. The insurance company has the right to adjust the premiums based on claims paid. Historically, the claims paid in any one year have not exceeded the premiums. The City recognizes the cost of providing the life insurance benefits by charging the insurance premiums to expenditures. The life insurance costs for the fiscal year ended June 30, 2003, were approximately \$139,605. The number of retired employees covered under the life insurance benefit was 2,974 at June 30, 2003, and the amount of life insurance coverage for these retired employees was \$53,694,400.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 18 POST-EMPLOYMENT BENEFITS, continued

RETIREE HEALTH CARE ACT CONTRIBUTIONS: The Retiree Health Care Act (Sec 10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments by eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act, the Magistrate Retirement Act, or the Public Employees Retirement Act.

Eligible retirees are those 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 Retiree Health Care Act on the person's behalf.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to 0.65 percent of the employee's annual salary. Each participating retiree pays a monthly premium.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report may be obtained by writing to the Retiree Health Care Authority, 810 W. San Mateo, Santa Fe, New Mexico 87501.

The City of Albuquerque remitted \$2,930,733 in employer contributions and \$1,465,367 in employee contributions in the fiscal year ended June 30, 2003.

NOTE 19 DEFERRED COMPENSATION

The City of Albuquerque offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make matching contributions to these plans. All plans comply with the provisions of the Internal Revenue Code which provides that all assets and income of the plan shall be held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 20 LANDFILL CLOSURE AND POSTCLOSURE CARE COST

Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs in the Refuse Disposal Fund (Enterprise) as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,306,429 reported as other liabilities payable from restricted assets at June 30, 2003, represents the cumulative amount reported to date based on the use of 14.8% of the estimated capacity of the Cerro Colorado and South Broadway Landfills. The City will recognize the remaining estimated cost of closure and post-closure care of \$6,941,400 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2003. The City expects to close the landfill in the year 2037. Actual cost may be higher due to inflation, change in technology, or change in regulations.

The City has set aside \$1,623,275 for future post-closure costs. This amount is reported as a restricted asset on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate, or additional post-closure care requirements are determined (due to change in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 21 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts and civil rights (including law enforcement and employment related exposures); theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City uses the Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$500,000 for each worker's compensation incident, \$1,050,000 for each tort liability claim, and \$50,000 for each City real and contents damage claim. With the exception of the Corrections and Detention Center, the Risk Management Fund provides unlimited coverage for civil rights claims. The coverage on the Corrections and Detention Center was provided by private insurance with a limit of \$1,000,000 per occurrence subject to a maximum of \$2,000,000 with a \$100,000 deductible on each claim. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Effective July 1, 2003, there will be unlimited coverage for these claims.

The Risk Management Fund tracks claims on a fund by fund basis and assesses charges to each fund based on historical claims experience, and to establish a reserve for catastrophic losses. That reserve was \$1,000,000 at June 30, 2003, and is included in the unrestricted net assets (deficit) of the Risk Management Fund. The claims liabilities reported in the Risk Management Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The amounts and change in the Fund's claims liability is reported in Note 10 - Long-term Obligations.

NOTE 22 NEW FUNDS

Apartments Fund

The City created this fund to report the assets, liabilities and net assets of its City-owned apartments. These apartments are provided for low income persons. For the fiscal year ended June 30, 2003, the operating revenue was \$3.1 million while the operating expenses was \$2.8 million. The non-operating revenues (expenses) was a net expense of \$.2 million. Refer to Note 23 for more information.

False Alarm Enforcement and Education Fund

This fund was established to account for fees and fines collected under the newly revised Albuquerque Alarm System Ordinance (Enactment 8-2003). The purpose of the ordinance is to establish criteria governing the installation, use and maintenance of Alarm Systems within the City in order to reduce or eliminate the false alarms that consume public safety resources. The revenue collected from May 1st through June 30, 2003 was \$276 thousand and will be used to fund the costs of enforcing this ordinance and to fund the purchase of equipment.

Stadium Fund

This fund was established to account for the operation and maintenance of the renovated baseball stadium for the local AAA baseball team. The City has entered into a twenty year lease contract with the Albuquerque Baseball Club, LLC.

The renovated baseball stadium was constructed using a combination of funding from General Obligation Taxable Baseball Bonds of \$10.0 million and two loans from the New Mexico Finance Authority totaling \$15.0 million. The General Obligation bonds are being re-paid from the G.O. Debt Service Fund using property taxes as its source of revenue.

The \$23.1 million cost of renovating the stadium was recorded in the Capital Acquisition Fund. Upon completion, the cost of the stadium was transferred to the Stadium Fund and is reported as a capital asset. The capital contribution of \$8.9 million results from the contribution of the \$23.1 million renovation cost plus other ancillary costs that was offset by the assumption of the \$15.0 million in loans. These loans will be repaid from the net earnings of this fund.

For fiscal year ended June 30, 2003, the fund reported total revenues of \$705 thousand and expenses of \$640 thousand including \$518 thousand in depreciation expense. The fund also incurred debt service expenses of \$510 thousand resulting in a negative change in net assets of \$430 thousand before the capital contribution noted above.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 23 RESTATEMENT OF PRIOR PERIOD FUND BALANCES OR NET ASSETS

The Open Space Permanent Fund was restated to report the fund under the current financial resources measurement focus and on the modified accrual basis. The change resulted in a reduction of the reported fund balance by \$3,824,507. In addition, the reported deferred revenue was increased by \$3,824,507. The beginning fund balance reported in the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds (Exhibit A-4) has also been reduced by the same amount. However, since the City-Wide Statement of Net Assets (Exhibit A-1) is reported on a full economic resources measurement focus and on the full accrual basis, no change is required in the reported net assets of the City.

The City has determined that the City-owned apartments, previously reported only in trusts, should also be reported in the City's financial statements. Accordingly, the apartments are now being reported in the Apartments Fund. As a result, the beginning net assets as reported in the Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds (Exhibit A-8) has been increased by \$5,432,548. In addition, the beginning net assets as reported in the City-wide Statement of Activities (Exhibit A-2) has been increased by the same amount. Refer to Note 22 for more information.

The City has determined that the receivable and revenue of a grant in the Operating Grants fund had been understated by \$466,711. Accordingly, the beginning fund balance reported in the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds (Exhibit A-4) and the beginning net assets as reported in the City-wide Statement of Activities (Exhibit A-2) has been increased by that amount.

NOTE 24 COMMITMENTS AND CONTINGENT LIABILITIES

Encumbrances for purchase orders, contracts, and other commitments for expenditures are recorded in memorandum accounts of the City's governmental funds. Encumbrances lapse for budgetary purposes at the end of each fiscal year and the subsequent year's appropriations provide authority to complete these transactions. Accordingly, no reservation of fund balance has been created except in limited instances. These typically are for property purchases and will be re-appropriated in the ensuing year. Encumbrances that are outstanding, but not re-appropriated, are a commitment of the City and the outstanding amount is reported in the table below.

Government activities:

Major Funds:

General Fund	\$ 629,026
Corrections Fund	151,138
Capital Acquisition Fund	33,335,977
Nonmajor Government Funds	23,167,746
Internal Service Funds	<u>547,771</u>
Total Government Funds	<u>\$ 57,831,658</u>

In addition, the business-type funds have uncompleted construction and other commitments that will be paid from assets restricted for construction, improvements and replacements or from operating revenues:

Business-type activities:

Major Funds:

Aviation Fund	\$ 13,214,996
Joint Water and Sewer Fund	33,901,258
Refuse Disposal Fund	6,726,452
Housing Authority Fund	54,725
Nonmajor Business-type Funds	<u>6,503,729</u>
Total Business Funds	<u>\$ 60,401,160</u>

The City has various lease commitments for real property. The lease commitments are for one to three years, with most leases being for two years. About half of the leases have renewal options; the others do not. Lease expenses of \$1,380,516 were incurred for the year ended June 30, 2003. Lease commitments for future years are as follows:

2004	\$767,423
2005	659,816
2006	366,570
2007	268,273

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE 24 COMMITMENTS AND CONTINGENT LIABILITIES, continued

On March 2, 2002, the City entered into a long-term lease agreement with a lessee, who will manage a parking structure in the downtown area of the City. The lease is for a twenty year period. Lessee is to pay monthly a minimum rental fee that ranges from \$120,578 in the first lease year to \$562,599 per year beginning in the sixteenth year for the remaining term of the lease. As part of that lease, the lessee has the option to delay payment of up to six month's rent in any lease year. Interest will accrue for these delayed payments. The lessee is required to pay the deficiency for any lease month within thirty six months. No rental payments have been received by the City as of June 30, 2003. Lessee is required to maintain the parking structure in good condition. At the end of the lease term, the lessee will purchase the parking structure for the price of \$11,251,926 plus all interest accrued on basic rent deficiencies plus all additional rents due as stipulated in the contract to cover certain costs including credit enhancement expenses and fiscal agent fees with respect to a bond issue used for the acquisition of the parking structure by the City. Furthermore, lessee has an option to purchase the parking structure beginning after the tenth anniversary of the lease. That purchase price is the sum of all of the minimum rents due through the date of option exercise plus all of the amounts due in a similar manner required for the purchase at the end of the twenty year period.

The City has incurred but has not recorded liabilities and expenditures in the amount of \$128 thousand in connection with natural gas purchases from Enron Energy Services, Inc. (Enron) that has filed Chapter 11 Bankruptcy proceedings. As part of the Natural Gas Sales Agreement, Enron furnished a Supply/Performance Bond to the City. As a result of Enron's bankruptcy, the City incurred an additional \$360 thousand in costs of acquiring natural gas. The City has filed Lawsuit against the Liberty Mutual Insurance Company (Liberty) under the performance bond petitioning the court to render judgment in favor of the City for Liberty to pay the City \$360 thousand reduced by the \$128 thousand due on the final billing from Enron.

In the normal course of business, the City is subject to certain contingent liabilities and unasserted claims. These contingencies are evaluated in light of their probability of being asserted and the estimability of the claims. Those claims that are probable and estimable have been accrued in the accompanying financial statements. Claims that are possible and/or not estimable are disclosed herein. Remote claims are monitored until such time as they are resolved, disclosed, or accrued. Except as discussed in the following paragraphs, it is the opinion of City management that the ultimate resolution of other litigation will not have a material effect on the financial position of the City.

The City has reached a settlement with the Isleta Pueblo and the Environmental Protection Agency (EPA) granting the City a permit to operate the Wastewater Treatment Plant. This settlement obligates the City to spend between \$50 and \$60 million for capital outlay costs necessary to modify the Treatment Plant to meet the water quality standards agreed upon. On November 21, 1994, the City Council approved an increase in water rates, part of which is to be used for these capital outlay costs. The City could face additional costs of \$180 to \$190 million if the suit regarding water quality standards currently on appeal in the Tenth Circuit Court is not decided in favor of the City.

The City is a defendant in a legal proceeding that does not fall under the New Mexico Tort Claims Act; this legal proceeding alleges that certain time incurred by some of the City of Albuquerque's police officers is subject to overtime compensation. The ultimate outcome of these legal proceedings cannot presently be determined. Accordingly, no provision for any additional liability that may result upon the ultimate outcome has been recognized in the accompanying general purpose financial statements and schedules.

The City is a defendant in a legal proceeding arising from the City's condemnation of property east of the Four Hills Subdivision. The property taken by the City is located between Four Hills and the property owned by claimants. As part of the condemnation, the claimants allege that the City had denied them access to their property from April, 1988 until February, 2002. The claimants seek approximately \$20 million in damages. The claim is being vigorously defended, and the City expects that the award for damages will be significantly lower.

The City is a defendant in a legal proceeding arising from another condemnation of property by the City. The condemnation of property for the Westside Transit facility near the I-40 / Unser boulevard interchange was completed with the owner of the property. However, the owner of a billboard, with a lease that was vacated during the condemnation on that property, is seeking approximately one million dollars for the loss of income over the remaining thirty years of the lease. A portion of any damage claim will be covered by the Federal Transportation Agency. The City is vigorously defending its position of the claim and expects the award to the claimant to be significantly lower than the alleged damage to the owner.

The City has received a number of Federal and State grants for specific purposes. These grants are subject to audit that may result in requests for reimbursements to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, City management believes that such disallowances, if any, will not be material.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

NOTE 25 SUBSEQUENT EVENTS

City election - October 28, 2003:

The City's voters authorized the issuance of general obligation bonds for the following purposes:

Parks and Recreation	\$ 32,548,197
Public Facilities, Equipment and System Modernization	14,247,984
Zoo, Biological Park and Museum	12,758,384
Storm Sewer System	11,576,370
Senior, Family and Community Center	9,505,926
Police	8,585,360
Public Transportation	6,443,100
Fire Protection	6,039,565
Library	3,756,081
	<u>\$ 105,460,967</u>

The City's voters failed to authorize the issuance of general obligation bonds for Streets of \$52,377,493. The City's voters also authorized the imposition of a one-quarter of one percent public safety gross receipts tax, which shall be dedicated to public safety.

Bond issues:

On July 11, 2003, the City issued \$8,750,000 of General Obligation Equipment Bonds, Series 2003A. The proceeds of the Series 2003A bonds will be used to purchase equipment for fire, police, library, transit and street improvements.

On July 11, 2003, the City issued \$81,805,000 of General Obligation General Purpose Bonds, Series 2003B. The proceeds of the Series 2003B bonds will be used for fire and police protection, citizens' centers, parks and recreational facilities, libraries, museums, transit facilities and street improvements.

Also on July 11, 2003, the City issued \$9,440,000 of General Obligation Storm Sewer Bonds, Series 2003C. The Series 2003C bonds will be used to finance storm sewer improvements.

During the 2003 legislative session, legislation was enacted that transfers "all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Albuquerque water and wastewater utility" to a newly created entity, the Albuquerque-Bernalillo Water Utility Authority. Existing debt shall become debt of the Authority, but the Authority shall not impair the rights of any bondholders of outstanding bonds. All contractual obligations of the existing proprietary activity shall be binding on the Authority. Although the legislation had an effective date of June 20, 2003, an audit by the Public Regulation Commission is a condition precedent to the transfer of money, assets and debts to the Authority. That audit is expected to be completed in the last quarter of calendar year 2003. Following the transfer, the Authority is charged with administering the water and wastewater utility, including the determination and imposition of rates for services. It is not possible at this time to forecast if the Authority will chose to administer the utility by itself, contract with the City to provide that service, or select some other alternative.

The City has been selected to undergo an audit by the New Mexico Taxation and Revenue Department. The audit will be a review of the City's reporting on the Gross Receipts and Compensating Tax programs. The fieldwork phase has not yet begun so there is no estimate of liability.

FINANCIAL SECTION

**COMBINING FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL OBLIGATION BOND DEBT SERVICE FUND
 Year ended June 30, 2003

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Current property taxes	\$ 61,702,000	\$ 61,702,000	\$ 65,333,625	\$ 3,631,625
Delinquent property taxes	<u>2,358,000</u>	<u>2,358,000</u>	<u>2,637,797</u>	<u>279,797</u>
Total taxes	64,060,000	64,060,000	67,971,422	3,911,422
Interest:				
Interest on investments	<u>950,000</u>	<u>950,000</u>	<u>814,964</u>	<u>(135,036)</u>
Total revenues	<u>65,010,000</u>	<u>65,010,000</u>	<u>68,786,386</u>	<u>3,776,386</u>
Expenditures:				
Debt service:				
Principal	64,245,000	64,245,000	33,245,000	31,000,000
Interest	10,084,000	10,084,000	7,596,953	2,487,047
Commitment and other fees	<u>100,000</u>	<u>100,000</u>	<u>680,596</u>	<u>(580,596)</u>
Total expenditures	<u>74,429,000</u>	<u>74,429,000</u>	<u>41,522,549</u>	<u>32,906,451</u>
Net change in fund balance	(9,419,000)	(9,419,000)	27,263,837	36,682,837
Fund balance, July 1	<u>18,229,575</u>	<u>18,229,575</u>	<u>18,229,575</u>	<u>-</u>
Fund balance, June 30	<u>\$ 8,810,575</u>	<u>\$ 8,810,575</u>	<u>\$ 45,493,412</u>	<u>\$ 36,682,837</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year ended June 30, 2003

	<u>Police Facilities</u>	<u>Fire Protection</u>	<u>Public Libraries</u>
Revenues:			
Taxes:			
Franchise taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Grants:			
State Department of Education	-	-	-
State Department of Energy and Minerals	-	-	-
State Highway Department	-	-	-
State Agency of Aging	-	-	-
State Arts Commission	-	-	-
State Department of Finance and Administration	32,037	-	-
Bernalillo County Shared Construction	-	-	2,387
Total intergovernmental	<u>32,037</u>	<u>-</u>	<u>2,387</u>
Interest on investments	<u>89,312</u>	<u>35,907</u>	<u>55,320</u>
Miscellaneous:			
Sales of real property	-	222,742	-
Contributions in aid of construction	-	-	-
Other	42,750	-	-
Total miscellaneous	<u>42,750</u>	<u>222,742</u>	<u>-</u>
Total revenues	<u>164,099</u>	<u>258,649</u>	<u>57,707</u>
Expenditures:			
Capital outlay	2,505,988	267,826	3,204,001
Rebatable arbitrage payments	-	-	-
Total expenditures	<u>2,505,988</u>	<u>267,826</u>	<u>3,204,001</u>
Excess (deficiency) of revenues over expenditures	<u>(2,341,889)</u>	<u>(9,177)</u>	<u>(3,146,294)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Internal transfers in (out)	(71,089)	(47,168)	2,154
Proceeds of notes payable and bonds issued	-	-	-
Total other financing sources (uses)	<u>(71,089)</u>	<u>(47,168)</u>	<u>2,154</u>
Net change in fund balances	(2,412,978)	(56,345)	(3,144,140)
Fund balances (deficit), July 1	<u>5,041,591</u>	<u>1,522,638</u>	<u>4,568,509</u>
Fund balances (deficit), June 30	<u>\$ 2,628,613</u>	<u>\$ 1,466,293</u>	<u>\$ 1,424,369</u>

<u>Storm Sewer</u>	<u>Street Improvements</u>	<u>Parks and Recreation</u>	<u>Convention Center</u>	<u>Community Services Building</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	11,339	-	-
18,845	4,481,662	(9,285)	-	-
-	-	726,607	-	-
-	7,033	66,464	-	98,876
-	26,418	-	-	-
-	-	1,811,274	-	-
-	-	135,817	-	760,265
<u>18,845</u>	<u>4,515,113</u>	<u>2,742,216</u>	-	<u>859,141</u>
<u>337,982</u>	<u>645,355</u>	<u>448,601</u>	<u>2,424</u>	<u>992</u>
-	456,088	227,200	-	-
1,265,570	663,460	1,160,198	-	-
-	82,267	120,940	-	-
<u>1,265,570</u>	<u>1,201,815</u>	<u>1,508,338</u>	-	-
<u>1,622,397</u>	<u>6,362,283</u>	<u>4,699,155</u>	<u>2,424</u>	<u>860,133</u>
8,263,141	24,695,334	33,105,876	229,302	773,724
-	-	-	-	-
<u>8,263,141</u>	<u>24,695,334</u>	<u>33,105,876</u>	<u>229,302</u>	<u>773,724</u>
<u>(6,640,744)</u>	<u>(18,333,051)</u>	<u>(28,406,721)</u>	<u>(226,878)</u>	<u>86,409</u>
3,103,000	3,383,000	-	-	-
-	-	-	-	-
3	(31,633)	10,656	-	97,707
-	-	14,522,545	-	-
<u>3,103,003</u>	<u>3,351,367</u>	<u>14,533,201</u>	-	<u>97,707</u>
(3,537,741)	(14,981,684)	(13,873,520)	(226,878)	184,116
<u>17,519,381</u>	<u>37,348,260</u>	<u>29,244,061</u>	<u>281,280</u>	<u>(174,606)</u>
<u>\$ 13,981,640</u>	<u>\$ 22,366,576</u>	<u>\$ 15,370,541</u>	<u>\$ 54,402</u>	<u>\$ 9,510</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year ended June 30, 2003

	<u>Rio Grande Zoo</u>	<u>Senior Citizens Facility</u>	<u>Museum</u>
Revenues:			
Taxes:			
Gross receipts tax-local option	\$ -	\$ -	\$ -
Intergovernmental:			
Grants:			
State Department of Education	-	-	-
State Department of Energy and Minerals	-	-	-
State Highway Department	-	-	-
State Agency of Aging	-	-	-
State Arts Commission	-	88,170	-
State Department of Finance and Administration	-	-	-
Bernalillo County Shared Construction	-	198,000	2,314,803
Total intergovernmental	<u>-</u>	<u>286,170</u>	<u>2,314,803</u>
Interest on investments	<u>26,459</u>	<u>92,601</u>	<u>118,972</u>
Miscellaneous:			
Sales of real property	-	-	-
Contributions in aid of construction	-	-	-
Other	175,595	-	-
Total miscellaneous	<u>175,595</u>	<u>-</u>	<u>1,150,403</u>
Total revenues	<u>202,054</u>	<u>378,771</u>	<u>3,584,178</u>
Expenditures:			
Capital outlay	4,385,072	3,832,387	5,272,717
Rebatable arbitrage payments	-	-	-
Total expenditures	<u>4,385,072</u>	<u>3,832,387</u>	<u>5,272,717</u>
Excess (deficiency) of revenues over expenditures	<u>(4,183,018)</u>	<u>(3,453,616)</u>	<u>(1,688,539)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Internal transfers in (out)	38,583	-	-
Proceeds of notes payable and bonds issued	-	(61,196)	1,319
Total other financing sources (uses)	<u>38,583</u>	<u>(61,196)</u>	<u>1,319</u>
Net change in fund balances	<u>(4,144,435)</u>	<u>(3,514,812)</u>	<u>(1,687,220)</u>
Fund balances (deficit), July 1	<u>2,588,855</u>	<u>4,730,034</u>	<u>5,680,256</u>
Fund balances (deficit), June 30	<u>\$ (1,555,580)</u>	<u>\$ 1,215,222</u>	<u>\$ 3,993,036</u>

<u>Transit</u>	<u>Miscellaneous Capital Projects</u>	<u>Environmental Improvements</u>	<u>Facilities and Equipment</u>	<u>Total</u>
\$ -	\$ 663,000.00	\$ -	\$ -	\$ 663,000
-	-	-	-	11,339
-	314,695	-	40,594	346,004
-	-	-	298,666	5,525,780
-	-	-	(1,733)	251,777
-	45,322	-	-	7,033
-	-	-	-	5,190,506
-	-	-	-	135,817
-	360,017	-	337,527	11,468,256
29,015	(214,042)	(15,879)	119,406	1,772,425
208,365	-	-	-	1,114,395
-	13,200	-	60,000	3,162,428
-	1	22,400	-	1,594,356
208,365	13,201	22,400	60,000	5,871,179
237,380	822,176	6,521	516,933	19,774,860
577,469	638,930	408,716	7,552,463	95,712,946
-	579,726	-	-	579,726
577,469	1,218,656	408,716	7,552,463	96,292,672
(340,089)	(396,480)	(402,195)	(7,035,530)	(76,517,812)
-	-	-	-	6,486,000
(168,038)	-	-	(471,261)	(639,299)
-	(23,669)	604,354	(520,021)	-
-	-	-	1,999,900	16,522,445
(168,038)	(23,669)	604,354	1,008,618	22,369,146
(508,127)	(420,149)	202,159	(6,026,912)	(54,148,666)
1,466,474	3,744,289	101,736	8,766,877	122,429,635
\$ 958,347	\$ 3,324,140	\$ 303,895	\$ 2,739,965	\$ 68,280,969

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CAPITAL ACQUISITION FUND
Year Ended June 30, 2003

	<u>Total Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
<u>Capital Acquisition Fund</u>					
Capital Outlay and Other:					
Community services building	\$ 3,581,270	\$ 1,340,235	\$ 2,241,035	\$ 780,910	\$ 1,460,125
Convention Center	21,346,444	21,079,148	267,296	229,302	37,994
Environmental improvements	2,626,360	380,080	2,246,280	408,716	1,837,564
Facilities and Equipment	33,558,366	16,422,729	17,135,637	8,655,816	8,479,821
Fire protection	3,595,360	2,043,206	1,552,154	314,998	1,237,156
Libraries	7,991,353	2,083,280	5,908,073	3,317,248	2,590,825
Miscellaneous capital projects	8,677,607	5,637,836	3,039,771	675,645	2,364,126
Museum	22,313,009	3,061,824	19,251,185	5,475,780	13,775,405
Parks and recreation	140,018,002	81,679,346	58,338,656	34,166,501	24,172,155
Police facilities	37,511,796	33,426,588	4,085,208	2,715,766	1,369,442
Rio Grande Zoo	10,816,763	2,856,361	7,960,402	4,489,670	3,470,732
Senior citizens facility	24,666,351	8,058,210	16,608,141	4,096,682	12,511,459
Storm Sewer	58,594,615	29,073,557	29,521,058	8,353,483	21,167,575
Street improvements	174,674,061	72,098,022	102,576,039	25,288,223	77,287,816
Transit	5,771,689	1,686,423	4,085,266	745,507	3,339,759
Total Capital Acquisition Fund	<u>\$ 555,743,046</u>	<u>\$ 280,926,845</u>	<u>\$ 274,816,201</u>	<u>\$ 99,714,247</u>	<u>\$ 175,101,954</u>

CITY OF ALBUQUERQUE, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- AIR QUALITY FUND**—To account for the operation of the City's Air Pollution Control Program (9-5-1-13 RO 1994) .
- CITY/COUNTY FACILITIES FUND**—To account for rental income and costs of operating City/County facilities. (1984 Joint Powers Agreement)
- FALSE ALARM ENFORCEMENT AND EDUCATION FUND**—To account for the income and expenditures associated with enforcement of the False Alarm ordinance. (Enactment No. 8-2003)
- FIRE FUND**—To account for the proceeds of the City's share of taxes on fire insurance premiums collected by the state, which are required to be used for equipment, maintenance of equipment, or training (59A-53-5 NMSA 1978).
- GAS TAX ROAD FUND**—To account for the proceeds of the City's share of the state shared gas tax revenues which is required to be used for street maintenance. (7-1-6.9 NMSA 1978)
- LODGERS TAX FUND**—To account for the proceeds of the Lodger's Tax which are required to be used for promotional activities and the acquisition or construction of certain facilities. (3-38-21 NMSA 1978)
- PLAZA DEL SOL BUILDING FUND**—To account for rental income and costs of operating the Plaza Del Sol Building. (Enactment No. 29-1995)
- RECREATION FUND**—To account for the proceeds from the City's share of the state cigarette tax which is required to be used for juvenile recreation purposes. (7-12-15 NMSA 1978)
- ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES FUND**— To account for the investment earnings of the Acquisition and Management of Open Space Permanent Fund that is transferred to this fund and the related expenditures. (Enactment No. 117-1982)
- ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND**—To account for contributions and donations earmarked for specific projects of the Biological Park. (Enactment No. 51-1997)
- CITY/COUNTY PROJECTS FUND**—To account for revenues received from the County for services provided by the City. (1984 Joint Powers Agreement)
- CITY HOUSING FUND**—To account for the revenues and expenditures incurred for the repair and replacement of the City operated subsidized housing. (Enactment No. 110-1984)
- COMMUNITY DEVELOPMENT FUND**—To account for the sources and uses of Development Block Grants. (7-1-6.11 NMSA 1978)
- CULTURE AND RECREATION PROJECTS FUND**—To account for contributions and donations earmarked for specific projects of Culture and Recreation Department. (Enactment No. 51-1997)
- HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND**—To account for the use of proceeds from repayment of Urban Development Action Grant loans. The proceeds will be used for housing and economic development in poverty regions within the City (4-2-2 RO 1994).
- LAW ENFORCEMENT PROTECTION FUND**—To account for certain state taxes and fees which are required to be used for law enforcement services. (29-13-6 NMSA 1978)
- METROPOLITAN REDEVELOPMENT FUND**—To account for the revenues and expenditures incurred in connection with the rehabilitation of historical buildings. Financing is provided by certain property taxes in accordance with the State of New Mexico Metropolitan Redevelopment Code. (14-8-4 NMSA 1978)
- OPERATING GRANTS FUND**—To account for various grants from federal and state agencies and other sources which are restricted by the granting agency to expenditures for specified purposes. (Enactment No. 51-1979)
- URBAN ENHANCEMENT EXPENDITURES FUND**— To account for the investment earnings of the Urban Enhancement Permanent Fund that is transferred to this fund and the related expenditures. (Enactment No. 69-1983)

CITY OF ALBUQUERQUE, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS, continued

DEBT SERVICE FUNDS

SALES TAX REFUNDING DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of revenue bonds secured by pledges of gross receipts tax (sales tax) and certain lodgers tax revenues.

CITY/COUNTY BUILDING DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of revenue bonds issued to finance construction of the joint City/County office building and secured by City gross receipts tax revenues.

SPECIAL ASSESSMENTS DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of bonds secured by pledges of revenues from assessments levied against benefited properties.

CAPITAL PROJECTS FUNDS

QUALITY OF LIFE FUND—To account for capital projects for which financing is provided by the Quality of Life gross receipts tax, grants and other miscellaneous revenues.

INFRASTRUCTURE TAX FUND—To account for capital projects for which financing is provided by the municipal infrastructure gross receipts tax, grants and other miscellaneous revenues.

VEHICLE & EQUIPMENT REPLACEMENT FUND—To segregate funds for planned purchases of vehicles and equipment for City departments.

SPECIAL ASSESSMENTS CAPITAL FUND—To account for capital projects financed by the sale of special assessment bonds.

PERMANENT FUNDS

ACQUISITION AND MANAGEMENT OF OPEN SPACE PERMANENT FUND—To account for proceeds from the sale of certain properties. The principal of this fund is to be retained intact. The investment earnings are to be used for the acquisition and management of open space land.

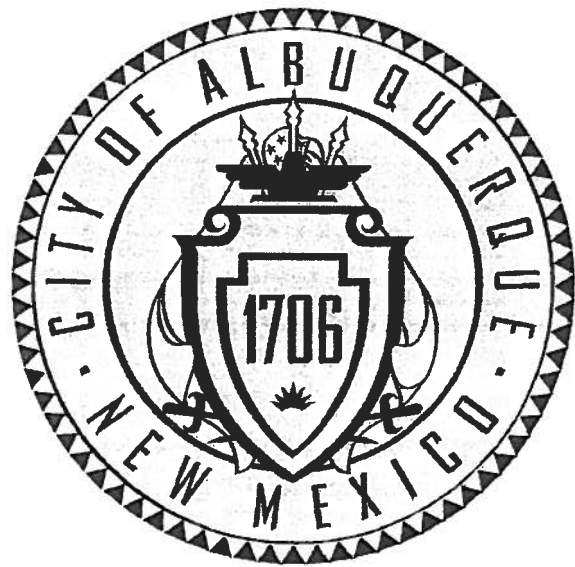
URBAN ENHANCEMENT PERMANENT FUND—To account for the principal of the Urban Enhancement Fund. The principal of the fund is to remain intact and the investment earnings used to enhance or enrich the appearance and culture of the City.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2003

ASSETS	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Cash, investments, and accrued interest	\$24,190,085	\$ 3,583,364	\$28,617,656	\$29,954,458	\$ 86,345,563
Cash with fiscal agents	-	8,454,847	-	-	8,454,847
Receivables, net of allowance for uncollectible:					
Taxes	783,194	-	5,577,507	-	6,360,701
Accounts	253,951	-	-	-	253,951
Rehabilitation loans	2,489,151	-	-	-	2,489,151
Notes	56,727	-	-	-	56,727
Developer loans	1,704,308	-	-	-	1,704,308
Special Assessments	-	11,833,834	-	-	11,833,834
Other	57,508	-	-	-	57,508
Real estate contracts receivables	-	-	-	3,001,272	3,001,272
Due from other governments	8,105,219	-	-	-	8,105,219
Advances to other funds	-	24,300,000	-	-	24,300,000
Land held for resale	-	-	-	5,065,930	5,065,930
TOTAL ASSETS	<u>\$37,640,143</u>	<u>\$48,172,045</u>	<u>\$34,195,163</u>	<u>\$38,021,660</u>	<u>\$ 158,029,011</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,031,539	\$ 659	\$ -	\$ 750	\$ 3,032,948
Contracts payable	-	-	3,332,505	-	3,332,505
Retainage payable	-	-	12,972	-	12,972
Accrued employee compensation and benefits	1,023,053	-	2,930	-	1,025,983
Due to other funds	1,129,397	-	-	-	1,129,397
Deferred revenue	7,447,277	11,351,014	3,143,420	3,001,272	24,942,983
Deposits	-	-	-	11,000	11,000
Advances from other funds	195,636	-	-	-	195,636
Matured bonds payable	-	5,733,499	-	-	5,733,499
Matured interest payable	-	2,744,408	-	-	2,744,408
Total liabilities	<u>12,826,902</u>	<u>19,829,580</u>	<u>6,491,827</u>	<u>3,013,022</u>	<u>42,161,331</u>
Fund balances:					
Reserved for:					
Encumbrances	9,101	-	-	-	9,101
Acquisition and management of open space land	506,031	-	-	22,200,234	22,706,265
Urban enhancement	2,832,009	-	-	7,742,474	10,574,483
Land held for resale	-	-	-	5,065,930	5,065,930
Advances to other funds	-	24,300,000	-	-	24,300,000
Unreserved	21,466,100	4,042,465	27,703,336	-	53,211,901
Total fund balances	<u>24,813,241</u>	<u>28,342,465</u>	<u>27,703,336</u>	<u>35,008,638</u>	<u>115,867,680</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$37,640,143</u>	<u>\$48,172,045</u>	<u>\$34,195,163</u>	<u>\$38,021,660</u>	<u>\$ 158,029,011</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2003

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
Revenues:					
Taxes	\$ 8,638,620	\$ -	\$27,916,092	\$ -	\$ 36,554,712
Licenses and permits	2,156,674	-	-	-	2,156,674
Intergovernmental	36,690,079	-	-	-	36,692,860
Charges for services	5,964,251	-	2,781	-	5,964,251
Fines and forfeits	670,590	-	-	-	670,590
Interest on investments	502,105	721,594	-	-	670,590
Special assessments	-	7,163,086	485,476	2,837,806	4,546,981
Collections on real estate contracts receivable:					
Principal	-	-	-	-	-
Interest	-	-	-	1,771,488	1,771,488
Proceeds from the disposition of capital assets	-	-	-	260,897	260,897
Miscellaneous	-	-	336,836	-	336,836
	<u>4,269,477</u>	<u>315,814</u>	<u>2,579,728</u>	<u>-</u>	<u>7,165,019</u>
Total revenues	<u>58,891,796</u>	<u>8,200,494</u>	<u>31,320,913</u>	<u>4,870,191</u>	<u>103,283,394</u>
Expenditures:					
Current:					
General government	10,391,771	-	-	-	10,391,771
Public safety	6,050,958	-	-	-	6,050,958
Culture and recreation	4,093,281	-	-	-	4,237,990
Public works	223,480	-	-	144,709	223,480
Highways and streets	5,706,029	-	-	-	5,706,029
Health	3,689,922	-	-	-	3,689,922
Human services	23,836,949	-	-	-	23,836,949
Housing	3,994,992	-	-	-	3,994,992
Debt service:					
Principal retirement	-	11,518,499	-	-	11,518,499
Interest	-	5,985,074	-	-	5,985,074
Fiscal agent fees and other fees	-	167,057	-	-	167,057
Capital outlay	-	-	17,024,837	-	17,024,837
Total expenditures	<u>57,987,382</u>	<u>17,670,630</u>	<u>17,024,837</u>	<u>144,709</u>	<u>92,827,558</u>
Excess (deficiency) of revenues over expenditures	<u>904,414</u>	<u>(9,470,136)</u>	<u>14,296,076</u>	<u>4,725,482</u>	<u>10,455,836</u>
Other financing sources (uses):					
Transfers in	7,737,109	7,137,000	1,928,000	-	16,802,109
Transfers out	<u>(6,602,000)</u>	<u>-</u>	<u>(5,512,307)</u>	<u>(2,025,757)</u>	<u>(14,140,064)</u>
Total other financing sources (uses)	<u>1,135,109</u>	<u>7,137,000</u>	<u>(3,584,307)</u>	<u>(2,025,757)</u>	<u>2,662,045</u>
Net change in fund balances	<u>2,039,523</u>	<u>(2,333,136)</u>	<u>10,711,769</u>	<u>2,699,725</u>	<u>13,117,881</u>
Fund balances, July 1, as restated	<u>22,773,718</u>	<u>30,675,601</u>	<u>16,991,567</u>	<u>32,308,913</u>	<u>102,749,799</u>
Fund balances, June 30	<u>\$24,813,241</u>	<u>\$28,342,465</u>	<u>\$27,703,336</u>	<u>\$35,008,638</u>	<u>\$115,867,680</u>



CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE
June 30, 2003

	<u>Air Quality Fund</u>	<u>City/County Facilities Fund</u>	<u>False Alarm Enforcement and Education Fund</u>	<u>Fire Fund</u>
ASSETS				
Cash, investments, and accrued interest	\$ 1,221,205	\$ 683,650	\$ 61,997	\$ 201,230
Accounts receivable:				
Taxes	-	-	-	-
Accounts	-	-	214,350	-
Rehabilitation loans	-	-	-	-
Notes	-	-	-	-
Developer loans	-	-	-	-
Other	57,508	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	<u>\$ 1,278,713</u>	<u>\$ 683,650</u>	<u>\$ 276,347</u>	<u>\$ 201,230</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,119	\$ 320,859	\$ -	\$ 50,109
Accrued employee compensation and benefits	72,148	44,971	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>80,267</u>	<u>365,830</u>	<u>-</u>	<u>50,109</u>
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	-	9,101
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Unreserved (deficit)	<u>1,198,446</u>	<u>317,820</u>	<u>276,347</u>	<u>142,020</u>
Total fund balance (deficit)	<u>1,198,446</u>	<u>317,820</u>	<u>276,347</u>	<u>151,121</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,278,713</u>	<u>\$ 683,650</u>	<u>\$ 276,347</u>	<u>\$ 201,230</u>

<u>Gas Tax Road Fund</u>	<u>Lodgers Tax Fund</u>	<u>Plaza Del Sol Building Fund</u>	<u>Recreation Fund</u>	<u>Acquisition and Management of Open Space Expenditures Fund</u>	<u>Albuquerque Biological Park Projects Fund</u>
\$ -	\$ 319,034	\$ 246,844	\$ -	\$ 828,094	\$ 231,994
-	659,294	-	-	-	-
-	-	-	-	-	638
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>708,167</u>	<u>-</u>	<u>-</u>	<u>82,959</u>	<u>-</u>	<u>-</u>
<u>\$ 708,167</u>	<u>\$ 978,328</u>	<u>\$ 246,844</u>	<u>\$ 82,959</u>	<u>\$ 828,094</u>	<u>\$ 232,632</u>
\$ 46,994	\$ 9,000	\$ 3,077	\$ -	\$ 10,655	\$ 213,598
142,730	-	11,437	-	115,772	-
50,893	-	-	25,810	-	-
393,618	-	-	31,831	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,636</u>	<u>-</u>
<u>634,235</u>	<u>9,000</u>	<u>14,514</u>	<u>57,641</u>	<u>322,063</u>	<u>213,598</u>
-	-	-	-	-	-
-	-	-	-	506,031	-
-	-	-	-	-	-
<u>73,932</u>	<u>969,328</u>	<u>232,330</u>	<u>25,318</u>	<u>-</u>	<u>19,034</u>
<u>73,932</u>	<u>969,328</u>	<u>232,330</u>	<u>25,318</u>	<u>506,031</u>	<u>19,034</u>
<u>\$ 708,167</u>	<u>\$ 978,328</u>	<u>\$ 246,844</u>	<u>\$ 82,959</u>	<u>\$ 828,094</u>	<u>\$ 232,632</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE
June 30, 2003

	<u>City/County Projects Fund</u>	<u>City Housing Fund</u>	<u>Community Development Fund</u>	<u>Culture & Recreation Projects Fund</u>
ASSETS				
Cash, investments, and accrued interest	\$ 202,904	\$ 310,696	\$ -	\$ 934,099
Accounts receivable:				
Taxes	-	-	-	-
Accounts	25,284	12,716	963	-
Rehabilitation loans	-	-	1,763,677	-
Notes	-	-	-	-
Developer loans	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	891,417	-
TOTAL ASSETS	<u>\$ 228,188</u>	<u>\$ 323,412</u>	<u>\$ 2,656,057</u>	<u>\$ 934,099</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 22,767	\$ 62,223	\$ 306,986	\$ 150
Accrued employee compensation and benefits	-	-	11,180	-
Due to other funds	-	-	1,052,694	-
Deferred revenue	-	-	1,763,677	-
Advances from other funds	-	-	-	-
Total liabilities	<u>22,767</u>	<u>62,223</u>	<u>3,134,537</u>	<u>150</u>
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	-	-
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Unreserved (deficit)	<u>205,421</u>	<u>261,189</u>	<u>(478,480)</u>	<u>933,949</u>
Total fund balance (deficit)	<u>205,421</u>	<u>261,189</u>	<u>(478,480)</u>	<u>933,949</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 228,188</u>	<u>\$ 323,412</u>	<u>\$ 2,656,057</u>	<u>\$ 934,099</u>

<u>Housing & Neighborhood Economic Development Fund</u>	<u>Law Enforcement Protection Fund</u>	<u>Metropolitan Redevelopment Fund</u>	<u>Operating Grants Fund</u>	<u>Urban Enhancement Expenditures Fund</u>	<u>Total</u>
\$ 10,231,859	\$ 2,401,953	\$ 1,519,823	\$ 1,934,540	\$ 2,860,163	\$ 24,190,085
-	-	123,900	-	-	783,194
-	-	-	-	-	253,951
-	-	-	725,474	-	2,489,151
56,727	-	-	-	-	56,727
913,318	-	540,990	250,000	-	1,704,308
-	-	-	-	-	57,508
-	60,752	1,000,000	5,361,924	-	8,105,219
<u>\$ 11,201,904</u>	<u>\$ 2,462,705</u>	<u>\$ 3,184,713</u>	<u>\$ 8,271,938</u>	<u>\$ 2,860,163</u>	<u>\$ 37,640,143</u>
\$ 36,403	\$ 50,026	\$ 67,745	\$ 1,794,674	\$ 28,154	\$ 3,031,539
2,759	3,420	-	618,636	-	1,023,053
-	-	-	-	-	1,129,397
970,045	578,200	540,990	3,168,916	-	7,447,277
-	-	-	-	-	195,636
<u>1,009,207</u>	<u>631,646</u>	<u>608,735</u>	<u>5,582,226</u>	<u>28,154</u>	<u>12,826,902</u>
-	-	-	-	-	9,101
-	-	-	-	-	506,031
-	-	-	-	2,832,009	2,832,009
10,192,697	1,831,059	2,575,978	2,689,712	-	21,466,100
<u>10,192,697</u>	<u>1,831,059</u>	<u>2,575,978</u>	<u>2,689,712</u>	<u>2,832,009</u>	<u>24,813,241</u>
<u>\$ 11,201,904</u>	<u>\$ 2,462,705</u>	<u>\$ 3,184,713</u>	<u>\$ 8,271,938</u>	<u>\$ 2,860,163</u>	<u>\$ 37,640,143</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
Year ended June 30, 2003

	Air Quality Fund	City/County Facilities Fund	False Alarm Enforcement and Education Fund	Fire Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	2,156,674	-	-	-
Intergovernmental	-	-	-	854,955
Charges for services	-	3,724,600	276,220	-
Fines and forfeits	-	-	-	-
Interest	26,846	9,713	127	15,003
Miscellaneous	-	701	-	-
Total revenues	2,183,520	3,735,014	276,347	869,958
Expenditures:				
Current:				
General government	-	2,597,117	-	-
Public safety	-	-	-	811,154
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health	1,757,065	-	-	-
Human services	-	-	-	-
Housing	-	-	-	-
Total expenditures	1,757,065	2,597,117	-	811,154
Excess (deficiency) of revenues over expenditures	426,455	1,137,897	276,347	58,804
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(1,200,000)	-	-
Total other financing sources (uses)	-	(1,200,000)	-	-
Net change in fund balances	426,455	(62,103)	276,347	58,804
Fund balances (deficit), July 1	771,991	379,923	-	92,317
Fund balances (deficit), June 30	\$ 1,198,446	\$ 317,820	\$ 276,347	\$ 151,121

<u>Gas Tax Road Fund</u>	<u>Lodgers Tax Fund</u>	<u>Plaza Del Sol Building Fund</u>	<u>Recreation Fund</u>	<u>Acquisition and Management of Open Space Expenditures Fund</u>	<u>Albuquerque Biological Park Projects Fund</u>
\$ -	\$ 8,326,069	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,293,636	-	-	292,810	-	-
-	-	1,341,406	-	55,353	-
-	6,235	4,746	-	16,759	4,219
(3,045)	-	-	(331)	58,608	553,436
<u>4,290,591</u>	<u>8,332,304</u>	<u>1,346,152</u>	<u>292,479</u>	<u>130,720</u>	<u>557,655</u>
-	4,232,000	625,297	-	-	-
-	-	-	-	-	-
-	-	-	-	2,779,490	606,918
-	-	-	-	-	-
5,038,001	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,038,001</u>	<u>4,232,000</u>	<u>625,297</u>	<u>-</u>	<u>2,779,490</u>	<u>606,918</u>
<u>(747,410)</u>	<u>4,100,304</u>	<u>720,855</u>	<u>292,479</u>	<u>(2,648,770)</u>	<u>(49,263)</u>
657,000	-	-	-	2,649,913	-
-	(4,232,000)	(568,000)	(300,000)	-	-
<u>657,000</u>	<u>(4,232,000)</u>	<u>(568,000)</u>	<u>(300,000)</u>	<u>2,649,913</u>	<u>-</u>
(90,410)	(131,696)	152,855	(7,521)	1,143	(49,263)
<u>164,342</u>	<u>1,101,024</u>	<u>79,475</u>	<u>32,839</u>	<u>504,888</u>	<u>68,297</u>
<u>\$ 73,932</u>	<u>\$ 969,328</u>	<u>\$ 232,330</u>	<u>\$ 25,318</u>	<u>\$ 506,031</u>	<u>\$ 19,034</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
Year ended June 30, 2003

	<u>City/County Projects Fund</u>	<u>City Housing Fund</u>	<u>Community Development Fund</u>	<u>Culture & Recreation Projects Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
<u>Intergovernmental</u>	-	-	4,329,393	-
Charges for services	222,243	-	-	185,915
Fines and forfeits	-	-	-	-
Interest	9,217	10,210	-	17,224
Miscellaneous	-	74,600	966,795	179,947
Total revenues	<u>231,460</u>	<u>84,810</u>	<u>5,296,188</u>	<u>383,086</u>
Expenditures:				
Current:				
General government	336,359	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	127,823
Public works	-	-	223,480	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Human services	-	-	2,951,301	-
Housing	-	596,733	2,599,887	-
Total expenditures	<u>336,359</u>	<u>596,733</u>	<u>5,774,668</u>	<u>127,823</u>
Excess (deficiency) of revenues over expenditures	<u>(104,899)</u>	<u>(511,923)</u>	<u>(478,480)</u>	<u>255,263</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(82,000)	-	-	-
Total other financing sources (uses)	<u>(82,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(186,899)	(511,923)	(478,480)	255,263
Fund balances (deficit), July 1	<u>392,320</u>	<u>773,112</u>	<u>-</u>	<u>678,686</u>
Fund balances (deficit), June 30	<u>\$ 205,421</u>	<u>\$ 261,189</u>	<u>\$ (478,480)</u>	<u>\$ 933,949</u>

Housing & Neighborhood Economic Development Fund	Law Enforcement Protection Fund	Metropolitan Redevelopment Fund	Operating Grants Fund	Urban Enhancement Expenditures Fund	Total
\$ -	\$ -	\$ 312,551	\$ -	\$ -	\$ 8,638,620
-	-	-	-	-	2,156,674
-	592,600	723,229	25,603,456	-	36,690,079
-	158,514	-	-	-	5,964,251
-	670,590	-	-	-	670,590
216,712	37,755	1,636	68,003	57,700	502,105
90,375	376,314	512,364	1,459,713	-	4,269,477
<u>307,087</u>	<u>1,835,773</u>	<u>1,549,780</u>	<u>27,131,172</u>	<u>57,700</u>	<u>58,891,796</u>
-	-	2,120,925	480,073	-	10,391,771
-	1,315,605	-	3,924,199	-	6,050,958
-	-	-	133,650	445,400	4,093,281
-	-	-	-	-	223,480
-	-	-	668,028	-	5,706,029
-	-	-	1,932,857	-	3,689,922
-	-	-	20,885,648	-	23,836,949
798,372	-	-	-	-	3,994,992
<u>798,372</u>	<u>1,315,605</u>	<u>2,120,925</u>	<u>28,024,455</u>	<u>445,400</u>	<u>57,987,382</u>
(491,285)	520,168	(571,145)	(893,283)	(387,700)	904,414
-	-	-	3,849,352	580,844	7,737,109
-	-	-	(220,000)	-	(6,602,000)
-	-	-	3,629,352	580,844	1,135,109
(491,285)	520,168	(571,145)	2,736,069	193,144	2,039,523
10,683,982	1,310,891	3,147,123	(46,357)	2,638,865	22,773,718
<u>\$ 10,192,697</u>	<u>\$ 1,831,059</u>	<u>\$ 2,575,978</u>	<u>\$ 2,689,712</u>	<u>\$ 2,832,009</u>	<u>\$ 24,813,241</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIR QUALITY FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Licenses and permits:				
Authorized vehicle inspection fees	\$ 28,000	\$ 28,000	\$ 29,798	\$ 1,798
Certified vehicle inspection fees	9,000	9,000	12,633	3,633
Certified vehicle paper sales	910,000	910,000	1,001,483	91,483
Title V operating permits	<u>988,000</u>	<u>988,000</u>	<u>1,112,760</u>	<u>124,760</u>
Total licenses and permits	1,935,000	1,935,000	2,156,674	221,674
Interest:				
Interest on investments	<u>-</u>	<u>-</u>	<u>26,846</u>	<u>26,846</u>
Total revenues	<u>1,935,000</u>	<u>1,935,000</u>	<u>2,183,520</u>	<u>248,520</u>
Expenditures:				
Environmental Health:				
Title V operating permits	697,000	697,000	678,068	18,932
Vehicle inspections	1,196,000	1,196,000	989,808	206,192
Indirect overhead	<u>99,000</u>	<u>99,000</u>	<u>89,189</u>	<u>9,811</u>
Total expenditures	<u>1,992,000</u>	<u>1,992,000</u>	<u>1,757,065</u>	<u>234,935</u>
Net change in fund balance	(57,000)	(57,000)	426,455	483,455
Fund balance, July 1	<u>771,991</u>	<u>771,991</u>	<u>771,991</u>	<u>-</u>
Fund balance, June 30	<u>\$ 714,991</u>	<u>\$ 714,991</u>	<u>\$ 1,198,446</u>	<u>\$ 483,455</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY FACILITIES FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Charges for building rental	\$ 3,721,000	\$ 3,721,000	\$ 3,724,600	\$ 3,600
Interest:				
Interest on investments	25,000	25,000	9,713	(15,287)
Miscellaneous:				
Other	-	-	701	701
Total revenues	<u>3,746,000</u>	<u>3,746,000</u>	<u>3,735,014</u>	<u>(10,986)</u>
Expenditures:				
Current:				
General government:				
City/County building	2,512,000	2,769,000	2,511,117	257,883
Indirect overhead	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	-
Total expenditures	<u>2,598,000</u>	<u>2,855,000</u>	<u>2,597,117</u>	<u>257,883</u>
Excess (deficiency) of revenues over expenditures	1,148,000	891,000	1,137,897	246,897
Other financing (uses):				
Operating transfers out:				
Transfer to Debt Service Fund	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	-
Net change in fund balance	(52,000)	(309,000)	(62,103)	246,897
Fund balance, July 1	<u>379,923</u>	<u>379,923</u>	<u>379,923</u>	-
Fund balance, June 30	<u>\$ 327,923</u>	<u>\$ 70,923</u>	<u>\$ 317,820</u>	<u>\$ 246,897</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FALSE ALARM ENFORCEMENT AND EDUCATION FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Licenses and permits:				
Alarm permit fees	\$ -	\$ 289,000	\$ 276,220	\$ (12,780)
Interest:				
Interest on investments	<u>-</u>	<u>-</u>	<u>127</u>	<u>127</u>
Total revenues	<u>-</u>	<u>289,000</u>	<u>276,347</u>	<u>(12,653)</u>
Net change in fund balance	-	289,000	276,347	(12,653)
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 289,000</u>	<u>\$ 276,347</u>	<u>\$ (12,653)</u>

See Notes to Financial Statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
Grants - State Fire Marshall	\$ 764,000	\$ 845,000	\$ 854,955	\$ 9,955
Charges for services:				
Fire seminar fees	2,000	2,000	-	(2,000)
Interest:				
Interest on investments	<u>15,000</u>	<u>15,000</u>	<u>15,003</u>	<u>3</u>
Total revenues	<u>781,000</u>	<u>862,000</u>	<u>869,958</u>	<u>7,958</u>
Expenditures:				
Current:				
Public safety:				
Fire special improvements	<u>800,000</u>	<u>880,000</u>	<u>811,154</u>	<u>68,846</u>
Net change in fund balance	(19,000)	(18,000)	58,804	76,804
Fund balance, July 1	<u>92,317</u>	<u>92,317</u>	<u>92,317</u>	-
Fund balance, June 30	<u>\$ 73,317</u>	<u>\$ 74,317</u>	<u>\$ 151,121</u>	<u>\$ 76,804</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAS TAX ROAD FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State gasoline tax	\$ 4,590,000	\$ 4,590,000	\$ 4,293,636	\$ (296,364)
Interest:				
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>(3,045)</u>	<u>(4,045)</u>
Total revenues	<u>4,591,000</u>	<u>4,591,000</u>	<u>4,290,591</u>	<u>(300,409)</u>
Expenditures:				
Current:				
Highways and streets	5,051,000	4,925,000	4,809,601	115,399
Payments to General Fund for services	<u>239,000</u>	<u>239,000</u>	<u>228,400</u>	<u>10,600</u>
Total expenditures	<u>5,290,000</u>	<u>5,164,000</u>	<u>5,038,001</u>	<u>125,999</u>
Excess (deficiency) of revenues over expenditures	(699,000)	(573,000)	(747,410)	(174,410)
Other financing sources:				
Transfers in	<u>783,000</u>	<u>523,000</u>	<u>657,000</u>	<u>134,000</u>
Net change in fund balance	84,000	(50,000)	(90,410)	(40,410)
Fund balance, July 1	<u>164,342</u>	<u>164,342</u>	<u>164,342</u>	<u>-</u>
Fund balance, June 30	<u>\$ 248,342</u>	<u>\$ 114,342</u>	<u>\$ 73,932</u>	<u>\$ (40,410)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LODGERS TAX FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Lodgers tax	\$ 8,365,000	\$ 8,365,000	\$ 8,326,069	\$ (38,931)
Interest:				
Interest on investments	<u>13,000</u>	<u>13,000</u>	<u>6,235</u>	<u>(6,765)</u>
Total revenues	8,378,000	8,378,000	8,332,304	(45,696)
Expenditures:				
Current:				
General government:				
Lodger's promotion	<u>4,232,000</u>	<u>4,232,000</u>	<u>4,232,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,146,000	4,146,000	4,100,304	(45,696)
Other financing uses:				
Transfers out:				
Transfer to Sales Tax Debt Service Fund	<u>(4,232,000)</u>	<u>(4,232,000)</u>	<u>(4,232,000)</u>	<u>-</u>
Net change in fund balance	(86,000)	(86,000)	(131,696)	(45,696)
Fund balance, July 1	<u>1,101,024</u>	<u>1,101,024</u>	<u>1,101,024</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,015,024</u>	<u>\$ 1,015,024</u>	<u>\$ 969,328</u>	<u>\$ (45,696)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PLAZA DEL SOL BUILDING FUND
 Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Charges for building rental	\$ 1,278,000	\$ 1,278,000	\$ 1,341,406	\$ 63,406
Interest:				
Interest on investments	-	-	4,746	4,746
Total revenues	1,278,000	1,278,000	1,346,152	68,152
Expenditures:				
Current:				
General government:				
Building operations	715,000	715,000	625,297	89,703
Excess (deficiency) of revenues over expenditures	563,000	563,000	720,855	157,855
Other financing (uses):				
Transfer to debt service fund	(568,000)	(568,000)	(568,000)	-
Net change in fund balance	(5,000)	(5,000)	152,855	157,855
Fund balance (deficit), July 1	79,475	79,475	79,475	-
Fund balance (deficit), June 30	\$ 74,475	\$ 74,475	\$ 232,330	\$ 157,855

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State cigarette tax	\$ 290,000	\$ 290,000	\$ 292,810	\$ 2,810
Interest:				
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>(331)</u>	<u>(1,331)</u>
Total revenues	<u>291,000</u>	<u>291,000</u>	<u>292,479</u>	<u>1,479</u>
Other financing uses:				
Transfers out:				
Transfer to General Fund	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balance	291,000	(9,000)	(7,521)	1,479
Fund balance, July 1	<u>32,839</u>	<u>32,839</u>	<u>32,839</u>	<u>-</u>
Fund balance, June 30	<u>\$ 323,839</u>	<u>\$ 23,839</u>	<u>\$ 25,318</u>	<u>\$ 1,479</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 65,000	\$ 65,000	\$ 55,353	\$ (9,647)
Interest	20,000	20,000	16,759	(3,241)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>58,608</u>	<u>58,608</u>
Total revenues	85,000	85,000	130,720	45,720
Expenditures				
Culture and recreation	<u>2,897,000</u>	<u>2,847,000</u>	<u>2,779,490</u>	<u>67,510</u>
Excess (deficiency) of revenues over expenditures	(2,812,000)	(2,762,000)	(2,648,770)	113,230
Other financing sources:				
Transfers in	<u>2,784,000</u>	<u>2,734,000</u>	<u>2,649,913</u>	<u>(84,087)</u>
Net change in fund balance	(28,000)	(28,000)	1,143	29,143
Fund balance, July 1	<u>504,888</u>	<u>504,888</u>	<u>504,888</u>	<u>-</u>
Fund balance, June 30	<u>\$ 476,888</u>	<u>\$ 476,888</u>	<u>\$ 506,031</u>	<u>\$ 29,143</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Charges for services:					
Zoo and Park Admissions	\$ -	\$ 15,064	\$ (15,064)	\$ -	\$ (15,064)
Collecting trips	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total charges for services	<u>50,000</u>	<u>15,064</u>	<u>34,936</u>	<u>-</u>	<u>34,936</u>
Interest on investments	<u>-</u>	<u>52,349</u>	<u>(52,349)</u>	<u>4,219</u>	<u>(56,568)</u>
Other:					
Miscellaneous revenue	1,871,000	(15)	1,871,015	-	1,871,015
Contributions and donations	1,090,000	2,281,884	(1,191,884)	540,236	(1,732,120)
Sales of other property	<u>100,000</u>	<u>111,025</u>	<u>(11,025)</u>	<u>13,200</u>	<u>(24,225)</u>
Total other	<u>3,061,000</u>	<u>2,392,894</u>	<u>668,106</u>	<u>553,436</u>	<u>114,670</u>
Total revenues	<u>3,111,000</u>	<u>2,460,307</u>	<u>650,693</u>	<u>557,655</u>	<u>93,038</u>
Expenditures:					
Current:					
Culture and Recreation	<u>3,003,000</u>	<u>2,392,010</u>	<u>610,990</u>	<u>606,918</u>	<u>4,072</u>
Net change in fund balance	<u>\$ 108,000</u>	<u>\$ 68,297</u>	<u>\$ 39,703</u>	<u>(49,263)</u>	<u>\$ 88,966</u>
Fund balance, July 1				<u>68,297</u>	
Fund balance, June 30				<u>\$ 19,034</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY PROJECTS FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Charges for services:					
Information systems services	\$ 3,013,288	\$ 2,863,592	\$ 149,696	\$ 222,243	\$ (72,547)
Interest:					
Interest on investments	60,000	184,020	(124,020)	9,217	(133,237)
Other:					
Miscellaneous revenue	<u>40,000</u>	<u>39,312</u>	<u>688</u>	<u>-</u>	<u>688</u>
Total revenues	<u>3,113,288</u>	<u>3,086,924</u>	<u>26,364</u>	<u>231,460</u>	<u>(205,096)</u>
Expenditures:					
Current:					
General government	<u>1,827,288</u>	<u>1,732,604</u>	<u>94,684</u>	<u>336,359</u>	<u>(241,675)</u>
Excess (deficiency) of revenues over expenditures	1,286,000	1,354,320	(68,320)	(104,899)	36,579
Other financing sources (uses):					
Transfers out	<u>(962,000)</u>	<u>(962,000)</u>	<u>-</u>	<u>(82,000)</u>	<u>82,000</u>
Net change in fund balance	<u>\$ 324,000</u>	<u>\$ 392,320</u>	<u>\$ (68,320)</u>	(186,899)	<u>\$ 118,579</u>
Fund balance, July 1				<u>392,320</u>	
Fund balance, June 30				<u>\$ 205,421</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY HOUSING FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Interest:					
Interest on investments	\$ 182,132	\$ 404,710	\$ (222,578)	\$ 10,210	\$ (232,788)
Miscellaneous:					
Metropolitan redevelopment owner participation - rehabilitation	2,080,665	1,658,590	422,075	1,000	421,075
Housing mortgage bond revenue	<u>7,314,507</u>	<u>2,520,996</u>	<u>4,793,511</u>	<u>73,600</u>	<u>4,719,911</u>
Total miscellaneous	<u>9,395,172</u>	<u>4,179,586</u>	<u>5,215,586</u>	<u>74,600</u>	<u>5,140,986</u>
Total revenues	9,577,304	4,584,296	4,993,008	84,810	4,908,198
Expenditures:					
Current:					
Housing	<u>9,873,304</u>	<u>3,817,314</u>	<u>6,055,990</u>	<u>596,733</u>	<u>5,459,257</u>
Net change in fund balance	<u>\$ (296,000)</u>	<u>\$ 766,982</u>	<u>\$ (1,062,982)</u>	(511,923)	<u>\$ (551,059)</u>
Fund balance, July 1				<u>773,112</u>	
Fund balance, June 30				<u>\$ 261,189</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual As Restated</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Intergovernmental:					
Grants:					
U.S. Department of Housing and Urban Development	<u>\$ 38,918,563</u>	<u>\$ 25,854,117</u>	<u>\$ 13,064,446</u>	<u>\$ 4,329,393</u>	<u>\$ 8,735,053</u>
Interest:					
Interest on investments	<u>-</u>	<u>5,145</u>	<u>(5,145)</u>	<u>-</u>	<u>(5,145)</u>
Miscellaneous:					
Administrative fees	26,498	-	26,498	-	26,498
Rehabilitation loan repayments	1,095,987	334,948	761,039	766,823	(5,784)
NHG program	515,822	260,822	255,000	-	255,000
United South Broadway	73,173	87,430	(14,257)	-	(14,257)
Other miscellaneous	<u>6,865,379</u>	<u>4,982,065</u>	<u>1,883,314</u>	<u>199,972</u>	<u>1,683,342</u>
Total miscellaneous	<u>8,576,859</u>	<u>5,665,265</u>	<u>2,911,594</u>	<u>966,795</u>	<u>1,944,799</u>
Total revenues	<u>47,495,422</u>	<u>31,524,527</u>	<u>15,970,895</u>	<u>5,296,188</u>	<u>10,674,707</u>
Expenditures:					
Current:					
Public Works	<u>15,926,466</u>	<u>14,132,252</u>	<u>1,794,214</u>	<u>223,480</u>	<u>1,570,734</u>
Human services:					
Mayor's Office for Senior Citizens	939,000	494,775	444,225	341,545	102,680
Community development administration	9,982,712	3,507,130	6,475,582	868,733	5,606,849
Outside operating agencies	9,270,089	7,268,864	2,001,225	1,741,023	260,202
Public service city match	<u>20,441</u>	<u>20,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total human services	<u>20,212,242</u>	<u>11,291,210</u>	<u>8,921,032</u>	<u>2,951,301</u>	<u>5,969,731</u>
Housing	<u>11,432,582</u>	<u>6,276,460</u>	<u>5,156,122</u>	<u>2,599,887</u>	<u>2,556,235</u>
Total expenditures	<u>47,571,290</u>	<u>31,699,922</u>	<u>15,871,368</u>	<u>5,774,668</u>	<u>10,096,700</u>
Excess (deficiency) of revenues over expenditures	<u>(75,868)</u>	<u>(175,395)</u>	<u>99,527</u>	<u>(478,480)</u>	<u>578,007</u>
Other financing sources:					
Transfers in	<u>75,868</u>	<u>75,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (99,527)</u>	<u>\$ 99,527</u>	<u>(478,480)</u>	<u>\$ 578,007</u>
Fund balance, July 1				<u>-</u>	
Fund (deficit), June 30				<u>\$ (478,480)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CULTURE & RECREATION PROJECTS FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Charges for services:					
Culture and recreation:					
Library charges	\$ -	\$ -	\$ -	\$ 97,734	\$ (97,734)
Museum charges	-	78,031	(78,031)	85,933	(163,964)
Other	-	-	-	2,248	(2,248)
Total charges for services	<u>-</u>	<u>78,031</u>	<u>(78,031)</u>	<u>185,915</u>	<u>(263,946)</u>
Interest on investments	41,750	98,610	(56,860)	17,224	(74,084)
Other:					
Miscellaneous revenue	1,687,000	789,589	897,411	73,775	823,636
Contributions and donations	1,169,000	1,202,278	(33,278)	106,172	(139,450)
Total other revenues	<u>2,856,000</u>	<u>1,991,867</u>	<u>864,133</u>	<u>179,947</u>	<u>684,186</u>
Total revenues	<u>2,897,750</u>	<u>2,168,508</u>	<u>729,242</u>	<u>383,086</u>	<u>346,156</u>
Expenditures:					
Current:					
Culture and Recreation	2,892,750	1,489,822	1,402,928	127,823	1,275,105
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 678,686</u>	<u>\$ (673,686)</u>	255,263	<u>\$ (928,949)</u>
Fund balance, July 1				<u>678,686</u>	
Fund balance, June 30				<u>\$ 933,949</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Interest:					
Interest on investments	\$ -	\$ 4,050,333	\$ (4,050,333)	\$ 216,712	\$ (4,267,045)
Miscellaneous:					
Housing and development	<u>15,303,927</u>	<u>11,320,660</u>	<u>3,983,267</u>	<u>90,375</u>	<u>3,892,892</u>
Total revenues	15,303,927	15,370,993	(67,066)	307,087	(374,153)
Expenditures:					
Current:					
Housing and development	<u>15,303,927</u>	<u>4,687,011</u>	<u>10,616,916</u>	<u>798,372</u>	<u>9,818,544</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,683,982</u>	<u>\$ (10,683,982)</u>	(491,285)	<u>\$ (10,192,697)</u>
Fund balance, July 1				<u>10,683,982</u>	
Fund balance, June 30				<u>\$ 10,192,697</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT PROTECTION FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2003</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Intergovernmental:					
Insurance debt collections	\$ -	\$ 309,146	\$ (309,146)	\$ 592,600	\$ (901,746)
Charges for services:					
Crime laboratory-Controlled substance and DWI tests	360,000	368,166	(8,166)	158,514	(166,680)
Fines and forfeits:					
Police-forfeited funds	2,934,968	1,134,103	1,800,865	670,590	1,130,275
Alarm ordinance fines	-	27,230	(27,230)	-	(27,230)
Total fines and forfeits	<u>2,934,968</u>	<u>1,161,333</u>	<u>1,773,635</u>	<u>670,590</u>	<u>1,103,045</u>
Interest:					
Interest on investments	-	382,845	(382,845)	37,755	(420,600)
Other:					
Miscellaneous	-	406,746	(406,746)	376,314	(783,060)
Total revenues	<u>3,294,968</u>	<u>2,628,236</u>	<u>666,732</u>	<u>1,835,773</u>	<u>(1,169,041)</u>
Expenditures:					
Current:					
Public safety:					
Law enforcement protection funds act	1,161,200	252,594	908,606	200,079	708,527
Federal forfeitures program	912,723	435,432	477,291	737,576	(260,285)
State forfeitures program	99,203	94,451	4,752	4,752	-
Crime lab program	360,000	115,010	244,990	98,749	146,241
DWI forfeitures program	761,842	419,858	341,984	274,449	67,535
Total expenditures	<u>3,294,968</u>	<u>1,317,345</u>	<u>1,977,623</u>	<u>1,315,605</u>	<u>662,018</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,310,891</u>	<u>\$ (1,310,891)</u>	520,168	<u>\$ (1,831,059)</u>
Fund balance, July 1				<u>1,310,891</u>	
Fund balance, June 30				<u>\$ 1,831,059</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - METROPOLITAN REDEVELOPMENT FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Taxes:					
Current property tax	\$ 4,347,896	\$ 4,685,655	\$ (337,759)	\$ 312,551	\$ (650,310)
Intergovernmental:					
Grants:					
US Economic Development Administration	1,000,000	276,771	723,229	723,229	-
NM Local Government Division	250,000	250,000	-	-	-
	<u>1,250,000</u>	<u>526,771</u>	<u>723,229</u>	<u>723,229</u>	<u>-</u>
Interest:					
Interest on investments	<u>2,745,762</u>	<u>2,748,338</u>	<u>(2,576)</u>	<u>1,636</u>	<u>(4,212)</u>
Miscellaneous:					
Rental of city property	551,331	523,870	27,461	36,556	(9,095)
Sale of real property	1,834,893	1,794,893	40,000	475,385	(435,385)
Cash discount earned	25	25	-	-	-
Miscellaneous parking revenue	30,328	31,898	(1,570)	-	(1,570)
Other miscellaneous	<u>6,367</u>	<u>6,367</u>	<u>-</u>	<u>423</u>	<u>(423)</u>
Total miscellaneous	<u>2,422,944</u>	<u>2,357,053</u>	<u>65,891</u>	<u>512,364</u>	<u>(446,473)</u>
Total revenues	<u>10,766,602</u>	<u>10,317,817</u>	<u>448,785</u>	<u>1,549,780</u>	<u>(1,100,995)</u>
Expenditures:					
Current:					
General government	<u>11,253,140</u>	<u>8,903,248</u>	<u>2,349,892</u>	<u>2,120,925</u>	<u>228,967</u>
Total expenditures	<u>11,253,140</u>	<u>8,903,248</u>	<u>2,349,892</u>	<u>2,120,925</u>	<u>228,967</u>
Net change in fund balance	<u>\$ (486,538)</u>	<u>\$ 1,414,569</u>	<u>\$ (1,901,107)</u>	<u>(571,145)</u>	<u>\$ (1,329,962)</u>
Fund balance, July 1				<u>3,147,123</u>	
Fund balance, June 30				<u>\$ 2,575,978</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Intergovernmental:					
Grants:					
Corporation for National and Community Services	\$ 1,499,238	\$ 1,154,936	\$ 344,302	\$ 275,496	\$ 68,806
U.S. Department of Housing and Urban Development	32,290,305	18,720,237	13,570,068	4,808,838	8,761,230
U.S. Department of Labor	3,888,864	2,943,477	945,387	451,528	493,859
U.S. Environmental Protection Agency	3,914,276	1,950,123	1,964,153	1,288,682	675,471
Federal Aviation Administration	440,000	440,000	-	-	-
Federal Health, Education and Welfare	-	13,404	(13,404)	(13,404)	-
U.S. Department of Energy	395,122	387,106	8,016	-	8,016
U.S. Department of Energy - UCETC	143,500	110,198	33,302	-	33,302
U.S. Dept. of Health and Human Services	13,643,156	6,994,406	6,648,750	3,100,215	3,548,535
U.S. Department of the Treasury	409,169	222,430	186,739	38,720	148,019
U.S. Department of Justice	21,861,274	14,746,983	7,114,291	2,931,141	4,183,150
U.S. Department of Education	-	-	-	27,023	(27,023)
Federal Emergency Management Agency	904,644	458,461	446,183	(734)	446,917
N.M. Dept. of Health - Social Services	326,754	218,368	108,386	7,295	101,091
N.M. Department of Public Safety	965,560	510,234	455,326	359,364	95,962
N.M. State Library	195,337	157,325	38,012	38,013	(1)
N.M. State Highway Department	6,632,989	4,196,980	2,436,009	1,438,153	997,856
N.M. Department of Transportation	1,382,942	1,174,740	208,202	(247)	208,449
N.M. State Office on Aging	20,052,706	14,958,538	5,094,168	4,287,304	806,864
N.M. Board of Finance	124,869	84,051	40,818	-	40,818
N.M. Dept. of Economic Development	2,950,000	2,771,710	178,290	132,044	46,246
N.M. Local Government Division	17,554,798	11,919,825	5,634,973	3,248,973	2,386,000
N.M. Office Cultural Office	63,272	22,333	40,939	12,497	28,442
N.M. Dept. of Health - Public Health	6,000	6,000	-	-	-
N.M. Children, Youth & Families Dept.	10,296,259	6,023,900	4,272,359	2,533,278	1,739,081
N.M. Youth Conservation Corp. Comm.	516,107	327,853	188,254	175,154	13,100
City of Rio Rancho	60,000	58,078	1,922	(24,642)	26,564
County Other	122,000	108,409	13,591	-	13,591
N.M. Dept. of Health - Substance Abuse	6,000	-	6,000	6,000	-
County Aging	1,929,500	1,446,735	482,765	482,765	-
Total intergovernmental	<u>142,574,641</u>	<u>92,126,840</u>	<u>50,447,801</u>	<u>25,603,456</u>	<u>24,844,345</u>
Interest:					
Interest - Police Block Grant	360,000	323,202	36,798	68,003	(31,205)
Miscellaneous:					
Other miscellaneous	7,582,484	4,370,413	3,212,071	1,351,548	1,860,523
UDA rehabilitation loan repayment	51,458	30,234	21,224	106,055	(84,831)
Contributions and donations	100,000	76,001	23,999	2,110	21,889
Total miscellaneous	<u>7,733,942</u>	<u>4,476,648</u>	<u>3,257,294</u>	<u>1,459,713</u>	<u>1,797,581</u>
Total revenues	<u>150,668,583</u>	<u>96,926,690</u>	<u>53,741,893</u>	<u>27,131,172</u>	<u>26,610,721</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Year's Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Expenditures:					
General government:					
Aviation	440,000	440,000	-	-	-
Planning-redevelopment	129,618	28,322	101,296	40,837	60,459
Planning-Mayor	350,000	342,920	7,080	(936)	8,016
Planning-Chief Administrative Officer	-	-	-	57,894	(57,894)
Finance and Administrative Services	173,500	133,197	40,303	-	40,303
Legal	37,404	37,404	-	-	-
Solid waste	<u>1,483,632</u>	<u>1,119,267</u>	<u>364,365</u>	<u>382,278</u>	<u>(17,913)</u>
Total general government	<u>2,614,154</u>	<u>2,101,110</u>	<u>513,044</u>	<u>480,073</u>	<u>32,971</u>
Public safety:					
Fire	1,932,176	1,248,430	683,746	21,453	662,293
Corrections	-	(1,453)	1,453	12,573	(11,120)
Police	<u>26,613,907</u>	<u>17,867,110</u>	<u>8,746,797</u>	<u>3,890,173</u>	<u>4,856,624</u>
Total public safety	<u>28,546,083</u>	<u>19,114,087</u>	<u>9,431,996</u>	<u>3,924,199</u>	<u>5,507,797</u>
Culture and recreation:					
Library	228,476	167,676	60,800	40,800	20,000
Parks and Recreation	<u>845,870</u>	<u>660,632</u>	<u>185,238</u>	<u>92,850</u>	<u>92,388</u>
Total culture and recreation	<u>1,074,346</u>	<u>828,308</u>	<u>246,038</u>	<u>133,650</u>	<u>112,388</u>
Highways and streets	<u>3,102,900</u>	<u>2,091,824</u>	<u>1,011,076</u>	<u>668,028</u>	<u>343,048</u>
Environmental health	<u>8,800,698</u>	<u>6,222,772</u>	<u>2,577,926</u>	<u>1,932,857</u>	<u>645,069</u>
Human services:					
Office of Senior Affairs (OSA)	16,725,824	19,194,005	(2,468,181)	4,568,676	(7,036,857)
OSA - ACTION grants	720,189	708,835	11,354	-	11,354
Human services administration	<u>111,443,015</u>	<u>64,347,369</u>	<u>47,095,646</u>	<u>16,316,972</u>	<u>30,778,674</u>
Total human services	<u>128,889,028</u>	<u>84,250,209</u>	<u>44,638,819</u>	<u>20,885,648</u>	<u>23,753,171</u>
Total expenditures	<u>173,027,209</u>	<u>114,608,310</u>	<u>58,418,899</u>	<u>28,024,455</u>	<u>30,394,444</u>
Excess (deficiency) of revenues over expenditures	<u>(22,358,626)</u>	<u>(17,681,620)</u>	<u>(4,677,006)</u>	<u>(893,283)</u>	<u>(3,783,723)</u>
Other financing sources (uses):					
Transfers in	21,944,448	16,951,899	4,992,549	3,849,352	1,143,197
Transfers out	<u>(432,822)</u>	<u>(212,822)</u>	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>
Total other financing sources and (uses)	<u>21,511,626</u>	<u>16,739,077</u>	<u>4,772,549</u>	<u>3,629,352</u>	<u>1,143,197</u>
Net change in fund balance	<u>\$ (847,000)</u>	<u>\$ (942,543)</u>	<u>\$ 95,543</u>	<u>2,736,069</u>	<u>\$ (2,640,526)</u>
Fund (deficit), July 1, as restated				<u>(46,357)</u>	
Fund balance, June 30				<u>\$ 2,689,712</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - URBAN ENHANCEMENT EXPENDITURES FUND
Year ended June 30, 2003

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Interest:					
Interest on investments	\$ 849,170	\$ 1,053,007	\$ (203,837)	\$ 57,700	\$ (261,537)
Miscellaneous:					
Other miscellaneous revenue	-	2,591	(2,591)	-	(2,591)
Total miscellaneous	-	2,591	(2,591)	-	(2,591)
Total revenues	<u>849,170</u>	<u>1,055,598</u>	<u>(206,428)</u>	<u>57,700</u>	<u>(264,128)</u>
Expenditures:					
Current:					
Culture and recreation	<u>3,514,323</u>	<u>965,066</u>	<u>2,549,257</u>	<u>445,400</u>	<u>2,103,857</u>
(Deficiency) of revenues over expenditures	(2,665,153)	90,532	(2,755,685)	(387,700)	(2,367,985)
Other financing sources:					
Transfers in	<u>2,665,153</u>	<u>2,369,178</u>	<u>295,975</u>	<u>580,844</u>	<u>(284,869)</u>
Net change in fund balance	<u>-</u>	<u>2,459,710</u>	<u>(2,459,710)</u>	193,144	<u>(2,652,854)</u>
Fund balance, July 1				<u>2,638,865</u>	
Fund balance, June 30				<u>\$ 2,832,009</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-
DEBT SERVICE
June 30, 2003

	<u>Sales Tax Refunding Debt Service Fund</u>	<u>City/County Building Debt Service Fund</u>	<u>Special Assessments Debt Service Fund</u>	<u>Total</u>
ASSETS				
Cash, investments, and accrued interest	\$ 591,943	\$ 538,522	\$ 2,452,899	\$ 3,583,364
Cash with fiscal agents	4,478,577	1,221,816	2,754,454	8,454,847
Accounts receivable, net of allowance for uncollectible accounts:				
Special Assessments	-	-	11,833,834	11,833,834
Advances to other funds	<u>24,300,000</u>	<u>-</u>	<u>-</u>	<u>24,300,000</u>
TOTAL ASSETS	<u>\$ 29,370,520</u>	<u>\$ 1,760,338</u>	<u>\$ 17,041,187</u>	<u>\$ 48,172,045</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 659	\$ 659
Deferred revenue	-	-	11,351,014	11,351,014
Matured bonds payable	2,265,888	1,040,000	2,427,611	5,733,499
Matured interest payable	<u>2,235,747</u>	<u>181,816</u>	<u>326,845</u>	<u>2,744,408</u>
Total liabilities	<u>4,501,635</u>	<u>1,221,816</u>	<u>14,106,129</u>	<u>19,829,580</u>
Fund balances:				
Reserved for:				
Advances to other funds	24,300,000	-	-	24,300,000
Unreserved	<u>568,885</u>	<u>538,522</u>	<u>2,935,058</u>	<u>4,042,465</u>
Total fund balances	<u>24,868,885</u>	<u>538,522</u>	<u>2,935,058</u>	<u>28,342,465</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,370,520</u>	<u>\$ 1,760,338</u>	<u>\$ 17,041,187</u>	<u>\$ 48,172,045</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE
 Year ended June 30, 2003

	Sales Tax Refunding Debt Service Fund	City/County Building Debt Service Fund	Special Assessments Debt Service Fund	Total
Revenues:				
Interest	\$ 605,601	\$ 26,217	\$ 89,776	\$ 721,594
Special assessments	-	-	7,163,086	7,163,086
Miscellaneous	3,444	-	312,370	315,814
Total revenues	<u>609,045</u>	<u>26,217</u>	<u>7,565,232</u>	<u>8,200,494</u>
Expenditures:				
Principal retirement	3,420,888	1,040,000	7,057,611	11,518,499
Interest	4,855,818	363,633	765,623	5,985,074
Fiscal agent fees and other fees	121,377	-	45,680	167,057
Total expenditures	<u>8,398,083</u>	<u>1,403,633</u>	<u>7,868,914</u>	<u>17,670,630</u>
Excess (deficiency) of revenues over expenditures	(7,789,038)	(1,377,416)	(303,682)	(9,470,136)
Other financing sources:				
Transfers in	5,842,000	1,295,000	-	7,137,000
Net change in fund balances	(1,947,038)	(82,416)	(303,682)	(2,333,136)
Fund balances, July 1	<u>26,815,923</u>	<u>620,938</u>	<u>3,238,740</u>	<u>30,675,601</u>
Fund balances, June 30	<u>\$ 24,868,885</u>	<u>\$ 538,522</u>	<u>\$ 2,935,058</u>	<u>\$ 28,342,465</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SALES TAX REFUNDING DEBT SERVICE FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Interest:				
Interest on investments	\$ 200,000	\$ 200,000	\$ 94,239	\$ (105,761)
Interest on advance	512,000	512,000	511,362	(638)
Miscellaneous	-	-	3,444	3,444
Total revenues	<u>712,000</u>	<u>712,000</u>	<u>609,045</u>	<u>(102,955)</u>
Expenditures:				
Debt service:				
Principal	2,117,758	3,117,758	3,420,888	(303,130)
Interest	7,322,303	7,322,303	4,855,818	2,466,485
Fiscal agent fees and other fees	239,939	239,939	121,377	118,562
Total expenditures	<u>9,680,000</u>	<u>10,680,000</u>	<u>8,398,083</u>	<u>2,281,917</u>
Excess (deficiency) of revenues over expenditures	(8,968,000)	(9,968,000)	(7,789,038)	2,178,962
Other financing sources:				
Transfers in	<u>7,251,000</u>	<u>7,142,000</u>	<u>5,842,000</u>	<u>(1,300,000)</u>
Net change in fund balance	(1,717,000)	(2,826,000)	(1,947,038)	878,962
Fund balance, July 1	<u>26,815,923</u>	<u>26,815,923</u>	<u>26,815,923</u>	<u>-</u>
Fund balance, June 30	<u>\$ 25,098,923</u>	<u>\$ 23,989,923</u>	<u>\$ 24,868,885</u>	<u>\$ 878,962</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY BUILDING DEBT SERVICE FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Interest:				
Interest on investments	\$ 15,000	\$ 15,000	\$ 26,217	\$ 11,217
Expenditures:				
Debt service:				
Principal	1,222,000	1,222,000	1,040,000	182,000
Interest	182,000	183,000	363,633	(180,633)
Fiscal agent fees and other fees	5,000	4,000	-	4,000
Total expenditures	<u>1,409,000</u>	<u>1,409,000</u>	<u>1,403,633</u>	<u>5,367</u>
Excess (deficiency) of revenues over expenditures	(1,394,000)	(1,394,000)	(1,377,416)	16,584
Other financing sources:				
Transfers in	1,295,000	1,295,000	1,295,000	-
Net change in fund balance	(99,000)	(99,000)	(82,416)	16,584
Fund balance, July 1	<u>620,938</u>	<u>620,938</u>	<u>620,938</u>	<u>-</u>
Fund balance, June 30	<u>\$ 521,938</u>	<u>\$ 521,938</u>	<u>\$ 538,522</u>	<u>\$ 16,584</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-
CAPITAL PROJECTS
June 30, 2003

	<u>Quality of Life Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Vehicle & Equipment Replacement Fund</u>	<u>Special Assessments Capital Fund</u>	<u>Total</u>
ASSETS					
Cash, investments, and accrued interest	\$ 7,224,379	\$ 12,671,655	\$ 1,656,305	\$ 7,065,317	\$ 28,617,656
Gross receipts tax receivable	<u>-</u>	<u>5,577,507</u>	<u>-</u>	<u>-</u>	<u>5,577,507</u>
TOTAL ASSETS	<u>\$ 7,224,379</u>	<u>\$ 18,249,162</u>	<u>\$ 1,656,305</u>	<u>\$ 7,065,317</u>	<u>\$ 34,195,163</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Contracts payable	\$ 34,838	\$ 2,820,099	\$ 477,568	\$ -	\$ 3,332,505
Retainage payable	12,972	-	-	-	12,972
Accrued employee compensation and benefits	-	2,930	-	-	2,930
Deferred revenue	<u>-</u>	<u>3,143,420</u>	<u>-</u>	<u>-</u>	<u>3,143,420</u>
Total liabilities	<u>47,810</u>	<u>5,966,449</u>	<u>477,568</u>	<u>-</u>	<u>6,491,827</u>
 Fund balances:					
Unreserved	<u>7,176,569</u>	<u>12,282,713</u>	<u>1,178,737</u>	<u>7,065,317</u>	<u>27,703,336</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,224,379</u>	<u>\$ 18,249,162</u>	<u>\$ 1,656,305</u>	<u>\$ 7,065,317</u>	<u>\$ 34,195,163</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
Year ended June 30, 2003

	Quality of Life Fund	Infrastructure Tax Fund	Vehicle & Equipment Replacement Fund	Special Assessments Capital Fund	Total
Revenues:					
Taxes:					
Gross receipts tax-local option	\$ -	\$ 27,916,092	\$ -	\$ -	\$ 27,916,092
Intergovernmental	2,781	-	-	-	2,781
Interest on investments	157,606	163,147	39,267	125,456	485,476
Miscellaneous:					
Contributions in aid of construction	-	20,283	-	2,559,441	2,579,724
Sales of real property	-	-	195,669	-	195,669
Recoveries on damaged vehicles	-	-	141,167	-	141,167
Other	4	-	-	-	4
Total miscellaneous	4	20,283	336,836	2,559,441	2,916,564
Total revenues	160,391	28,099,522	376,103	2,684,897	31,320,913
Expenditures:					
Capital outlay	1,267,848	13,191,546	1,726,830	838,613	17,024,837
Excess (deficiency) of revenues over expenditures	(1,107,457)	14,907,976	(1,350,727)	1,846,284	14,296,076
Other financing sources (uses):					
Transfers in	-	-	1,928,000	-	1,928,000
Transfers out	-	(5,512,307)	-	-	(5,512,307)
Total other financing sources (uses)	-	(5,512,307)	1,928,000	-	(3,584,307)
Net change in fund balances	(1,107,457)	9,395,669	577,273	1,846,284	10,711,769
Fund balances, July 1	8,284,026	2,887,044	601,464	5,219,033	16,991,567
Fund balances, June 30	\$ 7,176,569	\$ 12,282,713	\$ 1,178,737	\$ 7,065,317	\$ 27,703,336

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
QUALITY OF LIFE FUND
Year ended June 30, 2003

	<u>Balloon Science Museum</u>	<u>Tingley Aqua Park Botanical</u>	<u>Sworn Police Personnel Program</u>
Revenues:			
US Urban Mass Transit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest:			
Interest on investments	<u>-</u>	<u>-</u>	<u>492,436</u> (a)
Miscellaneous:			
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	-	492,436
Expenditures:			
Capital outlay	<u>58,864</u>	<u>18,492</u>	<u>740,302</u>
Net change in fund balances	(58,864)	(18,492)	(247,866)
Fund balances (deficit), July 1	<u>6,029,309</u>	<u>107,749</u>	<u>750,000</u>
Fund balances (deficit), June 30	<u>\$ 5,970,445</u>	<u>\$ 89,257</u>	<u>\$ 502,134</u>

(a) Reallocated between purposes covering interest earned during the period of FY2000 through FY2003

<u>Quarter Cent Streets</u>	<u>Quarter Cent Storm Drain</u>	<u>Rio Grande Bosque RR</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 2,781	\$ 2,781
-	-	-	(334,830) (a)	157,606
-	-	-	4	4
-	-	-	4	4
-	-	-	(332,045)	160,391
<u>435,620</u>	<u>4,310</u>	<u>10,260</u>	<u>-</u>	<u>1,267,848</u>
(435,620)	(4,310)	(10,260)	(332,045)	(1,107,457)
<u>1,046,938</u>	<u>(83,892)</u>	<u>10,000</u>	<u>423,922</u>	<u>8,284,026</u>
<u>\$ 611,318</u>	<u>\$ (88,202)</u>	<u>\$ (260)</u>	<u>\$ 91,877</u>	<u>\$ 7,176,569</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN PROJECT FUND BALANCE BY PURPOSE
BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND
Year ended June 30, 2003

	<u>Final Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
Revenues:					
Interest on investments	\$ 1,524,969	\$ 2,192,958	\$ (667,989)	\$ 39,267	\$ (707,256)
Other:					
Vehicle and equipment replacement charges	14,504,002	11,352,443	3,151,559	-	3,151,559
Sales of property and equipment	729,289	1,726,392	(997,103)	195,669	(1,192,772)
Recoveries on damaged vehicles	218,647	459,775	(241,128)	141,167	(382,295)
Total other revenue	<u>15,451,938</u>	<u>13,538,610</u>	<u>1,913,328</u>	<u>336,836</u>	<u>1,576,492</u>
Total revenues	<u>16,976,907</u>	<u>15,731,568</u>	<u>1,245,339</u>	<u>376,103</u>	<u>869,236</u>
Expenditures:					
Capital Outlay:					
Vehicles and equipment	24,969,700	19,972,530	4,997,170	1,725,431	3,271,739
Computers	9,258,000	9,048,913	209,087	1,399	207,688
Total expenditures	<u>34,227,700</u>	<u>29,021,443</u>	<u>5,206,257</u>	<u>1,726,830</u>	<u>3,479,427</u>
Excess of revenues over (under) expenditures	<u>(17,250,793)</u>	<u>(13,289,875)</u>	<u>(3,960,918)</u>	<u>(1,350,727)</u>	<u>(2,610,191)</u>
Other financing sources (uses)					
Transfers in	20,918,839	16,065,339	4,853,500	1,928,000	2,925,500
Transfers out	(2,174,000)	(2,174,000)	-	-	-
Total other financing sources (uses)	<u>18,744,839</u>	<u>13,891,339</u>	<u>4,853,500</u>	<u>1,928,000</u>	<u>2,925,500</u>
Net change in fund balance	<u>\$ 1,494,046</u>	<u>\$ 601,464</u>	<u>\$ 892,582</u>	<u>577,273</u>	<u>\$ 315,309</u>
Fund balance, July 1				<u>601,464</u>	
Fund balance, June 30				<u>\$ 1,178,737</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CERTAIN CAPITAL PROJECTS FUNDS
Year Ended June 30, 2003

	<u>Total Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2002</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2003</u>
<u>Quality of Life Fund</u>					
Capital Outlay and Other:					
Balloon/Science Museum	\$ 24,905,700	\$ 18,876,391	\$ 6,029,309	\$ 58,864	\$ 5,970,445
Tingley Aqua Park/Botanical	36,620,000	36,509,905	110,095	18,492	91,603
Sworn Police Personnel	1,242,436	-	1,242,436	740,302	502,134
Quarter cent-streets	24,164,563	23,120,240	1,044,323	435,620	608,703
Quarter cent storm drain	1,528,790	1,524,591	4,199	4,310	(111)
Rio Grande Bosque RR	10,000	-	10,000	10,260	(260)
Total Quality of Life Fund	<u>\$ 88,471,489</u>	<u>\$ 80,031,127</u>	<u>\$ 8,440,362</u>	<u>\$ 1,267,848</u>	<u>\$ 7,172,514</u>
<u>Transportation Infrastructure Tax Fund</u>					
Capital Outlay and Other:					
Streets	\$ 62,500,000	\$ 35,552,739	\$ 26,947,261	\$ 9,090,193	\$ 17,857,068
Maintenance	40,710,597	12,263,996	28,446,601	3,489,114	24,957,487
Trails	4,531,155	465,451	4,065,704	612,240	3,453,464
Transit	16,673,149	11,119,009	5,554,140	5,512,306	41,834
Total Transportation Infrastructure Tax Fund	<u>\$124,414,901</u>	<u>\$ 59,401,195</u>	<u>\$ 65,013,706</u>	<u>\$18,703,853</u>	<u>\$ 46,309,853</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
ALL PERMANENT FUNDS
June 30, 2003

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
ASSETS			
Cash, investments, and accrued interest	\$ 22,211,984	\$ 7,742,474	\$ 29,954,458
Real estate contracts receivable	3,001,272	-	3,001,272
Land held for resale	<u>5,065,930</u>	<u>-</u>	<u>5,065,930</u>
TOTAL ASSETS	<u>\$ 30,279,186</u>	<u>\$ 7,742,474</u>	<u>\$ 38,021,660</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 750	\$ -	\$ 750
Deposits	11,000	-	11,000
Deferred revenue	<u>3,001,272</u>	<u>-</u>	<u>3,001,272</u>
Total liabilities	<u>3,013,022</u>	<u>-</u>	<u>3,013,022</u>
Fund balances:			
Reserved for:			
Land held for sale	5,065,930	-	5,065,930
Acquisition and management of open space land	22,200,234	-	22,200,234
Urban enhancement	<u>-</u>	<u>7,742,474</u>	<u>7,742,474</u>
Total fund balances	<u>27,266,164</u>	<u>7,742,474</u>	<u>35,008,638</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,279,186</u>	<u>\$ 7,742,474</u>	<u>\$ 38,021,660</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
Year ended June 30, 2003

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
Revenues:			
Interest:			
Interest on investments	\$ 2,251,446	\$ 586,360	\$ 2,837,806
Interest collected on real estate contracts receivable	<u>260,897</u>	<u>-</u>	<u>260,897</u>
Total interest	<u>2,512,343</u>	<u>586,360</u>	<u>3,098,703</u>
Miscellaneous:			
Principal collected on real estate contracts receivable	<u>1,771,488</u>	<u>-</u>	<u>1,771,488</u>
Total revenues	<u>4,283,831</u>	<u>586,360</u>	<u>4,870,191</u>
Expenditures:			
Culture and recreation:			
Payments on contractual agreements	81,846	-	81,846
Salaries and fringe benefits	51,000	-	51,000
Professional services	<u>11,863</u>	<u>-</u>	<u>11,863</u>
Total expenditures	<u>144,709</u>	<u>-</u>	<u>144,709</u>
Excess (deficiency) of revenues over expenditures	4,139,122	586,360	4,725,482
Other financing uses:			
Transfers out	<u>(1,444,913)</u>	<u>(580,844)</u>	<u>(2,025,757)</u>
Net change in fund balances	2,694,209	5,516	2,699,725
Fund balances, July 1, as restated	<u>24,571,955</u>	<u>7,736,958</u>	<u>32,308,913</u>
Fund balances, June 30	<u>\$ 27,266,164</u>	<u>\$ 7,742,474</u>	<u>\$ 35,008,638</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
AIRPORT FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 50,361,500	\$ 50,361,500	\$ 51,133,762	\$ 772,262
Passenger Facility Charge	8,500,000	8,500,000	8,154,815	(345,185)
Interest on investments	1,000,000	1,000,000	791,943	(208,057)
Other miscellaneous revenue restricted for debt service	-	-	62,597	62,597
	<u>18,855,000</u>	<u>18,855,000</u>	<u>18,800,000</u>	<u>(55,000)</u>
Total revenues	<u>78,716,500</u>	<u>78,716,500</u>	<u>78,943,117</u>	<u>226,617</u>
Expenses:				
Aviation operations	22,707,000	22,707,000	20,961,526	1,745,474
Airport capital and deferred maintenance	16,200,000	16,200,000	16,200,000	-
Economic Development	30,000	30,000	-	30,000
Payments for General Fund services restricted for debt service	1,154,000	1,154,000	1,097,636	56,364
Debt service	18,800,000	18,800,000	18,800,000	-
	<u>32,847,000</u>	<u>32,847,000</u>	<u>31,360,283</u>	<u>1,486,717</u>
Total expenses	<u>91,738,000</u>	<u>91,738,000</u>	<u>88,419,445</u>	<u>3,318,555</u>
Excess of revenues under expenses	<u>\$ (13,021,500)</u>	<u>\$ (13,021,500)</u>	<u>(9,476,328)</u>	<u>\$ 3,545,172</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			890,811	
Depreciation			(27,845,671)	
Amortization			(855,613)	
Loss on disposition of property and equipment			(22,491)	
Unrealized losses on investments			(152,174)	
Miscellaneous expense			(3,661)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			20,485,000	
Transfer from non-restricted cash to cash restricted for acquisition of property and equipment			16,200,000	
Capital contributions			1,022,772	
Capitalized interest on long-term debt			103,907	
Capital Outlay			<u>21,732</u>	
Change in net assets as reported in Exhibit H-1			<u>\$ 368,284</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
JOINT WATER AND SEWER FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 104,915,000	\$ 104,915,000	\$ 101,418,886	\$ (3,496,114)
City water service expansion charges	10,080,000	10,080,000	14,432,966	4,352,966
Sustainable water supply	17,710,000	17,710,000	16,262,443	(1,447,557)
Interest on investments	1,515,000	1,515,000	882,914	(632,086)
Valley system connection charges	230,000	230,000	210,294	(19,706)
City system connection charges	900,000	900,000	1,478,223	578,223
Other miscellaneous	1,150,000	1,150,000	873,266	(276,734)
Grant revenue	-	115,000	112,734	(2,266)
Transfer from non-restricted cash to cash restricted for debt service	<u>35,496,000</u>	<u>35,496,000</u>	<u>35,496,000</u>	<u>-</u>
Total revenues	<u>171,996,000</u>	<u>172,111,000</u>	<u>171,167,726</u>	<u>(943,274)</u>
Expenses:				
Water plant facility R&M	2,460,000	2,460,000	2,226,033	233,967
Water plant facility operations	8,171,000	8,286,000	7,981,613	304,387
Water distribution facility maintenance	6,640,000	6,640,000	6,446,477	193,523
Water distribution facility operation	2,289,000	2,289,000	2,050,735	238,265
Water revenue meter maintenance	2,451,000	2,451,000	2,229,864	221,136
Water contract O&M	125,000	125,000	68,667	56,333
Wastewater treatment	11,841,000	11,841,000	10,839,371	1,001,629
Wastewater pretreatment	738,000	738,000	667,899	70,101
Wastewater collection	4,139,000	4,139,000	3,651,767	487,233
Wastewater laboratory	1,418,000	1,418,000	1,276,501	141,499
Sustainable water supply	10,400,000	10,400,000	6,048,523	4,351,477
Customer services	3,779,000	3,779,000	3,467,537	311,463
Finance	3,202,000	3,202,000	2,862,055	339,945
San Juan-Chama	2,033,000	2,033,000	2,273,463	(240,463)
Strategic support	1,373,000	1,373,000	1,201,392	171,608
State conservation fee	1,100,000	1,100,000	998,266	101,734
North I-25 reuse	330,000	330,000	168,765	161,235
Utility development	778,000	778,000	710,809	67,191
Water resources	3,201,000	3,201,000	2,555,254	645,746
Information systems	446,000	446,000	336,306	109,694
Low income utility credit	250,000	250,000	253,525	(3,525)
Debt service	45,981,000	45,981,000	45,822,139	158,861
Transfer to cash restricted for debt service	34,463,000	34,463,000	34,463,000	-
Transfer from cash restricted for debt service to cash restricted for capital acquisition	4,000,000	4,000,000	4,000,000	-
Sustainable water supply - transfer to cash restricted for debt service	1,033,000	1,033,000	1,033,000	-
Transfer to cash restricted for capital acquisition	11,000,000	11,000,000	11,000,000	-
Sustainable water supply - transfer to cash restricted for capital acquisition	6,400,000	6,400,000	6,400,000	-
Payment for General Fund services	<u>6,941,000</u>	<u>6,941,000</u>	<u>6,912,782</u>	<u>28,218</u>
Total expenses	<u>176,982,000</u>	<u>177,097,000</u>	<u>167,945,743</u>	<u>9,151,257</u>
Excess of revenues over (under) expenses	<u>\$ (4,986,000)</u>	<u>\$ (4,986,000)</u>	<u>3,221,983</u>	<u>\$ 8,207,983</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
JOINT WATER AND SEWER FUND
Year ended June 30, 2003

	<u>Actual</u>
Revenues (expenses) not budgeted:	
Interest on investments of restricted assets	800,637
Gain on disposition of property and equipment	18,869
Depreciation	(40,843,474)
Amortization	(391,670)
Amortization on water rights contract	(457,590)
Accreted interest on capital appreciation bonds	(1,702,740)
Unrealized loss on investments	(95,836)
Bad debt	(34,703)
Lease of water rights	4,275,890
	<u>4,275,890</u>
Net expenses over revenues not budgeted	<u>(38,430,617)</u>
Changes to conform to generally accepted accounting principles:	
Principal payments on bonds and loan agreements	34,972,926
Transfer to cash restricted for capital acquisition	21,887,245
Capital contributions	22,177,697
Capital outlay	1,782,086
Capitalized interest on long-term debt	1,535,697
Operating grant revenue	(112,734)
Capital contributions budgeted as revenues	(1,688,517)
	<u>80,554,400</u>
Net changes to conform to generally accepted accounting principles	<u>80,554,400</u>
Change in net assets as reported in Exhibit A-8	<u>\$ 45,345,766</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
REFUSE DISPOSAL FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 39,477,130	\$ 39,477,130	\$ 40,757,676	\$ 1,280,546
Interest on investments	128,585	128,585	197,606	69,021
Miscellaneous revenue	86,285	86,285	136,567	50,282
Transfer from non-restricted cash to cash restricted for debt service	<u>4,375,000</u>	<u>4,375,000</u>	<u>4,375,000</u>	<u>-</u>
Total revenues	<u>44,067,000</u>	<u>44,067,000</u>	<u>45,466,849</u>	<u>1,399,849</u>
Expenses:				
Administrative services	7,981,000	7,981,000	7,972,622	8,378
Collections	11,807,000	11,807,000	11,700,975	106,025
Disposal	4,415,000	4,415,000	4,406,543	8,457
Recycling	2,512,000	2,512,000	2,496,592	15,408
Clean City	2,381,000	2,381,000	2,369,509	11,491
Transfer from non-restricted cash to cash restricted for debt service	4,375,000	4,375,000	4,375,000	-
Payment for General Fund services	2,677,000	2,677,000	2,690,032	(13,032)
Transfer from non-restricted cash to cash restricted for capital acquisition	3,151,000	3,151,000	3,151,000	-
Transfer to Joint Water & Sewer Fund	501,000	501,000	501,000	-
Transfer to Corrections & Detention Fund	90,000	90,000	90,000	-
Debt service	<u>4,457,000</u>	<u>4,457,000</u>	<u>4,455,489</u>	<u>1,511</u>
Total expenses	<u>44,347,000</u>	<u>44,347,000</u>	<u>44,208,762</u>	<u>138,238</u>
Excess of revenues over (under) expenses	<u>\$ (280,000)</u>	<u>\$ (280,000)</u>	1,258,087	<u>\$ 1,538,087</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			231,943	
Loss on disposition of property and equipment			(111,474)	
Capital contributions			400,000	
Depreciation			(4,782,031)	
Amortization			(204,721)	
Bad debt			(27,518)	
Unrealized loss on investments			(31,560)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			2,840,000	
Transfer from non-restricted cash to cash restricted for capital acquisition			3,151,000	
Capitalized interest on long-term debt			<u>434,365</u>	
Change in net assets as reported in Exhibit A-8			<u>\$ 3,158,091</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
AIRPORT FUND
June 30, 2003

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
Revenue Bonds			
2004	\$ 6,900,000	\$ 10,151,315	\$ 17,051,315
2005	7,930,000	9,764,334	17,694,334
2006	9,475,000	9,325,257	18,800,257
2007	11,150,000	8,789,951	19,939,951
2008	12,035,000	8,181,167	20,216,167
2009 - 2013	72,870,000	30,403,176	103,273,176
2014 - 2018	69,215,000	10,898,769	80,113,769
2019 - 2023	<u>22,175,000</u>	<u>810,751</u>	<u>22,985,751</u>
Total bonds	<u>\$ 211,750,000</u>	<u>\$ 88,324,720</u>	<u>\$ 300,074,720</u>

* including interest on variable rate bonds at 2.207 percent

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
JOINT WATER AND SEWER FUND
June 30, 2003

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds			
2004	31,580,000	9,891,865	41,471,865
2005	32,695,000	8,461,175	41,156,175
2006	33,050,000	6,935,199	39,985,199
2007	31,605,000	5,515,916	37,120,916
2008	33,170,000	4,319,348	37,489,348
2009-2013	83,940,000	8,148,401	92,088,401
2014	3,980,000	89,550	4,069,550
Total bonds	\$ 250,020,000	\$ 43,361,454	\$ 293,381,454
Water Rights Contract			
2004	768,932	632,302	1,401,234
2005	792,354	608,880	1,401,234
2006	816,489	584,745	1,401,234
2007	841,359	559,875	1,401,234
2008	866,987	534,247	1,401,234
2009-2013	4,747,521	2,258,649	7,006,170
2014-2018	5,515,978	1,490,192	7,006,170
2019-2023	6,408,817	597,348	7,006,165
Total water rights contract	\$ 20,758,437	\$ 7,266,238	\$ 28,024,675
Notes Payable			
2004	191,552	126,432	317,984
2005	3,035,384	922,491	3,957,875
2006	3,155,286	824,019	3,979,305
2007	3,280,269	721,498	4,001,767
2008	3,410,570	614,757	4,025,327
2009-2013	13,606,903	1,554,483	15,161,386
2014-2016	2,097,230	59,589	2,156,819
Total notes payable	\$ 28,777,194	\$ 4,823,269	\$ 33,600,463

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
REFUSE DISPOSAL FUND
June 30, 2003

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds			
2004	2,840,000	1,549,949	4,389,949
2005	2,975,000	1,411,991	4,386,991
2006	3,110,000	1,265,518	4,375,518
2007	3,265,000	1,114,956	4,379,956
2008	3,415,000	956,795	4,371,795
2009-2014	<u>18,030,000</u>	<u>2,460,062</u>	<u>20,490,062</u>
Total bonds	<u>\$ 33,635,000</u>	<u>\$ 8,759,271</u>	<u>\$ 42,394,271</u>

CITY OF ALBUQUERQUE, NEW MEXICO

NONMAJOR ENTERPRISE FUNDS

GOLF COURSE FUND—To account for the operations of City-owned golf courses.

APARTMENTS FUND—To account for the operations of the City-owned apartments for low income persons.

PARKING FACILITIES FUND—To account for the operations of the parking facilities owned by the City.

STADIUM FUND—To account for the operations of the City-owned baseball stadium

TRANSIT FUND—To account for the operations of the City's Suntran bus system.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
June 30, 2003

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 315,183	\$ 448,133
Receivables, net of allowance for uncollectibles:		
Accounts	14,560	14,337
Inventories of supplies	<u>-</u>	<u>38,064</u>
Total current assets	<u>329,743</u>	<u>500,534</u>
Restricted assets:		
Cash, investments, and accrued interest	2,088,300	3,508,797
Cash with fiscal agents	273,384	-
Investments with fiscal agents	-	-
Accounts receivable	-	-
Due from other governments	-	-
Capitalized bond issuance costs	-	377,764
Interest rate cap	-	3,770
Escrow deposits	<u>-</u>	<u>89,564</u>
Total restricted assets	<u>2,361,684</u>	<u>3,979,895</u>
Property and equipment:		
Land	828,330	2,042,705
Buildings and improvements	6,243,600	17,052,093
Machinery and equipment	<u>2,167,816</u>	<u>437,426</u>
	9,239,746	19,532,224
Less accumulated depreciation and amortization	<u>3,507,000</u>	<u>3,923,657</u>
Net property and equipment	5,732,746	15,608,567
Construction work in progress	<u>11,062</u>	<u>-</u>
Total property and equipment	<u>5,743,808</u>	<u>15,608,567</u>
Deferred charges		
Capitalized bond issuance costs	<u>83,444</u>	<u>-</u>
Total deferred charges	<u>83,444</u>	<u>-</u>
Total Assets	<u>8,518,679</u>	<u>20,088,996</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
\$ 262,787	\$ 317,150	\$ 4,373,427	\$ 5,716,680
72,820	285,858	41,473	429,048
-	-	570,773	608,837
<u>335,607</u>	<u>603,008</u>	<u>4,985,673</u>	<u>6,754,565</u>
4,868,637	25	8,289,710	18,755,469
-	-	-	273,384
-	398,222	-	398,222
2,433,365	-	-	2,433,365
-	-	1,515,159	1,515,159
-	-	-	377,764
-	-	-	3,770
-	-	-	89,564
<u>7,302,002</u>	<u>398,247</u>	<u>9,804,869</u>	<u>23,846,697</u>
2,237,008	-	4,146,360	9,254,403
35,660,156	23,136,081	18,509,831	100,601,761
994,911	-	51,797,299	55,397,452
38,892,075	23,136,081	74,453,490	165,253,616
14,161,990	517,743	40,012,766	62,123,156
24,730,085	22,618,338	34,440,724	103,130,460
3,956,237	-	6,733,966	10,701,265
<u>28,686,322</u>	<u>22,618,338</u>	<u>41,174,690</u>	<u>113,831,725</u>
<u>291,359</u>	<u>268,363</u>	<u>-</u>	<u>643,166</u>
<u>291,359</u>	<u>268,363</u>	<u>-</u>	<u>643,166</u>
<u>36,615,290</u>	<u>23,887,956</u>	<u>55,965,232</u>	<u>145,076,153</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
June 30, 2003

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
LIABILITIES		
Current liabilities:		
Accounts payable	43,310	110,434
Accrued payroll	83,109	-
Accrued vacation and sick leave pay	69,212	-
Fare tokens outstanding	-	-
Total current liabilities	<u>195,631</u>	<u>110,434</u>
Liabilities payable from restricted assets:		
Construction contracts	38,971	-
Retainage	-	-
Matured bonds and interest	273,384	211,184
Other	-	94,808
Total liabilities payable from restricted assets	<u>312,355</u>	<u>305,992</u>
Long-term debt excluding current portion:		
Revenue bonds (net of unamortized discounts)	<u>2,090,453</u>	<u>14,180,000</u>
Total long-term debt	<u>2,090,453</u>	<u>14,180,000</u>
Other liabilities:		
Accrued vacation and sick leave pay	64,455	-
Advances from other funds	-	-
Total other liabilities	<u>64,455</u>	<u>-</u>
Total liabilities	<u>2,662,894</u>	<u>14,596,426</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,570,402	1,806,331
Restricted:		
Debt service	52,189	-
Construction	1,163,537	-
Unrestricted	<u>69,657</u>	<u>3,686,239</u>
Total net assets	<u>\$ 5,855,785</u>	<u>\$ 5,492,570</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
32,652	25,503	166,918	378,817
75,208	407	858,697	1,017,421
152,423	294	876,442	1,098,371
-	-	162,468	162,468
<u>260,283</u>	<u>26,204</u>	<u>2,064,525</u>	<u>2,657,077</u>
-	-	809,329	848,300
-	-	-	-
-	376,699	-	861,267
-	-	-	94,808
-	<u>376,699</u>	<u>809,329</u>	<u>1,804,375</u>
-	15,000,000	-	31,270,453
-	<u>15,000,000</u>	-	<u>31,270,453</u>
42,283	3,881	355,418	466,037
<u>24,300,000</u>	-	-	<u>24,300,000</u>
<u>24,342,283</u>	<u>3,881</u>	<u>355,418</u>	<u>24,766,037</u>
<u>24,602,566</u>	<u>15,406,784</u>	<u>3,229,272</u>	<u>60,497,942</u>
10,022,830	7,886,701	41,174,690	65,460,954
823,304	21,548	-	897,041
1,133,549	-	8,995,540	11,292,626
<u>33,041</u>	<u>572,923</u>	<u>2,565,730</u>	<u>6,927,590</u>
<u>\$ 12,012,724</u>	<u>\$ 8,481,172</u>	<u>\$ 52,735,960</u>	<u>\$ 84,578,211</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2003

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Operating revenues:		
Charges for services	<u>\$ 3,861,051</u>	<u>\$ 3,066,934</u>
Operating expenses:		
Salaries and fringe benefits	1,720,826	443,458
Professional services	-	402,918
Utilities	767,101	439,819
Supplies	58,411	69,233
Travel	1,518	-
Fuels, repairs and maintenance	424,971	412,570
Contractual services	54,459	-
Other operating expenses	408,657	299,414
Depreciation	429,693	660,369
Bad debt expense	-	86,614
Total operating expenses	<u>3,865,636</u>	<u>2,814,395</u>
Operating income (loss)	<u>(4,585)</u>	<u>252,539</u>
Non-operating revenues (expenses):		
Interest on investments	50,739	113,674
Interest expense	(147,381)	(188,280)
Bond issue costs	(13,581)	(21,230)
Fiscal agent fees	-	(78,131)
Other	69,366	(18,550)
Total non-operating revenues (expenses)	<u>(40,857)</u>	<u>(192,517)</u>
Income (loss) before capital contributions and transfers	<u>(45,442)</u>	<u>60,022</u>
Capital contributions	-	-
Transfers in	-	-
Transfers out	(49,937)	-
Change in net assets	<u>(95,379)</u>	<u>60,022</u>
Net assets, July 1	<u>5,951,164</u>	<u>5,432,548</u>
Net assets, June 30	<u>\$ 5,855,785</u>	<u>\$ 5,492,570</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
<u>\$ 3,575,163</u>	<u>\$ 704,805</u>	<u>\$ 3,276,079</u>	<u>\$ 14,484,032</u>
1,666,019	12,171	18,583,088	22,425,562
-	18,630	-	421,548
306,460	76,430	353,442	1,943,252
42,986	270	225,825	396,725
-	-	8,449	9,967
172,454	12,301	2,822,725	3,845,021
152,930	-	1,077,259	1,284,648
456,116	2,000	2,993,805	4,159,992
1,242,570	517,743	5,083,313	7,933,688
<u>227,124</u>	<u>-</u>	<u>-</u>	<u>313,738</u>
<u>4,266,659</u>	<u>639,545</u>	<u>31,147,906</u>	<u>42,734,141</u>
<u>(691,496)</u>	<u>65,260</u>	<u>(27,871,827)</u>	<u>(28,250,109)</u>
(8,273)	6,428	259,179	421,747
(278,386)	(457,540)	-	(1,071,587)
(34,576)	(29,629)	-	(99,016)
(101,881)	(22,625)	-	(202,637)
9	7,750	2,204,563	2,263,138
<u>(423,107)</u>	<u>(495,616)</u>	<u>2,463,742</u>	<u>1,311,645</u>
(1,114,603)	(430,356)	(25,408,085)	(26,938,464)
(366,083)	8,911,528	7,163,407	15,708,852
-	-	21,927,606	21,927,606
<u>(121,332)</u>	<u>-</u>	<u>(139,193)</u>	<u>(310,462)</u>
(1,602,018)	8,481,172	3,543,735	10,387,532
<u>13,614,742</u>	<u>-</u>	<u>49,192,225</u>	<u>74,190,679</u>
<u>\$ 12,012,724</u>	<u>\$ 8,481,172</u>	<u>\$ 52,735,960</u>	<u>\$ 84,578,211</u>

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CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2003

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,851,014	\$ 3,072,309
Cash received from other funds for goods and services	-	-
Cash payments to employees for services	(1,647,952)	(461,857)
Cash payments to suppliers for goods and services	(628,382)	(1,741,276)
Cash payments to other funds for goods and services	(1,193,654)	-
Miscellaneous cash received	<u>69,366</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>450,392</u>	<u>869,176</u>
Cash flow from noncapital financing activities:		
Operating grants received	-	-
Principal paid on advance from other funds	-	-
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	-
Transfers-out to other funds	<u>(49,937)</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(49,937)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Proceeds from loans	-	-
Principal paid on revenue bond maturities and refunded bonds	(125,000)	(500,000)
Interest and other expenses paid on revenue bond maturities	(150,331)	(269,202)
Acquisition and construction of capital assets	(66,820)	(256,602)
Cash payments to other funds for goods and services	-	-
Proceeds from sale of property and equipment	5,159	-
Capital grants received	<u>-</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(336,992)</u>	<u>(1,025,804)</u>
Cash flows from investing activities:		
Interest received on investments	<u>50,739</u>	<u>113,674</u>
Net cash provided by investing activities	<u>50,739</u>	<u>113,674</u>
Net increase (decrease) in cash and cash equivalents	114,202	(42,954)
Cash and cash equivalents, July 1, as restated	<u>2,562,665</u>	<u>4,089,448</u>
Cash and cash equivalents, June 30	<u>\$ 2,676,867</u>	<u>\$ 4,046,494</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
\$ 3,319,257	\$ 418,947	\$ 3,284,610	\$ 13,946,137
263,008	-	-	263,008
(1,501,268)	(6,974)	(17,383,121)	(21,001,172)
(765,628)	(54,470)	(4,405,885)	(7,595,641)
(682,602)	(30,273)	(4,522,561)	(6,429,090)
9	7,750	1,124,675	1,201,800
<u>632,776</u>	<u>334,980</u>	<u>(21,902,282)</u>	<u>(19,614,958)</u>
-	-	1,086,913	1,086,913
(1,300,000)	-	-	(1,300,000)
(511,363)	-	-	(511,363)
-	-	21,927,606	21,927,606
(121,332)	-	(139,193)	(310,462)
<u>(1,932,695)</u>	<u>-</u>	<u>22,875,326</u>	<u>20,892,694</u>
-	15,000,000	-	15,000,000
-	-	-	(625,000)
-	(401,458)	-	(820,991)
(2,794,095)	(14,224,553)	(9,295,037)	(26,637,107)
(37,664)	-	(84,508)	(122,172)
-	-	124,945	130,104
-	-	10,733,108	10,733,108
<u>(2,831,759)</u>	<u>373,989</u>	<u>1,478,508</u>	<u>(2,342,058)</u>
<u>79,008</u>	<u>6,428</u>	<u>259,179</u>	<u>509,028</u>
<u>79,008</u>	<u>6,428</u>	<u>259,179</u>	<u>509,028</u>
(4,052,670)	715,397	2,710,731	(555,294)
9,184,094	-	9,952,406	25,788,613
<u>\$ 5,131,424</u>	<u>\$ 715,397</u>	<u>\$ 12,663,137</u>	<u>\$ 25,233,319</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2003

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (4,585)	\$ 252,539
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	429,693	660,369
Miscellaneous cash received	69,366	-
Decrease (increase) in assets:		
Receivables	(10,037)	17,028
Inventories of supplies	-	(38,064)
Increase (decrease) in liabilities:		
Accounts payable	16,497	(4,297)
Accrued employee compensation and benefits	(50,542)	(18,399)
Fare tokens outstanding and deposits	-	-
	<u>450,392</u>	<u>869,176</u>
Net cash provided by (used for) operating activities	\$ 450,392	\$ 869,176
Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 315,183	\$ 448,133
Restricted assets:		
Cash, investments, and accrued interest	2,088,300	3,598,361
Cash and investments with fiscal agents	273,384	-
	<u>2,676,867</u>	<u>4,046,494</u>
Total cash and cash equivalents, June 30	\$ 2,676,867	\$ 4,046,494
Non cash transactions:		
Unrealized gains (losses) on investments	\$ (5,112)	-
Transfer of fixed assets from the Capital Acquisition Fund	-	-

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
\$ (691,496)	\$ 65,260	\$ (27,871,827)	\$ (28,250,109)
1,242,570	517,743	5,083,313	7,933,688
9	7,750	1,124,675	1,201,800
7,102	(285,858)	(174)	(271,939)
-	-	(34,927)	(72,991)
30,542	25,503	(62,087)	6,158
44,049	4,582	(149,960)	(170,270)
-	-	8,705	8,705
<u>\$ 632,776</u>	<u>\$ 334,980</u>	<u>\$ (21,902,282)</u>	<u>\$ (19,614,958)</u>
\$ 262,787	\$ 317,150	\$ 4,373,427	\$ 5,716,680
4,868,637	25	8,289,710	18,845,033
-	398,222	-	671,606
<u>\$ 5,131,424</u>	<u>\$ 715,397</u>	<u>\$ 12,663,137</u>	<u>\$ 25,233,319</u>
\$ (208,646)	\$ 753	\$ (14,277)	\$ (227,282)
-	-	68,581	68,581

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
GOLF COURSE FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 4,375,000	\$ 4,375,000	\$ 3,861,051	\$ (513,949)
Interest on investments	15,000	15,000	8,136	(6,864)
Transfer from non-restricted cash to cash restricted for debt service	340,000	340,000	340,000	-
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>63,040</u>	<u>3,040</u>
Total revenues	<u>4,790,000</u>	<u>4,790,000</u>	<u>4,272,227</u>	<u>(517,773)</u>
Expenses:				
Affordable and quality golf	3,409,000	3,409,000	3,125,136	283,864
Debt service	348,000	348,000	346,769	1,231
Payment for General Fund services	398,000	398,000	360,159	37,841
Transfer from non-restricted cash to cash: restricted for debt service	340,000	340,000	340,000	-
restricted for construction	<u>100,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total expenses	<u>4,595,000</u>	<u>4,520,000</u>	<u>4,197,064</u>	<u>322,936</u>
Excess of revenues over (under) expenses	<u>\$ 195,000</u>	<u>\$ 270,000</u>	75,163	<u>\$ (194,837)</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			47,715	
Gain (Loss) on disposition of capital assets			6,326	
Miscellaneous income (expense)			(584)	
Depreciation			(429,693)	
Amortization of bond issue costs and discounts			(14,194)	
Unrealized loss on investments			(5,112)	
Changes to conform to generally accepted accounting principles:				
Principal payments on bonds			200,000	
Transfer from non-restricted cash to cash restricted for capital acquisition			<u>25,000</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ (95,379)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
PARKING FACILITIES FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Parking facilities	\$ 2,702,000	\$ 2,702,000	\$ 2,369,997	\$ (332,003)
Parking meter collections	770,000	770,000	633,801	(136,199)
Parking fines	500,000	500,000	350,763	(149,237)
Interest on investments	-	-	16,829	16,829
Miscellaneous revenue	6,000	6,000	220,446	214,446
Transfer from General Fund	300,000	-	-	-
Transfers from restricted cash to cash restricted for debt service	223,000	1,223,000	1,215,200	(7,800)
Transfers from non-restricted cash to cash restricted for debt service	<u>1,307,000</u>	<u>507,000</u>	<u>507,000</u>	<u>-</u>
Total revenues	<u>5,808,000</u>	<u>5,708,000</u>	<u>5,314,036</u>	<u>(393,964)</u>
Expenses:				
Parking services	2,675,000	2,675,000	2,417,985	257,015
Transfer from non-restricted cash to cash restricted for debt service	1,307,000	507,000	507,000	-
Transfer to General Fund	512,000	512,000	500,312	11,688
Transfer to Sales Tax Refunding Debt Service Fund	<u>1,003,000</u>	<u>1,812,000</u>	<u>1,811,362</u>	<u>638</u>
Total expenses	<u>5,497,000</u>	<u>5,506,000</u>	<u>5,236,659</u>	<u>269,341</u>
Excess of revenues over (under) expenses	<u>\$ 311,000</u>	<u>\$ 202,000</u>	<u>77,377</u>	<u>\$ (124,623)</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			270,825	
Depreciation			(1,242,570)	
Amortization of bond issuance costs			(34,576)	
Bad debt			(227,124)	
Credit to costs charged to prior year closed projects			165	
Transfer from restricted cash to cash restricted for debt service			(1,215,200)	
Unrealized gains on investments			(208,646)	
Changes to conform to generally accepted accounting principles:				
Capital contributions, loan repayments in prior years			(366,083)	
Capitalized interest on long term debt			43,814	
Principal payment on advance			<u>1,300,000</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ (1,602,018)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
SPORTS STADIUM FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Surcharge revenues	\$ 238,000	\$ 283,000	\$ 614,177	\$ 331,177
Stadium lease revenues	146,000	146,000	90,628	(55,372)
Interest on investments	-	-	5,675	5,675
Miscellaneous revenue	-	-	7,750	7,750
	<u>384,000</u>	<u>429,000</u>	<u>718,230</u>	<u>289,230</u>
Total revenues				
	<u>384,000</u>	<u>429,000</u>	<u>718,230</u>	<u>289,230</u>
Expenses:				
Stadium services	75,000	120,000	119,802	198
Transfer to General Fund	2,000	2,000	2,000	-
Debt service	-	458,000	457,540	460
Fiscal agent fees	-	23,000	22,625	375
	<u>77,000</u>	<u>603,000</u>	<u>601,967</u>	<u>1,033</u>
Total expenses				
	<u>77,000</u>	<u>603,000</u>	<u>601,967</u>	<u>1,033</u>
Excess of revenues over (under) expenses	<u>\$ 307,000</u>	<u>\$ (174,000)</u>	116,263	<u>\$ 290,263</u>
Revenues (expenses) not budgeted:				
Depreciation			(517,743)	
Amortization of bond issuance costs			(29,629)	
Unrealized gains on investments			753	
Proceeds from revenue bonds			477,455	
Changes to conform to generally accepted accounting principles:				
Increase in long term debt			(477,455)	
Capital contributions			<u>8,911,528</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ 8,481,172</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
TRANSIT FUND
Year ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Passenger revenues	\$ 2,939,000	\$ 2,939,000	\$ 3,276,079	\$ 337,079
Interest on investments	25,000	25,000	97,823	72,823
General operating assistance	16,764,000	16,654,000	15,556,000	(1,098,000)
Transfer from Transportation Infrastructure Tax Fund	5,297,000	5,297,000	5,512,307	215,307
County - shared operations	880,000	880,000	952,905	72,905
Total revenues	25,905,000	25,795,000	25,395,114	(399,886)
Expenses:				
Operations	19,471,000	19,361,000	18,741,881	619,119
Sun Van	4,010,000	4,010,000	3,836,720	173,280
Special events	153,000	153,000	104,752	-48,248
Transfer from non-restricted cash to cash restricted for operating grants	256,000	256,000	256,000	-
Payment for General Fund services	1,416,000	1,416,000	1,401,537	14,463
Total expenses	25,306,000	25,196,000	24,340,890	855,110
Excess of revenues over (under) expenses	\$ 599,000	\$ 599,000	1,054,224	\$ 455,224
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			175,633	
Depreciation			(5,078,949)	
Bad debt expense			(4,364)	
Miscellaneous income			(815)	
Operating grant revenue			1,259,498	
Operating grant expenses			(2,122,208)	
Gains (losses) on disposition of capital assets			(7,025)	
Transfer from Capital Acquisitions Fund			639,299	
Transfer from Operating Grants Fund			220,000	
Unrealized gains on investments			(14,277)	
Changes to conform to generally accepted accounting principles:				
Capital Contributions			7,163,407	
Transfer from non-restricted cash to cash restricted for operating grants			256,000	
Capital outlay			3,312	
Change in net assets as reported in Exhibit I-2			\$ 3,543,735	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
June 30, 2003

<u>Year ending June 30</u>	<u>Golf</u>		<u>Apartments</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Revenue Bonds and Advances				
2004	\$ 200,000	\$ 141,019	\$ 200,000	\$ 139,486
2005	210,000	128,968	200,000	137,546
2006	225,000	115,778	200,000	135,606
2007	235,000	101,544	200,000	133,666
2008	250,000	86,075	300,000	131,726
2009 - 2013	1,175,000	162,860	1,500,000	614,980
2014 - 2018	-	-	2,100,000	532,530
2019 - 2023	-	-	2,800,000	418,070
2024 - 2028	-	-	3,900,000	262,870
2029-2031	-	-	<u>2,980,000</u>	<u>59,558</u>
Total bonds and advances	<u>\$ 2,295,000</u>	<u>\$ 736,244</u>	<u>\$ 14,380,000</u>	<u>\$ 2,566,038</u>

<u>Parking</u>		<u>Stadium</u>		<u>Combined</u>		
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ -	\$ 267,300	\$ -	\$ 748,857	\$ 400,000	\$ 1,296,662	\$ 1,696,662
800,000	525,800	379,920	739,733	1,589,920	1,532,047	3,121,967
1,300,000	502,700	390,061	729,591	2,115,061	1,483,675	3,598,736
1,900,000	467,500	402,182	717,488	2,737,182	1,420,198	4,157,380
2,100,000	423,500	416,314	703,196	3,066,314	1,344,497	4,410,811
12,500,000	1,347,500	2,373,125	3,226,573	17,548,125	5,351,913	22,900,038
5,700,000	117,700	3,035,272	2,576,202	10,835,272	3,226,432	14,061,704
-	-	3,953,007	1,674,015	6,753,007	2,092,085	8,845,092
-	-	4,050,119	465,147	7,950,119	728,017	8,678,136
-	-	-	-	2,980,000	59,558	3,039,558
<u>\$ 24,300,000</u>	<u>\$ 3,652,000</u>	<u>\$ 15,000,000</u>	<u>\$ 11,580,802</u>	<u>\$ 55,975,000</u>	<u>\$ 18,535,084</u>	<u>\$ 74,510,084</u>

CITY OF ALBUQUERQUE, NEW MEXICO

INTERNAL SERVICE FUNDS

COMMUNICATIONS FUND—To account for the costs of providing communication services to City departments.

EMPLOYEE INSURANCE FUND—To account for the costs of providing group health insurance to City employees.

FLEET MANAGEMENT FUND—To account for the costs of providing vehicle maintenance and motor pool services to City departments.

RISK MANAGEMENT FUND—To account for the costs of providing workers' compensation, tort and other claims insurance coverage to City departments.

SUPPLIES INVENTORY MANAGEMENT FUND—To account for the costs of providing supplies, warehousing and inventory issuance services to City departments.



CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
June 30, 2003

	Communications Fund	Employee Insurance Fund
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 392,010	\$ 2,311,637
Prepaid expenses	294,356	-
Deposits	-	6,679
Due from other governments	51,171	3,719
Inventories of supplies	40,045	-
Total current assets	777,582	2,322,035
Property and equipment:		
Land	-	-
Buildings	-	-
Improvements	-	-
Equipment	117,299	33,149
	117,299	33,149
Less accumulated depreciation	53,101	32,832
Net property and equipment	64,198	317
Other assets:		
Land - acquired under claim settlement	-	-
Total Assets	841,780	2,322,352
LIABILITIES		
Current liabilities:		
Accounts payable	384,689	15,592
Accrued employee compensation	30,741	13,915
Accrued vacation and sick leave pay	47,656	30,748
Accrued fuel cleanup costs	-	-
Current portion of claims and judgements payable	-	-
Total current liabilities	463,086	60,255
Long-term obligations:		
Claims and judgements payable excluding current portion	-	-
Accrued vacation and sick leave pay	35,631	12,133
Total long-term obligations	35,631	12,133
Total liabilities	498,717	72,388
NET ASSETS		
Invested in capital assets, net of related debt	64,198	317
Unrestricted net assets (deficit)	278,865	2,249,647
Total net assets (deficit)	\$ 343,063	\$ 2,249,964

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 1,227,583	\$ 26,489,935	\$ 656,124	\$ 31,077,289
-	-	-	294,356
-	-	-	6,679
11,266	-	-	66,156
<u>322,907</u>	<u>-</u>	<u>1,413,650</u>	<u>1,776,602</u>
<u>1,561,756</u>	<u>26,489,935</u>	<u>2,069,774</u>	<u>33,221,082</u>
255,472	-	28,370	283,842
-	-	406,001	406,001
718,923	46,465	-	765,388
<u>1,101,128</u>	<u>187,023</u>	<u>215,376</u>	<u>1,653,975</u>
2,075,523	233,488	649,747	3,109,206
<u>1,645,041</u>	<u>201,061</u>	<u>405,228</u>	<u>2,337,263</u>
<u>430,482</u>	<u>32,427</u>	<u>244,519</u>	<u>771,943</u>
-	1,830,000	-	1,830,000
<u>1,992,238</u>	<u>28,352,362</u>	<u>2,314,293</u>	<u>35,823,025</u>
264,413	157,485	239,325	1,061,504
128,736	91,159	22,654	287,205
253,720	114,353	11,990	458,467
68,422	-	-	68,422
<u>-</u>	<u>11,153,000</u>	<u>-</u>	<u>11,153,000</u>
715,291	11,515,997	273,969	13,028,598
-	29,448,564	-	29,448,564
<u>58,324</u>	<u>38,951</u>	<u>175</u>	<u>145,214</u>
<u>58,324</u>	<u>29,487,515</u>	<u>175</u>	<u>29,593,778</u>
<u>773,615</u>	<u>41,003,512</u>	<u>274,144</u>	<u>42,622,376</u>
430,482	32,427	244,519	771,943
<u>788,141</u>	<u>(12,683,577)</u>	<u>1,795,630</u>	<u>(7,571,294)</u>
<u>\$ 1,218,623</u>	<u>\$ (12,651,150)</u>	<u>\$ 2,040,149</u>	<u>\$ (6,799,351)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
Year ended 2003

	Communications Fund	Employee Insurance Fund
Operating revenues:		
Charges for services, net of related costs	\$ 1,173,512	\$ 28,931,279
Operating expenses:		
Salaries and fringe benefits	660,153	364,524
Professional services	-	-
Utilities	18,327	6,095
Supplies	69,709	13,105
Travel	-	35
Fuels, repairs and maintenance	78,139	3,834
Contractual services	22,078	80,153
Claims and judgements	-	-
Insurance premiums	-	28,542,038
Other operating expenses	225,004	153,550
Depreciation	20,484	1,640
Total operating expenses	1,093,894	29,164,974
Operating income (loss)	79,618	(233,695)
Non-operating revenues:		
Interest on investments	2,961	20,022
Gain (loss) on disposition of equipment	-	-
Other	28,162	16,940
Total non-operating revenues	31,123	36,962
Income (loss) before capital contributions and transfers	110,741	(196,733)
Capital contributions	7,125	
Transfers out	-	-
Change in net assets	117,866	(196,733)
Net assets (deficit), July 1	225,197	2,446,697
Net assets (deficit), June 30	\$ 343,063	\$ 2,249,964

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 9,499,874	\$ 24,509,143	\$ 702,521	\$ 64,816,329
2,891,860	1,929,358	462,312	6,308,207
-	878,496	-	878,496
81,426	25,180	5,260	136,288
1,080,088	19,011	5,576	1,187,489
-	808	-	843
2,620,255	20,083	11,681	2,733,992
1,672,180	41,631	9,324	1,825,366
-	17,507,793	-	17,507,793
-	2,327,930	-	30,869,968
824,618	569,410	195,562	1,968,144
63,682	12,647	27,726	126,179
<u>9,234,109</u>	<u>23,332,347</u>	<u>717,441</u>	<u>63,542,765</u>
<u>265,765</u>	<u>1,176,796</u>	<u>(14,920)</u>	<u>1,273,564</u>
14,934	548,714	15,758	602,389
11,062	(987)	2,037	12,112
28	3,076	836	49,042
<u>26,024</u>	<u>550,803</u>	<u>18,631</u>	<u>663,543</u>
291,789	1,727,599	3,711	1,937,107
-	(269,000)	-	7,125
<u>291,789</u>	<u>1,458,599</u>	<u>3,711</u>	<u>1,675,232</u>
926,834	(14,109,749)	2,036,438	(8,474,583)
<u>\$ 1,218,623</u>	<u>\$ (12,651,150)</u>	<u>\$ 2,040,149</u>	<u>\$ (6,799,351)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Year ended 2003

	Communications Fund	Employee Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,152,576	\$ 5,723,503
Cash received from other funds for goods and services	3,644,381	23,211,480
Cash payments to employees for services	(610,073)	(374,144)
Cash payments to suppliers for goods and services	(3,658,004)	(29,714,320)
Cash payments to other funds for goods and services	(279,092)	(164,290)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous	28,162	16,940
Net cash provided by (used for) operating activities	277,950	(1,300,831)
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	-	-
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	(1,957)	-
Proceeds from sale of property and equipment	-	-
Net cash provided by (used for) capital financing	(1,957)	-
Cash flows from investing activities:		
Interest on investments	2,961	20,022
Net increase in cash and cash equivalents	278,954	(1,280,809)
Cash and cash equivalents, July 1, as restated	113,056	3,592,446
Cash and cash equivalents, June 30	\$ 392,010	\$ 2,311,637
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 79,618	\$ (233,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	20,484	1,640
Provision for claims and judgements	-	-
Miscellaneous income	28,162	16,940
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	3,704
Due from other governments	11,889	-
Inventories of supplies	(2,117)	-
Prepaid expenses	6,607	-
Increase (decrease) in liabilities:		
Accounts payable	134,064	(1,079,800)
Accrued employee comp. and benefits	(757)	(9,620)
Net cash provided by (used for) operating activities	\$ 277,950	\$ (1,300,831)
Cash, investments, and accrued interest	\$ 392,010	\$ 2,311,637
Non cash transactions:		
Unrealized gains (losses) on investments	\$ -	\$ -

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Totals
\$ -	\$ -	\$ 43,021	\$ 6,919,100
9,510,545	26,509,143	4,042,704	66,918,253
(2,696,475)	(1,861,720)	(425,507)	(5,967,919)
(5,320,311)	(3,343,336)	(3,359,600)	(45,395,571)
(1,112,911)	(786,454)	(248,449)	(2,591,196)
-	(16,204,742)	-	(16,204,742)
-	3,075	836	49,013
<u>380,848</u>	<u>4,315,966</u>	<u>53,005</u>	<u>3,726,938</u>
-	(269,000)	-	(269,000)
-	97,239	-	95,282
<u>11,089</u>	<u>(987)</u>	<u>2,037</u>	<u>12,139</u>
<u>11,089</u>	<u>96,252</u>	<u>2,037</u>	<u>107,421</u>
<u>14,934</u>	<u>548,714</u>	<u>15,758</u>	<u>602,389</u>
406,871	4,691,932	70,800	4,167,748
<u>820,712</u>	<u>21,798,003</u>	<u>585,324</u>	<u>26,909,541</u>
\$ <u>1,227,583</u>	\$ <u>26,489,935</u>	\$ <u>656,124</u>	\$ <u>31,077,289</u>
\$ 265,765	\$ 1,176,796	\$ (14,920)	\$ 1,273,564
63,682	12,647	27,726	126,179
-	1,303,051	-	1,303,051
-	3,075	836	49,013
10,671	2,000,000	-	2,014,375
-	-	(2)	11,887
40,519	-	91,180	129,582
-	-	-	6,607
25,363	(100,487)	(51,383)	(1,072,243)
<u>(25,152)</u>	<u>(79,116)</u>	<u>(432)</u>	<u>(115,077)</u>
\$ <u>380,848</u>	\$ <u>4,315,966</u>	\$ <u>53,005</u>	\$ <u>3,726,938</u>
\$ <u>1,227,583</u>	\$ <u>26,489,935</u>	\$ <u>656,124</u>	\$ <u>31,077,289</u>
\$ 753	\$ -	\$ (127)	\$ 626

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
COMMUNICATIONS FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services, net of related costs	\$ 1,151,000	\$ 1,151,000	\$ 1,173,512	\$ 22,512
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>2,550</u>	<u>(7,450)</u>
Total revenues	<u>1,161,000</u>	<u>1,161,000</u>	<u>1,176,062</u>	<u>15,062</u>
Expenses:				
City Communications	1,034,000	1,034,000	857,099	176,901
Payment for General Fund Services	<u>235,000</u>	<u>235,000</u>	<u>218,268</u>	<u>16,732</u>
Total expenses	<u>1,269,000</u>	<u>1,269,000</u>	<u>1,075,367</u>	<u>193,633</u>
Excess of revenues over (under) expenses	<u>\$ (108,000)</u>	<u>\$ (108,000)</u>	100,695	<u>\$ 208,695</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(20,484)	
Miscellaneous income			28,162	
Capital Contributions			7,125	
Unrealized gain (loss) on investments			411	
Changes to conform to generally accepted accounting principles:				
Capital Outlay, net of capital contributions			<u>1,957</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 117,866</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
EMPLOYEE INSURANCE FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services, net of related costs	\$ 29,469,000	\$ 29,469,000	\$ 28,810,607	\$ (658,393)
Miscellaneous Revenues	82,000	82,000	137,612	55,612
Interest on investments	<u>90,000</u>	<u>90,000</u>	<u>34,307</u>	<u>(55,693)</u>
Total revenues	<u>29,641,000</u>	<u>29,641,000</u>	<u>28,982,526</u>	<u>(658,474)</u>
Expenses:				
Insurances and Administration	30,132,000	30,132,000	29,012,160	1,119,840
Payment for General Fund Services	<u>198,000</u>	<u>198,000</u>	<u>151,174</u>	<u>46,826</u>
Total expenses	<u>30,330,000</u>	<u>30,330,000</u>	<u>29,163,334</u>	<u>1,166,666</u>
Excess of revenues over (under) expenses	<u>\$ (689,000)</u>	<u>\$ (689,000)</u>	<u>(180,808)</u>	<u>\$ 508,192</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(1,640)	
Unrealized loss on investments			<u>(14,285)</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ (196,733)</u>	

CITY OF ALBUQUERQUE
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FLEET MANAGEMENT FUND
Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 9,549,000	\$ 9,549,000	\$ 9,499,874	\$ (49,126)
Interest on investments	-	-	14,934	14,934
Miscellaneous	-	-	28	28
Total revenues	<u>9,549,000</u>	<u>9,549,000</u>	<u>9,514,836</u>	<u>(34,164)</u>
Expenses:				
Fleet management	8,229,000	8,433,000	8,432,561	439
Payments for general fund services	791,000	791,000	737,866	53,134
Total expenses	<u>9,020,000</u>	<u>9,224,000</u>	<u>9,170,427</u>	<u>53,573</u>
Excess of revenues over (under) expenses	<u>\$ 529,000</u>	<u>\$ 325,000</u>	344,409	<u>\$ 19,409</u>
Revenues (expenses) not budgeted:				
Depreciation			(63,682)	
Gain on disposition of property and equipment			11,062	
Change in net assets as reported in Exhibit J-2			<u>\$ 291,789</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
RISK MANAGEMENT FUND
Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 24,577,000	\$ 24,577,000	\$ 24,509,143	\$ (67,857)
Interest on investments	<u>828,000</u>	<u>828,000</u>	<u>548,714</u>	<u>(279,286)</u>
Total revenues	<u>25,405,000</u>	<u>25,405,000</u>	<u>25,057,857</u>	<u>(347,143)</u>
Expenses:				
Safety office	772,000	772,000	710,572	61,428
Substance abuse program	244,000	244,000	222,320	21,680
Employee health services	264,000	264,000	218,205	45,795
Tort and other claims	16,667,000	16,667,000	15,876,839	790,161
Workers' compensation claims	4,319,000	5,347,000	5,346,921	79
Transfer to general fund	910,000	910,000	862,296	47,704
Unemployment compensation	<u>404,000</u>	<u>404,000</u>	<u>355,297</u>	<u>48,703</u>
Total expenses	<u>23,580,000</u>	<u>24,608,000</u>	<u>23,592,450</u>	<u>1,015,550</u>
Excess of revenues over expenses	<u>\$ 1,825,000</u>	<u>\$ 797,000</u>	1,465,407	<u>\$ 668,407</u>
Revenues (expenses) not budgeted:				
Depreciation			(12,647)	
Other revenue			3,076	
Loss on disposition of property and equipment			(987)	
Change to conform to generally accepted accounting principles:				
Capital outlay			<u>3,750</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 1,458,599</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
SUPPLIES INVENTORY MANAGEMENT FUND
Year ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services, net of related costs	\$ 600,000	\$ 600,000	\$ 702,521	\$ 102,521
Sale of other property	-	-	2,037	2,037
Miscellaneous Revenues	-	-	836	836
Interest on investments	<u>30,000</u>	<u>30,000</u>	<u>17,232</u>	<u>(12,768)</u>
Total revenues	<u>630,000</u>	<u>630,000</u>	<u>722,626</u>	<u>92,626</u>
Expenses:				
Materials management	532,000	532,000	498,632	33,368
Payment for General Fund Services	<u>201,000</u>	<u>201,000</u>	<u>191,083</u>	<u>9,917</u>
Total expenses	<u>733,000</u>	<u>733,000</u>	<u>689,715</u>	<u>43,285</u>
Excess of revenues over (under) expenses	<u>\$ (103,000)</u>	<u>\$ (103,000)</u>	32,911	<u>\$ 135,911</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(27,726)	
Unrealized loss on investments			<u>(1,474)</u>	
Change in net assets as reported on Exhibit J-2			<u>\$ 3,711</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
ASSETS				
Cash, investments, and accrued interest	\$ 11,906,927	\$ 3,015,588	\$ 3,321,304	\$ 11,601,211
Receivables	228,293	859,479	893,564	194,208
Due from other governments	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>
TOTAL ASSETS	<u>\$ 12,135,242</u>	<u>\$ 3,875,067</u>	<u>\$ 4,214,868</u>	<u>\$ 11,795,441</u>
 LIABILITIES				
Accounts payable	\$ 234,890	\$ 1,521,049	\$ 1,451,830	\$ 304,109
Funds held for others	<u>11,900,352</u>	<u>3,828,649</u>	<u>4,237,669</u>	<u>11,491,332</u>
TOTAL LIABILITIES	<u>\$ 12,135,242</u>	<u>\$ 5,349,698</u>	<u>\$ 5,689,499</u>	<u>\$ 11,795,441</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN FUNDS HELD FOR OTHERS
AGENCY FUND
Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Summer Arts Institute	\$ 2,896	-	-	\$ 2,896
Summer Hire Program	-	4,899	977	3,922
Weed and Seed	-	3,900	3,900	-
Otter exhibit	38,895	782	-	39,677
Adopt-a-park	34,831	21,098	11,875	44,054
Bear Canyon senior center/trips	23,762	22,381	24,933	21,210
Museum	19,708	4,228	5,485	18,451
D.A.R.E.	6,318	300	-	6,618
Animal control	55,063	2,954	1,627	56,390
Business Improvement District #1	1,177	677,638	678,279	536
Contributions - Special DFAS	-	52	-	52
Trees and shrubs	20,735	2,796	5,897	17,634
Street restoration	2,451	-	2,451	-
Community centers	17,240	4,343	14,610	6,973
Police-evidence unit	1,376,677	454,425	465,776	1,365,326
Senior multi-service center/in state trips	3,590	3,346	311	6,625
Palo Duro senior center/in-state trips	4,070	19,137	15,930	7,277
North Valley senior center/in-state trips	13,985	4,389	4,511	13,863
Highland senior center/in-state trips	6,290	12,731	12,243	6,778
Los Volcanes	5,039	11,279	10,263	6,055
Life insurance reserve	724,410	1,347,775	896,037	1,176,148
N.M. Urban search and rescue task force	5,202	-	5,202	-
Q13 Fire fund	35,687	521	-	36,208
Basic Life	8,737,096	1,114,099	1,627,275	8,223,920
Unemployment deduction	686,456	33,448	361,197	358,707
Recycle coupons	1,707	-	-	1,707
Outdoor recreation	20,868	4,074	1,544	23,398
New Mexico Games	379	-	-	379
DSA advisory council	16,150	34,079	31,200	19,029
Clean air campaign 1995	9	5,000	5,009	-
Transit Department	-	5,000	-	5,000
Veterans advisory	3,427	18,864	11,756	10,535
Employee Appreciation	561	11	572	-
Special Events - Mayor	-	5,000	-	5,000
Miscellaneous	35,673	10,100	38,809	6,964
Total agency funds	\$ 11,900,352	3,828,649	4,237,669	\$ 11,491,332

FINANCIAL SECTION

OTHER SUPPLEMENTARY SCHEDULES

Capital Assets Used in the Operation of Governmental Funds

Schedule of Transfers between Funds

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUND
June 30, 2003

	<u>2003</u>
General Fixed Assets:	
Land	\$ 209,261,294
Buildings	119,428,378
InfraStructure	55,342,445
Improvements other than buildings	319,201,809
Equipment	148,479,596
Construction work in progress	<u>206,052,859</u>
Total General Fixed Assets	<u>\$ 1,057,766,381</u>
Investment in General Fixed Assets from:	
Acquisitions prior to July 1, 1978	\$ 59,288,948
Acquisitions after July 1, 1978:	
General Fund	6,912,760
Special Revenue Funds	90,370,701
Acquisition and Management of Open Space Nonexpendable Trust Fund	6,450,258
Investments from earnings of the Urban Enhancement Expendable Trust Fund	76,049
Capital Projects Funds	893,873,800
Net transfers from Enterprise Funds	1,660,512
Net transfers to Internal Service Funds	<u>(866,647)</u>
Total investment in General Fixed Assets	<u>\$ 1,057,766,381</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
June 30, 2003

<u>Function and Activity</u>	<u>Land</u>	<u>Infra- Structure</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
Acquisitions prior to July 1, 1985	\$ 48,694,532	\$ -	\$ 30,104,221	\$ 92,799,538	\$ 13,800,684	\$ 185,398,975
Acquisitions after June 30, 1985:						
General government:						
City clerk/records	-	-	-	-	129,983	129,983
City council	-	-	-	3,950	274,038	277,988
Finance and management	-	-	-	2,318,073	14,078,052	16,396,125
Legal services	2,886	-	-	-	493,508	496,394
Mayor/CAO	-	-	-	2,233	1,053,430	1,055,663
Internal audit	-	-	-	-	83,281	83,281
Personnel	-	-	-	-	193,756	193,756
Labor management	-	-	-	-	36,729	36,729
Open space	294,474	-	-	-	40,394	334,868
Planning	584,363	-	-	-	3,552,383	4,136,746
General services	4,063,867	-	4,134,055	12,335,914	6,427,151	26,960,987
City/county building	-	-	8,173,779	2,821,248	78,233	11,073,260
Central telephone system	-	-	-	-	1,463,509	1,463,509
Total general government	<u>4,945,590</u>	<u>-</u>	<u>12,307,834</u>	<u>17,481,418</u>	<u>27,904,447</u>	<u>62,639,289</u>
Public safety:						
Fire	733,265	-	9,002,264	4,845,863	16,590,534	31,171,926
Police	3,735,044	-	18,545,908	11,350,814	48,164,574	81,796,340
Corrections	-	-	2,670,006	152,664	2,014,783	4,837,453
Police/Fire	-	-	36,639	168,696	811,636	1,016,971
Total public safety	<u>4,468,309</u>	<u>-</u>	<u>30,254,817</u>	<u>16,518,037</u>	<u>67,581,527</u>	<u>118,822,690</u>
Culture and recreation:						
Library	225,246	-	7,261,739	25,567,597	3,435,023	36,489,605
Museum	7,356,588	-	2,234,908	7,834,027	960,271	18,385,794
Parks and recreation	64,079,088	-	11,482,506	73,085,151	9,843,155	158,489,900
Open space	32,032,346	946,815	-	559,858	1,024,270	34,563,289
Zoo	680,840	-	1,197,018	25,627,673	2,140,918	29,646,449
Convention center	5,029,268	-	13,000,122	49,496,058	1,087,358	68,612,806
Total culture and recreation	<u>109,403,376</u>	<u>946,815</u>	<u>35,176,293</u>	<u>182,170,364</u>	<u>18,490,995</u>	<u>346,187,843</u>
Public works:						
Housing code administration	-	-	-	-	4,040	4,040
Redevelopment	335,324	-	-	-	4,918	340,242
Municipal development	-	-	-	2,199	318,233	320,432
Engineering	1,192,212	-	-	-	149,541	1,341,753
Planning	-	-	-	-	140,040	140,040
Storm drainage/maintenance	4,991,663	18,281,291	-	547,601	567,664	24,388,219
Geographic information system	-	-	-	-	34,300	34,300
Total public works	<u>6,519,199</u>	<u>18,281,291</u>	<u>-</u>	<u>549,800</u>	<u>1,218,736</u>	<u>26,569,026</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
June 30, 2003

<u>Function and Activity</u>	<u>Land</u>	<u>Infra- Structure</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Highways and streets:						
Transportation/Street maint.	31,279,737	36,114,339	134,946	1,298,491	8,363,546	77,191,059
Traffic engineering	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>136,231</u>	<u>247,413</u>	<u>643,644</u>
Total highways and streets	<u>31,539,737</u>	<u>36,114,339</u>	<u>134,946</u>	<u>1,434,722</u>	<u>8,610,959</u>	<u>77,834,703</u>
Health:						
Consumer protection	-	-	-	-	68,503	68,503
Environmental services	-	-	1,548,265	208,600	2,658,787	4,415,652
Animal control services	96,243	-	1,374,241	440,866	222,166	2,133,516
Environmental health admin.	-	-	6,820	2,480	1,375,541	1,384,841
Resources management	-	-	-	-	16,404	16,404
Total health	<u>96,243</u>	<u>-</u>	<u>2,929,326</u>	<u>651,946</u>	<u>4,341,401</u>	<u>8,018,916</u>
Human services:						
Human rights	-	-	40,370	1,000	-	41,370
Human services	557,374	-	2,068,787	1,434,760	3,541,031	7,601,952
Office of senior affairs	1,091,779	-	3,579,116	3,651,208	2,323,550	10,645,653
Housing/community development	<u>1,945,155</u>	<u>-</u>	<u>2,832,668</u>	<u>2,509,016</u>	<u>666,266</u>	<u>7,953,105</u>
Total human services	<u>3,594,308</u>	<u>-</u>	<u>8,520,941</u>	<u>7,595,984</u>	<u>6,530,847</u>	<u>26,242,080</u>
Total general fixed assets allocated to functions	<u>160,566,762</u>	<u>55,342,445</u>	<u>89,324,157</u>	<u>226,402,271</u>	<u>134,678,912</u>	<u>666,314,547</u>
Total general fixed assets in service	<u>\$ 209,261,294</u>	<u>\$ 55,342,445</u>	<u>\$ 119,428,378</u>	<u>\$ 319,201,809</u>	<u>\$ 148,479,596</u>	<u>851,713,522</u>
Construction work in progress						<u>206,052,859</u>
Total general fixed assets						<u>\$ 1,057,766,381</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
 Year ended June 30, 2003

Function and Activity	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
Acquisitions prior to July 1, 1985	\$ 185,398,975	\$ -	\$ -	\$ 185,398,975
Acquisitions after June 30, 1985:				
General government:				
City clerk/records	129,983	-	-	129,983
City council	281,400	4,560	7,972	277,988
Finance and management	17,683,401	126,617	1,413,893	16,396,125
Legal services	546,264	-	49,870	496,394
Mayor/CAO	1,129,853	46,469	120,659	1,055,663
Internal audit	113,360	-	30,079	83,281
Personnel	268,879	2,854	77,977	193,756
Labor management	36,729	-	-	36,729
Open space	334,868	-	-	334,868
Planning	4,067,766	228,290	159,310	4,136,746
General services	13,942,835	13,050,846	32,694	26,960,987
City/county building	11,073,260	-	-	11,073,260
Central telephone system	1,463,509	-	-	1,463,509
Total general government	51,072,107	13,459,636	1,892,454	62,639,289
Public safety:				
Fire	27,706,969	5,033,869	1,568,912	31,171,926
Police	60,671,028	22,651,999	1,526,687	81,796,340
Corrections	4,501,458	381,620	45,625	4,837,453
Police/Fire	310,252	706,719	-	1,016,971
Total public safety	93,189,707	28,774,207	3,141,224	118,822,690
Culture and recreation:				
Library	32,005,250	4,491,969	7,614	36,489,605
Museum	17,512,003	873,791	-	18,385,794
Parks and recreation	130,031,418	28,753,306	294,824	158,489,900
Open space	33,347,940	1,215,349	-	34,563,289
Zoo	23,902,174	5,787,898	43,623	29,646,449
Convention center	55,555,719	13,069,149	12,062	68,612,806
Total culture and recreation	292,354,504	54,191,462	358,123	346,187,843
Public works:				
Housing code administration	-	4,040	-	4,040
Redevelopment	340,242	-	-	340,242
Municipal development	308,429	12,003	-	320,432
Engineering	1,341,753	-	-	1,341,753
Planning	140,040	-	-	140,040
Storm drainage/maintenance	14,258,428	10,654,543	524,752	24,388,219
Geographic information system	34,300	-	-	34,300
Total public works	16,423,192	10,670,586	524,752	26,569,026

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
Year ended June 30, 2003

<u>Function and Activity</u>	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2003</u>
Highways and streets:				
Transportation/Street maintenance	68,016,785	9,182,601	8,327	77,191,059
Traffic engineering	<u>370,515</u>	<u>273,129</u>	<u>-</u>	<u>643,644</u>
Total highways and streets	<u>68,387,300</u>	<u>9,455,730</u>	<u>8,327</u>	<u>77,834,703</u>
Health:				
Consumer protection	68,503	-	-	68,503
Environmental services	4,546,606	49,458	180,412	4,415,652
Animal control services	2,133,516	-	-	2,133,516
Environmental health and administration	1,156,312	228,529	-	1,384,841
Resources management	<u>16,404</u>	<u>-</u>	<u>-</u>	<u>16,404</u>
Total health	<u>7,921,341</u>	<u>277,987</u>	<u>180,412</u>	<u>8,018,916</u>
Human services:				
Human rights	41,370	-	-	41,370
Human services	7,601,952	-	-	7,601,952
Office of senior affairs	7,922,626	2,738,874	15,847	10,645,653
Housing/community development	<u>5,530,191</u>	<u>2,667,466</u>	<u>244,552</u>	<u>7,953,105</u>
Total human services	<u>21,096,139</u>	<u>5,406,340</u>	<u>260,399</u>	<u>26,242,080</u>
Construction work in progress	<u>2,48,830,022</u>	<u>61,963,634</u>	<u>104,740,797</u>	<u>206,052,859</u>
Total general fixed assets	<u>\$ 984,673,287</u>	<u>\$ 184,199,582</u>	<u>\$ 111,106,488</u>	<u>\$ 1,057,766,381</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF TRANSFERS BETWEEN FUNDS
For the year ended June 30, 2003

Interfund transfers for the year ended June 30, 2003 were as follows:

From	To	
General Fund *	Corrections and Detention Fund *	\$ 20,766,000
General Fund *	Operating Grants Fund	3,849,352
General Fund *	Gas Tax Fund	657,000
General Fund *	Capital Acquisition Fund *	6,486,000
General Fund *	Sales Tax Refunding Debt Service Fund	1,042,000
General Fund *	City/County Building Debt Service Fund	95,000
General Fund *	Transit Fund	15,556,000
General Fund *	Vehicle/Equipment Replacement Fund	1,928,000
General Fund *	Acquisition and Management of Open Space Expenditures Fund	1,205,000
Recreation Fund	General Fund *	300,000
Lodgers Tax Fund	Sales Tax Refunding Debt Service Fund	4,232,000
Corrections and Detention Fund *	Joint Water & Sewer Capital Fund *	487,245
Operating Grants Fund	Transit Grant Fund	220,000
City/County Projects Fund	General Fund *	82,000
City/County Facilities Fund	City/County Building Debt Service Fund	1,200,000
Plaza del Sol Building Fund	Sales Tax Refunding Debt Service Fund	568,000
Capital Acquisition Fund *	Transit Fund	639,299
Infrastructure Tax Fund	Transit Fund	5,512,307
Joint Water & Sewer Fund *	General Fund *	5,098,927
Parking Facilities Fund	General Fund *	121,332
Refuse Disposal Fund *	General Fund *	1,061,791
Transit Fund	General Fund *	139,193
Golf Course Fund	General Fund *	49,937
Risk Management Fund	General Fund *	269,000
Acquisition and Management of Open Space Permanent Fund	Acquisition and Management of Open Space Expenditures Fund	1,444,913
Urban Enhancement Permanent Fund	Urban Enhancement Expenditures Fund	<u>580,844</u>
Total transfers		<u><u>\$ 73,591,140</u></u>

* Major fund, all others are nonmajor funds

	<u>Transfers In</u>	<u>Transfers Out</u>
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Funds"	\$ 51,176,289	\$ 66,850,960
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets All Proprietary Funds"	<u>22,414,851</u>	<u>6,740,180</u>
Total transfers	<u><u>\$ 73,591,140</u></u>	<u><u>\$ 73,591,140</u></u>

Included in the above transfers are Payments in Lieu of Taxes (PILOT) to the General Fund from the following funds:

Joint Water & Sewer Fund	\$ 4,778,927
Parking Facilities Fund	121,332
Refuse Disposal Fund	523,791
Transit Fund	139,193
Golf Course Fund	<u>49,937</u>
Total PILOT	<u><u>\$ 5,613,180</u></u>

STATISTICAL INFORMATION



CITY OF ALBUQUERQUE
GENERAL FUND REVENUES, EXPENDITURES, TRANSFERS AND FUND BALANCES
LAST TEN FISCAL YEARS
(In thousands of dollars)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Revenues:				
Taxes	\$ 86,393	\$ 93,180	\$ 99,105	\$ 105,634
Licenses and permits	7,463	7,207	7,873	7,454
Intergovernmental	108,389	117,363	124,625	129,058
Charges for services	33,301	33,970	34,920	37,294
Fines and forfeits	227	252	227	8
Interest	1,879	2,488	2,437	2,910
Miscellaneous	598	318	536	536
Total revenues	<u>238,250</u>	<u>254,778</u>	<u>269,723</u>	<u>282,894</u>
Expenditures:				
General government	35,672	38,084	41,153	40,732
Public safety	85,256	93,301	97,840	103,593
Cultural and recreation	35,562	39,406	41,766	47,582
Public works	18,319	15,989	15,232	15,641
Highways and streets	13,333	12,170	13,381	13,765
Health	5,812	6,385	6,451	6,635
Human services	8,418	10,117	11,975	15,945
Total expenditures	<u>202,372</u>	<u>215,452</u>	<u>227,798</u>	<u>243,893</u>
Excess (deficiency) of revenues over expenditures	<u>35,878</u>	<u>39,326</u>	<u>41,925</u>	<u>39,001</u>
Other financing sources (uses):				
Transfers in	2,898	2,609	2,916	2,971
Transfers out	(30,921)	(49,819)	(38,568)	(42,842)
Total other financing sources and uses	<u>(28,023)</u>	<u>(47,210)</u>	<u>(35,652)</u>	<u>(39,871)</u>
Net change in fund balance	7,855	(7,884)	6,273	(870)
Fund Balance, July 1	<u>41,466</u>	<u>49,321</u>	<u>41,437</u>	<u>47,710</u>
Fund Balance, June 30	<u>49,321</u>	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>
Reservations of fund balance:				
Reserved for Encumbrances	3,962	5,278	5,071	6,434
Reserved for assets	521	543	570	446
Reserved for Operations	11,067	12,302	17,858	12,263
Unreserved fund balance	<u>33,771</u>	<u>23,314</u>	<u>24,211</u>	<u>27,697</u>
Total ending fund balance	<u>\$ 49,321</u>	<u>\$ 41,437</u>	<u>\$ 47,710</u>	<u>\$ 46,840</u>

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$ 113,542	\$ 113,608	\$ 116,855	\$ 124,526	\$ 120,316	\$ 127,128
7,556	8,136	8,011	8,723	8,643	12,279
132,410	135,383	135,501	140,184	141,519	147,361
37,162	35,758	35,539	36,706	36,638	37,770
35	31	41	42	23	44
3,279	2,088	1,883	3,229	973	746
1,115	868	785	490	583	459
<u>295,099</u>	<u>295,872</u>	<u>298,615</u>	<u>313,900</u>	<u>308,695</u>	<u>325,787</u>
42,605	42,081	43,979	44,444	43,375	43,802
110,161	111,039	116,909	122,153	127,469	130,107
47,801	47,466	46,791	50,408	49,152	48,653
15,739	14,842	14,425	9,223	8,571	6,161
14,011	13,947	9,520	11,872	12,898	12,373
6,059	5,796	5,774	6,134	6,288	6,557
18,180	18,523	22,104	29,264	26,795	27,146
<u>254,556</u>	<u>253,694</u>	<u>259,502</u>	<u>273,498</u>	<u>274,548</u>	<u>274,799</u>
<u>40,543</u>	<u>42,178</u>	<u>39,113</u>	<u>40,402</u>	<u>34,147</u>	<u>50,988</u>
5,914	1,416	1,468	3,663	8,885	7,122
<u>(48,602)</u>	<u>(44,147)</u>	<u>(41,320)</u>	<u>(47,285)</u>	<u>(46,616)</u>	<u>(51,584)</u>
<u>(42,688)</u>	<u>(42,731)</u>	<u>(39,852)</u>	<u>(43,622)</u>	<u>(37,731)</u>	<u>(44,462)</u>
(2,145)	(553)	(739)	(3,220)	(3,584)	6,526
<u>46,840</u>	<u>44,695</u>	<u>44,142</u>	<u>43,403</u>	<u>40,183</u>	<u>36,599</u>
<u>44,695</u>	<u>44,142</u>	<u>43,403</u>	<u>40,183</u>	<u>36,599</u>	<u>43,125</u>
5,231	4,352	3,600	2,722	84	16
471	438	470	558	538	390
14,427	14,686	14,879	15,549	16,161	27,758
24,566	24,666	24,454	21,354	19,816	14,961
<u>\$ 44,695</u>	<u>\$ 44,142</u>	<u>\$ 43,403</u>	<u>\$ 40,183</u>	<u>\$ 36,599</u>	<u>\$ 43,125</u>

**CITY OF ALBUQUERQUE
GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
LAST TEN FISCAL YEARS**

Revenues

The increase in taxes for 1993 was due to a \$2.0 million one time mill levy of property taxes for the General Fund by City Council with a corresponding decrease in the Debt Service Fund. The increase was also due to an \$8.0 million increase in Governmental Gross Receipts Tax resulting from an increase in economic activity.

The increase in taxes and intergovernmental revenue in 1994 was due to increased gross receipt tax revenue caused by an increase in economic activity in fiscal year 1994. The increase in economic activity is also reflected in licenses and permits due to the increase in permits related to building and other construction activity in fiscal year 1994.

The substantial increase in taxes and intergovernmental revenues from 1993 to 1995 is due to the implementation of GASB Statement 22, which caused a change in the method of recording taxpayer assessed revenues from cash basis to a modified accrual basis. This required an accrual of July receipts thus causing a large increase in revenues. It also required restatement of prior years of which the City restated back to 1993.

The \$220,000 decrease in fines and forfeits was due to the police parking fines revenue being moved to the Parking Fund in the fiscal year 1997 budget.

The increase in tax revenue for 1998 is due to a settlement with U.S. West Communications for \$2.8 million. As a result of the settlement, the franchise taxes paid by U.S. West Communications increased by approximately \$300,000 each per quarter. Another \$1.4 million is attributed to the unexpected strength of the City's economy during 1998.

The decrease in fines and forfeits for 1999 is a result of a change in policy by the Environmental Health Department. This change allows violators a probationary period to correct problems related to violations. As a result, many violators took advantage of this option to avoid paying a fine by correcting the violations over a specified period of time that was negotiated by contract with the Environmental Health Department .

The approximate \$1.0 million decrease in interest revenue for 1999 is due to two factors. First, approximately \$600,000 of the decrease was due to the insurance program being moved out of the General Fund to the Employee Insurance Fund in FY-99. Second, the other \$400,000 of the decrease was due to the application of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" which requires that unrealized gains or losses on investments be recognized as an adjustment to interest income.

In 1999, the reduction of the operating transfers in was due to the reduction of the transfer from the Quality Of Life Fund by \$1.4 million and from the Vehicle and Equipment Replacement Fund by approximately \$3.2 million.

In 2000, the increase in tax revenues was primarily due to a one time receipt of \$2.3 million in gross receipts tax revenues as a result of the State of New Mexico's tax amnesty program.

In 2000, the decrease in interest income is due to reduced interest rates and to an increase in the unrealized loss on investments at fiscal year end over the prior year.

Gas franchise tax revenue increased in 2001 due to PNM's increase in amount of per unit of usage.

Gross Receipts revenue overall increased by \$2.7 million in 2001 due to the growth in the economy. The local option gross receipts increase was also affected by the decrease in state administration fees.

In 2002, the decrease in revenue by approximately \$1.9 million for taxes, \$5.5 million for intergovernmental and \$2.7 million for charges for services is due to the 9-11 down turn in the economy.

In 2003, the increase in revenue by approximately \$6.8 million for taxes, \$3.6 million for license and permits do to the increase in construction permits and \$5.8 million for intergovernmental.

Expenditures

The decrease in expenditures for public works in 1993 was primarily due to the one third decrease in personnel in the CIP Funded employees program from 95 positions to 65.

**CITY OF ALBUQUERQUE
GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
LAST TEN FISCAL YEARS**

The increase in expenditures for public safety in 1993 was due to a \$1.1 million increase in police which includes the cost of a new cadet class and pay increase.

The increase in general government in 1994 is due to many employees taking advantage of the new retirement plan passed in July 1994.

The increase in public safety in 1994 is due to an increase of officers and the start up costs associated with them and the fire cadet class is now being funded through this program. The increase in culture and recreation is due to major increases in the management changes to the program.

The increase in public safety in 1995 is due to an increase of seventy-five police officers and the new community based police program. There was also a major increase in the off duty police program due to the increased precaution taken by local businesses to prevent crime.

The increase in operating transfers out in 1995 was largely due to a one-time transfer of \$7.0 million dollars to the Capital Projects Fund for the community based police mini substation.

The increase in highways and streets in 1996 was due to a million-dollar increase in the Risk Management charges for workers compensation and tort and other liability. A major program was also moved from public works.

The increase in human services in 1996 was due to a \$1.3 million increase in contractual services, an increase in Risk Management costs for tort and other liability claims of \$250,000, and a new child development site at the Carlos Ray Elementary School.

The decrease in the operating transfers out in 1996 was largely due to the one time transfer of \$7.0 million in 1995 to the capital projects with no such transfer occurring in 1996.

The increase in culture and recreation in 1997 was due to the opening of the Albuquerque aquarium and botanical gardens in December of 1996. This represented about \$2.5 million in expenditures. CIP projects increased dramatically in 1997 representing another \$1.5 million increase. Community and youth recreation programs also increased by \$1 million due to increased focus on family and youth programs.

The increase in human services in 1997 is due to a \$3.5 million increase in contractual services to cover the continuation of programs no longer funded by federal or state grants, plus several new programs such as the high school initiative and detoxification center were added for \$1 million.

The growth in 1998 expenditures for public safety for 1998 was due primarily to increased costs of fire and police personnel. Fire personnel costs rose approximately \$2 million due to salary increases. The impact of salary increases for police was approximately \$4.5 million due to a ten percent increase in 1997 and a five percent increase in 1998. The full impact of the increases was reflected in 1998.

The increase in human service expenditure in 1998 was due to two factors. There was a \$1.1 million increase in contractual services due to twenty new service contracts, which accounted for approximately \$600,000 and a high school initiative program that accounted for the other \$500,000. The second factor was the construction of two new childcare centers that constituted \$106,000 in operating costs and a one-time capital outlay cost of \$356,000.

The \$4.4 million decrease in highways and streets is due to the creation of the Gas Tax Road Fund in 2000. The expenditures related to street maintenance are now expended in the new fund.

In 2000, the \$1.9 million increase in General Government is due to the transfer of the Capital Implementation Program, with \$1.6 million in expenditures, from Culture and Recreation and with increases in personnel costs resulting from a reclassification study of employee compensation.

In 2000, the \$5.9 million increase in Public Safety is due to increased costs for 1) maintenance and fuel for fire and police vehicles, 2) additional overtime for police personnel, 3) a new communication center for handling emergency calls, and 4) two new fire stations going operational during the fiscal year.

In 2000, the \$3.6 million increase in Human Services is due to the transfer of the Playground and Latch-Key programs from Culture and Recreations and for increased contract services.

**CITY OF ALBUQUERQUE
GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
LAST TEN FISCAL YEARS**

In 2000, the \$2.8 million decrease in Transfers out is for reduced transfers of 1) \$1.6 million for the Vehicle and Equipment Replacement Fund, 2) \$1.7 million for the Sales Tax Refunding Debt Service Fund, and 3) \$1.0 million for the Transit Fund. Those reductions were offset by an increase of the transfer to the Corrections and Detention Fund of \$1.4 million.

Public Safety expenditures increased approximately \$3.5 million in 2001 because of the salary increases from the police union negotiations.

Due to the numerous changes made in the reorganization of the General Fund in 2001 the analysis for variances in expenditures is not useful.

In 2002, Public Safety increased approximately \$2.7 million primarily due to policing, central support services and investigative services.

In 2002, Culture and Recreation increased approximate \$1.5 million for parks land management and community events and services.

In 2003, Public Safety increased approximately \$2.6 million due to the increase in population for the new jail and Culture and Recreation decreased approximately \$2.4 million due to the movement of the security activity to DFA.

CITY OF ALBUQUERQUE
PROPERTY TAX BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Year Ended June 30</u>	<u>Total Current Tax Billings</u>	<u>Current Tax Collections</u>	<u>Percent of Billings Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Billings</u>
1994	\$ 49,061,241	\$ 46,246,898	94.26%	\$ 1,722,885	\$ 47,969,783	97.78%
1995	50,634,041	47,792,810	94.39%	4,486,481	52,279,291	103.25%
1996	56,500,991	55,170,428	97.65%	2,560,984	57,731,412	102.18%
1997	58,414,008	55,266,156	94.61%	2,591,732	57,857,888	99.05%
1998	61,648,597	57,085,189	92.60%	2,747,266	59,832,455	97.05%
1999	64,063,064	59,698,737	93.19%	4,384,879	64,083,616	100.03%
2000	75,967,645	59,460,369	78.27%	2,630,952	62,091,321	81.73%
2001	77,055,416	70,662,827	91.70%	5,943,066	76,605,893	99.42%
2002	82,879,855	75,788,699	91.44%	2,800,726	78,589,425	94.82%
2003	85,027,415	81,152,535	95.44%	3,317,251	84,469,786	99.34%

Taxes are billed and collected by the County Treasurer and distributed to all taxing jurisdictions. The tax rate is requested by the City Council and set by the Department of Finance and Administration of the State. The State allows the rate to be set at 5% in excess of requirements to allow for delinquencies.

Cumulative total collections for the last ten years are 97.01% of the cumulative billings.

CITY OF ALBUQUERQUE
COMPOSITION OF NET TAXABLE VALUATION
LAST TEN FISCAL YEARS

<u>Year Ended June 30</u>	<u>Real Property</u>	<u>Corporate Property</u>	<u>Personal Property</u>	<u>Net Taxable Valuation</u>
1994	\$ 3,789,717,391	\$ 239,398,768	\$ 219,275,260	\$ 4,248,391,419
1995	3,849,868,672	248,331,388	214,009,607	4,312,209,667
1996	4,606,364,061	256,310,880	214,646,353	5,077,321,294
1997	4,651,461,720	269,111,763	264,119,812	5,184,693,295
1998	4,918,412,659	241,257,015	309,966,061	5,469,635,735
1999	5,047,988,793	263,165,055	345,747,000	5,656,900,848
2000	6,234,946,669	281,059,652	340,275,027	6,856,281,348
2001	6,219,069,660	310,904,220	370,693,202	6,900,667,082
2002	6,690,984,959	347,857,674	384,823,865	7,423,666,498
2003	6,855,323,932	361,189,032	407,330,196	7,623,843,160

The New Mexico State Constitution regulates areas of property tax. The net taxable valuation is set at 33 1/3% of assessed valuation, less exemptions, as determined by New Mexico State Statutes.

Source: Bernalillo County Treasurer's Office

**CITY OF ALBUQUERQUE
PROPERTY TAX MILL RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

<u>Year Ended June 30</u>	<u>Total Tax Levy (1)</u>	<u>City</u>	<u>Bernalillo County</u>	<u>State of New Mexico</u>	<u>Schools</u>	<u>Technical Vocational Education</u>	<u>Flood Control Authority</u>	<u>Hospital</u>	<u>Conservancy District</u>
1994	44.082	11.584	8.422	1.595	9.062	3.000	0.989	4.800	4.630
1995	46.171	11.760	9.140	1.212	10.230	3.000	1.039	4.800	4.990
1996	43.036	11.236	8.618	1.276	8.851	2.702	1.000	4.151	5.202
1997	43.814	11.257	8.279	1.556	9.020	2.783	1.006	4.497	5.416
1998	48.132	11.362	9.070	1.347	11.888	2.935	1.050	4.565	5.915
1999	46.752	11.357	9.066	1.438	11.013	2.945	1.050	4.103	5.780
2000	42.499	11.080	8.270	1.482	8.505	2.578	0.939	4.016	5.629
2001	43.701	11.166	8.558	1.529	8.527	3.179	0.962	4.184	5.596
2002	45.571	11.161	8.635	1.765	8.503	2.628	0.943	6.500	5.436
2003	44.701	11.153	8.532	1.123	7.883	3.174	0.937	6.500	5.399

(1) Weighted average residential and non-residential.

Source: Bernalillo County Treasurer's Office

CITY OF ALBUQUERQUE
RATIO OF NET GENERAL BONDED DEBT TO TAXABLE VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year Ended June 30	Population (1)	Taxable Value (2)	General Bonded Debt			Ratio of Net General Bonded Debt To Taxable Value	Net General Bonded Debt Per Capita
			Total	Debt Service Fund (3)	Net		
1994	413,749	\$ 4,248,391,419	\$ 211,175,000	\$ 4,795,690	\$ 206,379,310	4.86%	\$ 498.80
1995	418,839	4,312,209,667	176,315,000	3,970,000	172,345,000	4.00%	411.48
1996	420,527	5,077,391,294	168,170,000	10,475,904	157,694,096	3.11%	374.99
1997	420,907	5,184,693,295	172,155,000	7,742,034	164,412,966	3.17%	390.62
1998	421,384	5,469,635,735	169,165,000	7,833,722	161,331,278	2.95%	382.86
1999	420,578	5,656,900,848	152,825,000	12,113,569	140,711,431	2.49%	334.57
2000	448,607	6,856,281,348	138,180,000	24,831,686	113,348,314	1.65%	252.67
2001	454,015	6,900,667,082	117,440,000	10,706,769	106,733,231	1.55%	235.09
2002	460,464	7,423,666,498	160,055,000	18,229,575	141,825,425	1.91%	308.01
2003	473,849	7,623,843,160	126,810,000	45,493,412	81,316,588	1.07%	171.61

(1) Population is estimated for all years except for June 30, 2000.

June 30, 2000 is based on Bureau of Census data. Estimates provided by City of Albuquerque, Planning Department.

(2) Assessment made by elected County Assessor. The taxable ratio by State Statute is one-third of assessed value.

(3) Available for debt service.

CITY OF ALBUQUERQUE
COMPUTATION OF LEGAL DEBT MARGIN
FOR GENERAL OBLIGATION BONDS OTHER THAN FOR WATER AND SEWER PURPOSES
June 30, 2003

Legal debt limit for issuance of general purpose general obligation bonds	
4% of taxable valuation of \$7,623,843,000	\$ 304,953,000
Total general obligation bonds issued	\$ 160,055,000
Less general obligation bond debt not subject to legal debt limit:	
Water, Sewer, and Storm Sewer Bonds	<u>47,170,000</u>
General obligation bonds issued subject to legal debt limit	
General Purpose	<u>112,885,000</u>
Legal debt margin	<u>\$ 192,068,000</u>

CITY OF ALBUQUERQUE
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2003

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Albuquerque</u>	<u>City of Albuquerque Share of Debt</u>
City of Albuquerque	\$ 122,977,869	100.00%	\$ 122,977,869
Other Governments:			
Albuquerque Public Schools	135,380,000	80.41%	108,859,058
Albuquerque Metropolitan Flood Control Authority	29,925,000	85.09%	25,463,183
Bernalillo County	77,155,000	81.48%	62,865,894
Albuquerque Technical-Vocational Institute	32,805,000	81.91%	26,870,576
State of New Mexico	<u>289,655,000</u>	27.74%	<u>80,350,297</u>
Total Other Governments	<u>564,920,000</u>		<u>304,409,008</u>
Total direct and overlapping G.O. debt	<u>\$ 687,897,869</u>		<u>\$ 427,386,877</u>

Ratios:

Total direct and overlapping G.O. debt to assessed valuation	5.61%
Direct and overlapping G.O. debt to actual valuation	1.59%
Direct and overlapping G.O. debt per capita (1)	\$901.95

(1) Estimate - City of Albuquerque Planning Department

CITY OF ALBUQUERQUE
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1994	\$ 38,061,266	\$ 14,368,531	\$ 52,429,797	\$ 202,372,000	25.91%
1995	37,144,726	16,325,134	53,469,860	215,452,000	24.82%
1996	37,743,407	13,382,023	51,125,430	227,798,000	22.44%
1997	51,580,002	12,536,394	64,116,396	243,893,000	26.29%
1998	53,855,000	13,545,306	67,400,306	254,556,000	26.48%
1999	47,233,657	12,859,681	60,093,338	253,694,000	23.69%
2000	42,616,235	14,337,584	56,953,819	259,502,000	21.95%
2001	75,085,000	15,637,695	90,722,695	273,498,000	33.17%
2002	53,011,313	13,767,212	66,778,525	274,548,000	24.32%
2003	37,705,888	12,816,404	50,522,292	274,799,000	18.39%

**CITY OF ALBUQUERQUE
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Year Ended June 30</u>	<u>Current Billings</u>	<u>Assessments Collected</u>	<u>Ratio of Collections to Current Billings</u>	<u>Total Outstanding Assessments</u>
1994	\$ 987,789	\$ 1,210,484	123%	\$ 3,897,998
1995	5,445,242	5,462,063	100%	12,241,777
1996	629,850	621,034	99%	13,795,303
1997	553,981	539,361	97%	8,989,054
1998	1,576,792	1,631,321	103%	6,922,232
1999	1,134,199	1,140,421	101%	11,510,206
2000	2,163,423	2,092,454	97%	21,112,618
2001	1,964,520	1,972,941	100%	30,376,473
2002	4,302,103	3,932,478	91%	18,720,115
2003	2,824,247	3,084,828	109%	11,833,819



CITY OF ALBUQUERQUE
REVENUE BOND DEBT SERVICE COVERAGE
LAST TEN FISCAL YEARS
(In thousands of dollars)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Airport Revenue Bonds				
Test #1				
Revenues	\$ 33,132	\$ 37,723	\$ 40,604	\$ 52,671
Expenses **	<u>12,160</u>	<u>12,787</u>	<u>13,803</u>	<u>13,584</u>
Available for debt service	20,972	24,936	26,801	39,087
Debt service*	7,104	7,103	11,836	13,181
Debt service coverage ratio	3.0	3.5	2.3	3.0
Test #2				
Revenues	\$ 33,731	\$ 38,221	\$ 41,521	\$ 54,187
Expenses **	<u>12,160</u>	<u>12,787</u>	<u>13,803</u>	<u>13,584</u>
Available for debt service	21,571	25,434	27,718	40,603
Debt service*	13,736	14,083	18,437	21,186
Debt service coverage ratio	2	1.8	1.5	1.9
Golf Course Revenue Bonds				
Revenues	not applicable	not applicable	not applicable	not applicable
Expenses **	not applicable	not applicable	not applicable	not applicable
Available for debt service				
Debt service				
Debt service coverage ratio				
Joint Water and Sewer Revenue Bonds				
Revenues	\$ 86,023	\$ 95,336	\$ 109,312	\$ 99,616
Expenses **	<u>44,167</u>	<u>46,777</u>	<u>48,489</u>	<u>49,915</u>
Available for debt service	41,856	48,559	60,823	49,701
Debt service	25,092	24,096	27,398	27,654
Debt service coverage ratio	1.7	2.0	2.2	1.8
Refuse Disposal Revenue Bonds				
Revenues	\$ 26,780	\$ 30,181	\$ 33,302	\$ 31,504
Expenses **	<u>22,329</u>	<u>24,863</u>	<u>24,164</u>	<u>24,481</u>
Available for debt service	4,451	5,318	9,138	7,023
Debt service	2,969	2,169	2,489	2,969
Debt service coverage ratio	1.5	2.5	3.7	2.4
Sales Tax Revenue Bonds				
Revenues	\$ 120,404	\$ 132,712	\$ 142,276	\$ 147,261
Debt service*	5,962	5,639	7,204	7,689
Debt service coverage ratio	20.2	23.5	19.8	19.2

* Not including debt service paid from non-operating revenues.

** Not including depreciation, amortization, payments in lieu of taxes, and bad debt expense.

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Ratio Required 2003</u>
\$ 53,052 <u>14,799</u> 38,253 11,422 3.3	\$ 53,098 <u>16,109</u> 36,989 9,416 3.9	\$ 54,001 <u>17,036</u> 36,965 10,074 3.7	\$ 56,336 <u>20,136</u> 36,200 11,027 3.3	\$ 57,818 <u>21,437</u> 36,381 10,070 3.6	\$ 59,724 ✓ <u>22,059</u> ✓ 37,665 9,669 3.9	1.2
\$ 54,546 <u>14,799</u> 39,747 19,919 2.0	\$ 54,827 <u>16,109</u> 38,718 17,799 2.2	\$ 55,439 <u>17,036</u> 38,403 17,244 2.2	\$ 58,011 <u>20,136</u> 37,875 21,261 1.8	\$ 59,494 <u>21,437</u> 38,057 14,840 2.6	\$ 60,157 <u>22,059</u> 38,098 13,711 2.8	1.1
not applicable	not applicable	not applicable	not applicable	\$ 4,111 <u>3,621</u> 490 343 1.4	\$ 3,980 <u>3,435</u> 545 347 1.6	1.5
\$ 102,802 <u>50,122</u> 52,680 31,343 1.7	\$ 114,446 <u>52,971</u> 61,475 38,599 1.6	\$ 118,818 <u>53,114</u> 65,704 43,511 1.5	\$ 125,002 <u>57,815</u> 67,187 44,703 1.5	\$ 129,425 <u>55,356</u> 74,069 45,919 1.6	\$ 139,937 <u>57,315</u> 82,622 47,516 1.7	1.3
\$ 32,223 <u>25,823</u> 6,400 3,156 2.0	\$ 33,960 <u>26,262</u> 7,698 3,917 2.0	\$ 35,943 <u>27,090</u> 8,853 3,910 2.3	\$ 38,997 <u>28,465</u> 10,532 3,913 2.7	\$ 39,191 <u>29,638</u> 9,553 4,496 2.1	\$ 41,001 <u>31,166</u> 9,835 4,326 2.3	1.5
\$ 150,753 11,044 13.7	\$ 154,817 14,625 10.6	\$ 161,941 9,883 16.4	\$ 168,269 10,226 16.5	\$ 169,909 8,920 19.0	\$ 177,634 9,802 18.1	2.3

**CITY OF ALBUQUERQUE, NEW MEXICO
DEMOGRAPHIC STATISTICS**

Population and Employment (unless otherwise indicated, population totals obtained Census Bureau)

<u>Calendar Year</u>	<u>City of Albuquerque Population</u>	<u>Metropolitan Statistical Area*</u>			
		<u>Total Population</u>	<u>Civilian Labor Force</u>	<u>Civilian Employment</u>	<u>Civilian Unemployment Rate (4)</u>
1993	406,440	628,911	324,851	302,591	
1994	413,749	644,959	334,564	319,783	6.9 %
1995	418,839	658,895	342,836	328,893	4.4 %
1996	420,527	667,210	345,135	326,653	4.1 %
1997	420,907	673,182	354,601	339,375	5.4 %
1998	421,384	676,530	361,208	344,705	4.3 %
1999	420,578	678,820	353,395	339,447	4.6 %
2000	448,607	712,738	367,942	355,818	3.9 %
2001**	454,500	723,296	370,845	357,377	3.3 %
2002	463,874	737,324	385,630	367,346	3.6 %
					4.7 %

Population Characteristics (2)

Education

Persons age 25 and over	300,674
Less than 9th Grade	16,797
9th-12th Grade, no diploma	24,494
High School graduate	65,349
Some college, no degree	68,390
Associate degree	15,855
Bachelor degree	59,791
Graduate or Professional degree	49,998
Percent completed High School	86.3
Percent completed 4-year college	36.5

Poverty Status (3)

	<u>Number</u>	<u>Percent</u>
Families		
With related children under 18 years	11,285	10.0
With related children under 5 years	9,288	15.2
Families with female householder, no husband present	4,923	19.8
With related children under 18 years	5,992	25.9
With related children under 5 years	5,469	33.7
	2,732	46.0
Individuals		
18 years and over	66,022	14.4
65 years and over	42,353	12.2
Related children under 18 years	5,922	10.5
Related children 5 to 17 years	22,306	20.0
Unrelated individuals 15 years and over	15,129	21.3
	18,691	19.2

Household Type by Presence of Children

Total households 191,976

Married couple with children under age 18	36,979
Married couple, no children under 18	42,042

Male

Male householder with children, no wife	5,211
Male householder, no children, no wife	3,871

Female

Female householder with children, no husband	19,933
Female householder, no children, no husband	7,523
Non-family households	72,858
Percent married couple household	41.0
Percent Single Parent Household	14.0

School Enrollment (1)

Elementary schools (including Kindergarten)	42,334
Mid-high schools	19,925
High schools	19,925
Private and parochial schools	26,140
Technical-Vocational schools	12,526
University of New Mexico (Public)	31,287
	25,793

* Includes Bernalillo, Sandoval, and Valencia Counties.

** City of Albuquerque Estimates.

- (1) Albuquerque Public Schools, Planning and Research Department, University of New Mexico, Albuquerque Technical-Vocational Institute, State Department of Education and Catholic Schools.
- (2) American Community Survey Profile 2002 (U.S. Census Bureau).
- (3) Change in Census Reporting 1999.
- (4) New Mexico Department of Labor.

CITY OF ALBUQUERQUE, NEW MEXICO
ESTIMATED NONAGRICULTURAL WAGE AND
SALARY EMPLOYMENT (JOBS)* – ALBUQUERQUE MSA**
LAST TEN CALENDAR YEARS (IN THOUSANDS)

	1993	1994	1995	1996	1997	1998	1999	2000(1)	2001	2002
Total nonagricultural employment	\$ 289.5	\$ 307.3	\$ 320.2	\$ 326.3	\$ 333.4	\$ 338.5	\$ 344.2	\$ 354.9	\$ 359.2	\$ 359.0
Construction and mining	17.7	21.8	22.6	22.4	22.1	21.5	21.7	23.4	24.3	23.1
Manufacturing	26.4	28.4	29.3	29.4	29.3	28.4	26.8	28.1	28.3	24.8
Transportation and public utilities	12.9	13.2	14.3	15.2	15.5	16.6	18.9	19.8	19.9	20.0
Wholesale and retail trade	69.8	73.8	76.6	79.0	80.8	81.5	81.3	83.0	83.6	79.3
Finance, insurance, and real estate	15.5	16.0	16.4	17.0	16.8	17.5	18.8	18.9	19.5	18.8
Services and miscellaneous	88.5	94.3	100.1	101.1	104.7	107.2	110.2	113.9	114.9	116.4
Government	58.7	59.8	60.9	62.3	64.2	65.8	66.5	67.8	68.8	71.5

* Source: New Mexico Department of Labor.

** Albuquerque (Bernalillo, Sandoval and Valencia Counties) Metropolitan Statistical Area.

Estimates include all full-time and part-time wage and salary workers who worked or received pay during the pay period that included the 12th day of the month. Self-employed, family workers, household workers and members of the Armed Forces are excluded.

(1) 2000 data was updated from previous estimates.

CITY OF ALBUQUERQUE
PROPERTY VALUES AND CONSTRUCTION PERMITS
LAST TEN FISCAL YEARS
(In Thousands of Dollars)

Year Ended June 30	Construction (2)		
	Property Value (1)	Permits Issued	Value
1993	\$ 14,332,743	3957	\$ 323,926
1994	15,161,270	4729	458,379
1995	17,113,607	4618	533,350
1996	17,492,224	5177	640,915
1997	18,594,637	4842	558,638
1998	19,097,344	5597	587,747
1999	23,819,634	6781	655,662
2000	23,848,004	5870	634,066
2001	25,246,339	5902	733,992
2002	22,871,529	6027	750,393

(1) Bernalillo County Assessor; value of property on which taxes are assessed.

(2) City of Albuquerque Planning Department, Code Administration Division.

CITY OF ALBUQUERQUE
PRINCIPAL TAXPAYERS
June 30, 2003

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation</u>	<u>Percentage of Total Taxable Valuation (1)</u>
Qwest	Utility	\$ 87,032,391	1.14%
Public Service Company of New Mexico - Electric	Utility	80,837,709	1.06%
Public Service Company of New Mexico - Gas	Utility	26,116,616	0.34%
Southwest Airlines	Airline	21,951,930	0.29%
Simon Property Group, Ltd.	Retail	20,997,900	0.28%
Heitman Properties of N.M.	Retail	19,111,489	0.25%
Voicestream PCS II Corporation	Telecommunications	18,793,768	0.25%
Crescent Real Estate	Hotel Management	15,782,623	0.21%
Verizon Wireless (VAW) LLC	Telecommunications	16,160,522	0.21%
Alltell Communications Inc.	Telecommunications	14,481,278	0.19%
Winrock Property	Retail	<u>11,743,269</u>	<u>0.15%</u>
		<u>\$ 333,009,495</u>	<u>4.37%</u>

(1) Total taxable valuation : \$7,623,843,160

Source: Bernalillo County Treasurer's Office



**CITY OF ALBUQUERQUE, NEW MEXICO
MISCELLANEOUS STATISTICS**

Form of Government

The City has a Mayor-Council form of government with a salaried full-time Mayor elected every four years. The nine-member council is elected by district for four-year overlapping terms. The nonpartisan elections are held each October of odd numbered years. The Councilors' remuneration is equivalent to one-tenth the Mayor's salary.

The Charter provides for a Chief Administrative Officer appointed by the Mayor and approved by the Council who is responsible for the administration of the merit system and, subject to the authority of the Mayor, supervises the operations of all departments.

Year of Incorporation: 1885

<u>Area</u> (City area)	<u>Year</u>	<u>Square Miles</u>
	1960	61.1
	1970	80.6
	1980	106.6
	1990	135.0
	1992	137.5
	1993	158.5
	1994	161.1
	1995	161.5
	1996	161.8
	1997	163.6
	1998	181.0
	1999	181.5
	2000	181.7
	2001	184.3
	2002	187.8

Fire Protection (1)

Administration building	1
Number of stations	23
Number of employees	602
Fire Academy	1
Fire Marshall's Office	1
Arson building	1

Police Protection (1)

Traffic station	1
Number of sub-stations	5
Number of employees	1,431

Recreation (1)

Park System – Neighborhood, Community & Regional (acres):

Developed	1,264	
Undeveloped	<u>689</u>	
Total		1,953 acres

Open space areas (2) 29,085 acres

<u>Facilities (1)</u>	<u>Number of Improvements (1)</u>
Ballfields:	
Youth Baseball Fields	49
General/Adult Lit Ball Fields	26
Basketball Courts:	
Full	58
Half	57
Game Fields	113
Play Areas	162
Community Centers (gymnasiums at 8 locations)	22
Community Center Satellites	1
Golf Courses (3 18-hole and 9-hole, and 1 9-hole)	4
Swimming pools (5 indoor pools)	12
Tennis courts (25 lit)	140
Trails (97 miles paved & 12 miles unpaved)	109 miles
<u>Libraries</u>	<u>Volumes June 30, 2003</u>
Albuquerque Public Library (1) (Main branch and 16 area branches, bookmobile, bookvan)	1,376,484
University of New Mexico:	
General, Fine Arts, Parish, Centennial & Zimmerman	2,473,170
Law school library	236,448
Health science center library	179,786
Other	74,998
Total	<u>2,964,402</u>
Technical Vocational Institute	59,440
Source: listed libraries	
<u>Municipal Water (1)</u>	
Number of customers (June 2003)	156,146 meters
Average daily water production (FY 2003)	91.2 million gallons per day
Miles of water lines (June 2003)	2,513
<u>Municipal Sewer (1)</u>	
Number of sewer customers (June 2003)	151,471
Miles of storm lines (June 2002)	523
Miles of sanitary lines (June 2003)	1,893
Storm drainage channels including lined channels and unlined arroyos	85 miles
Sources:	
(1) City Departments	
(2) Acreage includes the Rio Grande State Park, which the City does not own, but is within the City's jurisdiction.	

**CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF INSURANCE POLICIES IN FORCE**

June 30, 2003

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Aircraft - Police	Old Republic	08/29/02	08/29/03	\$ 99,309 Phys Dam.	\$ 5,000,000 \$ 96,000 \$ 96,000	Fixed wing aircraft Helicopters C.S.L. Hull on fixed wing aircraft
Airport Liability Primary	Associated Aviation Underwriters	03/09/03	03/09/04	\$ 194,770	\$ 100,000,000	\$5,000 deductible \$100,000 Annual Aggregate
BCDC Law Enforcement	Zurich Specialties	07/01/02	07/01/03	\$ 992,750 (Not renewed for FY04)	\$ 1,000,000	\$2,000,000 Annual Aggregate \$25,000 deductible
Employee Dishonesty Bond	A.I.G.	05/01/03	05/01/04	\$ 28,638	\$ 1,000,000	Includes Faithful per loss Performance; \$10,000 deductible per loss
Boiler (Pressure Vessels)	Hartford	07/01/02	07/01/03	\$ 61,788	\$ 50,000,000	\$25,000 Deductible
Excess Worker's Compensation	Midwest Employers Cas.	11/11/02	11/11/03	\$ 147,249	\$ 25,000,000 \$ 2,000,000	Excess of \$500,000
Flood (Housing Authority Properties)	Security Insurance Co. of Hartford	04/13/03	04/13/04	\$ 18,074	\$ 962,000	Fifty-six properties
Housing Authority Property	Lexington	09/01/02	09/01/03	\$ 65,070	\$ 5,000,000 per occurrence	Required by H.U.D. Excludes Pressure Vessels
Landfill Lease Bond	Travelers	06/21/03	06/21/04	\$ 3,400	\$ 170,000	
Shooting Range Liability	Western World	11/22/02	11/22/03	\$ 5,247	\$ 500,000	Premium is minimum required deposit
Summerfest	Burlington Insurance Co.	05/01/03	05/01/04	\$ 5,250	\$ 1,000,000	Individual Occurrence
Treasurer's Bond	National Guaranty	10/10/02	10/10/03	\$ 450	\$ 50,000	
Zoo Van Liability	Interstate Indemnity	06/08/03	06/08/04	\$ 3,262	\$ 1,000,000 \$ 60,000	C.S.L. Uninsured motorists
Airport Art Collection	St. Paul	02/15/03	02/15/04	\$8,891	\$ 1,359,601	*Sublimits listed below

***Sublimits by collection**

Locations and amount of sublimits

Permanent	<u>Airport</u>	<u>In Transit</u>	<u>International Coverage</u>
	\$1,359,601	\$100,000	\$100,000

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Electronic Data Processing Equipment	St. Paul	07/01/02	07/01/03	\$23,167	\$ 22,705,000	* EDP sublimit below
					\$ 1,000,000	Data and media
					\$ 5,000,000	Extra expenses
					\$ 5,000	Minimum deductible

*Sublimit is based on the cost of each piece of equipment per an attached schedule to the policy.

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Museum Collection	St. Paul	07/01/02	07/01/03	\$65,920	\$ 79,200,000	* Sublimits listed below

*Sublimits by collection

Locations and amount of sublimits

Museum	Warehouse	All Other	In Transit	Legal Liability
\$ 79,000,000	\$ 200,000	4,000,000	4,000,000	\$20,000,000

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
General, Property Blanket Building & Contents, Extra Expenses, Business Interruption, Auto Physical Damage	Affiliated FM	07/01/02	07/01/03	\$589,911	\$839,128,800	* Sublimits listed below

Sublimits for Above Policy

	<u>Amount of Sublimits</u>
Accounts receivable	\$ 1,000,000
Auto physical damage excluding collision per specified location	43,725,000
Demolition and incurred cost of construction	5,000,000
Earthquake	50,000,000
Errors and omissions	10,000,000
Extra expenses	4,250,000
Flood	50,000,000
Off premises power failure at Treatment Plant only-excluding transmission lines	1,000,000
Personal property in transit	500,000
Valuable papers	1,000,000
Fine arts - scheduled locations	748,000
Rental Income - 2525 Tingley	600,000

SINGLE AUDIT INFORMATION

Schedule of Federal Expenditures of Federal Awards

Notes to the Schedule of Federal Expenditures of Federal Awards

**Reconciliation of Schedule of Expenditures of Federal Awards
to Financial Statements**

Financial Data Schedule - Albuquerque Housing Authority

**Independent Auditors' Report on Compliance and on Internal
Control over Financial Reporting Based on an Audit of General
Purpose Financial Statements Performed in Accordance with
*Governmental Auditing Standards***

**Independent Auditors' Report on Compliance with Requirements
Applicable to each Major Program and Internal Control over
Compliance in Accordance with OMB Circular A-133**

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Year Findings

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Period of July 1, 2002 through June 30, 2003

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>Corporation for National and Community Service</u>					
Foster Grandparent FY 03	02SFWNM010	94.011	07/01/2002	06/30/2003	\$ 130,262
Retired Senior Volunteer Program FY 03	02SRWNM011	94.002	07/01/2002	06/30/2003	32,490
Senior Companion Program FY 03	02SCWNM004	94.016	07/01/2002	06/30/2003	102,494
Senior Companion Program FY 02	01SCWNM004	94.016	07/01/2001	06/30/2002	1,500
					<u>266,746</u>
<u>Environmental Protection Agency</u>					
FY02 Air Pollution	A-00615803-1	66.006	10/01/2002	09/30/2003	235,686
FY01 Air Pollution	A-006158020	66.006	10/01/2001	09/30/2002	414,426
Particulate Matter 2.5 Ambient Air Monitor	A-00615803-1	66.006	08/17/1998	08/16/2003	131,145
Del Norte Station	epa-pm98600401	66.006	08/17/1998	08/16/2003	79,681
Vulnerability Assessments	HS-829856-01-0	66-476	04/11/2002	03/14/2003	97,731
Alliance for Affordable Green Development	SD986303-01-0	66.651	10/01/1999	09/30/2001	23,301
Brownsfield Redevelopment Program	BP986351-01-0	66.811	10/01/2001	09/30/2003	15,337
					<u>997,307</u>
<u>New Mexico State Department of Finance/ Environmental Protection Agency</u>					
South Valley Wastewater Facility Construction	2502620	66.606	06/25/1996	06/30/2002	3,025,269
Los Ranchos de Albuquerque	SAP-99-0056-STB	66.606	07/29/2000	06/30/2003	74,328
					<u>3,099,597</u>
<u>U.S. Department of Energy</u>					
Conservation Research & Development	DE-FG07-01iD14057	81.086	05/01/2001	04/03/2003	<u>43</u>
<u>U.S. Department of Health and Human Services</u>					
Early Head Start FY 03		93.600	07/01/2002	06/30/2003	2,275,203
Early Head Start FY 02	06YC0522/04	93.600	07/01/2001	06/30/2002	64,242
Enhancement Services Year Two	5 H79 T112750-02	93.230	09/30/2002	09/29/2003	143,816
Expanded Adolescent Treatment Year 3	6 H79 T112344-03	93.230	09/30/2002	09/29/2003	310,292
Expanded Adolescent Treatment Year 2	5 H79 T112344-02	93.230	09/30/2001	09/29/2002	216,557
Expand Residential Treatment Year 1	1 H79 T112852-01	93.230	09/30/2001	09/29/2002	1,589
Enhancement Services Year One	1 H79 T112759-01	93.230	09/30/2001	09/29/2002	61,339
Metropolitan Medical Response System		93.230	08/27/1999	06/29/2002	5,394
					<u>3,078,432</u>
<u>New Mexico Department of Children, Youth & Families / U.S. Department of Agriculture</u>					
FY 02 Child Care Food Program	278	10.558	10/01/2001	09/30/2002	50,885
FY 01 Child Care Food Program	278	10.558	10/01/2000	09/30/2001	6,919
					<u>57,804</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2002 through June 30, 2003

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>New Mexico Office on Aging /</u>					
<u>U.S. Department of Agriculture</u>					
Cash-In-Lieu of Commodities FY03	2003-006	10.570	07/01/2002	06/30/2003	213,610
<u>New Mexico Office on Aging /</u>					
<u>U.S. Department of Health & Human Services</u>					
AAA Administrative and Monitoring	2003-116	93.044	07/01/2002	06/30/2003	57,032
2003 Older American Prog./ Title III	2003-01	93.044	07/01/2002	06/30/2003	367,120
2003 Older American Prog./ Title III	2003-01	93.044	07/01/2002	06/30/2003	171,384
2003 Older American Prog./ Title III	2003-01	93.045	07/01/2002	06/30/2003	337,760
2003 Older American Prog./ Title III	2003-01	93.045	07/01/2002	06/30/2003	30,834
2003 Older American Prog./ Alzheimer's	2003-01	93.045	07/01/2002	06/30/2003	19,391
Health Insurance and Benefits Assistance	2003-116	93.779	08/01/2002	06/30/2003	70,000
					1,053,521
<u>New Mexico Department of Children, Youth</u>					
<u>& Families / U.S. Department of Agriculture</u>					
National School Lunch Program FY01/02	3037	10.555	10/01/2001	09/30/2002	63,745
National School Lunch Program FY00/01	3037	10.555	10/01/2000	09/30/2001	1,972
Summer Food Service Program for Child	3037	10.559	10/01/2001	09/30/2002	457,509
Summer Food Service Program for Child	3037	10.559	10/01/2000	09/30/2001	3
					523,229
<u>US Department of Commerce</u>					
Old Albuquerque High School	08-01-03591	11.307	08/01/1999	09/30/2002	723,229
<u>Federal Highway Administration</u>					
TCSP Downtown Wayfinder	TCSE-001-Q69	20.205	09/01/2000	Completion	301,789
<u>New Mexico Highway Department/</u>					
<u>Federal Highway Administration</u>					
Horizon Hills Street	(99) ST-7601 (232) CN 7342	20.205		06/30/2001	47,500
San Mateo Sound Barrier	ST-5096(200) CN 7334	20.205		06/30/2001	1,827
Copper Wyoming Realign.	(99) ST-7601 (233) CN 7335	20.205		06/30/2001	40,500
Dennison-Trujillo-Townsend	CN 7464	20.205		06/30/2007	1,605
Westside / McMahon	TPU-7601(07)	20.205	04/22/1997	06/30/2005	381,002
Second Street Right of Way	TPU-TPE-4035(1)	20.205	07/27/1999	06/30/2004	101,903
Coors Widening	TPU-4001(6)01:TPE-4018(1)00	20.205	11/12/1999	06/30/2003	229,871
Downtown Core Area	TPU-CAQ-7601-(10)CN 3422	20.205		06/30/2004	2,270,905
Jefferson/Ellison Intersection	CN 3086	20.205		06/30/2006	19,623
Cicycle Travel Demand Mgmt	CN 7366	20.205		06/30/2006	107,879
Golf Course Irving-County Line	CN 1992	20.205		06/30/2006	572,444
On-Street Bike Lanes	CN 1411	20.205		06/30/2007	729,995

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2002 through June 30, 2003

<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures / Adjustments</u>
			<u>From</u>	<u>To</u>	
<u>New Mexico Highway Department/ Federal Highway Administration, continued</u>					
Concrete Pavement Rehab. Gibson Journal Ctr Trail	TPU-4078-(3)00 CAQ-7701(38)	20.205 20.205	07/12/1994 02/25/2000	Completion 06/30/2004	18,775 4,115
Trail from Rio Grande to 6th/I-40	TPE-040-3(112)157 Contr No. 2951	20.205	04/04/2001	06/30/2005	5,900
ISTEA Bicycle/Pedestrian Safety	CAQ-7701(12) Contr No. 9819	20.205	06/20/1995	Completion	26,600
Ridepool Sharing Program 2003	MOO-00167	20.205	07/01/2002	06/30/2003	620,403
Ridepool Sharing Program 2001	MOA-00/01	20.205	07/01/2000	06/30/2001	4,870
					5,185,717
<u>New Mexico Human Services Department/ U.S. Department of Health & Human Services</u>					
Therapeutic-Medicaid	D 455	84.128	01/01/2002	12/31/2002	12,295
<u>U.S. Department of Justice</u>					
No Suspect Casework DNA Backlog Reduction FY 2001	2002-DN-BX-K008	16.564	07/01/2002	06/30/2003	10,726
Weed and Seed FY2002 Continuation App Kit	2001-WS-QX-0145	16.565	07/01/2001	09/30/2003	110,655
Encourage Arrest Policies	98-WE-VX-0023	16.590	09/01/1998	03/31/2004	67,155
Local Law Enforcement Block Grant	2002-LB-BX-2892	16.592	12/05/2002	12/04/2004	57,775
Local Law Enforcement Block Grant 6	2001-LB-BX-3312	16.592	04/24/2002	04/23/2004	1,123,413
Local Law Enforcement Block Grant 5	00-LB-VX-8742	16.592	05/09/2001	05/08/2003	300,737
Weed and Seed	2001-WS-QX-0145	16.595	07/01/2001	06/30/2002	53,398
COPS	98-UL-WX-0071	16.710	09/01/1998	07/31/2004	1,310,930
					3,034,789
<u>New Mexico Department of Public Safety / U.S. Department of Justice</u>					
NM Gang Task Force	02-MJTF-NMGTF	16.579	07/01/2002	06/30/2003	40,336
<u>New Mexico Department of Children, Youth & Families / U.S. Department of Justice</u>					
Juvenile Accountability Incentive Block Grant	02-690-7051	16.501	10/01/2001	03/31/2003	22,244
2000 JJDP - FORMULA GRANT	03-690-7000-7097	16.501	10/01/2002	09/30/2003	51,055
2000 JJDP - TITLE V	02-690-7079	16.501	10/01/2001	09/30/2002	30,823
					104,122
<u>New Mexico Department of Children Youth & Families / U.S. Department of Agriculture</u>					
Summer Food Service Program for Child	3037	10.559	10/1/2002	9/30/2003	513,921
<u>U.S. Department of Education</u>					
Community Technology Centers Program	V341A010766	84.341	10/01/2001	09/15/2003	70,533

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2002 through June 30, 2003

<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures / Adjustments</u>
			<u>From</u>	<u>To</u>	
<u>State of New Mexico Economic</u>					
<u>Development Department / U.S. Department</u>					
<u>of Housing and Urban Development</u>					
Empowerment Zones/ Enterprise Community	41996-064	14.244	07/01/1995	12/31/2004	<u>5,336</u>
<u>U.S. Department of the Interior</u>					
Alb. Metro Area Water Reclamation Brownsfield Redevelopment Program	99-FC-40-1050 BP986351-01-2	15.504 66.811	06/18/1999 10/01/2002	12/31/2001 09/30/2004	747,211 <u>18,012</u> <u>765,223</u>
<u>New Mexico Office of Cultural Affairs/</u>					
<u>U.S. Department of the Interior</u>					
Historical Preservation Grant	35-00.16431.13	15.904	03/02/2002	08/31/2002	<u>9,636</u>
<u>New Mexico Highway Department/</u>					
<u>National Highway Safety</u>					
Underage Drinking Enforcement	02-AL-UA-002	20.600	10/01/2001	09/30/2002	<u>22,971</u>
<u>U.S. Department of Housing and Urban</u>					
<u>Development</u>					
Emergency Shelter Grant Program	S-02-MC-35-5001	14.231	07/01/2002	06/30/2003	187,000
Community Develop. Block Grant 2003	B-03-MC-35-0001	14.218	01/01/2003	Completion	1,796,847
Community Develop. Block Grant 2002	B-02-MC-35-0001	14.218	01/01/2002	Completion	2,032,604
Community Develop. Block Grant 2001	B-01-MC-35-0001	14.218	01/01/2001	Completion	291,361
Community Develop. Block Grant 2000	B-00-MC-35-0001	14.218	01/01/2000	Completion	415,340
Home	M-02-MC-35-0209	14.239	07/01/2003	06/30/2004	772,784
Home	M-01-MC-35-0209	14.239	01/01/2001	Completion	639,218
Home	M-01-MC-35-0209	14.239	01/01/2001	Completion	179,467
Supportive Housing Program	NM02B100006	14.238	04/23/2002	04/22/2003	57,650
Supportive Housing Program	NM02B200008	14.238	04/23/2003	04/22/2004	37,078
Supportive Housing Program	NM02B200013	14.238	04/23/2003	04/22/2004	206,468
Supportive Housing Program	NM02B200008	14.235	04/23/2003	04/22/2004	30,004
Supportive Housing Program	NM02B200013	14.235	04/23/2003	04/22/2004	76,379
Supportive Housing Program	NM02B100006	14.235	04/23/2002	04/22/2003	127,740
Supportive Housing Program	NM02B100005	14.235	04/23/2002	04/22/2003	317,492
Supportive Housing Program	NM02B100005	14.235	04/23/2002	04/22/2003	474,496
Shelter Plus Care	NM02C200018	14.238	02/02/2003	02/01/2004	129,201
Shelter Plus Care	NM02C200017	14.238	02/02/2003	02/01/2004	30,173
Shelter Plus Care	NM02C200018	14.238	02/02/2003	02/01/2004	198,527
Shelter Plus Care	NM02C200017	14.238	02/02/2003	02/01/2004	7,277
Shelter Plus Care	NM02C100012	14.238	02/01/2002	01/31/2003	57,948
Shelter Plus Care	NM02C100011	14.238	02/01/2002	01/31/2003	533,631
Shelter Plus Care	NM-02C000004	14.238	05/01/2001	04/30/2002	290,328
Shelter Plus Care	NM-02C000005	14.238	05/01/2001	04/30/2002	56,266
Low Rent Housing Program	NM-1-4,5,10-21,23-25,30	14.850	07/01/2001	06/30/2002	1,447,103
Drug Elimination Program	NM02DEP00110196,97,98	14.854	07/01/2001	06/30/2002	<u>101,056</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2002 through June 30, 2003

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Housing and Urban</u>					
<u>Development, continued</u>					
Public Housing Capital Fund Program	NM02P00150100,101,102	14.872	07/01/2001	06/30/2002	1,572,555
Section 8 - Moderate Rehabilitation	NM001MR-0002,0003,0004	14.856	07/01/2001	06/30/2002	74,012
Section 8 - Rental Voucher	NM001-VO-0007-0020	14.855	07/01/2001	06/30/2002	21,025,907
					<u>33,165,912</u>
<u>Federal Aviation Administration</u>					
Update Airport Master Plan	3-35-0002-07	20.106	01/26/2001	Completion	45,136
Albuquerque Master Plan	3-35-0003-18	20.106	05/05/1995	Completion	242,948
					<u>288,084</u>
<u>U.S. Department of Labor</u>					
Welfare to Work FY 98/99	ABC/SDA	17.253	09/11/1998	09/30/2002	<u>451,528</u>
<u>U.S. Federal Emergency Management Agency</u>					
Bosque Fire Restoration	NM-N65294	97.046	06/24/2003	07/06/2003	<u>231,797</u>
<u>Federal Transportation Administration</u>					
Fuels Initiative Program	NM-03-X011	20.505	09/30/1991	Completion	79,101
Operating Assistance FY94 / Capital Items	NM-90-X041	20.507	07/01/1993	Completion	242,021
Operating Assistance FY95	NM-90-X044	20.507	07/01/1994	Completion	23,867
Operating Assistance FY96	NM-90-X045	20.507	07/01/1995	Completion	(551,344)
Operating Assistance FY97	NM-90-X049	20.507	07/01/1996	Completion	109,770
Capital Bus. Planning	NM-90-X051	20.507	09/17/1998	Completion	2,358,410
Bus Replacement	NM-90-X054	20.507	09/01/2000	Completion	298,839
Bus Replacement	NM-90-X057	20.507	06/01/2000	Completion	1,004
Bus-Facilities Construction and Improvements	NM-90-X060	20.507	07/01/2001	12/31/2002	449,580
Bus Replacement	NM-90-X065	20.507	03/01/2002	Completion	523,213
Job Access & Reverse Commute	NM-37-X001	20.507	07/29/1999	Completion	985
Job Access	NM-37-X004	20.507	10/01/2001	Completion	165,273
Bus-Support Equipment & Facilities	NM-03-0020	20.507	12/01/1997	Completion	93,327
Bus-Support Equipment & Facilities	NM-03-0025	20.507	12/02/1997	Completion	830,027
Bus-Purchase and Facilities Construction	NM-03-0027	20.507	09/01/2000	12/31/2002	2,729,572
Bus-Purchase and Facilities Construction, SOLAR	NM-03-0029	20.507	07/01/2001	Completion	484,287
Bus-Purchase and Facilities Construction	NM-03-0033	20.507	03/01/2002	Completion	109,654
					<u>7,947,586</u>
<u>U.S. Department of the Treasury/</u>					
<u>Bureau of Alcohol, Tobacco and Firearms</u>					
GREAT FY 02	95699006/ATC020006	21.052	01/16/2002	07/31/2003	42,002
GREAT FY 01	95699006/ATC010006	21.052	01/16/2001	01/15/2002	1
					<u>42,003</u>
TOTAL					<u>\$ 62,207,096</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE A SIGNIFICANT ACCOUNTING POLICY

The accompanying schedule of federal awards is prepared on the accrual basis of accounting.

NOTE B SUBRECIPIENTS OF GRANT AWARDS

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Health and Human Services			
Early Head Start Program			
Altimira Specialists	06YC0522/04	93.600	\$ 5,390
Springstone	06YC0522/04	93.600	10,800
UNM School of Medicine	06YC0522/04	93.600	40,684
Young Women Christian Assoc.	06YC0522/04	93.600	1,894
Youth Development Inc.	06YC0522/04	93.600	33,031
			<u>91,799</u>
Expand Residential Treatment			
UNM/ISR	1 H79-T112852-01	93.230	<u>1,589</u>
Enhancement Services			
Center for Progressive Policy and Practice	1 H79 T112750-01	93.230	1,050
E. Padilla	1 H79 T112750-01	93.230	10,073
AMCI	1 H79 T112750-01	93.230	14,073
UNM/ISR	1 H79 T112750-01	93.230	19,044
			<u>44,240</u>
Enhancement Services-Year Two			
Center for Progressive Policy and Practices	5 H79 T112750-02	93.230	6,538
E. Padilla; AMCI	5 H79 T112750-02	93.230	85,343
UNM/ISR	5 H79 T112750-02	93.230	7,807
			<u>99,688</u>
Expand Adolescent Treatment Year Two			
Center for Prog Policy & Practice	6 H79 T112344-02-1	93.230	5,512
Cadence	6 H79 T112344-02-1	93.230	24,800
SolutionsSub	6 H79 T112344-02-1	93.230	788
Kesselman-Jones	6 H79 T112344-02-1	93.230	3,500
AMCI	6 H79 T112344-02-1	93.230	61,001
Data Wizards	6 H79 T112344-02-1	93.230	1,852
Sheryl Phillips	6 H79 T112344-02-1	93.230	4,659
Albuquerque family and Child Guidance	6 H79 T112344-02-1	93.230	36,930
CASAA	6 H79 T112344-02-1	93.230	2,913
UNM/ISR	6 H79 T112344-02-1	93.230	21,205
			<u>163,160</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Health and Human Services, continued			
Expand Adolescent Treatment Year Three			
Center for Progressive Policy and Practice	6 H79 T112344-03-1	93.230	5,250
Kesselman-Jones	6 H79 T112344-03-1	93.230	7,009
AMCI	6 H79 T112344-03-1	93.230	92,217
Albuquerque Family and Child Care Guidance Cen	6 H79 T112344-03-1	93.230	104,952
Sheryl Phillips	6 H79 T112344-03-1	93.230	6,826
UNM/ISR	6 H79 T112344-03-1	93.230	28,549
			<u>244,803</u>
TOTAL PROGRAM		93.230	<u>553,480</u>
New Mexico Office on Aging			
2003 Older American Program			
Presbyterian Home Healthcare	2003-01	93.051	13,867
Professional Home Health Care	2003-01	93.051	2,940
Premier Home Health Care	2003-01	93.051	4,612
			<u>21,419</u>
New Mexico Office on Aging			
2002 Health Insurance and Benefits Assistance (HIBAC)			
	2003-116	93.779	<u>70,000</u>
New Mexico Office on Aging			
2003 Older American Program			
Senior Citizens Law Office	2003-01	93.044	118,000
University of New Mexico	2003-01	93.044	30,834
University of New Mexico	2003-01	93.044	93,156
Share Your Care	2003-01	93.044	37,000
Share Your Care	2003-01	93.044	31,500
Cornucopia	2003-01	93.044	49,705
Cornucopia	2003-01	93.044	3,116
Sheryl Phillips	2003-01	93.044	7,637
Presbyterian Home Healthcare	2003-01	93.044	2,480
Presbyterian Home Healthcare	2003-01	93.044	23,869
Heritage Home Health Care	2003-01	93.044	1,138
Premier Home Health Care	2003-01	93.044	1,659
			<u>400,094</u>
New Mexico Office on Aging			
2002 Older American Program			
University of New Mexico	2002-01	93.044	14,488
TOTAL PROGRAM		93.044	<u>414,582</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Justice			
FFY 2000 Local Law Enforcement Block Grant			
District Attorney's Office	2000-LB-BX-1585	16.592	4,769
Resources Inc.	2000-LB-BX-1585	16.592	32,801
Metropolitan Court	2000-LB-BX-1585	16.592	2,903
			<u>40,473</u>
FFY 2001 Local Law Enforcement Block Grant			
Metropolitan Court	2001-LB-BX-3312	16.592	6,108
TOTAL PROGRAM		16.592	<u>46,581</u>
Encourage Arrest Policies			
The Arc of New Mexico	98WEVX0023	16.590	12,563
Morningstar	98WEVX0023	16.590	8,169
District Attorney's Office	98WEVX0023	16.590	16,888
Resources, Inc.	98WEVX0023	16.590	28,053
			<u>65,673</u>
2000 JJDP Formula Grant			
Nancy Sanchez	00-JP-FX-0035	16.501	22,896
East Central Community Development Corp.	00-JP-FX-0035	16.501	20,536
			<u>43,432</u>
2000 JJDP - Title V			
Nancy Sanchez	00-JP-FX-0035	16.501	9,000
East Central Community Development Corp.	00-JP-FX-0035	16.501	11,159
Amer-Link	00-JP-FX-0035	16.501	998
			<u>21,157</u>
TOTAL PROGRAM		16.501	<u>64,589</u>
Weed and Seed			
Patricia Holmes	2001-WS-QX0145	16.595	8,770
APD, Memorandum of Understanding	2001-WS-QX0145	16.595	18,884
NM Advocates for Children and Families	2001-WS-QX0145	16.595	10,915
Catholic Charities of New Mexico	2001-WS-QX0145	16.595	5,279
Patrica Holmes	2001-WS-QX0145	16.595	20,113
Ameri-Link Translations	2001-WS-QX0145	16.595	1,875
Albuq. Police Dept.	2001-WS-QX0145	16.595	28,437
Second Judicial District Attorney	2001-WS-QX0145	16.595	9,000
			<u>103,273</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Housing and Urban Development			
Emergency Shelter Grant Program			
Rescue Mission	S-01-MC-35-5002	14.231	<u>8,168</u>
Empowerment Zone Enterprise Communities			
Rio Grande Community Development Corp	41996-064	14.244	<u>5,136</u>
Community Development Block Grant			
2003 calendar year grants			
AHCH/Residential Recovery	B-03-MC-35-0001	14.218	68,147
Morning Star House Inc.	B-03-MC-35-0001	14.218	15,645
Civil/Criminal Nuisance Abatement Program	B-03-MC-35-0001	14.218	31,833
Landlord Tenant Public Interest Education Fund	B-03-MC-35-0001	14.218	20,035
Greater Albuquerque Housing Partnership	B-03-MC-35-0001	14.218	90,441
Sawmill Housing Development	B-03-MC-35-0001	14.218	78,174
Mid Rio Grande American Red Cross	B-03-MC-35-0001	14.218	334,586
City Housing Rehab Administration	B-03-MC-35-0001	14.218	295,129
Housing Retrofit for Disabled	B-03-MC-35-0001	14.218	81,931
Southwest Creations Coll	B-03-MC-35-0001	14.218	12,608
Womens Community Association	B-03-MC-35-0001	14.218	64,794
AHCH/Dental Program	B-03-MC-35-0001	14.218	64,200
AHCH/Motel Voucher Program	B-03-MC-35-0001	14.218	18,800
USBC/South Broadway	B-03-MC-35-0001	14.218	66,479
Albuquerque Rape Crisis Center	B-03-MC-35-0001	14.218	55,700
All Faiths Children Crisis	B-03-MC-35-0001	14.218	47,450
Barrett House/Shelter Program	B-03-MC-35-0001	14.218	11,750
Barrett House/Casa Milagro	B-03-MC-35-0001	14.218	11,750
Cuidando los Ninos	B-03-MC-35-0001	14.218	9,400
Community Dental	B-03-MC-35-0001	14.218	119,850
Young Children Health/Case Management	B-03-MC-35-0001	14.218	27,152
Young Children Health/Health Center	B-03-MC-35-0001	14.218	<u>56,829</u>
			<u>1,582,683</u>
Community Development Block Grant			
2002 calendar year grants			
Landlord Tenant Public Interest Education Fund	B-02-MC-35-0001	14.218	25,145
Greater Albuquerque Housing Partnership	B-02-MC-35-0001	14.218	76,884
Sawmill Housing Development	B-02-MC-35-0001	14.218	55,887
Mid Rio Grande American Red Cross	B-02-MC-35-0001	14.218	230,472
City Housing Rehab Administration	B-02-MC-35-0001	14.218	287,668
Housing Retrofit for Disabled	B-02-MC-35-0001	14.218	68,224
Neighborhood Housing Services	B-02-MC-35-0001	14.218	6,288
Neighborhood Housing Services	B-02-MC-35-0001	14.218	173,599
Southwest Creations Coll	B-02-MC-35-0001	14.218	8,960
Womens Community Association	B-02-MC-35-0001	14.218	(4,108)
AHCH/Dental Program	B-02-MC-35-0001	14.218	<u>(14,264)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Housing and Urban Development, continued			
Community Development Block Grant, continued			
2002 calendar year grants, continued			
AHCH/Motel Voucher Program	B-02-MC-35-0001	14.218	(3,402)
USBC/South Broadway	B-02-MC-35-0001	14.218	86,347
Young Children Health/Case Management	B-02-MC-35-0001	14.218	21,995
Young Children Health/Health Center	B-02-MC-35-0001	14.218	32,394
			<u>1,052,089</u>
TOTAL PROGRAM		14.218	<u>2,634,772</u>
Supportive Housing			
Cuidando Los Ninos Day Care	NM02B200008	14.235	37,078
Cuidando Los Ninos Day Care	NM02B100006	14.235	57,650
Cuidando Los Ninos Day Care	NM02B100006	14.235	114,524
Catholic Charities of Central New Mexico	NM02B200013	14.235	33,767
Catholic Charities of Central New Mexico	NM02B100005	14.235	41,394
Catholic Charities of Central New Mexico	NM02B100005	14.235	83,733
Women's Community Association	NM02B200013	14.235	17,496
Women's Community Association	NM02B100005	14.235	27,454
Women's Community Association	NM02B100005	14.235	86,321
St. Martin's Hospitality Center	NM02B200013	14.235	29,742
St. Martin's Hospitality Center	NM02B100005	14.235	34,533
St. Martin's Hospitality Center	NM02B100005	14.235	85,228
Barrett Foundation	NM02B200013	14.235	8,587
Barrett Foundation	NM02B100005	14.235	13,639
Barrett Foundation	NM02B100005	14.235	35,780
			<u>706,926</u>
Transitional Living Services	NM02C20-0017	14.238	36,256
Transitional Living Services	NM02C100012	14.238	30,035
Albuquerque Healthcare for the Homeless	NM02C20-0018	14.238	104,905
Albuquerque Healthcare for the Homeless	NM02C100011	14.238	123,301
St. Martin's Hospitality Center	NM02C20-0018	14.238	210,912
St. Martin's Hospitality Center	NM02C100011	14.238	234,850
			<u>740,259</u>
Home			
Greater Albuquerque Housing Partnership	M-01-MC-35-0209	14.239	314,447
Greater Albuquerque Housing Partnership	M-01-MC-35-0209	14.239	104,932
Neighborhood Housing Services	M-01-MC-35-0209	14.239	50,020
Greater Albuquerque Housing Partnership	M-01-MC-35-0209	14.239	115,737
Catholic Charities of Central New Mexico	M-01-MC-35-0209	14.239	2,091
			<u>587,227</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2003

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
State of New Mexico Department of Children, Youth and Families			
Juvenile Accountability Incentive Block Grant			
New Mexico Conference of Churches	02-690-7051	16.501	7,563
Steve Wilson	01-690-7185	16.501	990
Denise Decker	02-690-7051	16.501	<u>2,007</u>
			<u>10,560</u>
State of New Mexico Department of Labor			
Welfare to Work			
Denise Decker	02-690-7051	16.501	5,383
Bernalillo County Sheriff's Department	02-690-7051	16.501	<u>21,994</u>
			<u>27,377</u>
TOTAL PROGRAM		16.501	<u>37,937</u>
TOTAL ALL PROGRAMS			<u>\$ 6,151,821</u>

NOTE C NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City discloses non-cash assistance, loans, and loan guarantees. The City considers the non-cash assistance amount to be immaterial and will fully disclose amounts in subsequent years. The reported amount includes new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements. Accordingly, the total expenditures per the Schedule of Expenditures of Federal Awards is adjusted as follows:

Total expenditures per Schedule of Expenditures of Federal Awards		\$ 62,207,096
Prior year loans:		
Home program	14.239	2,809,450
Community Development Block Grant	14.218	<u>614,609</u>
Adjusted total expenditures per Schedule of Expenditures of Federal Awards		\$ <u>65,631,155</u>

**CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2003**

	<u>Expenditures</u>		
	<u>Federal</u>	<u>Non-Federal</u>	<u>Total</u>
General Fund	\$ 231,797	\$ 274,567,490	\$ 274,799,287
Special Revenue Funds:			
Community Development	4,536,152	1,238,516	5,774,668
Operating Grants Fund	15,479,400	12,545,055	28,024,455
Metropolitan Redevelopment Fund	<u>723,229</u>	<u>1,397,696</u>	<u>2,120,925</u>
Total Special Revenue Fund	<u>20,738,781</u>	<u>15,181,267</u>	<u>35,920,048</u>
Capital Projects Funds:			
Capital Acquisition Fund	4,533,844	91,758,828	96,292,672
Quality Of Life Fund	<u>-</u>	<u>1,267,848</u>	<u>1,267,848</u>
Total Capital Projects Fund	<u>4,533,844</u>	<u>93,026,676</u>	<u>97,560,520</u>
Enterprise Funds:			
Airport Fund	288,127	60,354,912	60,643,039
Joint Water And Sewer Fund	3,944,539	105,933,607	109,878,146
Transit Fund	8,249,375	22,898,531	31,147,906
Housing Authority Fund	<u>24,220,633</u>	<u>1,575,934</u>	<u>25,796,567</u>
Total Enterprise Funds	<u>36,702,674</u>	<u>190,762,984</u>	<u>227,465,658</u>
TOTAL	<u>\$ 62,207,096</u>	<u>\$ 573,538,417</u>	<u>\$ 635,745,513</u>



CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2003

<u>FDS</u> <u>Line Item</u> <u>No.</u>	<u>Low Rent</u> <u>Public Housing</u>	<u>Public and</u> <u>Indian Housing</u> <u>Drug</u> <u>Elimination</u>	<u>Section 8</u> <u>Housing Choice</u> <u>Vouchers</u>
ASSETS			
Current assets:			
111.0	\$ 8,743,359	\$ -	\$ 3,108,780
Accounts Receivable:			
121.0	-	-	42,728
122.0	13,148	4,012	-
125.0	39,168	-	212,951
126.0	179,574	-	-
Allowance for Doubtful Accounts:			
126.1	(18,166)	-	-
126.2	-	-	(28,590)
132.0	104,290	-	283,196
142.0	-	-	-
143.0	179,014	-	-
143.1	(8,951)	-	-
144.0	1,834,158	-	-
150.0	<u>11,065,594</u>	<u>4,012</u>	<u>3,619,065</u>
Property and equipment:			
161.0	3,767,389	-	-
162.0	47,721,432	-	-
163.0	197,108	-	-
164.0	-	-	-
166.0	(35,199,948)	-	56,203
167.0	-	-	(33,900)
160.0	<u>16,485,981</u>	<u>-</u>	<u>22,303</u>
190.0	<u>\$ 27,551,575</u>	<u>\$ 4,012</u>	<u>\$ 3,641,368</u>

<u>Section 8 Moderate Rehabilitation NM001MR0002</u>	<u>Section 8 Moderate Rehabilitation NM001MR0003</u>	<u>N/C S/R Section 8 Programs</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ 31,547	\$ 31,547	\$ 54,312	\$ -	\$ 11,969,545
-	-	-	-	42,728
-	-	13,038	218,283	248,481
-	836	-	-	252,955
-	-	-	-	179,574
-	-	-	-	(18,166)
-	(202)	-	-	(28,792)
-	-	-	-	387,486
-	-	-	5,481	5,481
-	-	-	-	179,014
-	-	-	-	(8,951)
<u>31,547</u>	<u>13,184</u>	<u>-</u>	<u>38,144</u>	<u>1,885,486</u>
<u>31,547</u>	<u>45,365</u>	<u>67,350</u>	<u>261,908</u>	<u>15,094,841</u>
-	-	-	-	3,767,389
-	-	-	-	47,721,432
-	-	-	-	197,108
-	-	46,107	96,869	199,179
-	-	(45,604)	(35,419)	(35,314,871)
-	-	-	<u>2,167,586</u>	<u>2,167,586</u>
-	-	<u>503</u>	<u>2,229,036</u>	<u>18,737,823</u>
<u>\$ 31,547</u>	<u>\$ 45,365</u>	<u>\$ 67,853</u>	<u>\$ 2,490,944</u>	<u>\$ 33,832,664</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2003

<u>FDS</u> <u>Line Item</u> <u>No.</u>	<u>Low Rent</u> <u>Public Housing</u>	<u>Public and</u> <u>Indian Housing</u> <u>Drug</u> <u>Elimination</u>	<u>Section 8</u> <u>Housing Choice</u> <u>Vouchers</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current liabilities:			
311.0	\$ -	\$ -	\$ -
312.0	697,425	4,012	-
321.0	1,064,250	-	-
322.0	64,690	-	71,983
331.0	76,277	-	481,651
341.0	148,348	-	-
345.0	146,784	-	106,475
346.0	-	-	26,191
347.0	1,466,332	-	1,270,037
310.0	<u>3,664,106</u>	<u>4,012</u>	<u>1,956,337</u>
350.0	-	-	276,763
300.0	<u>3,664,106</u>	<u>4,012</u>	<u>2,233,100</u>
Fund Equity:			
508.1	16,485,981	-	22,303
512.1	7,401,488	-	1,385,965
513.0	<u>23,887,469</u>	<u>-</u>	<u>1,408,268</u>
600.0	<u>\$ 27,551,575</u>	<u>\$ 4,012</u>	<u>\$ 3,641,368</u>

<u>Section 8 Moderate Rehabilitation NM001MR0002</u>	<u>Section 8 Moderate Rehabilitation NM001MR0003</u>	<u>N/C S/R Section 8 Programs</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 38,144	\$ 38,144
-	-	-	218,283	919,720
-	-	-	-	1,064,250
130	130	225	5,481	142,639
3,970	7,590	-	-	569,488
-	-	-	-	148,348
418	-	-	-	253,677
-	59	-	-	26,250
<u>21,204</u>	<u>25,705</u>	<u>54,584</u>	<u>-</u>	<u>2,837,862</u>
<u>25,722</u>	<u>33,484</u>	<u>54,809</u>	<u>261,908</u>	<u>6,000,378</u>
-	-	-	-	276,763
<u>25,722</u>	<u>33,484</u>	<u>54,809</u>	<u>261,908</u>	<u>6,277,141</u>
-	-	503	2,229,036	18,737,823
<u>5,825</u>	<u>11,881</u>	<u>12,541</u>	<u>-</u>	<u>8,817,700</u>
<u>5,825</u>	<u>11,881</u>	<u>13,044</u>	<u>2,229,036</u>	<u>27,555,523</u>
<u>\$ 31,547</u>	<u>\$ 45,365</u>	<u>\$ 67,853</u>	<u>\$ 2,490,944</u>	<u>\$ 33,832,664</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2003

FDS Line Item No.	Low Rent Public Housing	Public and Indian Housing Drug Elimination	Section 8 Housing Choice Vouchers
Operating revenues:			
703.0	Net Tenant Rental Revenue	\$ 1,559,127	\$ -
706.0	HUD PHA Grants	1,447,103	-
706.1	Capital Grants	166,043	21,574,792
711.0	Investment Income - Unrestricted	173,391	-
714.0	Fraud Recovery	-	14,555
715.0	Other Revenue	57,579	40,304
716.0	Gain/Loss on Sale of Fixed Assets	849	40,334
720.0	Investment Income - Restricted	2,018	-
700.0	Total operating revenues	<u>3,406,110</u>	<u>21,676,420</u>
Operating expenses:			
911.0	Administrative Salaries	107,446	-
912.0	Auditing Fees	8,750	1,003,586
913.0	Outside Management Fees	-	8,691
914.0	Compensated Absences	9,307	-
915.0	Employee Benefit Contributions - Administrative	29,986	(40,000)
916.0	Other Operating - Administrative	84,568	379,013
921.0	Tenant Services - Salaries	325,777	568,076
923.0	Employee Benefit Contributions - Tenant Services	123,331	-
924.0	Tenant Services - Other	18,648	-
931.0	Water	278,087	53,816
932.0	Electricity	184,290	-
933.0	Gas	87,664	-
938.0	Other Utilities Expense	139,229	-
Ordinary Maintenance and Operations:			
941.0	Labor	400,413	-
942.0	Materials and Other	128,504	-
943.0	Contract Costs	466,908	-
945.0	Employee Benefit Contributions	152,764	-
952.0	Protective Services - Other Contract Costs	-	-
961.0	Insurance Premiums	30,929	47,240
962.0	Other General Expenses	217	100,862
964.0	Bad Debt - Tenant Rents	18,227	32,469
966.0	Bad Debt - Other	-	-
969.0	Total operating expenses	<u>2,595,045</u>	<u>29,324</u>
970.0	Excess operating revenues over operating expenses	<u>811,065</u>	<u>2,082,021</u>
Non operating expenses:			
973.0	Housing Assistance Payments	-	-
974.0	Depreciation Expense	1,691,726	19,032,275
	Total non operating expenses:	<u>1,691,726</u>	<u>5,721</u>
900.0	Total Expenses	<u>4,286,771</u>	<u>19,037,996</u>
1000.0	Excess (Deficiency) of Operating Revenues Over (Under) Expenses	<u>\$ (880,661)</u>	<u>\$ 556,403</u>

<u>Section 8 Moderate Rehabilitation NM001MR0002</u>	<u>Section 8 Moderate Rehabilitation NM001MR0003</u>	<u>N/C S/R Section 8 Programs</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,559,127
24,604	21,692	29,253	366,089	23,564,589
-	-	-	1,206,004	1,372,047
29	29	44	-	188,048
-	138	-	-	40,442
-	138	-	-	98,051
-	-	-	-	849
-	-	-	-	8,453
<u>24,633</u>	<u>21,997</u>	<u>29,297</u>	<u>1,572,093</u>	<u>26,831,606</u>
1,957	1,957	2,935	103,719	1,221,600
16	16	27	-	17,500
-	-	-	3,520	3,520
130	130	225	-	(30,208)
718	718	1,077	34,684	446,196
791	791	1,810	190,622	846,658
-	-	-	-	325,777
-	-	-	-	123,331
-	-	-	33,544	106,008
-	-	-	-	278,087
-	-	-	-	184,290
-	-	-	-	87,664
-	-	-	-	139,229
-	-	-	-	400,413
-	-	-	-	128,504
-	-	-	-	466,908
-	-	-	-	152,764
-	-	-	-	47,240
143	143	246	-	132,323
-	-	-	-	32,686
-	-	-	-	18,227
<u>58</u>	<u>176</u>	<u>86</u>	<u>-</u>	<u>29,644</u>
<u>3,813</u>	<u>3,931</u>	<u>6,406</u>	<u>366,089</u>	<u>5,158,361</u>
<u>20,820</u>	<u>18,066</u>	<u>22,891</u>	<u>1,206,004</u>	<u>21,673,245</u>
20,340	17,953	21,947	-	19,092,515
-	-	502	19,159	1,717,108
<u>20,340</u>	<u>17,953</u>	<u>22,449</u>	<u>19,159</u>	<u>20,809,623</u>
<u>24,153</u>	<u>21,884</u>	<u>28,855</u>	<u>385,248</u>	<u>25,967,984</u>
<u>\$ 480</u>	<u>\$ 113</u>	<u>\$ 442</u>	<u>\$ 1,186,845</u>	<u>\$ 863,622</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2003

<u>FDS</u> <u>Line Item</u> <u>No.</u>		<u>Low Rent</u> <u>Public Housing</u>	<u>Public and</u> <u>Indian Housing</u> <u>Drug</u> <u>Elimination</u>	<u>Section 8</u> <u>Housing Choice</u> <u>Vouchers</u>
1102.0	Debt Principal Payments - Enterprise Funds	-	-	-
1103.0	Beginning Equity	23,695,550	-	942,906
1104.0	Prior Period Adjustments, Equity Transfers and Correction of Errors	1,072,580	-	(91,041)
1113.0	Maximum Annual Contributions Commitment (Per ACC)	-	-	6,689,371
1114.0	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	14,070,618
1115.0	Contingency Reserve, ACC Program Reserve	-	-	4,517,082
1116.0	Total Annual Contributions Available	-	-	25,277,071
1120.0	Unit Months Available	11,436	-	46,764
1121.0	Number of Unit Months Leased	11,122	-	46,764

<u>Section 8 Moderate Rehabilitation NM001MR0002</u>	<u>Section 8 Moderate Rehabilitation NM001MR0003</u>	<u>N/C S/R Section 8 Programs</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
-	-	-	-	-
5,698	12,124	12,948	1,042,191	25,711,417
(353)	(356)	(346)	-	980,484
24,280	22,155	19,740	-	6,755,546
-	-	-	-	14,070,618
675,797	133,242	186,616	-	5,512,737
700,077	155,397	206,356	-	26,338,901
84	84	144	-	58,512
77	70	132	-	58,165

NEFF + RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS
6100 UPTOWN BLVD. NE SUITE 400
ALBUQUERQUE, NM 87110

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

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the City of Albuquerque, New Mexico (City) as of and for the year ended June 30, 2003, and have issued our report thereon dated November 7, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required to be reported under *Government Auditing Standards*. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-11, 01-17, 02-21, 03-01, 03-02, 03-04, and 03-06.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-09, 01-11, 01-17, 01-18, 02-21, 02-26, 03-01 to 03-08.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management, the City, the State Auditor and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Neff + Ricci LLP

Albuquerque, New Mexico
November 7, 2003

NEFF & RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS
6100 UPTOWN BLVD. NE SUITE #400
ALBUQUERQUE, NM 87110

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

Compliance

We have audited the compliance of the City of Albuquerque, New Mexico (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2003. The City's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 City'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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed instances of

The Honorable Martin Chavez, Mayor and
Members of City Council and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor
Santa Fe, New Mexico

noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 01-18, 03-07, 03-08.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect City's ability to administer a major Federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-18, 03-07, 03-08.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the City, management, the State Auditor, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Neff + Ricci LLP

Albuquerque, New Mexico
November 7, 2003

**CITY OF ALBUQUERQUE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2003**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Albuquerque (City).
2. 11 reportable conditions were disclosed during the audit. The reportable conditions are as shown in Part B.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. 3 reportable conditions were noted during the audit of the major federal award programs of the City and none are considered to be material weaknesses. These reportable conditions are listed in Part C.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs are reported in Part C of the Schedule.
7. The programs tested as major programs include:

	CFDA No.
South Valley Wastewater Facility Construction	66.606
Section 8 Rental Voucher	14.855
Public Housing Capital Fund Program	14.872
Water Reclamation and Reuse Program	15.504
8. The dollar threshold for Type A programs of the City is \$1,866,213
9. The City was determined to be a low risk auditee.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

01-09 Disaster Recovery Plan

Condition. The DFAS Information Services (IT) Division needs to complete the disaster recovery plan.

Criteria. To ensure a successful recovery of computer operations and general business operations in the event of a disaster, a comprehensive site with an equipment contingency plan and a written disaster recovery plan which encompasses data, hardware, telecommunications, business processes, insurance and vendor notifications should be developed and then tested.

Cause. The City has not completed the process of developing and testing a comprehensive disaster recovery plan.

Effect. The City could incur substantial losses in both time and money restoring operations to the predisaster level.

Recommendation. The City needs to complete the process of developing offsite locations capable of supporting the City in the event of a disaster and to build and document a comprehensive business recovery plan that includes each IT and key business area, and then test the disaster recovery procedures using the plan. We also recommend that the individual in charge of developing and testing the disaster recovery plan be involved in reporting the status of the plan to the Information Systems Committee biannually.

Management Response. ISD hired RESPEC, Inc. to complete in three phases a disaster recovery plan for major computer systems. They completed phases one and two and expect to finish the final phase by June 2004 with the completion of the disaster recovery site at Pino Yards. This completion is contingent upon Public Works Department signing a memorandum of understanding by December 1, 2003 for the use of the space at Pino Yards.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

01-11 Fixed Assets

Condition. The Transit Department provided a list of fixed assets for the year ending June 30, 2003. This list did not agree to the City wide fixed asset system for this particular department. We could not determine which list contained the accurate information.

Criteria. Proper fixed asset management requires that each department account for all fixed asset purchases. This includes supporting all retirements of fixed assets with proper documentation, tracking the location and usage of the fixed assets. Items that are impaired, salvaged, or transferred should be adjusted out of accounts and records. This condition is also referred in 12-6-10 NMSA 1978.

Cause. General ledger accounts are not reconciled to an individual listing of fixed asset in the system.

Effect. Fixed asset balances could be over or understated. Fixed assets could also be listed that are not in use or present in the department. Construction in progress amounts may be capitalized in the funds and not in the fixed asset system.

Recommendation. All of transit's items should be identified and reconciled to the City wide fixed asset system. Fixed assets should be reconciled to the trial balance amounts.

Management Response. We agree with this finding. The accounting division will ensure that assets purchased, via capital acquisition funds, will be entered on the City's capital asset system.

01-17 Budget Overspending

Condition. The budget was overspent, at the program level, in several departments.

Criteria. Per ordinances Section 2-11-12 ROA 1994 "Approval constitutes proposal as budget; expenditures must be authorized", and Section 2-11-16 "Transfer of funds and expenditure authority within budget". This condition is also referred in 6-6-6 NMSA 1978.

Cause. Several programs in various funds were overspent as budget adjustments were not approved prior to spending.

Effect. Overspending of the budget occurred which violates city ordinances.

Recommendation. Overspending of the budget is not to occur. We recommend that all budget adjustments be approved prior to spending and budget to actual reviews be made timely.

Management Response. The City Administration will work with the offending departments to improve budgetary controls over spending.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

02-21 Fixed Asset Inventory

Condition. The City completed an inventory of its buildings for the year ending June 30, 2003; however did not complete an inventory of equipment and other related fixed assets. The City also has a difference between individual fund capital outlay and capitalized fixed assets.

Criteria. As of June 30, 2002, GASB 34 was required to be implemented for the City, which requires that capital assets be reported in the basic financial statements. The inability to properly monitor fixed assets not only results in the inability to produce timely and accurate financial statements, but can also impair the City's ability to safeguard its assets. This condition is also referred in 12-6-10 NMSA 1978.

Effect. It is essential to maintain records to demonstrate accountability for general capital assets acquired in governmental fund types. Due to the required implementation of GASB 34, it is essential that adequate accountability be made of all capital assets. To maintain adequate accountability, the City should conduct periodic physical inventory of capital assets and adjust the records accordingly to comply with GASB 34.

Cause. Unknown.

Recommendation. We recommend that proper resources of funding and personnel be allocated to accomplish this project.

Management Response. We concur with this finding. City departments will be tasked to complete an inventory of assets that are greater than one thousand dollars by June 30, 2005. This inventory will be handled annually in accordance with administrative instructions. Additionally the accounting division will reconcile the differences in the capital acquisition fund and the listing of City wide fixed assets by June 30, 2004.

02-26 Bank Accounts Not Adequately Collateralized

Condition. We noted two bank accounts are improperly uncollateralized by approximately \$6,019,000.

Criteria. If the pledged collateral in an aggregate amount is not equal to one half of the amount of public money in each account (Section 6-10-17 NMSA 1978), there should be a finding in the audit report.

Cause. Unknown

Effect. The City is not maintaining the required collateral.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

02-26 Bank Accounts Not Adequately Collateralized (Cont.)

Recommendation. We recommend that the City obtain the proper collateralization for the bank accounts.

Management Response. Senior Treasury staff will initiate contact with the City's fiscal agent two days prior to the semi-annual transfer of funds for debt service payments and confirm that arrangements have been made to assure adequate collateralization on the day these funds are withheld from the REPO for transfer to Depository Trust Company.

03-01 Expenditure posted incorrectly

Condition. We noted a FY02 travel expenditure that was improperly posted in FY03.

Criteria. Proper and correct timing of all expenditures is required to ensure that expenditures are posted in the correct period. This condition is also referred in 6-6-3 NMSA 1978.

Cause. Unknown

Effect. This type of improper accounting results in overestimated expenditures and could result in budget overruns. If expenditures are not recorded in the correct year, management is unable to determine the accurate financial position.

Recommendation. We recommend that the City of Albuquerque carefully review expenditures for date of service and expense category to ensure expenditures are properly recorded.

Management Response. This issue has been addressed through the accounting division. All expenditures are to be reviewed at fiscal year-end to ensure that they are reflected in the period in which the expense was incurred. Additionally, the central travel liaison has developed a systematic tracking mechanism to ensure timely payments after the completion of each trip.

03-02 Untimely Posting and Reconciliation of Cash Transactions

Condition. During our review of the Internal Audit follow-up review report (Ref. No. 03-99-111F2), it was noted that the Albuquerque Police Department (APD), Evidence Unit (EU) is not preparing complete transmittals for checks written and deposits made with the bank the day of the actual transactions. As a result, APD Fiscal Division is unable to make the appropriate entries to the general ledger in a timely manner, which makes it difficult to timely reconcile the EU cash journal, the fiscal division's records, and the general ledger to the bank statement.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003

B. FINDINGS-- FINANCIAL STATEMENTS AUDIT

03-02 Untimely Posting and Reconciliation of Cash Transactions (cont.)

Criteria. To ensure timely posting of transactions and accurate reconciliations of cash activity, the EU should prepare its transmittals daily in order to reflect an accurate balance of evidence cash in the general ledger. This will allow the fiscal division to reconcile all recorded cash activity to the bank statement and the general ledger and prompt immediate attention toward questionable or unusual reconciling items. This condition is also referred in 6-6-3 NMSA 1978.

Cause: Unknown

Effect. APD fiscal division is unable to make the appropriate entries to the general ledger in a timely manner. Although the fiscal division does have good controls over cash activity by reconciling their cash records to the general ledger and the bank statement on a monthly basis, the untimely reporting of cash activity could lead to questionable cash transactions. It was also noted during the Internal Audit follow-up review, that the accountant performing the reconciliation discovered that eight fraudulent checks and two fraudulent bankcard transactions were charged to the EU checking account in September 2002. The bank ultimately fully reimbursed the EU in the amount of \$1,173.50 and APD closed the bank account and reopened another account. However, APD did not investigate the fraudulent activity or report it to the internal audit department.

Recommendations. We recommend that all daily cash activity in the EU be promptly and completely submitted to the APD fiscal division for recording into the general ledger. This will help strengthen the EU's control over its cash activity and allow the fiscal division to perform timely cash reconciliations.

Management Response. We concur with this finding. It is the City's policy that all cash is recorded and deposited within 24 hours of receipt. The accounting division will enforce the policy with APD to ensure compliance.

03-03 Transit Parts Inventory: Discrepancy in Final Parts Listing

Condition. During our observation of the Transit Department's parts inventory, our test counts of selected items agreed with the Department's counts and with the final inventory listing provided by the Department. However, after we received the final inventory listing, we received a revised final listing that reflected a discrepancy in quantity for one of the items we test counted.

Criteria. Inventory should be counted accurately and completely during the physical inventory count to ensure proper value and safeguarding of assets.

Cause: Unknown

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

03-03 Transit Parts Inventory: Discrepancy in Final Parts Listing (cont.)

Effect. The inventory count is the most reliable way of ensuring that the quantities reflected on the system are accurate. If the counts were recorded based on the first physical inventory, the value would have been understated.

Recommendation. We recommend that all like-kind inventory items be stored in the same location to obtain an accurate count of the items during the inventory count. There are additional comments for inventory improvements contained in report no. 01-105 issued by the Internal Audit Department on October 10, 2003.

Management Response. We agree with the recommendation, Transit has already implemented this recommendation.

03-04 Expenditures in the Parking Fund

Condition. Expenditures and assets were recorded in the Parking Division that do not appear to be related to the function of the division.

Criteria. The Parking Division's function is to account for the operations of the parking facilities owned by the City. This condition is also referred in 6-6-3 NMSA 1978.

Cause. Proceeds from the Series 2000A bonds were recorded in the Parking Division because the bonds were to be used for three new parking structures and for several unrelated parking activities. The primary driving force behind the use of these bond proceeds was to increase development in the downtown area, and to increase downtown vitality.

Effect. There are assets recorded for the Parking Division that are unrelated and therefore assets are overstated.

Recommendation. We recommend that the City evaluate the unrelated activities and determine what the proper accounting is for these expenditures.

Management Response. The City will record the assets and depreciation in the proper fund.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

03-05 Unapproved Audit Contract

Condition. The City contracted with an independent public accountant (IPA) to perform audit activities within the City without state auditor approval.

Criteria. Section 2.2.2.8 of the 2003 Audit Rule states, "In accordance with Section 12-6-12 the agency and IPA shall not enter into any financial, special audit or any other non-audit service contract without the prior written approval of the State Auditor."

Cause. The departments were contracting directly with IPAs to perform audit activities.

Effect. The City could unknowingly enter into a contract with an IPA who does not have the required waiver to perform State Auditor financial statement audits.

Recommendation. Ensure written approval of the audit contract is obtained from the State Auditor prior to the commencement of all financial statement, special audit or other non-audit service contracts.

Management Response. The City has made all departments aware of the requirements of the State Auditor. All departments have provided the Accounting Division a listing of all IPAs that are performing auditing, accounting or bookkeeping services. The Accounting Division is responsible to ensure that awareness is emphasized as an agenda item in the Financial User Group quarterly meetings.

03-06 Accounts Receivable – Air Quality Division

Condition. The Air Quality Division's accounts receivable ledger had credit balances of over \$11,000. These credit balances have not been investigated, refunded to customers or determined to be proper.

Criteria. Good accounting practice and the City's Administrative Instruction No. 22 relating to accounts receivable require timely handling of accounts receivable at all stages of the process. This condition is also referred in 6-6-3 NMSA 1978.

Cause. After a discussion with the division accountant it was determined that there was improper accounting, training and supervision.

Effect. The City has understated receivables and revenue and needs to reimburse customers for overpayments.

Recommendation. We recommend that the department research each credit balance and follow Administrative Instruction No. 2-2 for each phase of accounts receivable.

Management Response. We concur with this finding. The receivables with a credit balance will be researched and handled in an appropriate fashion by June 30, 2004.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT**

**01-18 Federal Claim
Department of Justice-CFDA#16.710**

Condition. The federal government may assess a claim against the City of Albuquerque to recover federal funds that might have been spent for purposes other than adding personnel.

Criteria. When applying for a grant, the applicant should submit accurate information and once the award has been received, the recipient is required to spend the money as directed in the grant document.

Cause. The Department of Justice, who issued the federal grant to the City, is questioning how the grant money was spent. The City of Albuquerque has reviewed the report from The Department of Justice and disagrees with a large portion of the amount the federal agency is questioning.

Effect. It is possible that the City may be disqualified for future Department of Justice grant awards.

Questioned Costs. The original amount in questioning was \$4,152,447. In response to the federal agency and after a thorough review of the City's records by City personnel, the City has reimbursed The Department of Justice the sum of \$151,636 in the current year and is not anticipating further reimbursement. The City is awaiting final determination from the Department of Justice.

Recommendation. We recommend that the City review information submitted in applications to the Department of Justice and examine procedures for monitoring the COPS grants to ensure that compliance requirements are being adhered to.

Management Response. The City will ensure that APD review any applications for DOJ grant and monitor all expenses and drawdowns against the COPS grant to ensure compliance with the grants scope and the unlimited use of funds as stated on the application.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT**

**03-07 Section 8 Housing Choice Vouchers-Form 9886
CFDA#: 14.871-Department of Housing and Urban Development**

Condition. During our testing of eligibility, we noted that the required HUD Form 9886 was not completed or maintained in our sample of tenant files.

Criteria. HUD requires a federally prescribed general release form for employment information (Form 9886) to be completed and maintained in tenant files.

Cause. Housing Authority does not require this form to be completed by tenants.

Effect. All tenant files appear to lack required HUD information.

Questioned Costs. None

Recommendation. The Housing Authority should ensure that staff is aware of required HUD forms and that these forms are properly completed and maintained in the tenant files.

Management Response. Housing Authority concurs with the finding. Prior to January 2003 Albuquerque Housing Services (AHS) had not required the use of form HUD-9886, Authorization for the Release of Information/Privacy Act Notice as required by federal program regulations.

A memorandum directive to all program technical staff for both the public housing and Section 8 program areas which states effective immediately the use of form HUD-9886 would be required as part of the admissions and annual recertification documentation process. In addition, the Housing Authority has included the requirement of the use of the 9886 form in the Housing Authority's Administrative Plan and the Admissions and Continued Occupancy Policy to be adopted on December 1, 2003.

This will result in a HUD-9886 form to be included in every tenant file as of January 2004.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2003**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT**

03-08 Reporting Federal Grants

Condition. The City has several federal, state, and local grant revenue sources. The City also has many other revenue sources each year. It was determined that there are federal grants that have been received, recorded and expended properly in the general ledger, and not reported properly on the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is used to report federal expenditures to the Federal Clearing House and is required to be tested based on the level of expended funds to determine proper compliance with federal awards.

Criteria. All grant revenue sources need to be identified, properly recorded, and reported (if necessary) to comply with Federal OMB standards and to maintain good accounting practices.

Cause. The revenue is recorded based on the department's identification and recommendation of postings.

Effect. If revenue sources are not properly posted and monitored, all federal sources could be jeopardized for future funding because of improper reporting and compliance requirements.

Recommendation. We recommend that the City develop a plan to accumulate the information and properly record the expenditures in the SEFA.

Management Response. We concur with this recommendation. The Department of Administrative Services is requesting the reinstatement of a centralized position within the Accounting Division. The City will include this in the Fiscal-Year 2005 budget request.

**CITY OF ALBUQUERQUE
STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS
Year Ended June 30, 2003**

REPORTABLE CONDITIONS

00-2	Urban Mass Transit	Resolved
01-7	Travel & Per Diem	Resolved
01-8	Transit-Parking Division	Resolved
01-9	Disaster Recovery Plan	Improved
01-10	Strategic Plan	Resolved
01-11	Fixed Assets	Repeated
01-12	Housing Authority	Resolved
01-17	Budget Overspending	Repeated
01-18	Department of Justice Federal Claims	Improved
02-1	Cash Receipts	Resolved
02-2	Inventory Fleet Management	Resolved
02-3	Padlocks on Transit Fuel Inventories	Resolved
02-4	Pino Yards: Inaccurate Counts	Resolved
02-5	Pino Yards: Items on Hand but not in System	Resolved
02-6	Inaccuracies in Inventory System at Pino Yards	Resolved
02-7	Inventory Fleet Management missing items	Resolved
02-8	Inventory Software-Fleet Management	Resolved
02-9	Payroll- Pay Rate Verification	Resolved
02-10	Payroll- Comp Time	Resolved
02-11	Payroll- Missing Files	Resolved
02-12	Payroll- Timecards	Resolved
02-13	Parking Facility Buildings	Resolved
02-14	Family and Community Service AR Billing	Resolved
02-15	Debt Service Coverage for Golf Bond	Resolved
02-16	Bank Account not Recorded in Risk Fund	Resolved
02-17	Proper Posting of Journal Vouchers-Fire	Resolved
02-18	Proper Recording of General Fund Allocation	Resolved
02-19	Family and Children Services Procurement	Resolved
02-20	Audit Report Due Date	Resolved
02-21	Fixed Asset Inventory	Improved
02-22	Lodgers Tax Report Submission	Resolved
02-23	GEAC Accounting Software	Resolved
02-24	Housing Division FSS	Resolved
02-25	Family and Children Services-Program Income	Resolved
02-26	Bank of America Improper Collateralization	Repeated
02-27	Real Property Division-Delinquent Accounts	Resolved
02-28	CMO's and Affordable Housing	Resolved
02-29	Information Expert System	Resolved
02-30	Indirect Cost Plan	Resolved
02-31	Federal Major Programs	Resolved

STATE COMPLIANCE AND OPERATIONAL FINDINGS

Schedule Of Deposits And Investments By Financial Institutions

Schedule Of Pledged Collateral By Financial Institutions

Exit Conference

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS
June 30, 2003

Financial Institution: Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Wells Fargo Bank				
APD Evidence	Checking	\$ 1,368,975	\$ (3,647)	\$ 1,365,328
APD SID	Checking	62,555	4,064	66,619
APD SID	Checking	462,791	-	462,791
Housing Authority - Public Housing	Checking	54,720	(1)	54,719
Housing Authority - Section 8 General Fund	Checking	36,531	(2,048)	34,483
Housing Authority - Modernization	Checking	-	(38,144)	(38,144)
Las Cruces Land	Savings	43,117	-	43,117
Bluewater Apartments - Operating	Checking	<u>81,470</u>	<u>(29,814)</u>	<u>51,656</u>
		<u>2,110,159</u>	<u>(69,590)</u>	<u>2,040,569</u>
Wells Fargo Trust in Denver, Colorado				
Bluewater Apartments - Sinking Fund Holding	Trust	<u>403</u>	<u>-</u>	<u>403</u>
Bank of America				
Common Fund	Checking	32,453,053	(9,880)	32,443,173
Payroll	Checking	-	(145,510)	(145,510)
Accounts Payable	Checking	(32,113)	(8,180,720)	(8,212,833)
Water Clearing	Checking	-	(1,577)	(1,577)
Real Property	Checking	246	(246)	-
Employee Health Services	Checking	1,131	(125)	1,006
Corrections	Checking	<u>170,305</u>	<u>(93,945)</u>	<u>76,360</u>
		<u>32,592,622</u>	<u>(8,432,003)</u>	<u>24,160,619</u>
New Mexico Bank & Trust (all related to The Apartments Fund)				
F&CS Department - Property Management Trust	Checking	73,494	(8,716)	64,778
F&CS Department - Operating Custodial	Checking	63,467	-	63,467
Beach Apartments - Operating	Checking	65,173	(4,458)	60,715
Manzano Vista Apartments - Operating	Checking	32,768	(31,503)	1,265
Candelaria Gardens Apartments - Operating	Checking	35,631	(3,153)	32,478
Tucson Apartments - Operating	Checking	24,721	(398)	24,323
Glorieta Apartments - Operating	Checking	22,642	(1,575)	21,067
Santa Barbara Apartments - Operating	Checking	508	(377)	131
Beach Apartments - Tenant Security Deposits	Checking	14,357	(14,357)	-
Bluewater Apartments - Tenant Security Deposits	Checking	40,979	(40,979)	-
Manzano Vista Apartments - Tenant Security Deposits	Checking	27,387	(27,387)	-
Candelaria Gardens Apartments - Tenant Security Deposits	Checking	1,911	(1,911)	-
Tucson Apartments - Tenant Security Deposits	Checking	1,181	(1,181)	-
Glorieta Apartments - Tenant Security Deposits	Checking	1,768	(1,768)	-
Santa Barbara Apartments - Tenant Security Deposits	Checking	975	(975)	-
Beach Apartments - Property Enhancement	Checking	26,590	-	26,590
Manzano Vista Apartments - Property Enhancement	Checking	1,119	-	1,119
Candelaria Gardens Apartments - Property Enhancement	Checking	73,405	-	73,405
Tucson Apartments - Property Enhancement	Checking	11,859	-	11,859
Glorieta Apartments - Property Enhancement	Checking	1,699	-	1,699
Santa Barbara Apartments - Property Enhancement	Checking	3,587	-	3,587
Bluewater Apartments - Money Market	Checking	86,124	-	86,124
Bluewater Apartments - Hunt Hold Back	Checking	<u>3,221</u>	<u>-</u>	<u>3,221</u>
		<u>614,566</u>	<u>(138,738)</u>	<u>475,828</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS

June 30, 2003

Financial Institution Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Compass Bank				
Attorney's Cost Advance	Checking	4,573	(4,573)	-
First State Bank				
Common Fund	Checking	1,093,708	-	1,093,708
Water Clearing	Checking	5,535,532	-	5,535,532
Housing Authority - Public Housing	Checking	2,554,073	(273,533)	2,280,540
Housing Authority - Section 8	Checking	3,450,189	(73,921)	3,376,268
Housing Authority - Public Housing FSS Escrow	Checking	104,290	(104,290)	-
Housing Authority - Section 8 FSS Escrow	Checking	283,197	(283,197)	-
		<u>13,020,989</u>	<u>(734,941)</u>	<u>12,286,048</u>
Total bank accounts book balance		<u>48,343,312</u>	<u>(9,379,845)</u>	<u>38,963,467</u>
Bank 1st				
Certificate of Deposit	Investment	100,000	-	100,000
Total bank balances		<u>\$ 48,443,312</u>	<u>\$ (9,379,845)</u>	<u>\$ 39,063,467</u>
Bank of America				
Short-Term Investment Account	Investment	\$ 275,000,000	\$ -	\$ 275,000,000
Working Capital Account	Investment	191,187,693	-	191,187,693
State of New Mexico				
Investment Council				
Core Bond Fund	Investment	20,001,141	-	20,001,141
Core Bond Fund	Investment	4,204,398	-	4,204,398
State of New Mexico				
Local Government Investment Pool				
LGIP Fund Pool-4101	Investment	6,677,701	-	6,677,701
New Mexico Finance Authority				
New Mexico Local Government Investment Pool	Investment	4,934,431	-	4,934,431
Bank of Albuquerque				
U.S. Treasury Money Market Fund	Investment	2,061,437	-	2,061,437
Wells Fargo Trust in Denver, Colorado				
U.S. Treasury Money Market Fund	Investment	3,429,043	-	3,429,043
Subtotal		<u>507,495,844</u>	<u>-</u>	<u>507,495,844</u>
Other adjustments to reconcile				
total investments to book balance				
Unrealized gain on investments		-	1,034,751	1,034,751
Total investments		<u>\$ 507,495,844</u>	<u>\$ 1,034,751</u>	<u>\$ 508,530,595</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION
June 30, 2003

<u>Financial Institution</u> <u>Collateral Description</u>	<u>Original Face</u>	<u>Current Face</u>	<u>Current Market</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>
Wells Fargo Bank					
GNSF 781215	\$ 8,515,000	\$ 3,112,508	\$ 3,270,645	09/15/2029	6.50%
Location of collateral:	Wells Fargo Bank, Minneapolis, MN				
Bank of America					
FHLMC Pool G01563	not stated	\$ 9,368,216	\$ 9,719,205	06/01/2033	5.50%
FNMA Pool 545993	not stated	487,144	508,774	11/01/2032	6.00%
		\$ 9,855,360	\$ 10,227,979		
Location of collateral:	Bank of America, Charlotte, NC				
First State Bank					
FFCB	\$ 550,000	not stated	\$ 555,330	12/26/2006	3.30%
Federal Home Loan Bank	900,000	not stated	907,317	08/26/2006	3.05%
Federal Home Loan Bank	3,450,000	not stated	3,452,174	10/03/2007	3.13%
Federal Home Loan Bank	1,875,000	not stated	1,907,813	04/01/2008	3.50%
Federal Home Loan Bank	75,000	not stated	76,242	01/30/2008	4.00%
Federal Home Loan Bank	3,700,000	not stated	3,775,147	04/23/2008	3.63%
Federal Home Loan Bank	450,000	not stated	459,140	04/23/2008	3.63%
	\$ 11,000,000		\$ 11,133,163		
Location of collateral:	First State Bank, Albuquerque, NM				
Total all banks			\$ 24,631,787		
The collateral for the repurchase agreements is as follows:					
Bank of America					
City of Albuquerque Common Fund					
FHLB	\$ 50,000,000	\$ 51,349,000	\$ 52,375,000	01/05/2004	5.38%
FHLB	40,000,000	41,078,000	41,900,000	01/05/2004	5.38%
FNMA Discount Note	50,000,000	48,836,000	49,812,500	10/31/2003	NA
FNMA Discount Note	50,000,000	48,836,000	49,812,500	10/31/2003	NA
FNMA Discount Note	50,000,000	48,836,000	49,812,500	10/31/2003	NA
FNMA Discount Note	36,925,000	36,065,000	36,786,531	10/31/2003	NA
	276,925,000	275,000,000	280,499,031		
102% collateral requirement			280,500,000		

CITY OF ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
June 30, 2003

An exit conference was held on November 20, 2003, and attended by the following:

CITY Personnel:

Sally Mayer
City Council member

Sandra Doyle
Director of Finance and Administrative Services

Cameron Hull
Accounting Officer

George Emkes
Accounting Manager, Financial Reporting

NEFF & RICCI, LLP Personnel

Wayne Brown
Partner

Valerie Allen
Partner

Amy Carter
Audit Manager

