




Mayor Martin J. Chávez

CITY OF ALBUQUERQUE



COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

JULY 1, 2003 THROUGH JUNE 30, 2004
ALBUQUERQUE, NEW MEXICO



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

JULY 1, 2003 THROUGH JUNE 30, 2004

**MAYOR
MARTIN J. CHÁVEZ**

**CHIEF ADMINISTRATIVE OFFICER
JAMES B. LEWIS**

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

**City of Albuquerque, New Mexico
Comprehensive Annual Financial Report
Year ended June 30, 2004**

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INTRODUCTORY SECTION



December 7, 2004

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, 2004. 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 third 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.

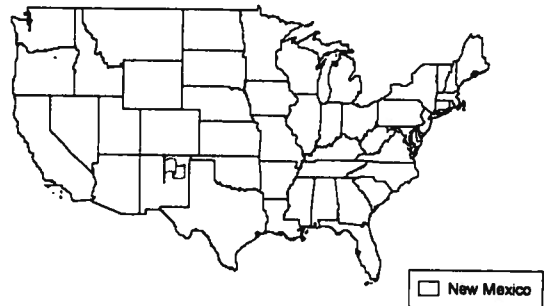
- (5) State Compliance and Operational Findings include certain schedules required by the State Auditor's Office.

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 472,000 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, and refuse collection. Effective July 1, 2003 water and sewer services that used to be provided by the City are now provided by the Albuquerque-Bernalillo Water Utility Authority, which is operated by the City under the terms of a Memorandum of Understanding with the Authority. 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. In the 1960s manufacturing made up over 30% of the U.S. economy, but by 2003 the manufacturing share of employment had declined to 11%.

Major Industries

Services: The service sector is the largest source of employment in the MSA, accounting for 41% of the non-agricultural civilian employment in FY/04. 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, food services, engineering, and architectural services. It includes temporary employment agencies, call centers, back office operations, and employment at SNL, which is expanding in response to national homeland security issues. 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. Even with recent uncertainties regarding health care financing particularly Medicare, and some local consolidations/acquisitions growth has continued at a rapid pace.

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.

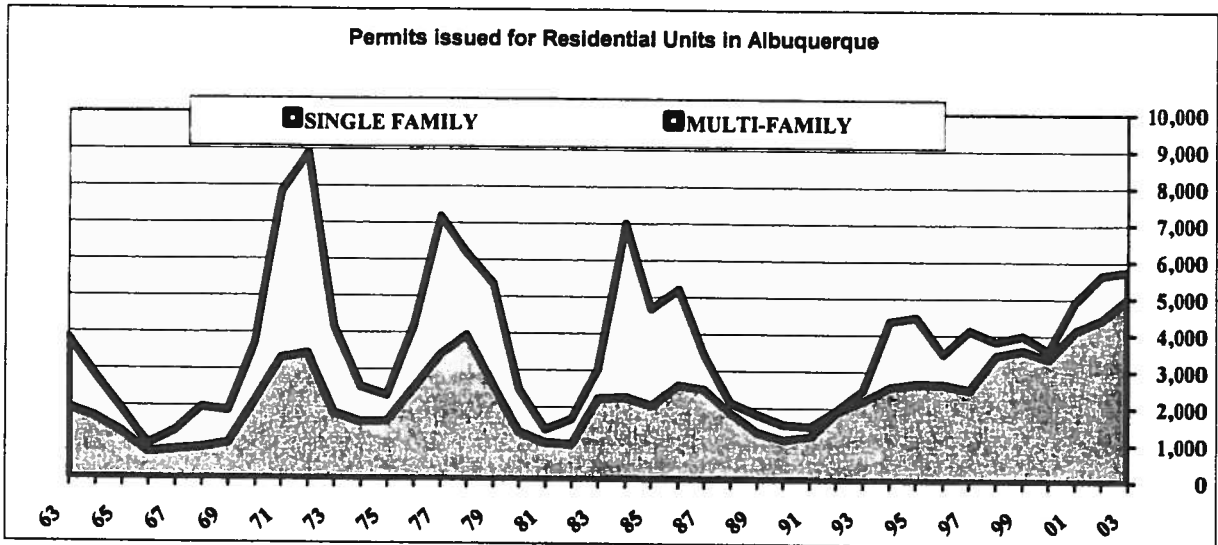
Albuquerque MSA Employment in Thousands

NAICS CATEGORY	Employment FY2004	Share of FY/04 Employment	Growth FY/03 to FY/04	Compound Annual Average FY/99 to FY/04
Total Nonfarm Employment (does not include military)	362.88		1.0%	1.3%
Natural Resources and Mining and Construction	24.50	7%	5.2%	3.3%
Manufacturing	23.03	6%	-4.3%	-2.9%
Trade, Transportation, and Utilities	64.88	18%	-0.5%	-0.1%
Information	10.01	3%	-5.1%	0.8%
Financial Activities	18.95	5%	0.9%	-0.1%
Aggregate of Services	148.98	41%	2.3%	2.3%
Professional and Business Services	57.16	16%	0.1%	0.9%
Educational and Health Services	43.98	12%	4.8%	4.3%
Leisure and Hospitality	35.98	10%	2.7%	2.4%
Other Services	11.87	3%	2.2%	2.0%
Government	72.53	20%	1.2%	1.9%
MILITARY	6.67	NA	1.0%	-0.4%

Manufacturing: Albuquerque's small manufacturing sector accounts for about 6% 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. Forbes Magazine and others now rate Albuquerque as one of the top high tech centers in the U.S. 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 5,000 jobs from FY/01 to FY/04. The losses are slowing with a modest recovery in the semi-conductor industry. Tempur-Pedic a high tech mattress firm is constructing a facility that will employ near 300 workers when it opens in 2006. Eclipse Aviation is expanding its operations at the Albuquerque Sunport and has plans to move to expanded facilities at the industrial park near the Double Eagle airport in 2007 after it has delivered its first jets.

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 and even with the large number of single family units, the total number of units is far short of the peaks experienced in the 1970s and 1980s.

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 and Acoma Pueblos has helped increase construction employment in the area. Sandia National Labs has two construction projects that ultimately will spend close to half a billion dollars. One, the Center for Integrated Nanotechnology (CINT) is a \$75 million project under construction in the Sandia Research Park. The other is the Microsystems and Engineering Sciences Applications (MESA) that is inside the labs and will ultimately cost around \$450 million. Major commercial construction projects begun in FY/04 included a 261 room hotel and new office facilities for the BIA and the FBI.

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. Military employment in FY/03 increased by 167 and in FY/04 by an additional 67. Even so, military employment is down by about 1,000 from FY/95.

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, though the latest quarter shows solid growth of 2.1%. However, manufacturing is not expected to rebound significantly until the semiconductor and telecommunications industries nationwide more fully recover. On the plus side, New Mexico has generally weathered this recession better than its neighbors. Only recently have Colorado and Texas added jobs to their economies. Arizona had growth of 2.4%, but had suffered much more severe declines. Lodger's tax after remaining flat for several years grew nearly 5% in FY/04, hopefully this will hold, but high gasoline prices tend to discourage tourism in New Mexico. As discussed above SNL is a source of strength for the local economy.

High tech industry is growing and many of the small manufacturing firms have experienced substantial growth. The broadening of the industrial base to include aviation and mattress production will help Albuquerque continue to grow and prosper. The City believes it is well positioned to attract new investment by suppliers, customers, and other producers. 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, 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 2005 for programs that had adequate reversions for the year ended June 30, 2004.

Taxes: Taxable property valuations were \$7.9 billion in fiscal year 2003, a \$263.8 million increase from the previous year. Current property tax collections were 95.7% of the levy, compared to 95.4% 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 2004 was 99.9% compared to 99.3% in 2003. Cumulative total collections for the last ten years are 97.3% of the cumulative billings.

Allocation of the property tax for fiscal year 2004 and the preceding two fiscal years is based on the following mill levy:

<u>Purpose</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operational mill levy:			
Residential	2.014	2.019	2.019
Non-residential	2.544	2.544	2.544
Debt service levy	7.976	8.976	8.976

The gross receipts tax rate on receipts within the City was 5.8125% at June 30, 2004. It increased to 6.6025% on July 1, 2004. The breakdown and sources of the gross receipts tax rate at June 30, 2004 are as follows:

	<u>Tax Rate</u>	<u>Percent of Total Rate</u>
State General Fund	3.2750%	56.35%
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>
	<u>5.8125%</u>	<u>100.00%</u>

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 \$595.9 million at June 30, 2004. Of this amount, \$200.3 million was invested in repurchase agreements and \$371.3 million in securities of the Federal government and its related agencies and certificates of deposit.

The City's portfolio average life at June 30, 2004 was 466 days. The average yield on the investment portfolio was 2.0% at the end of June 2004 and 2.2% at the end of June 2003. Interest earned totaled \$4.4 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:

2004	\$595.9
2003	491.4
2002	323.2
2001	451.1
2000	477.8

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 \$28.7 million compared to transfers in the prior year of \$24.5 million. Claim reserves (current and long-term) as of June 30, 2004 were \$47.6 million, an increase from \$40.6 million in the previous year. The Fund experienced a change in net assets of \$65.8 thousand in 2003, an increase from the net loss of \$1.1 million in 2002.

The deficit fund equity decreased to \$12.6 million at June 30, 2004 from the \$12.7 million at June 30, 2003. 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, 2004. 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, 2003. 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, 2003. 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, 2003

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.



Nancy L. Zjelle

President

Jeffrey R. Emer

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 1, 2003

President

Executive Director

CITY OF ALBUQUERQUE

PRINCIPAL OFFICIALS

June 30, 2004

MAYOR

MARTIN J. CHÁVEZ

CITY COUNCIL

MIGUEL A. GOMEZ	District 1
DEBBIE O'MALLEY	District 2
ERIC GRIEGO, VICE-PRESIDENT	District 3
BRAD WINTER	District 4
MICHAEL J. CADIGAN, PRESIDENT	District 5
MARTIN HEINRICH	District 6
SALLY MAYER	District 7
CRAIG LOY	District 8
TINA L. CUMMINS	District 9

CHIEF ADMINISTRATIVE OFFICER

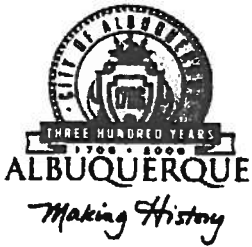
JAMES B. LEWIS

DEPUTY CHIEF ADMINISTRATIVE OFFICERS

GAIL D. REESE, CHIEF FINANCIAL OFFICER
DIANA DORN-JONES, CHIEF OPERATING OFFICER
NICHOLAS S. BAKAS, CHIEF PUBLIC SAFETY OFFICER

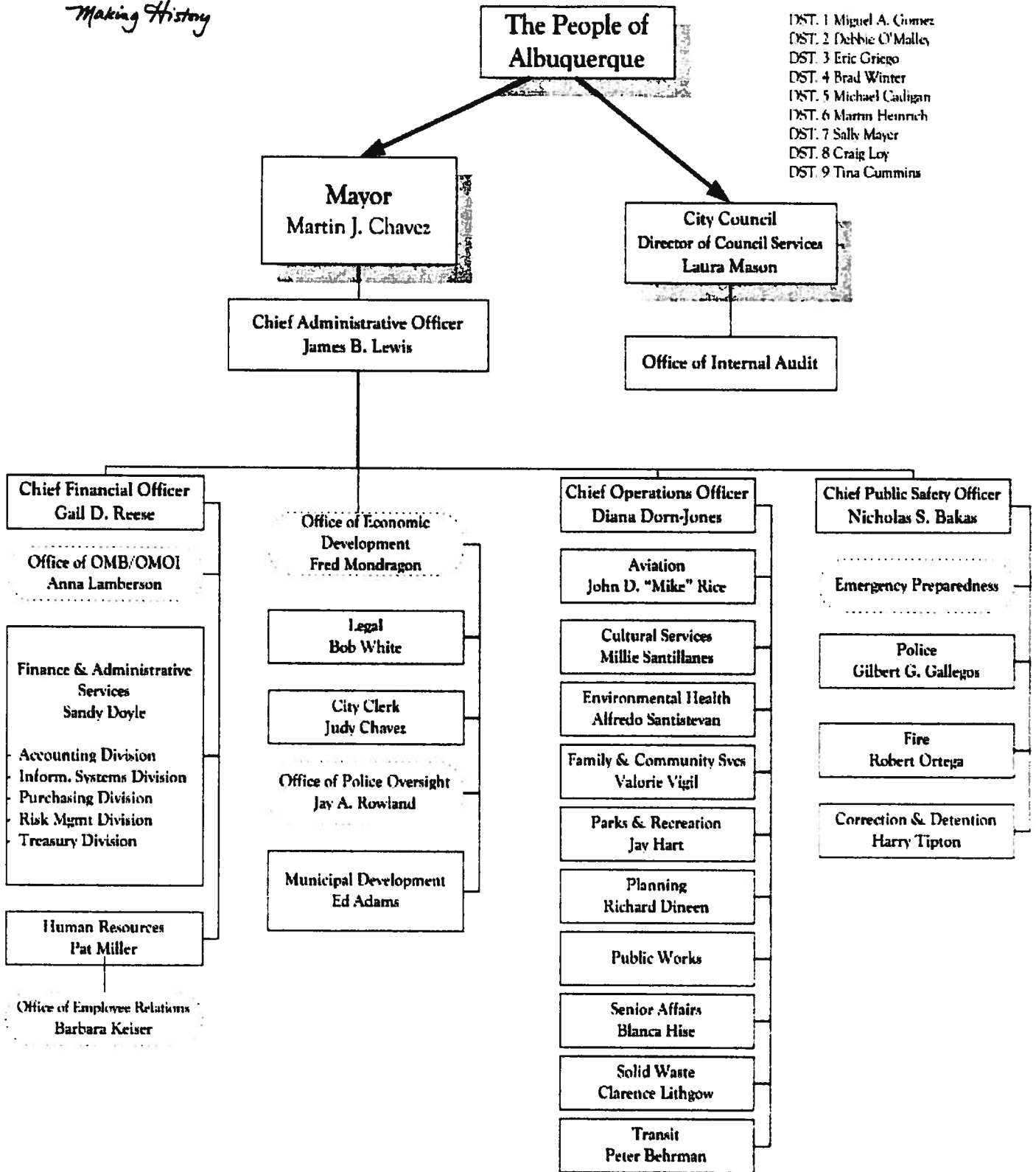
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

SANDRA DOYLE, DIRECTOR



City of Albuquerque

- DIST. 1 Miguel A. Gomez
- DIST. 2 Debbie O'Malley
- DIST. 3 Eric Griego
- DIST. 4 Brad Winter
- DIST. 5 Michael Cauligan
- DIST. 6 Marmm Heinrich
- DIST. 7 Sally Mayer
- DIST. 8 Craig Loy
- DIST. 9 Tina Cummins



CITY OF ALBUQUERQUE, NEW MEXICO
CONTRIBUTORS
June 30, 2004

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

Accounting personnel

Cameron Hull

Accounting Officer

George C. Emkes

Accounting Manager

Michele Bonds

Principal Accountant

Barbara G. Burns

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

Sherri L. Bowers

Administrative Assistant

FINANCIAL SECTION

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Independent Auditors' Report

City of Albuquerque
Albuquerque, New Mexico
Honorable Mayor and City Council
and
Mr. Domingo P. Martinez, CGFM
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented as supplementary information in the accompanying combining and individual fund and other financial statements, and the respective changes in the financial position and cash flows, where applicable, as of and for the year ended June 30, 2004, 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 misstatement. 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 the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for each major governmental fund activities, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, fiduciary funds, and internal service funds of the City, as of June 30, 2004, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for nonmajor governmental funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

City of Albuquerque
Albuquerque, New Mexico
Honorable Mayor and City Council
and
Mr. Domingo P. Martinez, CGFM
New Mexico State Auditor

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2004, 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 grant agreements and other matters. The purpose of that report is to describe the scope our testing of Internal Control Over Financial Reporting and Compliance and the results of that testing and not to provide an opinion on the Internal Control Over Financial Reporting or on Compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily 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 basic financial statements taken as a whole. The accompanying supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by US Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. Also, the accompanying financial data schedule is presented for purposes of additional analysis required by the Housing and Urban Development Department and is not a required part 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 statement and, accordingly, we express no opinion on them.

Neff + Ricci LLP

Albuquerque, New Mexico
December 7, 2004

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

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, 2004. 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 \$1.2 billion (net assets). Of this amount, \$112.8 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 decreased by \$404.9 million during the year, principally as a result of the transfer of the water and wastewater utility assets and liabilities to the Albuquerque Bernalillo Water Utility Authority which was created by the Legislature in 2003. The assets and liabilities were transferred effective July 1, 2003.
- As of June 30, 2004, the City's governmental funds reported combined ending fund balances of \$356.1 million. Approximately 75.5% of this amount, \$268.9 million, is unreserved fund balance available for spending at the government's discretion. Included in this amount is approximately \$127.3 million in the Capital Acquisition Fund.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$33.7 million or 11.3% of the total general fund expenditures of \$298.6 million.
- The City's total long-term debt decreased by \$187.6 million during the current year. The key factors in this change were: 1) the removal of \$260.5 million of noncurrent liabilities of the Joint Water and Sewer Fund, 2) debt reduction payments and liquidations of accrued liabilities totaling \$177.3 million, and 2) the issuance of \$250.2 million bonds and notes payable accompanied by additions to accrued vacation and sick leave pay and claims.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

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, a baseball stadium, refuse disposal services, golf courses, parking facilities, and a 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. The City does, however, operate the water and waste water utility serving the City and its citizens that is owned by the Albuquerque Bernalillo Water Utility Authority under the terms of a Memorandum of Understanding that will expire on June 30, 2006.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

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, 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 stock issues; workers' 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.

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.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the third 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. 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)						Total Percent Change <u>2003 - 2004</u>
	Governmental Activities		Business-type Activities		Total		
	<u>2004</u>	<u>2003*</u>	<u>2004</u>	<u>2003*</u>	<u>2004</u>	<u>2003*</u>	
Assets:							
Current and other assets	\$ 571.1	\$ 445.6	\$ 169.0	\$ 275.8	\$ 740.1	\$ 721.4	2.6%
Capital Assets	<u>843.0</u>	<u>746.5</u>	<u>456.8</u>	<u>1,162.3</u>	<u>1,299.8</u>	<u>1,908.8</u>	-31.9%
Total assets	<u>1,414.1</u>	<u>1,192.1</u>	<u>625.8</u>	<u>1,438.1</u>	<u>2,039.9</u>	<u>2,630.2</u>	-22.4%
Liabilities:							
Long-term liabilities outstanding	368.0	315.5	283.4	523.6	651.4	839.1	-22.4%
Other liabilities	<u>200.5</u>	<u>130.8</u>	<u>30.7</u>	<u>80.5</u>	<u>231.2</u>	<u>211.3</u>	9.4%
Total liabilities	<u>568.5</u>	<u>446.3</u>	<u>314.1</u>	<u>604.1</u>	<u>882.6</u>	<u>1,050.4</u>	-16.0%
Net assets:							
Invested in capital assets, net of related debt	557.9	504.1	197.6	669.5	755.5	1,173.6	-35.6%
Restricted	211.5	192.0	77.5	76.9	289.0	268.9	7.5%
Unrestricted	<u>76.2</u>	<u>49.7</u>	<u>36.6</u>	<u>87.6</u>	<u>112.8</u>	<u>137.3</u>	-17.8%
Total net assets	<u>\$ 845.6</u>	<u>\$ 745.8</u>	<u>\$ 311.7</u>	<u>\$ 834.0</u>	<u>\$ 1,157.3</u>	<u>\$ 1,579.8</u>	-26.7%

* Restated see note 22

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 \$1.2 billion at the close of the year. The largest portion of the City's net assets (65.3%) reflects its investment of \$755.5 million 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.

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.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Analysis of Changes in Net Assets

**CHANGE IN NET ASSETS
(in millions of dollars)**

	Governmental		Business-type		Total		Total Percentage Change 2003 - 2004
	Activities		Activities		Total		
	2004	2003*	2004	2003*	2004	2003*	
REVENUES							
Program revenues:							
Charges for services	\$ 83.9	\$ 75.8	\$ 125.0	\$ 119.0	\$ 208.9	\$ 194.8	7.2%
Operating grants and contributions	32.8	28.7	25.2	24.8	58.0	53.5	8.4%
Capital grants and contributions	2.4	9.9	12.8	16.7	15.2	26.6	-42.9%
General revenues:							
Gross receipts taxes	132.3	122.0	-	-	132.3	122.0	8.4%
Property taxes	88.3	86.4	-	-	88.3	86.4	2.2%
Other taxes	32.3	26.4	-	-	32.3	26.4	22.3%
State shared taxes and fees	161.8	152.5	-	-	161.8	152.5	6.1%
Grants, investment income, and other	33.5	35.5	0.1	1.4	33.6	36.9	-8.9%
Total revenues	567.3	537.2	163.1	161.9	730.4	699.1	4.5%
EXPENSES							
General government	65.2	53.0	-	-	65.2	53.0	23.0%
Public safety:							
Corrections and detention	42.9	40.9	-	-	42.9	40.9	4.9%
Fire protection	50.9	47.3	-	-	50.9	47.3	7.6%
Police protection	102.7	97.9	-	-	102.7	97.9	4.9%
Cultural and recreation	66.8	71.8	-	-	66.8	71.8	-7.0%
Public works	9.3	9.0	-	-	9.3	9.0	3.3%
Health	11.1	10.3	-	-	11.1	10.3	7.8%
Human services	48.4	51.6	-	-	48.4	51.6	-6.2%
Housing	3.4	4.0	-	-	3.4	4.0	-15.0%
Highways and streets	18.3	22.2	-	-	18.3	22.2	-17.6%
Special assessments	6.6	0.8	-	-	6.6	0.8	725.0%
Interest expense	15.9	15.3	-	-	15.9	15.3	3.9%
Airport	-	-	60.8	60.6	60.8	60.6	0.3%
Refuse Disposal	-	-	39.4	37.2	39.4	37.2	5.9%
Housing Authority	-	-	26.4	25.8	26.4	25.8	2.3%
Transit	-	-	31.4	31.1	31.4	31.1	1.0%
Non major enterprise funds	-	-	14.3	13.0	14.3	13.0	10.0%
Total expenses	441.5	424.1	172.3	167.7	613.8	591.8	3.7%
Excess (deficiency) before transfers	125.8	113.1	(9.2)	(5.8)	116.6	107.3	8.7%
Joint Water & Sewer Fund**	-	-	(538.7)	50.0	(538.7)	50.0	---
Transfers	(25.6)	(15.9)	25.6	15.9	-	-	---
Increase (decrease) in net assets	\$ 100.2	\$ 97.2	\$ (522.3)	\$ 60.1	\$ (422.1)	\$ 157.3	-368.3%

* Restated see note 22

** Program and general revenues for the Joint Water and Sewer Fund has been removed from the 2003 revenues. Those amounts have been netted against its expenses for presentation purposes.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Analysis of Changes in Net Assets, continued

The City's overall net assets decreased by \$422.1 million during the current fiscal year. 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 decrease 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 \$100.2 million.

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:

Gross receipts tax revenue and state shared taxes grew 7.1% as compared to the prior year.

Investment earnings were reduced from \$8.6 million in fiscal year ended June 30, 2003, to \$4.3 million in the current year. The primary cause for this reduction was the continuing weakened investment market experienced by virtually all governments and to reduced investment balances during the year.

Intergovernmental revenues plus operating and capital contributions from sources other than state shared taxes was decreased by \$3.4 million.

Other revenues for the current year were generally higher than the previous fiscal year.

Business-type activities. Business-type activities decreased the City's net assets by \$522.3 million. Key factors of this decrease are as follows:

The Airport fund had an increase in net assets of \$2.2 million in fiscal year 2004 compared to a \$0.4 million increase in 2003. The passenger facilities charges (PFC) were decreased from the prior year by \$0.3 million. The September 11, 2001 events continued to have a slightly negative impact on the level of air travel in fiscal year 2004. In addition, the soft investment market resulted in reducing investment earnings to a net loss of \$0.3 million that was largely caused by unrealized losses of \$0.8 million.

For the Refuse Disposal fund, the reported change in net assets of \$3.8 million was increased from \$3.2 million in fiscal year 2003. The primary change was due to increased operating income, other revenues and reduced interest expenses.

This is the first year that the Transit Fund has been included as a major fund. The current year change in net assets was \$9.6 million compared to \$3.5 million for the prior year. The increase was primarily due to the increased subsidy transfer from the General Fund by \$3.6 million and an increase in the capital contribution of \$2.6 for capital assets purchased or constructed in the Capital Acquisition Fund.

The Stadium Fund and the Apartment Fund were included for the first time in fiscal year 2003 with net operating revenues of \$4.0 million. For fiscal year 2004 those revenues were \$4.9 million.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

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 balances 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 \$356.1 million, a increase of \$83.1 million in comparison with the prior year. Approximately 75.8% of this amount, \$270.0 million, is unreserved fund balance available for spending at the government's discretion. Included in unreserved fund balance is \$127.3 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 (\$29.5 million); 2) for acquisition and management of open space and urban enhancement (\$26.9 million); and 3) to show the fund balance representing advances to other funds and other assets not available for spending (\$29.7 million).

Revenues for governmental functions overall totaled approximately \$575.8 million in the fiscal year ended June 30, 2004, which represents an increase of \$35.7 million from the prior year. The major causes for the increase were: 1) tax revenues increased by \$20.3 million; and 2) intergovernmental revenues increased by \$13.6 million caused by an increase of state shared gross receipts tax; and 3) an increase of \$5.7 million in charges for services.

Expenditures for governmental functions of \$616.5 million increased by \$68.3 million from the previous year total of \$548.2 million. The primary cause of the increase was from increased debt service requirements of \$24.5 million, increased expenditures of \$19.9 million for capital outlay, and \$26.4 million for general government services and public safety. These increased expenditures generally reflect an increased demand and need for public services.

General Fund.

This is the City's chief operating fund. At the end of the current fiscal year, the total fund balance was \$64.8 million, of which \$33.7 million is available as an unreserved fund balance. The reserved fund balance of \$31.0 million is designated: 1) for unanticipated expenditures (\$29.5 million equaling 8.33% of recurring expenditures); and 2) to indicate that non-current financial resource assets of \$1.5 million are unavailable to spend or already are committed for spending. The net change in fund balance for the current fiscal year was an increase of \$21.7 million.

The total revenues of \$368.9 million for the current fiscal year were \$43.1 million greater than for the previous fiscal year. The increase largely resulted from an increase of \$8.5 million in gross receipts tax revenues, \$13.6 million in intergovernmental revenues, \$8.2 million in property taxes and \$3.3 million in charges for services. This was partially offset by a decrease in interest revenues of \$0.3 million caused by continuing low interest rates.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, continued

Total expenditures of \$298.6 million represent an increase of \$23.8 million over the previous fiscal year. The expenditures for general government increased by \$15.6 million. The major cause of this increase was \$3.0 million for municipal development, \$4.3 million for FY '03 bonuses, \$1.1 million for a gross receipts tax audit, \$1.6 million for early retirement and \$2.2 million on city buildings. Police and fire protection increased by \$9.5 million due to an increased emphasis on public safety while the expenditures for highways and streets decreased by \$4.3 million. Additional increases in expenditures from the previous fiscal year are for culture and recreation (\$0.5 million), public works (\$1.8 million), and health and human services (\$0.6 million). See the General Fund budgetary highlights for an analysis with respect to budgets.

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	\$ 15.0
Housing Authority Fund	10.9
Refuse Disposal Fund	5.7
Transit Fund	3.3
Nonmajor enterprise funds	<u>1.7</u>
	<u>\$ 36.6</u>

Internal service funds, which are used to account for certain governmental activities, had deficit unrestricted net assets of \$8.0 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 ending 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 FY04 budget did not differ significantly from the original budget, primarily because the growth in gross receipts tax revenues and other revenue sources was equal to or greater than forecasted growth. As opposed to FY03, when there were two mid-year modifications in the first six months of the fiscal year, such adjustments were not necessary in this fiscal year. However, revenues and expenses were monitored closely throughout the year and new disciplinary procedures put in place in the prior fiscal year regarding budgetary responsibility remained in place. These actions resulted in actual expenditures being \$2.3 million less than the original budget and \$10.6 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 \$3.4 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.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS, continued

Revenues continued to be very difficult to predict during this fiscal year with mixed economic indicators and activities. Gross receipts tax revenues showed overall strength in virtually every sector, and construction permit revenues continued with unprecedented growth. Revenues were \$21.8 million greater than anticipated in the original budget and \$9.4 million more than the budget as last projected at mid-year. Gross receipts tax (local option and state shared), a major component of the City's operating revenue came in at \$8.6 million more than the last revised budget estimate and \$17.8 million more than the original budget. \$0.6 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 licenses and permits of \$13.7 million were higher than projected as a result of continued, unusual strength in the construction area, primarily new residential construction.

The Department of Municipal Development, created early in the fiscal year for the purpose of coordinating CIP activities, was very successful in implementing and completing both bond and general fund projects. Backlogs were reduced substantially from \$240.0 million at the beginning of the fiscal year to \$170.9 million at the end of the fiscal year. This successful effort contributed to the growth in gross receipts tax revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2004, amount to \$1.3 billion (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, and equipment. The total decrease in the City's capital assets for the current fiscal year was \$590.6 million or 31.3% from fiscal year 2003, primarily because of the transfer of the utility assets to the Albuquerque Bernalillo Water Utility Authority. Absent that extraordinary event, the increase in the City's capital assets for the current fiscal year would have been \$93.3 million, or 7.7% increase from fiscal year 2003.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2003-2004
	2004	2003	2004	2003	2004	2003	
Land *	\$ 215.9	\$ 209.5	\$ 58.5	\$ 81.8	\$ 274.4	\$ 291.4	-5.8
Other *	0.9	-	0.7	0.6	1.6	0.6	150.1
Buildings and improvements	133.2	86.7	191.8	192.0	325.0	278.7	16.6
Runways and improvements	-	-	93.7	105.8	93.7	105.8	-11.4
Improvements other than buildings and runways	156.3	158.4	35.6	656.5	191.7	814.9	-76.5
Equipment	35.7	32.6	34.8	48.2	70.6	80.8	-12.6
Infrastructure	77.6	53.2	-	-	77.6	53.2	45.7
Construction in progress *	223.5	206.1	41.8	59.0	265.3	265.0	0.1
Total	\$ 843.0	\$ 746.5	\$ 456.8	\$ 1,143.9	\$ 1,299.8	\$ 1,890.4	-31.2

* assets not depreciated

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

CAPITAL ASSETS AND DEBT ADMINISTRATION, continued

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

In *governmental activities*, infrastructure assets of \$22.1 million were added for roadways, storm sewers and bike trails. In addition, land was acquired for open space costing \$4.5 million and replacement vehicles were acquired for the police (\$0.5 million). The construction work in progress increased by \$17.5 million primarily due the continuing facility development at the Balloon Fiesta Park Museum, a major expansion of the Albuquerque Museum, and other facilities.

In *business-type activities*, additions included new transit vehicles (\$1.7 million) and new solid waste vehicles and heavy equipment (\$6.2 million). The construction work in progress increased by \$7.1 million. The assets of the water utility were transferred to the Albuquerque Bernalillo Water Utility Authority for a decrease of \$683.9 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 \$790.7 million of which \$142.1 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 \$682.3 million. The remaining debt is for loans, accrued vacation and sick leave pay, and claims payable.

During the fiscal year ended June 30, 2004 the City issued bonds for \$186.4 million. \$135.8 million was deposited into the Capital Acquisition Fund for the betterment of parks and recreation, zoo, library, museum, senior citizens, community center, public transportation facilities and for improvements to the storm sewer system. In addition, 50.6 million was deposited into the Airport fund for improvements on runways and terminal facilities.

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 2.1% of the \$7.9 billion taxable value of property within the City's boundaries. The City currently may issue up to an additional \$100.5 million of general obligation bonds. It has \$215.0 million of general obligation debt outstanding subject to the legal debt limit at June 30, 2004. The net general bonded debt per capita is \$168.35. The highest per capita amount in the last ten fiscal years was \$494.71 in the fiscal year ended June 30, 1995 and the lowest per capita amount was \$168.35 in the fiscal year ended June 20, 2004.

The City's ratings on uninsured general obligation bonds remained unchanged from the prior year and as of June 30, 2004 were:

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

Since the close of the 2004 fiscal year, the City has issued \$60.9 million in gross receipts tax/lodgers' tax refunding bonds for governmental activities. No revenue bonds have been issued for 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 2005 budget. Many of the City's revenues are influenced by the economy. The gross receipts tax revenue forecast, particularly, is highly influenced by economic conditions. The budget contemplates 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, with a modest increase in commercial construction during the last part of the 2004 fiscal year. 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 mostly unchanged in the fiscal year 2005 budget. However, the 2004 New Mexico Legislature imposed a 5% governmental gross receipts tax on parking receipts. That tax will be passed through to users of City parking services in fiscal year 2005.

Property tax revenues continue to grow as the economy expands. One mill of taxing authority was converted from capital to operations during fiscal year 2004. 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. The City has been unable to determine with any degree of certainty what the impact has been on the City of that rate reduction, but it is possible that part of the growth in gross receipts tax revenue seen in fiscal year 2004 may be attributable to that change. However, that impact, if any, is not expected to carry into fiscal year 2005.

During the 2004 legislative session, legislation to repeal the gross receipts tax on food and certain medical services effective January 1, 2005 was enacted. In an attempt to hold local governments harmless, the distribution to cities of the state-shared gross receipts tax was increased. This increased distribution will be funded by the state by a repeal of the half-cent credit against local option impositions, also effective January 1, 2005. The City will closely monitor this new distribution to ensure there are no negative repercussions from this State action.

In the October, 2003 general municipal election, the voters approved a gross receipts tax increase of one-quarter percent (0.25%) to be dedicated to public safety. Fire is to receive 33% of the revenues, police 33%, corrections 8% and social services for prevention and intervention 25% each year. The tax is expected to generate about \$27.8 million on an annual basis and was effective on July 1, 2004. The fiscal year 2005 budget reflects tax proceeds for eleven months of the year.

Also in the October 2003 general municipal election, the voters rejected the streets and roads bond question. Because of the potentially negative impact on the City's infrastructure program, the question was again put to the voters during the general state election in November 2004. During that election, the voters again rejected the proposal for unification of the City and Bernalillo County governments. The question may not be put again to the voters for two years.

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

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

During the 2003 legislative session, legislation was enacted that transferred "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 of the utility became the debt of the Authority, but the Authority was not to impair the rights of any bondholders of outstanding bonds. All contractual obligations of the existing proprietary activity were to be binding on the Authority. Although the legislation had an effective date of June 20, 2003, an audit by the Public Regulation Commission was a condition precedent to the transfer of money, assets and debts to the Authority. That audit was completed in late December 2003 and the transfer to the Authority was made effective July 1, 2003. Concurrently with the transfer, the Authority entered into a six-month Memorandum of Understanding with the City to administer the water and wastewater utility. That Memorandum of Understanding was subsequently extended to June 30, 2006. The Authority retains the authority and obligation to determine and impose rates for services.

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

Economic Assumptions Underlying the Revenue Estimates October-2003			
Fiscal Year	2003	2004	2005
National Variables			
% Chg Real GDP	2.7%	3.8%	4.0%
% Chg Non-Farm Employment	-0.5%	0.1%	2.2%
Federal Funds Rate	1.4%	1.0%	1.4%
10 U.S. Bonds	4.0%	4.4%	5.0%
% Chg CPI U	2.2%	1.6%	1.5%
Per bbl Price of Oil (WTI)	29.92	26.70	24.26
Unemployment Rate(U.S.)	5.9%	6.2%	5.9%
% Chg in Personal Income	3.1%	4.2%	5.5%
New Mexico Economy			
% Chg Total Non-Agricultural Employment	1.6%	1.6%	2.2%
% Chg Personal Income	4.5%	5.4%	5.4%
Unemployment Rate	5.6%	6.2%	6.0%
Albuquerque MSA Economy			
% Chg Total Non-Agricultural Employment	0.5%	1.8%	2.9%
% Chg Construction Employment	-4.5%	2.2%	1.3%
% Chg Personal Income	5.4%	5.6%	5.8%
Unemployment Rate (Alb.)	4.9%	4.9%	4.8%
Construction Units Permitted in City of Albuquerque			
Single-Family Permits	4867	5026	4791
Multi-Family Permits	493	762	608
Total Residential Permits	5360	5788	5399

Source: October 2003 baseline forecasts. National source is Global Insight Inc. Local variables from University of New Mexico, Bureau of Business and Economic Research

**CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004**

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

The total General Fund appropriation for fiscal year 2005 is \$401.8 million before interfund eliminations and \$346.3 million after eliminations. The total appropriation increased by \$49.0 million, which is a 14.5% increase over the original fiscal year 2004 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 2005, 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, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash, investments and accrued interest	\$ 279,875,615	\$ 32,637,408	\$ 312,513,023	\$ 16,361,548
Cash with fiscal agents held for debt service	77,283,304	15,816,578	93,099,882	37,850,496
Cash held by others	154,533	339,188	493,721	-
Taxes receivable	60,847,859	-	60,847,859	-
Accounts receivable	3,837,332	6,455,924	10,293,256	11,003,191
Notes receivable, current portion	-	-	-	1,769,553
Due from other governments	19,228,234	5,831,126	25,059,360	3,155,052
Internal balances	23,500,000	(23,500,000)	-	-
Inventories	2,258,279	1,548,022	3,806,301	-
Prepaid expenses	493,425	-	493,425	-
Total current assets	467,478,581	39,128,246	506,606,827	70,139,840
Noncurrent assets:				
Long-term accounts and notes receivable	23,087,193	-	23,087,193	7,154,659
Restricted assets:				
Cash, investments and accrued interest	73,108,749	122,639,628	195,748,377	43,477,632
Investment with fiscal agents	-	-	-	4,811,537
Accounts receivable - developers	-	3,626,651	3,626,651	-
Accounts receivable from bond escrow agent	-	300,000	300,000	-
Escrow deposits	-	360,503	360,503	144,491
Total restricted assets:	73,108,749	126,926,782	200,035,531	48,433,660
Capital assets:				
Land and construction in progress	440,328,033	101,000,834	541,328,867	97,158,363
Capital assets being depreciated	743,438,645	809,403,400	1,552,842,045	1,342,008,613
Accumulated depreciation	(340,769,341)	(453,576,510)	(794,345,851)	(705,893,227)
Capital assets, net of depreciation	842,997,337	456,827,724	1,299,825,061	733,273,749
Other:				
Purchased water rights, net of accumulated amortization	-	-	-	28,536,580
Capitalized bond issue costs	-	2,917,099	2,917,099	447,967
Deferred charges and other assets	7,453,115	-	7,453,115	-
Total other	7,453,115	2,917,099	10,370,214	28,984,547
Total noncurrent assets	946,646,394	586,671,605	1,533,317,999	817,846,615
Total assets	1,414,124,975	625,799,851	2,039,924,826	887,986,455

See Notes to Financial Statements

CITY OF ALBUQUERQUE, NEW MEXICO

STATEMENT OF NET ASSETS

June 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	27,357,412	1,851,304	29,208,716	4,141,437
Line of credit	-	-	-	8,629,827
Due to other governments	1,566,258	267,900	1,834,158	-
Accrued expenses	55,971,601	5,643,796	61,615,397	3,072,266
Deposits	1,025,783	458,073	1,483,856	214,827
Deferred revenues	21,400,680	-	21,400,680	-
Payable from restricted assets:				
Contracts and other payable	-	6,043,326	6,043,326	6,288,277
Current portion:				
Bonds and notes payable	93,091,565	11,394,920	104,486,485	32,695,000
Water rights and loan agreements	-	-	-	1,271,152
Accrued interest	-	4,908,184	4,908,184	5,184,098
Deferred revenue	-	115,367	115,367	-
Total current liabilities	200,413,299	30,682,870	231,096,169	61,496,884
Noncurrent liabilities:				
Liabilities payable from restricted assets:				
Landfill closure costs	-	1,412,016	1,412,016	-
Other	-	371,596	371,596	-
Total liabilities payable from restricted assets	-	1,783,612	1,783,612	-
Long-term payable:				
Bonds and notes payable, net of current portion, discounts and premiums	330,094,588	279,798,840	609,893,428	180,493,569
Water rights contract and loan agreements	-	-	-	44,747,408
Total long-term payable	330,094,588	279,798,840	609,893,428	225,240,977
Other:				
Accrued vacation, sick leave and claims	36,821,597	1,880,135	38,701,732	548,722
Deferred credits and other liabilities	1,099,628	-	1,099,628	600,000
Total other	37,921,225	1,880,135	39,801,360	1,148,722
Total noncurrent liabilities	368,015,813	283,462,587	651,478,400	226,389,699
Total liabilities	568,429,112	314,145,457	882,574,569	287,886,583
NET ASSETS				
Invested in capital assets, net of related debt	557,927,627	197,589,791	755,517,418	517,181,729
Restricted for:				
Debt service	73,064,874	19,797,836	92,862,710	10,393,256
Construction	85,670,092	57,666,132	143,336,224	17,576,362
Housing & economic development	15,105,616	-	15,105,616	-
Federal & state funded programs	3,290,506	-	3,290,506	-
Open space and urban enhancement:				
Nonexpendable	31,968,052	-	31,968,052	-
Expendable	2,494,031	-	2,494,031	-
Unrestricted	76,175,065	36,600,635	112,775,700	54,948,525
Total net assets	\$ 845,695,863	\$ 311,654,394	\$ 1,157,350,257	\$ 600,099,872

See Notes to Financial Statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year ended June 30, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues Charges for Services</u>
Primary government:			
Governmental Activities:			
General government	\$ 65,199,614	\$ (3,819,895)	\$ 42,675,819
Public Safety			
Corrections	42,883,204	1,332,857	21,738,275
Fire	50,890,748	142,770	418,430
Police	102,728,096	753,402	3,799,612
Culture and recreation	66,765,905	346,897	7,651,214
Public works	9,345,919	38,659	-
Health	11,131,594	290,918	3,640,063
Human services	48,544,294	493,556	2,711,269
Housing	3,394,615	78	-
Highways and streets	18,252,379	420,758	1,227,012
Special assessments	6,603,082	-	-
Interest expense	15,949,492	-	-
Total governmental type activities	<u>441,688,942</u>	<u>-</u>	<u>83,861,694</u>
Business Type Activities:			
Airport	60,846,366	-	60,664,848
Refuse Disposal	39,444,987	-	44,248,388
Housing Authority	26,404,893	-	1,921,970
Transit	31,401,160	-	5,670,544
Nonmajor enterprise funds	14,319,647	-	12,492,100
Total business type activities	<u>172,417,053</u>	<u>-</u>	<u>124,997,850</u>
Total primary government	<u>\$ 614,105,995</u>	<u>\$ -</u>	<u>\$ 208,859,544</u>
Component Unit:			
Albuquerque Bernalillo County Water Utility Authority	<u>\$ 114,700,458</u>	<u>\$ -</u>	<u>\$ 147,348,703</u>

General Revenues:

Taxes:

Gross receipts taxes, local option

Property taxes

Payments in lieu of taxes

Franchise taxes

Lodgers' tax

NM shared taxes and fees not restricted to specific programs

Grants and contributions not restricted to specific programs

Investment income

Other general revenues

Divestiture - Joint Water & Sewer Fund to a component unit

Transfers between governmental and business type activities

Total general revenues, special items and transfers

Change in net assets

Net assets (deficit), July 1, as restated

Net assets (deficit), June 30

Program Revenues, continued		Net (Expense) Revenue and Changes in Net Assets			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Component Unit
\$ 432,554	\$ -	\$ (18,271,346)	\$ -	\$ (18,271,346)	
476,557	-	(22,001,229)	-	(22,001,229)	
413,567	1,018,712	(49,182,809)	-	(49,182,809)	
3,132,529	-	(96,549,357)	-	(96,549,357)	
326,585	-	(59,135,003)	-	(59,135,003)	
167,535	-	(9,217,043)	-	(9,217,043)	
1,175,388	-	(6,607,061)	-	(6,607,061)	
16,641,115	-	(29,685,466)	-	(29,685,466)	
2,463,782	-	(930,911)	-	(930,911)	
5,777,285	1,362,500	(10,306,340)	-	(10,306,340)	
1,918,881	-	(4,684,201)	-	(4,684,201)	
-	-	(15,949,492)	-	(15,949,492)	
<u>32,925,778</u>	<u>2,381,212</u>	<u>(322,520,258)</u>	<u>-</u>	<u>(322,520,258)</u>	
-	2,688,139	-	2,506,621	2,506,621	
-	-	-	4,803,401	4,803,401	
25,249,911	-	-	766,988	766,988	
-	9,778,485	-	(15,952,131)	(15,952,131)	
-	335,518	-	(1,492,029)	(1,492,029)	
<u>25,249,911</u>	<u>12,802,142</u>	<u>-</u>	<u>(9,367,150)</u>	<u>(9,367,150)</u>	
<u>\$ 58,175,689</u>	<u>\$ 15,183,354</u>	<u>(322,520,258)</u>	<u>(9,367,150)</u>	<u>(331,887,408)</u>	
<u>\$ -</u>	<u>\$ 28,287,786</u>				<u>\$ 60,936,031</u>
		132,257,178	-	132,257,178	-
		88,253,706	-	88,253,706	-
		5,110,928	-	5,110,928	-
		18,449,049	-	18,449,049	-
		8,730,347	-	8,730,347	-
		161,755,908	-	161,755,908	-
		15,281,939	-	15,281,939	-
		4,253,858	124,945	4,378,803	419,021
		13,917,869	-	13,917,869	-
		-	(538,744,820)	(538,744,820)	-
		<u>(25,625,107)</u>	<u>25,625,107</u>	<u>-</u>	<u>-</u>
		<u>422,385,675</u>	<u>(512,994,768)</u>	<u>(90,609,093)</u>	<u>419,021</u>
		99,865,417	(522,361,918)	(422,496,501)	61,355,052
		<u>745,830,446</u>	<u>834,016,312</u>	<u>1,579,846,758</u>	<u>538,744,820</u>
		<u>\$ 845,695,863</u>	<u>\$ 311,654,394</u>	<u>\$ 1,157,350,257</u>	<u>\$ 600,099,872</u>

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2004

ASSETS	General Fund	Corrections & Detention Fund
	<u> </u>	<u> </u>
Cash, investments, and accrued interest	\$ 54,541,474	\$ 2,900,157
Cash with fiscal agents	-	-
Investments with fiscal agents	-	-
Cash held by others	-	-
Taxes receivable, net of allowance for uncollectible:		
Property tax	1,179,573	-
Gross receipts tax	49,021,439	-
Lodger's tax	-	-
Other taxes	501,259	-
Other receivables, net of allowance for uncollectible	2,849,577	525
Due from other governments	590,309	285,225
Due from other funds	1,300,077	-
Advances to other funds	307,636	-
Inventories of supplies	107,334	282,900
Prepaid items	121,684	-
Land held for sale	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 110,520,362	\$ 3,468,807

<u>GO Bond Debt Service Fund</u>	<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 45,500,617	\$ 127,055,459	\$ 82,625,337	\$ 312,623,044
62,950,583	-	9,326,682	72,277,265
-	976,016	4,030,023	5,006,039
-	-	154,533	154,533
3,077,062	-	485,423	4,742,058
-	-	5,816,459	54,837,898
-	-	766,644	766,644
-	-	-	501,259
-	635,933	23,412,186	26,898,221
-	10,193,122	8,068,693	19,137,349
-	-	-	1,300,077
-	-	23,500,000	23,807,636
-	-	-	390,234
-	-	-	121,684
-	-	5,065,930	5,065,930
<u>\$ 111,528,262</u>	<u>\$ 138,860,530</u>	<u>\$ 163,251,910</u>	<u>\$ 527,629,871</u>

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2004

	<u>General Fund</u>	<u>Corrections & Detention Fund</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 5,596,223	\$ 201,624
Contracts and retainage payable	-	-
Accrued employee compensation and benefits	11,071,499	1,101,722
Due to other funds	-	-
Due to other governments	-	1,566,258
Deferred revenue	28,132,883	-
Deposits	933,475	81,308
Advances from other funds	-	-
Matured bonds and interest payable	-	-
Total liabilities	45,734,080	2,950,912
Fund balances:		
Reserved for:		
Encumbrances	1,035,000	-
Inventories of supplies	107,334	282,900
Prepaid items	121,684	-
Land held for resale	-	-
Advances to other funds	307,636	-
Transfer to capital acquisition fund	-	-
Acquisition and management of open space land	-	-
Urban enhancement	-	-
Operations	29,477,340	-
Unreserved (deficit)	33,737,288	234,995
Unreserved (deficit), reported in:		
Special revenue funds	-	-
Debt service funds	-	-
Capital project funds	-	-
Total fund balances	64,786,282	517,895
TOTAL LIABILITIES AND FUND BALANCES	\$ 110,520,362	\$ 3,468,807

<u>GO Bond Debt Service Fund</u>	<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 9,349	\$ -	\$ 2,685,222	\$ 8,492,418
-	11,084,390	3,779,676	14,864,066
-	140,468	1,158,088	13,471,777
-	-	1,300,077	1,300,077
-	-	-	1,566,258
2,410,433	220,357	27,424,957	58,188,630
-	-	11,000	1,025,783
-	112,000	195,636	307,636
<u>62,950,583</u>	<u>-</u>	<u>9,351,448</u>	<u>72,302,031</u>
<u>65,370,365</u>	<u>11,557,215</u>	<u>45,906,104</u>	<u>171,518,676</u>
-	-	44,122	1,079,122
-	-	-	390,234
-	-	-	121,684
-	-	5,065,930	5,065,930
-	-	23,500,000	23,807,636
-	-	288,247	288,247
-	-	17,114,408	17,114,408
-	-	9,828,697	9,828,697
-	-	-	29,477,340
46,157,897	127,303,315	-	207,433,495
-	-	25,522,271	25,522,271
-	-	3,406,977	3,406,977
-	-	<u>32,575,154</u>	<u>32,575,154</u>
<u>46,157,897</u>	<u>127,303,315</u>	<u>117,345,806</u>	<u>356,111,195</u>
<u>\$ 111,528,262</u>	<u>\$ 138,860,530</u>	<u>\$ 163,251,910</u>	<u>\$ 527,629,871</u>

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2004

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

Total fund balance for governmental funds \$ 356,111,195

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, 2004 consist of:

Land	\$ 215,657,686	
Construction in progress and miscellaneous other	224,386,505	
Buildings	169,459,697	
Infrastructure	81,959,054	
Improvements	327,738,056	
Equipment	161,425,162	
Accumulated depreciation	<u>(338,340,368)</u>	
Total capital assets		842,285,792

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, 2004 are:

General Obligation bonds payable	(174,385,000)	
Sales tax revenue bonds and notes payable	(148,687,116)	
Special assessment debt with governmental commitment	(16,294,611)	
Current portion of bonds payable, net of reported matured principal	(28,083,871)	
Unamortized bond issue costs	632,185	
Unamortized premiums and discounts	<u>9,272,139</u>	
Total bonds and notes payable, net of premiums, discounts and bond issue costs	(357,546,274)	
Accrued vacation and sick leave pay	(23,556,984)	
Accrued rebatable arbitrage payable reported as deferred credit	<u>(1,099,628)</u>	
		(382,202,886)

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: (7,312,492)

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	30,014,934	
Property taxes	3,655,875	
Other taxes	664,093	
Amounts due on real estate contracts	<u>2,453,048</u>	
		36,787,950

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.

26,304

Total net assets of governmental activities **\$ 845,695,863**



CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
Year ended June 30, 2004

	<u>General Fund</u>	<u>Corrections & Detention Fund</u>
Revenues:		
Taxes	\$ 149,202,502	\$ -
Licenses and permits	13,716,258	-
Intergovernmental	160,965,205	19,922,000
Charges for services	41,111,256	1,338,537
Fines and forfeits	38,428	-
Interest	426,819	30,705
Special assessments	-	-
Collections on real estate contracts receivable	-	-
Proceeds from disposition of capital assets	-	-
Other interest	-	-
Miscellaneous	3,432,451	477,738
Total revenues	<u>368,892,919</u>	<u>21,768,980</u>
Expenditures:		
Current:		
General government	59,416,881	-
Public safety	139,621,244	41,627,999
Culture and recreation	49,171,389	-
Public works	8,037,493	-
Highways and streets	8,106,721	-
Health	6,905,846	-
Human services	27,385,229	-
Housing	-	-
Debt service:		
Principal retirement	-	-
Interest	-	-
Fiscal agent fees and other fees	-	-
Capital outlay	-	-
Bond issuance costs	-	-
Total expenditures	<u>298,644,803</u>	<u>41,627,999</u>
Excess (deficiency) of revenues over expenditures	<u>70,248,116</u>	<u>(19,859,019)</u>
Other financing sources (uses):		
Transfers in	2,170,145	20,155,000
Transfers out	(50,757,180)	(32,564)
Proceeds of bonds, notes and premiums issued	-	-
Total other financing sources (uses)	<u>(48,587,035)</u>	<u>20,122,436</u>
Net change in fund balances	21,661,081	263,417
Fund balances (deficit), July 1, as restated	<u>43,125,201</u>	<u>254,478</u>
Fund balances (deficit), June 30	<u>\$ 64,786,282</u>	<u>\$ 517,895</u>

See Notes to Financial Statements

<u>GO Bond Debt Service Fund</u>	<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 63,153,644	\$ 754,326	\$ 39,533,501	\$ 252,643,973
-	-	2,310,054	16,026,312
-	15,281,939	33,629,627	229,798,771
-	-	8,978,114	51,427,907
-	-	862,315	900,743
777,327	1,335,605	1,154,292	3,724,748
-	-	5,870,746	5,870,746
-	-	178,057	178,057
-	-	140,197	140,197
-	-	356,972	356,972
-	4,547,731	6,280,243	14,738,163
<u>63,930,971</u>	<u>21,919,601</u>	<u>99,294,118</u>	<u>575,806,589</u>
-	-	8,570,577	67,987,458
-	-	10,236,705	191,485,948
-	-	5,753,923	54,925,312
-	-	169,998	8,207,491
-	-	5,792,810	13,899,531
-	-	4,218,947	11,124,793
-	-	20,726,683	48,111,912
-	-	3,392,399	3,392,399
58,220,000	-	9,676,244	67,896,244
9,366,770	-	5,414,407	14,781,177
636,733	-	432,052	1,068,785
-	100,410,782	32,204,615	132,615,397
392,046	488,964	135,314	1,016,324
<u>68,615,549</u>	<u>100,899,746</u>	<u>106,724,674</u>	<u>616,512,771</u>
<u>(4,684,578)</u>	<u>(78,980,145)</u>	<u>(7,430,556)</u>	<u>(40,706,182)</u>
-	8,270,000	18,117,423	48,712,568
-	(4,062,609)	(19,290,322)	(74,142,675)
5,349,063	135,795,000	8,575,143	149,719,206
5,349,063	140,002,391	7,402,244	124,289,099
664,485	61,022,246	(28,312)	83,582,917
45,493,412	66,281,069	117,374,118	272,528,278
<u>\$ 46,157,897</u>	<u>\$ 127,303,315</u>	<u>\$ 117,345,806</u>	<u>\$ 356,111,195</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2004

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 **\$ 83,582,917**

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	\$ 125,955,383	
Depreciation expense	(28,902,106)	
Gain (loss) on disposition of capital assets	<u>(525,888)</u>	
		96,527,389

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.

Proceeds and premiums from issuance of bonds and notes payable	(149,719,206)	
Principal repayments	67,896,244	
Bond issue costs incurred at time of bond issue	1,016,324	
Amortization of bond issue costs	(621,474)	
Amortization of premiums and discounts	<u>521,944</u>	
Net adjustment		(80,906,168)

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.

(513,141)

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	203,374	
Property tax	4,878	
Other taxes	(64,332)	
Collections on real estate contracts, net of deferred gains	(165,516)	
Interest on loans receivable	(135,451)	
Expenses:		
Accrued vacation and sick leave pay	1,288,259	
Rebatable arbitrage	<u>43,208</u>	
Net adjustment		1,174,420

Change in net assets of governmental activities **\$ 99,865,417**

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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Current property tax	\$ 23,295,000	\$ 23,295,000	\$ 23,997,640	\$ 702,640
Delinquent property tax	1,021,000	1,021,000	736,021	(284,979)
Franchise taxes:				
Telephone	4,196,000	3,995,000	3,636,361	(358,639)
Electric	5,786,000	5,788,000	5,797,633	9,633
Gas	2,737,000	3,500,000	4,139,741	639,741
Cable television	2,917,000	3,269,000	3,245,298	(23,702)
New Mexico Utility	150,000	180,000	214,959	34,959
Telecommunications	517,000	517,000	660,731	143,731
Payments in lieu of Taxes	5,125,000	5,125,000	5,110,928	(14,072)
Gross receipts tax-local option	<u>93,830,000</u>	<u>98,391,000</u>	<u>101,663,190</u>	<u>3,272,190</u>
Total taxes	<u>139,574,000</u>	<u>145,081,000</u>	<u>149,202,502</u>	<u>4,121,502</u>
Licenses and permits:				
Liquor licenses	175,000	200,000	211,029	11,029
Building permits	2,869,000	3,774,000	4,444,292	670,292
Plumbing/mechanical permits	1,700,000	1,675,000	1,789,175	114,175
Electrical/refrigeration permits	1,215,000	1,232,000	1,311,264	79,264
Plan checking permits	1,800,000	2,718,000	2,987,823	269,823
Flood plain certification	171,000	182,000	233,738	51,738
Reroofing permits	39,000	36,000	21,385	(14,615)
Restaurant inspections	525,000	525,000	616,465	91,465
Food retailers inspections	-	135,000	147,806	12,806
Swimming pool inspections	120,000	120,000	107,530	(12,470)
Animal licenses	250,000	250,000	273,646	23,646
Right of way usage permits	185,000	150,000	175,732	25,732
Loading zone permits	9,000	9,000	9,504	504
Solicitation permits	6,000	6,000	7,320	1,320
Business registration fees	1,185,000	1,185,000	1,192,110	7,110
Other licenses and permits	<u>136,000</u>	<u>201,000</u>	<u>187,439</u>	<u>(13,561)</u>
Total licenses and permits	<u>10,385,000</u>	<u>12,398,000</u>	<u>13,716,258</u>	<u>1,318,258</u>
Intergovernmental:				
State shared:				
Gross receipts tax	146,229,000	150,839,000	156,137,731	5,298,731
Cigarette tax	600,000	600,000	624,637	24,637
Motor vehicle license distribution	1,300,000	1,400,000	1,267,037	(132,963)
Municipal road - gas tax	2,448,000	2,448,000	2,330,293	(117,707)
DWI Fines	500,000	350,000	33,756	(316,244)
Grants:				
Other	-	358,000	370,497	12,497
Local administered grants:				
Bernalillo County-shared operations	<u>231,000</u>	<u>238,000</u>	<u>201,254</u>	<u>(36,746)</u>
Total intergovernmental	<u>151,308,000</u>	<u>156,233,000</u>	<u>160,965,205</u>	<u>4,732,205</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues (continued):				
Charges for services:				
General government:				
Photocopying	182,000	182,000	172,446	(9,554)
Engineering fees	1,000,000	1,200,000	1,599,818	399,818
Filing of plats and subdivisions	323,000	350,000	432,443	82,443
Sign fees	52,000	52,000	84,021	32,021
Zoning fence permit fees	143,000	143,000	240,644	97,644
Sale of maps and publications	30,000	30,000	12,867	(17,133)
Records search fees	310,000	310,000	485,365	175,365
Jury duty and witness fees	13,000	13,000	13,932	932
Planning services	19,000	38,000	37,700	(300)
Vendor registration fees	20,000	20,000	19,420	(580)
Shooting range fees	140,000	160,000	165,240	5,240
Grounds maintenance	521,000	521,000	520,987	(13)
Office services	33,000	35,000	32,733	(2,267)
Real property services	70,000	70,000	81,998	11,998
Material testing lab	-	-	29,661	29,661
Engineering inspections	150,000	100,000	150,306	50,306
Engineering surveying	25,000	5,000	8,463	3,463
Legal services	2,570,000	2,458,000	2,164,494	(293,506)
Administrative fees	43,000	43,000	94,914	51,914
Administrative charges to other funds	24,586,000	23,285,000	22,182,346	(1,102,654)
Other	717,000	740,000	791,424	51,424
Public safety:				
Police services	1,713,000	2,135,000	2,026,802	(108,198)
Fire services	322,000	282,000	408,481	126,481
Culture and recreation:				
Community centers	25,000	38,000	32,399	(5,601)
Swimming pools	500,000	500,000	514,530	14,530
Sports programs	451,000	418,000	410,017	(7,983)
Other recreation charges	350,000	250,000	225,841	(24,159)
Tournament/field rental	13,000	33,000	28,966	(4,034)
Latch key program	561,000	820,000	768,368	(51,632)
Extended care fees	25,000	47,000	44,595	(2,405)
Special events	10,000	6,000	4,771	(1,229)
Museum charges	259,000	213,000	323,660	110,660
Zoo admissions	1,829,000	1,546,000	1,603,203	57,203
Other zoo charges	90,000	51,000	141,235	90,235
Albuquerque aquarium and gardens	986,000	986,000	1,105,310	119,310
Convention center	1,645,000	861,000	491,469	(369,531)
Facilities concessions	1,063,000	565,000	613,856	48,856
Library services	1,125,000	1,163,000	1,018,596	(144,404)
Cultural affairs	29,000	25,000	34,136	9,136

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2004

	<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	325,000	180,000	223,691	43,691
Excavation permits	350,000	400,000	431,172	31,172
Other street division charges	430,000	478,000	562,645	84,645
Health:				
Animal control charges	351,000	351,000	399,279	48,279
Human services:				
Meal programs	164,000	156,000	177,549	21,549
Memberships	86,000	90,000	128,719	38,719
Coffee	16,000	14,000	17,841	3,841
Dances	31,000	28,000	29,440	1,440
Other	22,000	21,000	23,463	2,463
Total charges for services	<u>43,718,000</u>	<u>41,412,000</u>	<u>41,111,256</u>	<u>(300,744)</u>
Fines and forfeits:				
Nuisance abatement/enforcement	30,000	-	2,050	2,050
Air quality penalties	25,000	5,000	36,378	31,378
Total fines and forfeits	<u>55,000</u>	<u>5,000</u>	<u>38,428</u>	<u>33,428</u>
Interest:				
Interest on investments	1,300,000	1,000,000	426,819	(573,181)
Miscellaneous:				
Rental of City property	130,000	180,000	153,258	(26,742)
Community center rentals	150,000	216,000	269,692	53,692
Sales of real property	70,000	30,000	26,818	(3,182)
Sales of other property	30,000	-	-	-
Contributions and donations	-	-	66,674	66,674
Cash overages and shortages, net	-	-	(111)	(111)
Cash discounts earned	50,000	50,000	14,097	(35,903)
Other miscellaneous	320,000	2,685,000	2,902,023	217,023
Total miscellaneous	<u>750,000</u>	<u>3,161,000</u>	<u>3,432,451</u>	<u>271,451</u>
Total revenues	<u>347,090,000</u>	<u>359,290,000</u>	<u>368,892,919</u>	<u>9,602,919</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
General government:				
Accounting	2,679,000	2,679,000	2,572,962	106,038
Capital implementation project	1,942,000	-	-	-
Chief Administrative Officer	1,563,000	1,563,000	1,488,761	74,239
City buildings	6,074,000	6,074,000	5,958,591	115,409
City wide financial support	452,000	452,000	446,070	5,930
City/County building rental	2,789,000	2,789,000	2,789,000	-
Community revitalization	1,547,000	1,547,000	1,499,297	47,703
Compensation in lieu of sick leave	350,000	350,000	239,807	110,193
Council services	1,556,000	1,564,100	1,535,815	28,285
Special Event Parking	19,000	19,000	-	19,000
Dues and memberships	429,000	429,000	360,409	68,591
Early retirement	4,935,000	6,641,000	6,632,694	8,306
Economic development	50,000	50,000	40,500	9,500
FY03 bonus program	-	4,657,000	4,371,446	285,554
Information systems	7,334,000	7,339,000	6,798,518	540,482
International trade	208,000	208,000	83,902	124,098
ISD CIP funded	-	149,000	77,270	71,730
Legal services	4,745,000	4,780,000	4,424,207	355,793
Legislative coordinator	224,000	224,000	212,000	12,000
Mayor's office	523,700	523,700	522,089	1,611
Office of city clerk	1,293,000	1,583,000	1,447,262	135,738
Office of economic development	824,000	824,000	708,114	115,886
Office of internal audit	773,110	773,110	751,658	21,452
Office of management and budget	1,117,620	1,117,620	1,041,969	75,651
Personnel services	2,236,000	2,236,000	2,130,772	105,228
Strategic support - Planning	1,063,000	1,063,000	1,044,085	18,915
Plaza del Sol building	1,274,000	1,274,000	1,274,000	-
Purchasing	1,075,000	1,075,000	950,608	124,392
Real property	513,000	513,000	382,294	130,706
Risk five year recovery plan	1,494,000	1,494,000	1,494,000	-
TRD audit gov grt	-	1,090,000	1,089,444	556
Strategic support - DFAS	362,000	362,000	346,183	15,817
Treasury	1,342,000	1,342,000	1,332,859	9,141
Utility franchising office	784,000	686,000	495,420	190,580
Strategic support/municipal devlp	-	1,096,000	1,015,732	80,268
Design/municipal devlp	-	863,000	825,637	37,363
Design recovered/municipal devlp	-	3,406,000	3,033,506	372,494
Total general government	<u>51,570,430</u>	<u>62,835,530</u>	<u>59,416,881</u>	<u>3,418,649</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public safety:				
Police Department:				
Central support services	21,589,840	21,989,840	22,073,052	(83,212)
Investigative services	18,310,000	18,309,492	17,856,800	452,692
Neighborhood Policing	51,960,000	51,555,325	51,195,047	360,278
Off duty police overtime	1,072,000	1,072,000	978,488	93,512
Fire Department:				
AFD headquarters	1,510,000	1,510,000	1,467,129	42,871
Dispatch	1,733,000	1,733,000	1,718,849	14,151
Fire dept/CIP funded employees	98,000	98,000	79,842	18,158
Fire dept/technical services	451,000	451,000	434,985	16,015
Fire prevention/fire marshal's office	2,843,000	2,843,000	2,824,240	18,760
Fire suppression	29,368,000	29,526,000	29,496,821	29,179
Fire training and safety	1,533,000	1,533,000	1,496,951	36,049
Logistics	856,000	856,000	853,584	2,416
Paramedic rescue	9,228,000	9,228,000	9,145,456	82,544
Total public safety	<u>140,551,840</u>	<u>140,704,657</u>	<u>139,621,244</u>	<u>1,083,413</u>
Culture and recreation:				
Biological park	8,210,270	8,210,270	8,202,718	7,552
CIP Biopark	1,844,000	1,844,000	1,461,275	382,725
CIP library	94,000	94,000	49,554	44,446
Community events	1,339,000	1,339,000	1,363,484	(24,484)
Convention center	3,440,000	3,415,000	2,438,836	976,164
CIP Museum	114,000	-	-	-
Explora Science Center	550,000	550,000	550,000	-
Museum	2,608,800	2,608,800	2,564,020	44,780
Quality parks & trails system	2,433,000	1,708,000	1,510,986	197,014
Strategic support - CS	1,087,000	1,099,000	1,035,089	63,911
Strategic support - Senior Affairs	1,263,000	1,263,000	1,188,913	74,087
Strategic support - PR	722,000	722,000	695,821	26,179
Parks land management	11,215,000	10,991,000	10,249,553	741,447
Promote safe use of firearms	288,000	288,000	262,861	25,139
Provide community recreation	5,506,500	5,535,500	5,035,001	500,499
Provide quality recreation	3,542,000	3,773,000	3,337,475	435,525
Public library	9,160,000	9,196,000	9,225,803	(29,803)
Total culture and recreation	<u>53,416,570</u>	<u>52,636,570</u>	<u>49,171,389</u>	<u>3,465,181</u>
Public works:				
Code administration	1,934,000	1,934,000	1,925,766	8,234
Construction management	2,433,270	2,217,270	2,100,566	116,704
Street CIP trans infrastructure tx	4,180,000	2,555,000	2,227,779	327,221
Storm drainage/maintenance	2,398,000	1,915,000	1,783,382	131,618
Total public works	<u>10,945,270</u>	<u>8,621,270</u>	<u>8,037,493</u>	<u>583,777</u>
Highways and streets:				
GF street services	8,573,000	8,480,000	8,106,721	373,279
Total highways and streets	<u>8,573,000</u>	<u>8,480,000</u>	<u>8,106,721</u>	<u>373,279</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures (continued):				
Current (continued):				
Health:				
Animal services	4,266,000	4,266,000	4,153,135	112,865
Bio disease management	350,000	370,000	344,985	25,015
Clean city section	-	-	16	(16)
Consumer protection	960,000	960,000	911,694	48,306
Environmental services	1,150,000	1,202,000	1,147,735	54,265
Program support	<u>360,000</u>	<u>360,000</u>	<u>348,281</u>	<u>11,719</u>
Total health	<u>7,086,000</u>	<u>7,158,000</u>	<u>6,905,846</u>	<u>252,154</u>
Human services:				
Access to basic services	113,000	113,000	68,692	44,308
Develop affordable housing	75,000	75,000	71,395	3,605
Development process & policy	5,882,250	5,813,250	5,669,125	144,125
Plan and coordinate	1,828,000	1,828,000	1,821,763	6,237
Long-range planning	1,255,000	1,255,000	1,195,109	59,891
Offer health & social services	1,894,000	1,894,000	1,776,763	117,237
Partner with public education	5,288,090	5,328,090	4,853,417	474,673
Prevent and reduce youth gangs	1,003,000	1,003,000	1,003,000	-
Prevent neighborhood deterioration	48,000	48,000	43,466	4,534
Provide early childhood education	4,437,000	4,441,000	4,048,182	392,818
Provide emergency shelter	163,000	163,000	160,490	2,510
Provide mental health	204,000	219,000	217,000	2,000
Provide transitional housing	164,000	164,000	151,350	12,650
Substance abuse treatment/prevention	2,792,000	2,791,220	2,740,856	50,364
Supportive services to homeless	183,600	183,600	176,699	6,901
Train lower income persons	470,000	470,000	464,693	5,307
Well-being	<u>2,998,000</u>	<u>2,998,000</u>	<u>2,923,229</u>	<u>74,771</u>
Total human services	<u>28,797,940</u>	<u>28,787,160</u>	<u>27,385,229</u>	<u>1,401,931</u>
Total expenditures	<u>300,941,050</u>	<u>309,223,187</u>	<u>298,644,803</u>	<u>10,578,384</u>
Excess (deficiency) of revenues over expenditures	<u>46,148,950</u>	<u>50,066,813</u>	<u>70,248,116</u>	<u>20,181,303</u>
Other financing sources (uses):				
Transfers in	2,505,000	2,240,000	2,170,145	(69,855)
Transfers out	<u>(49,864,660)</u>	<u>(51,023,623)</u>	<u>(50,757,180)</u>	<u>(266,443)</u>
Total other financing sources and uses	<u>(47,359,660)</u>	<u>(48,783,623)</u>	<u>(48,587,035)</u>	<u>(336,298)</u>
Net change in fund balance	(1,210,710)	1,283,190	21,661,081	19,845,005
Fund balance, July 1	<u>43,125,201</u>	<u>43,125,201</u>	<u>43,125,201</u>	<u>-</u>
Fund balance, June 30	<u>\$ 41,914,491</u>	<u>\$ 44,408,391</u>	<u>\$ 64,786,282</u>	<u>\$ 19,845,005</u>

See Notes to Financial Statements

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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
County-shared operations	\$ 19,981,000	\$ 20,155,000	\$ 19,922,000	\$ (233,000)
Charges for services:				
Care of prisoners-state	216,000	216,000	686,013	470,013
Care of prisoners-other	-	-	525	525
Commissary	-	-	42,158	42,158
Community custody program fees	146,000	146,000	167,950	21,950
CCP reimbursement	435,000	435,000	302,813	(132,187)
Medical Co-Pay-inmates	-	-	26,078	26,078
Recycling services	113,000	113,000	113,000	-
Total charges for services	910,000	910,000	1,338,537	428,537
Interest:				
Interest on investments	-	-	30,705	30,705
Miscellaneous:				
Other	-	200,000	477,738	277,738
Total miscellaneous	-	200,000	477,738	277,738
Total revenues	20,891,000	21,265,000	21,768,980	503,980
Expenditures:				
Current:				
Public safety:				
Administrative support	4,496,000	4,496,000	4,310,459	185,541
Community custody	866,000	1,146,000	1,155,605	(9,605)
Correction and detention	33,622,000	34,244,000	34,039,635	204,365
FY 03 bonus program	-	466,000	435,832	30,168
Metro criminal justice coordinating council	85,000	85,000	85,000	-
Water supply contract	488,000	488,000	487,245	755
Indirect overhead charge	1,280,000	1,247,436	1,114,223	133,213
Total expenditures	40,837,000	42,172,436	41,627,999	544,437
Excess (deficiency) of revenues over expenditures	(19,946,000)	(20,907,436)	(19,859,019)	1,048,417
Other financing sources (uses):				
Transfers in	19,981,000	20,155,000	20,155,000	-
Transfers out	-	(32,564)	(32,564)	-
Total other financing sources (uses)	19,981,000	20,122,436	20,122,436	-
Net change in fund balance	35,000	(785,000)	263,417	1,048,417
Fund balance (deficit), July 1	254,478	254,478	254,478	-
Fund balance (deficit), June 30	\$ 289,478	\$ (530,522)	\$ 517,895	\$ 1,048,417

See Notes to Financial Statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2004

	<u>Enterprise Funds</u>		
	<u>Airport Fund</u>	<u>Joint Water and Sewer Fund</u>	<u>Refuse Disposal Fund</u>
ASSETS			
Current assets:			
Cash, investments, and accrued interest	\$ 10,118,837	\$ -	\$ 5,700,415
Cash with fiscal agents held for debt service	11,051,162	-	3,717,204
Cash held by others	-	-	-
Accounts receivables, net of allowance for uncollectible accounts	2,986,738	-	2,728,791
Due from other funds	81,869	-	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Inventories of supplies	-	-	698,332
Total current assets	<u>24,238,606</u>	<u>-</u>	<u>12,844,742</u>
Noncurrent assets:			
Restricted assets:			
Cash, investments, and accrued interest	95,630,926	-	11,244,888
Account receivable from bond escrow agent	300,000	-	-
Accounts receivable - developers	-	-	-
Escrow deposits	-	-	-
Total restricted assets	<u>95,930,926</u>	<u>-</u>	<u>11,244,888</u>
Capital assets:			
Land	33,032,723	-	5,165,504
Land and improvements acquired from U.S. Air Force	7,638,439	-	-
Buildings and improvements	146,431,805	-	38,722,599
Runways and other improvements	242,374,624	-	-
Improvements other than buildings	101,129,123	-	-
Machinery and equipment	12,888,475	-	59,095,029
Other	647,096	-	-
Total	<u>544,142,285</u>	<u>-</u>	<u>102,983,132</u>
Less accumulated depreciation and amortization	<u>295,340,424</u>	<u>-</u>	<u>51,055,953</u>
Capital assets, net of depreciation	<u>248,801,861</u>	<u>-</u>	<u>51,927,179</u>
Construction work in progress	14,905,465	-	2,126,848
Total capital assets	<u>263,707,326</u>	<u>-</u>	<u>54,054,027</u>
Other:			
Capitalized bond issuance costs	1,971,126	-	66,467
Land - acquired under claim settlement	-	-	-
Total other assets	<u>1,971,126</u>	<u>-</u>	<u>66,467</u>
Total noncurrent assets	<u>361,609,378</u>	<u>-</u>	<u>65,365,382</u>
Total Assets	<u>385,847,984</u>	<u>-</u>	<u>78,210,124</u>

See Notes to Financial Statements

Enterprise Funds

Housing Authority Fund	Transit Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 10,959,256	\$ 5,035,822	\$ 823,078	\$ 32,637,408	\$ 40,361,320
-	-	1,048,212	15,816,578	-
-	-	339,188	339,188	-
287,021	71,040	382,334	6,455,924	-
-	-	-	81,869	-
-	-	-	-	371,741
559,160	5,271,966	-	5,831,126	90,885
211,491	598,095	40,104	1,548,022	1,868,045
<u>12,016,928</u>	<u>10,976,923</u>	<u>2,632,916</u>	<u>62,710,115</u>	<u>42,691,991</u>
-	6,643,271	9,120,543	122,639,628	-
-	-	-	300,000	-
-	-	3,626,651	3,626,651	-
270,316	-	90,187	360,503	-
<u>270,316</u>	<u>6,643,271</u>	<u>12,837,381</u>	<u>126,926,782</u>	<u>-</u>
3,767,389	3,760,422	5,108,043	50,834,081	283,842
-	-	-	7,638,439	-
47,726,121	17,287,824	86,663,082	336,831,431	406,001
-	-	-	242,374,624	-
-	-	-	101,129,123	765,388
479,358	52,885,795	3,719,565	129,068,222	1,685,287
-	-	100,904	748,000	-
51,972,868	73,934,041	95,591,594	868,623,920	3,140,518
36,897,314	44,742,146	25,540,673	453,576,510	2,428,973
15,075,554	29,191,895	70,050,921	415,047,410	711,545
3,566,443	21,039,385	142,173	41,780,314	-
<u>18,641,997</u>	<u>50,231,280</u>	<u>70,193,094</u>	<u>456,827,724</u>	<u>711,545</u>
-	-	879,506	2,917,099	-
-	-	-	-	1,755,000
-	-	879,506	2,917,099	1,755,000
<u>18,912,313</u>	<u>56,874,551</u>	<u>83,909,981</u>	<u>586,671,605</u>	<u>2,466,545</u>
<u>30,929,241</u>	<u>67,851,474</u>	<u>86,542,897</u>	<u>649,381,720</u>	<u>45,158,536</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2004

	Enterprise Funds		
	Airport Fund	Joint Water and Sewer Fund	Refuse Disposal Fund
LIABILITIES			
Current liabilities:			
Accounts payable	364,371	-	749,961
Accrued payroll	605,678	-	958,554
Accrued vacation and sick leave pay	715,244	-	943,194
Accrued fuel cleanup costs	-	-	-
Fare tokens outstanding	-	-	-
Deposits	146,303	-	59,635
Due to other funds	-	-	-
Due to other governments	-	-	-
Current portion of claims and judgments payable	-	-	-
Liabilities payable from restricted assets:			
Construction contracts and miscellaneous payable	1,924,261	-	1,038,384
Deferred revenue	115,367	-	-
Current portion - revenue bonds payable	7,630,000	-	2,975,000
Accrued interest	3,711,894	-	742,204
Total current liabilities	<u>15,213,118</u>	<u>-</u>	<u>7,466,932</u>
Noncurrent liabilities:			
Liabilities payable from restricted assets:			
Accrued landfill closure costs	-	-	1,412,016
Other	-	-	-
Total	<u>-</u>	<u>-</u>	<u>1,412,016</u>
Revenue bonds, net of current portion and unamortized discounts	<u>221,685,408</u>	<u>-</u>	<u>27,732,275</u>
Other:			
Claims and judgments payable	-	-	-
Accrued vacation and sick leave pay	380,889	-	977,640
Advances from other funds	-	-	-
Total	<u>380,889</u>	<u>-</u>	<u>977,640</u>
Total noncurrent liabilities:	<u>222,066,297</u>	<u>-</u>	<u>30,121,931</u>
Total liabilities	<u>237,279,415</u>	<u>-</u>	<u>37,588,863</u>
NET ASSETS			
Invested in capital assets, net of related debt	74,634,546	-	30,897,896
Restricted for:			
Debt service	15,784,917	-	551,589
Construction	43,148,798	-	3,427,406
Unrestricted	15,000,308	-	5,744,370
Total net assets	<u>\$ 148,568,569</u>	<u>\$ -</u>	<u>\$ 40,621,261</u>

See Notes to Financial Statements

Enterprise Funds

<u>Housing Authority Fund</u>	<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
315,049	201,537	220,386	1,851,304	4,000,928
157,574	913,342	180,193	2,815,341	308,399
129,752	873,990	166,275	2,828,455	397,567
-	-	-	-	90,915
-	70,249	-	70,249	-
181,886	-	-	387,824	-
-	-	81,869	81,869	-
267,900	-	-	267,900	-
-	-	-	-	17,989,500
-	3,074,043	6,638	6,043,326	-
-	-	-	115,367	-
-	-	789,920	11,394,920	-
-	-	454,086	4,908,184	-
<u>1,052,161</u>	<u>5,133,161</u>	<u>1,899,367</u>	<u>30,764,739</u>	<u>22,787,309</u>
-	-	-	1,412,016	-
<u>270,316</u>	<u>-</u>	<u>101,280</u>	<u>371,596</u>	<u>-</u>
<u>270,316</u>	<u>-</u>	<u>101,280</u>	<u>1,783,612</u>	<u>-</u>
-	-	30,381,157	279,798,840	-
-	-	-	-	29,588,748
18,910	423,471	79,225	1,880,135	94,971
-	-	23,500,000	23,500,000	-
<u>18,910</u>	<u>423,471</u>	<u>23,579,225</u>	<u>25,380,135</u>	<u>29,683,719</u>
<u>289,226</u>	<u>423,471</u>	<u>54,061,662</u>	<u>306,962,587</u>	<u>29,683,719</u>
<u>1,341,387</u>	<u>5,556,632</u>	<u>55,961,029</u>	<u>337,727,326</u>	<u>52,471,028</u>
18,641,997	50,231,280	23,184,072	197,589,791	711,545
-	-	3,461,330	19,797,836	-
-	8,841,194	2,248,734	57,666,132	-
<u>10,945,857</u>	<u>3,222,368</u>	<u>1,687,732</u>	<u>36,600,635</u>	<u>(8,024,037)</u>
<u>\$ 29,587,854</u>	<u>\$ 62,294,842</u>	<u>\$ 30,581,868</u>	<u>\$ 311,654,394</u>	<u>\$ (7,312,492)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
Year ended June 30, 2004

	Enterprise Funds		
	Airport Fund	Joint Water and Sewer Fund	Refuse Disposal Fund
Operating revenues:			
Charges for services	\$ 52,743,648	\$ -	\$ 43,523,148
Operating expenses:			
Salaries and fringe benefits	12,119,561	-	20,063,248
Professional services	177,380	-	282,110
Utilities	2,340,233	-	353,397
Supplies	533,901	-	1,100,738
Travel	35,488	-	17,163
Fuels, repairs and maintenance	2,482,921	-	5,236,036
Contractual services	4,253,057	-	1,300,705
Claims and judgments	-	-	-
Insurance premiums	-	-	-
Other operating expenses	2,098,505	-	4,910,091
Depreciation	27,631,286	-	5,112,639
Bad debt expense	133,166	-	-
Total operating expenses	51,805,498	-	38,376,127
Operating income (loss)	938,150	-	5,147,021
Non-operating revenues (expenses):			
Interest on investments	(269,120)	-	24,552
Federal housing grants	-	-	-
Housing assistance payments	-	-	-
Passenger facilities charges	7,899,625	-	-
Gain (loss) on disposition of property and equipment	8,548	-	203,467
Interest and other debt services expenses	(8,783,384)	-	(1,019,282)
Bond issue costs	(257,484)	-	(49,578)
Other	13,027	-	521,773
Total non-operating revenues (expenses)	(1,388,788)	-	(319,068)
Income (loss) before capital contributions and transfers	(450,638)	-	4,827,953
Capital contributions	2,688,139	-	-
Transfers in	-	-	-
Divestiture of the Joint Water and Sewer Fund to an Authority	-	(538,744,820)	-
Transfers out	-	-	(1,058,863)
Change in net assets	2,237,501	(538,744,820)	3,769,090
Net assets (deficit), July 1, as restated	146,331,068	538,744,820	36,852,171
Net assets (deficit), June 30	\$ 148,568,569	\$ -	\$ 40,621,261

See Notes to Financial Statements

Enterprise Funds

Housing Authority Fund	Transit Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,787,041	\$ 3,325,975	\$ 12,411,369	\$ 113,791,181	\$ 72,637,978
3,075,738	18,168,201	4,084,224	57,510,972	6,203,101
17,500	6,349	461,816	945,155	834,429
581,963	420,509	1,901,536	5,597,638	137,767
-	290,798	174,826	2,100,263	1,276,262
-	15,261	1,971	69,883	16,848
781,463	2,980,089	1,357,905	12,838,414	3,289,150
-	886,885	292,131	6,732,778	1,733,553
-	-	-	-	23,545,885
-	-	-	-	34,068,222
1,108,461	3,191,871	844,635	12,153,563	2,061,071
1,582,443	5,440,057	3,329,259	43,095,684	129,746
55,528	1,140	369,887	559,721	-
7,203,096	31,401,160	12,818,190	141,604,071	73,296,034
(5,416,055)	(28,075,185)	(406,821)	(27,812,890)	(658,056)
149,959	158,002	61,552	124,945	307,589
25,249,911	-	-	25,249,911	-
(19,201,797)	-	-	(19,201,797)	-
-	-	-	7,899,625	-
-	-	-	212,015	6,572
-	-	(1,356,263)	(11,158,929)	-
-	-	(145,194)	(452,256)	-
134,929	2,344,569	80,731	3,095,029	23,900
6,333,002	2,502,571	(1,359,174)	5,768,543	338,061
916,947	(25,572,614)	(1,765,995)	(22,044,347)	(319,995)
-	9,778,485	335,518	12,802,142	1,854
-	25,514,079	1,625,000	27,139,079	74,000
-	-	-	(538,744,820)	-
-	(161,068)	(294,041)	(1,513,972)	(269,000)
916,947	9,558,882	(99,518)	(522,361,918)	(513,141)
28,670,907	52,735,960	30,681,386	834,016,312	(6,799,351)
\$ 29,587,854	\$ 62,294,842	\$ 30,581,868	\$ 311,654,394	\$ (7,312,492)

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	<u>Enterprise Funds</u>		
	<u>Airport Fund</u>	<u>Joint Water and Sewer Fund</u>	<u>Refuse Disposal Fund</u>
Cash flows from operating activities:			
Cash received from customers	\$ 53,068,901	\$ -	\$ 42,799,678
Cash received from other funds for goods and services	-	-	692,528
Cash payments to employees for services	(10,912,363)	-	(18,459,463)
Cash payments to suppliers for goods and services	(9,523,973)	-	(8,700,156)
Cash payments to other funds for goods and services	(3,397,722)	-	(5,748,769)
Cash payments to claimants and beneficiaries	-	-	-
Miscellaneous cash received	13,027	-	521,773
Net cash provided by (used for) operating activities	<u>29,247,870</u>	<u>-</u>	<u>11,105,591</u>
Cash flow from noncapital financing activities:			
Operating grants received	-	-	-
Housing assistance payments	-	-	-
Principal paid on advance from other funds	-	-	-
Interest paid on advance from other funds	-	-	-
Transfer of cash to an Authority	-	(102,802,098)	-
Transfers-in from other funds	-	-	-
Transfers-out to other funds	-	-	(1,058,863)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(102,802,098)</u>	<u>(1,058,863)</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of revenue and refunding bonds	51,253,143	-	-
Capitalized bond issuance costs	(1,321,104)	-	-
Principal paid on revenue bond maturities and refunded bonds	(28,700,000)	-	(2,840,000)
Deposit with Depository Trust Company	(300,000)	-	-
Interest and other expenses paid on revenue bond maturities	(9,701,952)	-	(936,658)
Acquisition and construction of capital assets	(8,222,031)	-	(7,982,949)
Cash payments to other funds for goods and services	(170,157)	-	(87,642)
Capital grants received	-	-	-
Receipts in anticipation of future land sale	-	-	-
Passenger facilities charges	7,899,625	-	-
Proceeds from sale of property and equipment	8,548	-	203,467
Net cash used for capital and related financing activities	<u>10,746,072</u>	<u>-</u>	<u>(11,643,782)</u>
Cash flows from investing activities:			
Interest received on investments	754,665	-	24,552
Net cash provided by investing activities	<u>754,665</u>	<u>-</u>	<u>24,552</u>
Net increase (decrease) in cash and cash equivalents	40,748,607	(102,802,098)	(1,572,502)
Cash and cash equivalents, July 1, as restated	<u>76,052,318</u>	<u>102,802,098</u>	<u>22,235,009</u>
Cash and cash equivalents, June 30	<u>\$ 116,800,925</u>	<u>\$ -</u>	<u>\$ 20,662,507</u>

See Notes to Financial Statements

Enterprise Funds

Housing Authority Fund	Transit Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,557,901	\$ 3,204,189	\$ 12,067,885	\$ 112,698,554	\$ 22,048,466
-	-	204,683	897,211	57,575,285
(2,763,474)	(16,610,927)	(3,865,479)	(52,611,706)	(5,804,178)
(2,152,957)	(4,410,785)	(4,373,691)	(29,161,562)	(45,484,573)
(741,945)	(4,811,848)	(1,243,413)	(15,943,697)	(2,581,536)
-	-	-	-	(16,620,000)
134,929	857,397	80,731	1,607,857	23,900
<u>(3,965,546)</u>	<u>(21,771,974)</u>	<u>2,870,716</u>	<u>17,486,657</u>	<u>9,157,364</u>
23,029,411	1,092,091	-	24,121,502	-
(19,201,797)	-	-	(19,201,797)	-
-	-	(800,000)	(800,000)	-
-	-	(356,659)	(356,659)	-
-	-	-	(102,802,098)	-
-	25,514,079	1,625,000	27,139,079	74,000
-	<u>(161,068)</u>	<u>(294,041)</u>	<u>(1,513,972)</u>	<u>(269,000)</u>
<u>3,827,614</u>	<u>26,445,102</u>	<u>174,300</u>	<u>(73,413,945)</u>	<u>(195,000)</u>
-	-	-	51,253,143	-
-	-	-	(1,321,104)	-
-	-	(500,000)	(32,040,000)	-
-	-	-	(300,000)	-
-	-	(1,118,757)	(11,757,367)	-
(1,486,617)	(13,747,158)	(1,398,889)	(32,837,644)	(67,494)
-	(84,508)	(20,201)	(362,508)	-
1,608,232	6,021,678	-	7,629,910	-
-	-	-	-	75,000
-	-	-	7,899,625	-
-	1,994,814	-	2,206,829	6,572
<u>121,615</u>	<u>(5,815,174)</u>	<u>(3,037,847)</u>	<u>(9,629,116)</u>	<u>14,078</u>
149,959	158,002	148,833	1,236,011	307,589
149,959	158,002	148,833	1,236,011	307,589
133,642	(984,044)	156,002	(64,320,393)	9,284,031
11,095,930	12,663,137	10,926,018	235,774,510	31,077,289
<u>\$ 11,229,572</u>	<u>\$ 11,679,093</u>	<u>\$ 11,082,020</u>	<u>\$ 171,454,117</u>	<u>\$ 40,361,320</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	<u>Enterprise Funds</u>		
	<u>Airport Fund</u>	<u>Joint Water and Sewer Fund</u>	<u>Refuse Disposal Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 938,150	\$ -	\$ 5,147,021
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	27,631,286	-	5,112,639
Miscellaneous cash received	13,027	-	521,773
Provision for claims and judgments	-	-	-
Decrease (increase) in assets:			
Cash held by others	-	-	-
Receivables	390,834	-	(22,239)
Due from other funds	(81,869)	-	-
Inventories of supplies	-	-	(5,198)
Due from other governments	-	-	-
Prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	84,924	-	196,490
Customer deposits	(47,782)	-	-
Accrued landfill closure costs and fuels cleanup	-	-	105,587
Accrued employee compensation and benefits	203,933	-	58,221
Fare tokens outstanding and deposits	-	-	(8,703)
Due to other funds	-	-	-
Escrow liability	-	-	-
Deferred revenue	115,367	-	-
Net cash provided by (used for) operating activities	\$ 29,247,870	\$ -	\$ 11,105,591
Cash and cash equivalents at June 30 consist of:			
Current assets:			
Cash, investments, and accrued interest	\$ 10,118,837	\$ -	\$ 5,700,415
Restricted assets:			
Cash, investments, and accrued interest	95,630,926	-	11,244,888
Cash with fiscal agents	11,051,162	-	3,717,204
Escrow deposits	-	-	-
Total cash and cash equivalents, June 30	\$ 116,800,925	\$ -	\$ 20,662,507
Non cash transactions:			
Unrealized gains (losses) on investments	\$ (811,134)	\$ -	\$ (143,351)
Transfer of capital assets from the Capital Projects Fund	-	-	-
HUD payment of third party guaranteed debt	-	-	-

See Notes to Financial Statements

Enterprise Funds

Housing Authority Fund	Transit Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ (5,416,055)	\$ (28,075,185)	\$ (406,821)	\$ (27,812,890)	\$ (658,056)
1,582,443	5,440,057	3,329,259	43,095,684	129,746
134,929	857,397	80,731	1,607,857	23,900
-	-	-	-	6,925,885
-	-	(148,403)	(148,403)	-
(89,979)	(29,567)	5,241	254,290	(13,179)
-	-	-	(81,869)	-
(41,428)	(27,322)	(2,040)	(75,988)	(91,443)
-	-	-	-	(4,871)
-	-	-	-	(26,586)
(107,331)	34,619	(3,541)	205,161	2,939,424
-	-	-	(47,782)	-
-	-	-	105,587	22,493
55,508	120,246	(65,579)	372,329	(89,949)
33,538	(92,219)	-	(67,384)	-
-	-	81,869	81,869	-
(117,171)	-	-	(117,171)	-
-	-	-	115,367	-
<u>\$ (3,965,546)</u>	<u>\$ (21,771,974)</u>	<u>\$ 2,870,716</u>	<u>\$ 17,486,657</u>	<u>\$ 9,157,364</u>
\$ 10,959,256	\$ 5,035,822	\$ 823,078	\$ 32,637,408	\$ 40,361,320
-	6,643,271	9,210,730	122,729,815	-
-	-	1,048,212	15,816,578	-
270,316	-	-	270,316	-
<u>\$ 11,229,572</u>	<u>\$ 11,679,093</u>	<u>\$ 11,082,020</u>	<u>\$ 171,454,117</u>	<u>\$ 40,361,320</u>
\$ -	\$ (96,786)	\$ (64,099)	\$ (1,115,370)	\$ (316,347)
-	68,581	335,518	404,099	-
982,877	-	-	982,877	-

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004

	<u>Agency Fund</u>
ASSETS	
Assets:	
Cash, investments, and accrued interest	\$ 13,101,421
Receivables	229,008
Total Assets	<u>13,330,429</u>
 LIABILITIES	
Liabilities:	
Accounts payable	352,263
Funds held for others	<u>12,978,166</u>
Total Liabilities	<u>13,330,429</u>
Net Assets	<u>\$ -</u>

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 has determined that Albuquerque Bernalillo County Water Utility Authority (Authority), created with an effective date of July 1, 2003, is a component unit of the City. The Authority's governing board is composed of three members of the City Council, three members of the County of Bernalillo Commission and the Mayor of the City. See Note 23.

The City has determined that it does have relationships with other organizations that are considered to be component units of the City. However, those organizations, not included herein, are of such nature and significance that exclusion would not 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 and its component unit. 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 needed.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

A. Basis of Presentation, continued

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 for services rendered by all central service activities of the general government such as Accounting, Information Services, Treasury, Budgeting, and other central services.

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 that are 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 is reported only for the purposes of reporting the divestiture of its assets and liabilities as of July 1, 2003 to the Authority.

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.

Transit Fund. This fund accounts for the operations of the City's Suntran bus system.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

A. Basis of Presentation, continued

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.

B. Measurement Focus, Basis of Accounting1. Government-Wide, Proprietary and Agency Fund Financial Statements

The government-wide, proprietary and agency 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, net of estimated refunds and uncollectible amounts 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.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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 that 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 Independent Auditors' Report, together with the Financial Statements, the accompanying Notes to the Financial Statements, and the Independent Auditors' Report on Compliance and Internal Controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 government-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 that 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.

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. Works of art and historical treasures are not capitalized because those are: 1) held for public exhibition rather than for financial gain, 2) protected, kept unencumbered, cared for, and preserved, and 3) all proceeds from the sale of collection items are required to be used to acquire other items for collections. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. 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.

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

Land acquired in a 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

J. Claims and Judgments

Liabilities for workers' compensation, tort and other claims as of June 30, 2004, were accrued based on actuarial estimates of the City's self-insurance programs. At June 30, 2004, 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 5.0% at June 30, 2004, and 4.0% for 2003, 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 that 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 employees may also accumulate limited amounts of sick leave that 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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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, 2004, 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.

Transfer to capital acquisition fund - the amount of unencumbered fund balance in the False Alarm and Education Fund that is available for transfer to the Capital Acquisition Fund in the ensuing fiscal year.

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.

P. Encumbrances

Encumbrances, outstanding at fiscal 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

Refuse services are billed on a cycle basis; therefore, amounts for services provided but unbilled as of June 30, 2004 are not included in receivables or revenue of the enterprise fund. Such unbilled amounts are not material to the financial position and results of operations of the Refuse Disposal Fund.

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.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 Refuse Disposal, Golf, 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 2004, several supplemental appropriations were necessary.

Following are the programs, in funds with annual appropriations, which had expenditures that exceeded its appropriations at the end of the fiscal year prior to any subsequent City Council action.

General Fund:

Central support services	\$ 83,212
Clean city section	16
Community events	24,484
Public library	29,803
TRD audit gov grt	1,089,444
Transfers out	659,443

Corrections and Detention Fund:

Community custody	9,605
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Golf Course Fund:

Affordable and quality golf	29
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Refuse Disposal Fund:

Collections	\$ 848,361
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Stadium Fund

Payment for General Fund services	1,458
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Transit Fund:

Operations	216,532
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Communications Fund:

Payment for General Fund services	3,647
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Fleet Management Fund

Fleet management	98,752
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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, 2004

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, \$356,111,195, differ from net assets of governmental activities, \$845,695,863, 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:

	Total Governmental Funds	Internal Service Funds	Long-term Assets & Liabilities	Reclassi- fications and Eliminations	Statement of Net Assets Totals
Assets:					
Cash, investments and accrued interest	\$ 390,061	\$ 40,361	\$ -	\$ (73,109)	\$ 357,313
Taxes receivable	60,848	-	-	-	60,848
Accounts receivable	26,898	-	-	(23,061)	3,837
Due from other governments	19,137	91	-	-	19,228
Accrued interest	-	-	-	-	-
Deposit	-	-	-	-	-
Long-term accounts and notes receivable	-	-	26	23,061	23,087
Internal balances	25,108	-	-	(1,608)	23,500
Inventories	390	1,868	-	-	2,258
Prepaid expenses	122	372	-	-	494
Restricted assets:					
Cash, investments and accrued interest	-	-	-	73,109	73,109
Capital assets:					
Land and construction in progress	-	284	440,044	-	440,328
Capital assets being depreciated	-	2,857	740,582	-	743,439
Accumulated depreciation	-	(2,429)	(338,340)	-	(340,769)
Deferred charges and other assets	5,066	1,755	632	-	7,453
Total assets	\$ 527,630	\$ 45,159	\$ 842,944	\$ (1,608)	\$ 1,414,125
Liabilities:					
Accounts payable	\$ 23,356	\$ 4,001	\$ -	\$ -	\$ 27,357
Accrued liabilities	13,472	399	-	7,294	21,165
Deposits	1,026	-	-	-	1,026
Due to other funds/advances	1,608	-	-	(1,608)	-
Due to other governments	1,566	-	-	-	1,566
Deferred revenues	58,189	-	(36,788)	-	21,401
Current portion of long-term obligations:					
Bonds and notes payable	-	-	93,091	-	93,091
Accrued vacation and sick leave pay	-	398	16,419	-	16,817
Accrued claims payable	-	17,990	-	-	17,990
Matured principal and interest	72,302	-	(65,008)	(7,294)	-
Non current long-term obligations:					
Bonds and notes payable	-	-	330,095	-	330,095
Accrued vacation and sick leave pay	-	95	7,138	-	7,233
Accrued claims payable	-	29,589	-	-	29,589
Deferred credit	-	-	1,099	-	1,099
Total liabilities	171,519	52,472	346,046	(1,608)	568,429
Fund balances/net assets (deficit)	356,111	(7,313)	496,898	-	845,696
Total liabilities and fund balances/net assets	\$ 527,630	\$ 45,159	\$ 842,944	\$ (1,608)	\$ 1,414,125

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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, \$83,582,917, differ from the change in net assets for governmental activities, \$99,865,417, 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 tax	\$ 88,249	\$ -	\$ 5	\$ -	\$ 88,254
Gross receipts tax	132,105	-	152	-	132,257
Payments in lieu of taxes	5,111	-	-	-	5,111
Franchise tax	18,449	-	-	-	18,449
Lodgers tax	8,730	-	-	-	8,730
Licenses and permits	16,026	-	-	-	16,026
Intergovernmental	229,799	-	(13)	-	229,786
Charges for services	51,428	-	-	(8,325)	43,103
Fines and forfeits	901	-	-	-	901
Investment earnings	4,082	308	(135)	-	4,255
Special assessments	5,871	-	-	-	5,871
Other revenue	15,056	30	(692)	43	14,437
Total revenues	575,807	338	(683)	(8,282)	567,180
Expenditures/Expenses:					
Current:					
General government	67,988	140	1,408	(4,335)	65,201
Corrections	44,003	64	149	(1,333)	42,883
Fire	48,935	133	1,949	(127)	50,890
Police	98,549	172	4,747	(739)	102,729
Culture and recreation	54,925	59	11,310	472	66,766
Public works	8,207	7	958	173	9,345
Highways and streets	13,900	4	2,189	2,161	18,254
Health	11,125	29	259	(282)	11,131
Human services	48,112	48	775	(390)	48,545
Housing	3,392	-	2	-	3,394
Special assessments	-	-	-	6,603	6,603
Debt service:					
Principal retirement	67,896	-	(67,896)	-	-
Interest and other fiscal charges	15,850	-	(522)	-	15,328
Capital outlay	132,615	-	(122,087)	(10,528)	-
Miscellaneous	-	-	(43)	43	-
Total expenditures/expenses	616,513	656	(167,197)	(8,282)	441,690
Other financing sources (uses)/changes in net assets:					
Net transfers (to) from other funds	(25,430)	(195)	-	-	(25,625)
Proceeds from issuance of bonds and loans	149,719	-	(149,719)	-	-
Total other financing sources (uses)/ changes in net assets	124,289	(195)	(149,719)	-	(25,625)
Net change for the year	\$ 83,583	\$ (513)	\$ 16,795	\$ -	\$ 99,865

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, 2004, consist of the following:

	(In thousands of dollars)				
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Component Unit</u>
Cash, investments, accrued interest and cash with fiscal agents, net of unamortized discounts and premiums:					
Repurchase agreements	\$ 136,978	\$ 59,213	\$ 4,081	\$ 200,272	\$ 24,727
Obligations of federal agencies or instrumentalities	254,409	109,350	7,537	371,296	45,664
State of New Mexico investment council	24,325	-	-	24,325	-
State of New Mexico local government investment pool	-	6,787	-	6,787	-
Held in trust by NMFA in State of New Mexico local government investment pool	-	-	-	-	4,361
Held in trust by Wells Fargo Bank in U.S. Treasury Fund	937	2,408	-	3,345	-
Held in trust by Bank of Albuquerque in U.S. Treasury Fund	<u>5,006</u>	<u>-</u>	<u>-</u>	<u>5,006</u>	<u>450</u>
Total investments	<u>421,655</u>	<u>177,758</u>	<u>11,618</u>	<u>611,031</u>	<u>75,202</u>
Certificates of deposit	100	-	-	100	-
Bank accounts at book balance	<u>7,388</u>	<u>(7,105)</u>	<u>1,448</u>	<u>1,731</u>	<u>27,122</u>
Total bank balances	<u>7,488</u>	<u>(7,105)</u>	<u>1,448</u>	<u>1,831</u>	<u>27,122</u>
Accrued interest receivable	1,067	425	35	1,527	178
Imprest cash funds	<u>57</u>	<u>15</u>	<u>-</u>	<u>72</u>	<u>-</u>
Total other	<u>1,124</u>	<u>440</u>	<u>35</u>	<u>1,599</u>	<u>178</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 430,267</u>	<u>\$ 171,093</u>	<u>\$ 13,101</u>	<u>\$ 614,461</u>	<u>\$ 102,502</u>
Current cash, investments and accrued interest:					
Cash, investments and accrued interest	\$ 279,979	\$ 32,637	\$ 11,654	324,270	\$ 16,362
Cash with fiscal agents	<u>77,283</u>	<u>15,816</u>	<u>-</u>	<u>93,099</u>	<u>37,850</u>
Total current cash, investments and accrued interest	<u>357,262</u>	<u>48,453</u>	<u>11,654</u>	<u>417,369</u>	<u>54,212</u>
Noncurrent cash, investments and accrued interest:					
Cash, investments and accrued interest	73,005	122,640	1,447	197,092	43,478
Cash with fiscal agents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,812</u>
Total noncurrent cash, investments and accrued interest	<u>73,005</u>	<u>122,640</u>	<u>1,447</u>	<u>197,092</u>	<u>48,290</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 430,267</u>	<u>\$ 171,093</u>	<u>\$ 13,101</u>	<u>\$ 614,461</u>	<u>\$ 102,502</u>

NOTE 4 CASH AND CASH EQUIVALENTS, continued

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

The City has chosen to early implement the provisions of GASB Statement No. 40, Deposit and Investment Risk Disclosure – an amendment of GASB Statement No. 3. The objective of this Statement is to update the custodial credit risk disclosure requirements of Statement 3 and to establish more comprehensive disclosure requirements addressing other common risks of the deposits and investments of state and local governments. The Statement changes the content and form of the risk disclosure in the footnotes. The Statement requires disclosure of four types of risk - 1) custodial credit risk for bank deposits and investments 2) credit risk 3) concentration of credit risk and 4) interest rate risk.

- 1A. Custodial credit risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's funds may not be returned to it.

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).

At June 30, 2004, none of the City's bank balances of \$42,028,625 was exposed to custodial credit risk.

- 1B. Custodial credit risk – Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy requires that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment basis. The investment policy further requires that all collateral securities held by a third party custodian, designated by the City Treasurer, shall be held in the City's name and evidenced by a safekeeping receipt or Federal Reserve book-entry reporting.

2. Credit risk. Credit risk is the risk that in the event an issuer or other counterparty to an investment does not fulfill its obligations, the City will not be able to recover the value of its principal.

As a home rule city, the City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

The City's Investment Committee annually reviews its asset allocation strategies and guidelines for the percentage of its total portfolio that may be invested in securities other than repurchase agreements, U.S. Treasury bills and notes or insured/collateralized certificates of deposit. The guidelines are reviewed considering the probability of market and default risk in various investments sectors as part of its allocation evaluation.

The City's investment policy describes permitted investments in Section 7 and describes prohibited investments in Section 8. Among permitted investments, the investment policy requires that 1) repurchase agreements have a collateralized value of 102% of the par value of the agreement 2) certificates of deposit with local banks be fully insured and 3) brokered certificates of deposit be 100% collateralized. Investments in direct obligations of the U.S. Treasury are permitted as are securities of most U.S. Government agencies with the exception of Government National Mortgage Association securities. Other prohibited investments are 1) Collateralized Mortgage Obligations 2) inverse floaters and 3) reverse repurchase agreements.

At June 30, 2004 all of the City's investments in its internal investment pool other than overnight repurchase agreements were invested with U.S. Government agencies whose debt was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's non-pooled investments in the State of New Mexico Investment Council Core Bond Fund and the State of New Mexico Local Government Investment Pool were not rated.

3. Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer.

The City's investment policy states the City will develop diversification strategies to avoid incurring concentration risk. The following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution or at a single maturity.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

NOTE 4 CASH AND CASH EQUIVALENTS, continued

- A. Cash, Investments, Accrued Interest and Cash with Fiscal Agents, continued
- 3. Concentration of credit risk., continued

All of the City's internal investment pool other than repurchase agreements is in debt securities issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank. These investments are 55.37%, 26.25% and 18.38% respectively of the non-repurchase agreement portfolio and 36.02%, 17.08% and 11.96% of the total portfolio.

- 4. Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the City's investments.

The City's investment policy limits the City's exposure to interest rate risk by requiring that no less than 80% of the funds invested in the internal investment pool or in other discretionary funds be in maturities of no more than three years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten years from the date of purchase.

The weighted average maturity of the investments in the internal investment pool at June 30, 2004 was 465.95 days. The weighted average days to call of the same portfolio was 114.99 days.

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, 2004, consists of the following:

	<u>First</u>					<u>NM</u>
	<u>State</u>	<u>Bank of</u>	<u>Wells Fargo</u>	<u>Compass</u>	<u>Bank</u>	<u>Bank &</u>
	<u>Bank</u>	<u>America</u>	<u>Bank</u>	<u>Bank</u>	<u>1st</u>	<u>Trust</u>
Total amount on deposit	\$ 8,434	\$ 31,218	\$ 2,004	\$ 5	\$ 100	\$ 267
Less FDIC coverage	<u>100</u>	<u>100</u>	<u>100</u>	<u>5</u>	<u>100</u>	<u>100</u>
Total uninsured public funds	8,334	31,118	1,904	-	-	167
50% collateral requirement	<u>4,167</u>	<u>15,559</u>	<u>952</u>	<u>-</u>	<u>-</u>	<u>84</u>
Pledged securities, fair value	<u>8,708</u>	<u>16,986</u>	<u>1,467</u>	<u>-</u>	<u>-</u>	<u>100</u>
Pledged in excess (deficit) of requirement	<u>\$ 4,541</u>	<u>\$ 1,427</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

NOTE 5 TAXES, ACCOUNTS AND NOTES RECEIVABLE

A. Taxes receivable

The taxes receivable at June 30, 2004 are from the following sources:

Gross receipts tax	\$54,837,898
Property tax	4,742,058
Lodgers tax	766,644
Other taxes	<u>501,259</u>
Total	<u>\$60,847,859</u>

The property taxes above include a receivable of \$3,077,062 in the General Obligation Debt Service Fund, \$1,179,573 in the General Fund, and \$485,423 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 Bernalillo County Assessor and the State of New Mexico Department of Taxation and Revenue determine the taxable valuations for the various classes of property at one-third of assessed valuation. Property in the City for the fiscal year 2004 tax levy had a taxable value of \$7,887,550,658. The State Constitution limits the rate of taxes for operating purposes for all taxing jurisdictions to 20 mills (\$20 per \$1000 assessed valuation), of which the City's portion, by state regulation, is limited to 2.225 mills. The 2004 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.

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, 2004, are as follows:

	<u>Total receivables</u>	<u>Allowance for uncollectible accounts</u>	<u>Net receivables</u>
Government activities:			
Major funds:			
General Fund	\$ 3,277,092	\$ 427,515	\$ 2,849,577
Capital Acquisition Fund	713,959	78,026	635,933
Nonmajor governmental funds	<u>739,358</u>	<u>388,061</u>	<u>351,297</u>
Total government activity funds	<u>\$ 4,730,409</u>	<u>\$ 893,602</u>	<u>\$ 3,836,807</u>
Business-type activities:			
Major funds:			
Airport	\$ 3,819,767	\$ 833,029	\$ 2,986,738
Refuse Disposal	2,906,446	177,655	2,728,791
Housing Authority	480,967	193,946	287,021
Transit	76,822	5,782	71,040
Nonmajor enterprise funds	<u>1,050,846</u>	<u>668,512</u>	<u>382,334</u>
Total business-type activity funds	<u>\$ 8,334,848</u>	<u>\$ 1,878,924</u>	<u>\$ 6,455,924</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

NOTE 5 TAXES, ACCOUNTS AND NOTES RECEIVABLE, continued

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 funds:			
Total government activity funds	<u>\$ 25,246,597</u>	<u>\$ 2,185,708</u>	<u>\$ 23,060,889</u>
Business-type activities:			
Nonmajor funds:			
Developer loans	<u>3,626,651</u>	<u>-</u>	<u>3,626,651</u>
Total business-type activity funds	<u>\$ 3,626,651</u>	<u>\$ -</u>	<u>\$ 3,626,651</u>

* Includes delinquent accounts of \$124,662.

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, 2004, consist of the following:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Major governmental funds:		
General Fund	<u>\$ 1,300,077</u>	<u>\$ -</u>
Nonmajor governmental funds	<u>-</u>	<u>1,300,077</u>
Total	<u>\$ 1,300,077</u>	<u>\$ 1,300,077</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, 2004.

<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>23,500,000</u>
Total advances		<u>\$ 23,807,636</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, 2004

NOTE 8 CAPITAL ASSETS

Capital asset activity of the City for the year ended June 30, 2004, was as follows:

A. Governmental Activities

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
Assets not being depreciated:				
Land	\$ 209,545,136	\$ 6,396,392	\$ -	\$ 215,941,528
Construction work in progress	\$ 206,052,859	\$ 78,020,166	\$ 60,540,820	\$ 223,532,205
Other	-	854,300	-	854,300
	<u>415,597,995</u>	<u>85,270,858</u>	<u>60,540,820</u>	<u>440,328,033</u>
Assets being depreciated:				
Buildings	119,834,379	50,031,319	-	169,865,698
Infrastructure	55,342,445	26,810,984	194,375	81,959,054
Improvements other than buildings	319,967,197	8,536,247	-	328,503,444
Equipment	150,133,571	15,915,100	2,938,222	163,110,449
	<u>645,277,592</u>	<u>101,293,650</u>	<u>3,132,597</u>	<u>743,438,645</u>
Less accumulated depreciation:				
Buildings	33,085,590	3,619,228	-	36,704,818
Infrastructure	2,109,024	2,288,359	6,479	4,390,904
Improvements other than buildings	161,583,973	10,632,597	-	172,216,570
Equipment	117,566,654	12,491,668	2,601,273	127,457,049
	<u>314,345,241</u>	<u>29,031,852</u>	<u>2,607,752</u>	<u>340,769,341</u>
Capital assets being depreciated, net	<u>330,932,351</u>	<u>72,261,798</u>	<u>524,845</u>	<u>402,669,304</u>
Total capital assets, net	<u>\$ 746,530,346</u>	<u>\$ 157,532,656</u>	<u>\$ 61,065,665</u>	<u>\$ 842,997,337</u>

Infrastructure assets of \$22.1 million were added for roadways, storm sewers and bike trails. In addition, land was acquired for open space costing \$4.5 million, the Explora Science Center and Tingley Aqua Park were completed at \$7.3 and \$29.0 million respectively, 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 increased by \$17.5 million primarily due to continuing facility development at Balloon Fiesta Park Museum, and development of various parks, and other facilities.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 8 CAPITAL ASSETS, continued

B. Business-type activities

	<u>Balance</u> <u>July 1*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30</u>
Assets not being depreciated:				
Land	\$ 51,220,019	\$ 4,167	\$ 390,105	\$ 50,834,081
Land and improvements acquired from the U.S. Air Force	7,630,077	8,362	-	7,638,439
Other	640,546	107,454	-	748,000
Construction work in progress	<u>16,930,761</u>	<u>33,127,095</u>	<u>8,277,542</u>	<u>41,780,314</u>
Total assets, not being depreciated	<u>76,421,403</u>	<u>33,247,078</u>	<u>8,667,647</u>	<u>101,000,834</u>
Assets being depreciated:				
Buildings and improvements	332,929,163	5,243,129	1,340,861	336,831,431
Runways and improvements	242,374,624	-	-	242,374,624
Improvements other than buildings and runways	98,866,622	2,262,520	19	101,129,123
Equipment	<u>121,080,877</u>	<u>8,856,860</u>	<u>869,515</u>	<u>129,068,222</u>
Total assets, being depreciated	<u>795,251,286</u>	<u>16,362,509</u>	<u>2,210,395</u>	<u>809,403,400</u>
Less accumulated depreciation:				
Buildings and improvements	134,486,451	10,560,873	12,379	145,034,945
Runways and improvements	136,618,373	12,100,443	-	148,718,816
Improvements other than buildings and runways	55,302,738	10,276,156	-	65,578,894
Equipment	<u>84,955,158</u>	<u>10,158,212</u>	<u>869,515</u>	<u>94,243,855</u>
Total accumulated depreciation	<u>411,362,720</u>	<u>43,095,684</u>	<u>881,894</u>	<u>453,576,510</u>
Capital assets being depreciated, net	<u>383,888,566</u>	<u>(26,733,175)</u>	<u>1,328,501</u>	<u>355,826,890</u>
Total capital assets, net	<u>\$ 460,309,969</u>	<u>\$ 6,513,903</u>	<u>\$ 9,996,148</u>	<u>\$ 456,827,724</u>

* The capital assets of the Joint Water and Sewer Fund were removed from this schedule in connection with the divestiture of that fund to the Authority. At June 30, 2003, this fund had reported capital assets as follows:

Capital assets at cost	\$ 1,305,137,499
Accumulated depreciation	(663,322,224)
Construction work in process	<u>42,050,839</u>
Capital assets, net	<u>\$ 683,866,114</u>

Additional information regarding the divestiture and component unit information of the Authority can be found in Note 23.

In addition, as explained in the restatement Note 22, \$292,514 of capital assets was added in the Apartments Fund.

The additions to equipment were for Refuse Disposal Fund purchases of heavy equipment (\$6.2 million) and new Transit Fund buses (\$1.7 million). The increase in additions for improvements other than buildings and runways were for Airport renovations on the main building, runways and the Double Eagle II Airport (2.0 million).

The construction work in progress increased by \$24.8 million. The construction work in progress consists of expenditures made in connection with the Airport Fund, Refuse Disposal Fund, Transit Fund, Parking Facilities Fund, and Housing Authority Fund. The major amounts are for improvements to runways, remediation equipment in the Refuse Disposal Fund, and Transit Fund's new West Side Facility.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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	\$ 2,292,895
Public safety:	
Corrections	254,413
Fire protection	1,613,386
Police protection	7,650,972
Culture and recreation	12,058,136
Public works	985,927
Highways and streets	2,488,374
Health	613,218
Human services	944,785
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	129,746
Total depreciation expense - governmental activities	\$ 29,031,852
<u>Business-type activities:</u>	
Major funds:	
Airport	\$ 27,631,286
Refuse Disposal	5,112,639
Housing Authority	1,582,443
Transit	5,440,057
Nonmajor funds	3,329,259
Total depreciation expense - business-type activities	\$ 43,095,684

D. Capitalized interest

Changes to the capital assets for the business-type activities for 2004 include the following amounts of capitalized interest:

	<u>Total Interest</u>	<u>Interest Related to Tax-Exempt Borrowing</u>	<u>Net</u>
Interest expense	\$ 13,898,261	\$ 2,739,332	\$ 11,158,929
Interest income	1,423,310	1,298,365	124,945
Capitalized interest		\$ 1,440,967	

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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, 2004 is as follows:

A. Governmental Activities

Capital Acquisitions Fund	<u>\$ 73,108,749</u>
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B. Business-type activities

Airport Fund	\$ 95,930,926
Refuse Disposal Fund	11,244,888
Housing Authority Fund	270,316
Transit Fund	6,643,271
Nonmajor Enterprise Funds	<u>12,837,381</u>
Totals	<u>\$ 126,926,782</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, 2004, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
General Obligation Bonds	\$ 160,055,000	\$ 135,795,000	\$ 33,245,000	\$ 262,605,000	\$ 88,220,000
Sales Tax Revenue Bonds	155,905,000	-	3,170,000	152,735,000	4,345,000
Sales Tax Revenue Notes	573,688	-	135,888	437,800	140,684
Special Assessment Bonds and Notes With Governmental Commitment	13,421,510	8,575,143	5,316,161	16,680,492	385,881
Accrued vacation and sick leave pay	25,448,924	18,712,256	20,111,658	24,049,522	16,816,673
Accrued claims payable	40,601,564	23,545,885	16,569,201	47,578,248	17,989,500
Less deferred amounts:					
Unamortized Bond Discounts	(15,768,616)	-	(1,315,079)	(14,453,537)	-
Unamortized Bond Premiums	<u>1,669,358</u>	<u>5,349,063</u>	<u>1,837,023</u>	<u>5,181,398</u>	-
	381,906,428	191,977,347	79,069,852	494,813,923	127,897,738
Current portion of long-term obligations	<u>(66,366,293)</u>	<u>-</u>	<u>61,531,445</u>	<u>(127,897,738)</u>	<u>-</u>
Total	<u>\$315,540,135</u>	<u>\$ 191,977,347</u>	<u>\$ 140,601,297</u>	<u>\$ 366,916,185</u>	<u>\$ 127,897,738</u>

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. The City's Risk Management Fund (an internal service fund) liquidates all claims payable.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 10 LONG-TERM OBLIGATIONS, continued

A. Governmental activities, continued

General obligation bonds outstanding at June 30, 2004, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
February 1, 1996 General Purpose	\$ 1,500,000	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	5,900,000	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	8,400,000	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	6,000,000	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	12,000,000	4.50/4.75	July 1, 2009	100% beginning July 1, 2007
July 1, 2000 General Purpose	1,650,000	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	29,990,000	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	7,000,000	4.00/5.60%	July 1, 2010	Not callable
February 1, 2002 General Purpose	16,200,000	2.50/5.00%	July 1, 2009	Not callable
February 1, 2002 Storm Sewer	5,600,000	4.50%	July 1, 2011	100% beginning July 1, 2010
July 1, 2004 Equipment	8,750,000	2.50%	July 1, 2004	
July 1, 2004 General Purpose	81,805,000	2.50/5.00%	July 1, 2012	100% beginning July 1, 2011
July 1, 2004 Storm Sewer	9,440,000	3.00/4.50%	July 1, 2013	100% beginning July 1, 2011
June 24, 2004 General Purpose				
Short Term Taxable	30,000,000	2.00%	Sept. 1, 2004	Not callable
June 24, 2004 General Purpose				
Taxable	<u>5,800,000</u>	2.50%	July 1, 2005	Not callable
	<u>\$ 262,605,000</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, 2004, based on the most recent assessed taxable valuation of \$7,887,550,658, the City may issue an additional \$100,507,000 of general-purpose general obligation bonds. Included in the general obligation bonds outstanding at June 30, 2004, are Storm Sewer bonds in the amount of \$38,170,000 that are not subject to the legal debt limit.

On July 11, 2003, the City issued \$99,995,000 of General Obligation Bonds, Series A, B, and C with an average coupon rate of 3.749%. The proceeds of these bonds were deposited into the Capital Acquisition Fund and will be used for various construction projects for police, fire, citizen centers, the zoo, libraries, the museum, streets, storm sewer lines, and public transportation. The bonds require annual principal and semi-annual interest payments through July 1, 2013.

On June 24, 2004, the City issued \$35,800,000 of General Obligation General Purpose Taxable Bonds, Series 2004 A and B. The proceeds of these bonds were deposited into the Capital Acquisition Fund and will be used for various construction projects for police, fire, citizen centers, public facilities, parks, the zoo, libraries, the museum, the storm sewer system, and public transportation. The Series A Bonds (\$30,000,000) matured on September 1, 2004 and had a coupon rate of 2.00%. The Series B Bonds (\$5,800,000) mature on July 1, 2005 and have a 2.5% interest rate.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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, 2004, 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	\$ 34,410,000	6.60/7.10%	July 1, 2019	103% beginning July 1, 2011
May 1, 1992 Refunding	4,845,000	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	10,270,000	5.00%	July 1, 2011	100% beginning July 1, 2007
January 15, 1999 A Refunding	5,145,000	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	24,300,000	adjustable weekly	July 1, 2014	100% beginning January 20, 2000
April 27, 2001, Note	<u>437,800</u>	3.02/3.62%	July 1, 2006	None
	<u>\$ 153,172,800</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 Albuquerque Bernalillo County Water Utility Authority (a component unit), 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.

On February 24, 2004, the City executed a loan agreement with New Mexico Finance Authority for Special Assessments District no. 227. The taxable loan payable for \$404,255 has an average coupon rate of 3.962% and matures on July 1, 2014. The proceeds are being used to finance the construction of electric and natural gas lines. The balance due at June 30, 2004 was \$404,255.

On February 24, 2004, the City executed a loan agreement with New Mexico Finance Authority for Special Assessments District no. 227. The tax-exempt loan payable for \$8,170,888 has an average coupon rate of 2.704% and matures on July 1, 2014. The proceeds are being used to finance the construction of pavements and storm and sanitary sewer lines. The balance due at June 30, 2004 was \$8,170,888.

Special Assessment debt and notes in the amount of \$16,680,492 are outstanding at June 30, 2004. Interest rates range from .79% to 7.10%, and maturities extend through January 1, 2015.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities

The changes in the Business-type activities obligations for the year ended June 30, 2004, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
Revenue bonds	\$ 262,060,000	\$ 50,610,000	\$ 32,040,000	\$ 280,630,000	\$ 11,015,000
Loans and notes payable	15,000,000	-	-	15,000,000	379,920
Accrued vacation and sick leave pay	4,630,430	4,456,943	4,378,783	4,708,590	2,828,455
Less deferred amounts:					
Deferred refunding costs	(6,455,976)	(364,754)	(948,427)	(5,872,303)	-
Unamortized bond premiums	1,279,896	643,143	220,886	1,702,153	-
Unamortized bond discounts	(289,481)	-	(23,391)	(266,090)	-
	276,224,869	55,345,332	35,667,851	295,902,350	14,223,375
Current portion	(13,158,466)	-	1,064,909	(14,223,375)	-
Business-type activity long-term obligations	\$ 263,066,403	\$ 55,345,332	\$ 36,732,760	\$ 281,678,975	\$ 14,223,375

The sick leave and vacation pay obligations are being liquidated primarily by the following funds: Airport, 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, 2004, are as follows:

Issue	Amount	Rate	Maturity	Call Provisions
May 3, 1995 Refunding	50,300,000	a *	July 1, 2014	100% on any interest payment date
April 3, 1997 Refunding	28,235,000	6.25/6.75%	July 1, 2018	102% beginning July 1, 2007
September 1, 1998 Refunding	39,145,000	3.80/5.00%	July 1, 2019	100% beginning July 1, 2008
May 4, 2000 A	5,500,000	a	July 1, 2020	100% on any interest payment date
May 4, 2000 B	18,700,000	a	July 1, 2020	100% on any interest payment date
August 1, 2001	41,170,000	3.20/4.75%	July 1, 2016	100% beginning July 1, 2012
March 23, 2004 A	20,610,000	1.63/5.11%	July 1, 2018	100% beginning July 1, 2005
March 23, 2004 B	30,000,000	2.0/4.5%	July 1, 2024	100% beginning July 1, 2007
Total outstanding	233,660,000			
Unamortized premiums	1,226,814			
Deferred refunding costs	(5,571,406)			
Net outstanding	\$ 229,315,408			

* 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.

On March 23, 2004, the City issued the 2004A Refunding Bond for \$20,610,000 to partially pay off the 2000B Bond Series with a weighted average of interest at 4.23% and a final payment date of July 01, 2018. The City also, issued the 2004B Improvement Bond for \$30,000,000 with a weighted average of interest at 4.16% and a final payment date of July 01, 2024.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

NOTE 10 LONG-TERM OBLIGATIONS, continued

B. Business-type activities, continued

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

On July 20, 2000, the City, pursuant to a mortgage and indenture of trust, issued its Affordable Housing Projects Refunding Revenue Bonds Series 2000 (Series 2000) in the aggregate principal amount of \$15,080,000 for the purpose of refunding and defeasing three bond issues of the City; 1) its Multifamily Mortgage Revenue Bonds (Beach Apartments Project), Series 1991, 2) its Multifamily Mortgage Revenue Bonds (Manzano Vista, formerly Dorado Village Apartments Project), Series 1994, and 3) its Affordable Housing Project/Gross Receipts Tax Subordinate Lien Revenue Bonds, Series 1996. The Series 2000 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 in staggered amounts beginning July 1, 2001 with final payment due July 1, 2030 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, 2004 and 2003 interest was being paid monthly. The average interest rate on the Series 2000 bonds for the years ended June 30, 2004 and 2003 was .99% and 1.26% respectively. The weekly interest rate at June 30, 2004 and 2003 was 1.06% and .97% respectively.

The City has executed a standby bond purchase agreement, which expires July 20, 2005, with Bank of America 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.

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 \$14,080,000 is outstanding at June 30, 2004 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, 2004 are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
February 1, 2001	\$ 2,095,000	5.70/6.70%	July 1, 2011	100% beginning July 1, 2007
Unamortized discounts	<u>(3,923)</u>			
Net outstanding	<u>\$ 2,091,077</u>			

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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, 2004, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
September 1, 1992	\$ 1,085,000	5.20/5.60%	July 1, 2005	102% beginning July 1, 2002
July 1, 1995	8,950,000	3.85/5.30%	July 1, 2009	Not callable
February 1, 1998	7,480,000	3.75/5.00%	July 1, 2013	100% beginning July 1, 2007
May 1, 2001A	2,505,000	4.00/4.10%	July 1, 2008	Not callable
May 1, 2001B	10,775,000	3.63/5.25%	July 1, 2012	Not callable
Total outstanding	30,795,000			
Unamortized premiums	213,172			
Deferred refunding costs	(300,897)			
Net outstanding	\$ 30,707,275			

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, 2004 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, 2004 was \$9,000,000.

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

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, 2004, the outstanding balance of the revenue bonds was \$980,000 with annual payments required through 2013 and the outstanding balance of the permanent notes was \$7,910,046 with annual payments required through 2017.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

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, 2004 are as follows:

Year ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2004	\$ 93,091,565	\$ 14,053,903	\$ 11,394,920	\$ 13,333,511
2005	43,402,579	12,064,055	13,335,061	14,762,791
2006	35,151,348	10,592,276	15,852,182	13,918,642
2007	31,546,910	9,188,509	19,051,314	12,929,604
2008	27,824,476	8,041,419	18,642,890	11,905,920
2009-2013	107,648,011	26,335,722	113,407,015	41,833,103
2014-2018	39,688,404	16,065,568	73,676,184	14,206,762
2019-2023	38,675,000	7,676,995	19,404,338	3,265,447
2024-2028	15,430,000	788,250	8,886,096	545,185
2029-2031	-	-	1,980,000	31,435
Total	\$ 432,458,293	\$ 104,806,697	\$ 295,630,000	\$ 126,732,400

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, 2004, the City has set aside an amount of \$1,099,628 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 \$114,180,000 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, 2004, 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 6/30/2004	\$1,300,000
Annual Debt Service Requirements	\$195,000. Final payment of \$1,300,000 due July 1, 2023

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, 2004
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 6/30/2004	\$50,300,000
Annual Debt Service Requirements	Range of payment is from \$6,166,000 to \$6,924,000

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 6/30/2004	\$24,200,000
Annual Debt Service Requirements	Range of payment is from \$421,000 to \$3,471,000

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 6/30/2004	\$24,300,000
Annual Debt Service Requirements*	Range of payment is from \$1,326,000 to \$3,290,000

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 6/30/2004	\$14,080,000
Annual Debt Service Requirements*	Range of payment is from \$349,500 to \$1,021,000

* Based on interest rate in effect on June 30, 2004.

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, 2004, is as follows:

Sales Tax Revenue Bonds	<u>\$21,891,000</u>
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CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

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 that 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, 2004, there were sixty-nine series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the thirty-four series issued after July 1, 1995, is \$626.4 million. The aggregate principal amount payable for the thirty-five series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$593.3 million.

Metropolitan Redevelopment Bonds

As of June 30, 2004, there were nine series of Metropolitan Redevelopment Bonds outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995 is \$4.59 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 \$24.9 million.

NOTE 14 DEFICIT FUND EQUITIES

Capital Projects Funds

While the total unreserved fund balance 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 fund balance of various purposes at June 30, 2004 is as follows:

Capital Acquisition Fund

Bosque	\$ <u>199,063</u>
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Quality of Life Fund

Quarter Cent Storm Drain	\$ 83,444
Rio Grande Bosque RR	<u>260</u>
	<u>\$ 83,704</u>

Internal Service Funds

The deficit fund net assets of the Risk Management Fund decreased to \$12,585,384 at June 30, 2004 from the \$12,651,150 deficit fund net assets at June 30, 2003. The City has implemented a five-year recovery plan that began in fiscal year ended June 30, 2003 that will reduce the deficit net assets by increasing charges to other funds.

NOTE 15 INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2004, were as follows:

From	To	
General Fund	Corrections and Detention Fund	\$ 20,155,000
General Fund	Capital Acquisition Fund	3,770,000
General Fund	Transit Fund	15,924,660
General Fund	Nonmajor Proprietary Funds	1,625,000
General Fund	Nonmajor Governmental Funds	9,208,520
General Fund	Internal Service Funds	74,000
Corrections Fund	Nonmajor Governmental Funds	32,564
Capital Acquisition Fund	Transit Fund	4,062,609
Refuse Disposal Fund	General Fund	1,058,863
Transit Fund	General Fund	161,068
Nonmajor Governmental Funds	Capital Acquisition Fund	4,500,000
Nonmajor Governmental Funds	Transit Fund	5,526,810
Nonmajor Governmental Funds	General Fund	452,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds	8,811,512
Nonmajor Proprietary Funds	General Fund	229,214
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	64,827
Internal Service Funds	General Fund	<u>269,000</u>
Total transfers		\$ 75,925,647

	Transfers In	Transfers Out
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds	\$ 48,712,568	\$ 74,142,675
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets - All Proprietary Funds		
Enterprise funds	27,139,079	1,513,972
Internal Service funds	<u>74,000</u>	<u>269,000</u>
Total transfers	\$ 75,925,647	\$ 75,925,647

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 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 Obligations 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.

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, 2004, (in thousands of dollars) is as follows:

	Golf Course Fund	Apart- ments Fund	Parking Facilities Fund	Stadium Fund	Total
CONDENSED STATEMENT OF NET ASSETS					
Assets:					
Current assets	\$ 452	\$ 505	\$ 79	\$ 1,597	\$ 2,633
Restricted assets	1,921	2,498	8,408	10	12,837
Capital assets	5,568	15,211	27,500	21,913	70,192
Other assets	51	358	255	215	879
Total assets	7,992	18,572	36,242	23,735	86,541
Liabilities:					
Current liabilities	550	270	302	778	1,900
Liabilities payable from restricted assets	-	101	-	-	101
Bonds and other long-term liabilities	1,932	13,880	24	14,625	30,461
Advance from other funds	-	-	23,500	-	23,500
Total liabilities	2,482	14,251	23,826	15,403	55,962
Net assets:					
Invested in capital assets, net of related debt	4,511	1,689	9,576	7,407	23,183
Net assets restricted for:					
Debt service	30	1,553	1,868	10	3,461
Construction	1,111	-	1,137	-	2,248
Unrestricted net assets (deficit)	(142)	1,079	(165)	915	1,687
Total net assets	\$ 5,510	\$ 4,321	\$ 12,416	\$ 8,332	\$ 30,579

**CONDENSED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS**

Operating revenues	\$ 3,718	\$ 3,124	\$ 3,743	\$ 1,825	\$ 12,410
Depreciation	(332)	(690)	(1,267)	(1,040)	(3,329)
Other operating expenses	(3,595)	(2,154)	(3,278)	(463)	(9,490)
Operating income (loss)	(209)	280	(802)	322	(409)
Nonoperating revenues (expenses):					
Investment earnings	19	12	19	10	60
Interest and other debt related expenses	(166)	(238)	(262)	(835)	(1,501)
Other	64	-	(1)	18	81
Capital contributions	-	-	(1)	336	335
Transfers in	-	-	1,625	-	1,625
Transfers out	(54)	(65)	(175)	-	(294)
Change in net assets	(346)	(11)	403	(149)	(103)
Beginning net assets	5,856	4,332	12,013	8,481	30,682
Ending net assets	\$ 5,510	\$ 4,321	\$ 12,416	\$ 8,332	\$ 30,579

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:

Operating activities	\$ 254	\$ 774	\$ 481	\$ 1,362	\$ 2,871
Noncapital financing activities	(54)	(65)	293	-	174
Capital and related financing activities	(528)	(511)	(1,230)	(767)	(3,036)
Investing activities	19	12	107	10	148
Net increase (decrease)	(309)	210	(349)	605	157
Beginning cash and cash equivalents	2,677	2,402	5,131	715	10,925
Ending cash and cash equivalents	\$ 2,368	\$ 2,612	\$ 4,782	\$ 1,320	\$ 11,082

NOTE 16 SEGMENT INFORMATION, continued

The types of services provided by each individual fund are stated below:

Golf Course Fund. This fund charges a greens fee for the use of the City's golf courses.

Apartments Fund. This fund charges rental on housing for persons who meet eligibility requirements based on the level of income earned.

Parking Facilities Fund. This fund provides parking space for the City's residents in the downtown area.

Stadium Fund. This fund provides a baseball stadium that is being used by an AAA class baseball team.

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 that 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, 2004.

<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%	\$ 4,830	19.01%	\$ 27,935
General - Bus Drivers	13.15%	764	9.15%	532
General - Other	7.00%	187	7.00%	187
Police	16.30%	6,885	18.50%	7,814
Fire	16.20%	<u>4,267</u>	21.25%	<u>5,597</u>
		<u>\$ 16,933</u>		<u>\$ 42,065</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>
2003	\$17,032	\$42,347
2002	17,168	43,344

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, 2004, was \$223,993,582; the total payroll for all employees of the City of Albuquerque was \$260,225,145.

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, 2004, were approximately \$179,890. The number of retired employees covered under the life insurance benefit was 2,977 at June 30, 2004, and the amount of life insurance coverage for these retired employees was \$58,906,900.

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 Retiree Health Care Authority requires that the employer, employee, and retiree contributions be remitted 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 \$2,911,917 in employer contributions and \$1,455,958 in employee contributions in the fiscal year ended June 30, 2004.

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 \$1,412,016 reported as other liabilities payable from restricted assets at June 30, 2004, represents the cumulative amount reported to date based on the use of 16.1% 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 \$6,835,813 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 2004. 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 \$1,713,546 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.

NOTE 21 RISK MANAGEMENT

The City is exposed to various risks of loss related to: torts and civil rights claims (including law enforcement and employment related exposures); theft, damage and destruction of its real and personal assets; workers compensation losses; errors and omissions of City officers and officials; 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 workers' compensation incident, \$1,050,000 for each tort liability claim, and \$50,000 for each City real and contents damage claim. At various periods in past years, certain risk exposures were insured and the City continues to benefit from case coverage on claims that were incurred during those claim years.

The Risk Management Fund tracks claims on a fund by fund basis and assesses charges to each fund based on historical claims experience and the need to establish a reserve for unanticipated catastrophic losses. That reserve was \$1,000,000 at June 30, 2004, 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.

During fiscal year 2004, the City had an actuarial review of the adequacy of the reserves for both the Workers Compensation and Tort Liability programs. The actuarial review recommended that the City increase the amounts reserved in anticipation of severe adverse developments in reported cases and for claims that may have occurred but have not yet been reported. The City increased its "incurred but not yet reported" reserves to reflect \$2,900,000 of the proposed amount. The City feels that reserving the entire proposed amount is excessive. However, the City will engage two actuarial firms in the upcoming year in an attempt to verify the necessity of the additional reserves recommended by the existing study. Historical data contribute to the confidence that the Risk Management Fund is adequate for unanticipated developments. The cash balance grew by \$7,006,808 during this fiscal year and the City has a funding plan in place to address the remaining deficit in the Risk Management Fund. Further, if necessary, the City Council can add catastrophic losses directly to the tax rolls. In addition, the City has other cash resources in excess of the balance not addressed. The City began fiscal year 2005 with a \$15,300,000 available in the General Fund balance largely the result of unanticipated revenue and reversions from fiscal year 2004. The City has available \$1,560,000 in cash that was refunded to the City due to an unfulfilled IRB obligation and \$2,000,000 in a special reserve. Finally, the City has reserve amounts that are created by the City's policy to reserve one-twelfth of the General Fund budgeted expenditures amount.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 21 RISK MANAGEMENT, continued

The amounts and changes in the Fund's claims liability in fiscal year 2004 and 2003 were:

	2004	2003
Claims liability at July 1	\$ 40,601,564	\$ 39,298,513
Current year claims and change in estimates	23,545,885	17,507,793
Claims liquidated	(16,569,201)	(16,204,742)
Claims liability at June 30	\$ 47,578,248	\$ 40,601,564
 The components of the claims liability at June 30 are:		
Current portion	\$ 17,989,500	\$ 11,153,000
Noncurrent portion	29,588,748	29,448,564
Total claims liability	\$ 47,578,248	\$ 40,601,564

NOTE 22 RESTATEMENT OF PRIOR PERIOD FUND BALANCES OR NET ASSETS

The fund balances and net assets of various funds were restated as of June 30, 2003 for the following reasons:

1. The City erroneously included \$1,453,379 of bank accounts in the Apartments Fund. However, those accounts should have been reported in the City Housing Fund. In addition, the City under-reported the cash balance in the City Housing Fund by an additional \$53,059. The fund balance of the City Housing Fund was increased by \$1,506,438 while the net assets of the Apartments Fund was reduced by \$1,453,379.
2. The Apartments Fund under reported the cost and accumulated depreciation of an apartment building included in the fund. Accordingly, the Invested in capital assets, net of related debt of the fund was increased by \$292,514.
3. The Joint Water and Sewer Fund incorrectly reported expenditures associated with the construction of a portion of the sustainable water supply system as an expense. However, those expenditures should have been capitalized. Accordingly, the capital assets and the Invested in Capital Assets, Net of Related Debt was increased by \$18,096,596.
4. In the Refuse Disposal Fund and in the Joint Water and Sewer Fund, the City has provided an allowance for doubtful accounts on accounts receivable that are delinquent over 120 days from the due date for payment by its customers. Upon a review of its policies, the City has determined that the allowance was unwarranted because of the City's authority, by ordinance, to place a lien on the property served by those funds. As a result, the ability to collect those accounts is assured. Therefore, the allowance for doubtful accounts was reduced and the unrestricted net assets was increased by \$987,492 in the Joint Water and Sewer Fund and by \$112,498 in the Refuse Disposal Fund.
5. In June 2003, the City received an advance payment of \$1,999,900 in connection with the sale of bonds. The advance payment was reported as proceeds from the sale of bonds in the Capital Acquisition Fund in fiscal year ended June 30, 2003. However, the bond issue had not been completed until July, 2003. Accordingly, the deferred revenue was increased and the unreserved fund balance was decreased by that amount.

A summary of the effect of the restatements is as follows:

	Governmental	Business
Net assets as previously reported	\$ 746,323,908	\$ 815,980,591
Restatement for:		
1. Cash accounts	1,506,438	(1,453,379)
2. Under-reported cost of an apartment	-	292,514
3. Sustainable water supply asset	-	18,096,596
4. Allowance for doubtful accounts	-	1,099,990
5. Advance payment on bond issue	(1,999,900)	-
Restated balances	\$ 745,830,446	\$ 834,016,312

NOTE 23 ALBUQUERQUE BERNALLILLO COUNTY WATER UTILITY AUTHORITY – COMPONENT UNIT

In 2003, the New Mexico Legislature adopted Senate Bill 887 (Laws 2003, Chapter 437, codified as Section 72-1-10, NMSA 1978) creating the Albuquerque Bernalillo County Water Utility Authority (Authority) and transferred all functions, appropriations, money, records, equipment and other real and personal property of the City's Joint Water and Sewer Fund (Fund) to the Authority. The Authority is comprised of a board of three City Councilors, three County of Bernalillo Commissioners, and the Mayor of the City.

Under the provisions of the legislation, the Water/Wastewater System transferred to the Authority on December 17, 2003, after completion of an audit as of June 30, 2003 of the Water/Wastewater System by the New Mexico Public Regulation Commission. Accordingly, the Authority reports all transactions of the Water/Wastewater System for the year from July 1, 2003 through June 30, 2004. In addition, the City reports the transfer, on July 1, 2003, of the Fund's net assets of \$538,744,820. The net assets of the Fund was restated as discussed in Note 22.

To facilitate the Water/Wastewater System transfer, the City, County of Bernalillo, and the Authority entered into a joint powers agreement governing policy matters and a memorandum of understanding governing operational matters. Both of these documents provide a framework for the Authority to operate successfully and without interruption in services provided to the community. The memorandum of understanding runs through December 31, 2006. In accordance with those documents, the City provides accounting and other services for the Authority as well as receiving water and wastewater services from the Authority.

The City and the Authority engaged in transactions that are summarized below:

The Authority paid the City for the following services:

Payments in lieu of taxes	\$ 5,110,928
Administrative indirect overhead, including accounting and other central services	2,941,618
Supplies	1,444,304
Fleet Management Services	1,271,287
Telephone	222,563
Office services and parking	<u>70,808</u>
Total	<u>\$ 11,061,508</u>

The City paid the Authority for the following services:

Water and sewer services	\$ <u>4,179,721</u>
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The Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2004 is available by contacting the Authority at the following address; Fifth floor, P.O. Box 1293, Albuquerque, NM 87103.

NOTE 24 COMMITMENTS AND CONTINGENCIES

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	\$ 3,871,424
Corrections Fund	1,535,127
Capital Acquisition Fund	41,375,245
Nonmajor Government Funds	29,988,502
Internal Service Funds	<u>1,029,180</u>
Total Government Funds	<u>\$ 77,799,478</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
 June 30, 2004

NOTE 24 COMMITMENTS AND CONTINGENCIES, continued

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	\$ 10,639,035
Refuse Disposal Fund	3,607,307
Transit Operating Fund	21,548,003
Housing Authority Fund	146,898
Nonmajor Business-type Funds	<u>2,174,574</u>
Total Business Funds	<u>\$ 38,115,817</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 \$707,916 were incurred for the year ended June 30, 2004. Lease commitments for future years are as follows:

2005	\$679,494
2006	387,578
2007	263,087
2008	186,637

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 and 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.

1. 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.
2. 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.
3. 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.

NOTE 24 COMMITMENTS AND CONTINGENCIES, continued

The Attorney General's office of the State of New Mexico is conducting an investigation of the practices and handling procedures relating to the custody of evidence in connection with criminal court cases, which are held by the City's police department. The City has not been informed of any results of such investigation and does not anticipate that there will be a material effect on the City's financial statements.

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.

NOTE 25 SUBSEQUENT EVENTS

Bond issues:

On July 9, 2004, the City entered into a tax-exempt loan agreement with New Mexico Finance Authority for \$5,800,000. The loan will be used for the purpose of extending, repairing, replacing, equipping and improving the City's solid waste and refuse disposal system.

On September 9, 2004, the City secured a loan agreement with the New Mexico Finance Authority for \$5,700,000. The proceeds of this loan will be used to equip and furnish the Albuquerque Convention Center. The loan will be financed by hospitality fees at an average interest rate of 3.44% for ten years.

On October 6, 2004 the City issued Series 2004 A & B Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds for \$60,880,000. The proceeds of these bonds were used to partially refund Gross Receipts Tax Bonds, Series 1991B, 1996, and 1999B. The new bonds have interest rates ranging from 2.39% to 5.00%, and maturities through July 1, 2037.

Bond election:

On November 2, 2004, the City voters approved a \$52 million bond issue for the construction and betterment of streets and roads within the City of Albuquerque.

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, 2004

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Current property taxes	\$ 57,244,000	\$ 57,244,000	\$ 60,174,509	\$ 2,930,509
Delinquent property taxes	<u>2,148,000</u>	<u>2,148,000</u>	<u>2,979,135</u>	<u>831,135</u>
Total taxes	59,392,000	59,392,000	63,153,644	3,761,644
Interest:				
Interest on investments	<u>784,000</u>	<u>784,000</u>	<u>777,327</u>	<u>(6,673)</u>
Total revenues	<u>60,176,000</u>	<u>60,176,000</u>	<u>63,930,971</u>	<u>3,754,971</u>
Expenditures:				
Debt service:				
Principal	83,220,000	58,220,000	58,220,000	-
Interest	12,823,000	9,366,900	9,366,770	130
Bond issue costs	-	392,100	392,046	54
Commitment and other fees	<u>100,000</u>	<u>637,000</u>	<u>636,733</u>	<u>267</u>
Total expenditures	<u>96,143,000</u>	<u>68,616,000</u>	<u>68,615,549</u>	<u>451</u>
Excess (deficiency) of revenues over expenditures	(35,967,000)	(8,440,000)	(4,684,578)	3,755,422
Other financing sources:				
Premiums on bonds sold	<u>-</u>	<u>-</u>	<u>5,349,063</u>	<u>5,349,063</u>
Net change in fund balance	(35,967,000)	(8,440,000)	664,485	9,104,485
Fund balance, July 1	<u>45,493,412</u>	<u>45,493,412</u>	<u>45,493,412</u>	<u>-</u>
Fund balance, June 30	<u>\$ 9,526,412</u>	<u>\$ 37,053,412</u>	<u>\$ 46,157,897</u>	<u>\$ 9,104,485</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, 2004

	<u>Police Facilities</u>	<u>Fire Protection</u>	<u>Public Libraries</u>	<u>Storm Sewer</u>
Revenues:				
Taxes:				
Franchise taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Department of Education	-	-	-	-
State Envir Imp Agency	-	-	-	20,000
State Department of Energy and Minerals	-	-	-	-
State Highway Department	-	-	-	-
State Agency of Aging	-	-	-	-
State Arts Commission	-	-	-	-
State NM Library	-	-	-	-
State Department of Finance and Administration	74,894	15,000	1,267,165	-
Bernalillo County Shared Construction	-	-	-	-
Total intergovernmental	<u>74,894</u>	<u>15,000</u>	<u>1,267,165</u>	<u>20,000</u>
Interest on investments	<u>22,148</u>	<u>7,230</u>	<u>19,051</u>	<u>231,255</u>
Miscellaneous:				
Sales of real property	-	-	90,000	-
Contributions in aid of construction	-	-	-	222,251
Other	-	-	-	183
Total miscellaneous	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>222,434</u>
Total revenues	<u>97,042</u>	<u>22,230</u>	<u>1,376,216</u>	<u>473,689</u>
Expenditures:				
Capital outlay	1,737,661	276,539	2,998,256	10,676,009
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,737,661</u>	<u>276,539</u>	<u>2,998,256</u>	<u>10,676,009</u>
Excess (deficiency) of revenues over expenditures	<u>(1,640,619)</u>	<u>(254,309)</u>	<u>(1,622,040)</u>	<u>(10,202,320)</u>
Other financing sources (uses)				
Transfers in from other funds	-	-	-	-
Transfers out to other funds	-	-	-	-
Internal transfers in (out)	(6,908)	(31,747)	(4,445)	(32,096)
Proceeds of notes payable and bonds issued	1,308,500	1,000,000	3,454,000	9,440,000
Total other financing sources (uses)	<u>1,301,592</u>	<u>968,253</u>	<u>3,449,555</u>	<u>9,407,904</u>
Net change in fund balances	(339,027)	713,944	1,827,515	(794,416)
Fund balances (deficit), July 1	<u>2,628,613</u>	<u>1,466,293</u>	<u>1,424,369</u>	<u>13,981,640</u>
Fund balances (deficit), June 30	<u>\$ 2,289,586</u>	<u>\$ 2,180,237</u>	<u>\$ 3,251,884</u>	<u>\$ 13,187,224</u>

<u>Street Improvements</u>	<u>Parks and Recreation</u>	<u>Convention Center</u>	<u>Community Services Building</u>	<u>Rio Grande Zoo</u>
\$ -	\$ -	\$ -	\$ -	\$ -
4,645	-	-	-	-
-	1,361	-	-	-
-	-	-	-	-
-	36,719	-	-	-
8,505,759	(703,203)	-	-	-
-	(66,464)	-	-	-
967	-	-	-	-
-	-	-	-	-
58,590	2,085,419	-	891,450	-
-	-	-	-	-
<u>8,569,961</u>	<u>1,353,832</u>	<u>-</u>	<u>891,450</u>	<u>-</u>
<u>481,369</u>	<u>375,874</u>	<u>424</u>	<u>(272)</u>	<u>49,041</u>
592,193	-	-	-	-
1,267,550	886,629	-	-	160,000
(8,226)	205,763	-	-	134,141
<u>1,851,517</u>	<u>1,092,392</u>	<u>-</u>	<u>-</u>	<u>294,141</u>
<u>10,902,847</u>	<u>2,822,098</u>	<u>424</u>	<u>891,178</u>	<u>343,182</u>
27,457,464	22,905,412	6,601	908,768	2,204,831
-	-	-	-	-
<u>27,457,464</u>	<u>22,905,412</u>	<u>6,601</u>	<u>908,768</u>	<u>2,204,831</u>
<u>(16,554,617)</u>	<u>(20,083,314)</u>	<u>(6,177)</u>	<u>(17,590)</u>	<u>(1,861,649)</u>
3,670,000	4,600,000	-	-	-
-	-	-	-	-
(358,514)	(101,563)	5	47,482	(27,641)
<u>30,346,448</u>	<u>26,628,560</u>	<u>-</u>	<u>-</u>	<u>5,332,500</u>
<u>33,657,934</u>	<u>31,126,997</u>	<u>5</u>	<u>47,482</u>	<u>5,304,859</u>
17,103,317	11,043,683	(6,172)	29,892	3,443,210
<u>22,366,576</u>	<u>15,370,541</u>	<u>54,402</u>	<u>9,510</u>	<u>(1,555,580)</u>
\$ <u>39,469,893</u>	\$ <u>26,414,224</u>	\$ <u>48,230</u>	\$ <u>39,402</u>	\$ <u>1,887,630</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, 2004

	<u>Senior Citizens Facility</u>	<u>Museum</u>	<u>Transit</u>	<u>Miscellaneous Capital Projects</u>
Revenues:				
Taxes:				
Gross receipts tax-local option	\$ -	\$ -	\$ -	\$ 754,326
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Department of Education	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	4,344
State Highway Department	-	-	-	83,087
State Agency of Aging	404,621	-	-	-
State Arts Commission	-	-	-	-
State NM Library	-	39,559	-	-
State Department of Finance and Administration	25,602	835,487	-	143,157
Bernalillo County Shared Construction	446,000	-	-	-
Total intergovernmental	876,223	875,046	-	230,588
Interest on investments	118,579	51,426	21,760	(35,696)
Miscellaneous:				
Sales of real property	-	-	-	-
Contributions in aid of construction	-	683,761	-	(13,200)
Other	-	239,532	-	(78,026)
Total miscellaneous	-	923,293	-	(91,226)
Total revenues	994,802	1,849,765	21,760	857,992
Expenditures:				
Capital outlay	7,692,272	10,242,018	124,909	881,155
Bond issuance costs	-	-	-	488,964
Total expenditures	7,692,272	10,242,018	124,909	1,370,119
Excess (deficiency) of revenues over expenditures	(6,697,470)	(8,392,253)	(103,149)	(512,127)
Other financing sources (uses)				
Transfers in from other funds	-	-	-	-
Transfers out to other funds	-	-	(2,297,709)	-
Internal transfers in (out)	(47,187)	(73,058)	(16,958)	568,549
Proceeds of notes payable and bonds issued	10,549,950	12,873,200	4,268,842	-
Total other financing sources (uses)	10,502,763	12,800,142	1,954,175	568,549
Net change in fund balances	3,805,293	4,407,889	1,851,026	56,422
Fund balances (deficit), July 1	1,215,222	3,993,036	958,347	3,324,140
Fund balances (deficit), June 30	\$ 5,020,515	\$ 8,400,925	\$ 2,809,373	\$ 3,380,562

<u>Environmental Improvements</u>	<u>Facilities and Equipment</u>	<u>City Building</u>	<u>Bosque</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 754,326
-	-	-	-	4,645
-	-	-	-	1,361
-	-	-	-	20,000
-	114,127	-	554,949	710,139
-	438,704	-	-	8,324,347
-	-	-	-	338,157
-	-	-	-	967
-	-	-	-	39,559
-	-	-	-	5,396,764
-	-	-	-	446,000
-	552,831	-	554,949	15,281,939
17,001	(20,320)	(4,497)	1,231	1,335,604
-	-	-	-	682,193
-	102,500	-	50,000	3,359,491
12,681	-	-	-	506,048
12,681	102,500	-	50,000	4,547,732
29,682	635,011	(4,497)	606,180	21,919,601
859,301	10,390,633	243,710	805,243	100,410,782
-	-	-	-	488,964
859,301	10,390,633	243,710	805,243	100,899,746
(829,619)	(9,755,622)	(248,207)	(199,063)	(78,980,145)
-	-	-	-	8,270,000
-	(1,764,900)	-	-	(4,062,609)
(12,409)	92,700	3,790	-	-
1,543,000	28,050,000	1,000,000	-	135,795,000
1,530,591	26,377,800	1,003,790	-	140,002,391
700,972	16,622,178	755,583	(199,063)	61,022,246
303,895	740,065	-	-	66,281,069
\$ 1,004,867	\$ 17,362,243	\$ 755,583	\$ (199,063)	\$ 127,303,315

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CAPITAL ACQUISITION FUND
Year Ended June 30, 2004

	<u>Total 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, 2004</u>
<u>Capital Acquisition Fund</u>					
Capital Outlay and Other:					
Bosque	\$ 1,050,000	\$ -	\$ 1,050,000	\$ 805,243	\$ 244,757
City building	3,671,617	-	3,671,617	249,553	3,422,064
Community services building	2,500,007	455,329	2,044,678	908,768	1,135,910
Convention Center	7,612,474	7,567,694	44,780	6,601	38,179
Environmental improvements	2,722,486	745,009	1,977,477	871,710	1,105,767
Facilities and Equipment	54,317,091	21,248,343	33,068,748	12,501,027	20,567,721
Fire protection	4,623,925	515,648	4,108,277	308,286	3,799,991
Libraries	11,975,545	3,389,689	8,585,856	3,053,680	5,532,176
Miscellaneous capital projects	11,158,451	5,753,748	5,404,703	1,370,119	4,034,584
Museum	34,498,654	8,125,553	26,373,101	10,404,275	15,968,826
Parks and recreation	168,480,968	104,578,258	63,902,710	23,398,376	40,504,334
Police facilities	37,281,262	32,544,326	4,736,936	1,746,664	2,990,272
Rio Grande Zoo	7,176,259	3,705,335	3,470,924	2,232,473	1,238,451
Senior citizens facility	35,864,835	11,872,054	23,992,781	8,106,513	15,886,268
Storm Sewer	62,068,004	29,054,529	33,013,475	10,757,159	22,256,316
Street improvements	176,231,895	84,431,752	91,800,143	28,211,534	63,588,609
Transit	10,178,789	2,320,808	7,857,981	2,439,576	5,418,405
Total Capital Acquisition Fund	\$ 631,412,262	\$ 316,308,075	\$ 315,104,187	\$ 107,371,557	\$ 207,732,630

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, 2004

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
ASSETS					
Cash, investments, and accrued interest	\$ 25,434,070	\$ 2,990,929	\$ 29,739,514	\$ 24,460,824	\$ 82,625,337
Cash with fiscal agents	-	9,326,682	-	-	9,326,682
Investments with fiscal agents	-	-	4,030,023	-	4,030,023
Cash held by others	154,533	-	-	-	154,533
Receivables, net of allowance for uncollectible:					
Taxes	1,252,067	-	5,816,459	-	7,068,526
Accounts	351,297	-	-	-	351,297
Rehabilitation loans	2,101,283	-	-	-	2,101,283
Notes	49,681	-	-	-	49,681
Developer loans	1,421,677	-	-	-	1,421,677
Special Assessments	-	16,665,032	-	-	16,665,032
Real estate contracts receivables	-	-	-	2,823,216	2,823,216
Due from other governments	8,068,693	-	-	-	8,068,693
Advances to other funds	-	23,500,000	-	-	23,500,000
Land held for resale	-	-	-	5,065,930	5,065,930
TOTAL ASSETS	<u>\$ 38,833,301</u>	<u>\$ 52,482,643</u>	<u>\$ 39,585,996</u>	<u>\$ 32,349,970</u>	<u>\$ 163,251,910</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,677,851	\$ 6,621	\$ -	\$ 750	\$ 2,685,222
Contracts payable	-	-	3,766,704	-	3,766,704
Retainage payable	-	-	12,972	-	12,972
Accrued employee compensation and benefits	1,158,088	-	-	-	1,158,088
Due to other funds	1,300,077	-	-	-	1,300,077
Deferred revenue	5,195,130	16,217,597	3,189,014	2,823,216	27,424,957
Deposits	-	-	-	11,000	11,000
Advances from other funds	195,636	-	-	-	195,636
Matured bonds payable	-	6,787,694	-	-	6,787,694
Matured interest payable	-	2,563,754	-	-	2,563,754
Total liabilities	<u>10,526,782</u>	<u>25,575,666</u>	<u>6,968,690</u>	<u>2,834,966</u>	<u>45,906,104</u>
Fund balances:					
Reserved for:					
Encumbrances	1,970	-	42,152	-	44,122
Acquisition and management of open space land	300,885	-	-	16,813,523	17,114,408
Urban enhancement	2,193,146	-	-	7,635,551	9,828,697
Land held for resale	-	-	-	5,065,930	5,065,930
Transfer to capital acquisition fund	288,247	-	-	-	288,247
Advances to other funds	-	23,500,000	-	-	23,500,000
Unreserved	<u>25,522,271</u>	<u>3,406,977</u>	<u>32,575,154</u>	-	<u>61,504,402</u>
Total fund balances	<u>28,306,519</u>	<u>26,906,977</u>	<u>32,617,306</u>	<u>29,515,004</u>	<u>117,345,806</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 38,833,301</u>	<u>\$ 52,482,643</u>	<u>\$ 39,585,996</u>	<u>\$ 32,349,970</u>	<u>\$ 163,251,910</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2004

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
Revenues:					
Taxes	\$ 9,091,870	\$ -	\$ 30,441,631	\$ -	\$ 39,533,501
Licenses and permits	2,310,054	-	-	-	2,310,054
Intergovernmental	32,829,627	-	800,000	-	33,629,627
Charges for services	8,978,114	-	-	-	8,978,114
Fines and forfeits	862,315	-	-	-	862,315
Interest on investments	275,709	477,701	282,505	118,377	1,154,292
Special assessments	-	4,392,513	1,478,233	-	5,870,746
Collections on real estate contracts receivable:					
Principal	-	-	-	178,057	178,057
Interest	-	-	-	356,972	356,972
Proceeds from the disposition of capital assets	-	-	140,197	-	140,197
Miscellaneous	4,784,420	450,001	1,045,822	-	6,280,243
Total revenues	<u>59,132,109</u>	<u>5,320,215</u>	<u>34,188,388</u>	<u>653,406</u>	<u>99,294,118</u>
Expenditures:					
Current:					
General government	8,570,577	-	-	-	8,570,577
Public safety	10,236,705	-	-	-	10,236,705
Culture and recreation	5,682,096	-	-	71,827	5,753,923
Public works	169,998	-	-	-	169,998
Highways and streets	5,792,810	-	-	-	5,792,810
Health	4,218,947	-	-	-	4,218,947
Human services	20,726,683	-	-	-	20,726,683
Housing	3,392,399	-	-	-	3,392,399
Debt service:					
Principal retirement	-	9,676,244	-	-	9,676,244
Interest	-	5,414,407	-	-	5,414,407
Fiscal agent fees and other fees	-	432,052	-	-	432,052
Capital outlay	-	-	32,204,615	-	32,204,615
Bonds and notes issuance costs	-	-	135,314	-	135,314
Total expenditures	<u>58,790,215</u>	<u>15,522,703</u>	<u>32,339,929</u>	<u>71,827</u>	<u>106,724,674</u>
Excess (deficiency) of revenues over expenditures	<u>341,894</u>	<u>(10,202,488)</u>	<u>1,848,459</u>	<u>581,579</u>	<u>(7,430,556)</u>
Other financing sources (uses):					
Transfers in	9,350,423	8,767,000	-	-	18,117,423
Transfers out	(7,705,477)	-	(5,509,632)	(6,075,213)	(19,290,322)
Proceeds of notes payable and bonds issued	-	-	8,575,143	-	8,575,143
Total other financing sources (uses)	<u>1,644,946</u>	<u>8,767,000</u>	<u>3,065,511</u>	<u>(6,075,213)</u>	<u>7,402,244</u>
Net change in fund balances	1,986,840	(1,435,488)	4,913,970	(5,493,634)	(28,312)
Fund balances, July 1, as restated	<u>26,319,679</u>	<u>28,342,465</u>	<u>27,703,336</u>	<u>35,008,638</u>	<u>117,374,118</u>
Fund balances, June 30	<u>\$28,306,519</u>	<u>\$26,906,977</u>	<u>\$32,617,306</u>	<u>\$29,515,004</u>	<u>\$ 117,345,806</u>



CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE
June 30, 2004

	Air Quality Fund	City/County Facilities Fund	False Alarm Enforcement and Education Fund	Fire Fund
ASSETS				
Cash, investments, and accrued interest	\$ 1,412,742	\$ 731,704	\$ 396,437	\$ 262,306
Cash held by others				
Accounts receivable:				
Taxes	-	-	-	-
Accounts	87,621	-	92,850	-
Rehabilitation loans	-	-	-	-
Notes	-	-	-	-
Developer loans	-	-	-	-
Due from other governments	-	-	-	-
	<u>\$ 1,500,363</u>	<u>\$ 731,704</u>	<u>\$ 489,287</u>	<u>\$ 262,306</u>
TOTAL ASSETS	\$ 1,500,363	\$ 731,704	\$ 489,287	\$ 262,306
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,206	\$ 141,779	\$ 218	\$ 65,977
Accrued employee compensation and benefits	91,402	46,849	7,972	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
	<u>92,608</u>	<u>188,628</u>	<u>8,190</u>	<u>65,977</u>
Total liabilities	92,608	188,628	8,190	65,977
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	-	-
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Transfer to capital acquisition fund	-	-	288,247	-
Unreserved (deficit)	1,407,755	543,076	192,850	196,329
	<u>1,407,755</u>	<u>543,076</u>	<u>481,097</u>	<u>196,329</u>
Total fund balance (deficit)	1,407,755	543,076	481,097	196,329
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,500,363	\$ 731,704	\$ 489,287	\$ 262,306

<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>
\$ -	\$ 271,041	\$ 310,925	\$ 46,191	\$ 640,658	\$ 78,250
-	766,644	-	-	-	-
-	7,052	-	-	-	46,655
-	-	-	-	-	-
-	-	-	-	-	-
<u>844,145</u>	<u>-</u>	<u>-</u>	<u>46,671</u>	<u>-</u>	<u>-</u>
<u>\$ 844,145</u>	<u>\$ 1,044,737</u>	<u>\$ 310,925</u>	<u>\$ 92,862</u>	<u>\$ 640,658</u>	<u>\$ 124,905</u>
\$ 35,183	\$ 26,000	\$ 17,658	\$ -	\$ 20,595	\$ 97,319
146,627	-	15,580	-	123,542	-
182,326	-	-	-	-	-
392,614	-	-	25,224	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,636</u>	<u>-</u>
<u>756,750</u>	<u>26,000</u>	<u>33,238</u>	<u>25,224</u>	<u>339,773</u>	<u>97,319</u>
-	-	-	-	-	-
-	-	-	-	300,885	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,395</u>	<u>1,018,737</u>	<u>277,687</u>	<u>67,638</u>	<u>-</u>	<u>27,586</u>
<u>87,395</u>	<u>1,018,737</u>	<u>277,687</u>	<u>67,638</u>	<u>300,885</u>	<u>27,586</u>
<u>\$ 844,145</u>	<u>\$ 1,044,737</u>	<u>\$ 310,925</u>	<u>\$ 92,862</u>	<u>\$ 640,658</u>	<u>\$ 124,905</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -
SPECIAL REVENUE
June 30, 2004

	<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	\$ 170,000	\$ 1,071,552	\$ -	\$ 1,273,070
Cash held by others		154,533		
Accounts receivable:				
Taxes	-	-	-	-
Accounts	14,062	45,174	57,883	-
Rehabilitation loans	-	-	1,430,380	-
Notes	-	-	-	-
Developer loans	-	-	-	-
Due from other governments	-	-	1,743,832	-
TOTAL ASSETS	<u>\$ 184,062</u>	<u>\$ 1,271,259</u>	<u>\$ 3,232,095</u>	<u>\$ 1,273,070</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 912	\$ 440,160	\$ 15,830
Accrued employee compensation and benefits	-	2,830	59,510	-
Due to other funds	-	-	1,117,751	-
Deferred revenue	-	-	1,430,380	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>3,742</u>	<u>3,047,801</u>	<u>15,830</u>
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	-	-
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Transfer to capital acquisition fund	-	-	-	-
Unreserved (deficit)	<u>184,062</u>	<u>1,267,517</u>	<u>184,294</u>	<u>1,257,240</u>
Total fund balance (deficit)	<u>184,062</u>	<u>1,267,517</u>	<u>184,294</u>	<u>1,257,240</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 184,062</u>	<u>\$ 1,271,259</u>	<u>\$ 3,232,095</u>	<u>\$ 1,273,070</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>
\$ 10,248,920	\$ 1,504,315	\$ 2,199,034	\$ 2,591,663	\$ 2,225,262	\$ 25,434,070
-	-	485,423	-	-	1,252,067
-	-	-	-	-	351,297
-	-	-	670,903	-	2,101,283
49,681	-	-	-	-	49,681
576,665	-	563,341	281,671	-	1,421,677
-	-	-	5,434,045	-	8,068,693
<u>\$ 10,875,266</u>	<u>\$ 1,504,315</u>	<u>\$ 3,247,798</u>	<u>\$ 8,978,282</u>	<u>\$ 2,225,262</u>	<u>\$ 38,833,301</u>
\$ 60,020	\$ 147,785	\$ 10,983	\$ 1,564,110	\$ 32,116	\$ 2,677,851
2,573	9,435	-	651,768	-	1,158,088
-	-	-	-	-	1,300,077
666,785	-	563,341	2,116,786	-	5,195,130
-	-	-	-	-	195,636
<u>729,378</u>	<u>157,220</u>	<u>574,324</u>	<u>4,332,664</u>	<u>32,116</u>	<u>10,526,782</u>
-	-	-	1,970	-	1,970
-	-	-	-	-	300,885
-	-	-	-	2,193,146	2,193,146
-	-	-	-	-	288,247
<u>10,145,888</u>	<u>1,347,095</u>	<u>2,673,474</u>	<u>4,643,648</u>	<u>-</u>	<u>25,522,271</u>
<u>10,145,888</u>	<u>1,347,095</u>	<u>2,673,474</u>	<u>4,645,618</u>	<u>2,193,146</u>	<u>28,306,519</u>
<u>\$ 10,875,266</u>	<u>\$ 1,504,315</u>	<u>\$ 3,247,798</u>	<u>\$ 8,978,282</u>	<u>\$ 2,225,262</u>	<u>\$ 38,833,301</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, 2004

	Air Quality Fund	City/County Facilities Fund	False Alarm Enforcement and Education Fund	Fire Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	2,310,054	-	-	-
Intergovernmental	-	-	-	1,018,712
Charges for services	-	4,153,684	563,666	9,949
Fines and forfeits	7,016	-	-	-
Interest	15,113	(135)	2,633	11,534
Miscellaneous	-	1	-	-
Total revenues	<u>2,332,183</u>	<u>4,153,550</u>	<u>566,299</u>	<u>1,040,195</u>
Expenditures:				
Current:				
General government	-	2,728,294	-	-
Public safety	-	-	361,549	994,987
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health	2,122,874	-	-	-
Human services	-	-	-	-
Housing	-	-	-	-
Total expenditures	<u>2,122,874</u>	<u>2,728,294</u>	<u>361,549</u>	<u>994,987</u>
Excess (deficiency) of revenues over expenditures	<u>209,309</u>	<u>1,425,256</u>	<u>204,750</u>	<u>45,208</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(1,200,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,200,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	209,309	225,256	204,750	45,208
Fund balances (deficit), July 1, as restated	<u>1,198,446</u>	<u>317,820</u>	<u>276,347</u>	<u>151,121</u>
Fund balances (deficit), June 30	<u>\$ 1,407,755</u>	<u>\$ 543,076</u>	<u>\$ 481,097</u>	<u>\$ 196,329</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>
\$ -	\$ 8,730,347	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,476,207	-	-	312,318	-	-
-	-	1,277,300	-	59,214	-
-	-	-	-	-	-
(6,243)	3,062	2,899	-	6,529	1,462
-	-	-	2	(4,285)	895,051
<u>4,469,964</u>	<u>8,733,409</u>	<u>1,280,199</u>	<u>312,320</u>	<u>61,458</u>	<u>896,513</u>
-	4,327,000	663,842	-	-	-
-	-	-	-	-	-
-	-	-	-	3,169,044	887,961
-	-	-	-	-	-
5,029,501	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,029,501</u>	<u>4,327,000</u>	<u>663,842</u>	<u>-</u>	<u>3,169,044</u>	<u>887,961</u>
<u>(559,537)</u>	<u>4,406,409</u>	<u>616,357</u>	<u>312,320</u>	<u>(3,107,586)</u>	<u>8,552</u>
573,000	591,000	-	-	2,902,440	-
-	(4,948,000)	(571,000)	(270,000)	-	-
<u>573,000</u>	<u>(4,357,000)</u>	<u>(571,000)</u>	<u>(270,000)</u>	<u>2,902,440</u>	<u>-</u>
13,463	49,409	45,357	42,320	(205,146)	8,552
<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>\$ 87,395</u>	<u>\$ 1,018,737</u>	<u>\$ 277,687</u>	<u>\$ 67,638</u>	<u>\$ 300,885</u>	<u>\$ 27,586</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, 2004

	<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	-	-	-	-
Intergovernmental	-	-	5,192,501	-
Charges for services	190,052	-	-	231,048
Fines and forfeits	-	-	-	-
Interest	2,121	11,750	-	10,463
Miscellaneous	-	177,624	739,098	514,115
Total revenues	<u>192,173</u>	<u>189,374</u>	<u>5,931,599</u>	<u>755,626</u>
Expenditures:				
Current:				
General government	31,532	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	432,335
Public works	-	-	169,998	-
Highways and streets	-	-	-	-
Health	-	-	-	-
Human services	-	-	2,598,831	-
Housing	-	237,012	2,499,996	-
Total expenditures	<u>31,532</u>	<u>237,012</u>	<u>5,268,825</u>	<u>432,335</u>
Excess (deficiency) of revenues over expenditures	<u>160,641</u>	<u>(47,638)</u>	<u>662,774</u>	<u>323,291</u>
Other financing sources (uses):				
Transfers in	-	64,827	-	-
Transfers out	(182,000)	(517,299)	-	-
Total other financing sources (uses)	<u>(182,000)</u>	<u>(452,472)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(21,359)	(500,110)	662,774	323,291
Fund balances (deficit), July 1	<u>205,421</u>	<u>1,767,627</u>	<u>(478,480)</u>	<u>933,949</u>
Fund balances (deficit), June 30	<u>\$ 184,062</u>	<u>\$ 1,267,517</u>	<u>\$ 184,294</u>	<u>\$ 1,257,240</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>
\$ -	\$ -	\$ 361,523	\$ -	\$ -	\$ 9,091,870
-	-	-	-	-	2,310,054
-	578,194	-	21,251,695	-	32,829,627
-	158,944	-	2,334,257	-	8,978,114
-	855,299	-	-	-	862,315
92,941	21,377	40,620	35,550	24,033	275,709
<u>515,641</u>	<u>482,776</u>	<u>174,014</u>	<u>1,290,383</u>	<u>-</u>	<u>4,784,420</u>
<u>608,582</u>	<u>2,096,590</u>	<u>576,157</u>	<u>24,911,885</u>	<u>24,033</u>	<u>59,132,109</u>
-	-	478,661	341,248	-	8,570,577
-	2,580,554	-	6,299,615	-	10,236,705
-	-	-	381,421	811,335	5,682,096
-	-	-	-	-	169,998
-	-	-	763,309	-	5,792,810
-	-	-	2,096,073	-	4,218,947
-	-	-	18,127,852	-	20,726,683
<u>655,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,392,399</u>
<u>655,391</u>	<u>2,580,554</u>	<u>478,661</u>	<u>28,009,518</u>	<u>811,335</u>	<u>58,790,215</u>
<u>(46,809)</u>	<u>(483,964)</u>	<u>97,496</u>	<u>(3,097,633)</u>	<u>(787,302)</u>	<u>341,894</u>
-	-	-	5,070,717	148,439	9,350,423
-	-	-	(17,178)	-	(7,705,477)
-	-	-	5,053,539	148,439	1,644,946
(46,809)	(483,964)	97,496	1,955,906	(638,863)	1,986,840
<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>26,319,679</u>
<u>\$ 10,145,888</u>	<u>\$ 1,347,095</u>	<u>\$ 2,673,474</u>	<u>\$ 4,645,618</u>	<u>\$ 2,193,146</u>	<u>\$ 28,306,519</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and permits:				
Authorized vehicle inspection fees	\$ 28,000	\$ 28,000	\$ 26,800	\$ (1,200)
Certified vehicle inspection fees	9,000	9,000	11,770	2,770
Certified vehicle paper sales	1,024,000	1,024,000	1,057,589	33,589
Title V operating permits	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,213,895</u>	<u>113,895</u>
Total licenses and permits	2,161,000	2,161,000	2,310,054	149,054
Fines and Forfeits:				
Air Quality Forfeitures	-	-	7,016	7,016
Interest:				
Interest on investments	<u>-</u>	<u>-</u>	<u>15,113</u>	<u>15,113</u>
Total revenues	<u>2,161,000</u>	<u>2,161,000</u>	<u>2,332,183</u>	<u>171,183</u>
Expenditures:				
Environmental Health:				
Title V operating permits	1,023,000	1,023,000	977,125	45,875
Vehicle inspections	1,228,000	1,228,000	1,016,193	211,807
FY/03 Bonus Program	-	28,000	22,556	5,444
Indirect overhead	<u>115,000</u>	<u>115,000</u>	<u>107,000</u>	<u>8,000</u>
Total expenditures	<u>2,366,000</u>	<u>2,394,000</u>	<u>2,122,874</u>	<u>271,126</u>
Net change in fund balance	(205,000)	(233,000)	209,309	442,309
Fund balance, July 1	<u>1,198,446</u>	<u>1,198,446</u>	<u>1,198,446</u>	<u>-</u>
Fund balance, June 30	<u>\$ 993,446</u>	<u>\$ 965,446</u>	<u>\$ 1,407,755</u>	<u>\$ 442,309</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, 2004

	<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	\$ 4,150,000	\$ 4,150,000	\$ 4,153,684	\$ 3,684
Interest:				
Interest on investments	8,000	8,000	(135)	(8,135)
Miscellaneous:				
Other	-	-	1	1
Total revenues	<u>4,158,000</u>	<u>4,158,000</u>	<u>4,153,550</u>	<u>(4,450)</u>
Expenditures:				
Current:				
General government:				
City/County building	2,806,000	2,806,000	2,617,480	188,520
FY/03 Bonus Program	-	25,000	24,814	186
Indirect overhead	86,000	86,000	86,000	-
Total expenditures	<u>2,892,000</u>	<u>2,917,000</u>	<u>2,728,294</u>	<u>188,706</u>
Excess (deficiency) of revenues over expenditures	1,266,000	1,241,000	1,425,256	184,256
Other financing (uses):				
Operating transfers out:				
Transfer to Debt Service Fund	(1,200,000)	(1,200,000)	(1,200,000)	-
Net change in fund balance	66,000	41,000	225,256	184,256
Fund balance, July 1	<u>317,820</u>	<u>317,820</u>	<u>317,820</u>	-
Fund balance, June 30	<u>\$ 383,820</u>	<u>\$ 358,820</u>	<u>\$ 543,076</u>	<u>\$ 184,256</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, 2004

	<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	\$ 530,000	\$ 530,000	\$ 563,666	\$ 33,666
Interest:				
Interest on investments	-	-	2,633	2,633
Total revenues	<u>530,000</u>	<u>530,000</u>	<u>566,299</u>	<u>36,299</u>
Expenditures:				
Current:				
General government	<u>500,000</u>	<u>500,000</u>	<u>361,549</u>	<u>138,451</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>361,549</u>	<u>138,451</u>
Net change in fund balance	30,000	30,000	204,750	174,750
Fund balance, July 1	<u>276,347</u>	<u>276,347</u>	<u>276,347</u>	-
Fund balance, June 30	<u>\$ 306,347</u>	<u>\$ 306,347</u>	<u>\$ 481,097</u>	<u>\$ 174,750</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE FUND
Year ended June 30, 2004

	<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	\$ 855,000	\$ 1,019,000	\$ 1,018,712	\$ (288)
Charges for services:				
Fire seminar fees	-	-	9,949	9,949
Interest:				
Interest on investments	<u>5,000</u>	<u>5,000</u>	<u>11,534</u>	<u>6,534</u>
Total revenues	<u>860,000</u>	<u>1,024,000</u>	<u>1,040,195</u>	<u>16,195</u>
Expenditures:				
Current:				
Public safety:				
Fire special improvements	<u>855,000</u>	<u>1,087,000</u>	<u>994,987</u>	<u>92,013</u>
Total expenditures	<u>855,000</u>	<u>1,087,000</u>	<u>994,987</u>	<u>92,013</u>
Net change in fund balance	5,000	(63,000)	45,208	108,208
Fund balance, July 1	<u>151,121</u>	<u>151,121</u>	<u>151,121</u>	<u>-</u>
Fund balance, June 30	<u>\$ 156,121</u>	<u>\$ 88,121</u>	<u>\$ 196,329</u>	<u>\$ 108,208</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State gasoline tax	\$ 4,520,000	\$ 4,520,000	\$ 4,476,207	\$ (43,793)
Interest:				
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>(6,243)</u>	<u>(7,243)</u>
Total revenues	<u>4,521,000</u>	<u>4,521,000</u>	<u>4,469,964</u>	<u>(51,036)</u>
Expenditures:				
Current:				
Highways and streets	4,764,000	4,764,000	4,716,379	47,621
FY03 Bonus Program	-	79,000	73,090	5,910
Payments to General Fund for services	<u>243,000</u>	<u>243,000</u>	<u>240,032</u>	<u>2,968</u>
Total expenditures	<u>5,007,000</u>	<u>5,086,000</u>	<u>5,029,501</u>	<u>56,499</u>
Excess (deficiency) of revenues over expenditures	(486,000)	(565,000)	(559,537)	5,463
Other financing sources:				
Transfers in	<u>573,000</u>	<u>573,000</u>	<u>573,000</u>	<u>-</u>
Net change in fund balance	87,000	8,000	13,463	5,463
Fund balance, July 1	<u>73,932</u>	<u>73,932</u>	<u>73,932</u>	<u>-</u>
Fund balance, June 30	<u>\$ 160,932</u>	<u>\$ 81,932</u>	<u>\$ 87,395</u>	<u>\$ 5,463</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Lodgers tax	\$ 8,442,000	\$ 8,442,000	\$ 8,730,347	\$ 288,347
Interest:				
Interest on investments	<u>8,000</u>	<u>8,000</u>	<u>3,062</u>	<u>(4,938)</u>
Total revenues	8,450,000	8,450,000	8,733,409	283,409
Expenditures:				
Current:				
General government:				
Lodger's promotion	<u>4,357,000</u>	<u>4,357,000</u>	<u>4,327,000</u>	<u>30,000</u>
Total expenditures	<u>4,357,000</u>	<u>4,357,000</u>	<u>4,327,000</u>	<u>30,000</u>
Excess (deficiency) of revenues over expenditures	4,093,000	4,093,000	4,406,409	313,409
Other financing sources (uses):				
Transfer from the General Fund	591,000	591,000	591,000	-
Transfer to Sales Tax Debt Service Fund	<u>(4,948,000)</u>	<u>(4,948,000)</u>	<u>(4,948,000)</u>	<u>-</u>
Net change in fund balance	(264,000)	(264,000)	49,409	313,409
Fund balance, July 1	<u>969,328</u>	<u>969,328</u>	<u>969,328</u>	<u>-</u>
Fund balance, June 30	<u>\$ 705,328</u>	<u>\$ 705,328</u>	<u>\$ 1,018,737</u>	<u>\$ 313,409</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, 2004

	<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	\$ 1,274,000	\$ 1,274,000	\$ 1,277,300	\$ 3,300
Interest:				
Interest on investments	-	-	2,899	2,899
Total revenues	1,274,000	1,274,000	1,280,199	6,199
Expenditures:				
Current:				
General government:				
Building operations	723,000	723,000	657,074	65,926
FY/03 Bonus Program	-	7,000	6,768	232
Total expenditures	723,000	730,000	663,842	66,158
Excess (deficiency) of revenues over expenditures	551,000	544,000	616,357	72,357
Other financing (uses):				
Transfer to debt service fund	(571,000)	(571,000)	(571,000)	-
Net change in fund balance	(20,000)	(27,000)	45,357	72,357
Fund balance (deficit), July 1	232,330	232,330	232,330	-
Fund balance (deficit), June 30	\$ 212,330	\$ 205,330	\$ 277,687	\$ 72,357

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION FUND
Year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State cigarette tax	\$ 280,000	\$ 280,000	\$ 312,318	\$ 32,318
Interest:				
Interest on investments	-	-	2	2
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>312,320</u>	<u>32,320</u>
Other financing uses:				
Transfers out:				
Transfer to General Fund	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>-</u>
Net change in fund balance	10,000	10,000	42,320	32,320
Fund balance, July 1	<u>25,318</u>	<u>25,318</u>	<u>25,318</u>	<u>-</u>
Fund balance, June 30	<u>\$ 35,318</u>	<u>\$ 35,318</u>	<u>\$ 67,638</u>	<u>\$ 32,320</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 55,000	\$ 55,000	\$ 59,214	\$ 4,214
Interest	-	-	6,529	6,529
Miscellaneous income	-	-	<u>(4,285)</u>	<u>(4,285)</u>
Total revenues	55,000	55,000	61,458	6,458
Expenditures				
Culture and recreation	<u>3,075,000</u>	<u>3,203,666</u>	<u>3,169,044</u>	<u>34,622</u>
Excess (deficiency) of revenues over expenditures	(3,020,000)	(3,148,666)	(3,107,586)	41,080
Other financing sources:				
Transfers in	<u>2,726,000</u>	<u>2,854,666</u>	<u>2,902,440</u>	<u>47,774</u>
Net change in fund balance	(294,000)	(294,000)	(205,146)	88,854
Fund balance, July 1	<u>506,031</u>	<u>506,031</u>	<u>506,031</u>	<u>-</u>
Fund balance, June 30	<u>\$ 212,031</u>	<u>\$ 212,031</u>	<u>\$ 300,885</u>	<u>\$ 88,854</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, 2004

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining June 30, 2003</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2004</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>57,000</u>	<u>56,568</u>	<u>432</u>	<u>1,462</u>	<u>(1,030)</u>
Other:					
Miscellaneous revenue	1,706,000	(15)	1,706,015	46,017	1,659,998
Contributions and donations	1,989,000	2,822,120	(833,120)	844,520	(1,677,640)
Sales of other property	<u>100,000</u>	<u>124,225</u>	<u>(24,225)</u>	<u>4,514</u>	<u>(28,739)</u>
Total other	<u>3,795,000</u>	<u>2,946,330</u>	<u>848,670</u>	<u>895,051</u>	<u>(46,381)</u>
Total revenues	<u>3,902,000</u>	<u>3,017,962</u>	<u>884,038</u>	<u>896,513</u>	<u>(12,475)</u>
Expenditures:					
Current:					
Culture and Recreation	<u>3,902,000</u>	<u>2,998,928</u>	<u>903,072</u>	<u>887,961</u>	<u>15,111</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,034</u>	<u>\$ (19,034)</u>	<u>8,552</u>	<u>\$ (27,586)</u>
Fund balance, July 1				<u>19,034</u>	
Fund balance, June 30				<u>\$ 27,586</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, 2004

	<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, 2004</u>
Revenues:					
Charges for services:					
Information systems services	\$ 3,286,288	\$ 3,085,835	\$ 200,453	\$ 190,052	\$ 10,401
Interest:					
Interest on investments	60,000	193,237	(133,237)	2,121	(135,358)
Other:					
Miscellaneous revenue	40,000	39,312	688	-	688
Total revenues	<u>3,386,288</u>	<u>3,318,384</u>	<u>67,904</u>	<u>192,173</u>	<u>(124,269)</u>
Expenditures:					
Current:					
General government	2,160,288	2,068,963	91,325	31,532	59,793
Excess (deficiency) of revenues over expenditures	1,226,000	1,249,421	(23,421)	160,641	(184,062)
Other financing sources (uses):					
Transfers out	(1,226,000)	(1,044,000)	(182,000)	(182,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 205,421</u>	<u>\$ (205,421)</u>	(21,359)	<u>\$ (184,062)</u>
Fund balance, July 1				<u>205,421</u>	
Fund balance, June 30				<u>\$ 184,062</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, 2004

	<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, 2004</u>
Revenues:					
Interest:					
Interest on investments	\$ 182,132	\$ 414,920	\$ (232,788)	\$ 11,750	\$ (244,538)
Miscellaneous:					
Refund of excess of mortgage holders payments over CMO bond debt service	1,597,964	1,522,915	75,049	-	75,049
Affordable Housing Trust Fund	1,000,000	1,427,691	(427,691)	-	(427,691)
CMO bonds project reimbursement	<u>7,097,988</u>	<u>2,594,596</u>	<u>4,503,392</u>	<u>177,624</u>	<u>4,325,768</u>
Total miscellaneous	<u>9,695,952</u>	<u>5,545,202</u>	<u>4,150,750</u>	<u>177,624</u>	<u>3,973,126</u>
Total revenues	<u>9,878,084</u>	<u>5,960,122</u>	<u>3,917,962</u>	<u>189,374</u>	<u>3,728,588</u>
Expenditures:					
Current:					
Housing	<u>9,360,785</u>	<u>4,414,047</u>	<u>4,946,738</u>	<u>237,012</u>	<u>4,709,726</u>
Excess (deficiency) of revenues over expenditures	<u>517,299</u>	<u>1,546,075</u>	<u>(1,028,776)</u>	<u>(47,638)</u>	<u>(981,138)</u>
Other financing sources (uses):					
Transfers in	-	-	-	64,827	(64,827)
Transfers out	<u>(517,299)</u>	-	<u>(517,299)</u>	<u>(517,299)</u>	-
Total other financing sources (uses)	<u>(517,299)</u>	-	<u>(517,299)</u>	<u>(452,472)</u>	<u>(64,827)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,546,075</u>	<u>\$ (1,546,075)</u>	<u>(500,110)</u>	<u>\$ (1,045,965)</u>
Fund balance, July 1				<u>1,767,627</u>	
Fund balance, June 30				<u>\$ 1,267,517</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, 2004

	<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, 2004</u>
Revenues:					
Intergovernmental:					
Grants:					
U.S. Department of Housing and Urban Development	\$ 27,588,486	\$ 12,910,210	\$ 14,678,276	\$ 5,192,501	\$ 9,485,775
Interest:					
Interest on investments	-	5,145	(5,145)	-	(5,145)
Miscellaneous:					
Rehabilitation loan repayments	712,726	1,108,774	(396,048)	666,288	(1,062,336)
Other miscellaneous	3,035,839	2,545,724	490,115	72,810	417,305
Total miscellaneous	<u>3,748,565</u>	<u>3,654,498</u>	<u>94,067</u>	<u>739,098</u>	<u>(645,031)</u>
Total revenues	<u>31,337,051</u>	<u>16,569,853</u>	<u>14,767,198</u>	<u>5,931,599</u>	<u>8,835,599</u>
Expenditures:					
Current:					
Public Works	4,619,444	3,975,112	644,332	169,998	474,334
Human services:					
Mayor's Office for Senior Citizens	639,000	423,320	215,680	161,395	54,285
Community development administration	9,862,068	2,851,528	7,010,540	1,750,925	5,259,615
Outside operating agencies	6,484,553	4,619,750	1,864,803	686,511	1,178,292
Public service city match	20,439	20,441	(2)	-	(2)
Total human services	<u>17,006,060</u>	<u>7,915,039</u>	<u>9,091,021</u>	<u>2,598,831</u>	<u>6,492,190</u>
Housing	9,787,415	5,331,093	4,456,322	2,499,996	1,956,326
Total expenditures	<u>31,412,919</u>	<u>17,221,244</u>	<u>14,191,675</u>	<u>5,268,825</u>	<u>8,922,850</u>
Excess (deficiency) of revenues over expenditures	(75,868)	(651,391)	575,523	662,774	(87,251)
Other financing sources:					
Transfers in	75,868	75,868	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (575,523)</u>	<u>\$ 575,523</u>	662,774	<u>\$ (87,251)</u>
Fund balance, July 1				(478,480)	
Fund (deficit), June 30				<u>\$ 184,294</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, 2004

	<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, 2004</u>
Revenues:					
Charges for services:					
Culture and recreation:					
Library charges	\$ -	\$ 97,734	\$ (97,734)	\$ 102,826	\$ (200,560)
Museum charges	-	163,964	(163,964)	128,222	(292,186)
Other	<u>-</u>	<u>2,248</u>	<u>(2,248)</u>	<u>-</u>	<u>(2,248)</u>
Total charges for services	<u>-</u>	<u>263,946</u>	<u>(263,946)</u>	<u>231,048</u>	<u>(494,994)</u>
Interest on investments	<u>43,950</u>	<u>115,834</u>	<u>(71,884)</u>	<u>10,463</u>	<u>(82,347)</u>
Other:					
Miscellaneous revenue	1,999,800	863,364	1,136,436	429,980	706,456
Contributions and donations	<u>1,180,000</u>	<u>1,308,450</u>	<u>(128,450)</u>	<u>84,135</u>	<u>(212,585)</u>
Total other revenues	<u>3,179,800</u>	<u>2,171,814</u>	<u>1,007,986</u>	<u>514,115</u>	<u>493,871</u>
Total revenues	<u>3,223,750</u>	<u>2,551,594</u>	<u>672,156</u>	<u>755,626</u>	<u>(83,470)</u>
Expenditures:					
Current:					
Culture and Recreation	<u>3,223,750</u>	<u>1,617,645</u>	<u>1,606,105</u>	<u>432,335</u>	<u>1,173,770</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 933,949</u>	<u>\$ (933,949)</u>	<u>323,291</u>	<u>\$ (1,257,240)</u>
Fund balance, July 1				<u>933,949</u>	
Fund balance, June 30				<u>\$ 1,257,240</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, 2004

	<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, 2004</u>
Revenues:					
Interest:					
Interest on investments	\$ -	\$ 4,267,045	\$ (4,267,045)	\$ 92,941	\$ (4,359,986)
Miscellaneous:					
Housing and development	<u>11,546,152</u>	<u>7,653,260</u>	<u>3,892,892</u>	<u>515,641</u>	<u>3,377,251</u>
Total revenues	11,546,152	11,920,305	(374,153)	608,582	(982,735)
Expenditures:					
Current:					
Housing and development	<u>11,546,152</u>	<u>1,727,608</u>	<u>9,818,544</u>	<u>655,391</u>	<u>9,163,153</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,192,697</u>	<u>\$ (10,192,697)</u>	(46,809)	<u>\$ (10,145,888)</u>
Fund balance, July 1				<u>10,192,697</u>	
Fund balance, June 30				<u>\$ 10,145,888</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, 2004

	<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, 2004</u>
Revenues:					
Intergovernmental:					
Insurance debt collections	\$ -	\$ 901,749	\$ (901,749)	\$ 578,194	\$ (1,479,943)
Charges for services:					
Crime laboratory-Controlled substance and DWI tests	480,000	526,680	(46,680)	158,944	(205,624)
Fines and forfeits:					
Police-forfeited funds	3,523,716	978,962	2,544,754	855,299	1,689,455
Interest:					
Interest on investments	-	416,760	(416,760)	21,377	(438,137)
Other:					
Miscellaneous	-	783,060	(783,060)	482,776	(1,265,836)
Total revenues	<u>4,003,716</u>	<u>3,607,211</u>	<u>396,505</u>	<u>2,096,590</u>	<u>(1,700,085)</u>
Expenditures:					
Current:					
Public safety:					
Law enforcement protection funds act	1,739,400	452,673	1,286,727	898,917	387,810
Federal forfeitures program	953,795	878,831	74,964	849,721	(774,757)
State forfeitures program	17,852	4,752	13,100	13,100	-
Crime lab program	480,000	213,759	266,241	232,829	33,412
DWI forfeitures program	812,669	226,137	586,532	585,987	545
Total expenditures	<u>4,003,716</u>	<u>1,776,152</u>	<u>2,227,564</u>	<u>2,580,554</u>	<u>(352,990)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,831,059</u>	<u>\$ (1,831,059)</u>	<u>(483,964)</u>	<u>\$ (1,347,095)</u>
Fund balance, July 1				<u>1,831,059</u>	
Fund balance, June 30				<u>\$ 1,347,095</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, 2004

	<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, 2004</u>
Revenues:					
Taxes:					
Current property tax	\$ 4,801,731	\$ 4,998,206	\$ (196,475)	\$ 361,523	\$ (557,998)
Intergovernmental:					
Grants:					
US Economic Development Administration	1,000,000	1,000,000	-	-	-
NM Local Government Division	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest:					
Interest on investments	<u>2,745,762</u>	<u>2,749,974</u>	<u>(4,212)</u>	<u>40,620</u>	<u>(44,832)</u>
Miscellaneous:					
Rental of city property	551,331	560,426	(9,095)	38,622	(47,717)
Sale of real property	2,270,277	2,270,278	(1)	44,481	(44,482)
Miscellaneous parking revenue	30,328	31,898	(1,570)	-	(1,570)
Other miscellaneous	<u>6,392</u>	<u>6,815</u>	<u>(423)</u>	<u>90,911</u>	<u>(91,334)</u>
Total miscellaneous	<u>2,858,328</u>	<u>2,869,417</u>	<u>(11,089)</u>	<u>174,014</u>	<u>(185,103)</u>
Total revenues	<u>11,655,821</u>	<u>11,867,597</u>	<u>(211,776)</u>	<u>576,157</u>	<u>(787,933)</u>
Expenditures:					
Current:					
General government	<u>12,142,359</u>	<u>9,803,569</u>	<u>2,338,790</u>	<u>478,661</u>	<u>1,860,129</u>
Total expenditures	<u>12,142,359</u>	<u>9,803,569</u>	<u>2,338,790</u>	<u>478,661</u>	<u>1,860,129</u>
Net change in fund balance	<u>\$ (486,538)</u>	<u>\$ 2,064,028</u>	<u>\$ (2,550,566)</u>	97,496	<u>\$ (2,648,062)</u>
Fund balance, July 1				<u>2,575,978</u>	
Fund balance, June 30				<u>\$ 2,673,474</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, 2004

	<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, 2004</u>
Revenues:					
Intergovernmental:					
Grants:					
Corporation for National and Community Services	\$ 1,822,581	\$ 1,430,432	\$ 392,149	\$ 290,515	\$ 101,634
U.S. Department of Housing and Urban Development	36,797,594	23,529,075	13,268,519	3,333,509	9,935,010
U.S. Department of Labor	3,888,864	3,395,005	493,859	-	493,859
U.S. Environmental Protection Agency	6,070,108	3,238,805	2,831,303	1,043,888	1,787,415
Federal Aviation Administration	440,000	440,000	-	-	-
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	16,920,540	10,094,621	6,825,919	3,615,589	3,210,330
U.S. Department of the Treasury	409,169	261,150	148,019	94,865	53,154
U.S. Department of Justice	23,349,689	17,678,124	5,671,565	1,910,010	3,761,555
U.S. Department of Education	-	27,023	(27,023)	79,782	(106,805)
Federal Emergency Management Agency	1,384,644	457,727	926,917	405,870	521,047
N.M. Dept. of Health - Social Services	566,674	225,663	341,011	73,026	267,985
N.M. Department of Public Safety	1,483,581	869,598	613,983	549,460	64,523
N.M. State Library	254,276	195,338	58,938	58,939	(1)
N.M. State Highway Department	8,240,938	5,635,133	2,605,805	1,301,078	1,304,727
N.M. Department of Transportation	1,499,460	1,174,493	324,967	163,169	161,798
N.M. State Office on Aging	24,451,346	19,245,842	5,205,504	4,421,587	783,917
N.M. Board of Finance	124,869	84,051	40,818	295	40,523
N.M. Dept. of Economic Development	2,950,000	2,903,754	46,246	-	46,246
N.M. Local Government Division	17,155,970	15,168,798	1,987,172	1,375,474	611,698
N.M. Office Cultural Office	63,272	34,830	28,442	14,267	14,175
N.M. Dept. of Health - Public Health	6,000	6,000	-	-	-
N.M. Children, Youth & Families Dept.	12,498,683	8,557,178	3,941,505	1,624,533	2,316,972
N.M. Youth Conservation Corp. Comm.	735,157	503,007	232,150	73,382	158,768
City of Rio Rancho	60,000	33,436	26,564	-	26,564
County Other	617,000	108,409	508,591	476,557	32,034
N.M. Dept. of Health - Substance Abuse	6,000	6,000	-	-	-
County Aging	2,275,400	1,929,500	345,900	345,900	-
Total intergovernmental	<u>164,610,437</u>	<u>117,730,296</u>	<u>46,880,141</u>	<u>21,251,695</u>	<u>25,628,446</u>
Interest:					
Interest - Police Block Grant	346,138	391,205	(45,067)	35,550	(80,617)
Miscellaneous:					
Other miscellaneous	9,605,101	5,721,961	3,883,140	3,422,323	460,817
Rehabilitation loan repayments	51,458	136,289	(84,831)	202,317	(287,148)
Contributions and donations	100,910	78,111	22,799	-	22,799
Total miscellaneous	<u>9,757,469</u>	<u>5,936,361</u>	<u>3,821,108</u>	<u>3,624,640</u>	<u>196,468</u>
Total revenues	<u>174,714,044</u>	<u>124,057,862</u>	<u>50,656,182</u>	<u>24,911,885</u>	<u>25,744,297</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, 2004

	<u>Project Budget</u>	<u>Prior Year's Actual</u>	<u>Project Budget Remaining July 1, 2003</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2004</u>
Expenditures:					
General government:					
Aviation	440,000	440,000	-	-	-
Planning-redevelopment	1,189,194	69,159	1,120,035	76,362	1,043,673
Planning-Mayor	350,000	341,984	8,016	-	8,016
Planning-Chief Administrative Officer	356,944	57,894	299,050	59,286	239,764
Finance and Administrative Services	105,000	133,197	(28,197)	(51,641)	23,444
Legal	37,404	37,404	-	-	-
Solid waste	1,827,748	1,501,545	326,203	257,241	68,962
Total general government	<u>4,306,290</u>	<u>2,581,183</u>	<u>1,725,107</u>	<u>341,248</u>	<u>1,383,859</u>
Public safety:					
Fire	1,952,176	1,269,883	682,293	421,776	260,517
Corrections	2,367,564	11,120	2,356,444	2,374,622	(18,178)
Police	29,374,826	21,757,283	7,617,543	3,503,217	4,114,326
Total public safety	<u>33,694,566</u>	<u>23,038,286</u>	<u>10,656,280</u>	<u>6,299,615</u>	<u>4,356,665</u>
Culture and recreation:					
Library	290,185	208,476	81,709	232,153	(150,444)
Parks and Recreation	1,154,952	753,482	401,470	149,268	252,202
Total culture and recreation	<u>1,445,137</u>	<u>961,958</u>	<u>483,179</u>	<u>381,421</u>	<u>101,758</u>
Highways and streets	<u>3,975,900</u>	<u>2,759,852</u>	<u>1,216,048</u>	<u>763,309</u>	<u>452,739</u>
Environmental health	<u>11,691,778</u>	<u>8,155,629</u>	<u>3,536,149</u>	<u>2,096,073</u>	<u>1,440,076</u>
Human services:					
Office of Senior Affairs (OSA)	1,515,577	1,274,839	240,738	63	240,675
OSA - CNCS grants	4,538,884	3,516,841	1,022,043	880,734	141,309
Human services administration	140,756,928	100,344,177	40,412,751	17,247,055	23,165,696
Total human services	<u>146,811,389</u>	<u>105,135,857</u>	<u>41,675,532</u>	<u>18,127,852</u>	<u>23,547,680</u>
Total expenditures	<u>201,925,060</u>	<u>142,632,765</u>	<u>59,292,295</u>	<u>28,009,518</u>	<u>31,282,777</u>
Excess (deficiency) of revenues over expenditures	<u>(27,211,016)</u>	<u>(18,574,903)</u>	<u>(8,636,113)</u>	<u>(3,097,633)</u>	<u>(5,538,480)</u>
Other financing sources (uses):					
Transfers in	26,814,016	20,801,251	6,012,765	5,070,717	942,048
Transfers out	(450,000)	(432,822)	(17,178)	(17,178)	-
Total other financing sources and (uses)	<u>26,364,016</u>	<u>20,368,429</u>	<u>5,995,587</u>	<u>5,053,539</u>	<u>942,048</u>
Net change in fund balance	<u>\$ (847,000)</u>	<u>\$ 1,793,526</u>	<u>\$ (2,640,526)</u>	<u>1,955,906</u>	<u>\$ (4,596,432)</u>
Fund (deficit), July 1				<u>2,689,712</u>	
Fund balance, June 30				<u>\$ 4,645,618</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, 2004

	<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, 2004</u>
Revenues:					
Interest:					
Interest on investments	\$ 362,183	\$ 573,720	\$ (211,537)	\$ 24,033	\$ (235,570)
Miscellaneous:					
Other miscellaneous revenue	-	2,591	(2,591)	-	(2,591)
Total miscellaneous	-	2,591	(2,591)	-	(2,591)
Total revenues	<u>362,183</u>	<u>576,311</u>	<u>(214,128)</u>	<u>24,033</u>	<u>(238,161)</u>
Expenditures:					
Current:					
Culture and recreation	<u>2,035,352</u>	<u>292,236</u>	<u>1,743,116</u>	<u>811,335</u>	<u>931,781</u>
Excess (deficiency) of revenues over expenditures	(1,673,169)	284,075	(1,957,244)	(787,302)	(1,169,942)
Other financing sources:					
Transfers in	<u>1,673,169</u>	<u>1,958,038</u>	<u>(284,869)</u>	<u>148,439</u>	<u>(433,308)</u>
Net change in fund balance	<u>-</u>	<u>2,242,113</u>	<u>(2,242,113)</u>	<u>(638,863)</u>	<u>(1,603,250)</u>
Fund balance, July 1				<u>2,832,009</u>	
Fund balance, June 30				<u>\$ 2,193,146</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-
DEBT SERVICE
June 30, 2004

	<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	\$ 1,148,211	\$ 443,579	\$ 1,399,139	\$ 2,990,929
Cash with fiscal agents	5,569,776	1,255,616	2,501,290	9,326,682
Accounts receivable, net of allowance for uncollectible accounts:				
Special Assessments	-	-	16,665,032	16,665,032
Advances to other funds	<u>23,500,000</u>	<u>-</u>	<u>-</u>	<u>23,500,000</u>
TOTAL ASSETS	<u>\$ 30,217,987</u>	<u>\$ 1,699,195</u>	<u>\$ 20,565,461</u>	<u>\$ 52,482,643</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,621	\$ -	\$ -	\$ 6,621
Deferred revenue	-	-	16,217,597	16,217,597
Matured bonds payable	3,380,684	1,105,000	2,302,010	6,787,694
Matured interest payable	<u>2,213,858</u>	<u>150,616</u>	<u>199,280</u>	<u>2,563,754</u>
Total liabilities	<u>5,601,163</u>	<u>1,255,616</u>	<u>18,718,887</u>	<u>25,575,666</u>
Fund balances:				
Reserved for:				
Advances to other funds	23,500,000	-	-	23,500,000
Unreserved	<u>1,116,824</u>	<u>443,579</u>	<u>1,846,574</u>	<u>3,406,977</u>
Total fund balances	<u>24,616,824</u>	<u>443,579</u>	<u>1,846,574</u>	<u>26,906,977</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,217,987</u>	<u>\$ 1,699,195</u>	<u>\$ 20,565,461</u>	<u>\$ 52,482,643</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, 2004

	<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>
Revenues:				
Interest	\$ 418,993	\$ 16,290	\$ 42,418	\$ 477,701
Special assessments	-	-	4,392,513	4,392,513
Miscellaneous	-	-	450,001	450,001
Total revenues	<u>418,993</u>	<u>16,290</u>	<u>4,884,932</u>	<u>5,320,215</u>
Expenditures:				
Principal retirement	3,380,684	1,105,000	5,190,560	9,676,244
Interest	4,644,713	301,233	468,461	5,414,407
Fiscal agent fees and other fees	117,657	-	314,395	432,052
Total expenditures	<u>8,143,054</u>	<u>1,406,233</u>	<u>5,973,416</u>	<u>15,522,703</u>
Excess (deficiency) of revenues over expenditures	(7,724,061)	(1,389,943)	(1,088,484)	(10,202,488)
Other financing sources:				
Transfers in	<u>7,472,000</u>	<u>1,295,000</u>	-	<u>8,767,000</u>
Net change in fund balances	(252,061)	(94,943)	(1,088,484)	(1,435,488)
Fund balances, July 1	<u>24,868,885</u>	<u>538,522</u>	<u>2,935,058</u>	<u>28,342,465</u>
Fund balances, June 30	<u>\$ 24,616,824</u>	<u>\$ 443,579</u>	<u>\$ 1,846,574</u>	<u>\$ 26,906,977</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Interest:				
Interest on investments	\$ 150,000	\$ 150,000	\$ 65,291	\$ (84,709)
Interest on advance	-	-	<u>353,702</u>	<u>353,702</u>
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>418,993</u>	<u>268,993</u>
Expenditures:				
Debt service:				
Principal	3,424,591	3,394,671	3,380,684	13,987
Interest	6,983,652	4,689,336	4,644,713	44,623
Fiscal agent fees and other fees	<u>321,757</u>	<u>283,993</u>	<u>117,657</u>	<u>166,336</u>
Total expenditures	<u>10,730,000</u>	<u>8,368,000</u>	<u>8,143,054</u>	<u>224,946</u>
Excess (deficiency) of revenues over expenditures	(10,580,000)	(8,218,000)	(7,724,061)	493,939
Other financing sources:				
Transfers in	<u>11,034,000</u>	<u>8,672,000</u>	<u>7,472,000</u>	<u>(1,200,000)</u>
Net change in fund balance	454,000	454,000	(252,061)	(706,061)
Fund balance, July 1	<u>24,868,885</u>	<u>24,868,885</u>	<u>24,868,885</u>	-
Fund balance, June 30	<u>\$ 25,322,885</u>	<u>\$ 25,322,885</u>	<u>\$ 24,616,824</u>	<u>\$ (706,061)</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Interest:				
Interest on investments	\$ 15,000	\$ 15,000	\$ 16,290	\$ 1,290
Expenditures:				
Debt service:				
Principal	1,105,000	1,105,000	1,105,000	-
Interest	302,000	302,000	301,233	767
Fiscal agent fees and other fees	5,000	5,000	-	5,000
Total expenditures	<u>1,412,000</u>	<u>1,412,000</u>	<u>1,406,233</u>	<u>5,767</u>
Excess (deficiency) of revenues over expenditures	(1,397,000)	(1,397,000)	(1,389,943)	7,057
Other financing sources:				
Transfers in	1,295,000	1,295,000	1,295,000	-
Net change in fund balance	(102,000)	(102,000)	(94,943)	7,057
Fund balance, July 1	<u>538,522</u>	<u>538,522</u>	<u>538,522</u>	<u>-</u>
Fund balance, June 30	<u>\$ 436,522</u>	<u>\$ 436,522</u>	<u>\$ 443,579</u>	<u>\$ 7,057</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-
CAPITAL PROJECTS
June 30, 2004

	<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	\$ 2,541,185	\$ 18,400,862	\$ 1,291,022	\$ 7,506,445	\$ 29,739,514
Investment with fiscal agent	-	-	-	4,030,023	4,030,023
Gross receipts tax receivable	-	<u>5,816,459</u>	-	-	<u>5,816,459</u>
TOTAL ASSETS	<u>\$ 2,541,185</u>	<u>\$ 24,217,321</u>	<u>\$ 1,291,022</u>	<u>\$ 11,536,468</u>	<u>\$ 39,585,996</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Contracts payable	\$ 387,706	\$ 2,737,818	\$ 7,794	\$ 633,386	\$ 3,766,704
Retainage payable	12,972	-	-	-	12,972
Deferred revenue	-	<u>3,189,014</u>	-	-	<u>3,189,014</u>
Total liabilities	<u>400,678</u>	<u>5,926,832</u>	<u>7,794</u>	<u>633,386</u>	<u>6,968,690</u>
Fund balances:					
Reserve for encumbrances	-	-	42,152	-	42,152
Unreserved	<u>2,140,507</u>	<u>18,290,489</u>	<u>1,241,076</u>	<u>10,903,082</u>	<u>32,575,154</u>
Total fund balances	<u>2,140,507</u>	<u>18,290,489</u>	<u>1,283,228</u>	<u>10,903,082</u>	<u>32,617,306</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,541,185</u>	<u>\$ 24,217,321</u>	<u>\$ 1,291,022</u>	<u>\$ 11,536,468</u>	<u>\$ 39,585,996</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, 2004

	Quality of Life Fund	Infrastructure Tax Fund	Vehicle & Equipment Replacement Fund	Special Assessments Capital Fund	Total
Revenues:					
Taxes:					
Gross receipts tax-local option	\$ -	\$ 30,441,631	\$ -	\$ -	\$ 30,441,631
Intergovernmental	-	800,000	-	-	800,000
Interest on investments	63,141	128,186	9,041	82,137	282,505
Other:					
Special assessments	-	-	-	1,478,233	1,478,233
Miscellaneous:					
Contributions in aid of construction	-	562,500	-	440,648	1,003,148
Sales of real property	-	-	140,197	-	140,197
Other	12,500	-	30,174	-	42,674
Total miscellaneous	12,500	562,500	170,371	440,648	1,186,019
Total revenues	75,641	31,932,317	179,412	2,001,018	34,188,388
Expenditures:					
Capital outlay	5,111,703	20,414,909	74,921	6,603,082	32,204,615
Bonds and notes issuance costs	-	-	-	135,314	135,314
Total expenditures	5,111,703	20,414,909	74,921	6,738,396	32,339,929
Excess (deficiency) of revenues over expenditures	(5,036,062)	11,517,408	104,491	(4,737,378)	1,848,459
Other financing sources (uses):					
Transfers out	-	(5,509,632)	-	-	(5,509,632)
Proceeds of notes payable and bonds issued	-	-	-	8,575,143	8,575,143
Total other financing sources (uses)	-	(5,509,632)	-	8,575,143	3,065,511
Net change in fund balances	(5,036,062)	6,007,776	104,491	3,837,765	4,913,970
Fund balances, July 1	7,176,569	12,282,713	1,178,737	7,065,317	27,703,336
Fund balances, June 30	\$ 2,140,507	\$ 18,290,489	\$ 1,283,228	\$ 10,903,082	\$ 32,617,306



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, 2004

	<u>Balloon Science Museum</u>	<u>Tingley Aqua Park Botanical</u>	<u>Sworn Police Personnel Program</u>
Revenues:			
Interest:			
Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous:			
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>4,126,552</u>	<u>79,821</u>	<u>501,348</u>
Net change in fund balances	(4,126,552)	(79,821)	(501,348)
Fund balances (deficit), July 1	<u>5,970,445</u>	<u>91,603</u>	<u>502,134</u>
Fund balances (deficit), June 30	<u>\$ 1,843,893</u>	<u>\$ 11,782</u>	<u>\$ 786</u>

<u>Quarter Cent Streets</u>	<u>Quarter Cent Storm Drain</u>	<u>Rio Grande Bosque RR</u>	<u>Miscellaneous</u>	<u>Total</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>63,141</u>	<u>63,141</u>
<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
<u>12,500</u>	<u>-</u>	<u>-</u>	<u>63,141</u>	<u>75,641</u>
<u>403,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,111,703</u>
<u>(391,482)</u>	<u>-</u>	<u>-</u>	<u>63,141</u>	<u>(5,036,062)</u>
<u>608,704</u>	<u>(83,444)</u>	<u>(260)</u>	<u>87,387</u>	<u>7,176,569</u>
<u>\$ 217,222</u>	<u>\$ (83,444)</u>	<u>\$ (260)</u>	<u>\$ 150,528</u>	<u>\$ 2,140,507</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, 2004

	<u>Final 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, 2004</u>
Revenues:					
Interest on investments	\$ 1,524,969	\$ 2,232,225	\$ (707,256)	\$ 9,041	\$ (716,297)
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	1,922,061	(1,192,772)	140,197	(1,332,969)
Recoveries on damaged vehicles	218,647	600,942	(382,295)	-	(382,295)
Miscellaneous revenue	-	-	-	30,174	(30,174)
Total other revenue	<u>15,451,938</u>	<u>13,875,446</u>	<u>1,576,492</u>	<u>170,371</u>	<u>1,406,121</u>
Total revenues	<u>16,976,907</u>	<u>16,107,671</u>	<u>869,236</u>	<u>179,412</u>	<u>689,824</u>
Expenditures:					
Capital Outlay:					
Vehicles and equipment	24,969,700	21,697,961	3,271,739	66,955	3,204,784
Computers	9,258,000	9,050,312	207,688	7,966	199,722
Total expenditures	<u>34,227,700</u>	<u>30,748,273</u>	<u>3,479,427</u>	<u>74,921</u>	<u>3,404,506</u>
Excess (deficiency) of revenues over expenditures	<u>(17,250,793)</u>	<u>(14,640,602)</u>	<u>(2,610,191)</u>	<u>104,491</u>	<u>(2,714,682)</u>
Other financing sources (uses)					
Transfers in	20,918,839	17,993,339	2,925,500	-	2,925,500
Transfers out	(2,174,000)	(2,174,000)	-	-	-
Total other financing sources (uses)	<u>18,744,839</u>	<u>15,819,339</u>	<u>2,925,500</u>	<u>-</u>	<u>2,925,500</u>
Net change in fund balance	<u>\$ 1,494,046</u>	<u>\$ 1,178,737</u>	<u>\$ 315,309</u>	<u>104,491</u>	<u>\$ 210,818</u>
Fund balance, July 1				<u>1,178,737</u>	
Fund balance, June 30				<u>\$ 1,283,228</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CERTAIN CAPITAL PROJECTS FUNDS
Year Ended June 30, 2004

	<u>Total 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, 2004</u>
<u>Quality of Life Fund</u>					
Capital Outlay and Other:					
Balloon/Science Museum	\$ 24,905,700	\$ 18,935,255	\$ 5,970,445	\$ 4,126,552	\$ 1,843,893
Tingley Aqua Park/Botanical	36,620,000	36,528,397	91,603	79,821	11,782
Sworn Police Personnel	1,242,436	740,302	502,134	501,348	786
Quarter cent-streets	22,386,363	21,783,455	602,908	403,982	198,926
Quarter cent storm drain	1,528,790	1,528,901	(111)	-	(111)
Rio Grande Bosque RR	<u>10,000</u>	<u>10,260</u>	<u>(260)</u>	<u>-</u>	<u>(260)</u>
Total Quality of Life Fund	<u>\$ 86,693,289</u>	<u>\$ 79,526,570</u>	<u>\$ 7,166,719</u>	<u>\$ 5,111,703</u>	<u>\$ 2,055,016</u>
<u>Transportation Infrastructure Tax Fund</u>					
Capital Outlay and Other:					
Streets	\$ 72,500,000	\$ 44,642,932	\$ 27,857,068	\$ 11,351,099	\$ 16,505,969
Maintenance	50,460,597	15,753,110	34,707,487	7,916,282	26,791,205
Trails	4,531,155	1,077,691	3,453,464	1,147,527	2,305,937
Transit	<u>22,353,149</u>	<u>16,631,315</u>	<u>5,721,834</u>	<u>5,509,633</u>	<u>212,201</u>
Total Transportation Infrastructure Tax Fund	<u>\$149,844,901</u>	<u>\$ 78,105,048</u>	<u>\$ 71,739,853</u>	<u>\$25,924,541</u>	<u>\$ 45,815,312</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
ALL PERMANENT FUNDS
June 30, 2004

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
ASSETS			
Cash, investments, and accrued interest	\$ 16,825,273	\$ 7,635,551	\$ 24,460,824
Real estate contracts receivable	2,823,216	-	2,823,216
Land held for resale	<u>5,065,930</u>	<u>-</u>	<u>5,065,930</u>
TOTAL ASSETS	\$ 24,714,419	\$ 7,635,551	\$ 32,349,970
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 750	\$ -	\$ 750
Deposits	11,000	-	11,000
Deferred revenue	<u>2,823,216</u>	<u>-</u>	<u>2,823,216</u>
Total liabilities	<u>2,834,966</u>	<u>-</u>	<u>2,834,966</u>
Fund balances:			
Reserved for:			
Land held for sale	5,065,930	-	5,065,930
Acquisition and management of open space land	16,813,523	-	16,813,523
Urban enhancement	<u>-</u>	<u>7,635,551</u>	<u>7,635,551</u>
Total fund balances	<u>21,879,453</u>	<u>7,635,551</u>	<u>29,515,004</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,714,419	\$ 7,635,551	\$ 32,349,970

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUNDS
Year ended June 30, 2004

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
Revenues:			
Interest:			
Interest on investments	\$ 76,861	\$ 41,516	\$ 118,377
Interest collected on real estate contracts receivable	<u>356,972</u>	<u>-</u>	<u>356,972</u>
Total interest	<u>433,833</u>	<u>41,516</u>	<u>475,349</u>
Miscellaneous:			
Principal collected on real estate contracts receivable	<u>178,057</u>	<u>-</u>	<u>178,057</u>
Total revenues	<u>611,890</u>	<u>41,516</u>	<u>653,406</u>
Expenditures:			
Culture and recreation:			
Payments on contractual agreements	20,684	-	20,684
Salaries and fringe benefits	51,000	-	51,000
Professional services	<u>143</u>	<u>-</u>	<u>143</u>
Total expenditures	<u>71,827</u>	<u>-</u>	<u>71,827</u>
Excess (deficiency) of revenues over expenditures	540,063	41,516	581,579
Other financing uses:			
Transfers out	<u>(5,926,774)</u>	<u>(148,439)</u>	<u>(6,075,213)</u>
Net change in fund balances	(5,386,711)	(106,923)	(5,493,634)
Fund balances, July 1	<u>27,266,164</u>	<u>7,742,474</u>	<u>35,008,638</u>
Fund balances, June 30	<u>\$ 21,879,453</u>	<u>\$ 7,635,551</u>	<u>\$ 29,515,004</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 52,193,000	\$ 52,193,000	\$ 52,743,648	\$ 550,648
Passenger Facility Charge	7,500,000	7,500,000	7,899,625	399,625
Interest on investments	500,000	500,000	572,705	72,705
Proceeds of refunding bonds	-	23,084,398	23,084,398	-
Transfer from non-restricted cash to cash restricted for debt service	<u>19,800,000</u>	<u>20,789,125</u>	<u>20,789,125</u>	<u>-</u>
Total revenues	<u>79,993,000</u>	<u>104,066,523</u>	<u>105,089,501</u>	<u>1,022,978</u>
Expenses:				
Aviation operations	23,474,000	23,474,000	22,717,443	756,557
Airport capital and deferred maintenance	15,200,000	15,200,000	15,200,000	-
Economic Development	30,000	30,000	21,825	8,175
FY03 bonus program	-	307,000	301,971	5,029
Payments for General Fund services	1,188,000	1,188,000	1,113,538	74,462
Transfer from non-restricted cash to cash restricted for debt service	19,800,000	19,800,000	19,800,000	-
Debt service	19,780,000	23,853,523	20,153,197	3,700,326
Payment to refunded bond escrow agent	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>
Total expenses	<u>79,472,000</u>	<u>103,852,523</u>	<u>99,307,974</u>	<u>4,544,549</u>
Excess of revenues over (under) expenses	<u>\$ 521,000</u>	<u>\$ 214,000</u>	<u>5,781,527</u>	<u>\$ 5,567,527</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			(30,691)	
Depreciation			(27,631,286)	
Amortization			(257,484)	
Bad debt expense			(133,166)	
Gain on disposition of property and equipment			8,548	
Unrealized losses on investments			(811,134)	
Changes to conform to generally accepted accounting principles:				
Bond proceeds			(23,084,398)	
Fiscal agent fees			545,263	
Principal payment on bonds			29,430,000	
Transfer from non-restricted cash to cash restricted for acquisition of property and equipment			15,200,000	
Transfer from restricted cash for acquisition of property and equipment to cash restricted for debt service			(989,125)	
Capital contributions			2,701,166	
Capitalized interest on long-term debt			1,394,550	
Capital Outlay			<u>113,731</u>	
Change in net assets as reported in Exhibit A-7			<u>\$ 2,237,501</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 42,344,148	\$ 42,344,148	\$ 43,523,148	\$ 1,179,000
Interest on investments	135,888	135,888	163,798	27,910
Miscellaneous revenue	57,964	57,964	155,842	97,878
Transfer from restricted cash for capital acquisition to non-restricted cash	-	25,000	20,677	(4,323)
Transfer from non-restricted cash to cash restricted for debt service	<u>4,360,000</u>	<u>4,360,000</u>	<u>4,360,000</u>	<u>-</u>
Total revenues	<u>46,898,000</u>	<u>46,923,000</u>	<u>48,223,465</u>	<u>1,300,465</u>
Expenses:				
Administrative services	8,169,000	8,194,000	7,907,094	286,906
Collections	13,493,000	13,493,000	14,341,361	(848,361)
Disposal	4,207,000	4,407,000	3,856,854	550,146
Recycling	2,160,000	2,160,000	2,106,185	53,815
Clean City	2,800,000	2,800,000	2,706,836	93,164
FY03 Bonus Program	-	502,000	490,424	11,576
Transfer from non-restricted cash to cash: restricted for debt service	4,360,000	4,360,000	4,360,000	-
restricted for capital acquisition	5,618,000	5,418,000	5,418,000	-
Payment for General Fund services	2,754,000	2,754,000	2,725,251	28,749
Billings expense-Albuquerque Bernalillo County Water Utility Authority	596,000	596,000	596,000	-
Recycling expenses - Corrections & Detention Fund	113,000	113,000	113,000	-
Debt service	<u>4,461,000</u>	<u>4,461,000</u>	<u>4,459,409</u>	<u>1,591</u>
Total expenses	<u>48,731,000</u>	<u>49,258,000</u>	<u>49,080,414</u>	<u>177,586</u>
Excess of revenues over (under) expenses	<u>\$ (1,833,000)</u>	<u>\$ (2,335,000)</u>	<u>(856,949)</u>	<u>1,478,051</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			181,580	
Gain on disposition of property and equipment			203,467	
Capital contributions			332,436	
Depreciation			(5,112,639)	
Amortization			(197,742)	
Miscellaneous			12,818	
Unrealized loss on investments			(143,351)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			2,975,000	
Transfer from non-restricted cash to cash restricted for capital acquisition			5,417,999	
Capitalized interest on long-term debt			435,816	
Capital Outlay			<u>520,655</u>	
Change in net assets as reported in Exhibit A-8			<u>\$ 3,769,090</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Passenger revenues	\$ 2,897,000	\$ 2,897,000	\$ 3,325,329	\$ 428,329
Interest on investments	25,000	25,000	69,333	44,333
General operating assistance	15,925,000	15,925,000	15,924,660	(340)
Transfer from Transportation Infrastructure Tax Fund	5,208,000	5,711,000	5,509,632	(201,368)
County - shared operations	<u>880,000</u>	<u>880,000</u>	<u>861,674</u>	<u>(18,326)</u>
Total revenues	<u>24,935,000</u>	<u>25,438,000</u>	<u>25,690,628</u>	<u>252,628</u>
Expenses:				
Operations	18,347,660	18,347,660	18,564,192	(216,532)
Sun Van	4,331,000	4,331,000	3,911,946	419,054
Bonus Program	-	509,000	498,093	10,907
Special events	284,000	284,000	274,709	9,291
Transfer from non-restricted cash to cash restricted for operating grants	335,000	335,000	335,000	-
Payment for General Fund services	<u>1,529,000</u>	<u>1,529,000</u>	<u>1,410,992</u>	<u>118,008</u>
Total expenses	<u>24,826,660</u>	<u>25,335,660</u>	<u>24,994,932</u>	<u>340,728</u>
Excess of revenues over (under) expenses	<u>\$ 108,340</u>	<u>\$ 102,340</u>	695,696	<u>\$ 593,356</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			185,455	
Depreciation			(5,440,057)	
Bad debt expense			(1,140)	
Miscellaneous income / (Cash over and short)			(3,631)	
Operating grant revenue			1,092,091	
Operating grant expenses			(1,467,410)	
Gains (losses) on disposition of capital assets			395,081	
Transfer from Capital Acquisitions Fund			4,062,609	
Transfer from Operating Grants Fund			17,178	
Unrealized (loss) on investments			(96,786)	
Changes to conform to generally accepted accounting principles:				
Capital Contributions			9,778,485	
Transfer from non-restricted cash to cash restricted for operating grants			335,000	
Capital outlay			<u>6,311</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ 9,558,882</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
AIRPORT FUND
June 30, 2004

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
Revenue Bonds			
2005	7,630,000	10,903,289	18,533,289
2006	9,410,000	12,504,498	21,914,498
2007	11,750,000	11,839,372	23,589,372
2008	14,670,000	11,040,380	25,710,380
2009	15,740,000	10,174,698	25,914,698
2010 - 2014	92,285,000	36,348,428	128,633,428
2015 - 2019	68,280,000	11,233,095	79,513,095
2020- 2024	12,230,000	1,386,657	13,616,657
2025	<u>1,665,000</u>	<u>37,463</u>	<u>1,702,463</u>
Total bonds	<u>\$ 233,660,000</u>	<u>\$ 105,467,880</u>	<u>\$ 339,127,880</u>

* including interest on variable rate bonds at 1.935 percent

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
REFUSE DISPOSAL FUND
June 30, 2004

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds			
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	1,905,000	835,454	2,740,454
2010-2014	<u>16,125,000</u>	<u>1,624,608</u>	<u>17,749,608</u>
Total bonds	<u>\$ 30,795,000</u>	<u>\$ 7,209,322</u>	<u>\$ 38,004,322</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

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
June 30, 2004

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 169,343	\$ 114,323
Cash with fiscal agents held for debt service	277,634	-
Cash held by others	-	339,188
Receivables, net of allowance for uncollectibles:		
Accounts	4,523	11,573
Inventories of supplies	-	40,104
Total current assets	<u>451,500</u>	<u>505,188</u>
Noncurrent assets:		
Restricted assets:		
Cash, investments, and accrued interest restricted for construction and debt service	1,921,192	2,407,830
Accounts receivable - developers	-	-
Escrow deposits	-	90,187
Total restricted assets	<u>1,921,192</u>	<u>2,498,017</u>
Capital Assets:		
Land	828,330	2,042,705
Buildings and improvements	6,258,181	17,336,707
Machinery and equipment	2,168,374	556,280
Other	-	-
Total capital assets before depreciation	<u>9,254,885</u>	<u>19,935,692</u>
Less accumulated depreciation and amortization	<u>3,829,316</u>	<u>4,724,347</u>
Capital assets, net of depreciation	5,425,569	15,211,345
Construction work in progress	<u>142,173</u>	<u>-</u>
Total capital assets	<u>5,567,742</u>	<u>15,211,345</u>
Deferred charges:		
Capitalized bond issuance costs	51,494	357,996
Total deferred charges	<u>51,494</u>	<u>357,996</u>
Total noncurrent assets	<u>7,540,428</u>	<u>18,067,358</u>
Total Assets	<u>7,991,928</u>	<u>18,572,546</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ -	\$ 539,412	\$ 823,078
-	770,578	1,048,212
-	-	339,188
78,734	287,504	382,334
-	-	40,104
<u>78,734</u>	<u>1,597,494</u>	<u>2,632,916</u>
4,781,532	9,989	9,120,543
3,626,651	-	3,626,651
-	-	90,187
<u>8,408,183</u>	<u>9,989</u>	<u>12,837,381</u>
2,237,008	-	5,108,043
39,697,499	23,370,695	86,663,082
994,911	-	3,719,565
-	100,904	100,904
42,929,418	23,471,599	95,591,594
15,429,089	1,557,921	25,540,673
27,500,329	21,913,678	70,050,921
-	-	142,173
<u>27,500,329</u>	<u>21,913,678</u>	<u>70,193,094</u>
255,248	214,768	879,506
<u>255,248</u>	<u>214,768</u>	<u>879,506</u>
36,163,760	22,138,435	83,909,981
36,242,494	23,735,929	86,542,897

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
June 30, 2004

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
LIABILITIES		
Current liabilities:		
Accounts payable	66,340	55,388
Accrued payroll	98,381	-
Accrued vacation and sick leave pay	100,577	-
Due to other funds	-	-
Payable out of restricted assets:		
Accounts payable	6,638	-
Current portion of bonds and notes payable	210,000	200,000
Accrued interest	67,634	14,294
Total current liabilities	<u>549,570</u>	<u>269,682</u>
Non current liabilities:		
Liabilities payable from restricted assets:		
Tenant security deposits	-	101,280
Total liabilities payable from restricted assets	<u>-</u>	<u>101,280</u>
Long-term debt excluding current portion:		
Revenue bonds (net of unamortized discounts)	1,881,077	13,880,000
Total long-term debt	<u>1,881,077</u>	<u>13,880,000</u>
Other:		
Accrued vacation and sick leave pay	50,526	-
Advances from other funds	-	-
Total other liabilities	<u>50,526</u>	<u>-</u>
Total noncurrent liabilities	<u>1,931,603</u>	<u>13,981,280</u>
Total liabilities	<u>2,481,173</u>	<u>14,250,962</u>
NET ASSETS		
Invested in capital assets, net of related debt	4,511,347	1,689,326
Restricted:		
Debt service	29,957	1,552,755
Construction	1,111,409	-
Unrestricted (deficit)	(141,958)	1,079,503
Total net assets	<u>\$ 5,510,755</u>	<u>\$ 4,321,584</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
76,608	22,050	220,386
79,206	2,606	180,193
64,339	1,359	166,275
81,869	-	81,869
-	-	6,638
-	379,920	789,920
-	<u>372,158</u>	<u>454,086</u>
<u>302,022</u>	<u>778,093</u>	<u>1,899,367</u>
-	-	<u>101,280</u>
-	-	<u>101,280</u>
-	<u>14,620,080</u>	<u>30,381,157</u>
-	<u>14,620,080</u>	<u>30,381,157</u>
23,636	5,063	79,225
<u>23,500,000</u>	-	<u>23,500,000</u>
<u>23,523,636</u>	<u>5,063</u>	<u>23,579,225</u>
<u>23,523,636</u>	<u>14,625,143</u>	<u>54,061,662</u>
<u>23,825,658</u>	<u>15,403,236</u>	<u>55,961,029</u>
9,575,937	7,407,462	23,184,072
1,868,629	9,989	3,461,330
1,137,325	-	2,248,734
<u>(165,055)</u>	<u>915,242</u>	<u>1,687,732</u>
<u>\$ 12,416,836</u>	<u>\$ 8,332,693</u>	<u>\$ 30,581,868</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, 2004

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Operating revenues:		
Charges for services	\$ <u>3,718,624</u>	\$ <u>3,123,943</u>
Operating expenses:		
Salaries and fringe benefits	1,901,482	459,199
Professional services	13,603	409,507
Utilities	848,172	414,681
Supplies	79,779	58,243
Travel	1,971	-
Fuels, repairs and maintenance	429,362	654,869
Contractual services	66,823	-
Other operating expenses	253,302	118,863
Depreciation	332,246	689,736
Bad debt expense	-	38,438
Total operating expenses	<u>3,926,740</u>	<u>2,843,536</u>
Operating income (loss)	<u>(208,116)</u>	<u>280,407</u>
Non-operating revenues (expenses):		
Interest on investments	19,599	12,036
Interest expense	(134,685)	(142,161)
Bond issue costs	(31,950)	(23,538)
Fiscal agent fees	-	(72,038)
Other	63,857	-
Total non-operating revenues (expenses)	<u>(83,179)</u>	<u>(225,701)</u>
Income (loss) before capital contributions and transfers	(291,295)	54,706
Capital contributions	-	-
Transfers in	-	-
Transfers out	(53,735)	(64,827)
Change in net assets	(345,030)	(10,121)
Net assets, July 1, as restated	<u>5,855,785</u>	<u>4,331,705</u>
Net assets, June 30	<u>\$ 5,510,755</u>	<u>\$ 4,321,584</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
<u>\$ 3,743,320</u>	<u>\$ 1,825,482</u>	<u>\$ 12,411,369</u>
1,669,726	53,817	4,084,224
3,972	34,734	461,816
322,963	315,720	1,901,536
36,504	300	174,826
-	-	1,971
251,382	22,292	1,357,905
197,154	28,154	292,131
464,926	7,544	844,635
1,267,099	1,040,178	3,329,259
<u>331,449</u>	<u>-</u>	<u>369,887</u>
<u>4,545,175</u>	<u>1,502,739</u>	<u>12,818,190</u>
<u>(801,855)</u>	<u>322,743</u>	<u>(406,821)</u>
19,496	10,421	61,552
(126,404)	(744,316)	(1,147,566)
(36,111)	(53,595)	(145,194)
(99,159)	(37,500)	(208,697)
<u>(1,376)</u>	<u>18,250</u>	<u>80,731</u>
<u>(243,554)</u>	<u>(806,740)</u>	<u>(1,359,174)</u>
(1,045,409)	(483,997)	(1,765,995)
-	335,518	335,518
1,625,000	-	1,625,000
<u>(175,479)</u>	<u>-</u>	<u>(294,041)</u>
404,112	(148,479)	(99,518)
<u>12,012,724</u>	<u>8,481,172</u>	<u>30,681,386</u>
<u>\$ 12,416,836</u>	<u>\$ 8,332,693</u>	<u>\$ 30,581,868</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2004

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,728,661	\$ 2,982,665
Cash received from other funds for goods and services	-	-
Cash payments to employees for services	(1,724,958)	(459,199)
Cash payments to suppliers for goods and services	(1,286,287)	(1,749,576)
Cash payments to other funds for goods and services	(527,511)	-
Miscellaneous cash income (expense)	<u>63,857</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>253,762</u>	<u>773,890</u>
Cash flow from noncapital financing activities:		
Operating grants received	-	-
Advances to developer	-	-
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>(53,735)</u>	<u>(64,827)</u>
Net cash provided by (used for) noncapital financing activities	<u>(53,735)</u>	<u>(64,827)</u>
Cash flows from capital and related financing activities:		
Proceeds from loans	-	-
Principal paid on revenue bond maturities and refunded bonds	(200,000)	(300,000)
Interest and other expenses paid on revenue bond maturities	(139,811)	(211,089)
Acquisition and construction of capital assets	(188,513)	-
Cash payments to other funds for goods and services	<u>-</u>	<u>-</u>
Proceeds from sale of property and equipment	-	-
Capital grants received	<u>-</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(528,324)</u>	<u>(511,089)</u>
Cash flows from investing activities:		
Interest received on investments	<u>19,599</u>	<u>12,036</u>
Net cash provided by investing activities	<u>19,599</u>	<u>12,036</u>
Net increase (decrease) in cash and cash equivalents	(308,698)	210,010
Cash and cash equivalents, July 1, as restated	<u>2,676,867</u>	<u>2,402,330</u>
Cash and cash equivalents, June 30	<u>\$ 2,368,169</u>	<u>\$ 2,612,340</u>

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ 3,532,723	\$ 1,823,836	\$ 12,067,885
204,683	-	204,683
(1,636,380)	(44,942)	(3,865,479)
(914,589)	(423,239)	(4,373,691)
(704,015)	(11,887)	(1,243,413)
<u>(1,376)</u>	<u>18,250</u>	<u>80,731</u>
<u>481,046</u>	<u>1,362,018</u>	<u>2,870,716</u>
-	-	-
-	-	-
(800,000)	-	(800,000)
(356,659)	-	(356,659)
1,625,000	-	1,625,000
<u>(175,479)</u>	<u>-</u>	<u>(294,041)</u>
<u>292,862</u>	<u>-</u>	<u>174,300</u>
-	-	-
-	-	(500,000)
-	(767,857)	(1,118,757)
(1,210,376)	-	(1,398,889)
<u>(20,201)</u>	<u>-</u>	<u>(20,201)</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,230,577)</u>	<u>(767,857)</u>	<u>(3,037,847)</u>
<u>106,777</u>	<u>10,421</u>	<u>148,833</u>
<u>106,777</u>	<u>10,421</u>	<u>148,833</u>
(349,892)	604,582	156,002
<u>5,131,424</u>	<u>715,397</u>	<u>10,926,018</u>
<u>\$ 4,781,532</u>	<u>\$ 1,319,979</u>	<u>\$ 11,082,020</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2004

	<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)	\$ (208,116)	\$ 280,407
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	332,246	689,736
Amortization	-	-
Miscellaneous cash income (expense)	63,857	-
Decrease (increase) in assets:		
Cash held by others	-	(148,403)
Receivables	10,037	2,764
Due from other governments	-	-
Due from other funds	-	-
Inventories of supplies	-	(2,040)
Increase (decrease) in liabilities:		
Accounts payable	23,030	(48,574)
Accrued employee compensation and benefits	32,708	-
Fare tokens outstanding and deposits	-	-
Due to other governments	-	-
Due to other funds	-	-
Net cash provided by (used for) operating activities	<u>\$ 253,762</u>	<u>\$ 773,890</u>
 Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 169,343	\$ 114,323
Restricted assets:		
Cash, investments, and accrued interest	1,921,192	2,498,017
Cash and investments with fiscal agents	<u>277,634</u>	<u>-</u>
Total cash and cash equivalents, June 30	<u>\$ 2,368,169</u>	<u>\$ 2,612,340</u>
 Non cash transactions:		
Unrealized gains (losses) on investments	\$ (17,873)	-
Transfer of fixed assets from the Capital Acquisition Fund	-	-

<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ (801,855)	\$ 322,743	\$ (406,821)
1,267,099	1,040,178	3,329,259
-	-	-
(1,376)	18,250	80,731
-	-	(148,403)
(5,914)	(1,646)	5,241
-	-	-
-	-	-
-	-	(2,040)
43,956	(21,953)	(3,541)
(102,733)	4,446	(65,579)
-	-	-
-	-	-
81,869	-	81,869
<u>\$ 481,046</u>	<u>\$ 1,362,018</u>	<u>\$ 2,870,716</u>
\$ -	\$ 539,412	\$ 823,078
4,781,532	9,989	9,210,730
-	<u>770,578</u>	<u>1,048,212</u>
<u>\$ 4,781,532</u>	<u>\$ 1,319,979</u>	<u>\$ 11,082,020</u>
\$ (42,817)	\$ (3,409)	\$ (64,099)
-	335,518	335,518

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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 4,252,000	\$ 4,252,000	\$ 3,718,624	\$ (533,376)
Interest on investments	6,000	6,000	3,384	(2,616)
Transfer from non-restricted cash to cash restricted for debt service	320,000	320,000	320,000	-
Miscellaneous	<u>62,000</u>	<u>62,000</u>	<u>63,857</u>	<u>1,857</u>
Total revenues	<u>4,640,000</u>	<u>4,640,000</u>	<u>4,105,865</u>	<u>(534,135)</u>
Expenses:				
Affordable and quality golf	3,377,000	3,377,000	3,377,029	(29)
Debt service	347,000	347,000	345,269	1,731
FY03 Bonus Program	-	46,000	43,764	2,236
Payment for General Fund services	416,000	243,000	227,357	15,643
Transfer from non-restricted cash to cash: restricted for debt service	320,000	320,000	320,000	-
restricted for construction	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total expenses	<u>4,485,000</u>	<u>4,358,000</u>	<u>4,338,419</u>	<u>19,581</u>
Excess of revenues over (under) expenses	<u>\$ 155,000</u>	<u>\$ 282,000</u>	(232,554)	<u>\$ (514,554)</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			34,088	
Miscellaneous income (expense)			(79)	
Depreciation			(332,246)	
Amortization of bond issue costs and discounts			(32,574)	
Unrealized loss on investments			(17,873)	
Changes to conform to generally accepted accounting principles:				
Principal payments on bonds			210,000	
Transfer from non-restricted cash to cash restricted for capital acquisition			25,000	
Capitalized interest on long-term debt			<u>1,208</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ (345,030)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
APARTMENTS FUND
Year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Apartment rents and fees charged tenants	\$ 3,203,000	\$ 3,203,000	\$ 3,123,943	\$ (79,057)
Transfers from non-restricted cash to cash restricted for debt service	<u>875,000</u>	<u>875,000</u>	<u>755,272</u>	<u>(119,728)</u>
Total revenues	<u>4,078,000</u>	<u>4,078,000</u>	<u>3,879,215</u>	<u>(198,785)</u>
Expenses:				
Apartment operations	2,178,000	2,178,000	2,115,784	62,216
Transfer from non-restricted cash to cash restricted for debt service	875,000	875,000	755,272	119,728
Transfer to City Housing Fund	150,000	150,000	64,827	85,173
Debt service	757,000	757,000	442,161	314,839
Fiscal agent fees	<u>118,000</u>	<u>118,000</u>	<u>71,616</u>	<u>46,384</u>
Total expenses	<u>4,078,000</u>	<u>4,078,000</u>	<u>3,449,660</u>	<u>628,340</u>
Excess of revenues over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	429,555	<u>\$ 429,555</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			12,036	
Depreciation			(689,736)	
Amortization of bond issuance costs			(23,538)	
Bad debt			(38,438)	
Changes to conform to generally accepted accounting principles:				
Principal payments on revenue bonds			<u>300,000</u>	
Change in net assets as reported in Exhibit G-2			<u>\$ (10,121)</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, 2004

	<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	\$ 2,430,000	\$ 2,430,000	\$ 2,364,969	\$ (65,031)
Parking meter collections	850,000	850,000	696,140	(153,860)
Parking fines	728,000	428,000	369,481	(58,519)
Interest on investments	-	-	11,958	11,958
Miscellaneous revenue	100,000	100,000	311,354	211,354
Transfer from General Fund	1,572,000	1,625,000	1,625,000	-
Transfers from non-restricted cash to cash restricted for debt service	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>
Total revenues	<u>7,880,000</u>	<u>7,633,000</u>	<u>7,578,902</u>	<u>(54,098)</u>
Expenses:				
Parking services	2,851,000	2,851,000	2,516,858	334,142
FY03 Bonus Program	-	53,000	50,080	2,920
Transfer from non-restricted cash to cash restricted for debt service	2,200,000	2,200,000	2,200,000	-
Transfer to General Fund	597,000	597,000	555,168	41,832
Transfer to Sales Tax Refunding Debt Service Fund	<u>2,400,000</u>	<u>1,350,000</u>	<u>1,153,702</u>	<u>196,298</u>
Total expenses	<u>8,048,000</u>	<u>7,051,000</u>	<u>6,475,808</u>	<u>575,192</u>
Excess of revenues over (under) expenses	<u>\$ (168,000)</u>	<u>\$ 582,000</u>	1,103,094	<u>\$ 521,094</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			50,355	
Depreciation			(1,267,099)	
Amortization of bond issuance costs			(36,111)	
Bad debt expense			(331,449)	
Unrealized gain (loss) on investments			(42,817)	
Changes to conform to generally accepted accounting principles:				
Capitalized interest on long term debt			128,139	
Principal payment on advance			<u>800,000</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ 404,112</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
STADIUM FUND
Year ended June 30, 2004

	<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	\$ 577,000	\$ 577,000	\$ 934,549	\$ 357,549
Stadium lease revenues	938,000	938,000	890,933	(47,067)
Transfer from non-restricted cash to cash restricted for debt service	<u>1,162,000</u>	<u>1,162,000</u>	<u>1,162,000</u>	<u>-</u>
Total revenues	<u>2,677,000</u>	<u>2,677,000</u>	<u>2,987,482</u>	<u>310,482</u>
Expenses:				
Stadium services	302,000	543,000	453,750	89,250
FY03 Bonus Program	-	2,000	1,353	647
Payment for General Fund services	6,000	6,000	7,458	(1,458)
Transfer from non-restricted cash to cash restricted for debt service	1,162,000	1,162,000	1,162,000	-
Debt service	<u>1,162,000</u>	<u>1,162,000</u>	<u>1,161,736</u>	<u>264</u>
Total expenses	<u>2,632,000</u>	<u>2,875,000</u>	<u>2,786,297</u>	<u>88,703</u>
Excess of revenues over (under) expenses	<u>\$ 45,000</u>	<u>\$ (198,000)</u>	201,185	<u>\$ 399,185</u>
Revenues (expenses) not budgeted:				
Interest on investments			14,583	
Miscellaneous revenue			18,250	
Depreciation			(1,040,178)	
Amortization of bond issuance costs			(53,595)	
Unrealized gain (loss) on investments			(4,162)	
Changes to conform to generally accepted accounting principles:				
Principal paid on long term debt			379,920	
Capital contributions			<u>335,518</u>	
Change in net assets as reported in Exhibit I-2			<u>\$ (148,479)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
June 30, 2004

<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, loans and advances				
2005	\$ 210,000	\$ 128,968	\$ 200,000	\$ 149,530
2006	225,000	115,778	200,000	147,406
2007	235,000	101,544	200,000	145,282
2008	250,000	86,075	300,000	143,158
2009	265,000	69,205	300,000	139,972
2010 - 2014	910,000	93,656	1,600,000	652,068
2015 - 2019	-	-	2,200,000	555,426
2020 - 2024	-	-	3,000,000	422,676
2025 - 2029	-	-	4,100,000	241,074
2030-2031	-	-	1,980,000	31,435
Total bonds, loans and advances	<u>\$ 2,095,000</u>	<u>\$ 595,226</u>	<u>\$ 14,080,000</u>	<u>\$ 2,628,027</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>
\$ -	\$ 525,800	\$ 379,920	\$ 739,733	\$ 789,920	\$ 1,544,031	\$ 2,333,951
1,300,000	502,700	390,061	729,591	2,115,061	1,495,475	3,610,536
1,900,000	467,500	402,182	717,488	2,737,182	1,431,814	4,168,996
2,100,000	423,500	416,314	703,196	3,066,314	1,355,929	4,422,243
2,200,000	376,200	432,890	686,591	3,197,890	1,271,968	4,469,858
13,500,000	1,061,500	2,487,015	3,114,343	18,497,015	4,921,567	23,418,582
2,500,000	27,500	3,196,184	2,418,241	7,896,184	3,001,167	10,897,351
-	-	4,174,338	1,456,114	7,174,338	1,878,790	9,053,128
-	-	3,121,096	266,648	7,221,096	507,722	7,728,818
-	-	-	-	1,980,000	31,435	2,011,435
<u>\$ 23,500,000</u>	<u>\$ 3,384,700</u>	<u>\$ 15,000,000</u>	<u>\$ 10,831,945</u>	<u>\$ 54,675,000</u>	<u>\$ 17,439,898</u>	<u>\$ 72,114,898</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, 2004

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 311,249	\$ 4,081,344
Prepaid expenses	320,942	-
Due from other governments	56,042	32,934
Inventories of supplies	46,485	-
Total current assets	<u>734,718</u>	<u>4,114,278</u>
Property and equipment:		
Land	-	-
Buildings	-	-
Improvements	-	-
Equipment	117,299	28,916
	<u>117,299</u>	<u>28,916</u>
Less accumulated depreciation	74,264	27,513
Net property and equipment	<u>43,035</u>	<u>1,403</u>
Other assets:		
Land - acquired under claim settlement	-	-
Total other assets	<u>-</u>	<u>-</u>
Total Assets	<u>777,753</u>	<u>4,115,681</u>
LIABILITIES		
Current liabilities:		
Accounts payable	262,344	2,713,359
Accrued employee compensation	35,778	20,732
Accrued vacation and sick leave pay	81,159	43,500
Accrued fuel cleanup costs	-	-
Current portion of claims and judgements payable	-	-
Total current liabilities	<u>379,281</u>	<u>2,777,591</u>
Long-term obligations:		
Claims and judgements payable excluding current portion	-	-
Accrued vacation and sick leave pay	-	175
Total long-term obligations	<u>-</u>	<u>175</u>
Total liabilities	<u>379,281</u>	<u>2,777,766</u>
NET ASSETS		
Invested in capital assets, net of related debt	43,035	1,403
Unrestricted net assets (deficit)	355,437	1,336,512
Total net assets (deficit)	<u>\$ 398,472</u>	<u>\$ 1,337,915</u>

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 1,642,894	33,496,743	\$ 829,090	\$ 40,361,320
-	50,799	-	371,741
1,909	-	-	90,885
<u>321,375</u>	<u>-</u>	<u>1,500,185</u>	<u>1,868,045</u>
<u>1,966,178</u>	<u>33,547,542</u>	<u>2,329,275</u>	<u>42,691,991</u>
255,472	-	28,370	283,842
-	-	406,001	406,001
718,923	46,465	-	765,388
<u>1,149,115</u>	<u>174,581</u>	<u>215,376</u>	<u>1,685,287</u>
2,123,510	221,046	649,747	3,140,518
<u>1,702,902</u>	<u>191,705</u>	<u>432,589</u>	<u>2,428,973</u>
<u>420,608</u>	<u>29,341</u>	<u>217,158</u>	<u>711,545</u>
-	1,755,000	-	1,755,000
-	<u>1,755,000</u>	-	<u>1,755,000</u>
<u>2,386,786</u>	<u>35,331,883</u>	<u>2,546,433</u>	<u>45,158,536</u>
431,514	151,052	442,659	4,000,928
137,084	93,633	21,172	308,399
197,032	64,079	11,797	397,567
90,915	-	-	90,915
-	<u>17,989,500</u>	-	<u>17,989,500</u>
856,545	18,298,264	475,628	22,787,309
-	29,588,748	-	29,588,748
<u>63,501</u>	<u>30,255</u>	<u>1,040</u>	<u>94,971</u>
<u>63,501</u>	<u>29,619,003</u>	<u>1,040</u>	<u>29,683,719</u>
<u>920,046</u>	<u>47,917,267</u>	<u>476,668</u>	<u>52,471,028</u>
420,608	29,341	217,158	711,545
<u>1,046,132</u>	<u>(12,614,725)</u>	<u>1,852,607</u>	<u>(8,024,037)</u>
<u>\$ 1,466,740</u>	<u>\$ (12,585,384)</u>	<u>\$ 2,069,765</u>	<u>\$ (7,312,492)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS
Year ended 2004

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
Operating revenues:		
Charges for services, net of related costs	<u>\$ 1,225,066</u>	<u>\$ 32,350,969</u>
Operating expenses:		
Salaries and fringe benefits	699,435	435,950
Professional services	-	-
Utilities	21,676	6,641
Supplies	91,852	15,078
Travel	6,208	1,079
Fuels, repairs and maintenance	84,290	13,469
Contractual services	10,758	30,655
Claims and judgements	-	-
Insurance premiums	-	32,587,853
Other operating expenses	241,583	182,247
Depreciation	<u>21,163</u>	<u>768</u>
Total operating expenses	<u>1,176,965</u>	<u>33,273,740</u>
Operating income (loss)	<u>48,101</u>	<u>(922,771)</u>
Non-operating revenues:		
Interest on investments	2,502	2,768
Gain (loss) on disposition of equipment	-	-
Other	<u>4,806</u>	<u>6,100</u>
Total non-operating revenues	<u>7,308</u>	<u>8,868</u>
Income (loss) before capital contributions and transfers	55,409	(913,903)
Capital contributions	-	1,854
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Change in net assets	55,409	(912,049)
Net assets (deficit), July 1	<u>343,063</u>	<u>2,249,964</u>
Net assets (deficit), June 30	<u>\$ 398,472</u>	<u>\$ 1,337,915</u>

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 9,723,107	\$ 28,661,218	\$ 677,618	\$ 72,637,978
2,776,927	1,883,829	406,960	6,203,101
-	834,429	-	834,429
74,066	29,460	5,924	137,767
1,146,270	17,386	5,676	1,276,262
-	9,561	-	16,848
3,060,381	111,344	19,666	3,289,150
1,621,038	53,420	17,682	1,733,553
-	23,545,885	-	23,545,885
-	1,480,369	-	34,068,222
823,962	640,529	172,750	2,061,071
57,861	22,593	27,361	129,746
<u>9,560,505</u>	<u>28,628,805</u>	<u>656,019</u>	<u>73,296,034</u>
<u>162,602</u>	<u>32,413</u>	<u>21,599</u>	<u>(658,056)</u>
4,943	291,204	6,172	307,589
6,572	-	-	6,572
-	11,149	1,845	23,900
<u>11,515</u>	<u>302,353</u>	<u>8,017</u>	<u>338,061</u>
174,117	334,766	29,616	(319,995)
-	-	-	1,854
74,000	-	-	74,000
-	(269,000)	-	(269,000)
248,117	65,766	29,616	(513,141)
<u>1,218,623</u>	<u>(12,651,150)</u>	<u>2,040,149</u>	<u>(6,799,351)</u>
\$ <u>1,466,740</u>	\$ <u>(12,585,384)</u>	\$ <u>2,069,765</u>	\$ <u>(7,312,492)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Year ended 2004

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,187,370	\$ 8,007,580
Cash received from other funds for goods and services	3,644,381	24,314,174
Cash payments to employees for services	(645,689)	(428,339)
Cash payments to suppliers for goods and services	(3,973,014)	(29,943,369)
Cash payments to other funds for goods and services	(301,117)	(189,207)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous	4,806	6,100
Net cash provided by (used for) operating activities	<u>(83,263)</u>	<u>1,766,939</u>
Cash flows from noncapital financing activities:		
Transfers in from other funds	-	-
Operating transfers out to other funds	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	-	-
Receipt in anticipation of future land sale	-	-
Proceeds from sale of property and equipment	-	-
Net cash provided by (used for) capital financing	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	<u>2,502</u>	<u>2,768</u>
Net increase (decrease) in cash and cash equivalents	<u>(80,761)</u>	<u>1,769,707</u>
Cash and cash equivalents, July 1	392,010	2,311,637
Cash and cash equivalents, June 30	<u>\$ 311,249</u>	<u>\$ 4,081,344</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 48,101	\$ (922,771)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	21,163	768
Miscellaneous income	4,806	6,100
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	(22,536)
Due from other governments	(4,871)	-
Inventories of supplies	(6,440)	-
Prepaid expenses	(26,586)	-
Increase (decrease) in liabilities:		
Accounts payable	(122,345)	2,697,767
Accrued fuels cleanup	-	-
Accrued claims and judgments	-	-
Accrued employee comp. and benefits	2,909	7,611
Net cash provided by (used for) operating activities	<u>\$ (83,263)</u>	<u>\$ 1,766,939</u>
Cash, investments, and accrued interest	<u>\$ 311,249</u>	<u>\$ 4,081,344</u>
Non cash transactions:		
Unrealized gains (losses) on investments	\$ (2,594)	\$ (27,293)

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Totals
\$ 8,262,097	\$ 4,405,796	\$ 185,623	\$ 22,048,466
1,470,367	24,309,061	3,837,302	57,575,285
(2,583,203)	(1,775,240)	(371,707)	(5,804,178)
(5,684,002)	(2,606,732)	(3,277,456)	(45,484,573)
(1,087,476)	(794,923)	(208,813)	(2,581,536)
-	(16,620,000)	-	(16,620,000)
-	11,149	1,845	23,900
<u>377,783</u>	<u>6,929,111</u>	<u>166,794</u>	<u>9,157,364</u>
74,000	-	-	74,000
-	(269,000)	-	(269,000)
<u>74,000</u>	<u>(269,000)</u>	<u>-</u>	<u>(195,000)</u>
(47,987)	(19,507)	-	(67,494)
-	75,000	-	75,000
<u>6,572</u>	<u>-</u>	<u>-</u>	<u>6,572</u>
<u>(41,415)</u>	<u>55,493</u>	<u>-</u>	<u>14,078</u>
4,943	291,204	6,172	307,589
415,311	7,006,808	172,966	9,284,031
1,227,583	26,489,935	656,124	31,077,289
<u>\$ 1,642,894</u>	<u>\$ 33,496,743</u>	<u>\$ 829,090</u>	<u>\$ 40,361,320</u>
\$ 162,602	\$ 32,413	\$ 21,599	\$ (658,056)
57,861	22,593	27,361	129,746
-	11,149	1,845	23,900
9,357	-	-	(13,179)
-	-	-	(4,871)
1,532	-	(86,535)	(91,443)
-	-	-	(26,586)
167,101	(6,433)	203,334	2,939,424
22,493	-	-	22,493
-	6,925,885	-	6,925,885
(43,163)	(56,496)	(810)	(89,949)
<u>\$ 377,783</u>	<u>\$ 6,929,111</u>	<u>\$ 166,794</u>	<u>\$ 9,157,364</u>
<u>\$ 1,642,894</u>	<u>\$ 33,496,743</u>	<u>\$ 829,090</u>	<u>\$ 40,361,320</u>
\$ (12,028)	\$ (270,457)	\$ (6,569)	\$ (316,347)

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
COMMUNICATIONS FUND
Year ended June 30, 2004

	<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	\$ 1,215,000	\$ 1,215,000	\$ 1,225,066	\$ 10,066
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>5,096</u>	<u>3,096</u>
Total revenues	<u>1,217,000</u>	<u>1,217,000</u>	<u>1,230,162</u>	<u>13,162</u>
Expenses:				
City Communications	1,004,000	1,004,000	912,522	91,478
FY03 Bonus Program	-	13,000	12,633	367
Payment for General Fund Services	<u>227,000</u>	<u>227,000</u>	<u>230,647</u>	<u>(3,647)</u>
Total expenses	<u>1,231,000</u>	<u>1,244,000</u>	<u>1,155,802</u>	<u>88,198</u>
Excess of revenues over (under) expenses	<u>\$ (14,000)</u>	<u>\$ (27,000)</u>	74,360	<u>\$ 101,360</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(21,163)	
Miscellaneous income			4,806	
Unrealized gain (loss) on investments			<u>(2,594)</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 55,409</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
EMPLOYEE INSURANCE FUND
Year ended June 30, 2004

	<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	\$ 32,499,000	\$ 32,499,000	\$ 32,208,806	\$ (290,194)
Miscellaneous Revenues	115,000	115,000	148,263	33,263
Interest on investments	<u>35,000</u>	<u>35,000</u>	<u>30,061</u>	<u>(4,939)</u>
Total revenues	<u>32,649,000</u>	<u>32,649,000</u>	<u>32,387,130</u>	<u>(261,870)</u>
Expenses:				
Insurances and Administration	33,522,000	33,522,000	33,088,074	433,926
FY03 Bonus program	-	9,000	8,121	879
Payment for General Fund Services	<u>204,000</u>	<u>204,000</u>	<u>176,777</u>	<u>27,223</u>
Total expenses	<u>33,726,000</u>	<u>33,735,000</u>	<u>33,272,972</u>	<u>462,028</u>
Excess of revenues over (under) expenses	<u>\$ (1,077,000)</u>	<u>\$ (1,086,000)</u>	(885,842)	<u>\$ 200,158</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(768)	
Capital contribution			1,854	
Unrealized (loss) on investments			<u>(27,293)</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ (912,049)</u>	

CITY OF ALBUQUERQUE
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FLEET MANAGEMENT FUND
Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 9,432,000	\$ 9,432,000	\$ 9,723,107	\$ 291,107
Interest on investments	10,000	10,000	4,943	(5,057)
Total revenues	<u>9,442,000</u>	<u>9,442,000</u>	<u>9,728,050</u>	<u>286,050</u>
Other financing sources:				
Operating transfers in	-	74,000	74,000	-
Total revenues and other financing sources	<u>9,442,000</u>	<u>9,516,000</u>	<u>9,802,050</u>	<u>286,050</u>
Expenses:				
Fleet management	8,675,000	8,774,000	8,773,752	248
Payments for general fund services	736,000	736,000	705,143	30,857
Bonus program	-	74,000	71,736	2,264
Total expenses	<u>9,411,000</u>	<u>9,584,000</u>	<u>9,550,631</u>	<u>33,369</u>
Excess of revenues over (under) expenses	<u>\$ 31,000</u>	<u>\$ (68,000)</u>	<u>251,419</u>	<u>\$ 319,419</u>
Revenues (expenses) not budgeted:				
Depreciation			(57,861)	
Gain on disposition of property and equipment			6,572	
Changes to conform to generally accepted accounting principles:				
Capital outlay			<u>47,987</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 248,117</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
RISK MANAGEMENT FUND
Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 28,300,000	\$ 28,310,000	\$ 28,661,218	\$ 351,218
Interest on investments	<u>622,000</u>	<u>622,000</u>	<u>291,204</u>	<u>(330,796)</u>
Total revenues	<u>28,922,000</u>	<u>28,932,000</u>	<u>28,952,422</u>	<u>20,422</u>
Expenses:				
Safety office	733,000	733,000	656,855	76,145
Substance abuse program	250,000	250,000	187,721	62,279
Employee health services	271,000	271,000	237,362	33,638
Tort and other claims	17,687,000	17,687,000	13,894,683	3,792,317
Workers' compensation claims	5,723,000	5,723,000	5,650,653	72,347
Payments for general fund services	918,000	918,000	836,975	81,025
Unemployment compensation	413,000	423,000	404,030	18,970
Employee Equity	72,000	72,000	282	71,718
Bonus Program	<u>-</u>	<u>42,000</u>	<u>39,703</u>	<u>2,297</u>
Total expenses	<u>26,067,000</u>	<u>26,119,000</u>	<u>21,908,264</u>	<u>4,210,736</u>
Excess of revenues over (under) expenses	<u>\$ 2,855,000</u>	<u>\$ 2,813,000</u>	7,044,158	<u>\$ 4,231,158</u>
Revenues (expenses) not budgeted:				
Depreciation			(22,593)	
Other revenue			11,149	
Tort and other claims - reserve adjustment			(5,253,118)	
Workers' compensation claims - reserve adjustment			(1,723,566)	
Change to conform to generally accepted accounting principles:				
Capital outlay			<u>9,736</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 65,766</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
SUPPLIES INVENTORY MANAGEMENT FUND
Year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services, net of related costs	\$ 600,000	\$ 600,000	\$ 677,618	\$ 77,618
Interest on investments	<u>24,000</u>	<u>24,000</u>	<u>12,741</u>	<u>(11,259)</u>
Total revenues	<u>624,000</u>	<u>624,000</u>	<u>690,359</u>	<u>66,359</u>
Expenses:				
Materials management	521,000	521,000	449,054	71,946
Payment for General Fund Services	209,000	209,000	167,422	41,578
FY03 Bonus Program	<u>-</u>	<u>14,000</u>	<u>12,182</u>	<u>1,818</u>
Total expenses	<u>730,000</u>	<u>744,000</u>	<u>628,658</u>	<u>115,342</u>
Excess of revenues over (under) expenses	<u>\$ (106,000)</u>	<u>\$ (120,000)</u>	61,701	<u>\$ 181,701</u>
Revenues (expenses) not budgeted:				
Miscellaneous Revenues			1,845	
Depreciation expense			(27,361)	
Unrealized loss on investments			<u>(6,569)</u>	
Change in net assets as reported in Exhibit J-2			<u>\$ 29,616</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
ASSETS				
Cash, investments, and accrued interest	\$ 11,601,211	\$ 16,479,802	\$ 14,979,592	\$ 13,101,421
Receivables	194,208	902,616	867,816	229,008
Due from other governments	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 11,795,441</u>	<u>\$ 17,382,418</u>	<u>\$ 15,847,430</u>	<u>\$ 13,330,429</u>
LIABILITIES				
Accounts payable	\$ 304,109	\$ 6,394,646	\$ 6,346,492	\$ 352,263
Funds held for others	<u>11,491,332</u>	<u>17,437,262</u>	<u>15,950,428</u>	<u>12,978,166</u>
TOTAL LIABILITIES	<u>\$ 11,795,441</u>	<u>\$ 23,831,908</u>	<u>\$ 22,296,920</u>	<u>\$ 13,330,429</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN FUNDS HELD FOR OTHERS
AGENCY FUND
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
Summer Arts Institute	\$ 2,896	-	-	\$ 2,896
Summer Hire Program	3,922	220	-	4,142
ABEC-Phillips Clawback	-	1,624,136	2,261	1,621,875
Otter Exhibit	39,677	680	56	40,301
Adopt-A-Park	44,054	8,400	4,050	48,404
Bear Canyon Senior Center	21,210	34,485	30,627	25,068
Museum	18,451	989	17,666	1,774
D.A.R.E.	6,618	500	-	7,118
Animal Control	56,390	(56,034)	356	-
Business Improvement District #1	536	643,805	644,252	89
Contributions - Special DFAS	52	-	-	52
Trees and Shrubs	17,634	19,514	20,702	16,446
Community Centers	6,973	-	-	6,973
Police Evidence Unit	1,365,326	367,820	285,519	1,447,627
Senior Multi-service Center	6,625	5,033	1,567	10,091
Palo Duro Senior Center	7,277	14,488	9,264	12,501
North Valley Senior Ccenter	13,863	5,479	5,528	13,814
Highland Senior Center	6,778	13,399	10,710	9,467
Los Volcanes Senior Center	6,055	10,578	14,147	2,486
Life Insurance Reserve	1,176,148	-	-	1,176,148
Q13 Fire Fund	36,208	-	16,093	20,115
Basic Life	8,223,920	1,126,527	1,233,104	8,117,343
Unemployment Deduction	358,707	419,177	465,505	312,379
Recycle Coupons	1,707	-	-	1,707
Outdoor Rrecreation	23,398	10,700	6,331	27,767
New Mexico Games	379	-	-	379
DSA Advisory Council	19,029	60,538	50,918	28,649
Clean Air Campaign 1995	-	2,900	2,900	-
Transit Department	5,000	3,000	1,907	6,093
Veterans Advisory	10,535	16,438	22,857	4,116
Special Events - Mayor	5,000	28,603	28,504	5,099
Bosque Restoration	-	3,616	3,333	283
Miscellaneous	6,964	13,072,271	13,072,271	6,964
Total agency funds	\$ 11,491,332	17,437,262	15,950,428	\$ 12,978,166

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, 2004

	2004
General Fixed Assets:	
Land	
Buildings	\$ 215,657,686
InfraStructure	169,459,697
Improvements other than buildings	81,959,054
Equipment	327,738,056
Other	161,425,162
Construction work in progress	854,300
	223,532,205
Total General Fixed Assets	\$ 1,180,626,160
Investment in General Fixed Assets from:	
Acquisitions prior to July 1, 1978	
Acquisitions after July 1, 1978:	\$ 59,288,948
General Fund	
Special Revenue Funds	4,880,157
Acquisition and Management of	93,175,926
Open Space Nonexpendable Trust Fund	
Investments from earnings of the	6,450,258
Urban Enhancement Expendable Trust Fund	
Capital Projects Funds	76,049
Net transfers from Enterprise Funds	1,015,960,957
Net transfers to Internal Service Funds	1,660,512
	(866,647)
Total investment in General Fixed Assets	\$ 1,180,626,160

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
 June 30, 2004

<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	-	-	-	-	143,354	143,354
City council	-	-	-	3,950	289,118	293,068
Finance and management	-	-	-	2,318,073	14,247,538	16,565,611
Legal services	2,886	-	-	-	501,337	504,223
Mayor/CAO	-	-	-	2,233	1,082,434	1,084,667
Internal audit	-	-	-	-	88,819	88,819
Personnel	-	-	-	-	199,096	199,096
Labor management	-	-	-	-	36,729	36,729
Open space	294,474	-	-	-	40,394	334,868
Planning	586,238	-	-	-	3,540,063	4,126,301
General services	4,066,581	-	4,183,113	12,385,721	14,701,562	35,336,977
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	4,950,179	-	12,356,892	17,531,225	36,412,186	71,250,482
Public safety:						
Fire	733,265	-	9,002,264	4,845,863	16,508,512	31,089,904
Police	3,735,044	-	18,671,172	11,357,125	50,154,693	83,918,034
Corrections	-	-	2,670,006	152,664	2,000,055	4,822,725
Police/Fire	-	-	36,639	168,696	811,636	1,016,971
Total public safety	4,468,309	-	30,380,081	16,524,348	69,474,896	120,847,634
Culture and recreation:						
Library	225,246	-	7,996,810	26,223,377	3,642,080	38,087,513
Museum	7,356,588	4,751,793	10,391,561	7,990,396	970,731	31,461,069
Parks and recreation	68,654,157	1,312,378	47,385,679	75,165,162	11,025,347	203,542,723
Open space	32,032,346	946,815	-	3,006,109	1,027,716	37,012,986
Zoo	1,006,059	-	1,714,461	25,627,673	2,177,704	30,525,897
Convention center	5,029,268	-	13,000,122	49,496,058	1,087,358	68,612,806
Total culture and recreation	114,303,664	7,010,986	80,488,633	187,508,775	19,930,936	409,242,994
Public works:						
Housing code administration	-	-	-	-	4,040	4,040
Redevelopment	335,324	-	-	-	4,918	340,242
Municipal development	-	-	-	2,199	578,935	581,134
Engineering	1,192,212	-	-	-	149,541	1,341,753
Planning	-	-	-	-	140,040	140,040
Storm drainage/maintenance	5,186,859	22,850,125	1,908,227	729,927	554,492	31,229,630
Geographic information system	-	-	-	-	34,300	34,300
Total public works	6,714,395	22,850,125	1,908,227	732,126	1,466,266	33,671,139

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
June 30, 2004

<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.	32,576,056	52,097,943	1,036,320	3,961,270	8,415,268	98,086,857
Traffic engineering	260,000	-	-	136,231	273,417	669,648
Total highways and streets	<u>32,836,056</u>	<u>52,097,943</u>	<u>1,036,320</u>	<u>4,097,501</u>	<u>8,688,685</u>	<u>98,756,505</u>
Health:						
Consumer protection	-	-	-	-	68,503	68,503
Environmental services	-	-	1,548,265	265,684	2,658,787	4,472,736
Animal control services	96,243	-	1,374,241	440,866	222,166	2,133,516
Environmental health admin.	-	-	6,820	2,480	1,596,595	1,605,895
Resources management	-	-	-	-	16,404	16,404
Total health	<u>96,243</u>	<u>-</u>	<u>2,929,326</u>	<u>709,030</u>	<u>4,562,455</u>	<u>8,297,054</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	-	5,311,242	3,692,794	2,842,289	12,938,104
Housing/community development	1,945,155	-	2,835,598	2,706,959	705,734	8,193,446
Total human services	<u>3,594,308</u>	<u>-</u>	<u>10,255,997</u>	<u>7,835,513</u>	<u>7,089,054</u>	<u>28,774,872</u>
Total general fixed assets allocated to functions	<u>166,963,154</u>	<u>81,959,054</u>	<u>139,355,476</u>	<u>234,938,518</u>	<u>147,624,478</u>	<u>770,840,680</u>
Total general fixed assets in service	<u>\$ 215,657,686</u>	<u>\$ 81,959,054</u>	<u>\$ 169,459,697</u>	<u>\$ 327,738,056</u>	<u>\$ 161,425,162</u>	<u>956,239,655</u>
Construction work in progress						223,532,205
Other						<u>854,300</u>
Total general fixed assets						<u>\$ 1,180,626,160</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
Year ended June 30, 2004

<u>Function and Activity</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
Acquisitions prior to July 1, 1985	\$ 185,398,975	\$ -	\$ -	\$ 185,398,975
Acquisitions after June 30, 1985:				
General government:				
City clerk/records	129,983	20,297	6,926	143,354
City council	277,988	15,080	-	293,068
Finance and management	16,396,125	213,333	43,847	16,565,611
Legal services	496,394	7,829	-	504,223
Mayor/CAO	1,055,663	29,004	-	1,084,667
Internal audit	83,281	5,538	-	88,819
Personnel	193,756	5,340	-	199,096
Labor management	36,729	-	-	36,729
Open space	334,868	-	-	334,868
Planning	4,136,746	21,641	32,086	4,126,301
General services	26,960,987	8,375,990	-	35,336,977
City/county building	11,073,260	-	-	11,073,260
Central telephone system	1,463,509	-	-	1,463,509
Total general government	62,639,289	8,694,052	82,859	71,250,482
Public safety:				
Fire	31,171,926	256,960	338,982	31,089,904
Police	81,796,340	3,834,331	1,712,637	83,918,034
Corrections	4,837,453	36,181	50,909	4,822,725
Police/Fire	1,016,971	-	-	1,016,971
Total public safety	118,822,690	4,127,472	2,102,528	120,847,634
Culture and recreation:				
Library	36,489,605	1,597,908	-	38,087,513
Museum	18,385,794	13,075,275	-	31,461,069
Parks and recreation	158,489,900	45,150,501	97,678	203,542,723
Open space	34,563,289	2,449,697	-	37,012,986
Zoo	29,646,449	879,448	-	30,525,897
Convention center	68,612,806	-	-	68,612,806
Total culture and recreation	346,187,843	63,152,829	97,678	409,242,994
Public works:				
Housing code administration	4,040	-	-	4,040
Redevelopment	340,242	-	-	340,242
Municipal development	320,432	260,702	-	581,134
Engineering	1,341,753	-	-	1,341,753
Planning	140,040	-	-	140,040
Storm drainage/maintenance	24,388,219	6,871,303	29,892	31,229,630
Geographic information system	34,300	-	-	34,300
Total public works	26,569,026	7,132,005	29,892	33,671,139

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
Year ended June 30, 2004

<u>Function and Activity</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
Highways and streets:				
Transportation/Street maintenance	77,191,059	21,436,673	540,875	98,086,857
Traffic engineering	<u>643,644</u>	<u>53,792</u>	<u>27,788</u>	<u>669,648</u>
Total highways and streets	<u>77,834,703</u>	<u>21,490,465</u>	<u>568,663</u>	<u>98,756,505</u>
Health:				
Consumer protection	68,503	-	-	68,503
Environmental services	4,415,652	57,084	-	4,472,736
Animal control services	2,133,516	-	-	2,133,516
Environmental health and administration	1,384,841	377,101	156,047	1,605,895
Resources management	<u>16,404</u>	<u>-</u>	<u>-</u>	<u>16,404</u>
Total health	<u>8,018,916</u>	<u>434,185</u>	<u>156,047</u>	<u>8,297,054</u>
Human services:				
Human rights	41,370	-	-	41,370
Human services	7,601,952	-	-	7,601,952
Office of senior affairs	10,645,653	2,308,892	16,441	12,938,104
Housing/community development	<u>7,953,105</u>	<u>281,837</u>	<u>41,496</u>	<u>8,193,446</u>
Total human services	<u>26,242,080</u>	<u>2,590,729</u>	<u>57,937</u>	<u>28,774,872</u>
Construction work in progress	206,052,859	78,020,166	60,540,820	223,532,205
Other	<u>-</u>	<u>854,300</u>	<u>-</u>	<u>854,300</u>
Total general fixed assets	<u>\$ 1,057,766,381</u>	<u>\$ 186,496,203</u>	<u>\$ 63,636,424</u>	<u>\$ 1,180,626,160</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF TRANSFERS BETWEEN FUNDS
For the year ended June 30, 2004

Interfund transfers were as follows:

From	To	
General Fund *	Corrections and Detention Fund *	\$ 20,155,000
General Fund *	Gas Tax Fund	573,000
General Fund *	Lodgers Tax Fund	591,000
General Fund *	Operating Grants Fund	4,520,854
General Fund *	City/County Building Debt Service Fund	95,000
General Fund *	Sales Tax Refunding Debt Service Fund	1,953,000
General Fund *	Capital Acquisition Fund *	3,770,000
General Fund *	Parking Facilities Fund	1,625,000
General Fund *	Transit Fund *	15,924,660
General Fund *	Fleet Management Fund	74,000
General Fund *	Acquisition and Management of Open Space Expenditures Fund	1,475,666
City Housing Fund	Operating Grants Fund	517,299
Corrections Fund *	Operating Grants Fund	32,564
City/County Facilities Fund	City/County Building Debt Service Fund	1,200,000
City/County Projects Fund	General Fund *	182,000
Lodgers Tax Fund	Sales Tax Refunding Debt Service Fund	4,948,000
Operating Grants Fund	Transit Fund *	17,178
Plaza del Sol Building Fund	Sales Tax Refunding Debt Service Fund	571,000
Recreation Fund	General Fund *	270,000
Acquisition and Management of Open Space Permanent Fund	Acquisition and Management of Open Space Expenditures Fund	1,426,774
Acquisition and Management of Open Space Permanent Fund	Capital Acquisition Fund *	4,500,000
Urban Enhancement Permanent Fund	Urban Enhancement Expenditures Fund	148,439
Capital Acquisition Fund *	Transit Fund *	4,062,609
Infrastructure Tax Fund	Transit Fund*	5,509,632
Apartments Fund	City Housing Fund	64,827
Golf Course Fund	General Fund *	53,735
Parking Facilities Fund	General Fund *	175,479
Refuse Disposal Fund *	General Fund *	1,058,863
Transit Fund*	General Fund *	161,068
Risk Management Fund	General Fund *	269,000
Total transfers		\$ 75,925,647

* 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"	\$ 48,712,568	\$ 74,142,675
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets All Proprietary Funds"		
Enterprise funds	27,139,079	1,513,972
Internal Service funds	74,000	269,000
Total transfers	\$ 75,925,647	\$ 75,925,647

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

Parking Facilities Fund	\$ 175,479
Refuse Disposal Fund	534,863
Transit Fund	161,068
Golf Course Fund	53,735
Total PILOT	\$ 925,145

STATISTICAL INFORMATION



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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Revenues:				
Taxes	\$ 93,180	\$ 99,105	\$ 105,634	\$ 113,542
Licenses and permits	7,207	7,873	7,454	7,556
Intergovernmental	117,363	124,625	129,058	132,410
Charges for services	33,970	34,920	37,294	37,162
Fines and forfeits	252	227	8	35
Interest	2,488	2,437	2,910	3,279
Miscellaneous	<u>318</u>	<u>536</u>	<u>536</u>	<u>1,115</u>
Total revenues	<u>254,778</u>	<u>269,723</u>	<u>282,894</u>	<u>295,099</u>
Expenditures:				
General government	38,084	41,153	40,732	42,605
Public safety	93,301	97,840	103,593	110,161
Cultural and recreation	39,406	41,766	47,582	47,801
Public works	15,989	15,232	15,641	15,739
Highways and streets	12,170	13,381	13,765	14,011
Health	6,385	6,451	6,635	6,059
Human services	<u>10,117</u>	<u>11,975</u>	<u>15,945</u>	<u>18,180</u>
Total expenditures	<u>215,452</u>	<u>227,798</u>	<u>243,893</u>	<u>254,556</u>
Excess (deficiency) of revenues over expenditures	<u>39,326</u>	<u>41,925</u>	<u>39,001</u>	<u>40,543</u>
Other financing sources (uses):				
Transfers in	2,609	2,916	2,971	5,914
Transfers out	<u>(49,819)</u>	<u>(38,568)</u>	<u>(42,842)</u>	<u>(48,602)</u>
Total other financing sources and uses	<u>(47,210)</u>	<u>(35,652)</u>	<u>(39,871)</u>	<u>(42,688)</u>
Net change in fund balance	(7,884)	6,273	(870)	(2,145)
Fund Balance, July 1	<u>49,321</u>	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>
Fund Balance, June 30	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>	<u>44,695</u>
Reservations of fund balance:				
Reserved for Encumbrances	5,278	5,071	6,434	5,231
Reserved for assets	543	570	446	471
Reserved for Operations	12,302	17,858	12,263	14,427
Unreserved fund balance	<u>23,314</u>	<u>24,211</u>	<u>27,697</u>	<u>24,566</u>
Total ending fund balance	<u>\$ 41,437</u>	<u>\$ 47,710</u>	<u>\$ 46,840</u>	<u>\$ 44,695</u>

1999	2000	2001	2002	2003	2004
\$ 113,608	\$ 116,855	\$ 124,526	\$ 120,316	\$ 127,128	\$ 149,203
8,136	8,011	8,723	8,643	12,279	13,716
135,383	135,501	140,184	141,519	147,361	160,965
35,758	35,539	36,706	36,638	37,770	41,111
31	41	42	23	44	38
2,088	1,883	3,229	973	746	427
868	785	490	583	459	3,432
<u>295,872</u>	<u>298,615</u>	<u>313,900</u>	<u>308,695</u>	<u>325,787</u>	<u>368,892</u>
42,081	43,979	44,444	43,375	43,802	59,417
111,039	116,909	122,153	127,469	130,107	139,621
47,466	46,791	50,408	49,152	48,653	49,171
14,842	14,425	9,223	8,571	6,161	8,037
13,947	9,520	11,872	12,898	12,373	8,107
5,796	5,774	6,134	6,288	6,557	6,906
18,523	22,104	29,264	26,795	27,146	27,385
<u>253,694</u>	<u>259,502</u>	<u>273,498</u>	<u>274,548</u>	<u>274,799</u>	<u>298,644</u>
42,178	39,113	40,402	34,147	50,988	70,248
1,416	1,468	3,663	8,885	7,122	2,170
(44,147)	(41,320)	(47,285)	(46,616)	(51,584)	(50,757)
(42,731)	(39,852)	(43,622)	(37,731)	(44,462)	(48,587)
(553)	(739)	(3,220)	(3,584)	6,526	21,661
44,695	44,142	43,403	40,183	36,599	43,125
44,142	43,403	40,183	36,599	43,125	64,786
4,352	3,600	2,722	84	16	16
438	470	558	538	390	537
14,686	14,879	15,549	16,161	27,758	29,477
24,666	24,454	21,354	19,816	14,961	34,756
<u>\$ 44,142</u>	<u>\$ 43,403</u>	<u>\$ 40,183</u>	<u>\$ 36,599</u>	<u>\$ 43,125</u>	<u>\$ 64,786</u>

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

Revenues

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 is do to the increase in construction permits and \$5.8 million for intergovernmental.

In 2004, the increase in revenue by approximately \$22 million for taxes, \$13 million for intergovernmental, \$3.3 million for charges for services is due to an increase in engineering fees and \$3 to miscellaneous revenue.

Expenditures

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.

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

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.

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.

In 2004, early retirement increased approximately \$1.6 million, \$4.3 million for the bonus program, \$1 million for the gross receipts audit and \$4.8 million for the new program municipal development.

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

Year Ended June 30	Total Current Tax Billings	Current Tax Collections	Percent of Billings Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Billings
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%
2004	87,981,301	84,172,149	95.67%	3,715,156	87,887,305	99.89%

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 97.32% 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>
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
2004	7,154,150,744	332,740,564	400,659,350	7,887,550,658

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>
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
2004	46.668	11.154	9.549	1.520	8.497	3.175	0.936	6.500	5.337

(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 (4)			Ratio of Net General Bonded Debt To Taxable Value	Net General Bonded Debt Per Capita
			Total G.O Bonds Outstanding (4)	Debt Service Fund (3)	Net		
1995	418,839	\$ 4,312,209,667	\$ 211,175,000	\$ 3,970,000	\$ 207,205,000	4.81%	494.71
1996	420,527	5,077,391,294	176,315,000	10,475,904	165,839,096	3.27%	394.36
1997	420,907	5,184,693,295	168,170,000	7,742,034	160,427,966	3.09%	381.15
1998	421,384	5,469,635,735	172,155,000	7,833,722	164,321,278	3.00%	389.96
1999	420,578	5,656,900,848	169,165,000	12,113,569	157,051,431	2.78%	373.42
2000	448,607	6,856,281,348	152,825,000	24,831,686	127,993,314	1.87%	285.31
2001	454,015	6,900,667,082	138,180,000	10,706,769	127,473,231	1.85%	280.77
2002	460,464	7,423,666,498	117,440,000	18,229,575	99,210,425	1.34%	215.46
2003	473,849	7,623,843,160	160,055,000	45,493,412	114,561,588	1.50%	241.77
2004	479,061	7,887,550,658	126,810,000	46,157,897	80,652,103	1.02%	168.35

(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.

(4) Full accrual basis

CITY OF ALBUQUERQUE
COMPUTATION OF LEGAL DEBT MARGIN
FOR GENERAL OBLIGATION BONDS OTHER THAN FOR WATER AND SEWER PURPOSES
June 30, 2004

Legal debt limit for issuance of general purpose general obligation bonds 4% of taxable valuation of \$7,887,551,000	\$ 315,502,000
Total general obligation bonds issued	\$ 262,605,000
Less general obligation bond debt not subject to legal debt limit: Storm Drainage Bonds	<u>47,610,000</u>
General obligation bonds issued subject to legal debt limit General Purpose	<u>214,995,000</u>
Legal debt margin	<u>\$ 100,507,000</u>

CITY OF ALBUQUERQUE
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2004

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Albuquerque</u>	<u>City of Albuquerque Share of Debt</u>
City of Albuquerque	<u>\$ 165,658,524</u>	100.00%	<u>\$ 165,658,524</u>
Other Governments:			
Albuquerque Public Schools	120,520,000	80.66%	97,211,432
Albuquerque Metropolitan Flood Control Authority	24,350,000	85.18%	20,741,330
Bernalillo County	74,695,000	81.61%	60,958,590
Albuquerque Technical-Vocational Institute	26,870,000	82.05%	22,046,835
State of New Mexico	<u>288,480,000</u>	27.13%	<u>78,264,624</u>
Total Other Governments	<u>534,915,000</u>		<u>279,222,811</u>
Total direct and overlapping G.O. debt	<u>\$ 700,573,524</u>		<u>\$ 444,881,335</u>

Ratios:

Total direct and overlapping G.O. debt to assessed valuation	5.64%
Direct and overlapping G.O. debt to actual valuation	1.60%
Direct and overlapping G.O. debt per capita (1)	\$959.06

(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>
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%
2004	62,705,684	14,312,716	77,018,400	298,644,803	25.79%

**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>
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
2004	1,996,082	2,134,763	107%	16,665,032

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Airport Revenue Bonds				
Test #1				
Revenues	\$ 37,723	\$ 40,604	\$ 52,671	\$ 53,052
Expenses **	<u>12,787</u>	<u>13,803</u>	<u>13,584</u>	<u>14,799</u>
Available for debt service	24,936	26,801	39,087	38,253
Debt service*	7,103	11,836	13,181	11,422
Debt service coverage ratio	3.5	2.3	3.0	3.3
Test #2				
Revenues	\$ 38,221	\$ 41,521	\$ 54,187	\$ 54,546
Expenses **	<u>12,787</u>	<u>13,803</u>	<u>13,584</u>	<u>14,799</u>
Available for debt service	25,434	27,718	40,603	39,747
Debt service*	14,083	18,437	21,186	19,919
Debt service coverage ratio	1.8	1.5	1.9	2.0
Golf Course Revenue Bonds				
Revenues	not	not	not	not
Expenses **	applicable	applicable	applicable	applicable
Available for debt service				
Debt service				
Debt service coverage ratio				
Refuse Disposal Revenue Bonds				
Revenues	\$ 30,181	\$ 33,302	\$ 31,504	\$ 32,223
Expenses **	<u>24,863</u>	<u>24,164</u>	<u>24,481</u>	<u>25,823</u>
Available for debt service	5,318	9,138	7,023	6,400
Debt service	2,169	2,489	2,969	3,156
Debt service coverage ratio	2.5	3.7	2.4	2.0
Sales Tax Revenue Bonds				
Revenues	\$ 132,712	\$ 142,276	\$ 147,261	\$ 150,753
Debt service*	5,639	7,204	7,689	11,044
Debt service coverage ratio	23.5	19.8	19.2	13.7

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

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

TABLE X
Page 1 of 1

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Ratio Required 2004</u>
\$ 53,098	\$ 54,001	\$ 56,336	\$ 57,818	\$ 59,724	\$ 61,077	
<u>16,109</u>	<u>17,036</u>	<u>20,136</u>	<u>21,437</u>	<u>22,059</u>	<u>24,288</u>	
36,989	36,965	36,200	36,381	37,665	36,789	
9,416	10,074	11,027	10,070	9,669	10,753	
3.9	3.7	3.3	3.6	3.9	3.4	1.2
\$ 54,827	\$ 55,439	\$ 58,011	\$ 59,494	\$ 60,157	\$ 61,410	
<u>16,109</u>	<u>17,036</u>	<u>20,136</u>	<u>21,437</u>	<u>22,059</u>	<u>24,288</u>	
38,718	38,403	37,875	38,057	38,098	37,122	
17,799	17,244	21,261	14,840	13,711	16,100	
2.2	2.2	1.8	2.6	2.8	2.3	1.1
not applicable	not applicable	not applicable	\$ 4,111	\$ 3,980	\$ 3,820	
			<u>3,621</u>	<u>3,435</u>	<u>3,594</u>	
			490	545	226	
			343	347	345	
			1.4	1.6	0.7	1.5
\$ 33,960	\$ 35,943	\$ 38,997	\$ 39,191	\$ 41,001	\$ 43,521	
<u>26,262</u>	<u>27,090</u>	<u>28,465</u>	<u>29,638</u>	<u>31,166</u>	<u>33,263</u>	
7,698	8,853	10,532	9,553	9,835	10,258	
3,917	3,910	3,913	4,496	4,326	4,390	
2.0	2.3	2.7	2.1	2.3	2.3	1.5
\$ 154,817	\$ 161,941	\$ 168,269	\$ 169,909	\$ 177,634	\$ 193,783	
14,625	9,883	10,226	8,920	9,802	9,549	
10.6	16.4	16.5	19.0	18.1	20.3	2.3

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

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

Calendar Year	City of Albuquerque Population	Total Population	Metropolitan Statistical Area*		
			Civilian Labor Force	Civilian Employment	Civilian Unemployment Rate (4)
1994	413,749	644,959	334,564	319,783	4.4 %
1995	418,839	658,895	342,836	328,893	4.1 %
1996	420,527	667,210	345,135	326,653	5.4 %
1997	420,907	673,182	354,601	339,375	4.3 %
1998	421,384	676,530	361,208	344,705	4.6 %
1999	420,578	678,820	353,395	339,447	3.9 %
2000	448,607	712,738	367,942	355,818	3.3 %
2001	454,500	723,296	370,845	357,377	3.6 %
2002	463,874	737,324	385,630	367,346	4.7 %
2003**	471,856	748,067	390,430	368,870	5.5 %

Population Characteristics

Education (2)

	Number	Percent
Persons age 25 and over	304,736	
Less than 9th Grade	18,365	
9th-12th Grade, no diploma	20,017	
High School graduate	78,785	
Some college, no degree	73,521	
Associate degree	18,820	
Bachelor degree	52,228	
Graduate or Professional degree	43,000	
Percent completed High School		87.4
Percent completed 4-year college		31.2

Poverty Status (3)

Families	18,962	10.4
With related children under 18 years	15,360	15.3
With related children under 5 years	7,960	19.9
Families with female householder, no husband present	9,189	26.6
With related children under 18 years	8,311	33.9
With related children under 5 years	4,018	45.7
Individuals	96,640	13.8
18 years and over	62,625	12.1
65 years and over	7,213	9.3
Related children under 18 years	32,914	18.0
Related children 5 to 17 years	22,568	16.9
Unrelated individuals 15 years and over	30,363	23.0

Household Type by Presence of Children (2)

Total households	200,214
Married couple with children under age 18	32,730
Married couple, no children under 18	50,671

Male

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

Female

Female householder with children, no husband	17,558
Female householder, no children, no husband	10,497
Non-family households	76,381
Percent married couple household	41.7
Percent Single Parent Household	11.4

School Enrollment (1)

Elementary schools (including Kindergarten)	42,780
Mid-high schools	19,569
High schools	24,230
Private and parochial schools	12,196
Charter Schools (24 schools)	4,900
Technical-Vocational schools	33,267
University of New Mexico (Public)	26,339

* Includes Bernalillo, Sandoval, and Valencia Counties.

** City of Albuquerque Estimates.

(1) Albuquerque Public Schools, University of New Mexico, Albuquerque Technical-Vocational Institute.

(2) American Community Survey Profile 2003 (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) (1)**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total Nonfarm Employment	\$307.2	\$320.2	\$326.3	\$333.5	\$338.5	\$344.2	\$354.9	\$359.1	\$358.4	\$360.6
Nat. Resources, Mining and Construction	21.7	22.9	22.3	21.9	21.0	21.4	23.3	24.8	23.2	24.0
Manufacturing	27.1	27.8	27.6	27.9	27.5	26.5	27.5	27.0	24.7	23.5
Trade, Transportation and Utilities	58.8	61.4	62.2	64.3	65.3	65.1	66.0	65.3	65.1	64.9
Information	7.0	7.0	7.1	7.7	8.9	10.4	11.1	11.4	11.0	10.3
Financial Activities	16.2	16.5	17.1	17.7	18.1	19.6	19.4	19.5	18.8	18.9
Services (2)	116.5	123.9	127.7	130.0	131.9	134.8	139.8	142.1	144.4	147.2
Government	59.8	60.9	62.3	64.2	65.8	66.5	67.8	69.0	71.3	71.9

* 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) All figures and categories for 1994 through 2003 have been updated due to a change in classification of industries from the Standard Industrial Classification (SIC) to the North American Industrial Classification System (NAICS).

(2) Includes Professional and Business, Educational and Health, Leisure and Hospitality and Other services.

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
1995	\$ 15,161,270	4618	\$ 533,350
1996	17,113,607	5177	640,915
1997	17,492,224	4842	558,638
1998	18,594,637	5597	587,747
1999	19,097,344	6781	655,662
2000	23,819,634	5870	634,066
2001	23,848,004	5902	733,992
2002	25,246,339	6027	750,393
2003	22,871,529	6617	798,599
2004	23,662,651	6941	909,830

(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, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Taxable Valuation (1)</u>
Qwest	Utility	\$ 85,458,242	1.08%
Public Service Company of New Mexico - Electric	Utility	81,479,888	1.03%
Comcast Cablevision of New Mexico	Telecommunications	21,694,707	0.28%
Southwest Airlines	Airline	21,089,467	0.27%
Simon Property Group, Ltd.	Retail	20,483,754	0.26%
Public Service Company of New Mexico - Gas	Utility	19,116,492	0.24%
Heitman Properties of N.M.	Retail	19,111,489	0.24%
Crescent Real Estate	Hotel Management	15,965,071	0.20%
Verizon Wireless (VAW) LLC	Telecommunications	14,715,110	0.19%
Voicestream PCS II Corporation	Telecommunications	12,022,694	0.15%
Alltell Communications Inc.	Telecommunications	11,773,257	0.15%
Winrock Property	Retail	<u>11,743,269</u>	<u>0.15%</u>
		<u>\$ 334,653,440</u>	<u>4.24%</u>

(1) Total taxable valuation : \$7,887,550,658

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 (City area)</u>	<u>Year</u>	<u>Square Miles</u>
	1960	61.1
	1970	80.6
	1980	106.6
	1990	135.0
	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
	2003	187.8
	2004	188.1

Fire Protection (1)

Administration Building	1
Number of stations	22
Number of employees	604
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	1,462

Recreation (1)

Park System – Neighborhood, Community & Regional (acres):

Developed	2,528	
Undeveloped	<u>689</u>	
Total		3,217 acres

Open space areas (2) 31,162 acres

Facilities (1)	Number of Improvements (1)
Ballfields:	
Youth Baseball Fields	49
General/Adult Lit Ball Fields	18
Basketball Courts:	
Full	58
Half	57
Game/Practice 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, 7 outdoor pools)	12
Tennis Courts (21 lighted courts)	140
Trails (97 miles paved & 12 miles unpaved)	109 miles
	Volumes
Libraries	<u>June 30, 2004</u>
Albuquerque Public Library (1)	
(Main branch and 16 area branches, bookmobile, bookvan)	1,450,976
University of New Mexico:	
General, Fine Arts, Parish, Centennial & Zimmerman	2,556,300
Law School Library	232,034
Health Science Center Library	176,055
Other	<u>81,172</u>
Total University of New Mexico	3,045,561
Technical Vocational Institute	59,676
Source: Listed Libraries	
Municipal Water (1)	
Number of customers (June 2004)	160,649 meters
Average daily water production (FY 2004)	96 million gallons per day
Miles of water lines (June 2004)	2,513
Municipal Sewer (1)	
Number of sewer customers (June 2004)	155,325
Miles of storm lines (June 2004)	555
Miles of sanitary lines (June 2004)	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, 2004

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Aircraft - Police	Westchester	08/29/04	08/29/05	\$ 93,544	\$ 10,000,000	Property & Passenger Liab
				Phys Dam.	\$ 5,000,000	Bell Helicopter Liab
					\$ 1,476,444	C.S.L. Eurocopter
Airport Liability:						
Primary	Ace	03/09/04	03/09/05	\$ 207,422	\$ 50,000,000	\$25,000 Deductible;
Excess	Lloyd's of London	03/09/04	03/09/05	\$ 40,000	\$ 50,000,000	\$100,000 Annual Aggregate \$0 Deductible
Employee Dishonesty Bond	A.I.G.	05/01/04	05/01/05	\$ 33,195	\$ 1,000,000	Incl. Faithful Performance;
					\$ 1,000,000	Per Loss \$10,000 Deductible Per Loss Fraud
Excess Worker's Compensation	Midwest Employers Cas.	11/11/03	11/11/04	\$ 226,361	\$ 25,000,000	Excess of \$500,000
					\$ 2,000,000	
Flood (Housing Authority Properties)	Harleysville Mutual	09/13/04	09/13/05	\$ 13,090	\$ 1,040,400	
Housing Authority Property	Lexington	09/01/03	09/01/04	\$ 71,665	\$ 5,000,000	Required by H.U.D. Per Occurrence Excludes Pressure Vessels
Landfill Lease Bond	Travelers	06/21/04	06/21/05	\$ 3,400	\$ 170,000	
Shooting Range Liability	Essex	11/22/03	11/22/04	\$ 5,678	\$ 500,000	Premium is Minimum Required Deposit
Summerfest	Burlington Insurance Co.	06/05/04	06/05/05	\$ 8,018	\$ 2,000,000	Individual Occurrence
Treasurer's Bond	Travelers	07/12/04	07/12/07	\$ 438	\$ 50,000	
Zoo Van Liability	Progressive	06/08/04	06/08/05	\$ 2,230	\$ 1,000,000	C.S.L.
					\$ 60,000	Uninsured Motorists
Airport Art Collection	Hartford	04/17/04	04/17/05	\$6,760	\$ 1,658,464	*Sub-limits Listed Below

***Sub-limits By Collection**

Locations and Amount of Sub-limits

Permanent	<u>Locations and Amount of Sub-limits</u>		
	<u>Airport</u>	<u>In Transit</u>	<u>International Coverage</u>
	\$1,658,464	\$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	07/01/03	07/01/04	\$30,538	\$ 22,705,000 \$ 1,000,000 \$ 5,000,000 \$ 5,000	* EDP Sub-limit Below Data and Media Extra Expenses Minimum Deductible

*Sub-limit 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	07/01/03	07/01/04	\$56,244	\$ 79,000,000	*Sub-limits Listed Below

*Sub-limits By Collection

Locations and Amount of Sub-limits

Museum	Warehouse	Scheduled Art	In Transit	Legal Liability
\$ 79,000,000	\$200,000	\$750,000	\$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	07/01/03	07/01/04	\$568,000	\$300,000,000	*Sub-limits Listed Below

Sub-limits for Above Policy

Amount of Sub-limits

Accounts Receivable	\$1,000,000
Albuquerque International Sunport	\$100,000,000
Boiler and Machinery	\$50,750,000
Business Interruption	\$3,000,000
Demolition and Incurred Cost of Construction	\$5,000,000
Earthquake	\$50,000,000
Electronic Data Processing, Data and Media	\$100,000
Errors and Omissions	\$2,500,000
Exhibition Floater	\$500,000
Extra Expenses	\$4,250,000
Flood	\$50,000,000
Off Premises Power	\$100,000
Personal Property in Transit	\$500,000
Property Damage	\$7,250,000
Rental Income - 2525 Tingley	\$600,000
Terrorism	\$100,000
Transit	\$500,000
Valuable Papers	\$1,000,000
Wastewater Treatment Plant	\$200,000,000

SINGLE AUDIT INFORMATION

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

**Reconciliation of Schedule of Expenditures of Federal Awards
to Financial Statements**

Financial Data Schedule - Albuquerque Public Housing Authority

**Report on Internal Control over Financial Reporting And
on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Governmental Auditing Standards***

**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

Status of Prior Year Audit Recommendations



CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Period of July 1, 2003 through June 30, 2004

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures/ Adjustments
			From	To	
U.S. Department of Agriculture					
National School Lunch Program					
Summer Food Ser. Prog. FY03/04	3037	10.559	10/1/2003	9/30/2004	642,668
Summer Food Ser. Prog. FY02/03	3037	10.559	10/1/2002	9/30/2003	531,533
					<u>1,174,201</u>
Cash-In-Lieu of Commodities					
Cash in Lieu of Commodities FY04	2004-006	10.570	7/1/2003	6/30/2004	235,783
					<u>1,409,984</u>
U.S. Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants					
Community Develop. Blk Grant 2004	B-04-MC-35-0001	14.218	1/1/2004	Completion	1,794,120
Community Develop. Blk Grant 2003	B-03-MC-35-0001	14.218	1/1/2003	Completion	2,351,070
Community Develop. Blk Grant 2002	B-02-MC-35-0001	14.218	1/1/2002	Completion	954,923
Community Develop. Blk Grant 2001	B-01-MC-35-0001	14.218	1/1/2001	Completion	7,036
Community Develop. Blk Grant 2000	B-00-MC-35-0001	14.218	1/1/2000	Completion	85,352
					<u>5,192,501</u>
Emergency Shelter Grants Program					
Emergency Shelter Grant Program	S-03-MC-35-5001	14.231	7/1/2003	6/30/2004	402,025
Emergency Shelter Grant Program	S-02-MC-35-5001	14.231	7/1/2002	6/30/2003	10,856
					<u>412,881</u>
Supportive Housing Program					
Supportive Housing Program	NM02B300007	14.235	4/23/2004	4/22/2005	25,743
Supportive Housing Program	NM02B300013	14.235	4/23/2004	4/22/2005	98,780
Supportive Housing Program	NM02B200008	14.235	4/23/2003	4/22/2004	655,425
					<u>779,948</u>
Shelter Plus Care					
Shelter Plus Care	NM02C300015	14.238	2/2/2004	2/1/2005	61,786
Shelter Plus Care	NM02C300014	14.238	2/2/2004	2/1/2005	240,492
Shelter Plus Care	NM02C200018	14.238	2/2/2003	2/1/2004	458,463
Shelter Plus Care	NM02C200017	14.238	2/2/2003	2/1/2004	93,903
					<u>854,644</u>
HOME Investment Partnerships Program					
Home	M-03-MC-35-0209	14.239	7/1/2003	6/30/2004	760,658
Home	M-02-MC-35-0209	14.239	7/1/2003	6/30/2004	118,370
Home	M-01-MC-35-0209	14.239	1/1/2001	Completion	128,565
Home	M-01-MC-35-0209	14.239	1/1/2001	Completion	5,414
					<u>1,013,007</u>
Public and Indian Housing					
Low Rent Housing Program	NM-1-4,5,10-21,23-25,30	14.850	7/1/2003	6/30/2004	1,523,567
Drug Elimination Program	NM02DEP00110196,97,98	14.850	7/1/2003	6/30/2004	8,099
					<u>1,531,666</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Period of July 1, 2003 through June 30, 2004

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 Development, continued</u>					
Lower Income Housing Assistance Program					
Section 8 Moderate Rehabilitation	NM001MR-0002,0003,0004	14.856	7/1/2003	6/30/2004	<u>84,500</u>
Section 8 Housing Choice Vouchers					
Section 8-Housing Choice Voucher	NM001-VO-0007-0020	14.871	7/1/2003	6/30/2004	<u>21,694,347</u>
Public Housing Capital Fund					
Public Housing Capital Fund Prog.	NM02P00150100,101,102	14.872	7/1/2003	6/30/2004	<u>1,899,144</u>
					<u>33,462,638</u>
<u>U.S. Department of the Interior</u>					
Water Reclamation and Reuse Program					
Alb. Metro Area Water Reclamation	99-FC-40-1050	15.504	6/18/1999	7/31/2004	<u>18,645,229</u>
Fish and Wildlife Management Assistance					
Bosque Restoration	1448-20181-01-G925	15.608	8/1/2003	8/1/2005	<u>13,253</u>
					<u>18,658,482</u>
<u>U.S. Department of Justice</u>					
Juvenile Accountability Incentive Block Grants					
2000 JJDP - FORMULA GRANT	03-690-7000-7097	16.523	10/1/2002	9/30/2003	<u>25,105</u>
National Criminal History Improvement Grants					
National Criminal History Impr. Prog.	2001-RG-CX-K001	16.554	10/1/2002	9/30/2003	<u>31,874</u>
National Institute of Justice Research, Evaluation and Development					
Computer Forensic Training Grant	2003-DN-BX-0035	16.560	5/1/2003	5/1/2005	<u>8,454</u>
Crime Laboratory Improvement-Combined Offender					
DNA Index System Backdog Reduction					
Crime Lab Improvement Program	2003-LP-CX-K023	16.564	10/1/2002	9/30/2004	<u>26,362</u>
No Suspect Casework DNA Backdog Reduction	2002-DN-BX-K008	16.564	7/1/2002	6/30/2004	<u>44,501</u>
					<u>70,863</u>
Byrne Formula Grant Program					
NM Gang Task Force	03-MJTF-NMGTF	16.579	9/3/2003	6/30/2004	<u>36,568</u>
NM Gang Task Force	02-MJTF-NMGTF	16.579	7/1/2002	9/30/2003	<u>18,768</u>
Open Space Law Enforcement FY 04	03-MJTF-AOS	16.579	7/1/2003	6/30/2004	<u>10,458</u>
Open Space Law Enforcement FY 03	02-MJTF-AOS	16.579	7/1/2002	6/30/2003	<u>18,090</u>
					<u>83,884</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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For the Period of July 1, 2003 through June 30, 2004

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
Edward Bryne Memorial State & Local Law Enforcement Discretionary Grants Methamphetamine/Drug Hot Spots	2003-DD-BX-1153	16.580	9/1/2003	8/31/2004	<u>107,582</u>
Grants to Encourage Arrest Polices and Enforcement of Protection Orders Encourage Arrest Polices	1998-WE-VX-0023	16.590	9/1/1998	3/31/2004	<u>200,521</u>
Local Law Enforcement Block Grants Program					
Local Law Enforcement Block Grant 8	2003-LB-BX-1966	16.592	4/6/2004	4/5/2006	15,740
Local Law Enforcement Block Grant 7	2002-LB-BX-2892	16.592	12/5/2002	12/4/2004	921,461
Local Law Enforcement Block Grant 6	2001-LB-BX-3312	16.592	4/24/2002	4/23/2004	<u>391,013</u>
					<u>1,328,214</u>
Executive Office for Weed and Seed Weed and Seed Program (Westside)	2004-WS-Q4-017	16.595	10/1/2003	9/30/2004	48,752
Weed and Seed Program (Eastside)	2004-WS-Q4-017	16.595	10/1/2003	9/30/2004	11,814
Weed and Seed FY2002 Continuation App Kit	2001-WS-QX-0145	16.595	7/1/2001	9/30/2003	<u>120,485</u>
					<u>181,051</u>
Public Safety Partnerships and Community Policing Grants					
COPS in School	99-SH-WX-0448	16.710	9/1/1999	11/30/2003	63,034
COPS-Universal Hiring	98-UL-WX-0071	16.710	9/1/1998	7/31/2004	<u>514,052</u>
					<u>577,086</u>
					<u>2,614,634</u>
U.S. Department of Transportation					
Airport Improvement Program					
Reconstruct Taxiway Portion A,B,C	3-35-0003-27	20.106	8/18/2003	Completion	1,942,255
Rehab Runway 8/26	3-35-0003-26	20.106	9/20/2002	Completion	695,688
Phase I-Expand Passenger Security Check	3-35-0003-28	20.106	8/18/2003	Completion	695,933
Complete Albuquerque Master Plan	3-35-0002-24	20.106	6/30/2000	2/26/2004	30,678
Update Airport Master Plan DE II	3-35-0002-07	20.106	1/26/2001	Completion	<u>12,464</u>
					<u>3,377,018</u>
Highway Planning and Construction					
TCSP Commuter Rail	TCSE-001-Q69/92D	20.205	10/1/2001	Completion	187,717
TCSP Downtown Wayfinder	TCSE-001-Q69	20.205	9/1/2000	Completion	27,549
Dennison-Trujillo-Townsend	ST-GA-7601(243)CN 7464	20.205	11/13/2000	6/30/2007	24,897
Second Street Right of Way	TPU-TPE-4035(1) CN#1504	20.205	7/27/1999	6/30/2005	1,243
Downtown Core Area	TPU-CAQ-7601-(10)CN# 3422	20.205	3/14/2000	6/30/2006	515,550
Jefferson/Elison Intersection	TPU-5037(1)02 CN#3086	20.205	3/14/2000	6/30/2007	17,814
Traffic Signals @ Unser/Signal CTL Sys'01	CAQ-TPU-7601(9)CN #3184	20.205	3/14/2000	6/30/2008	319,756
Cicycle Travel Demand Mgmt	CAQ-7701(43)CN# 7366	20.205	6/12/2002	6/30/2008	<u>214,316</u>
					<u>1,308,842</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
U.S. Department of Transportation, continued					
Golf Course Irving-County Line	HPP-4079-6(3)CN# 1992	20.205	6/12/2002	6/30/2006	3,227,282
Irving Widening	HPP-5036-1CN #7286	20.205	8/3/2001	6/30/2006	1,665,484
On-Street Bike Lanes	CAQ-5016(004)CN# 1411	20.205	6/12/2002	6/30/2007	391,575
PDN & Unser Blvd Extension	ST-4054-210 CN# 7540	20.205	8/23/2002	6/30/2008	95,796
Journal Center Trail	CAQ-7701(38)CN#7107	20.205	2/25/2000	6/30/2008	17,685
Trail from Rio Grande to 6th/1-40	TPE-040-3(112)157 CN# 2951	20.205	8/1/2001	6/30/2007	195,734
Bataan Drive SW Medians	ST-GA-7601(10) CN# 74650	20.205	6/12/2002	6/30/2007	85,136
Gibson Reconstruction	TPU-4078-(5)00 CN#3454	20.205	3/5/2003	6/30/2007	1,236,628
Comanche Medians-Morris & Wyo	TPU-5016(2)0 CN#1416	20.205	6/14/2002	6/30/2006	102,357
Tea21 Bicycle/Pedestrian Safety	CAQ-7701(12) CN # 9819	20.205	6/20/1998	Completion	5,221
					7,022,898
Federal Transit Metropolitan Planning Grants					
Fuels Initiative Program	NM-03-0011	20.505	9/30/1991	Completion	4,046
Ridepool Sharing Program 2004	MOO278/1	20.505	7/1/2003	6/30/2004	618,625
Ridepool Sharing Program 2003	MOO-00167	20.505	7/1/2002	6/30/2003	34,856
					657,527
Federal Transit Formula Grants					
Operating Assistance FY94/Capital	NM-90-X041	20.507	7/1/1993	Completion	25,216
Operating Assistance FY95	NM-90-X044	20.507	7/1/1994	Completion	15,728
Operating Assistance FY96/Capital	NM-90-X045	20.507	7/1/1995	Completion	207,784
Uptown Facility Adding CMAQ	NM-90-X049	20.507	7/1/1996	Completion	25,336
Bus-Facilities Constr.and Improv.	NM-90-X060	20.507	7/1/2001	Completion	7,065,909
Bus Replacement	NM-90-X065	20.507	3/1/2002	Completion	716,350
Job Access	NM-37-X004	20.507	10/1/2001	Completion	132,197
URICA II (Solar)	NM-03-0020	20.507	9/30/1997	Completion	333,920
High Capacity/Rapid Transit Project	NM-03-0025	20.507	12/2/1997	Completion	596,414
Bus-Purchase & Facilities Constr.	NM-03-0027	20.507	9/1/2000	Completion	257,010
Bus-Purchase & Facilities Constr.	NM-03-0029	20.507	7/1/2001	Completion	990,601
Bus-Purchase & Facilities Constr.	NM-03-0033	20.507	3/1/2002	Completion	171,207
					10,537,672
State and Community Highway Safety					
Drug Recognition Expert	04-AL-02-P04	20.600	10/1/2003	9/30/2004	27,118
Drug Recognition Expert	03-AL-02-P04	20.600	10/1/2002	9/30/2003	24,459
					51,577
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons					
Selective Traffic Enforcement Program - Aggressive Driving	04-PT-63-002	20.605	10/1/2003	9/30/2004	97
Alcohol, Tobacco and Firearms Training Assistance					
GREAT FY 03	ATC03000001	21.053	1/16/2003	1/15/2004	118,123
					118,123
					23,073,754

CITY OF ALBUQUERQUE, NEW MEXICO
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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
U.S. Environmental Protection Agency					
Air Pollution Control Program Support					
FY04 Air Pollution	A-00615804-0	66.001	10/1/2003	9/30/2004	215,696
FY03 Air Pollution	A-00615803-1	66.001	10/1/2002	9/30/2003	686,374
					902,070
Surveys, Studies, Investigations and Special Purpose Grants					
PM Fine Monitoring	PM-97650901-0	66.606	10/1/2003	9/30/2004	37,627
Particulate Matter 2.5 Ambient Air Monitor	A-00615803-1	66.606	8/17/1998	8/16/2003	27,933
Del Norte Station	PM-98600401	66.606	8/17/1998	9/30/2004	40,810
South Valley Sewer Improvements	250620	66.606	7/1/1996	6/30/2004	721,553
					827,923
Brownfields Assessment and Cleanup					
Cooperative Agreements					
Brownfields Redevelopment Prog.	BP986351-01-2	66.818	10/1/2002	9/30/2004	64,171
Brownfields Redevelopment Prog.	BP986351-01-0	66.818	10/1/2001	9/30/2003	18,409
					82,580
					1,812,573
U.S. Department of Energy					
Conservation Research and Development					
Compressed Natural Gas Fueling	DE-FG36-01iD14057	81.086	12/1/2003	Completion	87,151
					87,151
U.S. Department of Education					
Rehabilitation Services Service Projects					
Therapeutic-Medicaid	D 455	84.128	1/1/2002	12/31/2002	2,802
Community Technology Centers					
Community Technology Centers Prog	V341A010766	84.341	10/1/01	9/15/03	22,790
					25,592
U.S. Department of Health and Human Services					
Special Programs for the Aging Title III, Part D					
Disease Prevention and Health Promotion Services					
2003 Older American Prog./ Title III, Part I	2004-001	93.043	7/1/2003	6/30/2004	25,760
Special Programs for the Aging Title III, Part B					
Grants for Supportive Services and Senior Centers					
2003 Older American Prog./ Title III, Part I	2004-001	93.044	7/1/2003	6/30/2004	380,106
Special Programs for the Aging Title III, Part C					
Nutrition Services					
2003 Older American Prog./Title III	2004-001	93.045	7/1/2003	6/30/2004	360,868
2003 Older American Prog./ Alzheimer's	2004-001	93.045	7/1/2003	6/30/2004	18,196
					379,064

CITY OF ALBUQUERQUE, NEW MEXICO
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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Health and Human Services, continued</u>					
Special Programs for the Aging Title III, Part E National Family Caregiver Support 2004 Older American Prog./ Title III	2004-001	93.052	7/1/2003	6/30/2004	167,424
<u>Consolidated Knowledge Development and Application Program</u>					
Enhancement Services Year Three	5 H79T112750-03	93.230	9/29/2003	9/29/2004	243,041
Enhancement Services Year Two	5 H79 T112750-02	93.230	9/30/2002	9/29/2003	161,005
Expanded Adolescent Treat Year Three	6 H79 T112344-03-1	93.230	9/30/2002	9/29/2003	224,735
					<u>628,781</u>
Child Care and Development Block Grant FY04 Child &Adult Care Food Prog. Head Start	278	93.575	37,895.00	38,233.00	227,391
Early Head Start FY 04	06CH7016/02	93.600	7/1/2003	6/30/2004	2,474,622
Early Head Start FY 03		93.600	7/1/2002	6/30/2003	24,957
					<u>2,499,579</u>
<u>Centers for Medicare and Medicaid Services</u>					
Research, Demonstrations and Evaluations Health Insurance and Benefits Assistance	2004-074	93.779	7/1/2003	6/30/2004	70,000
Retired and Senior Volunteer Program Retired Senior Volunteer Prog.FY04	02SRWNM011	94.002	7/1/2003	6/30/2004	53,547
Foster Grandparent Program Foster Grandparent FY 04	02SFWNM010	94.011	7/1/2003	6/30/2004	190,209
<u>Senior Companion Program</u>					
Senior Companion Program FY 04	02SCWNM004	94.016	7/1/2003	6/30/2004	123,409
Senior Companion Program FY 03	02SCWNM004	94.016	7/1/2002	6/30/2003	658
Senior Companion Program FY 02	01SCWNM004	94.016	7/1/2001	6/30/2002	297
					<u>124,364</u>
					<u>4,746,225</u>
<u>U.S. Department of Homeland Security</u>					
<u>Public Assistance Grants</u>					
State of New Mex.Office of Emerg Mgmt.	FEMA-1514-DR-NM	97.036	4/29/2004	Completion	930,191
Assistance To Firefighters Grant 2002 Firefighters Assistance	EMW-2002-FG-15375	97.044	1/1/2003	4/15/2004	386,400
Fire Management Assistance Grant Bosque Fire Assistance	2003-023	97.046	6/25/2003	7/6/2003	141,058
					<u>1,457,649</u>
TOTAL					<u>87,348,682</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

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 Agriculture			
Summer Food Service Program for Children			
Albuquerque Public School Food & Nutrition Svcs.	3037	10.559	20,833
Albuquerque Mini Storage	3037	10.559	674
			<u>21,507</u>
Total U.S. Department of Agriculture			<u>21,507</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants			
2004 calendar year grant			
ADS/Planning-Redevelopment Agency	B-04-MC-35-0001	14.218	56,123
Greater Albuquerque Housing Partnership	B-04-MC-35-0001	14.218	42,146
Sawmill Community Land Trust	B-04-MC-35-0001	14.218	79,977
American Red Cross	B-04-MC-35-0001	14.218	241,327
ABQ Housing Rehab Division of F&CS	B-04-MC-35-0001	14.218	222,346
DSA Home Retrofit Program	B-04-MC-35-0001	14.218	74,414
Southwest Creations	B-04-MC-35-0001	14.218	12,442
AHCM Hotel Voucher Program	B-04-MC-35-0001	14.218	18,800
United South Broadway Corp.	B-04-MC-35-0001	14.218	65,560
Alb. Rape Crisis Center	B-04-MC-35-0001	14.218	55,700
Barrett House/CASA Milagro	B-04-MC-35-0001	14.218	11,750
Community Dental Services	B-04-MC-35-0001	14.218	119,850
COA/DSA Nutrition Services	B-04-MC-35-0001	14.218	58,710
Women's Community Association	B-04-MC-35-0001	14.218	24,794
All Faith's Receiving Home	B-04-MC-35-0001	14.218	47,450
Barrett House/CASA Milagro	B-04-MC-35-0001	14.218	11,750
Cuidando Los Ninos	B-04-MC-35-0001	14.218	9,400
UNM Young Children's Health	B-04-MC-35-0001	14.218	72,750
ABQ Healthcare for the Homeless	B-04-MC-35-0001	14.218	94,000
Planning Code Admin - Nusiance	B-04-MC-35-0001	14.218	95,967
2003 calendar year grant			
ABQ Indian Center Renovation Cultural Cntr	B-03-MC-35-0001	14.218	5,000
Nm Public Inform. Education Fund	B-03-MC-35-0001	14.218	24,945
Greater Albuquerque Housing Partnership	B-03-MC-35-0001	14.218	59,551
Sawmill Community Land Trust	B-03-MC-35-0001	14.218	71,826
American Red Cross	B-03-MC-35-0001	14.218	215,414

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

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>U.S. Department of Housing and Urban Development, continued</u>			
Albuq. Housing Rehab Adm.	B-03-MC-35-0001	14.218	267,914
DSA Housing Retrofit F/Disable	B-03-MC-35-0001	14.218	68,069
Southwest Creations	B-03-MC-35-0001	14.218	10,392
Women's Community Association	B-03-MC-35-0001	14.218	39,306
United South Broadway Corp.	B-03-MC-35-0001	14.218	83,517
Barrett House/Shelter Program	B-03-MC-35-0001	14.218	11,750
DSA Nutrition	B-03-MC-35-0001	14.218	34,608
CD UNM/Young Children's Case Mgmt	B-03-MC-35-0001	14.218	22,848
CD UNM/Young Children's Healthcare	B-03-MC-35-0001	14.218	51,771
<u>2002 calendar year grant</u>			
Housing Single Unit Rehab	B-02-MC-35-0001	14.218	21,911
			<u>2,404,078</u>
<u>Emergency Shelter Grant Program</u>			
Barrett Foundation	S-03-MC-35-0001	14.231	20,000
St. Martin's Hospitality Center	S-03-MC-35-0001	14.231	148,237
Good Shepherd Center	S-03-MC-35-0001	14.231	63,000
Albuquerque Rescue Mission	S-03-MC-35-0001	14.231	128,883
			<u>360,120</u>
<u>Supportive Housing Program</u>			
Barrett Foundation	NM02B300013	14.235	10,518
Catholic Charities	NM02B300013	14.235	28,532
St. Martin's Hospitality Center	NM02B300013	14.235	16,992
Women's Community Association	NM02B300013	14.235	38,547
Barrett Foundation	NM2B200013	14.235	45,453
Catholic Charities	NM2B200013	14.235	143,636
St. Martin's Hospitality Center	NM2B200013	14.235	128,172
Women's Community Association	NM2B200013	14.235	143,363
Cuidano Los Ninos	NM02B300008	14.235	178,328
Cuidano Los Ninos	NM02B300007	14.235	24,910
			<u>758,451</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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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			
Shelter Plus Care			
Albuquerque Healthcare for the Homeless	NM-02-C300014	14.238	110,677
St. Martin's Hospitality Center	NM-02-C300014	14.238	117,973
Transitional Living Services	NM-02-C300015	14.238	58,743
Transitional Living Services	NM-02-C200017	14.238	89,941
Albuquerque Healthcare for the Homeless	NM-02-C200018	14.238	147,773
St. Martin's Hospitality Center	NM-02-C200018	14.238	291,348
			816,455
HOME Investment Partnerships Program			
ABQ Housing Rehab Division of F&CS	M-04-MC-35-0209	14.239	426,435
ABQ Housing Rehab Division of F&CS	M-03-MC-35-0209	14.239	817,292
Greater Albuquerque Housing Partnership	M-03-MC-35-0209	14.239	430,008
ABQ Housing Rehab Division of F&CS	M-02-MC-35-0209	14.239	49,937
Greater Albuquerque Housing Partnership	M-02-MC-35-0209	14.239	273,878
ABQ Housing Rehab Division of F&CS	M-01-MC-35-0209	14.239	47,805
Greater Albuquerque Housing Partnership	M-01-MC-35-0209	14.239	13,601
New Life Homes	M-01-MC-35-0209	14.239	62,462
Greater Albuquerque Housing Partnership	M-01-MC-35-0209	14.239	17,086
			2,138,504
Total U.S. Department of Housing and Urban Development			6,477,608

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

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			
Juvenile Accountability Incentive Block Grant			
Nancy Sanchez	03-690-7000-7097	16.523	10,032
East Central Community Development Corp.	03-690-7000-7097	16.523	12,529
Ameri-Link	03-690-7000-7097	16.523	1,575
			24,136
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
Resources, Inc.	98WEVX0023	16.590	59,858
The Arc of New Mexico	98WEVX0023	16.590	25,227
Morningstar	98WEVX0023	16.590	19,606
2nd Judicial District Attorney's Office	98WEVX0023	16.590	65,517
			170,208
Local Law Enforcement Block Grant Program			
District Attorney's Office	2002-LB-BX-2892	16.592	19,828
Metropolitan Court	2001-LB-BX-3312	16.592	32,545
			52,373
Executive Office for Weed and Seed			
Catholic Charities of New Mexico	2001-WS-QX0145	16.595	6,881
Ameri-Link Translations	2001-WS-QX0145	16.595	3,390
Albuq. Police Dept.	2001-WS-QX0145	16.595	33,773
Second Judicial District Attorney	2001-WS-QX0145	16.595	9,000
Nancy Sanchez	2001-WS-QX0145	16.595	13,836
NM Voices for Children	2001-WS-QX0145	16.595	10,319
Donald Gould/East Central Comm. Develop.	2001-WS-QX0145	16.595	546
			77,745
Total U.S. Department of Justice			324,462

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

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			
Special Program for the Aging Title III, Part D			
Disease Prevention and Health Promotion Services			
GEHM Clinic	2004-01	93.043	<u>25,760</u>
Special Programs for the Aging Title III, Part B			
Grants for Supportive Services and Senior Centers			
Share Your Care	2004-01	93.044	38,500
Cornucopia	2004-01	93.044	6,504
Heritage Home Health Care	2004-01	93.044	5,311
Premier Home Health Care	2004-01	93.044	8,180
Professional Home Health Care	2004-01	93.044	13,553
Senior Citizens Law Office	2004-01	93.044	118,000
Curtis Graff	2004-01	93.044	5,396
Sheryl Phillips	2004-01	93.044	<u>1,859</u>
			<u>197,303</u>
Special Programs for the Aging Title III, Part C			
Nutrition Services			
Heritage Home Health Care	2004-01	93.045	288
Premier Home Health Care	2004-01	93.045	11,972
Professional Home Health Care	2004-01	93.045	<u>5,936</u>
			<u>18,196</u>
Special Programs for the Aging Title III, Part E			
National Family Caregiver Support			
Curtis Graff	2004-01	93.052	11,302
Premier Home Health Care	2004-01	93.052	11,600
Professional Home Health Care	2004-01	93.052	1,408
Share Your Care	2004-01	93.052	53,000
Pegasus Legal Services	2004-01	93.052	20,279
Cornucopia	2004-01	93.052	<u>48,228</u>
			<u>145,817</u>
Consolidated Knowledge Development and Application Program			
Center for Progressive Policy and Practices	1 H79 T112750-01	93.230	6,538
E. Padilla, AMCI	1 H79 T112750-01	93.230	85,344
UNM/ISR	1 H79 T112750-01	93.230	<u>7,807</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2004

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			
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 Center	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>344,492</u>
Head Start			
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>
Centers for Medicare and Medicaid Services			
Research Demonstrations and Evaluations			
Senior Citizens Law Office	2004-074	93.779	70,000
Total U.S. Department of Health and Human Services			<u>893,367</u>
TOTAL ALL PROGRAMS			<u>7,716,944</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		87,348,682
Loans and loan guarantees:		
Community Development Block Grant	14.218	666,453
HOME program	14.239	2,229,923
Adjusted total expenditures per Schedule of Expenditures of Federal Awards		<u>90,245,058</u>

**CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004**

	<u>Expenditures</u>		
	<u>Federal</u>	<u>Non-Federal</u>	<u>Total</u>
General Fund	\$ 141,058	\$ 298,503,745	\$ 298,644,803
Special Revenue Funds:			
Community Development	5,192,501	76,324	5,268,825
Operating Grants Fund	14,162,834	13,846,684	28,009,518
Metropolitan Redevelopment Fund	-	478,661	478,661
Total Special Revenue Fund	19,355,335	14,401,669	33,757,004
Capital Projects Funds:			
Capital Acquisition Fund	8,099,609	92,800,137	100,899,746
Transportation Infrastructure Tax Fund	24,897	20,390,012	20,414,909
Total Capital Projects Fund	8,124,506	92,800,137	100,899,746
Enterprise Funds:			
Airport Fund	3,464,169	57,651,317	61,115,486
Transit Fund	10,756,984	20,644,176	31,401,160
Housing Authority Fund	25,209,657	1,195,236	26,404,893
Total Enterprise Funds	39,430,810	79,490,729	118,921,539
Component Unit:			
Water Utility	20,296,973	94,403,485	114,700,458
TOTAL	\$ 87,348,682	\$ 579,599,765	\$ 666,923,550



CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2004

FDS Line Item No.	<u>Low Rent Public Housing</u>	<u>Public Housing Capital Fund</u>	<u>Public and Indian Housing Drug Elimination</u>
ASSETS			
Current assets:			
111	\$ 7,520,689	\$ -	\$ -
113	16,444	-	-
100	<u>7,537,133</u>	<u>-</u>	<u>-</u>
Accounts Receivable:			
121	-	-	-
122	10,832	530,856	-
125	11,318	-	-
126	284,047	-	-
Allowance for Doubtful Accounts:			
126.1	(32,026)	-	-
126.2	-	-	-
120	<u>-</u>	<u>-</u>	<u>-</u>
	<u>274,171</u>	<u>530,856</u>	<u>-</u>
132	-	-	-
142	-	-	-
143	222,622	6,156	-
143.1	(11,131)	-	-
144	4,242,851	16,144	-
150	<u>12,265,646</u>	<u>553,156</u>	<u>-</u>
Property and equipment:			
161	3,767,389	-	-
162	47,721,432	-	-
163	-	4,690	-
164	212,460	118,533	-
166	(36,749,998)	(59,409)	-
167	-	3,566,443	-
160	<u>14,951,283</u>	<u>3,630,257</u>	<u>-</u>
174	-	-	-
180	<u>14,951,283</u>	<u>3,630,257</u>	<u>-</u>
190	<u>\$ 27,216,929</u>	<u>\$ 4,183,413</u>	<u>\$ -</u>

<u>Section 8 HCV</u>	<u>Section 8 SR0004</u>	<u>Section 8 MR0002</u>	<u>Section 8 MR0003</u>	<u>Total</u>
\$ 4,472,361	\$ 43,759	\$ 40,165	\$ 42,668	\$ 12,119,642
<u>253,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,316</u>
<u>4,726,233</u>	<u>43,759</u>	<u>40,165</u>	<u>42,668</u>	<u>12,389,958</u>
-	-	-	-	-
-	17,472	-	-	559,160
184,767	-	-	836	196,921
-	-	-	-	284,047
-	-	-	-	(32,026)
<u>(42,757)</u>	<u>-</u>	<u>-</u>	<u>(836)</u>	<u>(43,593)</u>
<u>142,010</u>	<u>17,472</u>	<u>-</u>	<u>-</u>	<u>964,509</u>
-	-	-	-	-
-	-	-	-	6,156
-	-	-	-	222,622
-	-	-	-	(11,131)
<u>10,753,867</u>	<u>6,065</u>	<u>3,560</u>	<u>3,561</u>	<u>15,026,048</u>
<u>15,622,110</u>	<u>67,296</u>	<u>43,725</u>	<u>46,229</u>	<u>28,598,162</u>
-	-	-	-	3,767,389
-	-	-	-	47,721,432
-	-	-	-	4,690
102,259	21,209	12,449	-	466,910
(41,802)	(21,209)	(12,449)	-	(36,884,867)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,566,443</u>
60,457	-	-	-	18,641,997
-	-	-	-	-
<u>60,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,641,997</u>
<u>\$ 15,682,567</u>	<u>\$ 67,296</u>	<u>\$ 43,725</u>	<u>\$ 46,229</u>	<u>\$ 47,240,159</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2004

FDS Line Item No.	<u>Low Rent Public Housing</u>	<u>Public Housing Capital Fund</u>	<u>Public and Indian Housing Drug Elimination</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current liabilities:			
312	\$ 375,460	547,000	-
321	482,885	-	-
322	74,042	6,156	-
Accounts payable:			
331	-	-	-
341	166,488	-	-
348	-	-	-
345	31,648	-	-
346	-	-	-
347	-	-	-
	<u>1,442,747</u>	<u>-</u>	<u>-</u>
310	2,573,270	553,156	-
353	<u>16,444</u>	<u>-</u>	<u>-</u>
300	<u>2,589,714</u>	<u>553,156</u>	<u>-</u>
Fund Equity:			
Contributed capital:			
508	-	-	-
508	14,951,283	3,630,257	-
511	-	-	-
511	-	-	-
512	9,675,932	-	-
	<u>24,627,215</u>	<u>3,630,257</u>	<u>-</u>
513	24,627,215	3,630,257	-
600	<u>\$ 27,216,929</u>	<u>\$ 4,183,413</u>	<u>\$ -</u>

<u>Section 8 HCV</u>	<u>Section 8 SR0004</u>	<u>Section 8 MR0002</u>	<u>Section 8 MR0003</u>	<u>Total</u>
-	-	-	-	922,460
-	-	-	-	482,885
68,007	210	124	124	148,663
262,920	-	4,519	461	-
-	-	-	-	267,900
-	-	-	-	166,488
184,767	385	226	226	-
16,136	52	31	31	217,252
<u>13,487,682</u>	<u>54,528</u>	<u>32,006</u>	<u>32,006</u>	<u>16,250</u>
14,019,512	55,175	36,906	32,848	<u>15,048,969</u>
253,872	-	-	-	17,270,867
<u>14,273,384</u>	<u>55,175</u>	<u>36,906</u>	<u>32,848</u>	<u>270,316</u>
60,457	-	-	-	17,541,183
-	-	-	-	-
-	-	-	-	-
<u>1,348,726</u>	<u>12,121</u>	<u>6,819</u>	<u>13,381</u>	<u>18,641,997</u>
<u>1,409,183</u>	<u>12,121</u>	<u>6,819</u>	<u>13,381</u>	<u>11,056,979</u>
<u>\$ 15,682,567</u>	<u>\$ 67,296</u>	<u>\$ 43,725</u>	<u>\$ 46,229</u>	<u>\$ 29,698,976</u>
				<u>\$ 47,240,159</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2004

FDS Line Item No.	<u>Low Rent Public Housing</u>	<u>Public Housing Capital Fund</u>	<u>Public and Indian Housing Drug Elimination</u>
Operating revenues:			
703			
706	\$ 1,761,421	\$ -	\$ -
706	1,523,567	495,597	8,099
711	129,192	1,425,209	-
714	133,944	-	-
715	-	-	-
716	40,586	-	-
720	10,982	-	-
	-	-	-
700	<u>3,599,692</u>	<u>1,920,806</u>	<u>8,099</u>
Operating expenses:			
911	127,804	89,067	-
912	8,750	-	-
913	-	-	-
914	9,352	-	-
915	59,192	35,298	-
916	161,437	194,934	-
921	282,900	-	-
923	113,219	-	-
924	81,886	176,298	-
931	285,809	-	-
932	170,586	-	-
933	125,568	-	-
938	137,422	-	-
Ordinary Maintenance and Operations:			
941	417,631	-	-
942	134,499	-	-
943	432,190	-	-
945	159,344	-	-
952	-	-	-
961	52,033	-	8,099
962	(433)	-	-
964	39,480	-	-
969	<u>2,798,669</u>	<u>495,597</u>	<u>8,099</u>
970	<u>801,023</u>	<u>1,425,209</u>	<u>-</u>
Non operating expenses:			
973	-	-	-
974	1,550,050	23,988	-
	<u>1,550,050</u>	<u>23,988</u>	<u>-</u>
900	<u>4,348,719</u>	<u>519,585</u>	<u>8,099</u>
1010	-	-	-
1000	<u>\$ (749,027)</u>	<u>\$ 1,401,221</u>	<u>\$ -</u>

<u>Section 8 Housing Choice Vouchers</u>	<u>N/C S/R Section 8 Programs</u>	<u>Section 8 Moderate Rehabilitation NM001MR0002</u>	<u>Section 8 Moderate Rehabilitation NM001MR0003</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,761,421
21,671,172	34,670	24,450	24,490	23,782,045
-	-	-	-	1,554,401
32,241	97	65	65	166,412
41,510	-	-	-	41,510
41,851	-	-	-	82,437
-	-	-	-	10,982
-	-	-	-	-
<u>21,786,774</u>	<u>34,767</u>	<u>24,515</u>	<u>24,555</u>	<u>27,399,208</u>
1,293,311	3,907	2,605	2,605	1,519,299
8,689	26	18	18	17,501
-	-	-	-	-
(3,977)	(12)	(8)	(8)	5,347
480,122	1,451	967	967	577,997
487,403	1,717	730	730	846,951
-	-	-	-	282,900
-	-	-	-	113,219
-	-	-	-	258,184
-	-	-	-	285,809
-	-	-	-	170,586
-	-	-	-	125,568
-	-	-	-	137,422
-	-	-	-	417,631
-	-	-	-	134,499
-	-	-	-	432,190
-	-	-	-	159,344
-	-	-	-	8,099
210,772	792	264	264	264,125
-	-	-	-	(433)
135,797	-	-	634	175,911
<u>2,612,117</u>	<u>7,881</u>	<u>4,576</u>	<u>5,210</u>	<u>5,932,149</u>
<u>19,174,657</u>	<u>26,886</u>	<u>19,939</u>	<u>19,345</u>	<u>21,467,059</u>
19,194,534	27,307	19,991	20,598	19,262,430
7,902	502	-	-	1,582,442
<u>19,202,436</u>	<u>27,809</u>	<u>19,991</u>	<u>20,598</u>	<u>20,844,872</u>
<u>21,814,553</u>	<u>35,690</u>	<u>24,567</u>	<u>25,808</u>	<u>26,777,021</u>
-	-	-	-	-
<u>\$ (27,779)</u>	<u>\$ (923)</u>	<u>\$ (52)</u>	<u>\$ (1,253)</u>	<u>\$ 622,187</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2004

FDS Line Item No.		<u>Low Rent Public Housing</u>	<u>Public Housing Capital Fund</u>	<u>Public and Indian Housing Drug Elimination</u>
1102	Debt Principal Payments - Enterprise Funds	-	-	-
1103	Beginning Equity	23,887,469	2,229,036	-
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	1,488,773	-	-
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	-	-
1116	Total Annual Contributions Available	<u>-</u>	<u>-</u>	<u>-</u>
1120	Unit Months Available	11,424	-	-
1121	Number of Unit Months Leased	11,236	-	-

<u>Section 8 HCV</u>	<u>Section 8 SR0004</u>	<u>Section 8 MR0002</u>	<u>Section 8 MR0003</u>	<u>Total</u>
-	-	-	-	-
1,408,268	13,044	5,825	11,881	27,555,523
28,694	-	1,046	2,753	1,521,266
145,470	20,760	26,655	28,766	221,651
21,934,092	-	-	-	21,934,092
<u>1,890,624</u>	<u>213,516</u>	<u>679,778</u>	<u>129,629</u>	<u>2,913,547</u>
<u>23,970,186</u>	<u>234,276</u>	<u>706,433</u>	<u>158,395</u>	<u>25,069,290</u>
46,764	144	84	84	58,500
46,497	136	84	80	58,033

NEFF + RICCI LLP

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

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

City of Albuquerque
Albuquerque, New Mexico
Honorable Mayor and City Council
and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds of the City of Albuquerque, New Mexico (City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 7, 2004. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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 opinions on the basic 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 management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-09, 01-11, 01-17, 02-21, 04-01 through 04-18.

City of Albuquerque
Albuquerque, New Mexico
Honorable Mayor and City Council
and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor

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.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 01-09, 01-11, 01-17, 02-21, 04-01 through 04-18.

This report is intended solely for the information and use of the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Neff + Ricci LLP

Albuquerque, New Mexico
December 7, 2004

NEFF + RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS
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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

City of Albuquerque
Albuquerque, New Mexico
Honorable Mayor and City Council
and
Mr. Domingo Martinez, CGFM
New Mexico State Auditor

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, 2004. 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.

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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, 2004. However, the results of our auditing procedures disclosed instances of 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, 03-08, 04-19 through 04-22.

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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Neff + Ricci LLP

Albuquerque, New Mexico
December 7, 2004

**CITY OF ALBUQUERQUE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2004**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general-purpose financial statements of the City of Albuquerque (City).
2. 22 reportable conditions were disclosed during the audit. The reportable conditions are as shown in Part B. None of the reportable conditions are material weaknesses.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. 6 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 auditor's 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.
Section 8 Choice Vouchers	14.871
COPS	16.710
Local Law Enforcement Block Grant	16.592
Airport Improvement Program	20.106
Federal Highway Administration	20.205
Federal Transit Formula Grants	20.507
8. The dollar threshold for Type A programs of the City is \$2,620,460.
9. The City was determined to be a low risk auditee.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

01-09 Disaster Recovery Plan

Condition. The DFAS Information Services (IT) Division should 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. A Memorandum of Understanding has been established and signed for the use of space at Pino Yards for IT disaster recovery activities. Major physical site modifications including new air conditioning and power distribution units have been installed and work is to begin on establishing a suitable network infrastructure at the site. RESPEC, the City's IT disaster planning contractor is expected to complete the formal disaster recovery plan using the Pino Yards facility as a central element of the recovery strategy by the end of calendar year 2004.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

01-11 Capital Assets - Transit Department

Condition. The Transit Department provided a list of capital assets for the year ending June 30, 2004. This list did not agree to the city wide capital asset system for this particular department. We could not determine which list contained the accurate information.

Criteria. Proper capital asset management requires that each department account for all capital asset purchases. This includes supporting all retirements of capital assets with proper documentation, tracking the location and usage of the capital assets. Items that are impaired, salvaged, or transferred should be adjusted out of accounts and records. (Per 1 NMAC 1.2.1).

Cause. General ledger accounts are not reconciled to an individual listing of capital asset in the system.

Effect. Capital asset balances could be over or understated. Capital 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 capital asset system.

Recommendation. All of transit's items should be identified and reconciled to the City wide capital asset system. Capital assets should be reconciled to the trial balance amounts.

Management Response. We concur with this finding. The division will work with the departments to ensure that assets purchased, via capital funds, will be entered onto the City's capital asset system.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

01-17 Budget Overspending

Condition. While the budget was overspent, at the program level, in several departments we understand that this overspending was viewed as a means to improve the long-term budgeting process.

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".

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. We concur with this finding. The City has made a conscious decision to report actual program expenditures, which has resulted in programs exceeding budgeted amounts. This action will allow the City to attain the necessary data to improve future budgeting.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

02-21 Capital 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 capital assets as of June 30, 2004. The City also has a difference of approximately 1.8 million between individual fund capital outlay and capitalized capital 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 capital 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. (Per 1 NMAC 1.2.1).

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.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-01 Transit Division Inventory

Condition. Adequate control over parts inventory at the Transit Division is not present.

Criteria. Good accounting practices relating to inventory assets require proper safeguards and documentation over inventory.

Cause. Access to parts is necessary during hours in which parts clerks are not on duty.

Effect. There could be misappropriation of assets.

Recommendation. We recommend that a procedure be implemented to ensure that personnel removing inventory acknowledge receipt of the parts.

Management Response. We concur there should be a control over parts inventory. Transit will develop written procedures.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-02 Radio Communications Inventory – Inventory Items

Condition. During our inventory observation test work we noted four obsolete inventory items listed on the master inventory list. The amount of obsolete inventory was \$15.00.

Criteria. The inventory listing should be maintained and include only inventory items that are in stock and are not obsolete.

Cause. The inventory listing is not being properly reviewed.

Effect. Inventory is overstated.

Recommendation. The manual inventory observation should be compared to each item on the master inventory list and should be traced to the stock room. Historical activity should be verified within the inventory system and any obsolete items need to be removed from the system.

Management Response. The communications unit will on a regular interval run an inventory traffic report. The items that do not have a regular usage pattern will be reviewed. Any items that are deemed obsolete will be removed and salvaged in accordance with City administrative instructions.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-03 Disposition of City Property

Condition. The Albuquerque Police Department (APD) disposed of City property without following all policies and procedures relating to the disposition.

Criteria. Administrative Instruction 6-2, Section A states, "No City employee shall directly dispose of any City property. City property can only be disposed of by the City Purchasing Officer or his designee."

Cause. It appears that APD management was unaware of the policies and procedures relating to the disposal of City property.

Effect. The City is not in compliance with its own policies and procedures. APD is also not in compliance with department policy, SOP Section 3-61-1B2, regarding the sale of badges and weapons to employees upon retirement.

Recommendation. We recommend that APD follow all required policies and procedures regarding disposal of City property.

Management Response. APD concurs and will adhere to AI 6-2, Section 3A regarding the disposition of City property. APD will also adhere to Department Policy, SOPs Section 3-61-1b2 regarding the purchase of badges and weapons upon an officer's retirement.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-04 Payroll Metropolitan Detention Center Department

Condition. During our review of Internal Audit reports, we noted that the Metropolitan Detention Center Department (MDC) has several payroll control deficiencies. The items noted were unapproved upgraded hours that exceeded 160 hours, missing supporting documentation, missing P-30 forms, and managerial leave documentation.

Criteria. Good accounting and strong internal controls require a system be designed to identify deficiencies. Also, the City's personnel rules and regulations require payroll to be in accordance with various rules.

Cause. There are staff vacancies in the unit that is responsible for payroll

Effect. Payroll incorrectly paid or paid without proper documentation costs the City funds and places the City at risk for additional liabilities.

Recommendation. We recommend that MDC follow all required personnel rules and regulations and verify that payroll transactions are proper.

Management Response. The Metropolitan Detention Center has revamped the payroll unit and has implemented stronger internal controls. An administrative assistant is currently assisting in the supervision of the payroll. The fiscal manager reviews the payroll information on a monthly basis. Segregation of duties regarding entering and verifying all transactions has been created to ensure that all supporting documents are in compliance with the City's Personnel Rules and Regulations.

Currently the Department is using the payroll reports from COGNOS to monitor all payroll activities to ensure that the department is in compliance with all personnel and payroll policies.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-05 Travel Arrangements Inconsistent with Travel Regulations

Condition. During our review of travel expenditures for personnel of the City, there was one out of fourteen occasions of reimbursement for costs by an employee's personal credit card.

Criteria. City travel regulations require that all travel arrangements be made through a travel agent and paid for with the City's Diners Club Card.

Cause. Unknown.

Effect. This is in violation of the City's travel regulations.

Recommendation. We recommend that all travel arrangements be done according to the City's travel regulations. Also we recommend that all travel is properly approved by the supervisor in accordance with the regulations.

Management Response. We concur with this finding. The City agrees that there should be compliance with all current rules and regulations. The City has developed a modern set of travel rules and regulations that will bring the City into compliance with current Internal Revenue Service regulations.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-06 Barelvas Community Write-Off

Condition. One of the Housing and Urban Development Fund (fund 277) developer loan receivables was written off. This forgiveness of \$13,000 in debt was authorized by the director of the department.

Criteria. The write-off of receivable should have been approved by City Council.

Cause. Unknown.

Effect. Loan balances were written off, that may have been collectable.

Recommendation. Department directors should be advised of the proper authorizations when write-off's become necessary.

Management Response. Management agrees with the finding. In the future, we will make sure such write-offs are approved by the City Council.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-07 Theft of Cash at Transit

Condition. During our cash receipts walkthrough of the Transit area it was discovered that cash was stolen from the customer service center vault.

Criteria. City assets should be properly safeguarded.

Cause. Someone with access to the building, as well as knowledge of the procedures for storing the cash in the vault stole money.

Effect. A loss of \$700.

Recommendation. Assets should be properly safeguarded.

Management Response. The Transit Department concurs with this recommendation. It is Transit's understanding that this issue has to do with the security of the master key for the cash drawer. This key is now secured in the supervisor office and only the supervisors have access to it. APD is still investigating.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-08 Purchase Card

Condition. We found no evidence of misuse of the purchasing cards throughout the City, however, we noted 6 out of 21 files tested did not have the required pre-authorization form prior to the use of individual purchase cards. We also noted one individual's card limit was increased without obtaining the required form.

Criteria. Purchase Card Policies and Procedures require that all forms be completed at the specified time.

Cause. It was noted that this was a new program and there were implementation issues.

Effect. Unknown.

Recommendation. We recommend that the purchasing card policies and procedures are adhered in all cases.

Management Response. We agree with this finding. The purchasing card is a new program that eliminates the outdate SPO program. As with any new program there was the usual confusion related to implementation issues. The City feels the procedural issues have been resolved.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-09 Debt Service Coverage for Golf Bond

Condition. The debt service coverage covenant has not been met for the Golf Series 2001 Bond as of June 30, 2004.

Criteria. According to the covenants of the bond, the debt service coverage requirement is a ratio of 1.50. The debt service coverage as of June 30, 2004 is .65.

Cause. Unknown.

Effect. The City is not maintaining the debt covenant requirements, which could cause the City to have to repay the bond or bond ratings to be affected.

Recommendation. The City should ensure that the debt covenant requirements are being met.

Management Response. We agree with this finding. The debt ratio shortfall was caused by the failure to reduce expenditures in relation to declining revenues. The declining revenue was partially due to a new rate fee that was imposed with the approval of the City Council.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-10 Housing Authority Inventory Overstatements

Condition. During our price testing of inventory items we noted 5 out of 15 items where the cost did not agree to the supporting invoice.

Criteria. The cost on the inventory listing should equal the amount on the invoice.

Cause. The inventory listing is not being properly reviewed.

Effect. Inventory is overstated.

Recommendation. The manual inventory list should be reviewed regularly and updated when new purchases are made.

Management Response. Management agrees with the finding. Invoices were not being reconciled to the inventory list. In some cases, the inventory list was not detailed enough to allow partial ordering of items. The staff has been informed of the problem and is updating the inventory program. System support training was completed November 10, 2004. Moreover, an Accountant I position will be filled by December 2004 with the main responsibility being purchasing and inventory reconciliation. The position will work closely with warehouse personnel to continually correct any errors to the inventory program.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-11 Housing Authority-Lack of Segregation of Duties

Condition. The same employee who is responsible for ordering inventory also receives the items.

Criteria. Segregation of duties requires that the employee who orders inventory items should not be receiving them.

Cause. Unknown.

Effect. Items may be ordered and received that are not authorized or approved.

Recommendation. An employee other than the person, who orders, should be receiving inventory items.

Management Response. Management agrees with the finding. The employee responsible for the work orders was generating the purchase order and receiving the items. Staff is now aware of the problem and segregation of duties has been implemented. The employee who generates a work order now forwards a copy of the purchase order to the warehouse staff. Once the copy is received, the warehouse staff follows through with the receiving process. Once the items are received in the system, the packing slip is forwarded to accounts payable personnel for payment processing.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-12 Water Authority Capital Assets

Condition. Certain costs in the Joint Water & Sewer Department, such as training, maintenance fees, and meetings with contractors, which appear to not be capitalizable were capitalized, yet some direct expenditures for the construction of a project were not capitalized. In addition, the Department capitalized and began depreciating a project that was not placed into service.

Criteria. Expenditures that do not add to the utility of an asset should be charged to expense and all normal expenditures of readying an asset for use should be capitalized in determining the cost. The cost of self-constructed depreciable assets should include all direct costs.

Assets should not be depreciated until placed into service.

Cause. Expenditures are being capitalized or expensed according to the fund type rather than by the type of expenditure. Different project numbers are not always being used to separately identify construction/development costs from assets placed in service. As such, all these costs are being placed into service and depreciated.

Effect. Capital assets, construction-in-progress and expenditure balances are not properly stated.

Recommendation. Expenditures in all Enterprise Funds should be reviewed for proper recording. Different project numbers should be used to separately identify costs related to construction-in-progress and assets placed into service. Projects need to be reviewed for project completion and proper capitalization

Management Response. We concur with this finding. The Water Utility has developed recording procedures that allow for separate project tracking. The department Fiscal Manager will review project completions for capitalization purposes.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-13 Apartment Capital Assets

Condition. The Apartment Fund does not have a detailed capital asset and depreciation listing for the Santa Barbara, Glorieta, Candelaria or Tucson apartments, four of the seven apartments recorded in the fund.

Supporting documentation for the cost of the construction of the Santa Barbara Apartment is not recorded in the fund.

Previously capitalized carpeting and small appliances and related accumulated depreciation are not being deleted from the records when these assets are replaced.

An annual physical inventory of capital assets is not performed.

Criteria. A detail of capital assets and depreciation should be developed; a physical inventory should be performed annually; and the general ledger should be adjusted accordingly. (Per 1 NMAC 1.2.1).

Supporting documentation related to capital assets should be retained.

When capitalized assets are replaced, these assets and associated accumulated depreciation should be written off the books.

Cause. The Apartment Fund has seven apartments, three of these apartments have debt associated with them. Prior to fiscal year 2003, the City CAFR did not reflect the activity of the Apartment Fund and the Apartment Fund was not recorded onto the City's general ledger until the end of fiscal year 2003. However, the activity was being recorded by the management company. Also, the apartments financed by debt had been audited by a separately contracted independent auditor, as required by the bond document. As such, a detailed capital assets and depreciation schedule is available for these apartments. The four apartments not requiring an audit do not have a detail schedule or documentation supporting all assets purchased in prior years

The Santa Barbara Apartment was constructed using grant funding from Fund 240; however, not all the costs were transferred when the Apartments Fund was established.

Neither the management company contracted to oversee the apartments nor the City performed an annual physical inventory of capital assets.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-13 Apartment Capital Assets (Continued)

Effect. Capital asset accounts may not be properly stated.

Recommendation. A physical inventory should be performed for each apartment and compared to the listing of capital assets maintained or to facilitate the creation of a detailed listing to support amounts recorded for those apartments where a listing is not available. The listing should be updated to reflect only those assets currently in service and the general ledger adjusted accordingly. Documentation to support capitalized capital assets should be retained.

Management Response. Management agrees with the finding. A physical inventory of all capital assets had not been done in the past but is being done currently. That inventory will be maintained and documented by the property manger.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-14 Audit Report Due Date

Condition. The report was not submitted by the due date.

Criteria. Per the 2.2.2.9A (1)(d) NMAC Audit Rule 2004, *Requirements for Contracting and Conducting Audits of Agencies*, annual audit reports are to be received in the Office of the State Auditor on or before December 1st.

Cause. A procedural problem with a determination of accrual amounts. Legislation was proposed to City Council that would have affected fund balances had not been approved.

Effect. The annual audit report was not submitted to the Office of the State Auditor by the due date.

Recommendation. We recommend that the required approval be obtained in advance of the Office of the State Auditor's due date in order to submit the annual audit report by the due date

Management Response. We concur with this finding and will attempt to take actions necessary to prevent this situation in the future.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-15 State Auditor Notifications

Condition. The State Auditor received several notifications from the City reporting alleged fraud or other criminal activity. Several of these notifications included determinations of lack of controls that contributed to or allowed immaterial losses to the City. The individuals involved are being prosecuted and additional controls are being established.

Criteria. Strong internal controls are required to be in place to avoid or eliminate loss.

Cause. Unknown.

Effect. Costs and losses are incurred by the City.

Recommendation. We recommend that the departments follow up with internal audit and the State Auditor to determine that all controls are strengthened and that any reimbursement due the City is received.

Management Response. We concur with this finding. The affected areas have reviewed and stronger internal controls have been implemented.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-16 Apartment Fund-Accounting Oversight Within the City and Internal Control

Condition. Accounting activity relating to the Apartment Fund is recorded on the City's general ledger based solely upon transaction files provided from the contracting management company, Monarch. Although the account balances per the City general ledger are agreed to the Monarch general ledger account balances for input accuracy, there is no verification of account balances performed to supporting documentation by the fund accountant or the fiscal accountant within the Family Community Services Department

Criteria. Strong internal control includes reconciliation to and review of supporting documentation to ensure the accuracy of account balances and proper cut-off between fiscal years.

Cause. Documentation supporting account balances is not being reviewed by City employees for accuracy, propriety, and unusual items.

Effect. Questionable information.

Recommendation. We recommend an accountant within the Family Community Services Department be assigned to review the propriety and accuracy of the Apartment Fund financial transactions as reported by the management company.

Management Response. We partially concur with this finding. The Department will perform verification work throughout the year and will have the property manager contract with an IPA acceptable to the State Auditor to perform a transaction audit on all apartment properties at fiscal year-end.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-17 Apartment Inter-fund Transactions

Condition. Inter-fund transactions occurring between the Apartment Fund and Fund 240 were not eliminated as part of closing procedures and there was not proper cut-off of payroll liabilities.

Criteria. Strong internal control includes reconciliation to and review of supporting documentation to ensure the accuracy of account balances and proper cut-off between fiscal years.

Cause. Documentation supporting account balances is not being reviewed by City employees for accuracy, propriety, inter-company transactions, unusual items, proper cut-off, etc.

Effect. Questionable information.

Recommendation. We recommend an accountant within the Family Community Services Department be assigned to review the propriety and accuracy of the Apartment Fund financial transactions as reported by the management company.

Management Response. The Accounting division will work with the Family and Community Services Department (FCS) personnel to establish reconciliation procedures for the data being received from the property management company to ensure the accuracy of the data being posted to the City's general ledger. In addition, the division will review the accrual of payroll liabilities with the FCS to ensure that those accruals are proper.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

04-18 Unbilled Receivables- Capital Acquisition Fund

Condition. During our review and testwork of accounts receivable in Fund 305 (Capital Acquisition Fund) we noted that billings are not being submitted to reimbursing agencies on a timely basis.

Criteria. Per review of applicable program files, billings are required to be submitted on a monthly basis.

Cause. The City has not implemented policies and procedures ensuring that billings are submitted timely.

Effect. The City could lose revenue if programs expire prior to submission of related reimbursement requests.

Recommendation. The City should implement policies and procedures wherein billings are submitted to reimbursing agencies on a monthly basis.

Management Response. The City partially concurs with this finding. Currently all reimbursement requests from State of New Mexico through the Department of Finance and Administration are submitted on a monthly basis. Policies and procedures will be implemented for all other state agencies to ensure that billings are submitted on a monthly basis.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

**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 question 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 (CONTINUED)
Year Ended June 30, 2004**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT (CONTINUED)**

03-08 Reporting Federal Grants

Condition. The City has several federal, state, and local grant revenue sources as well as many other revenue sources. It was determined that there are certain federal grants that have been received, recorded and expended properly in the general ledger, yet 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. This condition does not pertain to any specific grant or federal agency.

Criteria. All grant revenue sources need to be identified, properly recorded, and reported in the Schedule of Expenditures of Federal Awards to comply with Federal OMB standards and to maintain good accounting practices.

Cause. The revenue is recorded based on each department's identification and recommendation of postings. There is no reconciliation of grant revenues, expenditures, receivable, and deferred revenue.

Effect. If revenue sources are not properly posted and monitored, all federal sources could be jeopardized for future.

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 the recommendation. We will again recommend that additional resources be added to the City's accounting division.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT (CONTINUED)**

04-19 COPS

CFDA # 16.710 Community Oriented Policing Services (COPS)

Condition. Expenditure reports submitted to the grantor do not agree to the general ledger. The accounting department is not reviewing the expenditure reports prior to submission to the grantor.

Criteria. Grant expenditures need to be properly recorded and reported to comply with Federal OMB standards and to maintain good accounting practices.

Cause. The allowable expenditures for each police officer exceed the total dollars expended. Therefore, the maximum allowable expenditures are reported.

Effect. The general ledger account for COPS contains expenditures that do not relate to the grant.

Questioned Costs. Unknown.

Recommendation. We recommend that the applicable accounts be reconciled to the expenditure reports and that the accounting department review the reports prior to submission.

Management Response. We agree with this finding. APD has made changes in the fiscal staff. Actions have been taken to ensure that the reported expenses match the City's general ledger.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT (CONTINUED)**

**04-20 Section 8 Housing Choice Vouchers-Tenant Payment Calculations
CFDA#: 14.871 Department of Housing and Urban Development**

Condition. We noted that in two tenant files out of sixteen tested, that the total tenant payment (TTP) was calculated incorrectly.

Criteria. HUD requires an updated utility allowance to be completed regularly and used in the tenant payment calculation of rent due to owner.

Cause. In one case, Housing Authority staff inadvertently misread the amount of the utility allowance on the schedule and in the other case, the utility allowance amount used was for a one bedroom and should have been for a two bedroom.

Effect. Total tenant payment (rent to owner) was overstated by \$5 and \$8 in each situation, respectively.

Questioned Costs. None.

Recommendation. The Housing Authority should ensure that the amount of the tenant payments is computed accurately by ensuring that the proper utility allowance amount is used.

Management Response. The department will take steps to improve the quality controls to minimize the error in the calculation of utility allowances.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT (CONTINUED)**

**04-21 Albuquerque Police Department Expenditures - All Grants From US
Department of Justice With Fiscal Year Expenditures**

Condition. Albuquerque Police Department (APD) has not complied with City and Department fiscal policy. Complete documentation to support and justify all journal voucher entries was not maintained, unmatched invoices over 60 days old were noted during the year and Administrative Instruction No. 3-11 was violated when personal use items were purchased.

Criteria. City departments should follow the City policy.

Cause. APD has not had consistent management since April 2001. Other finance personnel were upgraded to the Acting Fiscal Manager position for the past three years.

Effect. APD's financial records may not be accurate.

Recommendation. APD should review and update the standard operating procedures (SOPs) for Finance to reflect recent changes in City Policy. In addition, APD should develop procedures to ensure that journal vouchers are properly documented.

Management Response. APD reviews and updates its SOPs on a continuous basis. APD agrees that any SOP that does not agree with City Policy should be updated. APD has developed and implemented procedures to ensure that journal vouchers are properly documented and to ensure that Administrative Instruction No. 3-11 is being complied with. APD makes every effort to process all error-free invoices in a timely manner.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2004**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT (CONTINUED)**

04-22 Open Space Division Grants - Department of Justice

Condition. The draw down requests for Grant 02-MJTF-AOS and Grant 03-MJTF-AOS have not been managed properly. The requests for reimbursement are not being submitted to the granting agency in a timely manner.

Criteria. Requests for payment should be prepared on a monthly basis. In the past, the request was prepared 15 months after the subrecipient requested reimbursement.

Cause. Unknown.

Effect. Proper cash management procedures require that payment requests be made on a timely basis. This would allow for subrecipients to be paid in a reasonable time.

Recommendation. We recommend that the division request grant funds monthly in order to reimburse subrecipients within 30 days from the date funding was received.

Management Response. The City agrees with this finding. The Open Space Division has made appropriate changes to ensure that Requests for Payment, Requisitions and all other documentation will be handled in a timely manner.

**CITY OF ALBUQUERQUE
STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS
Year Ended June 30, 2004**

REPORTABLE CONDITIONS

01-09	Disaster Recovery Plan	Repeated
01-11	Fixed Assets	Repeated
01-17	Budget Overspending	Resolved
01-18	Federal Claim	Repeated
02-21	Fixed Asset Inventory	Repeated
02-26	Bank Accounts Not Adequately Collateralized	Resolved
03-01	Expenditure Posted Incorrectly	Resolved
03-02	Untimely Posting and Reconciliation of Cash Transactions	Resolved
03-03	Transit Parts Inventory: Discrepancy in Final Parts Listing	Resolved
03-04	Expenditures in the Parking Fund	Resolved
03-05	Unapproved Audit Contract	Resolved
03-06	Accounts Receivable – Air Quality Division	Resolved
03-07	Section 8 Housing Choice Vouchers- Form 9886	Resolved
03-08	Reporting Federal Grants	Repeated

STATE COMPLIANCE AND OPERATIONAL FINDINGS

Schedule Of Deposits And Investments By Financial Institutions

Schedule Of Pledged Collateral By Financial Institutions

Joint Powers Agreements

Exit Conference

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS
 June 30, 2004

Financial Institution: Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Wells Fargo Bank				
APD Evidence	Checking	\$ 1,447,632	\$ (4)	\$ 1,447,628
APD SID	Checking	42,170	-	42,170
APD SID	Checking	471,479	(12,330)	459,149
Las Cruces Land	Savings	43,117	-	43,117
		<u>2,004,398</u>	<u>(12,334)</u>	<u>1,992,064</u>
Wells Fargo Trust in Denver, Colorado				
Bluewater Apartments - Sinking Fund Holding	Trust	430	-	430
Bank of America				
Common Fund	Checking	30,907,132	872,982	31,780,114
Payroll	Checking	-	(97,069)	(97,069)
Accounts Payable	Checking	-	(12,725,173)	(12,725,173)
Water Clearing	Checking	-	103,775	103,775
Real Property	Checking	350	(350)	-
Employee Health Services	Checking	2,907	-	2,907
Corrections	Checking	163,550	(82,242)	81,308
Water Utility Escrow Deposits	Checking	144,491	(144,491)	-
		<u>31,218,430</u>	<u>(12,072,568)</u>	<u>19,145,862</u>
New Mexico Bank & Trust (all related to The Apartments Fund)				
F&CS Department - Operating Custodial	Checking	63,945	-	63,945
Beach Apartments - Tenant Security Deposits	Checking	14,465	(14,465)	-
Bluewater Apartments - Tenant Security Deposits	Checking	41,288	(41,288)	-
Manzano Vista Apartments - Tenant Security Deposits	Checking	27,594	(27,594)	-
Candelaria Gardens Apartments - Tenant Security Deposits	Checking	1,910	(1,910)	-
Tucson Apartments - Tenant Security Deposits	Checking	1,181	(1,181)	-
Glorieta Apartments - Tenant Security Deposits	Checking	2,774	(2,774)	-
Santa Barbara Apartments - Tenant Security Deposits	Checking	975	(975)	-
Beach Apartments - Property Enhancement	Checking	26,790	1	26,791
Candelaria Gardens Apartments - Property Enhancement	Checking	73,958	-	73,958
Tucson Apartments - Property Enhancement	Checking	11,948	-	11,948
		<u>266,828</u>	<u>(90,186)</u>	<u>176,642</u>
Compass Bank				
Attorney's Cost Advance	Checking	4,706	(4,706)	-
First State Bank				
Common Fund	Checking	1,225,128	-	1,225,128
Water Clearing	Checking	1,003,575	-	1,003,575
Housing Authority - Public Housing	Checking	1,098,909	(573,305)	525,604
Housing Authority - Section 8	Checking	(2,382)	2,382	-
Housing Authority - Section 8	Checking	4,838,287	(54,787)	4,783,500
Housing Authority - Public Housing FSS Escrow	Checking	16,444	(16,444)	-
Housing Authority - Section 8 FSS Escrow	Checking	253,872	(253,872)	-
		<u>8,433,833</u>	<u>(896,026)</u>	<u>7,537,807</u>
Total bank accounts book balance		<u>41,928,625</u>	<u>(13,075,820)</u>	<u>28,852,805</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS
June 30, 2004

Financial Institution Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Bank 1st				
Certificate of Deposit	Investment	100,000	-	100,000
Total bank balances		\$ 42,028,625	\$ (13,075,820)	\$ 28,952,805
Financial Institution Account name	Type of Account	Bank Balance	Outstanding Deposits	Book Balance
Bank of America				
Short-Term Investment Account	Investment	\$ 225,000,000	\$ -	\$ 225,000,000
Working Capital Account	Investment	419,000,000	(52,552)	418,947,448
Working Capital Account	Investment	1,440,000	(163)	1,439,837
State of New Mexico				
Investment Council				
Core Bond Fund	Investment	20,100,162	-	20,100,162
Core Bond Fund	Investment	4,225,211	-	4,225,211
State of New Mexico				
Local Government Investment Pool				
LGIP Fund Pool-4101	Investment	6,786,798	-	6,786,798
New Mexico Finance Authority				
New Mexico Local Government Investment Pool	Investment	847,194	-	847,194
New Mexico Local Government Investment Pool	Investment	3,514,000		3,514,000
Bank of Albuquerque				
U.S. Treasury Money Market Fund	Investment	975,552	464	976,016
U.S. Treasury Money Market Fund	Investment	3,658,041	2,221	3,660,262
U.S. Treasury Money Market Fund	Investment	369,761		369,761
U.S. Treasury Money Market Fund	Investment	450,129	214	450,343
Wells Fargo Trust in Denver, Colorado				
U.S. Treasury Money Market Fund	Investment	34,285		34,285
U.S. Treasury Money Market Fund	Investment	902,568		902,568
U.S. Treasury Money Market Fund	Investment	2,408,175	1	2,408,176
Subtotal		689,711,876	(49,815)	689,662,061
Other adjustments to reconcile				
total investments to book balance				
Unrealized gain (loss) on investments		-	(3,427,998)	(3,427,998)
Total investments		\$ 689,711,876	\$ (3,477,813)	\$ 686,234,063

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTIONS
June 30, 2004

<u>Financial Institution</u>	<u>Original</u>	<u>Current</u>	<u>Current</u>	<u>Maturity</u>	<u>Coupon</u>
<u>Collateral Description</u>	<u>Face</u>	<u>Face</u>	<u>Market</u>	<u>Date</u>	<u>Rate</u>
Wells Fargo Bank					
GNSF 781215	\$ 8,515,000	\$ 1,400,924	\$ 1,467,401	09/15/2029	6.50%
Location of collateral:	Wells Fargo Bank Safekeeping/Custodial Services, San Francisco, CA				
New Mexico Bank & Trust					
FHLMC REMIC Serial 1727 Class H	\$ 600,000	\$ 600,000	\$ 630,525	08/16/2023	6.60%
Less amounts pledged to NM Bank & Trust repo pool			(530,525)		
			<u>\$ 100,000</u>		
Location of collateral:	Commerce Bank, St. Louis, MO				
Bank of America					
FNMA Pool 555424	not stated	\$ 2,925,545	\$ 2,932,871	05/01/2033	5.50%
FNMA Pool 555424	not stated	8,615,768	8,637,341	05/01/2033	5.50%
FNMA Pool 555743	not stated	5,564,740	5,415,349	09/01/2033	5.00%
		<u>\$ 17,106,053</u>	<u>\$ 16,985,561</u>		
Location of collateral:	Federal Reserve Bank, Richmond VA				
First State Bank					
Federal Home Loan Bank	\$ 3,700,000	not stated	\$ 3,656,081	04/23/2008	3.63%
Federal Home Loan Bank	450,000	not stated	444,659	04/23/2008	3.63%
Federal Home Loan Bank	350,000	not stated	343,000	11/14/2008	3.63%
Federal Home Loan Bank	500,000	not stated	485,000	02/13/2009	3.50%
Federal Home Loan Bank	1,500,000	not stated	1,479,840	04/30/2008	3.57%
FNMA	780,000	not stated	791,895	03/25/2026	5.00%
FHR 2802 NK	1,500,000	not stated	1,507,500	0/0/00	4.50%
	<u>\$ 8,780,000</u>		<u>\$ 8,707,975</u>		
Location of collateral:	Federal Home Loan Bank, Dallas TX				
Total all banks			<u>\$ 27,260,937</u>		

The collateral for the repurchase agreements is as follows:

Bank of America					
City of Albuquerque Common Fund					
FHLMC Discount Note	\$ 29,750,000	\$ 29,166,000	\$ 29,750,000	07/06/2004	NA
FNMA Discount Note	50,000,000	48,957,000	49,937,500	07/28/2004	NA
FNMA Discount Note	50,000,000	48,959,000	49,937,500	07/28/2004	NA
FNMA Discount Note	50,000,000	48,959,000	49,937,500	07/28/2004	NA
FNMA Discount Note	50,000,000	48,959,000	49,937,500	07/28/2004	NA
	<u>229,750,000</u>	<u>225,000,000</u>	<u>229,500,000</u>		
102% collateral requirement			<u>229,500,000</u>		
Collateral in excess (deficit) of requirement			<u>\$ -</u>		
Location of collateral:	Federal Reserve Bank, Richmond, VA				

The market value shown of the pledged collateral for the common fund repurchase agreement is as of the time of purchase on 6/30/2004

The market value at the close of business on 6/30/2004 was \$ 229,571,470

All pledged collateral is held in the city's name at each financial institution

Directed trades (portfolio investment purchases) are held at the Federal Reserve Bank, Richmond, Virginia in an account separate from the account where the collateral for the common fund repurchase agreement is held

CITY OF ALBUQUERQUE, NEW MEXICO**JOINT POWERS AGREEMENTS**

June 30, 2004

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
AMAFCA	City of Albuquerque/DFA/ and AMAFCA	Albuquerque and AMAFCA	Provides a wide range of direct and indirect billable services
Animal Services	City of Albuquerque/ Animal Control Center/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	The City's Animal Services Division houses animals impounded by the county Animal Care and Regulation. The City collects payment, which covers the City's cost to provide this service
Area Agency on Aging	City of Albuquerque/ Village of Los Ranchos/ Village of Tijeras/and the County of Bernalillo	City of Albuquerque	Provide services for older persons as outlined in the Older Americans Act
Benefits Consulting	City of Albuquerque/ Human Resources/ Benefits/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	City and County have entered into an agreement to engage Aon consulting Inc., to perform specified serves regarding health and dental
Bernalillo County Detention	City of Albuquerque/and the County of Bernalillo	City of Albuquerque	Creation of the Metropolitan Detention Center
Bus Services	City of Albuquerque/ Transit/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Performing fixed route bus services
Bus Services/Sun Van	City of Albuquerque/ Transit/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Performing Para transit services to residents in the unincorporated areas of the County
Child abuse council	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Create the Child Abuse Council
City County Building	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Construct and administrative office building to be used jointly by the City and County
COG	City of Albuquerque/DFA/ and COG	City of Albuquerque and COG	Provides a wide range of direct and indirect billable services

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
September 6, 2001	Ongoing	\$6214 Administrative charges, \$205 ISD charges, plus payroll processing and warehouse charges	\$6214 Administrative, \$205 ISD	N/A
October 1, 1996	Ongoing	\$154,242	\$159,380	N/A
July 1, 1984	Ongoing until terminated by 6-month notice	Not specified	Not specified	City of Albuquerque
August 1, 2003	June 30, 2004	\$22,000	\$23,279	N/A
September 4, 2002	Ongoing until terminated by 12-month notice	Varies	\$27,078,673	N/A
July 1, 2003	June 30, 2004	\$668,173	\$668,173	N/A
July 1, 2003	June 30, 2004	Not to exceed \$244,255	\$209,960	N/A
October 2, 1979	Ongoing until terminated by a 90-day notice	Not specified	Unknown	City of Albuquerque/and the County of Bernalillo
October 12, 1989	Indefinite	Not specified	\$1,361,384	City of Albuquerque/and the County of Bernalillo
September 6, 2001	Ongoing until terminated by either party	\$34,279 Administrative charges plus payroll	\$34,279 Administrative charges plus payroll	N/A

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2004

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
Conduct of Community Programs on Aging	City of Albuquerque/ Village of Los Ranchos/ Village of Tijeras/and the County of Bernalillo	City of Albuquerque	Provided programs and services to older residents through a centralized system of administration
County of Sandoval	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee dental benefits program for eligible employees
Dental Care Insurance	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee dental benefits program for eligible employees
Environmental Health/Vehicle Pollution Management	City of Albuquerque/and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Household hazardous waste agreement
Environmental Health/Vehicle Pollution Management	City of Albuquerque/and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Insect, rodent and biodisease program
GOV TV 16	City of Albuquerque/ Cultural Services/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Use of the government access cable television channel facility
Healthcare Insurance	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee health benefits program for eligible employees
Household Hazardous Waste	City of Albuquerque/ Environmental Health/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	The management of household hazardous waste collection center
Insect & Rodent Control	City of Albuquerque/ Environmental Health/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Insect and rodent control and plague surveillance program
Joint Metropolitan Forensic	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Maintain and manage a joint crime laboratory for the processing, analysis and secured storage of evidence

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
November 13, 1995	Ongoing until terminated by a 90-day notice	Not specified	Unknown	City of Albuquerque
July 1, 2003	June 30, 2004	\$18,368	\$18,368	N/A
July 1, 2003	June 30, 2004	\$16,400	\$16,400	N/A
July 1, 2004	June 30, 2005	\$483,000	\$0	City of Albuquerque
July 1, 2004	June 30, 2005	\$94,000	\$0	City of Albuquerque
July 1, 2003	June 30, 2004	Annual limit \$50,000	\$12,328	N/A
July 1, 2003	June 30, 2004	\$49,200	\$49,200	N/A
July 1, 2003	June 30, 2004	\$30,000	\$30,000	N/A
July 1, 2003	June 30, 2004	\$94,000	\$94,000	N/A
October 14, 1999	Ongoing until terminated by a 12-month notice	\$12,000,00	\$445.41	City of Albuquerque

CITY OF ALBUQUERQUE, NEW MEXICO

JOINT POWERS AGREEMENTS

June 30, 2004

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
Law Enforcement Center	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Construct a administrative office building for use of additional Police and Sheriff functions
Metropolitan Criminal Justice	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provide criminal justice services to deter, and prevent crime in the community
Metropolitan Forensic Science Center (MFSC)	City of Albuquerque/ Police/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provides police services and certain temporary evidence storage, custody and control services
Middle Rio Grande Conservation	City of Albuquerque/ Human Resources/ Insurance/and the MRGCD	City of Albuquerque and the MRGCD	Employee health benefits program for eligible employees
Motor Vehicle Emissions	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Create a joint motor vehicle emissions inspection program
Municipal Development	City of Albuquerque/and the NM State Highway and Transportation Department	City of Albuquerque	Construction of a trail from the Rio Grande to 6th Street along I-40
Municipal Development	City of Albuquerque/and the NM State Highway and Transportation Department	City of Albuquerque	Bicycle Travel Demand Management Program
SE Heights Office Lease	City of Albuquerque/FCS/ and the County of Bernalillo	City of Albuquerque and the Town of Bernalillo	Employee health benefits program for eligible employees
Town of Bernalillo Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and the Town of Bernalillo	City of Albuquerque and the Town of Bernalillo	Employee health benefits program for eligible employees
Unified Library System	City of Albuquerque/City of Rio Rancho/Village of Tijeras/Village of Los Ranchos/and the County of Bernalillo	City of Albuquerque/ City of Rio Rancho/ Village of Tijeras/ Village of Los Ranchos/ and the County of Bernalillo	Provide well-balanced collections of books and other media for residents

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
August 5, 1986	Ongoing until terminated by a 6-month notice	Not specified	Unknown	City of Albuquerque/and the County of Bernalillo
July 1, 2003	Ongoing until terminated by a 90-day notice	Not specified	Unknown	City of Albuquerque/ DFA/State Auditor/and the County of Bernalillo
July 1, 2003	June 30, 2004	\$481,189	\$481,189	N/A
July 1, 2003	June 30, 2004	\$3,673	\$3,673	N/A
December 17, 1987	Ongoing until terminated by a 180-day notice	Varies yearly	Unknown	City of Albuquerque/and the County of Bernalillo
March 6, 2000	June 30, 2004	\$400,000	\$100,000	City of Albuquerque
April 20, 2000	June 30, 2008	\$848,682	\$123,682	City of Albuquerque
July 1, 2003	June 30, 2004	\$11,845	\$11,845	N/A
July 1, 2003	June 30, 2004	\$1,836	\$1,836	N/A
October 19, 1993	Ongoing until terminated by 60-day notice	Not specified	\$935,546	City of Albuquerque/ City of Rio Rancho/ Village of Tijeras/ Village of Los Ranchos/ and the County of Bernalillo

**CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS**

June 30, 2004

**Joint Powers
Agreement**

<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
City of Albuquerque/ AMAFCA/MRGCD/and the County of Bernalillo	City of Albuquerque/ AMAFCA/MRGCD/ and the County of Bernalillo	Planning, design, construction and maintenance of flood control and drainage projects
City of Albuquerque/ Human Resources/ Insurance/and theVillage of Corrales	City of Albuquerque and the Village of Corrales	Employee health benefits program for eligible employees
City of Albuquerque/ Human Resources/ Insurance/and the Village of Cuba	City of Albuquerque and the Village of Cuba	Employee health benefits program for eligible employees
City of Albuquerque/ Human Resources/ Insurance/and the Village of Los Ranchos	City of Albuquerque and the Village of Los Ranchos	Employee health benefits program for eligible employees
City of Albuquerque/ Human Resources/ Insurance/and Village of Tijeras	City of Albuquerque and the Village of Tijeras	Employee health benefits program for eligible employees

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
February 11, 1999	November 11, 2004	Not specified	Unknown	City of Albuquerque/ AMAFCA/ MRGCD/and the County of Bernalillo
July 1, 2003	June 30, 2004	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2004	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2004	\$1,836	\$1,836	N/A
July 1, 2003	June 30, 2004	\$1,837	\$1,837	N/A

**CITY OF ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
June 30, 2004**

An exit conference was held on December 17, 2004, and attended by the following:

CITY Personnel:

**Sally Mayer
City Council member**

**Gail Reese
Chief Finance Officer**

**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**

