

# CITY OF ALBUQUERQUE



Mayor Martin J. Chávez

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

JULY 1, 2004 THROUGH JUNE 30, 2005  
ALBUQUERQUE, NEW MEXICO USA

**City of Albuquerque, New Mexico  
Comprehensive Annual Financial Report  
Year ended June 30, 2005**

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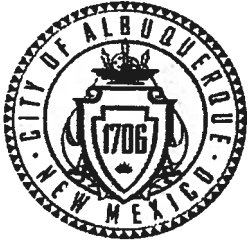
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## **INTRODUCTORY SECTION**



December 22, 2005

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, 2005. 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 fourth 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.

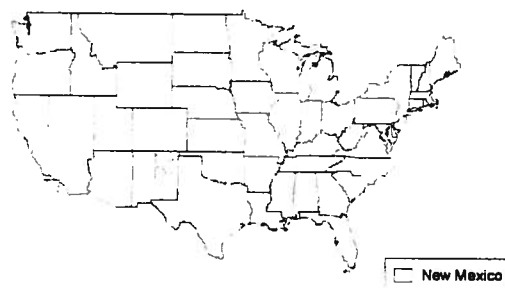
The CAFR of the City includes all government activities, organizations and functions for which the City is financially accountable. The criteria used to determine financial accountability are based on, and consistent with, the pronouncements of the Governmental Accounting Standards Board, which sets criteria for defining the financial reporting entity. The City of Albuquerque is a major municipal government providing a full range of services to approximately 484,000 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 County 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, Valencia and Torrance 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/05. 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 and/or 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

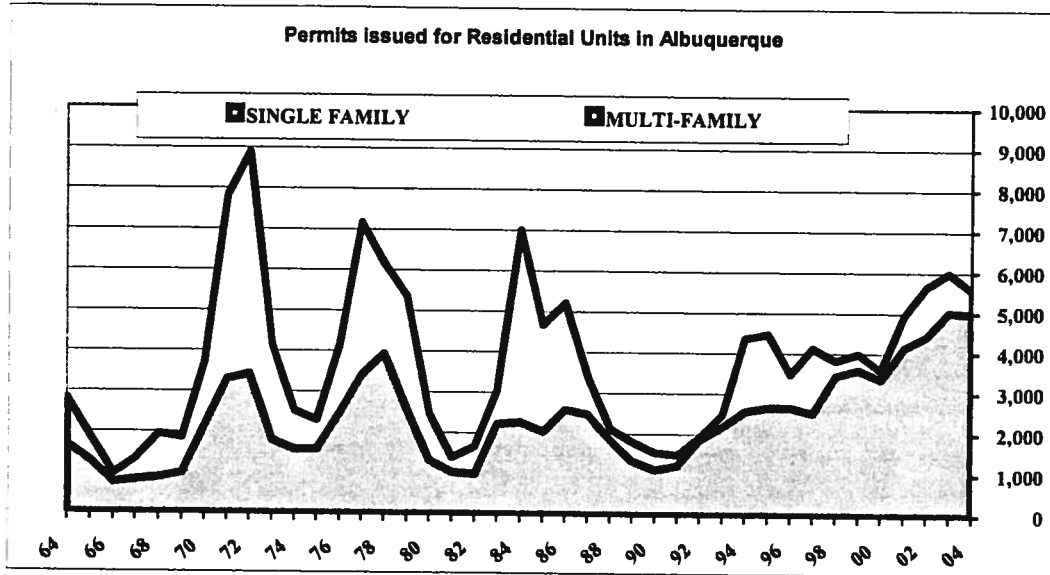
NAICS CATEGORY	Employment FY2005	Share of FY/05 Employment	Growth FY/04 to FY/05	Compound Annual Average FY/00 to FY/05
Total Nonfarm Employment (does not include military)	374.28		2.2%	1.2%
Natural Resources and Mining and Construction	26.73	7%	7.9%	3.7%
Manufacturing	22.62	6%	-0.7%	-3.4%
Trade, Transportation, and Utilities	66.38	18%	0.7%	0.2%
Information	8.89	3%	-10.2%	-3.9%
Financial Activities	19.33	5%	1.9%	-0.2%
<b>Aggregate of Services</b>	<b>154.50</b>	<b>41%</b>	<b>3.1%</b>	<b>2.2%</b>
Professional and Business Services	59.85	16%	3.0%	0.7%
Educational and Health Services	46.38	12%	5.9%	4.6%
Leisure and Hospitality	36.26	10%	0.0%	2.0%
Other Services	12.01	3%	2.2%	2.2%
Government	75.83	20%	2.4%	2.1%
<b>MILITARY</b>	<b>6.76</b>	<b>NA</b>	<b>1.0%</b>	<b>0.6%</b>

**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 areas 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 about 300 workers when it opens in December 2005. 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 multi-family 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. Low interest rates and stable or reduced prices for much of the period helped fuel the growth. The lower priced homes also allowed many potential apartment dwellers to purchase houses. This is part of the reason the number of multi-family units permitted has been limited. 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 value of construction permits per home increased by 27% for FY/05 following an increase of 7% in FY/04. This means that even though the number of residential permits slightly declined in FY/05, the total value of permits increased.

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, Santa Ana, and Acoma Pueblos has helped increase construction employment in the area in the past few years. Sandia National Labs has two construction projects that ultimately will spend close to half a billion dollars. One, the Center for Integrated Nanotechnology (CINT), a \$75 million project, now complete in the Sandia Research Park. The other is the Microsystems and Engineering Sciences Applications (MESA). This is inside the labs and will ultimately cost around \$450 million. A major mixed use development, infill project is underway, with a mix of retail and residential, and a creation of an open air mall. In FY/05, construction started on the rebuilding of the interstate exchange at Coors and I-40, as well as substantial reconstruction on major portions of I-40 within the City.

**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, even gaining in the most recent Base Realignment and Closure (BRAC). Military employment in FY/03 to FY/05 increased by 271 jobs. 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 stabilizes after the terrorist attacks of September 11, and while facing the uncertainty related to federal spending due to the demands of rebuilding after the hurricanes in the Gulf states. 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 moderate with the second quarter of 2005 showing growth of 1.8%. 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 and posted solid growth of 3.2% in FY/05; hopefully this will hold, but high gasoline prices tend to discourage tourism in New Mexico. 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. As discussed above SNL is a source of strength for the local economy. SNL has devoted a great deal of research to terrorism and homeland security. 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.**

**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. It also ensures adequate accounting data is 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 2006 for programs that had adequate reversions for the year ended June 30, 2005.

**Taxes:** Taxable property valuations were \$8.3 billion in fiscal year 2005, a \$401.7 million (5.09%) increase from the previous year. Current property tax collections for fiscal year 2005 were 96.31% of the levy, compared to 95.7% 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 2005 was 99.8% compared to 99.9% in 2004. Cumulative total collections for the last ten years are 99.3% of the cumulative billings.

Allocation of the property tax for fiscal year 2005 and the preceding two fiscal years is based on the following mill levy:

<u>Purpose</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operational mill levy:			
Residential	3.019	2.014	2.019
Non-residential	3.544	2.544	2.544
Debt service levy	7.976	7.976	8.976

The gross receipts tax rate on receipts within the City was 6.75% at June 30, 2005. Increases during the year occurred with an increase of 0.5% effective January 1, 2005, an increase which offset the deduction of food and some medical services. At the same time, Bernalillo County increased their tax by 0.1875%. The breakdown and sources of the gross receipts tax rate at June 30, 2005 are as follows:

	<u>Tax Rate</u>	<u>Percent of Total Rate</u>
State General Fund	3.7750%	55.9%
Bernalillo County distribution	.4375	6.5
Municipal distribution - State shared	1.0000	14.8
Municipal distribution - in lieu of previous .25% municipal tax - State shared	.2250	3.3
City of Albuquerque general purpose	.5000	7.4
City of Albuquerque public safety	.2500	3.7
City of Albuquerque basic services	.2500	3.7
City of Albuquerque transportation infrastructure	.2500	3.7
Municipal infrastructure gross receipts tax	<u>.0625</u>	<u>1.0</u>
	<u>6.7500%</u>	<u>100.0%</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 \$639.2 million at June 30, 2005. Of this amount, \$240.0 million was invested in repurchase agreements and \$399.2 million in securities of the Federal government and its related agencies and certificates of deposit.

The City's portfolio average life at June 30, 2005 was 230 days. The average yield on the investment portfolio was 2.8% at the end of June 2005 and 2.0% at the end of June 2004. Net earnings totaled \$15.0 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:

2005	\$639.2
2004	595.9
2003	491.4
2002	323.2
2001	451.1

**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 \$32.5 million compared to transfers in the prior year of \$28.7 million. Claim reserves (current and long-term) as of June 30, 2005 were \$50.3 million, an increase from \$47.6 million in the previous year. The Fund experienced a change in net assets of \$3.9 in 2005, an increase from the net loss of \$1.1 million in 2002.

The deficit fund equity decreased to \$8.7 million at June 30, 2005 from the \$12.6 million at June 30, 2004. 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, 2005. 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, 2004. 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2004. 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

# 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, 2004

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. Ziehl*

President

*Jeffrey R. Enow*

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Albuquerque  
New Mexico**

For the Fiscal Year Beginning

**July 1, 2004**

*Nancy L. Zeller*  
President

*Jeffrey R. Brown*  
Executive Director



**CITY OF ALBUQUERQUE**

**PRINCIPAL OFFICIALS**

**June 30, 2005**

**MAYOR**

**MARTIN J. CHÁVEZ**

**CITY COUNCIL**

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

**CHIEF ADMINISTRATIVE OFFICER**

**JAMES B. LEWIS**

**DEPUTY CHIEF ADMINISTRATIVE OFFICERS**

**GAIL D. REESE, CHIEF FINANCIAL OFFICER**  
**ED ADAMS, CHIEF OPERATING OFFICER**  
**NICHOLAS S. BAKAS, CHIEF PUBLIC SAFETY OFFICER**

**DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES**

**SANDRA DOYLE, DIRECTOR**



# City of Albuquerque

**The People of Albuquerque**

- DST. 1 Measi A. Gomez
- DST. 2 Debbie O'Malley
- DST. 3 Eric Ortega
- DST. 4 Brad Winter
- DST. 5 Michael Calligan
- DST. 6 Martin Henrich
- DST. 7 Sally Mayer
- DST. 8 Craig Loy
- DST. 9 Tina Cummins

**Mayor**  
Martin J. Chavez

**City Council**  
Director of Council Services  
Laura Mason

**Chief Administrative Officer**  
James B. Lewis

**Internal Audit & Investigations**

**Chief Financial Officer**  
Gail D. Reese

**Office of OMB/OMI**  
Anna Lamberson

**Finance & Administrative Services**  
Sandy Dovic

**Human Resources**  
Pat Miller

**Office of Employee Relations**  
Barbara Keiser

**Office of Economic Development**  
Fred Mondragon

**Legal**  
Bob White

**City Clerk**  
Judy Chavez

**Office of Police Oversight**  
Jay A. Rowland

**Municipal Development**  
John Castillo

**Chief Operations Officer**  
Ed Adams

**Aviation**  
John D. "Mike" Rice

**Cultural Services**  
Millie Santillanes

**Environmental Health**  
Alfredo Santistevan

**Family & Community Svcs**  
Valorie Vigil

**Parks & Recreation**  
Jay Hart

**Planning**  
Richard Dineen

**Senior Affairs**  
Blanca Hise

**Solid Waste**  
Clarence Lithgow

**Transit**  
Peter Behrman

**Chief Public Safety Officer**  
Nicholas S. Bakas

**Emergency Preparedness**

**Police**  
Ray Schultz

**Fire**  
Robert Ortega

**Correction & Detention**  
Harry Tipton

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**CONTRIBUTORS**  
**June 30, 2005**

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

**Accounting personnel**

**Cameron Hull**  
**Accounting Officer**

**Angela Ekofo**  
**Accounting Manager**

**Barbara Burns**  
**Principal Accountant**

**Debbie Dombroski**  
**Principal Accountant**

**Ruth Lott**  
**Principal Accountant**

**Elaine Padilla**  
**Principal Accountant**

**Virginia Petzl**  
**Principal Accountant**

**Michael Shynkar**  
**Principal Accountant**

**Nela Wilkinson**  
**Principal Accountant**

**Beatriz Hulverson**  
**Finance Technician**

**Sherri Bowers**  
**Administrative Assistant**



## **FINANCIAL SECTION**

# NEFF + RICCI LLP

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

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons, and financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented in the accompanying combining financial statements and information in the other supplementary schedules, as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for each fund's activities, for the year ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to

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

above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the City, as of June 30, 2005, and the respective changes in the financial position and cash flows, where applicable, and respective budgetary comparisons thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, 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 of our testing of internal control over financial reporting and compliance and the results of the 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 read in conjunction with this report in considering the results of our audit.

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

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

The accompanying introductory and statistical sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Neff + Ricci LLP*

Albuquerque, New Mexico  
December 16, 2005

**CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

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, 2005. 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 \$1.3 billion (net assets). Of this amount, \$138.3 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in subsequent accounting periods.
- The government's total net assets increased by \$136.1 million during the year, principally as a result of the completion of several major capital improvement program projects.
- As of June 30, 2005, the City's governmental funds reported combined ending fund balances of \$372.3 million. Approximately 73.9% of this amount, \$275.0 million, is unreserved fund balance available for spending at the government's discretion. Included in this amount is approximately \$156.2 million in the Capital Acquisition Fund.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$42.7 million or 12.6% of the total general fund expenditures of \$337.8 million.
- The City's total long-term debt increased by \$64.7 million during the current year. The key factors in this change were: 1) the issuance of bonds and notes payable accompanied by additions to accrued vacation and sick leave pay and claims totaling \$251.5 million, and 2) debt reduction payments and liquidations of accrued liabilities totaling \$186.8 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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



CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005

**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, 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.

CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005

**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is 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 Transit, which are considered major funds of the City. In addition the following nonmajor funds are reported: Apartments, Golf Course, Parking, Stadium, and Housing Authority.
- **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 statement for the General Fund is 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, 2005**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the fourth 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 2004 - 2005
	Governmental Activities		Business-type Activities		Total		
	2005	2004	2005	2004*	2005	2004*	
<b>Assets:</b>							
Current and other assets	\$ 602.8	\$ 571.1	\$ 182.4	\$ 169.0	\$ 785.2	\$ 740.1	6.1%
Capital Assets	953.7	843.0	486.0	466.1	1,439.7	1,309.1	10.0%
<b>Total assets</b>	<u>1,556.5</u>	<u>1,414.1</u>	<u>668.4</u>	<u>635.1</u>	<u>2,224.9</u>	<u>2,049.2</u>	8.6%
<b>Liabilities:</b>							
Long-term liabilities outstanding	439.7	368.0	276.5	283.4	716.2	651.4	9.9%
Other liabilities	178.6	200.4	36.7	30.7	215.3	231.1	-6.8%
<b>Total liabilities</b>	<u>618.3</u>	<u>568.4</u>	<u>313.2</u>	<u>314.1</u>	<u>931.5</u>	<u>882.5</u>	5.6%
<b>Net assets:</b>							
Invested in capital assets, net of related debt	654.1	557.9	237.1	206.9	891.2	764.8	16.5%
Restricted	181.0	211.5	83.0	77.5	264.0	289.0	-8.7%
Unrestricted	103.1	76.3	35.1	36.6	138.2	112.9	22.4%
<b>Total net assets</b>	<u>\$ 938.2</u>	<u>\$ 845.7</u>	<u>\$ 355.2</u>	<u>\$ 321.0</u>	<u>\$ 1,293.4</u>	<u>\$ 1,166.7</u>	10.9%

\* 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 \$1.3 billion at the close of the year. The largest portion of the City's net assets (68.9%) reflects its investment of \$891.2 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, 2005**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued**

**Analysis of Changes in Net Assets**

	CHANGE IN NET ASSETS (in millions of dollars)						Total Percentage Change 2004 - 2005
	Governmental		Business-type		Total		
	Activities		Activities		Total		
	2005	2004	2005	2004*	2005	2004*	
<b>REVENUES</b>							
Program revenues:							
Charges for services	\$ 87.1	\$ 83.9	\$ 129.1	\$ 125.0	\$ 216.2	\$ 208.9	3.5%
Operating grants and contributions	29.9	32.9	24.8	25.2	54.7	58.1	-5.9%
Capital grants and contributions	1.0	2.4	29.9	12.8	30.9	15.2	103.3%
General revenues:							
Gross receipts taxes	163.3	132.2	-	-	163.3	132.2	23.5%
Property taxes	92.6	88.2	-	-	92.6	88.2	5.0%
Other taxes	33.9	32.3	-	-	33.9	32.3	5.0%
State shared taxes and fees	167.9	161.8	-	-	167.9	161.8	3.8%
Grants, investment income, and other	57.5	33.4	1.7	0.1	59.2	33.5	76.7%
Total revenues	<u>633.2</u>	<u>567.1</u>	<u>185.5</u>	<u>163.1</u>	<u>818.7</u>	<u>730.2</u>	12.1%
<b>EXPENSES</b>							
General government	67.6	65.2	-	-	67.6	65.2	3.7%
Public safety:							
Corrections and detention	44.6	42.9	-	-	44.6	42.9	4.0%
Fire protection	55.6	50.9	-	-	55.6	50.9	9.2%
Police protection	109.7	102.7	-	-	109.7	102.7	6.8%
Cultural and recreation	82.1	66.8	-	-	82.1	66.8	22.9%
Public works	10.4	9.3	-	-	10.4	9.3	11.8%
Health	13.4	11.1	-	-	13.4	11.1	20.7%
Human services	50.6	48.5	-	-	50.6	48.5	4.3%
Housing	6.2	3.4	-	-	6.2	3.4	82.4%
Highways and streets	12.0	18.3	-	-	12.0	18.3	-34.4%
Special assessments	3.3	6.6	-	-	3.3	6.6	-50.0%
Interest expense	13.8	15.9	-	-	13.8	15.9	-13.2%
Airport	-	-	54.6	53.1	54.6	53.1	2.8%
Refuse Disposal	-	-	41.4	39.4	41.4	39.4	5.1%
Transit	-	-	37.9	29.8	37.9	29.8	27.2%
Non major enterprise funds	-	-	41.9	40.7	41.9	40.7	2.9%
Total expenses	<u>469.3</u>	<u>441.6</u>	<u>175.8</u>	<u>163.0</u>	<u>645.1</u>	<u>604.6</u>	6.7%
Excess (deficiency) before transfers	163.9	125.5	9.7	0.1	173.6	125.6	38.2%
Write off of Capital Assets	(45.4)	-	(1.3)	-	(46.7)	-	---
Transfers	(25.9)	(25.6)	25.9	25.6	-	-	---
Increase (decrease) in net assets	<u>\$ 92.6</u>	<u>\$ 99.9</u>	<u>\$ 34.3</u>	<u>\$ 25.7</u>	<u>\$ 126.9</u>	<u>\$ 125.6</u>	1.0%

\* Restated see note 22

CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued**

**Analysis of Changes in Net Assets, continued**

The City's overall net assets increased by \$126.9 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 \$92.6 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 12.6% as compared to the prior year.

Investment earnings were increased from \$4.3 million in fiscal year ended June 30, 2004, to \$12.5 million in the current year. The primary cause for this increase was the growth in the investment market experienced by virtually all governments and an increase in investment balances during the year.

Intergovernmental revenues plus operating and capital contributions from sources other than state shared taxes was decreased by \$4.4 million.

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

**Business-type activities.** Business-type activities increased the City's net assets by \$34.3 million. Key factors of this increase are as follows:

The Airport fund had an increase in net assets of \$16.0 million in fiscal year 2005 compared to a \$2.2 million increase in 2004. The passenger facilities charges (PFC) increased slightly from the prior year. The September 11, 2001 events continued to have a slightly negative impact on the level of air travel in fiscal year 2005. In addition, the growth in the investment market resulted in an increase in investment earnings to a net gain of \$0.8 million offset by unrealized losses of \$0.1 million.

For the Refuse Disposal fund, the reported change in net assets of \$2.0 million was decreased from \$3.8 million in fiscal year 2004. The primary change was due to increased interest expenses and transfers out.

For the Transit Fund, the current year change in net assets was \$16.3 million compared to \$9.6 million for the prior year. The increase was primarily due to an increase in the capital contribution of \$13.9 for capital assets purchased or constructed in the Capital Acquisition Fund. The increase in the capital contribution was offset by an increase in fuels, repairs, maintenance and other operating expenses; and the subsidy transfer from the General Fund decreased by \$0.2 million.

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 2005 those revenues were \$4.6 million as compared to revenues of \$4.9 million in 2004.

**CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**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 \$372.3 million, an increase of \$16.2 million in comparison with the prior year. Approximately 73.9% of this amount, \$275.0 million, is unreserved fund balance available for spending at the government's discretion. Included in unreserved fund balance is \$156.2 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 (\$38.2 million); 2) for acquisition and management of open space and urban enhancement (\$22.9 million); and 3) to show the fund balance representing advances to other funds and other assets not available for spending (\$28.4 million).

Revenues for governmental functions overall totaled approximately \$640.0 million in the fiscal year ended June 30, 2005, which represents an increase of \$64.2 million from the prior year. The major causes for the increase were: 1) tax revenues increased by \$36.9 million; 2) intergovernmental revenues increased by \$21.5 million caused by an increase of state shared gross receipts tax; and 3) interest income increased by \$8.4 million in interest income.

Expenditures for governmental functions of \$731.6 million increased by \$115.1 million from the previous year total of \$616.5 million. The primary cause of the increase was from increased debt service requirements of \$27.6 million, increased expenditures of \$42.0 million for capital outlay, and \$44.4 million for public safety, culture and recreation, highways and streets, health and human services and housing. 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 \$85.4 million, of which \$42.7 million is available as an unreserved fund balance. The reserved fund balance of \$42.7 million is designated: 1) for unanticipated expenditures (\$38.2 million equaling 10.36% of recurring expenditures); and 2) to indicate that non-current financial resource assets of \$4.5 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 \$20.6 million.

The total revenues of \$411.3 million for the current fiscal year were \$42.4 million greater than for the previous fiscal year. The increase largely resulted from an increase of \$33.3 million in gross receipts tax revenues, \$6.9 million in intergovernmental revenues, \$1.3 million in property taxes, \$1.3 million in licenses and permits, \$1.2 million in interest revenues and \$1.0 million in charges for services.

CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS, continued**

Total expenditures of \$337.8 million represent an increase of \$39.2 million over the previous fiscal year. The major cause of this increase was \$23.5 million for police and fire protection due to an increased emphasis on public safety while the expenditures for general government decreased by \$1.0 million. Additional increases in expenditures from the previous fiscal year are for culture and recreation (\$8.1 million), health and human services (\$6.3 million) and highways and streets (\$1.7 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	\$ 13.4
Refuse Disposal Fund	6.2
Transit Fund	2.4
Nonmajor enterprise funds	<u>13.1</u>
	<u>\$ 35.1</u>

Internal service funds, which are used to account for certain governmental activities, had deficit unrestricted net assets of \$3.3 million. The Risk Management fund, an internal service fund, had deficit unrestricted net assets of \$8.7 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 FY05 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. Revenues and expenses were monitored closely throughout the year and new disciplinary procedures put in place in FY03 regarding budgetary responsibility remain in place. These actions resulted in actual expenditures being \$8.7 million less than the original budget and \$16.3 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 \$4.4 million, based on the last mid-year budget. All General Fund agencies continue to answer 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, 2005

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 \$20.7 million greater than anticipated in the original budget and \$7.4 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 \$3.2 million more than the last revised budget estimate and \$15.5 million more than the original budget. 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 \$15.0 million were higher than projected as a result of continued, unusual strength in the construction area, primarily new residential construction as well as substantial state and federal government road construction within the City.

The Department of Municipal Development, created early in FY04 for the purpose of coordinating CIP activities, continued to be very successful in implementing and completing both bond and general fund projects. Backlogs were reduced substantially from \$170.9 million at the beginning of the fiscal year to \$121.0 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, 2005, amount to \$1.4 billion (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, and equipment. The total increase in the City's capital assets for the current fiscal year was \$129.1 million or 9.8% from fiscal year 2004.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2004-2005
	2005	2004**	2005	2004**	2005	2004**	
Land *	\$ 231.8	\$ 215.9	\$ 59.5	\$ 58.5	\$ 291.3	\$ 274.4	6.2
Other *	1.8	0.9	0.7	0.7	2.6	1.6	61.4
Buildings and improvements	133.8	133.2	214.6	191.2	348.4	324.3	7.4
Runways and improvements	-	-	97.1	103.8	97.1	103.8	-6.4
Improvements other than buildings and runways	146.3	156.3	41.8	35.1	188.0	191.3	-1.7
Equipment	2.4	35.7	43.7	36.5	46.2	72.2	-35.9
Infrastructure	70.2	77.6	-	-	70.2	77.6	-9.4
Construction in progress *	367.4	223.5	28.5	41.8	395.9	265.3	49.2
<b>Total</b>	<b>\$ 953.7</b>	<b>\$ 843.0</b>	<b>\$ 486.1</b>	<b>\$ 467.5</b>	<b>\$ 1,439.8</b>	<b>\$ 1,310.5</b>	<b>9.9</b>

\* Assets not depreciated

\*\* Restated see note 22



CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005

**CAPITAL ASSETS AND DEBT ADMINISTRATION, continued**

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

In *governmental activities*, land was acquired for open space costing \$10.2 million, and replacement vehicles were acquired for the police (\$5.2 million) and for fire (\$3.7 million). The construction work in progress increased by \$130.6 million primarily due to the continuing facility development at the Balloon Fiesta Park Museum, a major expansion of the Albuquerque Museum, the redevelopment of Tingley Beach linking the north and south ends of the BioPark and other facilities development.

In *business-type activities*, additions to equipment included new transit vehicles (\$8.2 million) and new solid waste vehicles and heavy equipment (\$5.8 million). The increase in buildings and improvements includes the Westside Transit Facility (\$20.9 million), the Uptown Transit Facility (\$1.0 million) and for the Housing Fund (\$3.1 million). The Aviation Fund had additions to runways and improvements (\$4.1 million) and to improvements other than buildings and runways (\$10.7 million). The construction work in progress decreased by \$13.2 million. The major expenditures in construction work in progress consisted of improvements to the Sunport and construction on the new Westside Transit Facility.

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 \$829.1 million of which \$115.7 million is due within the next fiscal year. The total bonded debt (net of unamortized discounts, deferred amounts on refunding and including unamortized premiums) is \$733.0 million. The remaining debt is for loans, accrued vacation and sick leave pay, and claims payable.

During the fiscal year ended June 30, 2005 the City issued bonds for \$183.1 million. Bond proceeds were deposited into the Capital Acquisition Fund for the betterment of parks and recreation, the BioPark, libraries, museums, senior citizen centers, community centers, public transportation facilities and for improvements to the storm sewer system.

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 2.7% of the \$8.3 billion taxable value of property within the City's boundaries. The City currently may issue up to an additional \$63.2 million of general obligation bonds. It has \$268.4 million of general obligation debt outstanding subject to the legal debt limit at June 30, 2005. The net general bonded debt per capita is \$619.52. The highest per capita amount in the last ten fiscal years was \$619.52 in the fiscal year ended June 30, 2005 and the lowest per capita amount was \$213.73 in the fiscal year ended June 20, 2002.

The City's ratings on uninsured general obligation bonds remained unchanged from the prior year and as of June 30, 2005 were:

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

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

**CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2006 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 2005 fiscal year. The budget contemplates that these high levels will not be sustained throughout the year, although reduced levels of residential and commercial construction are expected to be somewhat offset by continuing state and federal highway construction with the City.

Charges for entry into some City venues and for certain City services are unchanged in the fiscal year 2006 budget. However, the budget does include revenues from new City venues, particularly the Balloon Museum, scheduled to open in October, 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.

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 was to be funded by the state by a repeal of the half-cent credit against local option impositions, also effective January 1, 2005. Distributions for the first three months after January 1, 2005, were materially reduced from the same periods in the prior year, primarily due to incorrect reporting by merchants and implementation issues at the state Taxation and Revenue Department. The City worked actively with the Taxation and Revenue Department to identify the reasons for the lowered distributions, and by June 30, 2005, the major problems seem to have been resolved.

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 was expected to generate about \$27.8 million on an annual basis when it was effective on July 1, 2004. The fiscal year 2006 budget reflects estimated tax proceeds of \$32.65 million for a full twelve months.

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. The streets and roads bond question passed by a majority in November 2004.

**CITY OF ALBUQUERQUE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2005**

**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:

<b>Economic Assumptions Underlying the Revenue Estimates</b>			
<b>October-2004</b>			
Fiscal Year	2004	2005	2006
<b>National Variables</b>			
% Chg Real GDP	4.4%	3.8%	3.1%
% Chg Non-Farm Employment	0.2%	1.6%	1.5%
Federal Funds Rate	1.0%	2.0%	3.1%
10 U.S. Bonds	4.3%	4.5%	5.1%
% Chg CPI U	2.2%	2.5%	1.4%
Per bbl Price of Oil (WTI)	\$ 33.8	\$ 44.0	\$ 37.6
Unemployment Rate (U.S.)	5.8%	5.4%	5.4%
% Chg in Personal Income	3.7%	5.3%	4.9%
<b>New Mexico Economy</b>			
% Chg Total Non-Agricultural Employment	1.5%	2.3%	2.1%
% Chg Personal Income	6.1%	5.9%	5.0%
Unemployment Rate	6.0%	5.7%	5.7%
<b>Albuquerque MSA Economy</b>			
% Chg Total Non-Agricultural Employment	1.0%	2.4%	2.7%
% Chg Construction Employment	5.2%	5.2%	3.9%
% Chg Personal Income	4.3%	5.7%	5.6%
Unemployment Rate (Alb.)	5.2%	4.7%	4.6%
<b>Construction Units Permitted in City of Albuquerque</b>			
Single-Family Permits	5,050	4,884	4,404
Multi-Family Permits	1,000	603	679
Total Residential Permits	6,050	5,487	5,083

Source: October 2004 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, 2005**

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

**The total General Fund appropriation for fiscal year 2006 is \$446.5 million before interfund eliminations and \$381.1 million after eliminations. Total appropriation increased by \$44.7 million, which is an 11.1% increase over the original fiscal year 2005 budget. Recurring appropriations increased by 7.4%, while non-recurring appropriations increased by 101.7%, primarily due to the use of fund balances.**

**The international, national, state and local economies have shown modest growth following the 2001-2002 recession, but recent increases in the prices of oil and natural gas, bring concern about the effects it will have on the City's 2006 budget. Costs for items such as fleet and building operations are escalating rapidly. These price increases also have negative impacts on revenues as consumers spend more on gasoline and fewer dollars are available to spend on items subject to the gross receipts tax. However, the City continues 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**

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CITY OF ALBUQUERQUE, NEW MEXICO  
STATEMENT OF NET ASSETS  
June 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash, investments and accrued interest	\$ 294,996,644	\$ 32,433,204	\$ 327,429,848	\$ 5,061,038
Cash with fiscal agents held for debt service	73,264,139	19,053,615	92,317,754	37,468,373
Cash held by others	95,866	636,984	732,850	-
Taxes receivable (note 5)	64,318,568	-	64,318,568	-
Accounts receivable, net of allowance for uncollectible accounts	7,012,134	7,080,636	14,092,770	9,389,901
Notes receivable, current portion	-	-	-	1,086,835
Due from other governments	15,750,940	2,819,949	18,570,889	414,377
Deposits	112,679	-	112,679	-
Internal balances	22,200,000	(22,200,000)	-	-
Inventories	2,549,665	2,163,420	4,713,085	-
Prepaid expenses	351,036	38,366	389,402	-
<b>Total current assets</b>	<b>480,651,671</b>	<b>42,026,174</b>	<b>522,677,845</b>	<b>53,420,524</b>
<b>Noncurrent assets:</b>				
Long-term accounts and notes receivable	18,113,532	-	18,113,532	6,087,640
<b>Restricted assets:</b>				
Cash, investments and accrued interest	95,374,426	133,083,007	228,457,433	113,562,178
Investment with fiscal agents	-	-	-	1,305,116
Accounts receivable - developers	-	3,626,651	3,626,651	-
Accounts receivable from bond escrow agent	-	534,799	534,799	-
Escrow deposits	-	626,138	626,138	145,398
<b>Total restricted assets:</b>	<b>95,374,426</b>	<b>137,870,595</b>	<b>233,245,021</b>	<b>115,012,692</b>
<b>Capital assets:</b>				
Land and construction in progress	601,008,355	88,785,230	689,793,585	111,144,642
Capital assets being depreciated	703,460,691	871,684,467	1,575,145,158	1,445,752,460
Accumulated depreciation	(350,761,804)	(474,417,374)	(825,179,178)	(739,667,785)
<b>Capital assets, net of depreciation</b>	<b>953,707,242</b>	<b>486,052,323</b>	<b>1,439,759,565</b>	<b>817,229,317</b>
<b>Other:</b>				
Purchased water rights, net of accumulated amortization	-	-	-	28,600,649
Capitalized bond issue costs	-	2,461,504	2,461,504	1,138,163
Deferred charges and other assets	8,656,019	-	8,656,019	-
<b>Total other</b>	<b>8,656,019</b>	<b>2,461,504</b>	<b>11,117,523</b>	<b>29,738,812</b>
<b>Total noncurrent assets</b>	<b>1,075,851,219</b>	<b>626,384,422</b>	<b>1,702,235,641</b>	<b>968,068,461</b>
<b>Total assets</b>	<b>1,556,502,890</b>	<b>668,410,596</b>	<b>2,224,913,486</b>	<b>1,021,488,985</b>

The accompanying notes are an integral part of these financial statements



CITY OF ALBUQUERQUE, NEW MEXICO  
STATEMENT OF NET ASSETS  
June 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	33,462,765	2,356,336	35,819,101	2,071,227
Due to other governments	1,126,914	78,839	1,205,753	-
Accrued expenses	61,905,564	4,569,117	66,474,681	2,338,476
Deposits	1,098,790	589,132	1,687,922	460,378
Deferred revenues	19,050,490	-	19,050,490	-
<b>Payable from restricted assets:</b>				
Contracts and other payable	-	7,101,098	7,101,098	19,135,695
<b>Current portion:</b>				
Bonds and notes payable	61,923,496	13,942,457	75,865,953	33,050,000
Water rights and loan agreements	-	-	-	6,255,273
Accrued interest	-	5,296,606	5,296,606	5,076,732
Deferred revenue	-	2,730,916	2,730,916	-
<b>Total current liabilities</b>	<b>178,568,019</b>	<b>36,664,501</b>	<b>215,232,520</b>	<b>68,387,781</b>
<b>Noncurrent liabilities:</b>				
<b>Liabilities payable from restricted assets:</b>				
Landfill closure costs	-	1,515,176	1,515,176	-
Other	-	228,953	228,953	-
<b>Total liabilities payable from restricted assets</b>	<b>-</b>	<b>1,744,129</b>	<b>1,744,129</b>	<b>-</b>
<b>Long-term payable:</b>				
Bonds and notes payable, net of current portion, discounts and premiums	396,836,637	273,257,489	670,094,126	149,144,319
Water rights contract and loan agreements	-	-	-	160,870,203
<b>Total long-term payable</b>	<b>396,836,637</b>	<b>273,257,489</b>	<b>670,094,126</b>	<b>310,014,522</b>
<b>Other:</b>				
Accrued vacation, sick leave and claims	41,792,467	1,512,084	43,304,551	580,155
Deferred credits and other liabilities	1,044,189	-	1,044,189	500,000
<b>Total other</b>	<b>42,836,656</b>	<b>1,512,084</b>	<b>44,348,740</b>	<b>1,080,155</b>
<b>Total noncurrent liabilities</b>	<b>439,673,293</b>	<b>276,513,702</b>	<b>716,186,995</b>	<b>311,094,677</b>
<b>Total liabilities</b>	<b>618,241,312</b>	<b>313,178,203</b>	<b>931,419,515</b>	<b>379,482,458</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	654,090,878	237,142,685	891,233,563	566,451,130
<b>Restricted for:</b>				
Debt service	48,852,386	14,741,431	63,593,817	11,490,993
Construction	86,521,172	68,225,283	154,746,455	26,620,816
Housing & economic development	14,297,699	-	14,297,699	-
Federal & state funded programs	1,169,115	-	1,169,115	-
<b>Open space and urban enhancement:</b>				
Nonexpendable	27,022,639	-	27,022,639	-
Expendable	3,179,012	-	3,179,012	-
Unrestricted	103,128,677	35,122,994	138,251,671	37,443,588
<b>Total net assets</b>	<b>\$ 938,261,578</b>	<b>\$ 355,232,393</b>	<b>\$ 1,293,493,971</b>	<b>\$ 642,006,527</b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues Charges for Services</u>
<b>Primary government:</b>			
<b>Governmental Activities:</b>			
General government	\$ 67,551,970	\$ (3,815,378)	\$ 42,536,261
Public Safety			
Corrections	44,655,145	1,510,516	24,738,451
Fire	55,630,082	135,213	380,599
Police	109,682,346	723,117	4,533,577
Culture and recreation	82,108,879	321,569	6,889,853
Public works	10,396,105	99,547	-
Health	13,370,716	256,915	4,629,482
Human services	50,571,869	371,744	2,424,030
Housing	6,198,786	73	-
Highways and streets	11,985,023	396,684	978,248
Special assessments	3,284,067	-	-
Interest expense	13,815,019	-	-
<b>Total governmental type activities</b>	<u>469,250,007</u>	<u>-</u>	<u>87,110,501</u>
<b>Business Type Activities:</b>			
Airport	54,644,728	-	64,046,597
Refuse Disposal	41,369,980	-	45,551,715
Transit	37,958,533	-	5,245,017
Nonmajor enterprise funds	41,878,871	-	14,253,172
<b>Total business type activities</b>	<u>175,852,112</u>	<u>-</u>	<u>129,096,501</u>
<b>Total primary government</b>	<u>\$ 645,102,119</u>	<u>\$ -</u>	<u>\$ 216,207,002</u>
<b>Component Unit:</b>			
Albuquerque Bernalillo County Water Utility Authority	<u>\$ 118,909,420</u>	<u>\$ -</u>	<u>\$ 140,059,547</u>
		<b>General Revenues:</b>	
		Taxes:	
		Gross receipts taxes, local option	
		Property taxes	
		Payments in lieu of taxes	
		Franchise and hospitality 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	
		Gain (loss) on disposition of capital assets	
		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	

The accompanying notes are an integral part of these financial statements

<u>Program Revenues, continued</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>			
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
\$ 337,408	\$ -	\$ (20,862,923)	\$ -	\$ (20,862,923)	
92,524	-	(21,334,686)	-	(21,334,686)	
484,274	1,026,352	(53,874,070)	-	(53,874,070)	
2,755,326	-	(103,116,560)	-	(103,116,560)	
294,457	-	(75,246,138)	-	(75,246,138)	
662,125	-	(9,833,527)	-	(9,833,527)	
2,208,637	-	(6,789,512)	-	(6,789,512)	
15,018,564	-	(33,501,019)	-	(33,501,019)	
2,028,229	-	(4,170,630)	-	(4,170,630)	
6,034,251	200	(5,369,008)	-	(5,369,008)	
-	-	(3,284,067)	-	(3,284,067)	
-	-	(13,815,019)	-	(13,815,019)	
<u>29,915,795</u>	<u>1,026,552</u>	<u>(351,197,159)</u>	<u>-</u>	<u>(351,197,159)</u>	
-	5,817,552	-	15,219,421	15,219,421	
-	-	-	4,181,735	4,181,735	
-	23,710,984	-	(9,002,532)	(9,002,532)	
<u>24,750,772</u>	<u>363,445</u>	<u>-</u>	<u>(2,511,482)</u>	<u>(2,511,482)</u>	
<u>24,750,772</u>	<u>29,891,981</u>	<u>-</u>	<u>7,887,142</u>	<u>7,887,142</u>	
\$ <u>54,666,567</u>	\$ <u>30,918,533</u>	<u>(351,197,159)</u>	<u>7,887,142</u>	<u>(343,310,017)</u>	
\$ -	\$ <u>20,848,605</u>				\$ <u>41,998,732</u>
		163,250,264	-	163,250,264	-
		92,546,664	-	92,546,664	-
		4,769,764	-	4,769,764	-
		20,138,467	-	20,138,467	-
		9,019,206	-	9,019,206	-
		167,875,410	-	167,875,410	-
		29,230,347	-	29,230,347	-
		12,469,788	1,697,541	14,167,329	1,548,942
		15,759,659	-	15,759,659	-
		(45,363,094)	(1,267,740)	(46,630,834)	-
		<u>(25,933,600)</u>	<u>25,933,600</u>	<u>-</u>	<u>-</u>
		<u>443,762,875</u>	<u>26,363,401</u>	<u>470,126,276</u>	<u>1,548,942</u>
		92,565,716	34,250,543	126,816,259	43,547,674
		<u>845,695,862</u>	<u>320,981,850</u>	<u>1,166,677,712</u>	<u>598,458,853</u>
		\$ <u>938,261,578</u>	\$ <u>355,232,393</u>	\$ <u>1,293,493,971</u>	\$ <u>642,006,527</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
 June 30, 2005

ASSETS	<u>General Fund</u>	<u>GO Bond Debt Service Fund</u>
Cash, investments, and accrued interest	\$ 84,606,342	\$ 21,654,049
Cash with fiscal agents	-	61,173,205
Investments with fiscal agents	-	-
Cash held by others	-	-
Taxes receivable, net of allowance for uncollectible:		
Property tax	1,272,781	3,057,606
Gross receipts tax	52,524,503	-
Lodger's tax	-	-
Hospitality tax	-	-
Other taxes	552,382	-
Other receivables, net of allowance for uncollectible	3,610,426	-
Due from other governments	503,811	-
Due from other funds	1,005,868	-
Advances to other funds	307,636	-
Inventories of supplies	124,431	-
Prepaid items	70,326	-
Land held for sale	-	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 144,578,506</b>	<b>\$ 85,884,860</b>

The accompanying notes are an integral part of these financial statements

<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 158,888,852	\$ 79,249,393	\$ 344,398,636
-	9,779,385	70,952,590
992,442	1,319,107	2,311,549
-	95,866	95,866
-	90,046	4,420,433
-	5,570,126	58,094,629
-	920,436	920,436
-	330,688	330,688
-	-	552,382
1,454,234	20,034,702	25,099,362
7,599,139	7,580,093	15,683,043
-	-	1,005,868
-	22,200,000	22,507,636
-	328,746	453,177
-	-	70,326
-	5,065,930	5,065,930
<u>\$ 168,934,667</u>	<u>\$ 152,564,518</u>	<u>\$ 551,962,551</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2005**

<b>LIABILITIES AND FUND BALANCES</b>	<u>General Fund</u>	<u>GO Bond Debt Service Fund</u>
<b>Liabilities:</b>		
Accounts payable	\$ 9,232,936	\$ 10,137
Contracts and retainage payable	-	-
Accrued employee compensation and benefits	17,539,519	-
Due to other funds	2,303,484	-
Due to other governments	-	-
Deferred revenue	29,056,952	2,041,615
Deposits	1,021,600	-
Advances from other funds	-	-
Matured bonds and interest payable	-	61,173,205
<b>Total liabilities</b>	<u>59,154,491</u>	<u>63,224,957</u>
<b>Fund balances:</b>		
<b>Reserved for:</b>		
Encumbrances	3,964,919	-
Inventories of supplies	124,431	-
Prepaid items	70,326	-
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	38,239,000	-
Unreserved (deficit)	42,717,703	22,659,903
Unreserved (deficit), reported in:		
Special revenue funds	-	-
Debt service funds	-	-
Capital project funds	-	-
<b>Total fund balances</b>	<u>85,424,015</u>	<u>22,659,903</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 144,578,506</u>	<u>\$ 85,884,860</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ -	\$ 3,698,941	\$ 12,942,014
11,991,338	3,859,925	15,851,263
44,960	748,312	18,332,791
-	1,005,868	3,309,352
-	1,126,914	1,126,914
535,792	24,260,915	55,895,274
-	77,190	1,098,790
112,000	195,636	307,636
-	9,644,260	70,817,465
<u>12,684,090</u>	<u>44,617,961</u>	<u>179,681,499</u>
60,016	3,697,526	7,722,461
-	328,746	453,177
-	-	70,326
-	5,065,930	5,065,930
-	22,200,000	22,507,636
-	342,426	342,426
-	13,033,395	13,033,395
-	9,862,003	9,862,003
-	-	38,239,000
156,190,561	-	221,568,167
-	22,674,822	22,674,822
-	3,992,483	3,992,483
-	26,749,226	26,749,226
<u>156,250,577</u>	<u>107,946,557</u>	<u>372,281,052</u>
\$ <u>168,934,667</u>	\$ <u>152,564,518</u>	\$ <u>551,962,551</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2005

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

Total fund balance for governmental funds \$ 372,281,052

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, 2005 consist of:

Land	\$ 231,510,170	
Construction in progress and miscellaneous other	369,214,343	
Buildings	174,424,371	
Infrastructure	77,207,261	
Improvements	328,486,974	
Equipment	120,721,381	
Accumulated depreciation	<u>(348,559,399)</u>	
<b>Total capital assets</b>		<b>953,005,101</b>

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, 2005 are:

General Obligation bonds payable	(239,205,000)	
Sales tax revenue bonds and notes payable	(143,456,299)	
Special assessment debt with governmental commitment	(11,884,181)	
Current portion of bonds payable, net of reported matured principal	1,845,847	
Unamortized bond issue costs	1,860,089	
Unamortized premiums and discounts	<u>(2,291,157)</u>	
<b>Total bonds and notes payable, net of premiums, discounts and bond issue costs</b>	<b>(393,130,701)</b>	
Accrued vacation and sick leave pay	(27,130,049)	
Accrued rebatable arbitrage payable reported as deferred credit	<u>(1,044,189)</u>	
		<b>(421,304,939)</b>

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: (2,590,724)

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	30,198,743	
Property taxes	3,728,993	
Other taxes	676,725	
Amounts due on real estate contracts	<u>2,240,323</u>	
		<b>36,844,784</b>

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 **\$ 938,261,578**



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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-**  
**GOVERNMENTAL FUNDS**  
 Year ended June 30, 2005

	<u>General Fund</u>	<u>GO Bond Debt Service Fund</u>
<b>Revenues:</b>		
Taxes	\$ 183,811,873	\$ 66,046,681
Licenses and permits	15,025,888	-
Intergovernmental	167,850,561	-
Charges for services	42,109,899	-
Fines and forfeits	159,120	-
Interest	1,590,015	1,129,428
Special assessments	-	-
Collections on real estate contracts receivable	-	-
Proceeds from disposition of capital assets	-	-
Other interest	-	-
Miscellaneous	787,185	-
<b>Total revenues</b>	<u>411,334,541</u>	<u>67,176,109</u>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	58,612,909	-
Public safety	163,130,428	-
Culture and recreation	57,241,949	-
Public works	8,443,710	-
Highways and streets	9,817,193	-
Health	8,698,900	-
Human services	31,903,406	-
Housing	-	-
<b>Debt service:</b>		
Principal retirement	-	87,355,917
Interest	-	7,747,457
Fiscal agent fees and other fees	-	665,129
Capital outlay	-	-
Bond issuance costs	-	379,706
<b>Total expenditures</b>	<u>337,848,495</u>	<u>96,148,209</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>73,486,046</u>	<u>(28,972,100)</u>
<b>Other financing sources (uses):</b>		
Transfers in	2,471,937	-
Transfers out	(55,320,250)	-
Proceeds of notes payable and bonds issued	-	5,474,106
Proceeds from refunding bonds	-	-
Payment to refunded bond escrow agent	-	-
<b>Total other financing sources (uses)</b>	<u>(52,848,313)</u>	<u>5,474,106</u>
<b>Net change in fund balances</b>	20,637,733	(23,497,994)
<b>Fund balances (deficit), July 1</b>	<u>64,786,282</u>	<u>46,157,897</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 85,424,015</u>	<u>\$ 22,659,903</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 400,934	\$ 39,310,320	\$ 289,569,808
-	2,775,243	17,801,131
29,230,347	54,245,077	251,325,985
-	9,304,607	51,414,506
-	998,116	1,157,236
1,875,376	7,543,630	12,138,449
-	5,147,531	5,147,531
-	243,263	243,263
-	274,647	274,647
-	158,896	158,896
<u>3,715,237</u>	<u>6,242,319</u>	<u>10,744,741</u>
<u>35,221,894</u>	<u>126,243,649</u>	<u>639,976,193</u>
-	10,236,582	68,849,491
-	53,081,945	216,212,373
-	6,143,346	63,385,295
-	746,123	9,189,833
-	5,748,983	15,566,176
-	5,089,967	13,788,867
-	20,247,390	52,150,796
-	6,199,308	6,199,308
-	8,135,965	95,491,882
-	6,159,507	13,906,964
-	1,260,815	1,925,944
142,187,186	32,381,819	174,569,005
-	-	379,706
<u>142,187,186</u>	<u>155,431,750</u>	<u>731,615,640</u>
<u>(106,965,292)</u>	<u>(29,188,101)</u>	<u>(91,639,447)</u>
9,595,194	42,021,124	54,088,255
(1,558,557)	(22,874,048)	(79,752,855)
127,875,917	-	133,350,023
-	61,147,085	61,147,085
-	(61,023,204)	(61,023,204)
<u>135,912,554</u>	<u>19,270,957</u>	<u>107,809,304</u>
28,947,262	(9,917,144)	16,169,857
<u>127,303,315</u>	<u>117,863,701</u>	<u>356,111,195</u>
<u>\$ 156,250,577</u>	<u>\$ 107,946,557</u>	<u>\$ 372,281,052</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended June 30, 2005

**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** **\$ 16,169,857**

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	\$ 185,879,057	
Depreciation expense	(29,796,654)	
Gain (loss) on disposition of capital assets	<u>(45,363,094)</u>	
		110,719,309

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (35,584,427)

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. 4,721,768

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:

<b>Revenue:</b>		
Gross receipts tax	183,809	
Property tax	73,118	
Other taxes	12,632	
Collections on real estate contracts, net of deferred gains	(212,724)	
<b>Expenses:</b>		
Accrued vacation and sick leave pay	(3,573,065)	
Rebatable arbitrage	<u>55,439</u>	
Net adjustment		<u>(3,460,791)</u>

**Change in net assets of governmental activities** **\$ 92,565,716**

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Current property tax	\$ 23,994,000	\$ 24,670,000	\$ 25,304,885	\$ 634,885
Delinquent property tax	1,052,000	740,000	848,252	108,252
Franchise taxes:				
Telephone	3,995,000	3,565,000	3,332,028	(232,972)
Electric	5,904,000	5,904,000	5,728,200	(175,800)
Gas	3,449,000	4,388,000	4,686,513	298,513
Cable television	3,367,000	3,367,000	3,421,843	54,843
New Mexico Utility	184,000	220,000	207,281	(12,719)
Telecommunications	524,000	674,000	577,191	(96,809)
Payments in lieu of Taxes	5,144,000	4,927,000	4,769,764	(157,236)
Gross receipts tax-local option	<u>128,037,000</u>	<u>133,565,000</u>	<u>134,935,916</u>	<u>1,370,916</u>
<b>Total taxes</b>	<u>175,650,000</u>	<u>182,020,000</u>	<u>183,811,873</u>	<u>1,791,873</u>
<b>Licenses and permits:</b>				
Liquor licenses	216,000	214,000	189,665	(24,335)
Building permits	3,585,000	4,068,000	5,034,048	966,048
Plumbing/mechanical permits	1,615,000	1,588,000	1,764,817	176,817
Electrical/refrigeration permits	1,170,000	1,082,000	1,181,306	99,306
Plan checking permits	2,600,000	2,670,000	3,543,263	873,263
Flood plain certification	173,000	346,000	293,736	(52,264)
Reroofing permits	34,000	32,000	92,198	60,198
Restaurant inspections	551,000	560,000	631,260	71,260
Food retailers inspections	135,000	110,000	171,465	61,465
Swimming pool inspections	120,000	120,000	129,815	9,815
Animal licenses	250,000	275,000	353,871	78,871
Right of way usage permits	140,000	176,000	158,810	(17,190)
Loading zone permits	9,000	-	12,138	12,138
Solicitation permits	6,000	6,000	7,475	1,475
Business registration fees	1,240,000	1,200,000	1,237,264	37,264
Other licenses and permits	<u>173,000</u>	<u>178,000</u>	<u>224,757</u>	<u>46,757</u>
<b>Total licenses and permits</b>	<u>12,017,000</u>	<u>12,625,000</u>	<u>15,025,888</u>	<u>2,400,888</u>
<b>Intergovernmental:</b>				
State shared:				
Gross receipts tax	154,006,000	160,782,000	162,583,140	1,801,140
Cigarette tax	612,000	580,000	552,224	(27,776)
Motor vehicle license distribution	1,428,000	1,331,000	1,426,523	95,523
Municipal road - gas tax	2,497,000	2,300,000	2,360,979	60,979
DWI Fines	515,000	400,000	451,090	51,090
Grants:				
Other	-	143,000	144,691	1,691
Local administered grants:				
Bernalillo County-shared operations	<u>279,000</u>	<u>359,000</u>	<u>331,914</u>	<u>(27,086)</u>
<b>Total intergovernmental</b>	<u>159,337,000</u>	<u>165,895,000</u>	<u>167,850,561</u>	<u>1,955,561</u>

The accompanying notes are an integral part of these 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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues (continued):</b>				
<b>Charges for services:</b>				
<b>General government:</b>				
Photocopying	185,000	153,000	145,081	(7,919)
Engineering fees	1,100,000	1,600,000	2,092,795	492,795
Filing of plats and subdivisions	332,000	432,000	476,632	44,632
Sign fees	53,000	84,000	107,749	23,749
Zoning fence permit fees	146,000	203,000	246,536	43,536
Sale of maps and publications	31,000	5,000	16,420	11,420
Records search fees	290,000	350,000	563,141	213,141
Jury duty and witness fees	13,000	13,000	4,163	(8,837)
Planning services	38,000	32,000	36,165	4,165
Vendor registration fees	20,000	20,000	17,220	(2,780)
Shooting range fees	180,000	220,000	216,077	(3,923)
Grounds maintenance	521,000	521,000	520,987	(13)
Office services	35,000	35,000	36,518	1,518
Real property services	70,000	70,000	63,432	(6,568)
Material testing lab	-	-	16,152	16,152
Engineering inspections	100,000	100,000	180,551	80,551
Engineering surveying	5,000	5,000	5,733	733
Legal services	2,567,000	2,114,000	1,985,684	(128,316)
Administrative fees	43,000	88,000	100,016	12,016
Administrative charges to other funds	23,780,000	23,669,000	22,914,899	(754,101)
Other	740,000	785,000	812,476	27,476
<b>Public safety:</b>				
Police services	2,175,000	2,050,000	2,450,734	400,734
Fire services	282,000	308,000	380,599	72,599
<b>Culture and recreation:</b>				
Community centers	32,000	32,000	25,673	(6,327)
Swimming pools	500,000	500,000	510,081	10,081
Outdoor recreation fees	-	-	2,119	2,119
Sports programs	576,000	576,000	438,646	(137,354)
Other recreation charges	271,000	251,000	252,827	1,827
Tournament/field rental	33,000	33,000	39,472	6,472
Latch key program	820,000	770,000	766,191	(3,809)
Extended care fees	42,000	42,000	44,843	2,843
Special events	6,000	5,000	3,307	(1,693)
Special events parking	-	-	579	579
Museum charges	102,000	85,000	101,963	16,963
Zoo admissions	1,829,000	1,829,000	1,754,100	(74,900)
Other zoo charges	51,000	51,000	86,992	35,992
Albuquerque aquarium and gardens	986,000	986,000	1,064,347	78,347
Convention center	-	-	196,591	196,591
Facilities concessions	15,000	172,000	139,089	(32,911)
Library services	1,380,000	1,164,000	1,148,331	(15,669)
Cultural affairs	25,000	30,000	39,619	9,619

The accompanying notes are an integral part of these 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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues (continued):</b>				
<b>Charges for services (continued):</b>				
<b>Highways and streets:</b>				
Compaction tests	180,000	170,000	161,092	(8,908)
Excavation permits	425,000	360,000	367,936	7,936
Other street division charges	489,000	434,000	437,082	3,082
<b>Health:</b>				
Animal control charges	351,000	400,000	749,094	349,094
<b>Human services:</b>				
Meal programs	160,000	160,000	157,084	(2,916)
Memberships	94,000	94,000	131,219	37,219
Coffee	14,000	14,000	16,034	2,034
Dances	33,000	32,000	42,516	10,516
DSA Route #2	-	28,000	16,373	(11,627)
Other	20,000	19,000	26,939	7,939
<b>Total charges for services</b>	<u>41,140,000</u>	<u>41,094,000</u>	<u>42,109,899</u>	<u>1,015,899</u>
<b>Fines and forfeits:</b>				
Air quality penalties	5,000	91,000	159,120	68,120
<b>Total fines and forfeits</b>	<u>5,000</u>	<u>91,000</u>	<u>159,120</u>	<u>68,120</u>
<b>Interest:</b>				
Interest on investments	1,900,000	1,500,000	1,590,015	90,015
<b>Miscellaneous:</b>				
Rental of City property	180,000	140,000	140,755	755
Community center rentals	228,000	270,000	288,440	18,440
Revenue sharing agreement	-	-	10,827	10,827
Sales of real property	30,000	-	129,811	129,811
Collections from property damage	-	-	2,465	2,465
Contributions and donations	80,000	20,000	21,571	1,571
Cash overages and shortages, net	-	-	110	110
Cash discounts earned	52,000	-	63,202	63,202
Other miscellaneous	42,000	300,000	130,004	(169,996)
<b>Total miscellaneous</b>	<u>612,000</u>	<u>730,000</u>	<u>787,185</u>	<u>57,185</u>
<b>Total revenues</b>	<u>390,661,000</u>	<u>403,955,000</u>	<u>411,334,541</u>	<u>7,379,541</u>

The accompanying notes are an integral part of these 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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Accounting	2,665,000	2,799,000	2,676,709	122,291
Chief Administrative Officer	1,713,000	1,713,000	1,579,821	133,179
City buildings	6,266,000	6,292,000	6,164,542	127,458
City wide financial support	585,000	585,000	517,499	67,501
City/County building rental	2,789,000	2,789,000	2,789,000	-
Community revitalization	1,508,000	1,708,000	1,293,747	414,253
Compensation in lieu of sick leave	350,000	350,000	238,331	111,669
Council services	1,891,000	2,572,500	1,810,825	761,675
Design - municipal devlp	579,000	579,000	493,020	85,980
Design recovered - municipal devlp	2,413,792	2,413,792	2,203,160	210,632
Design recovery storm	2,675,208	2,675,208	2,412,060	263,148
DFAS - Strategic support	317,000	317,000	285,329	31,671
Dues and memberships	542,000	542,000	475,981	66,019
Early retirement	5,500,000	6,700,000	6,699,127	873
Economic development	50,000	50,000	50,000	-
Information systems	7,570,000	7,997,000	7,759,686	237,314
International trade	238,000	238,000	211,878	26,122
ISD CIP funded	327,000	327,000	244,495	82,505
Water utility	-	927,922	927,922	-
Legal services	4,861,000	4,928,000	4,603,020	324,980
Legislative coordinator	224,000	224,000	226,500	(2,500)
Mayor's office	728,000	728,000	592,396	135,604
Municipal devlp - Strategic support	1,195,000	1,197,000	1,105,681	91,319
Office of city clerk	1,273,000	1,323,000	1,262,501	60,499
Office of economic development	837,000	1,050,000	951,199	98,801
Office of internal audit	1,185,000	1,189,000	674,489	514,511
Office of management and budget	1,250,000	1,250,000	1,087,404	162,596
Personnel services	2,171,000	2,195,000	2,141,382	53,618
Planning - Strategic support	956,000	956,000	934,709	21,291
Plaza del Sol building	1,108,000	1,108,000	1,108,000	-
Purchasing	1,071,000	1,071,000	1,010,834	60,166
Real property	487,000	487,000	453,428	33,572
Risk five year recovery plan	1,494,000	1,494,000	1,494,000	-
Treasury	1,358,000	1,358,000	1,263,165	94,835
Safe city strike force	899,000	899,000	871,069	27,931
<b>Total general government</b>	<u>59,076,000</u>	<u>63,032,422</u>	<u>58,612,909</u>	<u>4,419,513</u>

The accompanying notes are an integral part of these 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Public safety:</b>				
<b>Police Department:</b>				
Central support services	28,332,000	28,732,000	28,366,567	365,433
Investigative services	20,146,000	20,146,000	19,318,869	827,131
Neighborhood Policing	58,954,000	58,653,000	57,505,383	1,147,617
Off duty police overtime	1,072,000	1,072,000	1,060,766	11,234
<b>Fire Department:</b>				
AFD headquarters	2,461,000	2,461,000	2,036,105	424,895
Dispatch	2,590,000	2,590,000	2,570,216	19,784
Fire dept/CIP funded employees	92,000	92,000	161,641	(69,641)
Fire dept/technical services	448,000	448,000	430,881	17,119
Fire prevention/fire marshal's office	3,159,000	3,159,000	3,153,021	5,979
Fire suppression	42,312,000	42,312,000	41,919,479	392,521
Fire training and safety	2,285,000	2,287,000	2,140,693	146,307
Logistics	4,910,000	4,910,000	4,404,319	505,681
Paramedic rescue	-	-	62,488	(62,488)
<b>Total public safety</b>	<u>166,761,000</u>	<u>166,862,000</u>	<u>163,130,428</u>	<u>3,731,572</u>
<b>Culture and recreation:</b>				
Biological park	9,861,000	9,866,000	9,848,603	17,397
CIP Biopark	1,945,000	1,945,000	1,482,603	462,397
CIP library	49,000	49,000	50,755	(1,755)
Citizen Services	1,453,000	1,453,000	807,196	645,804
Community events	2,127,000	2,727,000	2,375,028	351,972
Convention center	-	-	-	-
Explora Science Center	1,300,000	1,300,000	1,301,969	(1,969)
Museum	3,992,000	4,092,000	3,980,969	111,031
Quality parks & trails system	-	-	-	-
Strategic support - CS	1,026,000	1,026,000	1,021,108	4,892
Strategic support - Senior Affairs	1,312,000	1,320,000	1,182,081	137,919
Strategic support - PR	956,000	956,000	883,397	72,603
Parks land management	12,080,000	12,096,000	11,868,928	227,072
Promote safe use of firearms	292,000	292,000	289,646	2,354
Provide community recreation	6,160,000	6,311,000	6,078,783	232,217
Provide quality recreation	3,945,000	4,176,000	3,970,415	205,585
Public library	9,779,000	9,779,000	9,773,250	5,750
Tourism - convention center	2,041,000	2,597,000	2,308,243	288,757
Special events parking	19,000	19,000	18,975	25
<b>Total culture and recreation</b>	<u>58,337,000</u>	<u>60,004,000</u>	<u>57,241,949</u>	<u>2,762,051</u>
<b>Public works:</b>				
Code administration	2,622,000	2,622,000	2,567,743	54,257
Construction management	2,314,000	2,314,000	2,221,509	92,491
Strategic support	200,000	200,000	84,480	115,520
Street CIP trans infrastructure tx	1,945,000	1,945,000	1,778,117	166,883
Storm drainage/maintenance	1,925,000	1,925,000	1,791,861	133,139
<b>Total public works</b>	<u>9,006,000</u>	<u>9,006,000</u>	<u>8,443,710</u>	<u>562,290</u>
<b>Highways and streets:</b>				
GF street services	9,886,000	9,986,000	9,817,193	168,807
<b>Total highways and streets</b>	<u>9,886,000</u>	<u>9,986,000</u>	<u>9,817,193</u>	<u>168,807</u>

The accompanying notes are an integral part of these 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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Health:</b>				
Animal services	5,283,000	5,783,000	5,497,447	285,553
Bio disease management	364,000	364,000	317,279	46,721
Clean city section	-	-	-	-
Consumer protection	1,004,000	1,004,000	955,322	48,678
Environmental services	1,380,000	1,380,000	1,242,076	137,924
Program support	<u>357,000</u>	<u>720,000</u>	<u>686,776</u>	<u>33,224</u>
<b>Total health</b>	<u>8,388,000</u>	<u>9,251,000</u>	<u>8,698,900</u>	<u>552,100</u>
<b>Human services:</b>				
Access to basic services	118,000	118,000	99,236	18,764
Develop affordable housing	75,000	75,000	73,995	1,005
Development process & policy	6,179,000	6,179,000	5,975,796	203,204
Plan and coordinate	2,123,000	2,123,000	2,084,091	38,909
Long-range planning	1,258,000	1,351,700	1,169,846	181,854
Offer health & social services	2,499,000	2,500,000	2,243,286	256,714
Partner with public education	5,249,000	5,248,000	4,492,098	755,902
Prevent and reduce youth gangs	1,223,000	1,223,000	1,165,188	57,812
Prevent neighborhood deterioration	48,000	48,000	47,000	1,000
Provide early childhood education	4,947,000	4,947,000	4,329,667	617,333
Provide emergency shelter	163,000	823,000	812,567	10,433
Provide mental health	2,195,000	2,355,000	1,186,898	1,168,102
Provide transitional housing	164,000	164,000	151,350	12,650
Substance abuse treatment/prevention	5,328,000	5,328,000	4,755,256	572,744
Supportive services to homeless	212,000	212,000	179,677	32,323
Train lower income persons	204,000	204,000	166,341	37,659
Well-being	<u>3,072,000</u>	<u>3,072,000</u>	<u>2,971,114</u>	<u>100,886</u>
<b>Total human services</b>	<u>35,057,000</u>	<u>35,970,700</u>	<u>31,903,406</u>	<u>4,067,294</u>
<b>Total expenditures</b>	<u>346,511,000</u>	<u>354,112,122</u>	<u>337,848,495</u>	<u>16,263,627</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>44,150,000</u>	<u>49,842,878</u>	<u>73,486,046</u>	<u>23,643,168</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,463,000	2,463,000	2,471,937	8,937
Transfers out	<u>(55,292,000)</u>	<u>(55,566,000)</u>	<u>(55,320,250)</u>	<u>(245,750)</u>
<b>Total other financing sources and uses</b>	<u>(52,829,000)</u>	<u>(53,103,000)</u>	<u>(52,848,313)</u>	<u>(236,813)</u>
<b>Net change in fund balance</b>	(8,679,000)	(3,260,122)	20,637,733	23,406,355
<b>Fund balance, July 1</b>	<u>64,786,282</u>	<u>64,786,282</u>	<u>64,786,282</u>	-
<b>Fund balance, June 30</b>	<u>\$ 56,107,282</u>	<u>\$ 61,526,160</u>	<u>\$ 85,424,015</u>	<u>\$ 23,406,355</u>

The accompanying notes are an integral part of these financial statements

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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
June 30, 2005

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash, investments, and accrued interest	\$ 9,514,262	\$ 5,646,374
Cash with fiscal agents held for debt service	13,608,086	4,383,284
Cash held by others	-	-
Accounts receivable, net of allowance for uncollectible accounts	3,667,071	2,534,782
Due from other funds	-	-
Prepaid expenses	-	-
Due from other governments	-	-
Deposits	-	-
Inventories of supplies	618,149	743,650
<b>Total current assets</b>	<u>27,407,568</u>	<u>13,308,090</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets:</b>		
Cash, investments, and accrued interest	107,061,445	11,380,245
Account receivable from bond escrow agent	534,799	-
Accounts receivable - developers	-	-
Escrow deposits	-	-
<b>Total restricted assets</b>	<u>107,596,244</u>	<u>11,380,245</u>
<b>Capital assets:</b>		
Land	33,057,300	5,165,504
Land and improvements acquired from U.S. Air Force	7,630,077	-
Buildings and improvements	146,757,016	39,795,558
Runways and other improvements	246,511,046	-
Improvements other than buildings	112,748,804	-
Machinery and equipment	12,771,515	63,303,752
Other	647,096	-
<b>Total</b>	<u>560,122,854</u>	<u>108,264,814</u>
Less accumulated depreciation and amortization	<u>308,399,709</u>	<u>53,477,318</u>
Capital assets, net of depreciation	251,723,145	54,787,496
Construction work in progress	19,039,559	3,278,167
<b>Total capital assets</b>	<u>270,762,704</u>	<u>58,065,663</u>
<b>Other:</b>		
Capitalized bond issuance costs	1,637,334	60,408
Land - acquired under claim settlement	-	-
<b>Total other assets</b>	<u>1,637,334</u>	<u>60,408</u>
<b>Total noncurrent assets</b>	<u>379,996,282</u>	<u>69,506,316</u>
<b>Total Assets</b>	<u>407,403,850</u>	<u>82,814,406</u>

The accompanying notes are an integral part of these financial statements

<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 3,761,343	\$ 13,511,225	\$ 32,433,204	\$ 45,972,434
-	1,062,245	19,053,615	-
-	636,984	636,984	-
192,913	685,870	7,080,636	-
-	-	-	2,303,484
-	38,366	38,366	280,710
2,628,395	191,554	2,819,949	67,897
-	-	-	112,679
<u>638,253</u>	<u>163,368</u>	<u>2,163,420</u>	<u>2,096,488</u>
<u>7,220,904</u>	<u>16,289,612</u>	<u>64,226,174</u>	<u>50,833,692</u>
7,316,333	7,324,984	133,083,007	-
-	-	534,799	-
-	3,626,651	3,626,651	-
-	<u>626,138</u>	<u>626,138</u>	-
<u>7,316,333</u>	<u>11,577,773</u>	<u>137,870,595</u>	-
4,768,660	8,875,432	51,866,896	283,842
-	-	7,630,077	-
46,635,707	137,979,844	371,168,125	406,001
-	-	246,511,046	-
-	-	112,748,804	765,388
61,004,400	4,176,825	141,256,492	1,449,315
-	<u>100,904</u>	<u>748,000</u>	-
<u>112,408,767</u>	<u>151,133,005</u>	<u>931,929,440</u>	<u>2,904,546</u>
<u>47,059,041</u>	<u>65,481,306</u>	<u>474,417,374</u>	<u>2,202,405</u>
65,349,726	85,651,699	457,512,066	702,141
<u>3,758,244</u>	<u>2,464,287</u>	<u>28,540,257</u>	-
<u>69,107,970</u>	<u>88,115,986</u>	<u>486,052,323</u>	<u>702,141</u>
-	763,762	2,461,504	-
-	-	-	1,730,000
-	<u>763,762</u>	<u>2,461,504</u>	<u>1,730,000</u>
<u>76,424,303</u>	<u>100,457,521</u>	<u>626,384,422</u>	<u>2,432,141</u>
<u>83,645,207</u>	<u>116,747,133</u>	<u>690,610,596</u>	<u>53,265,833</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
June 30, 2005

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	270,424	541,112
Accrued payroll	202,229	340,753
Accrued vacation and sick leave pay	785,207	1,262,200
Accrued fuel cleanup costs	-	-
Fare tokens outstanding	-	-
Deposits	243,753	67,048
Due to other governments	-	-
Current portion of claims and judgments payable	-	-
<b>Liabilities payable from restricted assets:</b>		
Construction contracts and miscellaneous payable	4,343,667	1,280,258
Deferred revenue	2,730,916	-
Current portion - revenue bonds payable	9,410,000	3,639,321
Accrued interest	4,116,685	736,713
<b>Total current liabilities</b>	<u>22,102,881</u>	<u>7,867,405</u>
<b>Noncurrent liabilities:</b>		
<b>Liabilities payable from restricted assets:</b>		
Accrued landfill closure costs	-	1,515,176
Other	-	-
<b>Total</b>	<u>-</u>	<u>1,515,176</u>
<b>Revenue bonds, net of current portion and unamortized discounts, and capital leases</b>	<u>212,810,986</u>	<u>30,038,664</u>
<b>Other:</b>		
Claims and judgments payable	-	-
Accrued vacation and sick leave pay	314,426	803,450
Advances from other funds	-	-
<b>Total</b>	<u>314,426</u>	<u>803,450</u>
<b>Total noncurrent liabilities:</b>	<u>213,125,412</u>	<u>32,357,290</u>
<b>Total liabilities</b>	<u>235,228,293</u>	<u>40,224,695</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	90,641,123	32,743,885
<b>Restricted for:</b>		
Debt service	13,171,595	371,759
Construction	54,969,876	3,262,414
Unrestricted	13,392,963	6,211,653
<b>Total net assets</b>	<u>\$ 172,175,557</u>	<u>\$ 42,589,711</u>

The accompanying notes are an integral part of these financial statements

<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
330,652	1,214,148	2,356,336	4,669,488
352,186	112,909	1,008,077	97,915
1,126,648	386,985	3,561,040	456,068
-	-	-	116,232
65,765	-	65,765	-
-	212,566	523,367	-
-	78,839	78,839	-
-	-	-	17,503,500
1,216,918	260,255	7,101,098	-
-	-	2,730,916	-
-	893,136	13,942,457	-
-	443,208	5,296,606	-
<u>3,092,169</u>	<u>3,602,046</u>	<u>36,664,501</u>	<u>22,843,203</u>
-	-	1,515,176	-
-	228,953	228,953	-
-	228,953	1,744,129	-
-	30,407,839	273,257,489	-
-	-	-	32,875,264
281,661	112,547	1,512,084	138,090
-	22,200,000	22,200,000	-
281,661	22,312,547	23,712,084	33,013,354
281,661	52,949,339	298,713,702	33,013,354
3,373,830	56,551,385	335,378,203	55,856,557
69,107,970	44,649,707	237,142,685	702,141
-	1,198,077	14,741,431	-
8,727,810	1,265,183	68,225,283	-
2,435,597	13,082,781	35,122,994	(3,292,865)
<u>\$ 80,271,377</u>	<u>\$ 60,195,748</u>	<u>\$ 355,232,393</u>	<u>\$ (2,590,724)</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -**  
**PROPRIETARY FUNDS**  
Year ended June 30, 2005

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
<b>Operating revenues:</b>		
Charges for services	<u>\$ 55,759,313</u>	<u>\$ 45,546,008</u>
<b>Operating expenses:</b>		
Salaries and fringe benefits	12,522,171	20,202,177
Professional services	297,007	258,153
Utilities	2,495,700	398,907
Supplies	627,887	1,104,687
Travel	66,557	20,945
Fuels, repairs and maintenance	1,975,706	5,649,551
Contractual services	4,084,314	1,658,174
Claims and judgments	-	-
Insurance premiums	-	-
Other operating expenses	2,081,720	4,934,460
Depreciation	21,897,459	6,032,365
Bad debt expense	-	107,341
<b>Total operating expenses</b>	<u>46,048,521</u>	<u>40,366,760</u>
<b>Operating income (loss)</b>	<u>9,710,792</u>	<u>5,179,248</u>
<b>Non-operating revenues (expenses):</b>		
Interest on investments	814,502	225,529
Federal housing grants	-	-
Housing assistance payments	-	-
Passenger facilities charges	7,929,741	-
Gain (loss) on disposition of property and equipment	(80,981)	(1,186,759)
Interest and other debt service expenses	(8,262,415)	(1,003,342)
Bond issue costs	(333,792)	122
Other	357,543	5,707
<b>Total non-operating revenues (expenses)</b>	<u>424,598</u>	<u>(1,958,743)</u>
<b>Income (loss) before capital contributions and transfers</b>	10,135,390	3,220,505
<b>Capital contributions</b>	5,817,552	-
Transfers in	-	-
Transfers out	-	-
<b>Change in net assets</b>	<u>15,952,942</u>	<u>(1,252,055)</u>
<b>Net assets (deficit), July 1, as restated</b>	<u>156,222,615</u>	<u>40,621,261</u>
<b>Net assets (deficit), June 30</b>	<u>\$ 172,175,557</u>	<u>\$ 42,589,711</u>

The accompanying notes are an integral part of these financial statements



<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 3,461,802	\$ 13,770,287	\$ 118,537,410	\$ 83,804,939
20,042,703	6,765,187	59,532,238	6,060,866
13,752	83,356	652,268	770,801
537,917	2,500,188	5,932,712	125,679
581,007	151,290	2,464,871	1,212,598
16,091	3,552	107,145	5,928
3,825,077	2,418,723	13,869,057	4,397,110
4,862,454	466,568	11,071,510	1,954,702
-	-	-	23,682,795
-	-	-	39,512,277
3,453,841	3,035,182	13,505,203	2,094,785
4,621,291	4,845,546	37,396,661	110,490
4,400	306,399	418,140	-
<u>37,958,533</u>	<u>20,575,991</u>	<u>144,949,805</u>	<u>79,928,031</u>
<u>(34,496,731)</u>	<u>(6,805,704)</u>	<u>(26,412,395)</u>	<u>3,876,908</u>
189,304	468,206	1,697,541	1,020,796
-	24,750,772	24,750,772	-
-	(19,363,574)	(19,363,574)	-
-	-	7,929,741	-
-	-	(1,267,740)	(5,533)
-	(1,823,562)	(11,089,319)	-
-	(115,744)	(449,414)	-
<u>1,783,215</u>	<u>482,885</u>	<u>2,629,350</u>	<u>98,597</u>
<u>1,972,519</u>	<u>4,398,983</u>	<u>4,837,357</u>	<u>1,113,860</u>
(32,524,212)	(2,406,721)	(21,575,038)	4,990,768
23,710,984	363,445	29,891,981	-
25,331,537	2,300,000	27,631,537	-
(215,184)	(230,698)	(1,697,937)	(269,000)
<u>16,303,125</u>	<u>26,026</u>	<u>34,250,543</u>	<u>4,721,768</u>
<u>63,968,252</u>	<u>60,169,722</u>	<u>320,981,850</u>	<u>(7,312,492)</u>
\$ 80,271,377	\$ 60,195,748	\$ 355,232,393	\$ (2,590,724)

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended June 30, 2005

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 57,557,180	\$ 44,836,450
Cash received from other funds for goods and services	-	803,640
Cash payments to employees for services	(11,713,385)	(18,868,237)
Cash payments to suppliers for goods and services	(10,246,037)	(9,929,045)
Cash payments to other funds for goods and services	(3,221,818)	(6,053,765)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous cash received	357,543	-
<b>Net cash provided by (used for) operating activities</b>	<u>32,733,483</u>	<u>5,707</u> <u>10,794,750</u>
<b>Cash flow from noncapital financing activities:</b>		
Operating grants received	-	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	-
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	-
Transfers-out to other funds	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<u>-</u>	<u>(1,252,055)</u> <u>(1,252,055)</u>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from notes payable	-	5,800,000
Principal paid on revenue bond maturities and refunded bonds	(7,630,000)	(2,975,000)
Return of deposit	-	-
Interest and other expenses paid on revenue bond maturities	(9,425,315)	(856,942)
Acquisition and construction of capital assets	(14,719,187)	(14,498,300)
Cash payments to other funds for goods and services	(208,987)	(101,586)
Capital grants received	-	-
Receipts in anticipation of future land sale	-	-
Passenger facilities charges	7,929,741	-
Proceeds from sale (retirement) of property and equipment	7,733	-
<b>Net cash used for capital and related financing activities</b>	<u>(24,046,015)</u>	<u>3,611,000</u> <u>(9,020,828)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	4,695,400	225,529
<b>Net cash provided by investing activities</b>	<u>4,695,400</u>	<u>225,529</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	13,382,868	747,396
Cash and cash equivalents, July 1	116,800,925	20,662,507
<b>Cash and cash equivalents, June 30</b>	<u>\$ 130,183,793</u>	<u>\$ 21,409,903</u>

The accompanying notes are an integral part of these financial statements

<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 3,335,445	\$ 13,055,055	\$ 118,784,130	\$ 22,080,810
-	287,718	1,091,358	63,564,802
(18,693,870)	(6,969,770)	(56,245,262)	(6,129,878)
(9,572,968)	(5,760,642)	(35,508,692)	(51,776,692)
(5,431,755)	(2,173,550)	(16,880,888)	(2,014,420)
-	-	-	(20,882,279)
<u>986,713</u>	<u>290,001</u>	<u>1,639,964</u>	<u>83,053</u>
<u>(29,376,435)</u>	<u>(1,271,188)</u>	<u>12,880,610</u>	<u>4,925,396</u>
1,084,242	23,177,115	24,261,357	-
-	(19,363,575)	(19,363,575)	-
-	(1,300,000)	(1,300,000)	-
-	(647,250)	(647,250)	-
25,331,537	2,300,000	27,631,537	-
<u>(215,184)</u>	<u>(230,698)</u>	<u>(1,697,937)</u>	<u>(269,000)</u>
<u>26,200,595</u>	<u>3,935,592</u>	<u>28,884,132</u>	<u>(269,000)</u>
-	-	5,800,000	-
-	(789,920)	(11,394,920)	-
-	339,188	339,188	-
-	(1,186,780)	(11,469,037)	-
(23,969,493)	(2,264,975)	(55,451,955)	(117,495)
-	-	(310,573)	-
26,354,555	1,619,861	27,974,416	-
-	-	-	25,000
-	-	7,929,741	-
<u>57</u>	<u>-</u>	<u>3,618,790</u>	<u>26,417</u>
<u>2,385,119</u>	<u>(2,282,626)</u>	<u>(32,964,350)</u>	<u>(66,078)</u>
<u>189,304</u>	<u>468,206</u>	<u>5,578,439</u>	<u>1,020,796</u>
<u>189,304</u>	<u>468,206</u>	<u>5,578,439</u>	<u>1,020,796</u>
(601,417)	849,984	14,378,831	5,611,114
<u>11,679,093</u>	<u>22,311,592</u>	<u>171,454,117</u>	<u>40,361,320</u>
<u>\$ 11,077,676</u>	<u>\$ 23,161,576</u>	<u>\$ 185,832,948</u>	<u>\$ 45,972,434</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year ended June 30, 2005**

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ 9,710,792	\$ 5,179,248
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for ) operating activities:</b>		
Depreciation	21,897,459	6,032,365
Amortization	-	-
Miscellaneous cash received	357,543	5,707
Provision for claims and judgments	-	-
<b>Decrease (increase) in assets:</b>		
Receivables	(915,132)	194,009
Escrow deposits	-	-
Due from other governments	-	-
Due from other funds	81,869	-
Inventories of supplies	(618,149)	(45,318)
Prepaid expenses	-	-
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	(93,949)	(208,849)
Customer deposits	97,450	-
Accrued landfill closure costs and fuels cleanup	-	103,160
Accrued employee compensation and benefits	(399,949)	(472,985)
Fare tokens outstanding and deposits	-	7,413
Due to other funds	-	-
Escrow liability	-	-
Deferred revenue	2,615,549	-
Due to other governments	-	-
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 32,733,483</u>	<u>\$ 10,794,750</u>
<b>Cash and cash equivalents at June 30 consist of:</b>		
<b>Current assets:</b>		
Cash, investments, and accrued interest	\$ 9,514,262	\$ 5,646,374
Cash with fiscal agents	13,608,086	4,383,284
Cash held by others	-	-
<b>Restricted assets:</b>		
Cash, investments, and accrued interest	107,061,445	11,380,245
Escrow deposits	-	-
<b>Total cash and cash equivalents, June 30</b>	<u>\$ 130,183,793</u>	<u>\$ 21,409,903</u>
<b>Non cash transactions:</b>		
Unrealized gains (losses) on investments	\$ (74,180)	\$ (4,808)
Transfer of capital assets from the Capital Projects Fund	-	-
HUD payment of third party guaranteed debt	-	-

The accompanying notes are an integral part of these financial statements

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<u>Transit Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ (34,496,731)	\$ (6,805,704)	\$ (26,412,395)	\$ 3,876,908
4,621,291	4,845,546	37,396,661	110,490
-	20,130	20,130	-
986,713	528,999	1,878,962	83,053
-	-	-	2,800,516
(121,873)	(16,514)	(859,510)	50,793
-	(264,568)	(264,568)	(89,685)
-	-	-	(2,303,484)
(40,158)	88,226	81,869	(228,440)
-	(38,366)	(38,366)	40,232
129,115	678,942	505,259	693,878
-	-	97,450	-
-	-	103,160	-
(450,308)	(119,488)	(1,442,730)	(108,865)
(4,484)	30,680	33,609	-
-	(81,869)	(81,869)	-
-	(137,202)	(137,202)	-
-	-	2,615,549	-
<u>\$ (29,376,435)</u>	<u>\$ (1,271,188)</u>	<u>\$ 12,880,610</u>	<u>\$ 4,925,396</u>
\$ 3,761,343	\$ 13,511,225	\$ 32,433,204	\$ 45,972,434
-	1,062,245	19,053,615	-
-	636,984	636,984	-
7,316,333	7,324,984	133,083,007	-
-	626,138	626,138	-
<u>\$ 11,077,676</u>	<u>\$ 23,161,576</u>	<u>\$ 185,832,948</u>	<u>\$ 45,972,434</u>
\$ 8,280	\$ 745	\$ (69,963)	\$ (35,811)
68,581	250,525	319,106	-
-	1,516,359	1,516,359	-

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2005**

	<u>Agency Fund</u>
<b>ASSETS</b>	
<b>Assets:</b>	
Cash, investments, and accrued interest	
Receivables	\$ 13,460,158
<b>Total Assets</b>	<u>237,069</u> <u>13,697,227</u>
<b>LIABILITIES</b>	
<b>Liabilities:</b>	
Accounts payable	
Funds held for others	349,254
<b>Total Liabilities</b>	<u>13,347,973</u>
<b>Net Assets</b>	<u>13,697,227</u> <u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

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 consists 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 non-exchange 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 BASIC FINANCIAL STATEMENTS  
June 30, 2005

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 non-exchange 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.

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.

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

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

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

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.

Enterprise Funds. These funds account for resources generally through services for which the City charges customers – either outside, or internal units or departments of the City. These funds report on the full accrual basis of accounting.

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 Accounting

1. 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 and 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. Non-exchange 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 are met.

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. The City has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

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.

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

**C. Statement of Cash Flows**

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

**D. Estimated Amounts Reported in Financial Statements**

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

**E. Cash, Investments, and Accrued Interest**

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

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).

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**F. Inventories of Supplies**

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

**G. Land Held for Sale**

Land held for sale, which consists primarily of approximately 4,357 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

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**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.

**J. Claims and Judgments**

Liabilities for workers' compensation, tort and other claims as of June 30, 2005, were accrued based on actuarial estimates of the City's self-insurance programs. At June 30, 2005, 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, 2005, and 5.0% for 2004, 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 non-exchange 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.

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

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, 2005, 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, 2005 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. Inter-fund 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 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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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 2005, several supplemental appropriations were necessary.

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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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, \$372,281,052, differ from net assets of governmental activities, \$938,261,578, 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
<b>Assets:</b>					
Cash, investments and accrued interest	\$ 417,759	\$ 45,972	\$ -	\$ (95,374)	\$ 368,357
Taxes receivable	64,319	-	-	-	64,319
Accounts receivable	25,099	-	-	-	25,099
Due from other governments	15,683	68	-	(18,087)	7,012
Accrued interest	-	-	-	-	15,751
Deposit	-	-	-	-	-
Long-term accounts and notes receivable	-	113	-	-	113
Internal balances	23,514	2,303	26	18,087	18,113
Inventories	453	2,096	-	(3,617)	22,200
Prepaid expenses	70	281	-	-	2,549
Restricted assets:					351
Cash, investments and accrued interest	-	-	-	95,374	95,374
<b>Capital assets:</b>					
Land and construction in progress	-	284	600,724	-	601,008
Capital assets being depreciated	-	2,621	700,840	-	703,461
Accumulated depreciation	-	(2,202)	(348,559)	-	(350,761)
Deferred charges and other assets	5,066	1,730	1,860	-	8,656
<b>Total assets</b>	<b>\$ 551,963</b>	<b>\$ 53,266</b>	<b>\$ 954,891</b>	<b>\$ (3,617)</b>	<b>\$ 1,556,503</b>
<b>Liabilities:</b>					
Accounts payable	\$ 28,793	\$ 4,669	\$ -	\$ -	\$ 33,462
Accrued liabilities	18,333	214	-	7,048	25,595
Deposits	1,099	-	-	-	1,099
Due to other funds/advances	3,617	-	-	-	-
Due to other governments	1,127	-	-	(3,617)	-
Deferred revenues	55,896	-	-	-	1,127
Current portion of long-term obligations:			(36,845)	-	19,051
Bonds and notes payable	-	-	61,923	-	61,923
Accrued vacation and sick leave pay	-	456	18,351	-	18,807
Accrued claims payable	-	17,505	-	-	17,505
Matured principal and interest	70,817	-	(63,769)	(7,048)	-
Non current long-term obligations:					
Bonds and notes payable	-	-	396,837	-	396,837
Accrued vacation and sick leave pay	-	138	8,779	-	8,917
Accrued claims payable	-	32,875	-	-	32,875
Deferred credit	-	-	1,044	-	1,044
<b>Total liabilities</b>	<b>179,682</b>	<b>55,857</b>	<b>386,320</b>	<b>(3,617)</b>	<b>618,242</b>
<b>Fund balances/net assets (deficit)</b>	<b>372,281</b>	<b>(2,591)</b>	<b>568,571</b>	<b>-</b>	<b>938,261</b>
<b>Total liabilities and fund balances/net assets</b>	<b>\$ 551,963</b>	<b>\$ 53,266</b>	<b>\$ 954,891</b>	<b>\$ (3,617)</b>	<b>\$ 1,556,503</b>



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**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, \$16,169,857, differ from the change in net assets for governmental activities, \$92,565,716, 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:

	<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Long-term Revenues/ Expenses</u>	<u>Reclassi- fications and Eliminations</u>	<u>Statement of Activities Totals</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Property tax	\$ 92,474	\$ -	\$ 73	\$ -	\$ 92,547
Gross receipts tax	163,169	-	81	-	163,250
Payments in lieu of taxes	4,770	-	-	-	4,770
Franchise tax	18,354	-	-	-	18,354
Lodgers tax	9,019	-	-	-	9,019
Hospitality tax	1,784	-	-	-	1,784
Licenses and permits	17,801	-	-	-	17,801
Intergovernmental	251,325	-	115	-	251,440
Charges for services	51,415	-	-	(8,088)	43,327
Fines and forfeits	1,157	-	-	-	1,157
Investment earnings	12,297	1,021	(848)	-	12,470
Special assessments	5,148	-	-	-	5,148
Other revenue	11,263	91	(44,727)	55	(33,318)
<b>Total revenues</b>	<b>639,976</b>	<b>1,112</b>	<b>(45,306)</b>	<b>(8,033)</b>	<b>587,749</b>
<b>Expenditures/Expenses:</b>					
<b>Current:</b>					
General government	68,849	(660)	1,952	(2,590)	67,551
Corrections	46,376	(559)	349	(1,511)	44,655
Fire	58,244	(218)	(2,260)	(135)	55,631
Police	111,593	(1,446)	1,412	(1,876)	109,683
Culture and recreation	63,385	(433)	9,729	9,428	82,109
Public works	9,190	(35)	1,151	(100)	10,206
Highways and streets	15,566	(306)	832	(4,107)	11,985
Health	13,789	(86)	(75)	(257)	13,371
Human services	52,151	(136)	(1,071)	(372)	50,572
Housing	6,199	-	189	-	6,388
Special assessments	-	-	-	3,284	3,284
<b>Debt service:</b>					
Principal retirement	95,492	-	(95,492)	-	-
Interest and other fiscal charges	15,833	-	11,269	(12,354)	14,748
Bond issuance costs	380	-	(1,228)	(86)	(934)
Capital outlay	174,569	-	(164,717)	(9,852)	-
Miscellaneous	-	-	(55)	55	-
<b>Total expenditures/expenses</b>	<b>731,616</b>	<b>(3,879)</b>	<b>(238,015)</b>	<b>(20,473)</b>	<b>469,249</b>
<b>Other financing sources (uses)/changes in net assets:</b>					
Net transfers (to) from other funds	(25,665)	(269)	-	-	(25,934)
Proceeds from issuance of bonds and loan:	133,475	-	(121,035)	(12,440)	-
<b>Total other financing sources (uses)/changes in net assets</b>	<b>107,810</b>	<b>(269)</b>	<b>(121,035)</b>	<b>(12,440)</b>	<b>(25,934)</b>
<b>Net change for the year</b>	<b>\$ 16,170</b>	<b>\$ 4,722</b>	<b>\$ 71,674</b>	<b>\$ -</b>	<b>\$ 92,566</b>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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, 2005, 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>
<b>Cash, investments, accrued interest and cash with fiscal agents, net of unamortized discounts and premiums:</b>					
Repurchase agreements	\$ 135,574	\$ 56,548	\$ 4,426	\$ 196,548	\$ 43,452
Obligations of federal agencies or instrumentalities	223,024	93,023	7,280	323,327	71,481
State of New Mexico investment council	27,578	-	-	27,578	-
State of New Mexico local government investment pool	-	6,732	-	6,732	-
Held in trust by NMFA in State of New Mexico local government investment pool	-	-	-	-	847
Held in trust by Wells Fargo Bank in U.S. Treasury Fund	67	2,648	-	2,715	-
Held in trust by Bank of Albuquerque in U.S. Treasury Fund	2,494	-	-	2,494	458
<b>Total investments</b>	<u>388,737</u>	<u>158,951</u>	<u>11,706</u>	<u>559,394</u>	<u>116,238</u>
Certificates of deposit	200	-	-	200	-
Bank accounts at book balance	73,552	25,227	1,724	100,503	40,868
<b>Total bank balances</b>	<u>73,752</u>	<u>25,227</u>	<u>1,724</u>	<u>100,703</u>	<u>40,868</u>
Accrued interest receivable	959	378	30	1,367	291
Imprest cash funds	187	14	-	201	-
<b>Total other</b>	<u>1,146</u>	<u>392</u>	<u>30</u>	<u>1,568</u>	<u>291</u>
<b>Total cash, investments, accrued interest and cash with fiscal agents</b>	<u>\$ 463,635</u>	<u>\$ 184,570</u>	<u>\$ 13,460</u>	<u>\$ 661,665</u>	<u>\$ 157,397</u>
<b>Current cash, investments and accrued interest:</b>					
Cash, investments and accrued interest	\$ 294,997	\$ 32,433	\$ 11,801	339,231	\$ 5,061
Cash and investments with fiscal agents	73,264	19,054	-	92,318	37,469
<b>Total current cash, investments and accrued interest</b>	<u>368,261</u>	<u>51,487</u>	<u>11,801</u>	<u>431,549</u>	<u>42,530</u>
<b>Noncurrent cash, investments and accrued interest:</b>					
Cash, investments and accrued interest	95,374	133,083	1,659	230,116	113,562
Cash and investments with fiscal agents	-	-	-	-	1,305
<b>Total noncurrent cash, investments and accrued interest</b>	<u>95,374</u>	<u>133,083</u>	<u>1,659</u>	<u>230,116</u>	<u>114,867</u>
<b>Total cash, investments, accrued interest and cash with fiscal agents</b>	<u>\$ 463,635</u>	<u>\$ 184,570</u>	<u>\$ 13,460</u>	<u>\$ 661,665</u>	<u>\$ 157,397</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 4 CASH AND CASH EQUIVALENTS, continued**

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

The City chose to early implement the provisions of GASB Statement No. 40, Deposit and Investment Risk Disclosure – an amendment of GASB Statement No. 3 effective for Financial Statements dated June 30, 2004. 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, 2005, none of the City's bank balances of \$150,837,762 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, 2005 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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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 53.13%, 32.58% and 14.29% respectively of the non-repurchase agreement portfolio and 33.18%, 20.34% and 8.92% 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, 2005 was 227.40 days. The weighted average days to call of the same portfolio was 227.40 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, 2005, consists of the following:

(In thousands of dollars)

	First State Bank (Water)	First State Bank (Housing)	Bank of America	Wells Fargo Bank	Compass Bank	Bank 1st	Union Bank	NM Bank & Trust
Total amount on deposit	\$ 4,057	\$ 5,673	\$138,578	\$ 2,259	\$ 6	\$ 100	\$ 100	\$ 64
Less FDIC coverage	100	100	100	100	6	100	100	64
Total uninsured public funds	3,957	5,573	138,478	2,159	-	-	-	-
50% collateral requirement	1,979	2,787	69,239	1,079	-	-	-	-
Pledged securities, fair value	4,048	6,475	74,006	1,404	-	-	-	75
Pledged in excess (deficit) of requirement	\$ 2,069	\$ 3,688	\$ 4,767	\$ 325	\$ -	\$ -	\$ -	\$ 75

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 5 TAXES, ACCOUNTS AND NOTES RECEIVABLE**

**A. Taxes receivable**

The taxes receivable at June 30, 2005 are from the following sources:

Gross receipts tax	\$58,094,629
Property tax	4,420,433
Lodgers tax	920,436
Hospitality tax	330,688
Other taxes	<u>552,382</u>
<b>Total</b>	<b><u>\$64,318,568</u></b>

The property taxes above include a receivable of \$3,057,606 in the General Obligation Debt Service Fund, \$1,272,781 in the General Fund, and \$90,046 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 2005 tax levy had a taxable value of \$8,289,292,625. 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 2005 weighted average residential and non-residential City rate for both operations and debt service was 11.149 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, 2005, are as follows:

	Total receivables	Allowance for uncollectible accounts	Net receivables
<b>Government activities:</b>			
<b>Major funds:</b>			
General Fund	\$ 3,999,923	\$ 389,497	\$ 3,610,426
Capital Acquisition Fund	1,473,141	18,907	1,454,234
Nonmajor governmental funds	<u>2,775,872</u>	<u>828,398</u>	<u>1,947,474</u>
<b>Total government activity funds</b>	<b><u>\$ 8,248,936</u></b>	<b><u>\$ 1,236,802</u></b>	<b><u>\$ 7,012,134</u></b>
<b>Business-type activities:</b>			
<b>Major funds:</b>			
Airport	\$ 4,455,590	\$ 788,519	\$ 3,667,071
Refuse Disposal	2,819,778	284,996	2,534,782
Transit	203,095	10,182	192,913
Nonmajor enterprise funds	<u>1,632,979</u>	<u>947,109</u>	<u>685,870</u>
<b>Total business-type activity funds</b>	<b><u>\$ 9,111,442</u></b>	<b><u>\$ 2,030,806</u></b>	<b><u>\$ 7,080,636</u></b>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**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>
<b>Government activities:</b>			
<b>Nonmajor funds:</b>			
Rehabilitation loans	\$ 3,074,296	\$ 1,269,195	\$ 1,805,101
Notes receivable	38,553	-	38,553
Developer loans	1,885,282	-	1,885,282
Special assessments debt service*	11,809,528	-	11,809,528
Real estate contracts	<u>2,575,068</u>	<u>-</u>	<u>2,575,068</u>
<b>Total government activity funds</b>	<b><u>\$ 19,382,727</u></b>	<b><u>\$ 1,269,195</u></b>	<b><u>\$ 18,113,532</u></b>
<b>Business-type activities:</b>			
<b>Nonmajor funds:</b>			
Developer loans	<u>3,626,651</u>	<u>-</u>	<u>3,626,651</u>
<b>Total business-type activity funds</b>	<b><u>\$ 3,626,651</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,626,651</u></b>

**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, 2005, consist of the following:

	<u>Due from other funds</u>	<u>Due to other funds</u>
<b>Major governmental funds:</b>		
General Fund	\$ 1,005,868	\$ 2,303,484
<b>Nonmajor governmental funds</b>	-	1,005,868
<b>Internal Service Funds</b>	<u>2,303,484</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 3,309,352</u></b>	<b><u>\$ 3,309,352</u></b>

**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, 2005.

<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>22,200,000</u>
<b>Total advances</b>		<b><u>\$ 22,507,636</u></b>

\* 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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 8 CAPITAL ASSETS**

Capital asset activity of the City for the year ended June 30, 2005, was as follows:

**A. Governmental Activities**

	<u>Balance July 1*</u>	<u>Additions*</u>	<u>Deductions*</u>	<u>Balance June 30*</u>
<b>Assets not being depreciated:</b>				
Land	\$ 215,941,528	\$ 16,118,436	\$ 265,952	\$ 231,794,012
Construction work in progress	223,532,205	149,646,243	5,802,497	367,375,951
Other	<u>854,300</u>	<u>1,011,440</u>	<u>27,348</u>	<u>1,838,392</u>
	<u>440,328,033</u>	<u>166,776,119</u>	<u>6,095,797</u>	<u>601,008,355</u>
<b>Assets being depreciated:</b>				
Buildings	169,865,698	4,964,674	-	174,830,372
Infrastructure	81,959,054	-	4,751,793	77,207,261
Improvements other than buildings	328,503,444	748,918	-	329,252,362
Equipment	<u>163,110,449</u>	<u>19,612,703</u>	<u>60,552,456</u>	<u>122,170,696</u>
	<u>743,438,645</u>	<u>25,326,295</u>	<u>65,304,249</u>	<u>703,460,691</u>
<b>Less accumulated depreciation:</b>				
Buildings	36,704,818	4,366,076	-	41,070,894
Infrastructure	4,390,904	2,573,575	-	6,964,479
Improvements other than buildings	172,216,570	10,746,751	-	182,963,321
Equipment	<u>127,457,049</u>	<u>12,220,745</u>	<u>19,914,684</u>	<u>119,763,110</u>
	<u>340,769,341</u>	<u>29,907,147</u>	<u>19,914,684</u>	<u>350,761,804</u>
<b>Capital assets being depreciated, net</b>	<u>402,669,304</u>	<u>(4,580,852)</u>	<u>45,389,565</u>	<u>352,698,887</u>
<b>Total capital assets, net</b>	<u>\$ 842,997,337</u>	<u>\$ 162,195,267</u>	<u>\$ 51,485,362</u>	<u>\$ 953,707,242</u>

\*Includes Internal Service Funds

In fiscal year 2004, \$4.7 million of costs associated with museum development was incorrectly placed in the infrastructure category. This error was corrected in fiscal year 2005 by placing the costs in the building category. In fiscal year 2005, land was acquired for open space costing \$10.2 million, \$5.2 million was spent on law enforcement vehicles, and \$3.7 million was spent on fire trucks.

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 \$143.8 million primarily due to street, storm, and park development.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 8 CAPITAL ASSETS, continued**

**B. Business-type activities**

	<u>Balance July 1*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
<b>Assets not being depreciated:</b>				
Land	\$ 50,834,081	\$ 1,032,815	\$ -	\$ 51,866,896
Land and improvements acquired from the U.S. Air Force	7,638,439	-	8,362	7,630,077
Other	748,000	-	-	748,000
Construction work in progress	<u>41,780,314</u>	<u>25,590,008</u>	<u>38,830,065</u>	<u>28,540,257</u>
Total assets, not being depreciated	<u>101,000,834</u>	<u>26,622,823</u>	<u>38,838,427</u>	<u>88,785,230</u>
<b>Assets being depreciated:</b>				
Buildings and improvements	336,831,431	36,364,628	2,027,934	371,168,125
Runways and improvements	242,374,624	4,136,422	-	246,511,046
Improvements other than buildings and runways	101,129,123	11,619,681	-	112,748,804
Equipment	<u>129,068,222</u>	<u>17,863,140</u>	<u>5,674,870</u>	<u>141,256,492</u>
Total assets, being depreciated	<u>809,403,400</u>	<u>69,983,871</u>	<u>7,702,804</u>	<u>871,684,467</u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	145,681,212	10,923,961	30,114	156,575,059
Runways and improvements	138,620,561	10,748,432	-	149,368,993
Improvements other than buildings and runways	66,075,575	5,912,580	1,049,170	70,938,985
Equipment	<u>92,555,612</u>	<u>9,811,688</u>	<u>4,832,963</u>	<u>97,534,337</u>
Total accumulated depreciation	<u>442,932,960</u>	<u>37,396,661</u>	<u>5,912,247</u>	<u>474,417,374</u>
Capital assets being depreciated, net	<u>366,470,440</u>	<u>32,587,210</u>	<u>1,790,557</u>	<u>397,267,093</u>
Total capital assets, net	<u>\$ 467,471,274</u>	<u>\$ 59,210,033</u>	<u>\$ 40,628,984</u>	<u>\$ 486,052,323</u>

The additions to equipment were for Refuse Disposal Fund purchases of heavy equipment (\$5.8 million) and new Transit Fund buses (\$8.2 million). The increase in additions for buildings and improvements were a for the Westside Transit Facility (\$20.9 million), the Uptown Transit Facility (\$1.0 million), and Housing (\$3.1 million). The additions to runways and improvements were for the Aviation Fund (\$4.1 million). The additions to improvements other than buildings and runways were for the Aviation Fund (\$10.7 million).

The construction work in progress decreased by \$13.2 million. The construction work in progress consists of expenditures made in connection with the Airport Fund, Golf Fund, Refuse Disposal Fund, Transit Fund, and Housing Authority Fund. The major amounts are for improvements to the Sunport and Transit Fund's new West Side Facility.

\*In addition, as explained in the restatement Note 22, accumulated depreciation was reduced by \$7.6 million in the Aviation Fund and by \$1.7 million in the Transit Fund.



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 8 CAPITAL ASSETS, continued**

**C. Depreciation expense**

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

<b><u>Governmental activities:</u></b>	
General government	\$ 1,991,038
Public Safety:	
Corrections	217,561
Fire protection	1,863,897
Police protection	7,207,696
Culture and recreation	12,688,715
Public works	1,469,833
Highways and streets	2,351,099
Health	612,988
Human services	1,205,030
Municipal development	188,797
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	<u>110,493</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 29,907,147</u></b>

**Business-type activities:**

<b>Major funds:</b>	
Airport	\$ 21,897,459
Refuse disposal	6,032,365
Transit	4,621,291
Nonmajor funds:	<u>4,845,546</u>
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 37,396,661</u></b>

**D. Capitalized interest**

Changes to the capital assets for the business-type activities for 2005 include the following amounts of capitalized interest:

	<u>Total Interest</u>	<u>Interest Related to Tax-Exempt Borrowing</u>	<u>Net</u>
Interest expense	\$ 15,691,895	\$ 4,602,576	\$ 11,089,319
Interest income	4,099,529	<u>2,401,988</u>	1,697,541
<b>Capitalized interest</b>		<b><u>\$ 2,200,588</u></b>	

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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, 2005 is as follows:

**A. Governmental Activities**

Capital Acquisitions Fund \$ 95,374,426

**B. Business-type activities**

Airport Fund	\$ 107,596,244
Refuse Disposal Fund	11,380,245
Transit Fund	7,316,333
Nonmajor Enterprise Funds	<u>11,577,773</u>
Totals	<u>\$ 137,870,595</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, 2005, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
General Obligation Bonds	\$ 262,605,000	\$ 122,175,917	\$ 88,220,000	\$ 296,560,917	\$ 57,355,917
Sales Tax Revenue Bonds	152,735,000	60,880,000	72,360,000	141,255,000	3,190,000
Sales Tax Revenue Notes	437,800	5,700,000	140,684	5,997,116	605,817
Special Assessment Bonds and Notes With Governmental Commitment	16,680,492	-	4,024,549	12,655,943	771,762
Accrued vacation and sick leave pay	24,049,522	28,088,318	24,413,633	27,724,207	18,807,004
Accrued claims payable	47,578,248	23,682,795	20,882,279	50,378,764	17,503,500
Less deferred amounts:					
Deferred refunding costs	-	(5,447,361)	(143,577)	(5,303,784)	-
Unamortized bond discounts	(14,453,537)	-	(12,487,951)	(1,965,586)	-
Unamortized bond premiums	5,181,398	5,741,192	1,362,063	9,560,527	-
	494,813,923	240,820,861	198,771,680	536,863,104	98,234,000
Current portion of long-term obligations	<u>(127,897,738)</u>	<u>-</u>	<u>(29,663,738)</u>	<u>(98,234,000)</u>	<u>-</u>
Total	<u>\$ 366,916,185</u>	<u>\$ 240,820,861</u>	<u>\$ 169,107,942</u>	<u>\$ 438,629,104</u>	<u>\$ 98,234,000</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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**A. Governmental activities, continued**

General obligation bonds outstanding at June 30, 2005, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
February 1, 1996 Storm Sewer	\$ 2,500,000	5.00/5.50%	July 1, 2005	Not callable
January 1, 1997 General Purpose	1,700,000	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	4,200,000	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	4,000,000	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	10,000,000	4.50/4.75	July 1, 2009	100% beginning July 1, 2007
July 1, 2000 General Purpose	450,000	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	25,670,000	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	6,000,000	4.00/5.60%	July 1, 2010	Not callable
February 1, 2002 General Purpose	13,400,000	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 General Purpose	56,555,000	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 Taxable	5,800,000	2.50%	July 1, 2005	Not callable
June 30, 2005 General Purpose	90,595,000	4.00/5.00%	July 1, 2013	Not callable
June 30, 2005 Storm Sewer	11,575,000	4.00/4.25%	July 1, 2014	100% beginning July 1, 2013
June 30, 2005 General Purpose	<u>20,005,917</u>	2.93%	July 1, 2005	Not callable
	<u>\$ 296,560,917</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, 2005, based on the most recent assessed taxable valuation of \$8,289,292,625, the City may issue an additional \$63,195,083 of general-purpose general obligation bonds. Included in the general obligation bonds outstanding at June 30, 2005, are Storm Sewer bonds in the amount of \$58,185,000 that are not subject to the legal debt limit.

On June 30, 2005, the City issued \$102,170,000 of General Obligation Bonds, Series 2005A and B with an average interest rate of 4.38%. The proceeds of these bonds were deposited into the Capital Acquisition Fund and will be used for various construction projects for police, fire, parks, cultural services, facilities and equipment, libraries, public transit, storm sewers, and streets. The bonds require annual principal and semi-annual interest payments through July 1, 2014.

Also, on June 1, 2005 the City issued \$20,005,917 Short Term General Obligation Bonds, Series C. The Series 2005C Bonds bear interest at the daily rate on the date of issuance applicable to the Local Government Investment Pool administered by the State Treasurer of New Mexico. The interest rate in effect was 2.93%. The proceeds of these bonds were used for various construction projects for police, fire, parks, cultural services, facilities and equipment, libraries, public transit, storm sewers, and streets. The bonds matured on July 1, 2005.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**A. Governmental activities, continued**

Sales Tax Revenue Bonds and Notes 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, 2005, 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	\$ 3,970,000	6.60/7.10%	July 1, 2019	103% beginning July 1, 2011
May 1, 1992 Refunding	3,740,000	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	3,690,000	5.00%	July 1, 2011	100% beginning July 1, 2007
January 15, 1999 A Refunding	4,810,000	3.75/5.00%	July 1, 2015	100% beginning July 1, 2009
January 15, 1999 B Refunding	12,235,000	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	23,500,000	adjustable weekly	July 1, 2014	100% beginning January 20, 2000
October 6, 2004 A Refunding	31,965,000	4.75%	July 1, 2037	100% beginning July 1, 2014
October 6, 2004 B Refunding	28,915,000	2.39/4.90%	July 1, 2014	100% beginning October 6, 2004
April 27, 2001, Note	297,116	3.02/3.62%	July 1, 2006	None
September 9, 2004, Note	<u>5,700,000</u>	1.26/3.67%	July 1, 2014	None
	<u>\$ 147,252,116</u>			

On October 6, 2004, the City issued \$60,880,000 of Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004A and B, with an average coupon rate of 3.88%. The Series 2004 Bonds are being issued for the purpose of restructuring the debt service on the City's bonds and obligations payable from pledged lodgers' tax revenues and gross receipts tax revenues so that the amount of debt service on such bonds paid by the City using state-shared gross receipts tax revenues is substantially reduced or eliminated.

**Tax-Exempt Series 2004A - \$31,965,000**

The net proceeds of \$31,643,964 (exclusive of \$587,293 of underwriters' fees and other issuance costs and \$267,085 of original issue premium) plus an additional \$383,909 were used to purchase state and local government securities. These securities were deposited into an irrevocable trust with an escrow agent to provide for the advance refunding of certain Series 1999B Bonds maturing on July 1, 2012 through July 1, 2025. The total amount of Series 1999B Bonds to be partially redeemed with the Series 2004A Bonds is \$30,945,000. As a result, that portion of the Series 1999B Bonds described above are considered to be defeased and the liability for those bonds has been removed from the General Long Term Debt Account Group. The advance refunding was undertaken to provide fiscal relief to the General Fund.

**Taxable Series 2004B - \$28,915,000**

The net proceeds of \$28,400,768 (exclusive of \$377,483 of underwriters' fees and other issuance costs) plus an additional \$594,563 were used to purchase state and local government securities. These securities were deposited into an irrevocable trust with an escrow agent to provide for the advance partial refunding of certain Bonds: Series 1999B Bonds maturing on July 1, 2012 through July 1, 2025 in the total amount of \$2,155,000; Series 1996 Bonds maturing on July 1, 2005 through July 1, 2011 in the total amount of \$5,510,000; and Series 1991B Capital Appreciation Bonds maturing July 1, 2005 through July 1, 2019 with an accreted value of \$17,361,298. As a result, those portions of the bonds described above are considered to be defeased and the liability for those bonds has been removed from the General Long Term Debt Account Group. The advance refunding was undertaken to provide fiscal relief to the General Fund.

The advance refunding on the Series 2004A and B Bonds was undertaken to defer the payment of principal to future years resulting in a net increase to debt service payments over the next 33 years by \$46,170,665 and resulting in an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$4,599,947.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**A. Governmental activities, continued**

On September 9, 2004, the City executed a loan agreement with the New Mexico Finance Authority for \$5,700,000, with an average interest rate of 2.75%. The proceeds of the loan will consist of equipping and furnishing the Albuquerque Convention Center. The loan is secured by pledges of revenues from hospitality taxes only. Final payment is due July 1, 2014. The balance due at June 30, 2005 was \$5,700,000.

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.

Special Assessment debt and notes in the amount of \$12,655,943 are outstanding at June 30, 2005. Interest rates range from .94% to 7.10%, and maturities extend through January 1, 2015.

**B. Business-type activities**

The changes in the Business-type activities obligations for the year ended June 30, 2005, are as follows:

	<u>Outstanding</u>				<u>Payable in one year</u>
	<u>July 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30</u>	
Revenue bonds	\$ 280,630,000	\$ -	\$ 11,015,000	\$ 269,615,000	\$ 12,945,000
Loans and notes payable	15,000,000	5,800,000	379,920	20,420,080	919,383
Accrued vacation and sick leave pay	4,708,590	3,817,540	3,453,006	5,073,124	3,561,040
Less deferred amounts:					
Deferred refunding costs	(5,872,303)	55,346	(878,605)	(4,938,352)	-
Unamortized bond premiums	1,702,153	13,535	289,160	1,426,528	-
Unamortized bond discounts	(266,090)	-	(23,597)	(242,493)	-
	<u>295,902,350</u>	<u>9,686,421</u>	<u>14,234,884</u>	<u>291,353,887</u>	<u>17,425,423</u>
Capitalized leases	-	944,458	25,274	919,184	78,075
Subtotal	<u>295,902,350</u>	<u>10,630,879</u>	<u>14,260,158</u>	<u>292,273,071</u>	<u>17,503,498</u>
Current portion	<u>(14,223,375)</u>	<u>-</u>	<u>3,280,123</u>	<u>(17,503,498)</u>	<u>-</u>
Business-type activity long-term obligations	<u>\$ 281,678,975</u>	<u>\$ 10,630,879</u>	<u>\$ 17,540,281</u>	<u>\$ 274,769,573</u>	<u>\$ 17,503,498</u>

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.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**B. Business-type activities, continued**

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

Airport Revenue bonds outstanding at June 30, 2005, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Call Provisions</u>
May 3, 1995 Refunding	47,400,000	a *	July 1, 2014	100% on any interest payment date
April 3, 1997 Refunding	27,065,000	6.25/6.75%	July 1, 2018	102% beginning July 1, 2007
September 1, 1998 Refunding	37,440,000	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	39,315,000	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	<u>30,000,000</u>	2.0/4.5%	July 1, 2024	100% beginning July 1, 2007
Total outstanding	226,030,000			
Unamortized premiums	1,002,610			
Deferred refunding costs	<u>(4,811,624)</u>			
Net outstanding	<u>\$ 222,220,986</u>			

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

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

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, during the year ended, 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, 2005 and 2004 interest was being paid monthly. The average interest rate on the Series 2000 bonds for the years ended June 30, 2005 and 2004 was 1.75% and .99% respectively. The weekly interest rate at June 30, 2005 and 2004 was .97% and 1.06% 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 \$13,880,000 is outstanding at June 30, 2005 and maturities extend through July 1, 2030.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**B. Business-type activities, continued**

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, 2005 are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
February 1, 2001	\$ 1,885,000	5.70/6.70%	July 1, 2011	100% beginning July 1, 2007
Unamortized discounts	<u>(3,288)</u>			
Net outstanding	<u>\$ 1,881,712</u>			

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

Refuse Disposal Revenue Bonds outstanding at June 30, 2005, are as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Call Provisions</u>
September 1, 1992	\$ 555,000	5.50/5.60%	July 1, 2005	102% beginning July 1, 2002
July 1, 1995	7,635,000	4.90/5.30%	July 1, 2009	Not callable
February 1, 1998	6,875,000	4.20/5.00%	July 1, 2013	100% beginning July 1, 2007
May 1, 2001A	2,030,000	4.00/4.10%	July 1, 2008	Not callable
May 1, 2001B	<u>10,725,000</u>	3.63/5.25%	July 1, 2012	Not callable
Total outstanding	27,820,000			
Unamortized premiums	184,716			
Deferred refunding costs	<u>(126,731)</u>			
Net outstanding	<u>\$ 27,877,985</u>			

Refuse Loans On July 9, 2004 the City entered into a tax-exempt loan agreement with New Mexico Finance Authority for \$5,800,000 with an average interest rate of 2.87%. Final payment is due on July 1, 2014. The balance due on June 30, 2005 was \$5,800,000.

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, 2005 was \$5,859,786.

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, 2005 was \$8,760,294.

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, 2005, the outstanding balance of the revenue bonds was \$895,000 with annual payments required through 2013 and the outstanding balance of the permanent notes was \$7,461,564 with annual payments required through 2017.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**B. Business-type activities, continued**

**Housing Authority Capital Lease** The Housing Authority has also entered into a lease agreement as lessee for financing the acquisition of equipment and improvements. This lease agreement is treated as a capital lease for accounting purposes and, therefore, has been reported at the present value of the future minimum lease payments as of the inception date in the basic financial statements. At June 30, 2005 the outstanding balance of the capital lease is \$919,183.

The assets acquired through capital leases are as follows:

Equipment and Improvements	\$ 944,458
Less: Accumulated amortization	<u>(89,437)</u>
<b>Total</b>	<b><u>\$ 855,021</u></b>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2005 are as follows:

Year Ending June 30	<u>Principal and Interest</u>
2006	\$ 116,843
2007	116,843
2008	116,842
2009	116,843
2010	116,842
2011-2015	<u>545,264</u>
<b>Total minimum lease payments</b>	<b>1,129,477</b>
<b>Less amount representing interest</b>	<b><u>(210,294)</u></b>
<b>Present value of minimum lease payments</b>	<b><u>\$ 919,183</u></b>

**C. Summary of Annual Debt Service Requirements**

The annual debt service requirements on the obligations outstanding at June 30, 2005 are as follows:

Year ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2006	\$ 61,923,496	\$ 16,093,627	\$ 13,942,457	\$ 13,514,583
2007	44,963,061	16,536,550	16,468,804	12,774,115
2008	41,001,762	14,664,798	19,679,526	11,927,649
2009	36,969,579	13,052,438	19,284,770	11,026,633
2010	35,615,566	11,578,078	23,609,682	9,980,693
2011-2015	134,690,512	37,765,439	116,632,455	32,667,710
2016-2020	24,485,000	22,571,895	58,182,605	10,181,811
2021-2025	20,025,000	16,584,897	16,135,270	2,474,865
2026-2030	15,855,000	12,694,780	7,018,695	307,569
2031-2035	22,975,000	7,676,846	-	-
2036-2038	17,965,000	1,418,014	-	-
<b>Total</b>	<b><u>\$ 456,468,976</u></b>	<b><u>\$ 170,637,362</u></b>	<b><u>\$ 290,954,264</u></b>	<b><u>\$ 104,855,628</u></b>



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 10 LONG-TERM OBLIGATIONS, continued**

**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, 2005, the City has set aside an amount of \$1,044,189 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 \$110,280,000 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, 2005, 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, 2007
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 6/30/2005	\$1,300,000
Annual Debt Service Requirements	\$60,000. Final payment of \$1,300,000 due July 1, 2023

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

Remarketing Agent	Citigroup
Terms of "Take-Out" Agreement:	
Purchaser	AIG Liquidity Corporation
Method of Purchase	Direct Pay Letter of Credit
Expiration Date	February 25, 2006
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 6/30/2005	\$47,400,000
Annual Debt Service Requirements	Range of payment is from \$6,600,000 to \$7,200,000

**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	JP Morgan Chase Bank, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	May 3, 2010
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 6/30/2005	\$24,200,000
Annual Debt Service Requirements	Range of payment is from \$560,000 to \$5,200,000

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 11 DEMAND BONDS, continued**

**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	January 20, 2014
Annual Fee	.14% 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 6/30/2005	\$23,500,000
Annual Debt Service Requirements*	Range of payment is from \$2,800,000 to \$4,600,000

**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, 2010
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 6/30/2005	\$13,880,000
Annual Debt Service Requirements*	Range of payment is from \$349,500 to \$1,021,000

\* Based on interest rate in effect on June 30, 2005.

**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, 2005, is as follows:

Sales Tax Revenue Bonds	<u>\$61,751,438</u>
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**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, 2005, there were sixty-nine series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the thirty-six series issued after July 1, 1995, is \$688.7 million. The aggregate principal amount payable for the thirty-three series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$591.3 million.

**Metropolitan Redevelopment Bonds**

As of June 30, 2005, there were ten series of Metropolitan Redevelopment Bonds outstanding. The aggregate principal amount payable for the four series issued after July 1, 1995 is \$18.9 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.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2005**

**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, 2005 is as follows:

<b>Capital Acquisition Fund</b>	
Community Services Building	<u>\$ 25,651</u>
<b>Quality of Life Fund</b>	
Quarter Cent Streets	\$ 52,222
Quarter Cent Storm Drain	111
Rio Grande Bosque RR	<u>260</u>
	<u>\$ 52,593</u>
<b>Transportation Infrastructure Tax Fund</b>	
Maintenance	\$ 14,341,228
Transit	<u>535,887</u>
	<u>\$ 14,877,115</u>
<b>Community Development Fund</b>	
Urban Development	<u>\$ 12,496</u>
<b>Albuquerque Biological Park Projects</b>	
Program movement	<u>\$ 89,226</u>

**Internal Service Funds**

The deficit fund net assets of the Risk Management Fund decreased to \$8,689,788 at June 30, 2005 from the \$12,585,384 deficit fund net assets at June 30, 2004. 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.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 15 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2005, were as follows:

From	To		
General Fund	Capital Acquisition Fund		3,795,000
General Fund	Transit Fund		16,365,000
General Fund	Nonmajor Proprietary Funds		2,300,000
General Fund	Nonmajor Governmental Funds		32,860,250
Capital Acquisition Fund	Transit Fund		1,558,557
Refuse Disposal Fund	General Fund		1,252,055
Transit Fund	General Fund		215,184
Nonmajor Governmental Funds	Capital Acquisition Fund		5,800,194
Nonmajor Governmental Funds	Transit Fund		7,407,980
Nonmajor Governmental Funds	General Fund		505,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds		9,160,874
Nonmajor Proprietary Funds	General Fund		230,698
Internal Service Funds	General Fund		269,000
<b>Total transfers</b>			<b><u>\$ 81,719,792</u></b>
		<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds"		\$ 54,088,255	\$ 79,752,855
Exhibit A-7, "Statement of Revenues, Expenses, and Changes in Net Assets - All Proprietary Funds"			
Enterprise funds		27,631,537	1,697,937
Internal Service funds		-	269,000
<b>Total transfers</b>		<b><u>\$ 81,719,792</u></b>	<b><u>\$ 81,719,792</u></b>

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.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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, 2005, (in thousands of dollars) is as follows:

	Golf Course Fund	Apart- ments Fund	Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
<b>CONDENSED STATEMENT OF NET ASSETS</b>						
<b>Assets:</b>						
Current assets	\$ 450	\$ 688	\$ 12,104	\$ 1,417	\$ 1,630	\$ 16,289
Restricted assets	502	2,739	535	7,780	21	11,577
Capital assets	7,040	14,635	19,047	26,280	21,114	88,116
Other assets	39	337	-	219	170	765
<b>Total assets</b>	<b>8,031</b>	<b>18,399</b>	<b>31,686</b>	<b>35,696</b>	<b>22,935</b>	<b>116,747</b>
<b>Liabilities:</b>						
Current liabilities	754	288	1,526	228	806	3,602
Liabilities payable from restricted assets	-	96	133	-	-	229
Bonds and other long-term liabilities	1,765	13,680	841	4	14,230	30,520
Advance from other funds	-	-	-	22,200	-	22,200
<b>Total liabilities</b>	<b>2,519</b>	<b>14,064</b>	<b>2,500</b>	<b>22,432</b>	<b>15,036</b>	<b>56,551</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	5,617	1,292	21,104	9,683	6,953	44,649
Net assets restricted for:						
Debt service	37	-	-	1,140	21	1,198
Construction	9	-	-	1,256	-	1,265
Unrestricted net assets (deficit)	(152)	3,043	8,081	1,185	925	13,082
<b>Total net assets</b>	<b>\$ 5,511</b>	<b>\$ 4,335</b>	<b>\$ 29,185</b>	<b>\$ 13,264</b>	<b>\$ 7,899</b>	<b>\$ 60,194</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS</b>						
Operating revenues	\$ 3,824	\$ 2,832	\$ 1,707	\$ 3,681	\$ 1,726	\$ 13,770
Depreciation	(289)	(640)	(1,607)	(1,260)	(1,050)	(4,846)
Other operating expenses	(3,501)	(2,104)	(6,326)	(3,225)	(575)	(15,731)
<b>Operating income (loss)</b>	<b>34</b>	<b>88</b>	<b>(6,226)</b>	<b>(804)</b>	<b>101</b>	<b>(6,807)</b>
<b>Nonoperating revenues (expenses):</b>						
Investment earnings	45	35	223	141	24	468
Interest and other debt related expenses	(105)	(334)	-	(684)	(817)	(1,940)
Federal housing grants	-	-	24,751	-	-	24,751
Housing assistance payments	-	-	(19,364)	-	-	(19,364)
Other	79	225	214	(42)	7	483
Capital contributions	10	-	-	103	251	364
Transfers in	-	-	-	2,300	-	2,300
Transfers out	(63)	-	-	(168)	-	(231)
<b>Change in net assets</b>	<b>-</b>	<b>14</b>	<b>(402)</b>	<b>846</b>	<b>(434)</b>	<b>24</b>
Beginning net assets	5,511	4,322	29,588	12,417	8,333	60,171
<b>Ending net assets</b>	<b>\$ 5,511</b>	<b>\$ 4,336</b>	<b>\$ 29,186</b>	<b>\$ 13,263</b>	<b>\$ 7,899</b>	<b>\$ 60,195</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>						
<b>Net cash provided (used) by:</b>						
Operating activities	\$ 407	\$ 966	\$ (4,282)	\$ 414	\$ 1,224	\$ (1,271)
Noncapital financing activities	(63)	-	3,814	185	-	3,936
Capital and related financing activities	(1,805)	(237)	924	(8)	(1,156)	(2,282)
Investing activities	45	35	223	141	24	468
<b>Net increase (decrease)</b>	<b>(1,416)</b>	<b>764</b>	<b>679</b>	<b>732</b>	<b>92</b>	<b>851</b>
Beginning cash and cash equivalents	2,368	2,612	11,230	4,782	1,320	22,312
<b>Ending cash and cash equivalents</b>	<b>\$ 952</b>	<b>\$ 3,376</b>	<b>\$ 11,909</b>	<b>\$ 5,514</b>	<b>\$ 1,412</b>	<b>\$ 23,163</b>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**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.

**Housing Fund.** This fund provides housing or rental assistance to low income City residents.

**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, 2005.

<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%	\$ 6,333	19.01%	\$ 28,974
General - Bus Drivers	13.15%	848	9.15%	590
General - Other	7.00%	167	7.00%	195
Police	16.30%	7,279	18.50%	8,543
Fire	16.20%	4,578	21.25%	6,006
		<u>\$ 19,205</u>		<u>\$ 44,308</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>
2004	\$16,933	\$42,065
2003	17,032	42,347

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, 2005, was \$240,089,175; the total payroll for all employees of the City of Albuquerque was \$268,763,204.

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

**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, 2005, were approximately \$188,184. The number of retired employees covered under the life insurance benefit was 3,327 at June 30, 2005, and the amount of life insurance coverage for these retired employees was \$63,750,400.

**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:

- (1) Retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement;
- (2) Retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

**Fund Contributions:**

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to 0.65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

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, Albuquerque State Government Center, 401 Roma NW Suite 200, Albuquerque, NM 87102.

The City of Albuquerque remitted \$3,127,138 in employer contributions and \$1,563,569 in employee contributions in the fiscal year ended June 30, 2005.

**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.

CITY OF ALBUQUERQUE, NEW MEXICO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2005

**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 \$1,515,176 reported as other liabilities payable from restricted assets at June 30, 2005, represents the cumulative amount reported to date based on the use of 17.3% 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 \$6,820,247 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 2005. 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 \$1,816,586 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 \$600,000 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, 2005, 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 years 2004 and 2005, the City had actuarial reviews of the adequacy of the reserves for both the Workers Compensation and Tort Liability programs. The actuarial reviews 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, and this recommendation was taken. Historical data contributes to the confidence that the Risk Management Fund is adequate for unanticipated developments. The cash balance grew by \$6,930,550 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 BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**NOTE 21 RISK MANAGEMENT, continued**

The amounts and changes in the Fund's claims liability in fiscal year 2005 and 2004 were:

	<u>2005</u>	<u>2004</u>
Claims liability at July 1	\$ 47,578,248	\$ 40,601,564
Current year claims and change in estimates	23,682,795	23,545,885
Claims liquidated	<u>(20,882,279)</u>	<u>(16,569,201)</u>
 Claims liability at June 30	 <u>\$ 50,378,764</u>	 <u>\$ 47,578,248</u>
 The components of the claims liability at June 30 are:		
Current portion	\$ 17,503,500	\$ 17,989,500
Noncurrent portion	<u>32,875,264</u>	<u>29,588,748</u>
 Total claims liability	 <u>\$ 50,378,764</u>	 <u>\$ 47,578,248</u>

Reflected in the reserves reported at year end was a major land use case which the state district court had decided adversely to the City. Substantial case reserves had been established to reflect the award of \$8.3 million plus attorney's fees, costs and interest on the judgment at the rate of 10% until paid. In December of 2005, the state court of appeals reversed the judgment completely. Unless the claimants are successful on a subsequent appeal to the New Mexico Supreme Court, the ultimate cost of this claim will be only what the City expended on its defense.

**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, 2005 for the following reasons:

1. The Transit Fund's depreciation expense was over reported by \$1,673,410. Accordingly, the capital assets and retained earning were increased by that amount.
2. The Aviation Fund's depreciation expense was over reported in fiscal year 2004. Accordingly, the capital assets and retained earnings were increased by \$7,654,046.

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

	<u>Governmental</u>	<u>Business</u>
Net assets as previously reported	\$ 845,695,863	\$ 311,654,420
Restatement for:		
1. Over reported depreciation in Transit	-	1,673,410
2. Over reported depreciation in Aviation	<u>-</u>	<u>7,654,046</u>
 Restated balances	 <u>\$ 845,695,863</u>	 <u>\$ 320,981,876</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 23 ALBUQUERQUE BERNALILLO 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, as of July 1, 2003 the Authority reports all transactions of the Water/Wastewater System.

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:

Franchise fees	\$ 4,769,764
Administrative indirect overhead, including accounting and other central services	2,574,956
Supplies	1,761,963
Fleet Management Services	1,574,311
Telephone	220,052
Office services and parking	77,766
Total	<u>\$ 10,978,812</u>

The City paid the Authority for the following services:

Water and sewer services	<u>\$ 5,339,333</u>
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The Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2005 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:**

<b>Major Funds:</b>	
General Fund	\$ 3,964,919
Capital Acquisition Fund	60,016
Nonmajor Government Funds	3,697,526
Internal Service Funds	-
Total Government Funds	<u>\$ 7,722,461</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2005

**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	\$ 54,969,876
Refuse Disposal Fund	3,262,414
Transit Operating Fund	8,727,810
Nonmajor Business-type Funds	<u>1,265,183</u>
<b>Total Business Funds</b>	<b><u>\$ 68,225,283</u></b>

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 \$590,756 were incurred for the year ended June 30, 2005. Lease commitments for future years are as follows:

2006	438,905
2007	362,242
2008	219,096
2009	219,096

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 Fire Department and Transit employees 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 \$2 million in damages. The claimants appealed and we await a decision from the Court of Appeals.
3. 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 election:**

In a regular municipal election on October 4, 2005, the voters approved the future issuance of \$113,045,000 general purpose general obligation bonds and \$8,080,000 of storm sewer system general obligation bonds.

**Risk Management Fund (see note 21):**

Reflected in the reserves reported at year end was a major land use case which the state district court had decided adversely to the City. Substantial case reserves had been established to reflect the award of \$8.3 million plus attorney's fees, costs and interest on the judgment at the rate of 10% until paid. In December of 2005, the state court of appeals reversed the judgment completely. Unless the claimants are successful on a subsequent appeal to the New Mexico Supreme Court, the ultimate cost of this claim will be only what the City expended on its defense.



**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Current property taxes	\$ 60,410,000	\$ 60,410,000	\$ 63,660,136	\$ 3,250,136
Delinquent property taxes	2,100,000	2,100,000	2,386,545	286,545
<b>Total taxes</b>	<u>62,510,000</u>	<u>62,510,000</u>	<u>66,046,681</u>	<u>3,536,681</u>
<b>Interest:</b>				
Interest on investments	498,000	498,000	1,129,428	631,428
<b>Total revenues</b>	<u>63,008,000</u>	<u>63,008,000</u>	<u>67,176,109</u>	<u>4,168,109</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal	55,105,000	91,350,000	87,355,917	3,994,083
Interest	11,218,000	10,981,000	7,747,457	3,233,543
Bond issue costs	-	-	379,706	(379,706)
Commitment and other fees	100,000	100,000	665,129	(565,129)
<b>Total expenditures</b>	<u>66,423,000</u>	<u>102,431,000</u>	<u>96,148,209</u>	<u>6,282,791</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,415,000)</u>	<u>(39,423,000)</u>	<u>(28,972,100)</u>	<u>10,450,900</u>
<b>Other financing sources:</b>				
Premiums on bonds sold	-	-	5,474,106	5,474,106
<b>Net change in fund balance</b>	<u>(3,415,000)</u>	<u>(39,423,000)</u>	<u>(23,497,994)</u>	<u>15,925,006</u>
<b>Fund balance, July 1</b>	<u>46,157,897</u>	<u>46,157,897</u>	<u>46,157,897</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 42,742,897</u>	<u>\$ 6,734,897</u>	<u>\$ 22,659,903</u>	<u>\$ 15,925,006</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE**  
**CAPITAL ACQUISITION FUND**  
**Year Ended June 30, 2005**

	<u>Police Facilities</u>	<u>Fire Protection</u>	<u>Public Libraries</u>	<u>Storm Sewer</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Franchise taxes	\$ -	\$ -	\$ -	\$ -
<b>Intergovernmental:</b>				
<b>Grants:</b>				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	-
State Highway Department	-	-	-	-
State Agency of Aging	-	-	-	-
State NM Library	-	-	-	-
State Department of Finance and Administration	-	242,990	985,843	-
Bernalillo County Shared Construction	-	-	-	-
<b>Total intergovernmental</b>	<u>-</u>	<u>242,990</u>	<u>985,843</u>	<u>-</u>
Interest on investments	<u>32,830</u>	<u>32,584</u>	<u>58,703</u>	<u>211,941</u>
<b>Miscellaneous:</b>				
Sales of real property	-	-	-	-
Contributions in aid of construction	-	-	-	75,451
Other	-	-	-	-
<b>Total miscellaneous</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,451</u>
<b>Total revenues</b>	<u>32,830</u>	<u>275,574</u>	<u>1,044,546</u>	<u>287,392</u>
<b>Expenditures:</b>				
Capital outlay	<u>1,520,036</u>	<u>2,962,412</u>	<u>3,548,805</u>	<u>19,706,616</u>
<b>Total expenditures</b>	<u>1,520,036</u>	<u>2,962,412</u>	<u>3,548,805</u>	<u>19,706,616</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,487,206)</u>	<u>(2,686,838)</u>	<u>(2,504,259)</u>	<u>(19,419,224)</u>
<b>Other financing sources (uses)</b>				
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(99,806)	-	-	-
Internal transfers in (out)	(409,440)	(25)	15,296	4
Proceeds of notes payable and bonds issued	<u>1,688,360</u>	<u>1,724,565</u>	<u>2,256,081</u>	<u>11,575,000</u>
<b>Total other financing sources (uses)</b>	<u>1,179,114</u>	<u>1,724,540</u>	<u>2,271,377</u>	<u>11,575,004</u>
<b>Net change in fund balances</b>	<u>(308,092)</u>	<u>(962,298)</u>	<u>(232,882)</u>	<u>(7,844,220)</u>
<b>Fund balances (deficit), July 1</b>	<u>2,289,586</u>	<u>2,180,237</u>	<u>3,251,884</u>	<u>13,187,224</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 1,981,494</u>	<u>\$ 1,217,939</u>	<u>\$ 3,019,002</u>	<u>\$ 5,343,004</u>

The accompanying notes are an integral part of these financial statements

<u>Street Improvements</u>	<u>Parks and Recreation</u>	<u>Open Space</u>	<u>Convention Center</u>	<u>Community Services Building</u>	<u>Rio Grande Zoo</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,994,222	246,985	-	-	-	-
-	-	-	-	-	-
6,929,490	(6,425)	-	-	-	-
-	-	-	-	39,533	-
248,364	6,341,090	-	-	-	-
80,636	-	-	-	1,062,751	-
<u>11,252,712</u>	<u>6,581,650</u>	<u>-</u>	<u>-</u>	<u>1,102,284</u>	<u>-</u>
<u>486,675</u>	<u>384,920</u>	<u>(12,621)</u>	<u>1,152</u>	<u>407</u>	<u>42,383</u>
140,930	526,972	-	-	-	-
1,249,773	798,593	-	-	-	-
2,057	73,810	-	-	-	10,441
<u>1,392,760</u>	<u>1,399,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,227</u>
<u>13,132,147</u>	<u>8,365,945</u>	<u>(12,621)</u>	<u>1,152</u>	<u>1,102,691</u>	<u>256,051</u>
<u>42,239,296</u>	<u>31,693,285</u>	<u>2,463,432</u>	<u>1</u>	<u>1,186,379</u>	<u>1,499,918</u>
<u>42,239,296</u>	<u>31,693,285</u>	<u>2,463,432</u>	<u>1</u>	<u>1,186,379</u>	<u>1,499,918</u>
<u>(29,107,149)</u>	<u>(23,327,340)</u>	<u>(2,476,053)</u>	<u>1,151</u>	<u>(83,688)</u>	<u>(1,243,867)</u>
3,545,000	5,600,000	-	-	-	-
-	-	-	-	-	-
(88,008)	(23,543)	-	-	18,635	(17,518)
<u>52,516,320</u>	<u>27,344,197</u>	<u>5,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>55,973,312</u>	<u>32,920,654</u>	<u>5,700,000</u>	<u>-</u>	<u>18,635</u>	<u>(17,518)</u>
26,866,163	9,593,314	3,223,947	1,151	(65,053)	(1,261,385)
<u>39,469,893</u>	<u>26,414,224</u>	<u>-</u>	<u>48,230</u>	<u>39,402</u>	<u>1,887,630</u>
<u>\$ 66,336,056</u>	<u>\$ 36,007,538</u>	<u>\$ 3,223,947</u>	<u>\$ 49,381</u>	<u>\$ (25,651)</u>	<u>\$ 626,245</u>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE**  
**CAPITAL ACQUISITION FUND**  
**Year Ended June 30, 2005**

	<u>Senior Citizens Facility</u>	<u>Museum</u>	<u>Transit</u>	<u>Miscellaneous Capital Projects</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Gross receipts tax-local option	\$ -	\$ -	\$ -	\$ 400,934
<b>Intergovernmental:</b>				
<b>Grants:</b>				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	7,354
State Highway Department	-	-	-	2,850,272
State Agency of Aging	1,646,491	-	-	-
State NM Library	-	1,355,712	-	-
State Department of Finance and Administration	540,985	1,410	-	1,917,926
Bernalillo County Shared Construction	-	-	-	-
<b>Total intergovernmental</b>	<u>2,187,476</u>	<u>1,357,122</u>	<u>-</u>	<u>4,775,552</u>
Interest on investments	<u>18,760</u>	<u>222,764</u>	<u>10,130</u>	<u>24,449</u>
<b>Miscellaneous:</b>				
Sales of real property	-	-	-	-
Contributions in aid of construction	-	444,540	-	-
Other	-	76,926	-	59,625
<b>Total miscellaneous</b>	<u>-</u>	<u>521,466</u>	<u>-</u>	<u>59,625</u>
<b>Total revenues</b>	<u>2,206,236</u>	<u>2,101,352</u>	<u>10,130</u>	<u>5,260,560</u>
<b>Expenditures:</b>				
Capital outlay	<u>6,387,796</u>	<u>10,031,014</u>	<u>1,503,260</u>	<u>3,150,979</u>
<b>Total expenditures</b>	<u>6,387,796</u>	<u>10,031,014</u>	<u>1,503,260</u>	<u>3,150,979</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,181,560)</u>	<u>(7,929,662)</u>	<u>(1,493,130)</u>	<u>2,109,581</u>
<b>Other financing sources (uses)</b>				
Transfers in from other funds	-	-	47,682	102,318
Transfers out to other funds	-	-	(1,558,557)	-
Internal transfers in (out)	19,366	(22,959)	(250,001)	12,682
Proceeds of notes payable and bonds issued	<u>9,505,926</u>	<u>5,008,384</u>	<u>5,229,100</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>9,525,292</u>	<u>4,985,425</u>	<u>3,468,224</u>	<u>115,000</u>
<b>Net change in fund balances</b>	5,343,732	(2,944,237)	1,975,094	2,224,581
<b>Fund balances (deficit), July 1</b>	<u>5,020,515</u>	<u>8,400,925</u>	<u>2,809,373</u>	<u>3,380,562</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 10,364,247</u>	<u>\$ 5,456,688</u>	<u>\$ 4,784,467</u>	<u>\$ 5,605,143</u>

The accompanying notes are an integral part of these financial statements

<u>Environmental Improvements</u>	<u>Facilities and Equipment</u>	<u>City Building</u>	<u>Bosque</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 400,934
-	-	-	-	4,241,207
-	-	-	50,000	50,000
-	46,822	-	445,052	499,228
-	202,844	-	-	9,976,181
-	-	-	-	1,686,024
-	-	-	-	1,355,712
-	-	-	-	11,341,359
-	-	-	-	80,636
-	249,666	-	495,052	29,230,347
22,160	360,308	(20,493)	(1,679)	1,875,373
-	-	-	-	667,902
56,450	37,500	-	(50,000)	2,622,748
8,945	-	-	-	424,590
65,395	37,500	-	(50,000)	3,715,240
87,555	647,474	(20,493)	443,373	35,221,894
567,242	12,135,419	1,416,371	174,925	142,187,186
567,242	12,135,419	1,416,371	174,925	142,187,186
(479,687)	(11,487,945)	(1,436,864)	268,448	(106,965,292)
-	400,000	-	-	9,695,000
(10,969)	752,020	3,456	1,004	(1,658,363)
-	-	5,327,984	-	127,875,917
(10,969)	1,152,020	5,331,440	1,004	135,912,554
(490,656)	(10,335,925)	3,894,576	269,452	28,947,262
1,004,867	17,362,243	755,583	(199,063)	127,303,315
\$ 514,211	\$ 7,026,318	\$ 4,650,159	\$ 70,389	\$ 156,250,577

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -**  
**CAPITAL ACQUISITION FUND**  
**Year Ended June 30, 2005**

	<u>Total Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b><u>Capital Acquisition Fund</u></b>					
<b>Capital Outlay and Other:</b>					
Bosque	\$ 1,051,005	\$ 805,243	\$ 245,762	\$ 174,925	\$ 70,837
City building	3,880,893	249,553	3,631,340	1,416,371	2,214,969
Community services building	3,676,481	840,512	2,835,969	1,186,379	1,649,590
Convention Center	7,050,079	7,011,900	38,179	1	38,178
Environmental improvements	2,742,057	1,616,719	1,125,338	581,019	544,319
Facilities and Equipment	52,448,885	31,249,373	21,199,512	12,152,345	9,047,167
Fire protection	4,964,953	823,935	4,141,018	2,988,465	1,152,553
Libraries	14,914,122	5,257,205	9,656,917	3,580,612	6,076,305
Miscellaneous capital projects	39,609,007	6,994,372	32,614,635	3,150,979	29,463,656
Museum	35,251,160	18,022,433	17,228,727	10,066,284	7,162,443
Open Space	5,700,000	-	5,700,000	2,463,432	3,236,568
Parks and recreation	176,197,859	117,884,460	58,313,399	32,086,802	26,226,597
Police facilities	23,383,213	20,228,893	3,154,320	1,929,476	1,224,844
Rio Grande Zoo	8,151,188	5,910,052	2,241,136	1,525,099	716,037
Senior citizens facility	38,764,917	19,874,769	18,890,148	6,436,006	12,454,142
Storm Sewer	61,732,504	35,960,249	25,772,255	20,025,028	5,747,227
Street improvements	235,610,456	109,661,642	125,948,814	43,048,814	82,900,000
Transit	9,968,538	4,415,345	5,553,193	3,859,392	1,693,801
<b>Total Capital Acquisition Fund</b>	<b><u>\$ 725,097,317</u></b>	<b><u>\$ 386,806,655</u></b>	<b><u>\$ 338,290,662</u></b>	<b><u>\$ 146,671,429</u></b>	<b><u>\$ 191,619,233</u></b>

The accompanying notes are an integral part of these financial statements

**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)
- HOSPITALITY TAX FUND**—To account for the proceeds of the Hospitality Tax of which fifty percent are required to be used for the purpose of purchasing advertising to publicize and promote tourist-related attractions, facilities and events. The other fifty percent are required to be used to equip and furnish the City of Albuquerque Convention Center.
- CORRECTIONS AND DETENTION FUND**—To account for the operations of the joint City/Bernalillo County Corrections and Detentions facilities.
- 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)

**CITY OF ALBUQUERQUE, NEW MEXICO**

**NONMAJOR GOVERNMENTAL FUNDS, continued**

**SPECIAL REVENUE FUNDS, continued**

**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)

**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, 2005**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash, investments, and accrued interest	\$ 29,446,184	\$ 3,465,215	\$ 26,610,608	\$ 19,727,386	\$ 79,249,393
Cash with fiscal agents	-	9,779,385	-	-	9,779,385
Investments with fiscal agents	-	-	1,319,107	-	1,319,107
Cash held by others	95,866	-	-	-	95,866
Receivables, net of allowance for uncollectible:					
Taxes	1,341,170	-	5,570,126	-	6,911,296
Accounts	1,947,474	-	-	-	1,947,474
Rehabilitation loans	1,805,101	-	-	-	1,805,101
Notes	38,553	-	-	-	38,553
Developer loans	1,858,978	-	-	-	1,858,978
Special Assessments	-	11,809,528	-	-	11,809,528
Real estate contracts receivable	-	-	-	2,575,068	2,575,068
Due from other governments	7,580,093	-	-	-	7,580,093
Advances to other funds	-	22,200,000	-	-	22,200,000
Inventories of supplies	328,746	-	-	-	328,746
Land held for resale	-	-	-	5,065,930	5,065,930
<b>TOTAL ASSETS</b>	<b>\$ 44,442,165</b>	<b>\$ 47,254,128</b>	<b>\$ 33,499,841</b>	<b>\$ 27,368,384</b>	<b>\$152,564,518</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 3,667,773	\$ 31,168	\$ -	\$ -	\$ 3,698,941
Contracts payable	-	-	3,859,925	-	3,859,925
Accrued employee compensation and benefits	748,312	-	-	-	748,312
Due to other funds	1,005,868	-	-	-	1,005,868
Due to other governments	1,126,914	-	-	-	1,126,914
Deferred revenue	7,408,940	11,386,217	2,890,690	2,575,068	24,260,915
Deposits	66,190	-	-	11,000	77,190
Advances from other funds	195,636	-	-	-	195,636
Matured bonds payable	-	6,413,426	-	-	6,413,426
Matured interest payable	-	3,230,834	-	-	3,230,834
<b>Total liabilities</b>	<b>14,219,633</b>	<b>21,061,645</b>	<b>6,750,615</b>	<b>2,586,068</b>	<b>44,617,961</b>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Encumbrances	3,697,526	-	-	-	3,697,526
Inventories of supplies	328,746	-	-	-	328,746
Acquisition and management of open space land	1,000,736	-	-	12,032,659	13,033,395
Urban enhancement	2,178,276	-	-	7,683,727	9,862,003
Land held for resale	-	-	-	5,065,930	5,065,930
Transfer to capital acquisition fund	342,426	-	-	-	342,426
Advances to other funds	-	22,200,000	-	-	22,200,000
<b>Unreserved</b>	<b>22,674,822</b>	<b>3,992,483</b>	<b>26,749,226</b>	<b>-</b>	<b>53,416,531</b>
<b>Total fund balances</b>	<b>30,222,532</b>	<b>26,192,483</b>	<b>26,749,226</b>	<b>24,782,316</b>	<b>107,946,557</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 44,442,165</b>	<b>\$ 47,254,128</b>	<b>\$ 33,499,841</b>	<b>\$ 27,368,384</b>	<b>\$152,564,518</b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended June 30, 2005

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
<b>Revenues:</b>					
Taxes	\$ 11,077,411	\$ -	\$ 28,232,909	\$ -	\$ 39,310,320
Licenses and permits	2,775,243	-	-	-	2,775,243
Intergovernmental	54,245,077	-	-	-	54,245,077
Charges for services	9,304,607	-	-	-	9,304,607
Fines and forfeits	998,116	-	-	-	998,116
Interest on investments	721,031	867,086	3,413,963	2,541,550	7,543,630
Special assessments	-	5,147,531	-	-	5,147,531
<b>Collections on real estate contracts receivable:</b>					
Principal	-	-	-	243,263	243,263
Interest	-	-	-	158,896	158,896
Proceeds from the disposition of capital assets	-	-	274,647	-	274,647
Miscellaneous	5,783,824	458,295	200	-	6,242,319
<b>Total revenues</b>	<u>84,905,309</u>	<u>6,472,912</u>	<u>31,921,719</u>	<u>2,943,709</u>	<u>126,243,649</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	10,236,582	-	-	-	10,236,582
Public safety	53,081,945	-	-	-	53,081,945
Culture and recreation	6,082,922	-	-	60,424	6,143,346
Public works	746,123	-	-	-	746,123
Highways and streets	5,748,983	-	-	-	5,748,983
Health	5,089,967	-	-	-	5,089,967
Human services	20,247,390	-	-	-	20,247,390
Housing	6,199,308	-	-	-	6,199,308
<b>Debt service:</b>					
Principal retirement	-	8,135,965	-	-	8,135,965
Interest	-	6,159,507	-	-	6,159,507
Fiscal agent fees and other fees	-	1,260,815	-	-	1,260,815
Capital outlay	-	-	32,381,819	-	32,381,819
<b>Total expenditures</b>	<u>107,433,220</u>	<u>15,556,287</u>	<u>32,381,819</u>	<u>60,424</u>	<u>155,431,750</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(22,527,911)</u>	<u>(9,083,375)</u>	<u>(460,100)</u>	<u>2,883,285</u>	<u>(29,188,101)</u>
<b>Other financing sources (uses):</b>					
Transfers in	31,776,124	8,245,000	2,000,000	-	42,021,124
Transfers out	(7,850,095)	-	(7,407,980)	(7,615,973)	(22,874,048)
Proceeds from refunding bonds	-	61,147,085	-	-	61,147,085
Payment to refunded bond escrow agent	-	(61,023,204)	-	-	(61,023,204)
<b>Total other financing sources (uses)</b>	<u>23,926,029</u>	<u>8,368,881</u>	<u>(5,407,980)</u>	<u>(7,615,973)</u>	<u>19,270,957</u>
<b>Net change in fund balances</b>	1,398,118	(714,494)	(5,868,080)	(4,732,688)	(9,917,144)
<b>Fund balances, July 1</b>	<u>28,824,414</u>	<u>26,906,977</u>	<u>32,617,306</u>	<u>29,515,004</u>	<u>117,863,701</u>
<b>Fund balances, June 30</b>	<u>\$ 30,222,532</u>	<u>\$ 26,192,483</u>	<u>\$ 26,749,226</u>	<u>\$ 24,782,316</u>	<u>\$107,946,557</u>

The accompanying notes are an integral part of these financial statements

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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE**  
**June 30, 2005**

	Air Quality Fund	City/County Facilities Fund	False Alarm Enforcement and Education Fund	Fire Fund
<b>ASSETS</b>				
Cash, investments, and accrued interest	\$ 1,645,721	\$ 844,669	\$ 440,231	\$ 221,032
Cash held by others	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Accounts	100,375	-	138,800	-
Rehabilitation loans	-	-	-	-
Notes	-	-	-	-
Developer loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventories of supplies	-	-	-	-
	<b>\$ 1,746,096</b>	<b>\$ 844,669</b>	<b>\$ 579,031</b>	<b>\$ 221,032</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 60,936	\$ 139,730	\$ 6,228	\$ 61,884
Accrued employee compensation and benefits	28,572	15,339	3,556	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
	<b>89,508</b>	<b>155,069</b>	<b>9,784</b>	<b>61,884</b>
<b>Total liabilities</b>				
<b>Fund balances (deficit):</b>				
<b>Reserved for:</b>				
Encumbrances	-	255,133	31,062	-
Inventories of supplies	-	-	-	-
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Transfer to capital acquisition fund	-	-	342,426	-
Unreserved (deficit)	1,656,588	434,467	195,759	159,148
	<b>1,656,588</b>	<b>689,600</b>	<b>569,247</b>	<b>159,148</b>
<b>Total fund balance (deficit)</b>				
	<b>\$ 1,746,096</b>	<b>\$ 844,669</b>	<b>\$ 579,031</b>	<b>\$ 221,032</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>				

The accompanying notes are an integral part of these financial statements

<u>Gas Tax Road Fund</u>	<u>Lodgers Tax Fund</u>	<u>Hospitality Tax Fund</u>	<u>Corrections &amp; Detention Fund</u>	<u>Plaza Del Sol Building Fund</u>	<u>Recreation Fund</u>	<u>Acquisition and Management of Open Space Expenditures Fund</u>
\$ 107,450	\$ 790,674	\$ 112,200	\$ 2,631,626	\$ 150,719	\$ 24,610	\$ 1,357,626
-	-	-	-	-	-	-
-	920,436	330,688	-	-	-	-
-	-	-	1,619,717	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
835,843	-	-	-	-	51,478	-
-	-	-	328,746	-	-	-
<u>\$ 943,293</u>	<u>\$ 1,711,110</u>	<u>\$ 442,888</u>	<u>\$ 4,580,089</u>	<u>\$ 150,719</u>	<u>\$ 76,088</u>	<u>\$ 1,357,626</u>
\$ 12,115	\$ -	\$ 39,502	\$ 422,031	\$ 6,689	\$ -	\$ 33,663
49,780	-	-	391,167	5,477	-	42,954
-	-	-	-	-	-	-
-	-	-	1,126,914	-	-	-
389,308	137,386	174,078	-	-	21,849	84,637
-	-	-	66,190	-	-	-
-	-	-	-	-	-	195,636
<u>451,203</u>	<u>137,386</u>	<u>213,580</u>	<u>2,006,302</u>	<u>12,166</u>	<u>21,849</u>	<u>356,890</u>
-	-	-	674,610	-	-	-
-	-	-	328,746	-	-	-
-	-	-	-	-	-	1,000,736
-	-	-	-	-	-	-
492,090	1,573,724	229,308	1,570,431	138,553	54,239	-
<u>492,090</u>	<u>1,573,724</u>	<u>229,308</u>	<u>2,573,787</u>	<u>138,553</u>	<u>54,239</u>	<u>1,000,736</u>
<u>\$ 943,293</u>	<u>\$ 1,711,110</u>	<u>\$ 442,888</u>	<u>\$ 4,580,089</u>	<u>\$ 150,719</u>	<u>\$ 76,088</u>	<u>\$ 1,357,626</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS -**  
**SPECIAL REVENUE**  
**June 30, 2005**

	<u>Albuquerque Biological Park Projects Fund</u>	<u>City/County Projects Fund</u>	<u>City Housing Fund</u>	<u>Community Development Fund</u>
<b>ASSETS</b>				
Cash, investments, and accrued interest	\$ 326,003	\$ 218,060	\$ 1,024,645	\$ -
Cash held by others	-	-	95,866	-
Accounts receivable:				
Taxes	-	-	-	-
Accounts	711	-	-	-
Rehabilitation loans	-	-	-	1,174,147
Notes	-	-	-	-
Developer loans	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	1,408,737
Inventories of supplies	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 326,714</u>	<u>\$ 218,060</u>	<u>\$ 1,120,511</u>	<u>\$ 2,582,884</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 415,940	\$ 6,763	\$ 4,412	\$ 394,412
Accrued employee compensation and benefits	-	-	925	20,953
Due to other funds	-	-	-	1,005,868
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	1,174,147
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<u>415,940</u>	<u>6,763</u>	<u>5,337</u>	<u>2,595,380</u>
<b>Fund balances (deficit):</b>				
<b>Reserved for:</b>				
Encumbrances	-	-	-	2,608,466
Inventories of supplies	-	-	-	-
Acquisition and management of open space land	-	-	-	-
Urban enhancement	-	-	-	-
Transfer to capital acquisition fund	-	-	-	-
Unreserved (deficit)	<u>(89,226)</u>	<u>211,297</u>	<u>1,115,174</u>	<u>(2,620,962)</u>
<b>Total fund balance (deficit)</b>	<u>(89,226)</u>	<u>211,297</u>	<u>1,115,174</u>	<u>(12,496)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 326,714</u>	<u>\$ 218,060</u>	<u>\$ 1,120,511</u>	<u>\$ 2,582,884</u>

The accompanying notes are an integral part of these financial statements

<u>Culture &amp; Recreation Projects Fund</u>	<u>Housing &amp; 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>
\$ 1,590,350	\$ 8,212,088	\$ 1,489,931	\$ 3,304,525	\$ 2,730,464	\$ 2,223,560	\$ 29,446,184
-	-	-	-	-	-	95,866
-	-	-	90,046	-	-	1,341,170
-	-	-	87,871	-	-	1,947,474
-	-	-	-	630,954	-	1,805,101
-	38,553	-	-	-	-	38,553
-	1,065,464	-	500,000	293,514	-	1,858,978
-	-	-	-	-	-	-
-	-	-	-	5,284,035	-	7,580,093
-	-	-	-	-	-	328,746
<u>\$ 1,590,350</u>	<u>\$ 9,316,105</u>	<u>\$ 1,489,931</u>	<u>\$ 3,982,442</u>	<u>\$ 8,938,967</u>	<u>\$ 2,223,560</u>	<u>\$ 44,442,165</u>
\$ 43,529	\$ 150,180	\$ 60,785	\$ 23,583	\$ 1,740,107	\$ 45,284	\$ 3,667,773
-	857	1,134	-	187,598	-	748,312
-	-	-	-	-	-	1,005,868
-	-	-	-	-	-	1,126,914
-	1,156,668	-	587,766	3,683,101	-	7,408,940
-	-	-	-	-	-	66,190
-	-	-	-	-	-	195,636
<u>43,529</u>	<u>1,307,705</u>	<u>61,919</u>	<u>611,349</u>	<u>5,610,806</u>	<u>45,284</u>	<u>14,219,633</u>
-	-	-	-	128,255	-	3,697,526
-	-	-	-	-	-	328,746
-	-	-	-	-	-	1,000,736
-	-	-	-	-	2,178,276	2,178,276
-	-	-	-	-	-	342,426
<u>1,546,821</u>	<u>8,008,400</u>	<u>1,428,012</u>	<u>3,371,093</u>	<u>3,199,906</u>	<u>-</u>	<u>22,674,822</u>
<u>1,546,821</u>	<u>8,008,400</u>	<u>1,428,012</u>	<u>3,371,093</u>	<u>3,328,161</u>	<u>2,178,276</u>	<u>30,222,532</u>
<u>\$ 1,590,350</u>	<u>\$ 9,316,105</u>	<u>\$ 1,489,931</u>	<u>\$ 3,982,442</u>	<u>\$ 8,938,967</u>	<u>\$ 2,223,560</u>	<u>\$ 44,442,165</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
Year ended June 30, 2005

	<u>Air Quality Fund</u>	<u>City/County Facilities Fund</u>	<u>False Alarm Enforcement and Education Fund</u>	<u>Fire Fund</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	2,775,243	-	-	-
Intergovernmental	-	-	-	1,026,352
Charges for services	-	4,145,256	704,560	-
Fines and forfeits	-	-	-	-
Interest	36,250	17,051	17,661	20,360
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>2,811,493</u>	<u>4,162,307</u>	<u>722,221</u>	<u>1,046,712</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	2,815,783	6,000	-
Public safety	-	-	327,877	1,083,893
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Highways and streets	-	-	-	-
Health	2,562,660	-	-	-
Human services	-	-	-	-
Housing	-	-	-	-
<b>Total expenditures</b>	<u>2,562,660</u>	<u>2,815,783</u>	<u>333,877</u>	<u>1,083,893</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>248,833</u>	<u>1,346,524</u>	<u>388,344</u>	<u>(37,181)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(1,200,000)	(300,194)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(1,200,000)</u>	<u>(300,194)</u>	<u>-</u>
<b>Net change in fund balances</b>	248,833	146,524	88,150	(37,181)
<b>Fund balances (deficit), July 1</b>	<u>1,407,755</u>	<u>543,076</u>	<u>481,097</u>	<u>196,329</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 1,656,588</u>	<u>\$ 689,600</u>	<u>\$ 569,247</u>	<u>\$ 159,148</u>

The accompanying notes are an integral part of these financial statements

<u>Gas Tax Road Fund</u>	<u>Lodgers Tax Fund</u>	<u>Hospitality Tax Fund</u>	<u>Corrections &amp; Detention Fund</u>	<u>Plaza Del Sol Building Fund</u>	<u>Recreation Fund</u>	<u>Acquisition and Management of Open Space Expenditures Fund</u>
\$ -	\$ 9,019,206	\$ 1,784,477	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
4,640,454	-	-	23,393,083	-	276,113	-
-	-	-	700,211	1,123,500	-	59,499
(802)	5,784	3,068	113,737	7,059	488	15,589
<u>-</u>	<u>-</u>	<u>-</u>	<u>645,157</u>	<u>-</u>	<u>-</u>	<u>6,484</u>
<u>4,639,652</u>	<u>9,024,990</u>	<u>1,787,545</u>	<u>24,852,188</u>	<u>1,130,559</u>	<u>276,601</u>	<u>81,572</u>
-	4,074,003	772,237	-	700,693	-	-
-	-	-	44,362,395	-	-	-
-	-	-	-	-	-	3,775,928
4,979,152	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,979,152</u>	<u>4,074,003</u>	<u>772,237</u>	<u>44,362,395</u>	<u>700,693</u>	<u>-</u>	<u>3,775,928</u>
<u>(339,500)</u>	<u>4,950,987</u>	<u>1,015,308</u>	<u>(19,510,207)</u>	<u>429,866</u>	<u>276,601</u>	<u>(3,694,356)</u>
744,195	-	-	21,598,000	-	-	4,394,207
-	(4,396,000)	(786,000)	(31,901)	(569,000)	(290,000)	-
<u>744,195</u>	<u>(4,396,000)</u>	<u>(786,000)</u>	<u>21,566,099</u>	<u>(569,000)</u>	<u>(290,000)</u>	<u>4,394,207</u>
404,695	554,987	229,308	2,055,892	(139,134)	(13,399)	699,851
<u>87,395</u>	<u>1,018,737</u>	<u>-</u>	<u>517,895</u>	<u>277,687</u>	<u>67,638</u>	<u>300,885</u>
<u>\$ 492,090</u>	<u>\$ 1,573,724</u>	<u>\$ 229,308</u>	<u>\$ 2,573,787</u>	<u>\$ 138,553</u>	<u>\$ 54,239</u>	<u>\$ 1,000,736</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**Year ended June 30, 2005**

	<u>Albuquerque Biological Park Projects Fund</u>	<u>City/County Projects Fund</u>	<u>City Housing Fund</u>	<u>Community Development Fund</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	5,246,780
Charges for services	-	174,194	-	-
Fines and forfeits	-	-	-	-
Interest	6,803	8,846	19,787	(5,145)
Miscellaneous	<u>1,186,479</u>	<u>-</u>	<u>887,945</u>	<u>473,968</u>
<b>Total revenues</b>	<u>1,193,282</u>	<u>183,040</u>	<u>907,732</u>	<u>5,715,603</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	73,805	-	-
Public safety	-	-	-	-
Culture and recreation	1,310,094	-	-	-
Public works	-	-	-	746,123
Highways and streets	-	-	-	-
Health	-	-	-	-
Human services	-	-	-	2,880,737
Housing	<u>-</u>	<u>-</u>	<u>1,060,075</u>	<u>2,285,533</u>
<b>Total expenditures</b>	<u>1,310,094</u>	<u>73,805</u>	<u>1,060,075</u>	<u>5,912,393</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(116,812)</u>	<u>109,235</u>	<u>(152,343)</u>	<u>(196,790)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>(82,000)</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(82,000)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(116,812)	27,235	(152,343)	(196,790)
<b>Fund balances (deficit), July 1</b>	<u>27,586</u>	<u>184,062</u>	<u>1,267,517</u>	<u>184,294</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ (89,226)</u>	<u>\$ 211,297</u>	<u>\$ 1,115,174</u>	<u>\$ (12,496)</u>

The accompanying notes are an integral part of these financial statements

<u>Culture &amp; Recreation Projects Fund</u>	<u>Housing &amp; 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>
\$ -	\$ -	\$ -	\$ 273,728	\$ -	\$ -	\$ 11,077,411
-	-	-	-	-	-	2,775,243
-	-	598,604	-	19,063,691	-	54,245,077
215,584	-	147,938	-	2,033,865	-	9,304,607
-	-	998,116	-	-	-	998,116
34,630	225,255	31,274	74,502	34,675	54,647	721,519
440,900	490,957	687,257	223,212	740,977	-	5,783,336
<u>691,114</u>	<u>716,212</u>	<u>2,463,189</u>	<u>571,442</u>	<u>21,873,208</u>	<u>54,647</u>	<u>84,905,309</u>
-	-	-	298,823	1,495,238	-	10,236,582
-	-	2,187,272	-	5,120,508	-	53,081,945
-401,533	-	-	-	145,084	-450,283	6,082,922
-	-	-	-	-	-	746,123
-	-	-	-	769,831	-	5,748,983
-	-	-	-	2,527,307	-	5,089,967
-	-	-	-	17,366,653	-	20,247,390
-	2,853,700	-	-	-	-	6,199,308
<u>-401,533</u>	<u>2,853,700</u>	<u>2,187,272</u>	<u>298,823</u>	<u>27,424,621</u>	<u>450,283</u>	<u>107,433,220</u>
<u>289,581</u>	<u>(2,137,488)</u>	<u>275,917</u>	<u>272,619</u>	<u>(5,551,413)</u>	<u>(395,636)</u>	<u>(22,527,911)</u>
-	-	-	425,000	4,233,956	380,766	31,776,124
-	-	(195,000)	-	-	-	(7,850,095)
-	-	(195,000)	425,000	4,233,956	380,766	23,926,029
289,581	(2,137,488)	80,917	697,619	(1,317,457)	(14,870)	1,398,118
<u>1,257,240</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>28,824,414</u>
<u>\$ 1,546,821</u>	<u>\$ 8,008,400</u>	<u>\$ 1,428,012</u>	<u>\$ 3,371,093</u>	<u>\$ 3,328,161</u>	<u>\$ 2,178,276</u>	<u>\$ 30,222,532</u>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - AIR QUALITY FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Licenses and permits:</b>				
Authorized vehicle inspection fees	\$ 24,000	\$ 24,000	\$ 23,600	\$ (400)
Certified vehicle inspection fees	12,000	12,000	11,985	(15)
Certified vehicle paper sales	1,200,000	1,200,000	1,226,385	26,385
Dust permits	216,000	216,000	528,808	312,808
Title V operating permits	900,000	900,000	918,108	18,108
Asbestos notification	<u>25,000</u>	<u>25,000</u>	<u>66,357</u>	<u>41,357</u>
<b>Total licenses and permits</b>	<b>2,377,000</b>	<b>2,377,000</b>	<b>2,775,243</b>	<b>398,243</b>
<b>Interest:</b>				
Interest on investments	<u>-</u>	<u>-</u>	<u>36,250</u>	<u>36,250</u>
<b>Total revenues</b>	<b><u>2,377,000</u></b>	<b><u>2,377,000</u></b>	<b><u>2,811,493</u></b>	<b><u>434,493</u></b>
<b>Expenditures:</b>				
<b>Environmental Health:</b>				
Title V operating permits	1,384,000	1,384,000	1,336,180	47,820
Vehicle inspections	1,252,000	1,252,000	1,114,364	137,636
Indirect overhead	<u>113,000</u>	<u>113,000</u>	<u>112,116</u>	<u>884</u>
<b>Total expenditures</b>	<b><u>2,749,000</u></b>	<b><u>2,749,000</u></b>	<b><u>2,562,660</u></b>	<b><u>186,340</u></b>
<b>Net change in fund balance</b>	<b>(372,000)</b>	<b>(372,000)</b>	<b>248,833</b>	<b>620,833</b>
<b>Fund balance, July 1</b>	<b><u>1,407,755</u></b>	<b><u>1,407,755</u></b>	<b><u>1,407,755</u></b>	<b><u>-</u></b>
<b>Fund balance, June 30</b>	<b><u>\$ 1,035,755</u></b>	<b><u>\$ 1,035,755</u></b>	<b><u>\$ 1,656,588</u></b>	<b><u>\$ 620,833</u></b>

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Charges for services:</b>				
Charges for building rental	\$ 4,142,000	\$ 4,142,000	\$ 4,145,256	\$ 3,256
<b>Interest:</b>				
Interest on investments	<u>8,000</u>	<u>8,000</u>	<u>17,051</u>	<u>9,051</u>
<b>Total revenues</b>	<u>4,150,000</u>	<u>4,150,000</u>	<u>4,162,307</u>	<u>12,307</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
City/County building	2,928,000	2,928,000	2,729,783	198,217
Indirect overhead	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>3,014,000</u>	<u>3,014,000</u>	<u>2,815,783</u>	<u>198,217</u>
<b>Excess (deficiency) of revenues over expenditures</b>	1,136,000	1,136,000	1,346,524	210,524
<b>Other financing (uses):</b>				
<b>Operating transfers out:</b>				
Transfer to Debt Service Fund	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	(64,000)	(64,000)	146,524	210,524
<b>Fund balance, July 1</b>	<u>543,076</u>	<u>543,076</u>	<u>543,076</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 479,076</u>	<u>\$ 479,076</u>	<u>\$ 689,600</u>	<u>\$ 210,524</u>

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Licenses and permits:</b>				
Alarm permit fees	\$ 907,000	\$ 907,000	\$ 704,560	\$ (202,440)
<b>Interest:</b>				
Interest on investments	-	-	17,661	17,661
<b>Total revenues</b>	<u>907,000</u>	<u>907,000</u>	<u>722,221</u>	<u>(184,779)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	892,000	892,000	628,071	263,929
Indirect overhead	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>898,000</u>	<u>898,000</u>	<u>634,071</u>	<u>263,929</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>9,000</u>	<u>9,000</u>	<u>88,150</u>	<u>79,150</u>
<b>Net change in fund balance</b>	9,000	9,000	88,150	79,150
<b>Fund balance, July 1</b>	<u>481,097</u>	<u>481,097</u>	<u>481,097</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 490,097</u>	<u>\$ 490,097</u>	<u>\$ 569,247</u>	<u>\$ 79,150</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Grants - State Fire Marshall	\$ 1,019,000	\$ 1,019,000	\$ 1,026,352	\$ 7,352
<b>Interest:</b>				
Interest on investments	<u>5,000</u>	<u>5,000</u>	<u>20,360</u>	<u>15,360</u>
<b>Total revenues</b>	<u>1,024,000</u>	<u>1,024,000</u>	<u>1,046,712</u>	<u>22,712</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Fire special improvements	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,083,893</u>	<u>16,107</u>
<b>Total expenditures</b>	1,100,000	1,100,000	1,083,893	16,107
<b>Net change in fund balance</b>	(76,000)	(76,000)	(37,181)	38,819
<b>Fund balance, July 1</b>	<u>196,329</u>	<u>196,329</u>	<u>196,329</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 120,329</u>	<u>\$ 120,329</u>	<u>\$ 159,148</u>	<u>\$ 38,819</u>

The accompanying notes are an integral part of these financial statements

**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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
State gasoline tax	\$ 4,445,000	\$ 4,445,000	\$ 4,640,454	\$ 195,454
<b>Interest:</b>				
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>(802)</u>	<u>(1,802)</u>
<b>Total revenues</b>	<u>4,446,000</u>	<u>4,446,000</u>	<u>4,639,652</u>	<u>193,652</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Highways and streets	4,822,000	4,822,000	4,764,054	57,946
Payments to General Fund for services	<u>224,000</u>	<u>224,000</u>	<u>215,098</u>	<u>8,902</u>
<b>Total expenditures</b>	<u>5,046,000</u>	<u>5,046,000</u>	<u>4,979,152</u>	<u>66,848</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(600,000)	(600,000)	(339,500)	260,500
<b>Other financing sources:</b>				
Transfers in	<u>744,000</u>	<u>744,000</u>	<u>744,195</u>	<u>195</u>
<b>Net change in fund balance</b>	144,000	144,000	404,695	260,695
<b>Fund balance, July 1</b>	<u>87,395</u>	<u>87,395</u>	<u>87,395</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 231,395</u>	<u>\$ 231,395</u>	<u>\$ 492,090</u>	<u>\$ 260,695</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - LODGERS TAX FUND**  
Year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Lodgers tax	\$ 8,526,000	\$ 8,526,000	\$ 9,019,206	\$ 493,206
<b>Interest:</b>				
Interest on investments	<u>6,000</u>	<u>6,000</u>	<u>5,784</u>	<u>(216)</u>
<b>Total revenues</b>	<b>8,532,000</b>	<b>8,532,000</b>	<b>9,024,990</b>	<b>492,990</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Lodger's promotion	<u>4,130,000</u>	<u>4,130,000</u>	<u>4,074,003</u>	<u>55,997</u>
<b>Total expenditures</b>	<b>4,130,000</b>	<b>4,130,000</b>	<b>4,074,003</b>	<b>55,997</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,402,000</b>	<b>4,402,000</b>	<b>4,950,987</b>	<b>548,987</b>
<b>Other financing sources (uses):</b>				
Transfer from the General Fund	834,000	-	-	-
Transfer to Sales Tax Debt Service Fund	(5,097,000)	(4,263,000)	(4,263,000)	-
Transfer to to the General Fund	<u>(133,000)</u>	<u>(133,000)</u>	<u>(133,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<b>6,000</b>	<b>6,000</b>	<b>554,987</b>	<b>548,987</b>
<b>Fund balance, July 1</b>	<u>1,018,737</u>	<u>1,018,737</u>	<u>1,018,737</u>	<u>-</u>
<b>Fund balance, June 30</b>	<b>\$ 1,024,737</b>	<b>\$ 1,024,737</b>	<b>\$ 1,573,724</b>	<b>\$ 548,987</b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - HOSPITALITY FEES FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Lodgers tax	\$ 1,704,000	\$ 1,704,000	\$ 1,784,477	\$ 80,477
<b>Interest:</b>				
Interest on investments	-	-	3,068	3,068
<b>Total revenues</b>	1,704,000	1,704,000	1,787,545	83,545
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Lodger's promotion	786,000	786,000	772,237	13,763
<b>Total expenditures</b>	786,000	786,000	772,237	13,763
<b>Excess (deficiency) of revenues over expenditures</b>	918,000	918,000	1,015,308	97,308
<b>Other financing sources (uses):</b>				
Transfer to Sales Tax Debt Service Fund	(786,000)	(786,000)	(786,000)	-
<b>Net change in fund balance</b>	132,000	132,000	229,308	97,308
<b>Fund balance, July 1</b>	-	-	-	-
<b>Fund balance, June 30</b>	\$ 132,000	\$ 132,000	\$ 229,308	\$ 97,308

The accompanying notes are an integral part of these 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County-shared operations	\$ 21,541,000	\$ 21,598,000	\$ 23,393,083	\$ 1,795,083
<b>Charges for services:</b>				
Care of prisoners-state	200,000	200,000	(191,705)	(391,705)
Community custody program fees	180,000	180,000	172,701	(7,299)
CCP reimbursement	435,000	435,000	535,215	100,215
Medical Co-pay inmates	25,000	25,000	24,000	(1,000)
Recycling services	160,000	160,000	160,000	-
<b>Total charges for services</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>700,211</u>	<u>(299,789)</u>
<b>Interest:</b>				
Interest on investments	-	-	113,737	113,737
<b>Miscellaneous:</b>				
Other	71,000	71,000	645,157	574,157
<b>Total miscellaneous</b>	<u>71,000</u>	<u>71,000</u>	<u>645,157</u>	<u>574,157</u>
<b>Total revenues</b>	<u>22,612,000</u>	<u>22,669,000</u>	<u>24,852,188</u>	<u>2,183,188</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Administrative support	4,542,000	4,542,000	4,701,092	(159,092)
Community custody	1,145,000	1,145,000	1,233,667	(88,667)
Correction and detention	36,626,000	37,411,000	36,440,334	970,666
Detoxification program	-	-	213,706	(213,706)
Water supply contract	488,000	488,000	487,245	755
Indirect overhead charge	1,316,000	1,316,000	1,286,351	29,649
<b>Total expenditures</b>	<u>44,117,000</u>	<u>44,902,000</u>	<u>44,362,395</u>	<u>539,605</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(21,505,000)</u>	<u>(22,233,000)</u>	<u>(19,510,207)</u>	<u>2,722,793</u>
<b>Other financing sources (uses):</b>				
Transfers in	21,541,000	21,598,000	21,598,000	-
Transfers out	(33,000)	(33,000)	(31,901)	1,099
<b>Total other financing sources (uses)</b>	<u>21,508,000</u>	<u>21,565,000</u>	<u>21,566,099</u>	<u>1,099</u>
<b>Net change in fund balance</b>	3,000	(668,000)	2,055,892	2,723,892
<b>Fund balance (deficit), July 1</b>	<u>517,895</u>	<u>517,895</u>	<u>517,895</u>	<u>-</u>
<b>Fund balance (deficit), June 30</b>	<u>\$ 520,895</u>	<u>\$ (150,105)</u>	<u>\$ 2,573,787</u>	<u>\$ 2,723,892</u>

The accompanying notes are an integral part of these financial statements



**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Charges for services:</b>				
Charges for building rental	\$ 1,108,000	\$ 1,108,000	\$ 1,123,500	\$ 15,500
<b>Interest:</b>				
Interest on investments	-	-	7,059	7,059
<b>Total revenues</b>	<u>1,108,000</u>	<u>1,108,000</u>	<u>1,130,559</u>	<u>22,559</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Building operations	<u>717,000</u>	<u>717,000</u>	<u>700,693</u>	<u>16,307</u>
<b>Total expenditures</b>	<u>717,000</u>	<u>717,000</u>	<u>700,693</u>	<u>16,307</u>
<b>Excess (deficiency) of revenues over expenditures</b>	391,000	391,000	429,866	38,866
<b>Other financing (uses):</b>				
Transfer to debt service fund	<u>(569,000)</u>	<u>(569,000)</u>	<u>(569,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	(178,000)	(178,000)	(139,134)	38,866
<b>Fund balance (deficit), July 1</b>	<u>277,687</u>	<u>277,687</u>	<u>277,687</u>	<u>-</u>
<b>Fund balance (deficit), June 30</b>	<u>\$ 99,687</u>	<u>\$ 99,687</u>	<u>\$ 138,553</u>	<u>\$ 38,866</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - RECREATION FUND**  
Year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
State cigarette tax	\$ 290,000	\$ 290,000	\$ 276,113	\$ (13,887)
<b>Interest:</b>				
Interest on investments	<u>-</u>	<u>-</u>	<u>488</u>	<u>488</u>
<b>Total revenues</b>	<u>290,000</u>	<u>290,000</u>	<u>276,601</u>	<u>(13,399)</u>
<b>Other financing uses:</b>				
<b>Transfers out:</b>				
Transfer to General Fund	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>(13,399)</u>	<u>(13,399)</u>
<b>Fund balance, July 1</b>	<u>67,638</u>	<u>67,638</u>	<u>67,638</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 67,638</u>	<u>\$ 67,638</u>	<u>\$ 54,239</u>	<u>\$ (13,399)</u>

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**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 55,000	\$ 55,000	\$ 59,499	\$ 4,499
Interest	15,000	15,000	15,589	589
Miscellaneous income	<u>-</u>	<u>-</u>	<u>6,484</u>	<u>6,484</u>
<b>Total revenues</b>	<b>70,000</b>	<b>70,000</b>	<b>81,572</b>	<b>11,572</b>
<b>Expenditures</b>				
Culture and recreation	<u>3,883,000</u>	<u>3,883,000</u>	<u>3,775,928</u>	<u>107,072</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,813,000)</b>	<b>(3,813,000)</b>	<b>(3,694,356)</b>	<b>118,644</b>
<b>Other financing sources:</b>				
Transfers in	<u>3,738,000</u>	<u>3,738,000</u>	<u>4,394,207</u>	<u>656,207</u>
<b>Net change in fund balance</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>699,851</b>	<b>774,851</b>
<b>Fund balance, July 1</b>	<u>300,885</u>	<u>300,885</u>	<u>300,885</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 225,885</u>	<u>\$ 225,885</u>	<u>\$ 1,000,736</u>	<u>\$ 774,851</u>

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining June 30, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Charges for services:</b>					
Zoo and Park Admissions	\$ -	\$ 7,462	\$ (7,462)	\$ -	\$ (7,462)
Collecting trips	<u>50,000</u>	<u>7,602</u>	<u>42,398</u>	<u>-</u>	<u>42,398</u>
<b>Total charges for services</b>	<u>50,000</u>	<u>15,064</u>	<u>34,936</u>	<u>-</u>	<u>34,936</u>
<b>Interest on investments</b>	<u>57,000</u>	<u>58,030</u>	<u>(1,030)</u>	<u>6,803</u>	<u>(7,833)</u>
<b>Other:</b>					
Miscellaneous revenue	1,706,000	46,002	1,659,998	638	1,659,360
Contributions and donations	3,389,000	3,666,640	(277,640)	1,181,507	(1,459,147)
Sales of other property	<u>100,000</u>	<u>128,739</u>	<u>(28,739)</u>	<u>4,334</u>	<u>(33,073)</u>
<b>Total other</b>	<u>5,195,000</u>	<u>3,841,381</u>	<u>1,353,619</u>	<u>1,186,479</u>	<u>167,140</u>
<b>Total revenues</b>	<u>5,302,000</u>	<u>3,914,475</u>	<u>1,387,525</u>	<u>1,193,282</u>	<u>194,243</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Culture and Recreation	<u>5,302,000</u>	<u>3,886,889</u>	<u>1,415,111</u>	<u>1,310,094</u>	<u>105,017</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 27,586</u>	<u>\$ (27,586)</u>	<u>(116,812)</u>	<u>\$ 89,226</u>
<b>Fund balance, July 1</b>				<u>27,586</u>	
<b>Fund balance, June 30</b>				<u>\$ (89,226)</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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Charges for services:</b>					
Information systems services	\$ 3,559,288	\$ 3,275,887	\$ 283,401	\$ 174,194	\$ 109,207
<b>Interest:</b>					
Interest on investments	-	195,358	(195,358)	8,846	(204,204)
<b>Other:</b>					
Miscellaneous revenue	-	39,312	(39,312)	-	(39,312)
<b>Total revenues</b>	<u>3,559,288</u>	<u>3,510,557</u>	<u>48,731</u>	<u>183,040</u>	<u>(134,309)</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	<u>2,251,288</u>	<u>2,100,495</u>	<u>150,793</u>	<u>73,805</u>	<u>76,988</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,308,000</b>	<b>1,410,062</b>	<b>(102,062)</b>	<b>109,235</b>	<b>(211,297)</b>
<b>Other financing sources (uses):</b>					
Transfers out	<u>(1,308,000)</u>	<u>(1,226,000)</u>	<u>(82,000)</u>	<u>(82,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 184,062</u>	<u>\$ (184,062)</u>	<u>27,235</u>	<u>\$ (211,297)</u>
<b>Fund balance, July 1</b>				<u>184,062</u>	
<b>Fund balance, June 30</b>				<u>\$ 211,297</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, 2005

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Interest:</b>					
Interest on investments	\$ 1,546,639	\$ 426,668	\$ 1,119,971	\$ 19,786	\$ 1,100,185
<b>Miscellaneous:</b>					
Refund of excess of mortgage holders payments over CMO bond debt service	1,894,064	1,522,915	371,149	(432,778)	803,927
Affordable Housing Trust Fund	1,000,000	1,427,691	(427,691)	-	(427,691)
FCSD Property Management Trust - NM Bank & Trust	-	-	-	47,117	(47,117)
CMO bonds project reimbursement	<u>2,725,026</u>	<u>2,772,223</u>	<u>(47,197)</u>	<u>1,273,606</u>	<u>(1,320,803)</u>
<b>Total miscellaneous</b>	<u>5,619,090</u>	<u>5,722,829</u>	<u>(103,739)</u>	<u>887,945</u>	<u>(991,684)</u>
<b>Total revenues</b>	<u>7,165,729</u>	<u>6,149,497</u>	<u>1,016,232</u>	<u>907,731</u>	<u>108,501</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Housing	<u>6,696,132</u>	<u>4,651,059</u>	<u>2,045,073</u>	<u>1,060,075</u>	<u>984,998</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>469,597</u>	<u>1,498,438</u>	<u>(1,028,841)</u>	<u>(152,344)</u>	<u>(876,497)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	64,827	(64,827)	-	(64,827)
Transfers out	<u>(469,597)</u>	<u>517,299</u>	<u>(986,896)</u>	<u>-</u>	<u>(986,896)</u>
<b>Total other financing sources (uses)</b>	<u>(469,597)</u>	<u>582,126</u>	<u>(1,051,723)</u>	<u>-</u>	<u>(1,051,723)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 2,080,564</u>	<u>\$ (2,080,564)</u>	<u>(152,344)</u>	<u>\$ (1,928,220)</u>
<b>Fund balance, July 1</b>				<u>1,267,518</u>	
<b>Fund balance, June 30</b>				<u>\$ 1,115,174</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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
<b>Grants:</b>					
U.S. Department of Housing and Urban Development	\$ 33,143,001	\$ 18,102,711	\$ 15,040,290	\$ 5,246,780	\$ 9,793,510
<b>Interest:</b>					
Interest on investments	-	5,145	(5,145)	(5,145)	-
<b>Miscellaneous:</b>					
Rehabilitation loan repayments	1,754,441	1,775,062	(20,621)	(518,247)	497,626
Other miscellaneous	3,035,873	2,623,415	412,458	992,215	(579,757)
<b>Total miscellaneous</b>	<u>4,790,314</u>	<u>4,398,477</u>	<u>391,837</u>	<u>473,968</u>	<u>(82,131)</u>
<b>Total revenues</b>	<u>37,933,315</u>	<u>22,506,333</u>	<u>15,426,982</u>	<u>5,715,603</u>	<u>9,711,379</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public Works	6,601,430	3,945,110	2,656,320	746,123	1,910,197
<b>Human services:</b>					
Mayor's Office for Senior Citizens	900,044	584,715	315,329	184,331	130,998
Community development administration	9,140,509	4,802,453	4,338,056	1,527,346	2,810,710
Outside operating agencies	8,109,107	5,306,261	2,802,846	1,189,501	1,613,345
Public service city match	1,652,264	20,441	1,631,823	(20,441)	1,652,264
<b>Total human services</b>	<u>19,801,924</u>	<u>10,713,870</u>	<u>9,088,054</u>	<u>2,880,737</u>	<u>6,207,317</u>
Housing	11,605,829	7,831,089	3,774,740	2,285,533	1,489,207
<b>Total expenditures</b>	<u>38,009,183</u>	<u>22,490,069</u>	<u>15,519,114</u>	<u>5,912,393</u>	<u>9,606,721</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(75,868)	16,264	(92,132)	(196,790)	104,658
<b>Other financing sources:</b>					
Transfers in	75,868	75,868	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 92,132</u>	<u>\$ (92,132)</u>	(196,790)	<u>\$ 104,658</u>
<b>Fund balance, July 1</b>				<u>184,294</u>	
<b>Fund (deficit), June 30</b>				<u>\$ (12,496)</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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Charges for services:</b>					
<b>Culture and recreation:</b>					
Library charges	\$ 95,000	\$ 200,560	\$ (105,560)	\$ 121,582	\$ (227,142)
Museum charges	262,000	292,186	(30,186)	94,002	(124,188)
Other	-	2,248	(2,248)	-	(2,248)
<b>Total charges for services</b>	<u>357,000</u>	<u>494,994</u>	<u>(137,994)</u>	<u>215,584</u>	<u>(353,578)</u>
<b>Interest on investments</b>	<u>73,950</u>	<u>126,297</u>	<u>(52,347)</u>	<u>34,630</u>	<u>(86,977)</u>
<b>Other:</b>					
Miscellaneous revenue	2,726,800	1,293,344	1,433,456	368,974	1,064,482
Contributions and donations	<u>1,247,000</u>	<u>1,392,585</u>	<u>(145,585)</u>	<u>71,926</u>	<u>(217,511)</u>
<b>Total other revenues</b>	<u>3,973,800</u>	<u>2,685,929</u>	<u>1,287,871</u>	<u>440,900</u>	<u>846,971</u>
<b>Total revenues</b>	<u>4,404,750</u>	<u>3,307,220</u>	<u>1,097,530</u>	<u>691,114</u>	<u>406,416</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Culture and Recreation	<u>4,404,750</u>	<u>2,049,980</u>	<u>2,354,770</u>	<u>401,533</u>	<u>1,953,237</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,257,240</u>	<u>\$ (1,257,240)</u>	289,581	<u>\$ (1,546,821)</u>
<b>Fund balance, July 1</b>				<u>1,257,240</u>	
<b>Fund balance, June 30</b>				<u>\$ 1,546,821</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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Interest:</b>					
Interest on investments	\$ -	\$ 4,359,986	\$ (4,359,986)	\$ 225,255	\$ (4,585,241)
<b>Miscellaneous:</b>					
Housing and development	11,546,152	8,168,901	3,377,251	490,957	2,886,294
<b>Total revenues</b>	<b>11,546,152</b>	<b>12,528,887</b>	<b>(982,735)</b>	<b>716,212</b>	<b>(1,698,947)</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Housing and development	11,546,152	2,382,999	9,163,153	2,853,700	6,309,453
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 10,145,888</b>	<b>\$ (10,145,888)</b>	<b>(2,137,488)</b>	<b>\$ (8,008,400)</b>
<b>Fund balance, July 1</b>				<b>10,145,888</b>	
<b>Fund balance, June 30</b>				<b>\$ 8,008,400</b>	

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Insurance debt collections	\$ -	\$ 1,479,943	\$ (1,479,943)	\$ 598,604	\$ (2,078,547)
<b>Charges for services:</b>					
Crime laboratory-Controlled substance and DWI tests	720,000	685,624	34,376	147,938	(113,562)
<b>Fines and forfeits:</b>					
Police-forfeited funds	5,013,316	1,834,261	3,179,055	998,116	2,180,939
<b>Interest:</b>					
Interest on investments	-	438,137	(438,137)	31,274	(469,411)
<b>Other:</b>					
Miscellaneous	-	1,265,836	(1,265,836)	687,257	(1,953,093)
<b>Total revenues</b>	<u>5,733,316</u>	<u>5,703,801</u>	<u>29,515</u>	<u>2,463,189</u>	<u>(2,433,674)</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Public safety:</b>					
Law enforcement protection funds act	2,338,000	1,351,590	986,410	560,947	425,463
Federal forfeitures program	1,192,795	1,728,552	(535,757)	887,900	(1,423,657)
State forfeitures program	18,852	17,852	1,000	-	1,000
Crime lab program	525,000	446,588	78,412	65,432	12,980
DWI forfeitures program	1,463,669	812,124	651,545	672,993	(21,448)
<b>Total expenditures</b>	<u>5,538,316</u>	<u>4,356,706</u>	<u>1,181,610</u>	<u>2,187,272</u>	<u>(1,005,662)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	195,000	1,347,095	(1,152,095)	275,917	(1,428,012)
<b>Other financing sources (uses)</b>					
Transfers out	(195,000)	-	(195,000)	(195,000)	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,347,095</u>	<u>\$ (1,347,095)</u>	<u>\$ 80,917</u>	<u>\$ (1,428,012)</u>
<b>Fund balance, July 1</b>				1,347,095	
<b>Fund balance, June 30</b>				<u>\$ 1,428,012</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - METROPOLITAN REDEVELOPMENT FUND**  
Year ended June 30, 2005

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Current property tax	\$ 5,543,411	\$ 5,359,729	\$ 183,682	\$ 273,728	\$ (90,046)
<b>Intergovernmental:</b>					
<b>Grants:</b>					
US Economic Development Administration	1,000,000	1,000,000	-	-	-
NM Local Government Division	250,000	250,000	-	-	-
<b>Total intergovernmental</b>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Interest:</b>					
Interest on investments	<u>2,800,293</u>	<u>2,790,594</u>	<u>9,699</u>	<u>74,502</u>	<u>(64,803)</u>
<b>Miscellaneous:</b>					
Rental of city property	551,331	599,048	(47,717)	56,359	(104,076)
Sale of real property	2,325,533	2,314,759	10,774	10,774	-
Miscellaneous parking revenue	30,328	31,898	(1,570)	-	(1,570)
Transfer from General Fund	425,000	-	425,000	425,000	-
Other miscellaneous	<u>91,837</u>	<u>97,726</u>	<u>(5,889)</u>	<u>156,079</u>	<u>(161,968)</u>
<b>Total miscellaneous</b>	<u>3,424,029</u>	<u>3,043,431</u>	<u>380,598</u>	<u>648,212</u>	<u>(267,614)</u>
<b>Total revenues</b>	<u>13,017,733</u>	<u>12,443,754</u>	<u>573,979</u>	<u>996,442</u>	<u>(422,463)</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	<u>13,079,271</u>	<u>10,282,230</u>	<u>2,797,041</u>	<u>298,823</u>	<u>2,498,218</u>
<b>Total expenditures</b>	<u>13,079,271</u>	<u>10,282,230</u>	<u>2,797,041</u>	<u>298,823</u>	<u>2,498,218</u>
<b>Net change in fund balance</b>	<u>\$ (61,538)</u>	<u>\$ 2,161,524</u>	<u>\$ (2,223,062)</u>	697,619	<u>\$ (2,920,681)</u>
<b>Fund balance, July 1</b>				<u>2,673,474</u>	
<b>Fund balance, June 30</b>				<u>\$ 3,371,093</u>	

The accompanying notes are an integral part of these financial statements

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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - OPERATING GRANTS FUND**  
Year ended June 30, 2005

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
<b>Grants:</b>					
Corporation for National and Community Services	\$ 2,145,924	\$ 1,720,947	\$ 424,977	\$ 309,752	\$ 115,225
U.S. Department of Housing and Urban Development	42,081,521	26,862,584	15,218,937	908,304	14,310,633
U.S. Department of Labor	3,888,864	3,395,005	493,859	-	493,859
U.S. Environmental Protection Agency	7,280,990	4,282,693	2,998,297	2,077,137	921,160
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	19,601,312	13,710,210	5,891,102	3,113,294	2,777,808
U.S. Department of the Treasury	409,169	356,015	53,154	29,979	23,175
U.S. Department of Justice	26,866,175	19,588,134	7,278,041	1,621,525	5,656,516
U.S. Department of Education	-	106,805	(106,805)	-	(106,805)
Federal Emergency Management Agency	1,381,221	863,597	517,624	476,577	41,047
N.M. Dept. of Health - Social Services	2,143,007	298,689	1,844,318	499,155	1,345,163
N.M. Department of Public Safety	1,728,796	1,419,058	309,738	509,085	(199,347)
N.M. Arts Commission	-	-	-	(3,867)	3,867
N.M. State Library	299,693	254,277	45,416	45,416	-
N.M. State Highway Department	9,962,320	6,936,211	3,026,109	1,393,797	1,632,312
N.M. Department of Transportation	2,132,202	1,337,662	794,540	304,432	490,108
N.M. State Office on Aging	28,994,293	23,667,429	5,326,864	4,436,512	890,352
N.M. Board of Finance	124,869	84,346	40,523	-	40,523
N.M. Dept. of Economic Development	2,950,000	2,903,754	46,246	-	46,246
NM Energy And Minerals Dept.	24,649	-	24,649	-	24,649
N.M. Local Government Division	18,876,610	16,544,272	2,332,338	386,452	1,945,886
N.M. Office Cultural Office	63,272	49,097	14,175	18,344	(4,169)
N.M. Dept. of Health - Public Health	6,000	6,000	-	-	-
N.M. Children, Youth & Families Dept.	15,013,751	10,181,711	4,832,040	2,334,552	2,497,488
N.M. Youth Conservation Corp. Comm.	735,157	576,389	158,768	-	158,768
City of Rio Rancho	60,000	33,436	26,564	-	26,564
County Other	869,331	584,966	284,365	92,524	191,841
N.M. Dept. of Health - Substance Abuse	6,000	6,000	-	-	-
County Aging	2,621,300	2,275,400	345,900	510,721	(164,821)
<b>Total intergovernmental</b>	<u>191,245,048</u>	<u>138,981,991</u>	<u>52,263,057</u>	<u>19,063,691</u>	<u>33,199,366</u>
<b>Interest:</b>					
Interest - Police Block Grant	381,138	426,755	(45,617)	34,675	(80,292)
<b>Miscellaneous:</b>					
Other miscellaneous	12,593,869	9,144,284	3,449,585	2,655,198	794,387
Rehabilitation loan repayments	51,458	338,606	(287,148)	119,642	(406,790)
Contributions and donations	101,530	78,111	23,419	-	23,419
<b>Total miscellaneous</b>	<u>12,746,857</u>	<u>9,561,001</u>	<u>3,185,856</u>	<u>2,774,840</u>	<u>411,016</u>
<b>Total revenues</b>	<u>204,373,043</u>	<u>148,969,747</u>	<u>55,403,296</u>	<u>21,873,206</u>	<u>33,530,090</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - OPERATING GRANTS FUND**  
Year ended June 30, 2005

	<u>Project Budget</u>	<u>Prior Year's Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Expenditures:</b>					
<b>General government:</b>					
Aviation	440,000	440,000	-	-	-
Planning-redevelopment	1,189,194	145,521	1,043,673	572,218	471,455
Planning-Mayor	350,000	341,984	8,016	-	8,016
Planning-Chief Administrative Officer	633,692	117,180	516,512	279,547	236,965
Finance and Administrative Services	105,000	81,556	23,444	-	23,444
Legal	37,404	37,404	-	-	-
Solid waste	<u>2,408,934</u>	<u>1,758,786</u>	<u>650,148</u>	<u>643,473</u>	<u>6,675</u>
<b>Total general government</b>	<u>5,164,224</u>	<u>2,922,431</u>	<u>2,241,793</u>	<u>1,495,238</u>	<u>746,555</u>
<b>Public safety:</b>					
Fire	2,252,999	1,691,659	561,340	280,853	280,487
Corrections	4,499,465	2,385,742	2,113,723	2,013,643	100,080
Police	<u>35,710,321</u>	<u>25,260,500</u>	<u>10,449,821</u>	<u>2,826,012</u>	<u>7,623,809</u>
<b>Total public safety</b>	<u>42,462,785</u>	<u>29,337,901</u>	<u>13,124,884</u>	<u>5,120,508</u>	<u>8,004,376</u>
<b>Culture and recreation:</b>					
Library	337,281	440,629	(103,348)	61,691	(165,039)
Parks and Recreation	<u>1,236,874</u>	<u>902,750</u>	<u>334,124</u>	<u>83,391</u>	<u>250,733</u>
<b>Total culture and recreation</b>	<u>1,574,155</u>	<u>1,343,379</u>	<u>230,776</u>	<u>145,082</u>	<u>85,694</u>
Highways and streets	<u>4,878,180</u>	<u>3,523,161</u>	<u>1,355,019</u>	<u>769,831</u>	<u>585,188</u>
Environmental health	<u>13,749,736</u>	<u>10,251,702</u>	<u>3,498,034</u>	<u>2,527,307</u>	<u>970,727</u>
<b>Human services:</b>					
Office of Senior Affairs (OSA)	1,515,577	-	1,515,577	1,814,773	(299,196)
OSA - CNCS grants	5,464,992	-	5,464,992	5,266,648	198,344
Human services administration	<u>161,178,722</u>	<u>123,263,709</u>	<u>37,915,013</u>	<u>10,285,232</u>	<u>27,629,781</u>
<b>Total human services</b>	<u>168,159,291</u>	<u>123,263,709</u>	<u>44,895,582</u>	<u>17,366,653</u>	<u>27,528,929</u>
<b>Total expenditures</b>	<u>235,988,371</u>	<u>170,642,283</u>	<u>65,346,088</u>	<u>27,424,619</u>	<u>37,921,469</u>
<b>Excesss (deficiency) of revenues over expenditures</b>	<u>(31,615,328)</u>	<u>(21,672,536)</u>	<u>(9,942,792)</u>	<u>(5,551,413)</u>	<u>(4,391,379)</u>
<b>Other financing sources (uses):</b>					
Transfers in	31,218,328	25,871,968	5,346,360	4,233,956	1,112,404
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources and (uses)</b>	<u>30,768,328</u>	<u>25,421,968</u>	<u>5,346,360</u>	<u>4,233,956</u>	<u>1,112,404</u>
<b>Net change in fund balance</b>	<u>\$ (847,000)</u>	<u>\$ 3,749,432</u>	<u>\$ (4,596,432)</u>	<u>(1,317,457)</u>	<u>\$ (3,278,975)</u>
<b>Fund (deficit), July 1</b>				<u>4,645,618</u>	
<b>Fund balance, June 30</b>				<u>\$ 3,328,161</u>	

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
<b>Interest:</b>					
Interest on investments	\$ 598,683	\$ 581,752	\$ 16,931	\$ 54,647	\$ (37,716)
<b>Miscellaneous:</b>					
Other miscellaneous revenue	-	2,591	(2,591)	-	(2,591)
<b>Total miscellaneous</b>	<b>-</b>	<b>2,591</b>	<b>(2,591)</b>	<b>-</b>	<b>(2,591)</b>
<b>Total revenues</b>	<b>598,683</b>	<b>584,343</b>	<b>14,340</b>	<b>54,647</b>	<b>(40,307)</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Culture and recreation	2,738,814	974,258	1,764,556	450,284	1,314,272
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,140,131)</b>	<b>(389,915)</b>	<b>(1,750,216)</b>	<b>(395,637)</b>	<b>(1,354,579)</b>
<b>Other financing sources:</b>					
Transfers in	2,140,131	1,915,062	225,069	380,766	(155,697)
<b>Net change in fund balance</b>	<b>-</b>	<b>1,525,147</b>	<b>(1,525,147)</b>	<b>(14,871)</b>	<b>(1,510,276)</b>
<b>Fund balance, July 1</b>				<b>2,193,147</b>	
<b>Fund balance, June 30</b>				<b>\$ 2,178,276</b>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-**  
**DEBT SERVICE**  
**June 30, 2005**

	<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>
<b>ASSETS</b>				
Cash, investments, and accrued interest	\$ 893,604	\$ 362,698	\$ 2,208,913	\$ 3,465,215
Cash with fiscal agents	5,654,268	1,286,914	2,838,203	9,779,385
Accounts receivable, net of allowance for uncollectible accounts:				
Special Assessments	-	-	11,809,528	11,809,528
Advances to other funds	<u>22,200,000</u>	<u>-</u>	<u>-</u>	<u>22,200,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,747,872</u></b>	<b><u>\$ 1,649,612</u></b>	<b><u>\$ 16,856,644</u></b>	<b><u>\$ 47,254,128</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 16,567	\$ -	\$ 14,601	\$ 31,168
Deferred revenue	-	-	11,386,217	11,386,217
Matured bonds payable	2,625,817	1,170,000	2,617,609	6,413,426
Matured interest payable	<u>2,907,929</u>	<u>116,914</u>	<u>205,991</u>	<u>3,230,834</u>
<b>Total liabilities</b>	<b><u>5,550,313</u></b>	<b><u>1,286,914</u></b>	<b><u>14,224,418</u></b>	<b><u>21,061,645</u></b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Advances to other funds	22,200,000	-	-	22,200,000
Unreserved	<u>997,559</u>	<u>362,698</u>	<u>2,632,226</u>	<u>3,992,483</u>
<b>Total fund balances</b>	<b><u>23,197,559</u></b>	<b><u>362,698</u></b>	<b><u>2,632,226</u></b>	<b><u>26,192,483</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 28,747,872</u></b>	<b><u>\$ 1,649,612</u></b>	<b><u>\$ 16,856,644</u></b>	<b><u>\$ 47,254,128</u></b>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE**  
Year ended June 30, 2005

	<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>
<b>Revenues:</b>				
Interest	\$ 760,753	\$ 27,947	\$ 78,386	\$ 867,086
Special assessments	-	-	5,147,531	5,147,531
Miscellaneous	-	-	458,295	458,295
<b>Total revenues</b>	<u>760,753</u>	<u>27,947</u>	<u>5,684,212</u>	<u>6,472,912</u>
<b>Expenditures:</b>				
Principal retirement	2,625,817	1,170,000	4,340,148	8,135,965
Interest	5,408,800	233,828	516,879	6,159,507
Fiscal agent fees and other fees	1,219,282	-	41,533	1,260,815
<b>Total expenditures</b>	<u>9,253,899</u>	<u>1,403,828</u>	<u>4,898,560</u>	<u>15,556,287</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(8,493,146)	(1,375,881)	785,652	(9,083,375)
<b>Other financing sources:</b>				
Transfers in	6,950,000	1,295,000	-	8,245,000
Proceeds from refunding bonds	61,147,085	-	-	61,147,085
Payment to refunded bond escrow agent	(61,023,204)	-	-	(61,023,204)
<b>Net change in fund balances</b>	(1,419,265)	(80,881)	785,652	(714,494)
<b>Fund balances, July 1</b>	<u>24,616,824</u>	<u>443,579</u>	<u>1,846,574</u>	<u>26,906,977</u>
<b>Fund balances, June 30</b>	<u>\$ 23,197,559</u>	<u>\$ 362,698</u>	<u>\$ 2,632,226</u>	<u>\$ 26,192,483</u>

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Interest:</b>				
Interest on investments	\$ 100,000	\$ 100,000	\$ 113,503	\$ 13,503
Interest on advance	-	-	647,250	647,250
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>760,753</u>	<u>660,753</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal	4,129,205	2,250,817	2,625,817	(375,000)
Interest	6,366,262	6,117,247	5,408,800	708,447
Fiscal agent fees and other fees	192,480	1,609,764	1,219,282	390,482
<b>Total expenditures</b>	<u>10,687,947</u>	<u>9,977,828</u>	<u>9,253,899</u>	<u>723,929</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(10,587,947)	(9,877,828)	(8,493,146)	1,384,682
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	60,880,000	60,880,000	-
Premium on refunding bonds	-	267,085	267,085	-
Payment to refunded bond escrow agent	(155,086)	(61,178,290)	(61,023,204)	155,086
Transfers in	10,564,000	9,730,000	6,950,000	(2,780,000)
<b>Net change in fund balance</b>	(179,033)	(179,033)	(1,419,265)	(1,240,232)
<b>Fund balance, July 1</b>	<u>24,616,824</u>	<u>24,616,824</u>	<u>24,616,824</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 24,437,791</u>	<u>\$ 24,437,791</u>	<u>\$ 23,197,559</u>	<u>\$ (1,240,232)</u>

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**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
<b>Interest:</b>				
Interest on investments	\$ -	\$ -	\$ 27,947	\$ 27,947
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal	1,170,000	1,170,000	1,170,000	-
Interest	234,000	234,000	233,828	172
Fiscal agent fees and other fees	5,000	5,000	-	5,000
<b>Total expenditures</b>	<u>1,409,000</u>	<u>1,409,000</u>	<u>1,403,828</u>	<u>5,172</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(1,409,000)	(1,409,000)	(1,375,881)	33,119
<b>Other financing sources:</b>				
Transfers in	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,295,000</u>	<u>-</u>
<b>Net change in fund balance</b>	(114,000)	(114,000)	(80,881)	33,119
<b>Fund balance, July 1</b>	<u>443,579</u>	<u>443,579</u>	<u>443,579</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 329,579</u>	<u>\$ 329,579</u>	<u>\$ 362,698</u>	<u>\$ 33,119</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS-**  
**CAPITAL PROJECTS**  
**June 30, 2005**

	<u>Quality of Life Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Vehicle &amp; Equipment Replacement Fund</u>	<u>Special Assessments Capital Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash, investments, and accrued interest	\$ 109,562	\$ 17,680,363	\$ 2,005,152	\$ 6,815,531	\$ 26,610,608
Investment with fiscal agent	-	-	-	1,319,107	1,319,107
Gross receipts tax receivable	-	5,570,126	-	-	5,570,126
<b>TOTAL ASSETS</b>	<u>\$ 109,562</u>	<u>\$ 23,250,489</u>	<u>\$ 2,005,152</u>	<u>\$ 8,134,638</u>	<u>\$ 33,499,841</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Contracts payable	\$ 8,378	\$ 3,472,165	\$ 81,345	\$ 298,037	\$ 3,859,925
Deferred revenue	-	2,890,690	-	-	2,890,690
<b>Total liabilities</b>	<u>8,378</u>	<u>6,362,855</u>	<u>81,345</u>	<u>298,037</u>	<u>6,750,615</u>
<b>Fund balances:</b>					
Unreserved	<u>101,184</u>	<u>16,887,634</u>	<u>1,923,807</u>	<u>7,836,601</u>	<u>26,749,226</u>
<b>Total fund balances</b>	<u>101,184</u>	<u>16,887,634</u>	<u>1,923,807</u>	<u>7,836,601</u>	<u>26,749,226</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 109,562</u>	<u>\$ 23,250,489</u>	<u>\$ 2,005,152</u>	<u>\$ 8,134,638</u>	<u>\$ 33,499,841</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS**  
Year ended June 30, 2005

	<u>Quality of Life Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Vehicle &amp; Equipment Replacement Fund</u>	<u>Special Assessments Capital Fund</u>	<u>Total</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Gross receipts tax-local option	\$ -	\$ 28,232,909	\$ -	\$ -	\$ 28,232,909
<b>Intergovernmental</b>	-	-	-	-	-
<b>Interest on investments</b>	32,346	3,116,105	47,926	217,586	3,413,963
<b>Miscellaneous:</b>					
Contributions in aid of construction	-	200	-	-	200
Sales of real property	-	-	136,909	-	136,909
Recoveries on damaged vehicles	-	-	137,738	-	137,738
<b>Total miscellaneous</b>	-	200	274,647	-	274,847
<b>Total revenues</b>	<u>32,346</u>	<u>31,349,214</u>	<u>322,573</u>	<u>217,586</u>	<u>31,921,719</u>
<b>Expenditures:</b>					
Capital outlay	<u>2,071,669</u>	<u>25,344,089</u>	<u>1,681,994</u>	<u>3,284,067</u>	<u>32,381,819</u>
<b>Total expenditures</b>	<u>2,071,669</u>	<u>25,344,089</u>	<u>1,681,994</u>	<u>3,284,067</u>	<u>32,381,819</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	<u>(2,039,323)</u>	<u>6,005,125</u>	<u>(1,359,421)</u>	<u>(3,066,481)</u>	<u>(460,100)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	2,000,000	-	2,000,000
Transfers out	-	(7,407,980)	-	-	(7,407,980)
<b>Total other financing sources (uses)</b>	-	(7,407,980)	2,000,000	-	(5,407,980)
<b>Net change in fund balances</b>	(2,039,323)	(1,402,855)	640,579	(3,066,481)	(5,868,080)
<b>Fund balances, July 1</b>	<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>
<b>Fund balances, June 30</b>	<u>\$ 101,184</u>	<u>\$ 16,887,634</u>	<u>\$ 1,923,807</u>	<u>\$ 7,836,601</u>	<u>\$ 26,749,226</u>

The accompanying notes are an integral part of these financial statements

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**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, 2005**

	<u>Balloon Science Museum</u>	<u>Tingley Aqua Park Botanical</u>	<u>Sworn Police Personnel Program</u>
<b>Revenues:</b>			
<b>Interest:</b>			
Interest on investments	<u>-</u>	<u>-</u>	<u>-</u>
<b>Miscellaneous:</b>			
Contributions in aid of construction	<u>-</u>	<u>-</u>	<u>-</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total miscellaneous</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Capital outlay	<u>1,815,196</u>	<u>(12,972)</u>	<u>-</u>
<b>Other financing uses:</b>			
Intra-Fund transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing uses</b>	<u>1,815,196</u>	<u>(12,972)</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(1,815,196)</b>	<b>12,972</b>	<b>-</b>
<b>Fund balances (deficit), July 1</b>	<u>1,843,893</u>	<u>11,782</u>	<u>786</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 28,697</u>	<u>\$ 24,754</u>	<u>\$ 786</u>

The accompanying notes are an integral part of these financial statements

<u>Quarter Cent Streets</u>	<u>Quarter Cent Storm Drain</u>	<u>Rio Grande Bosque RR</u>	<u>Miscellaneous</u>	<u>Intra-Fund Eliminations</u>	<u>Total</u>
<u>-</u>	<u>83,333</u>	<u>-</u>	<u>(50,987)</u>	<u>-</u>	<u>32,346</u>
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1</u>	<u>83,333</u>	<u>-</u>	<u>(50,987)</u>	<u>-</u>	<u>32,346</u>
<u>269,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,669</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>269,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,669</u>
<u>(269,444)</u>	<u>83,333</u>	<u>-</u>	<u>(50,987)</u>	<u>-</u>	<u>(2,039,323)</u>
<u>217,222</u>	<u>(83,444)</u>	<u>(260)</u>	<u>150,528</u>	<u>-</u>	<u>2,140,507</u>
<u>\$ (52,222)</u>	<u>\$ (111)</u>	<u>\$ (260)</u>	<u>\$ 99,541</u>	<u>\$ -</u>	<u>\$ 101,184</u>

The accompanying notes are an integral part of these financial statements



**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, 2005**

	<u>Final Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b>Revenues:</b>					
Interest on investments	\$ 1,524,969	\$ 2,241,266	\$ (716,297)	\$ 47,926	\$ (764,223)
<b>Other:</b>					
Vehicle and equipment replacement charges	14,504,002	11,352,443	3,151,559	-	3,151,559
Sales of property and equipment	729,289	2,062,258	(1,332,969)	136,909	(1,469,878)
Recoveries on damaged vehicles	218,647	600,942	(382,295)	137,738	(520,033)
Miscellaneous revenue	-	30,174	(30,174)	-	(30,174)
<b>Total other revenue</b>	<u>15,451,938</u>	<u>14,045,817</u>	<u>1,406,121</u>	<u>274,647</u>	<u>1,131,474</u>
<b>Total revenues</b>	<u>16,976,907</u>	<u>16,287,083</u>	<u>689,824</u>	<u>322,573</u>	<u>367,251</u>
<b>Expenditures:</b>					
<b>Capital Outlay:</b>					
Vehicles and equipment	24,969,700	21,764,916	3,204,784	-	3,204,784
Computers	11,258,000	9,058,278	2,199,722	1,681,994	517,728
<b>Total expenditures</b>	<u>36,227,700</u>	<u>30,823,194</u>	<u>5,404,506</u>	<u>1,681,994</u>	<u>3,722,512</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(19,250,793)</u>	<u>(14,536,111)</u>	<u>(4,714,682)</u>	<u>(1,359,421)</u>	<u>(3,355,261)</u>
<b>Other financing sources (uses)</b>					
Transfers in	22,918,839	17,993,339	4,925,500	2,000,000	2,925,500
Transfers out	(2,174,000)	(2,174,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>20,744,839</u>	<u>15,819,339</u>	<u>4,925,500</u>	<u>2,000,000</u>	<u>2,925,500</u>
<b>Net change in fund balance</b>	<u>\$ 1,494,046</u>	<u>\$ 1,283,228</u>	<u>\$ 210,818</u>	<u>640,579</u>	<u>\$ (429,761)</u>
<b>Fund balance, July 1</b>				<u>1,283,228</u>	
<b>Fund balance, June 30</b>				<u>\$ 1,923,807</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -**  
**CERTAIN CAPITAL PROJECTS FUNDS**  
**Year Ended June 30, 2005**

	<u>Total Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2004</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2005</u>
<b><u>Quality of Life Fund</u></b>					
<b>Capital Outlay and Other:</b>					
Balloon/Science Museum	\$ 24,905,700	\$ 23,061,807	\$ 1,843,893	\$ 1,815,196	\$ 28,697
Tingley Aqua Park/Botanical	36,620,000	36,608,218	11,782	(12,972)	24,754
Quarter cent-streets	22,398,863	22,187,437	211,426	269,445	(58,019)
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>
<b>Total Quality of Life Fund</b>	<b><u>\$ 85,463,353</u></b>	<b><u>\$ 83,396,623</u></b>	<b><u>\$ 2,066,730</u></b>	<b><u>\$ 2,071,669</u></b>	<b><u>\$ (4,939)</u></b>
<b><u>Transportation Infrastructure Tax Fund</u></b>					
<b>Capital Outlay and Other:</b>					
Streets	\$ 84,100,000	\$ 55,994,031	\$ 28,105,969	\$13,276,562	\$ 14,829,407
Maintenance	46,023,097	23,669,392	22,353,705	11,702,160	10,651,545
Trails	4,531,155	2,225,218	2,305,937	365,367	1,940,570
Transit	<u>27,851,949</u>	<u>22,140,948</u>	<u>5,711,001</u>	<u>7,407,980</u>	<u>(1,696,979)</u>
<b>Total Transportation Infrastructure Tax Fund</b>	<b><u>\$162,506,201</u></b>	<b><u>\$104,029,589</u></b>	<b><u>\$ 58,476,612</u></b>	<b><u>\$32,752,069</u></b>	<b><u>\$ 25,724,543</u></b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**ALL PERMANENT FUNDS**  
 June 30, 2005

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, investments, and accrued interest	\$ 12,043,659	\$ 7,683,727	\$ 19,727,386
Real estate contracts receivable	2,575,068	-	2,575,068
Land held for resale	<u>5,065,930</u>	<u>-</u>	<u>5,065,930</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 19,684,657</u></b>	<b><u>\$ 7,683,727</u></b>	<b><u>\$ 27,368,384</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Deposits	\$ 11,000	\$ -	\$ 11,000
Deferred revenue	<u>2,575,068</u>	<u>-</u>	<u>2,575,068</u>
<b>Total liabilities</b>	<b><u>2,586,068</u></b>	<b><u>-</u></b>	<b><u>2,586,068</u></b>
<b>Fund balances:</b>			
<b>Reserved for:</b>			
Land held for sale	5,065,930	-	5,065,930
Acquisition and management of open space land	12,032,659	-	12,032,659
Urban enhancement	<u>-</u>	<u>7,683,727</u>	<u>7,683,727</u>
<b>Total fund balances</b>	<b><u>17,098,589</u></b>	<b><u>7,683,727</u></b>	<b><u>24,782,316</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 19,684,657</u></b>	<b><u>\$ 7,683,727</u></b>	<b><u>\$ 27,368,384</u></b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - ALL PERMANENT FUNDS**  
**Year ended June 30, 2005**

	<u>Acquisition and Management of Open Space</u>	<u>Urban Enhancement</u>	<u>Total</u>
<b>Revenues:</b>			
<b>Interest:</b>			
Interest on investments	\$ 2,112,608	\$ 428,942	\$ 2,541,550
Interest collected on real estate contracts receivable	<u>158,896</u>	<u>-</u>	<u>158,896</u>
<b>Total interest</b>	<u>2,271,504</u>	<u>428,942</u>	<u>2,700,446</u>
<b>Miscellaneous:</b>			
Principal collected on real estate contracts receivable	<u>243,263</u>	<u>-</u>	<u>243,263</u>
<b>Total revenues</b>	<u>2,514,767</u>	<u>428,942</u>	<u>2,943,709</u>
<b>Expenditures:</b>			
<b>Culture and recreation:</b>			
Salaries and fringe benefits	51,100	-	51,100
Professional services	<u>9,324</u>	<u>-</u>	<u>9,324</u>
<b>Total expenditures</b>	<u>60,424</u>	<u>-</u>	<u>60,424</u>
<b>Excess (deficiency) of revenues over expenditures</b>	2,454,343	428,942	2,883,285
<b>Other financing uses:</b>			
Transfers out	<u>(7,235,207)</u>	<u>(380,766)</u>	<u>(7,615,973)</u>
<b>Net change in fund balances</b>	(4,780,864)	48,176	(4,732,688)
<b>Fund balances, July 1</b>	<u>21,879,453</u>	<u>7,635,551</u>	<u>29,515,004</u>
<b>Fund balances, June 30</b>	<u>\$ 17,098,589</u>	<u>\$ 7,683,727</u>	<u>\$ 24,782,316</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - BUDGET AND ACTUAL**  
**AIRPORT FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 52,472,000	\$ 52,351,000	\$ 55,759,313	\$ 3,408,313
Passenger Facility Charge	7,500,000	7,500,000	7,929,741	429,741
Interest on investments	575,000	575,000	882,491	307,491
Proceeds of refunding bonds	-	-	-	-
Transfer from non-restricted cash to cash restricted for debt service	<u>17,850,000</u>	<u>17,850,000</u>	<u>17,850,000</u>	<u>-</u>
<b>Total revenues</b>	<u>78,397,000</u>	<u>78,276,000</u>	<u>82,421,545</u>	<u>4,145,545</u>
<b>Expenses:</b>				
Aviation operations	24,065,000	24,447,000	23,431,318	1,015,682
Airport capital and deferred maintenance	22,150,000	22,150,000	22,150,000	-
Economic Development	30,000	30,000	15,293	14,707
FY03 bonus program	-	-	-	-
Payments for General Fund services	1,196,000	1,196,000	1,169,671	26,329
Transfer from non-restricted cash to cash restricted for debt service	17,850,000	17,850,000	17,850,000	-
Debt service	21,586,000	21,586,000	21,426,338	159,662
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>86,877,000</u>	<u>87,259,000</u>	<u>86,042,620</u>	<u>1,216,380</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (8,480,000)</u>	<u>\$ (8,983,000)</u>	<u>(3,621,075)</u>	<u>\$ 5,361,925</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			6,191	
Depreciation			(21,897,459)	
Amortization			(869,372)	
Loss on disposition of property and equipment			(80,977)	
Unrealized losses on investments			(74,180)	
Miscellaneous revenue			357,543	
<b>Changes to conform to generally accepted accounting principles:</b>				
Principal payment on bonds			9,810,000	
Transfer from non-restricted cash to cash restricted for acquisition of property and equipment			22,150,000	
Capital contributions			5,817,552	
Capitalized interest on long-term debt			3,889,503	
Capital Outlay			<u>465,216</u>	
<b>Change in net assets as reported in Exhibit A-7</b>			<u>\$ 15,952,942</u>	

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 43,920,000	\$ 43,920,000	\$ 45,546,008	\$ 1,626,008
Interest on investments	140,216	140,216	225,230	85,014
Miscellaneous revenue	39,784	39,784	(14)	(39,798)
Transfer from non-restricted cash to cash restricted for debt service	<u>4,870,000</u>	<u>4,870,000</u>	<u>4,870,000</u>	<u>-</u>
<b>Total revenues</b>	<u><b>48,970,000</b></u>	<u><b>48,970,000</b></u>	<u><b>50,641,224</b></u>	<u><b>1,671,224</b></u>
<b>Expenses:</b>				
Administrative services	8,060,000	8,060,000	7,449,521	610,479
Collections	13,752,000	13,835,000	15,199,644	(1,364,644)
Disposal	4,581,000	4,581,000	3,933,818	647,182
Recycling	2,425,000	2,425,000	2,204,613	220,387
Clean City	2,887,000	2,887,000	3,046,204	(159,204)
Transfer from non-restricted cash to cash: restricted for debt service	4,870,000	4,870,000	4,870,000	-
restricted for capital acquisition	4,780,000	4,780,000	4,780,000	-
Payment for General Fund services	2,915,000	2,915,000	2,870,296	44,704
Billings expense-Albuquerque Bernalillo County Water Utility Authority	607,000	607,000	607,000	-
Recycling expenses - Corrections & Detention Fund	160,000	160,000	160,000	-
Debt service	<u>5,126,000</u>	<u>5,126,000</u>	<u>5,122,302</u>	<u>3,698</u>
<b>Total expenses</b>	<u><b>50,163,000</b></u>	<u><b>50,246,000</b></u>	<u><b>50,243,398</b></u>	<u><b>2,602</b></u>
<b>Excess of revenues over (under) expenses</b>	<u><b>\$ (1,193,000)</b></u>	<u><b>\$ (1,276,000)</b></u>	<b>397,826</b>	<u><b>\$ 1,668,622</b></u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			303,823	
Loss on disposition of property and equipment			(1,203,494)	
Capital contributions			5,707	
Depreciation			(6,032,365)	
Amortization			(201,770)	
Bad debt			(107,341)	
Unrealized loss on investments			(4,808)	
<b>Changes to conform to generally accepted accounting principles:</b>				
Principal payment on bonds			3,639,321	
Transfer from non-restricted cash to cash restricted for capital acquisition			4,780,000	
Capitalized interest on long-term debt			383,175	
Capital Outlay			<u>8,375</u>	
<b>Change in net assets as reported in Exhibit A-7</b>			<u><b>\$ 1,968,449</b></u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - BUDGET AND ACTUAL**  
**TRANSIT FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Passenger revenues	\$ 3,068,000	\$ 3,068,000	\$ 3,461,802	\$ 393,802
Interest on investments	25,000	25,000	102,187	77,187
General operating assistance	15,889,000	16,365,000	16,365,000	-
Transfer from Transportation Infrastructure Tax Fund	5,917,000	5,917,000	7,407,980	1,490,980
State of New Mexico - Department of Transportation	-	107,857	107,857	-
County - shared operations	<u>890,000</u>	<u>890,000</u>	<u>859,042</u>	<u>(30,958)</u>
<b>Total revenues</b>	<u>25,789,000</u>	<u>26,372,857</u>	<u>28,303,868</u>	<u>1,931,011</u>
<b>Expenses:</b>				
Operations	21,562,000	22,475,857	22,416,650	59,207
Sun Van	4,447,000	4,303,000	4,359,808	(56,808)
Special events	293,000	293,000	298,918	(5,918)
Transfer from non-restricted cash to cash restricted for operating grants	478,000	478,000	478,000	-
Payment for General Fund services	<u>1,607,000</u>	<u>1,607,000</u>	<u>1,585,531</u>	<u>21,469</u>
<b>Total expenses</b>	<u>28,387,000</u>	<u>29,156,857</u>	<u>29,138,907</u>	<u>17,950</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (2,598,000)</u>	<u>\$ (2,784,000)</u>	<u>(835,039)</u>	<u>\$ 1,948,961</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			78,837	
Depreciation			(4,621,291)	
Bad debt expense			(4,400)	
Miscellaneous income / (Cash over and short)			1,013	
Operating grant revenue			1,103,043	
Operating grant expenses			(1,298,087)	
Construction fund expenditures not capitalized			(3,666,886)	
Gains (losses) on disposition of capital assets			(287,740)	
Transfer from Capital Acquisitions Fund			1,558,557	
Unrealized gains on investments			8,280	
<b>Changes to conform to generally accepted accounting principles:</b>				
Capital Contributions			23,710,984	
Transfer from non-restricted cash to cash restricted for operating grants			478,000	
Capital outlay			<u>77,854</u>	
<b>Change in net assets as reported in Exhibit A-7</b>			<u>\$ 16,303,125</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**AIRPORT FUND**  
**June 30, 2005**

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
<b>Revenue Bonds</b>			
2006	9,410,000	11,129,009	20,539,009
2007	11,750,000	10,594,126	22,344,126
2008	14,670,000	9,951,279	24,621,279
2009	15,740,000	9,223,886	24,963,886
2010	17,145,000	8,443,619	25,588,619
2011 - 2015	96,675,000	28,272,850	124,947,850
2016 - 2020	52,315,000	7,461,165	59,776,165
2021- 2025	<u>8,325,000</u>	<u>922,182</u>	<u>9,247,182</u>
	<u>226,030,000</u>	<u>85,998,116</u>	<u>312,028,116</u>
<b>Total bonds</b>	<b><u>\$ 226,030,000</u></b>	<b><u>\$ 85,998,116</u></b>	<b><u>\$ 312,028,116</u></b>

\* including interest on variable rate bonds at 2.75 percent

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**REFUSE DISPOSAL FUND**  
**June 30, 2005**

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Revenue Bonds</b>			
2006	3,110,000	1,222,279	4,332,279
2007	3,265,000	1,055,284	4,320,284
2008	3,415,000	896,376	4,311,376
2009	1,905,000	773,891	2,678,891
2010	4,770,000	565,021	5,335,021
2011-2014	<u>11,355,000</u>	<u>468,625</u>	<u>11,823,625</u>
<b>Total bonds</b>	<b><u>\$ 27,820,000</u></b>	<b><u>\$ 4,981,476</u></b>	<b><u>\$ 32,801,476</u></b>
<b>Notes Payable</b>			
2006	529,321	145,492	674,813
2007	535,052	138,674	673,726
2008	542,991	129,801	672,792
2009	552,844	118,862	671,706
2010	564,926	105,859	670,785
2011-2015	<u>3,074,866</u>	<u>265,122</u>	<u>3,339,988</u>
<b>Total notes payable</b>	<b><u>\$ 5,800,000</u></b>	<b><u>\$ 903,810</u></b>	<b><u>\$ 6,703,810</u></b>

The accompanying notes are an integral part of these financial statements

**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.

**HOUSING AUTHORITY FUND**—To account for the operations of City-owned houses 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, 2005**

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash, investments, and accrued interest	\$ 163,824	\$ -
Cash with fiscal agents held for debt service	286,334	-
Cash held by others	-	636,984
Accounts receivable, net of allowance for uncollectible accounts	-	12,607
Due from other governments	-	-
Prepaid expenses	-	38,366
Inventories of supplies	-	-
<b>Total current assets</b>	<u>450,158</u>	<u>687,957</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets:</b>		
Cash, investments, and accrued interest restricted for construction and debt service	501,976	2,647,950
Accounts receivable - developers	-	-
Escrow deposits	-	91,254
<b>Total restricted assets</b>	<u>501,976</u>	<u>2,739,204</u>
<b>Capital Assets:</b>		
Land	828,330	2,042,705
Buildings and improvements	6,258,181	17,496,210
Machinery and equipment	2,151,580	460,798
Other	-	-
<b>Total capital assets before depreciation</b>	9,238,091	19,999,713
<b>Less accumulated depreciation and amortization</b>	<u>4,076,349</u>	<u>5,364,481</u>
<b>Capital assets, net of depreciation</b>	5,161,742	14,635,232
<b>Construction work in progress</b>	<u>1,878,363</u>	-
<b>Total capital assets</b>	<u>7,040,105</u>	<u>14,635,232</u>
<b>Deferred charges:</b>		
Capitalized bond issuance costs	38,745	336,766
<b>Total deferred charges</b>	<u>38,745</u>	<u>336,766</u>
<b>Total noncurrent assets</b>	<u>7,580,826</u>	<u>17,711,202</u>
<b>Total Assets</b>	<u>8,030,984</u>	<u>18,399,159</u>

The accompanying notes are an integral part of these financial statements

<u>Housing Authority Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ 11,373,084	\$ 1,360,227	\$ 614,090	\$ 13,511,225
-	-	775,911	1,062,245
-	-	-	636,984
376,060	57,008	240,195	685,870
191,554	-	-	191,554
-	-	-	38,366
<u>163,368</u>	<u>-</u>	<u>-</u>	<u>163,368</u>
<u>12,104,066</u>	<u>1,417,235</u>	<u>1,630,196</u>	<u>16,289,612</u>
-	4,153,600	21,458	7,324,984
-	3,626,651	-	3,626,651
<u>534,884</u>	<u>-</u>	<u>-</u>	<u>626,138</u>
<u>534,884</u>	<u>7,780,251</u>	<u>21,458</u>	<u>11,577,773</u>
3,767,389	2,237,008	-	8,875,432
50,902,860	39,701,373	23,621,220	137,979,844
978,647	585,800	-	4,176,825
<u>-</u>	<u>-</u>	<u>100,904</u>	<u>100,904</u>
55,648,896	42,524,181	23,722,124	151,133,005
<u>37,188,037</u>	<u>16,244,637</u>	<u>2,607,802</u>	<u>65,481,306</u>
18,460,859	26,279,544	21,114,322	85,651,699
<u>585,924</u>	<u>-</u>	<u>-</u>	<u>2,464,287</u>
<u>19,046,783</u>	<u>26,279,544</u>	<u>21,114,322</u>	<u>88,115,986</u>
-	218,582	169,669	763,762
-	218,582	169,669	763,762
<u>19,581,667</u>	<u>34,278,377</u>	<u>21,305,449</u>	<u>100,457,521</u>
<u>31,685,733</u>	<u>35,695,612</u>	<u>22,935,645</u>	<u>116,747,133</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**June 30, 2005**

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	73,678	57,373
Accrued payroll	30,723	-
Accrued vacation and sick leave pay	102,896	-
Deposits and prepaid rents	-	16,334
Due to other governments	-	-
<b>Payable out of restricted assets:</b>		
Accounts payable	260,255	-
Current portion of bonds, notes payable and capital leases	225,000	200,000
Accrued interest	61,334	14,299
<b>Total current liabilities</b>	<u>753,886</u>	<u>288,006</u>
<b>Non current liabilities:</b>		
<b>Liabilities payable from restricted assets:</b>		
Tenant security deposits	-	95,839
<b>Total liabilities payable from restricted assets</b>	<u>-</u>	<u>95,839</u>
<b>Long-term debt excluding current portion:</b>		
Revenue bonds (net of unamortized discounts) and capital leases	1,656,712	13,680,000
<b>Total long-term debt</b>	<u>1,656,712</u>	<u>13,680,000</u>
<b>Other:</b>		
Accrued vacation and sick leave pay	108,693	-
Advances from other funds	-	-
<b>Total other liabilities</b>	<u>108,693</u>	<u>-</u>
<b>Total noncurrent liabilities</b>	<u>1,765,405</u>	<u>13,775,839</u>
<b>Total liabilities</b>	<u>2,519,291</u>	<u>14,063,845</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	5,617,384	1,291,998
<b>Restricted:</b>		
Debt service	37,024	-
Construction	9,451	-
Unrestricted (deficit)	(152,166)	3,043,316
<b>Total net assets</b>	<u>\$ 5,511,693</u>	<u>\$ 4,335,314</u>

The accompanying notes are an integral part of these financial statements

<u>Housing Authority Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
963,855	73,840	45,402	1,214,148
51,689	29,512	985	112,909
157,190	124,601	2,298	386,985
196,232	-	-	212,566
78,839	-	-	78,839
-	-	-	260,255
78,075	-	300,061	803,136
-	-	367,575	443,208
<u>1,525,880</u>	<u>227,953</u>	<u>806,321</u>	<u>3,602,046</u>
<u>133,114</u>	-	-	<u>228,953</u>
<u>133,114</u>	-	-	<u>228,953</u>
<u>841,108</u>	-	<u>14,230,019</u>	<u>30,407,839</u>
<u>841,108</u>	-	<u>14,230,019</u>	<u>30,407,839</u>
-	3,854	-	112,547
-	<u>22,200,000</u>	-	<u>22,200,000</u>
-	<u>22,203,854</u>	-	<u>22,312,547</u>
<u>974,222</u>	<u>22,203,854</u>	<u>14,230,019</u>	<u>52,949,339</u>
<u>2,500,102</u>	<u>22,431,807</u>	<u>15,036,340</u>	<u>56,551,385</u>
21,104,207	9,683,050	6,953,068	44,649,707
-	1,139,595	21,458	1,198,077
-	1,255,732	-	1,265,183
<u>8,081,424</u>	<u>1,185,428</u>	<u>924,779</u>	<u>13,082,781</u>
<u>\$ 29,185,631</u>	<u>\$ 13,263,805</u>	<u>\$ 7,899,305</u>	<u>\$ 60,195,748</u>

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
<b>Operating revenues:</b>		
Charges for services	\$ 3,823,904	\$ 2,832,172
<b>Operating expenses:</b>		
Salaries and fringe benefits	1,936,607	-
Professional services	3,406	-
Utilities	745,904	460,745
Supplies	83,582	-
Travel	342	-
Fuels, repairs and maintenance	381,117	761,060
Contractual services	84,134	-
Other operating expenses	265,428	882,366
Depreciation	288,994	640,131
Bad debt expense	-	-
<b>Total operating expenses</b>	<u>3,789,514</u>	<u>2,744,302</u>
<b>Operating income (loss)</b>	<u>34,390</u>	<u>87,870</u>
<b>Non-operating revenues (expenses):</b>		
Interest on investments	44,627	34,956
Federal housing grants	-	-
Housing assistance payments	-	-
Interest expense	(92,122)	(245,206)
Bond issue costs	(12,749)	(21,230)
Fiscal agent fees	-	(67,285)
Other	79,366	224,625
<b>Total non-operating revenues (expenses)</b>	<u>19,122</u>	<u>(74,140)</u>
<b>Income (loss) before capital contributions and transfers</b>	53,512	13,730
Capital contributions	10,069	-
Transfers in	-	-
Transfers out	(62,643)	-
<b>Change in net assets</b>	938	13,730
<b>Net assets, July 1, as restated</b>	<u>5,510,755</u>	<u>4,321,584</u>
<b>Net assets, June 30</b>	<u>\$ 5,511,693</u>	<u>\$ 4,335,314</u>

The accompanying notes are an integral part of these financial statements

<u>Housing Authority Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
<u>\$ 1,706,978</u>	<u>\$ 3,681,237</u>	<u>\$ 1,725,996</u>	<u>\$ 13,770,287</u>
3,023,780	1,758,429	46,371	6,765,187
17,500	2,510	59,940	83,356
644,347	332,691	316,501	2,500,188
-	67,677	31	151,290
-	3,210	-	3,552
981,789	235,331	59,426	2,418,723
-	323,517	58,917	466,568
1,359,825	494,172	33,391	3,035,182
1,606,814	1,259,726	1,049,881	4,845,546
299,039	7,360	-	306,399
<u>7,933,094</u>	<u>4,484,623</u>	<u>1,624,458</u>	<u>20,575,991</u>
<u>(6,226,116)</u>	<u>(803,386)</u>	<u>101,538</u>	<u>(6,805,704)</u>
222,838	141,438	24,347	468,206
24,750,772	-	-	24,750,772
(19,363,574)	-	-	(19,363,574)
-	(558,826)	(735,149)	(1,631,303)
-	(36,666)	(45,099)	(115,744)
-	(88,424)	(36,550)	(192,259)
213,857	(41,963)	7,000	482,885
<u>5,823,893</u>	<u>(584,441)</u>	<u>(785,451)</u>	<u>4,398,983</u>
(402,223)	(1,387,827)	(683,913)	(2,406,721)
-	102,851	250,525	363,445
-	2,300,000	-	2,300,000
-	(168,055)	-	(230,698)
(402,223)	846,969	(433,388)	26,026
<u>29,587,854</u>	<u>12,416,836</u>	<u>8,332,693</u>	<u>60,169,722</u>
<u>\$ 29,185,631</u>	<u>\$ 13,263,805</u>	<u>\$ 7,899,305</u>	<u>\$ 60,195,748</u>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
Year ended June 30, 2005

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 3,828,427	\$ 2,842,031
Cash received from other funds for goods and services	-	-
Cash payments to employees for services	(1,772,061)	(429,171)
Cash payments to suppliers for goods and services	(1,138,360)	(1,671,274)
Cash payments to other funds for goods and services	(589,933)	-
Miscellaneous cash income (expense)	<u>79,366</u>	<u>224,625</u>
<b>Net cash provided by (used for) operating activities</b>	<u>407,439</u>	<u>966,211</u>
<b>Cash flow from noncapital financing activities:</b>		
Operating grants received	-	-
Housing assistance payments	-	-
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>(62,643)</u>	<u>-</u>
<b>Net cash provided by (used for) noncapital financing activities</b>	<u>(62,643)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from loans	-	-
Return of deposit	-	339,188
Principal paid on revenue bond maturities and refunded bonds	(210,000)	(200,000)
Interest and other expenses paid on revenue bond maturities	(97,787)	(312,486)
Acquisition and construction of capital assets	(1,497,671)	(64,021)
Cash payments to other funds for goods and services	-	-
Proceeds from sale of property and equipment	-	-
Capital grants received	<u>-</u>	<u>-</u>
<b>Net cash used for capital and related financing activities</b>	<u>(1,805,458)</u>	<u>(237,319)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	<u>44,627</u>	<u>34,956</u>
<b>Net cash provided by investing activities</b>	<u>44,627</u>	<u>34,956</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,416,035)	763,848
<b>Cash and cash equivalents, July 1</b>	<u>2,368,169</u>	<u>2,612,340</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 952,134</u>	<u>\$ 3,376,188</u>

The accompanying notes are an integral part of these financial statements

<u>Housing Authority Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ 1,196,047	\$ 3,415,245	\$ 1,773,305	\$ 13,055,055
-	287,718	-	287,718
(3,121,137)	(1,599,968)	(47,433)	(6,969,770)
(1,493,322)	(986,448)	(471,238)	(5,760,642)
(813,211)	(732,332)	(38,074)	(2,173,550)
<u>(50,711)</u>	<u>29,721</u>	<u>7,000</u>	<u>290,001</u>
<u>(4,282,334)</u>	<u>413,936</u>	<u>1,223,560</u>	<u>(1,271,188)</u>
23,177,115	-	-	23,177,115
(19,363,575)	-	-	(19,363,575)
-	-	-	-
-	(1,300,000)	-	(1,300,000)
-	(647,250)	-	(647,250)
-	2,300,000	-	2,300,000
-	<u>(168,055)</u>	-	<u>(230,698)</u>
<u>3,813,540</u>	<u>184,695</u>	<u>-</u>	<u>3,935,592</u>
-	-	-	-
-	-	-	339,188
-	-	(379,920)	(789,920)
-	-	(776,507)	(1,186,780)
(695,509)	(7,774)	-	(2,264,975)
-	-	-	-
-	-	-	-
<u>1,619,861</u>	<u>-</u>	<u>-</u>	<u>1,619,861</u>
<u>924,352</u>	<u>(7,774)</u>	<u>(1,156,427)</u>	<u>(2,282,626)</u>
<u>222,838</u>	<u>141,438</u>	<u>24,347</u>	<u>468,206</u>
<u>222,838</u>	<u>141,438</u>	<u>24,347</u>	<u>468,206</u>
678,396	732,295	91,480	849,984
<u>11,229,572</u>	<u>4,781,532</u>	<u>1,319,979</u>	<u>22,311,592</u>
<u>\$ 11,907,968</u>	<u>\$ 5,513,827</u>	<u>\$ 1,411,459</u>	<u>\$ 23,161,576</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
Year ended June 30, 2005

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ 34,390	\$ 87,870
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>		
Depreciation	288,994	640,131
Miscellaneous cash income (expense)	79,366	224,625
<b>Decrease (increase) in assets:</b>		
Receivables	4,523	(1,034)
Escrow deposits	-	-
Due from other governments	-	-
Due from other funds	-	-
Inventories of supplies	-	40,104
Prepaid expenses	-	(38,366)
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	7,338	(3,453)
Accrued employee compensation and benefits	(7,172)	-
Deposits and prepaid rents	-	16,334
Due to other governments	-	-
Due to other funds	-	-
Escrow liability	-	-
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 407,439</u>	<u>\$ 966,211</u>
<b>Cash and cash equivalents at June 30 consist of:</b>		
<b>Current assets:</b>		
Cash, investments, and accrued interest	\$ 163,824	\$ -
Cash held by others	-	636,984
Cash and investments with fiscal agents	286,334	-
<b>Restricted assets:</b>		
Cash, investments, and accrued interest	501,976	2,647,950
Escrow deposits	-	91,254
<b>Total cash and cash equivalents, June 30</b>	<u>\$ 952,134</u>	<u>\$ 3,376,188</u>
<b>Non cash transactions:</b>		
Unrealized gains (losses) on investments	\$ 8,471	-
Transfer of fixed assets from the Capital Acquisition Fund	-	-
HUD payment of third party guaranteed debt	-	-

The accompanying notes are an integral part of these financial statements

<u>Housing Authority Fund</u>	<u>Parking Facilities Fund</u>	<u>Stadium Fund</u>	<u>Totals</u>
\$ (6,226,116)	\$ (803,386)	\$ 101,538	\$ (6,805,704)
1,606,814	1,259,726	1,049,881	4,845,546
213,857	(41,963)	7,000	482,885
(89,038)	21,726	47,309	(16,514)
(264,568)	-	-	(264,568)
-	-	-	-
-	-	-	-
48,122	-	-	88,226
-	-	-	(38,366)
648,808	(2,768)	23,577	673,502
(97,357)	(9,214)	(5,745)	(119,488)
14,346	-	-	30,680
-	-	-	-
-	(10,185)	-	(10,185)
<u>(137,202)</u>	<u>-</u>	<u>-</u>	<u>(137,202)</u>
<u>\$ (4,282,334)</u>	<u>\$ 413,936</u>	<u>\$ 1,223,560</u>	<u>\$ (1,271,188)</u>
\$ 11,373,084	\$ 1,360,227	\$ 614,090	\$ 13,511,225
-	-	-	636,984
-	-	775,911	1,062,245
-	4,153,600	21,458	7,324,984
<u>534,884</u>	<u>-</u>	<u>-</u>	<u>626,138</u>
<u>\$ 11,907,968</u>	<u>\$ 5,513,827</u>	<u>\$ 1,411,459</u>	<u>\$ 23,161,576</u>
-	\$ (3,679)	\$ (4,047)	\$ 745
-	-	250,525	250,525
1,516,359	-	-	1,516,359

**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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 4,258,000	\$ 4,258,000	\$ 3,823,904	\$ (434,096)
Interest on investments	4,000	4,000	4,003	3
Transfer from non-restricted cash to cash restricted for debt service	350,000	350,000	350,000	-
Miscellaneous	<u>62,000</u>	<u>62,000</u>	<u>79,366</u>	<u>17,366</u>
<b>Total revenues</b>	<u>4,674,000</u>	<u>4,674,000</u>	<u>4,257,273</u>	<u>(416,727)</u>
<b>Expenses:</b>				
Affordable and quality golf	3,406,000	3,406,000	3,326,522	79,478
Debt service	349,000	349,000	347,669	1,331
Payment for General Fund services	415,000	242,000	236,643	5,357
Transfer from non-restricted cash to cash: restricted for debt service	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
<b>Total expenses</b>	<u>4,520,000</u>	<u>4,347,000</u>	<u>4,260,834</u>	<u>86,166</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ 154,000</u>	<u>\$ 327,000</u>	(3,561)	<u>\$ (330,561)</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			32,153	
Depreciation			(288,994)	
Amortization of bond issue costs and discounts			(13,384)	
Unrealized gain (loss) on investments			8,471	
<b>Changes to conform to generally accepted accounting principles:</b>				
Principal payments on bonds			225,000	
Capitalized interest on long-term debt			31,182	
Capital contributions			<u>10,071</u>	
<b>Change in net assets as reported in Exhibit I-2</b>			<u>\$ 938</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - BUDGET AND ACTUAL**  
**APARTMENTS FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Charges for services:</b>				
Apartment rents and fees	\$ 3,280,000	\$ 3,280,000	\$ 3,056,797	\$ (223,203)
Transfers from non-restricted cash to cash restricted for debt service	<u>947,000</u>	<u>947,000</u>	<u>-</u>	<u>(947,000)</u>
<b>Total revenues</b>	<u>4,227,000</u>	<u>4,227,000</u>	<u>3,056,797</u>	<u>(1,170,203)</u>
<b>Expenses:</b>				
Apartment operations	2,299,000	2,299,000	2,744,302	(445,302)
Transfer from non-restricted cash to cash restricted for debt service	947,000	947,000	-	947,000
Transfer to City Housing Fund	34,000	34,000	-	34,000
Debt service	817,000	817,000	67,285	749,715
Fiscal agent fees	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>130,000</u>
<b>Total expenses</b>	<u>4,227,000</u>	<u>4,227,000</u>	<u>2,811,587</u>	<u>1,415,413</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ -</u>	<u>\$ -</u>	245,210	<u>\$ 245,210</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			34,956	
Housing assistance payments			(245,206)	
Interest expense			(21,230)	
<b>Change in net assets as reported in Exhibit I-2</b>			<u>\$ 13,730</u>	

The accompanying notes are an integral part of these financial statements

**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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Charges for services:</b>				
Parking facilities	\$ 2,278,000	\$ 2,278,000	\$ 2,506,236	\$ 228,236
Parking meter collections	655,000	655,000	650,986	(4,014)
Parking fines	351,000	351,000	487,704	136,704
Rental of city property	75,000	75,000	36,311	(38,689)
Interest on investments	-	-	39,355	39,355
Miscellaneous revenue	-	-	29,721	29,721
Transfer from General Fund	2,300,000	2,300,000	2,300,000	-
Transfers from non-restricted cash to cash restricted for debt service	<u>2,240,000</u>	<u>2,240,000</u>	<u>2,240,000</u>	<u>-</u>
<b>Total revenues</b>	<u>7,899,000</u>	<u>7,899,000</u>	<u>8,290,313</u>	<u>391,313</u>
<b>Expenses:</b>				
Parking services	2,897,000	2,897,000	2,825,122	71,878
Transfer from non-restricted cash to cash restricted for debt service	2,240,000	2,240,000	2,240,000	-
Transfer to General Fund	570,000	570,000	564,370	5,630
Transfer to Sales Tax Refunding Debt Service Fund	<u>2,780,000</u>	<u>2,780,000</u>	<u>1,947,250</u>	<u>832,750</u>
<b>Total expenses</b>	<u>8,487,000</u>	<u>8,487,000</u>	<u>7,576,742</u>	<u>910,258</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (588,000)</u>	<u>\$ (588,000)</u>	713,571	<u>\$ 1,301,571</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			105,762	
Depreciation			(1,259,726)	
Amortization of bond issuance costs			(36,666)	
Loss on disposition of property and equipment			(71,684)	
Bad debt expense			(7,360)	
Unrealized gain (loss) on investments			(3,679)	
<b>Changes to conform to generally accepted accounting principles:</b>				
Capital contributions			102,851	
Capital outlay			3,900	
Principal payment on advance			<u>1,300,000</u>	
<b>Change in net assets as reported in Exhibit I-2</b>			<u>\$ 846,969</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - BUDGET AND ACTUAL**  
**STADIUM FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Charges for services:</b>				
Surcharge revenues	\$ 700,000	\$ 700,000	\$ 665,648	\$ (34,352)
Stadium lease revenues	1,100,000	1,100,000	1,060,348	(39,652)
Rental of city property	7,000	7,000	7,000	-
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>
<b>Total revenues</b>	<u>2,969,000</u>	<u>2,969,000</u>	<u>2,894,996</u>	<u>(74,004)</u>
<b>Expenses:</b>				
Stadium services	641,000	641,000	570,626	70,374
Payment for General Fund services	6,000	6,000	3,951	2,049
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>1,161,760</u>	<u>240</u>
<b>Total expenses</b>	<u>2,971,000</u>	<u>2,971,000</u>	<u>2,898,337</u>	<u>72,663</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	(3,341)	<u>\$ (1,341)</u>
<b>Revenues (expenses) not budgeted:</b>				
Interest on investments of restricted assets			24,985	
Depreciation			(1,049,881)	
Amortization of bond issuance costs			(45,099)	
Unrealized gain (loss) on investments			(638)	
<b>Changes to conform to generally accepted accounting principles:</b>				
Principal paid on long term debt			390,061	
Capital contributions			<u>250,525</u>	
<b>Change in net assets as reported in Exhibit I-2</b>			<u>\$ (433,388)</u>	

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**June 30, 2005**

<u>Year ending June 30</u>	<u>Golf</u>		<u>Apartments</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue bonds, loans, advances, and capital lease</b>				
2006	\$ 225,000	\$ 115,778	\$ 200,000	\$ 133,666
2007	235,000	101,544	200,000	131,726
2008	250,000	86,075	300,000	129,301
2009	265,000	69,205	300,000	126,391
2010	285,000	51,055	300,000	123,481
2011 - 2015	625,000	42,611	1,800,000	572,300
2016 - 2020	-	-	2,500,000	470,875
2021 - 2025	-	-	3,400,000	328,836
2026 - 2030	-	-	4,880,000	186,876
<b>Total bonds, loans, advances and capital lease</b>	<b>\$ 1,885,000</b>	<b>\$ 466,268</b>	<b>\$ 13,880,000</b>	<b>\$ 2,203,452</b>

The accompanying notes are an integral part of these financial statements

<u>Housing Authority</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>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 78,075	\$ 38,768	\$ 1,900,000	\$ 705,500	\$ 390,061	\$ 729,591	\$ 2,793,136	\$ 1,723,303	\$ 4,516,439
81,570	35,273	2,100,000	639,100	402,182	717,488	3,018,752	1,625,131	4,643,883
85,221	31,621	2,200,000	567,720	416,314	703,196	3,251,535	1,517,913	4,769,448
89,036	27,807	2,300,000	493,020	432,890	686,591	3,386,926	1,403,014	4,789,940
93,021	23,821	2,600,000	411,680	451,735	667,837	3,729,756	1,277,874	5,007,630
492,260	53,004	11,100,000	738,700	2,610,328	2,993,198	16,627,588	4,399,813	21,027,401
-	-	-	-	3,367,605	2,249,771	5,867,605	2,720,646	8,588,251
-	-	-	-	4,410,270	1,223,847	7,810,270	1,552,683	9,362,953
-	-	-	-	<u>2,138,695</u>	<u>120,693</u>	<u>7,018,695</u>	<u>307,569</u>	<u>7,326,264</u>
<u>\$ 919,183</u>	<u>\$ 210,294</u>	<u>\$ 22,200,000</u>	<u>\$ 3,555,720</u>	<u>\$ 14,620,080</u>	<u>\$ 10,092,212</u>	<u>\$ 53,504,263</u>	<u>\$ 16,527,946</u>	<u>\$ 70,032,209</u>

The accompanying notes are an integral part of these financial statements

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**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, 2005

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash, investments, and accrued interest	\$ 605,124	\$ 2,714,486
Prepaid expenses	280,710	-
Deposits	-	112,679
Due from other funds	-	2,303,484
Due from other governments	44,832	21,150
Inventories of supplies	41,255	-
<b>Total current assets</b>	<u>971,921</u>	<u>5,151,799</u>
<b>Property and equipment:</b>		
Land	-	-
Buildings	-	-
Improvements	-	-
Equipment	184,462	30,055
	<u>184,462</u>	<u>30,055</u>
Less accumulated depreciation	96,456	28,674
<b>Net property and equipment</b>	<u>88,006</u>	<u>1,381</u>
<b>Other assets:</b>		
Land - acquired under claim settlement	-	-
<b>Total other assets</b>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>1,059,927</u>	<u>5,153,180</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	254,187	3,325,653
Accrued employee compensation	10,030	8,626
Accrued vacation and sick leave pay	89,301	27,959
Accrued fuel cleanup costs	-	-
Current portion of claims and judgements payable	-	-
<b>Total current liabilities</b>	<u>353,518</u>	<u>3,362,238</u>
<b>Long-term obligations:</b>		
Claims and judgements payable excluding current portion	-	-
Accrued vacation and sick leave pay	-	29,591
<b>Total long-term obligations</b>	<u>-</u>	<u>29,591</u>
<b>Total liabilities</b>	<u>353,518</u>	<u>3,391,829</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	88,006	1,381
Unrestricted net assets (deficit)	618,403	1,759,970
<b>Total net assets (deficit)</b>	<u>\$ 706,409</u>	<u>\$ 1,761,351</u>

The accompanying notes are an integral part of these financial statements

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 1,589,337	\$ 40,426,199	\$ 637,288	\$ 45,972,434
-	-	-	280,710
-	-	-	112,679
1,915	-	-	2,303,484
<u>333,336</u>	-	-	67,897
<u>1,924,588</u>	<u>40,426,199</u>	<u>1,721,897</u>	<u>2,096,488</u>
		<u>2,359,185</u>	<u>50,833,692</u>
255,472	-	28,370	283,842
-	-	406,001	406,001
718,923	46,465	-	765,388
<u>861,809</u>	<u>130,605</u>	<u>242,384</u>	<u>1,449,315</u>
1,836,204	177,070	676,755	2,904,546
<u>1,430,492</u>	<u>161,304</u>	<u>485,479</u>	<u>2,202,405</u>
<u>405,712</u>	<u>15,766</u>	<u>191,276</u>	<u>702,141</u>
-	1,730,000	-	1,730,000
-	<u>1,730,000</u>	-	<u>1,730,000</u>
<u>2,330,300</u>	<u>42,171,965</u>	<u>2,550,461</u>	<u>53,265,833</u>
379,609	311,936	398,103	4,669,488
40,596	32,544	6,119	97,915
186,903	138,509	13,396	456,068
116,232	-	-	116,232
-	<u>17,503,500</u>	-	<u>17,503,500</u>
723,340	17,986,489	417,618	22,843,203
-	32,875,264	-	32,875,264
<u>108,499</u>	-	-	<u>138,090</u>
<u>108,499</u>	<u>32,875,264</u>	-	<u>33,013,354</u>
<u>831,839</u>	<u>50,861,753</u>	<u>417,618</u>	<u>55,856,557</u>
405,712	15,766	191,276	702,141
<u>1,092,749</u>	<u>(8,705,554)</u>	<u>1,941,567</u>	<u>(3,292,865)</u>
<u>\$ 1,498,461</u>	<u>\$ (8,689,788)</u>	<u>\$ 2,132,843</u>	<u>\$ (2,590,724)</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS**  
**Year ended 2005**

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
<b>Operating revenues:</b>		
Charges for services, net of related costs	<u>\$ 1,443,207</u>	<u>\$ 38,834,058</u>
<b>Operating expenses:</b>		
Salaries and fringe benefits	627,567	423,520
Professional services	-	-
Utilities	18,169	6,319
Supplies	156,687	20,848
Travel	605	-
Fuels, repairs and maintenance	108,560	7,304
Contractual services	64,213	138,793
Claims and judgements	-	-
Insurance premiums	-	37,708,939
Other operating expenses	215,821	189,289
Depreciation	<u>22,192</u>	<u>3,115</u>
<b>Total operating expenses</b>	<u>1,213,814</u>	<u>38,498,127</u>
<b>Operating income (loss)</b>	<u>229,393</u>	<u>335,931</u>
<b>Non-operating revenues (expenses):</b>		
Interest on investments	6,815	76,937
Gain (loss) on disposition of equipment	-	(2,113)
Other	<u>71,729</u>	<u>12,681</u>
<b>Total non-operating revenues</b>	<u>78,544</u>	<u>87,505</u>
<b>Income (loss) before capital contributions and transfers</b>	307,937	423,436
Transfers out	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	307,937	423,436
<b>Net assets (deficit), July 1</b>	<u>398,472</u>	<u>1,337,915</u>
<b>Net assets (deficit), June 30</b>	<u>\$ 706,409</u>	<u>\$ 1,761,351</u>

The accompanying notes are an integral part of these financial statements

<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Supplies Inventory Management Fund</u>	<u>Totals</u>
\$ 10,376,440	\$ 32,476,920	\$ 674,314	\$ 83,804,939
2,598,547	2,024,952	386,280	6,060,866
-	770,801	-	770,801
74,226	23,077	3,888	125,679
1,006,022	22,965	6,076	1,212,598
-	5,323	-	5,928
4,209,846	55,901	15,499	4,397,110
1,676,771	39,041	35,884	1,954,702
-	23,682,795	-	23,682,795
-	1,803,338	-	39,512,277
782,359	743,657	163,659	2,094,785
50,699	8,602	25,882	110,490
<u>10,398,470</u>	<u>29,180,452</u>	<u>637,168</u>	<u>79,928,031</u>
<u>(22,030)</u>	<u>3,296,468</u>	<u>37,146</u>	<u>3,876,908</u>
31,068	885,559	20,417	1,020,796
10,691	(17,846)	3,735	(5,533)
11,992	415	1,780	98,597
<u>53,751</u>	<u>868,128</u>	<u>25,932</u>	<u>1,113,860</u>
31,721	4,164,596	63,078	4,990,768
<u>-</u>	<u>(269,000)</u>	<u>-</u>	<u>(269,000)</u>
31,721	3,895,596	63,078	4,721,768
<u>1,466,740</u>	<u>(12,585,384)</u>	<u>2,069,765</u>	<u>(7,312,492)</u>
<u>\$ 1,498,461</u>	<u>\$ (8,689,788)</u>	<u>\$ 2,132,843</u>	<u>\$ (2,590,724)</u>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
Year ended 2005

	Communications Fund	Employee Insurance Fund
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,114,038	\$ 6,866,919
Cash received from other funds for goods and services	340,379	29,675,439
Cash payments to employees for services	(645,173)	(421,751)
Cash payments to suppliers for goods and services	(241,072)	(37,375,907)
Cash payments to other funds for goods and services	(285,675)	(195,970)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous	71,729	12,681
<b>Net cash provided by (used for) operating activities</b>	<b>354,226</b>	<b>(1,438,589)</b>
<b>Cash flows from noncapital financing activities:</b>	-	
Operating transfers out to other funds	-	-
<b>Net cash provided by (used for) noncapital financing activities</b>	-	-
<b>Cash flows from capital financing activities:</b>		
Acquisition and construction of capital assets	(67,166)	(5,206)
Receipt in anticipation of future land sale	-	-
Proceeds from sale of property and equipment	-	-
<b>Net cash provided by (used for) capital financing</b>	<b>(67,166)</b>	<b>(5,206)</b>
<b>Cash flows from investing activities:</b>		
Interest on investments	6,815	76,937
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>293,875</b>	<b>(1,366,858)</b>
Cash and cash equivalents, July 1	311,249	4,081,344
<b>Cash and cash equivalents, June 30</b>	<b>\$ 605,124</b>	<b>\$ 2,714,486</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 229,393	\$ 335,931
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>		
Depreciation	22,192	3,115
Miscellaneous income	71,729	12,681
Adjustment of liability for claims and judgments	-	-
<b>Changes in assets and liabilities:</b>		
<b>Decrease (increase) in assets:</b>		
Accounts receivable	-	-
Due from other governments	11,210	(100,895)
Due from other funds	-	(2,303,484)
Inventories of supplies	5,233	-
Prepaid expenses	40,232	-
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	(8,157)	612,294
Accrued employee comp. and benefits	(17,606)	1,769
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 354,226</b>	<b>\$ (1,438,589)</b>
<b>Cash, investments, and accrued interest</b>	<b>\$ 605,124</b>	<b>\$ 2,714,486</b>
<b>Non cash transactions:</b>		
Unrealized gains (losses) on investments	\$ (1,851)	\$ 8,351

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Totals
\$ 9,579,280	\$ 4,493,338	\$ 27,235	\$ 22,080,810
797,154	28,034,381	4,717,449	63,564,802
(2,660,166)	(2,041,867)	(360,921)	(6,129,878)
(7,138,909)	(2,638,068)	(4,382,736)	(51,776,692)
(648,864)	(665,150)	(218,761)	(2,014,420)
-	(20,882,279)	-	(20,882,279)
<u>11,992</u>	<u>415</u>	<u>1,780</u>	<u>98,597</u>
<u>(59,513)</u>	<u>6,300,770</u>	<u>(215,954)</u>	<u>4,940,940</u>
-	(269,000)	-	(269,000)
-	(269,000)	-	(269,000)
(47,794)	(12,873)	-	(133,039)
-	25,000	-	25,000
<u>22,682</u>	<u>-</u>	<u>3,735</u>	<u>26,417</u>
<u>(25,112)</u>	<u>12,127</u>	<u>3,735</u>	<u>(81,622)</u>
<u>31,068</u>	<u>885,559</u>	<u>20,417</u>	<u>1,020,796</u>
(53,557)	6,929,456	(191,802)	5,611,114
<u>1,642,894</u>	<u>33,496,743</u>	<u>829,090</u>	<u>40,361,320</u>
\$ <u>1,589,337</u>	\$ <u>40,426,199</u>	\$ <u>637,288</u>	\$ <u>45,972,434</u>
\$ (22,030)	\$ 3,296,468	\$ 37,146	\$ 3,876,908
50,699	8,602	25,882	110,490
11,992	415	1,780	98,597
-	2,800,516	-	2,800,516
(6)	50,799	-	50,793
-	-	-	(89,685)
-	-	-	(2,303,484)
(11,961)	-	(221,712)	(228,440)
-	-	-	40,232
(26,588)	160,885	(44,556)	693,878
<u>(61,619)</u>	<u>(16,915)</u>	<u>(14,494)</u>	<u>(108,865)</u>
\$ <u>(59,513)</u>	\$ <u>6,300,770</u>	\$ <u>(215,954)</u>	\$ <u>4,940,940</u>
\$ <u>1,589,337</u>	\$ <u>40,426,199</u>	\$ <u>637,288</u>	\$ <u>45,972,434</u>
\$ (211)	\$ (45,303)	\$ 1,352	\$ (35,811)

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - BUDGET AND ACTUAL**  
**COMMUNICATIONS FUND**  
**Year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services, net of related costs	\$ 1,215,000	\$ 1,215,000	\$ 1,443,207	\$ 228,207
Interest on investments	-	-	8,666	8,666
<b>Total revenues</b>	<u>1,215,000</u>	<u>1,215,000</u>	<u>1,451,873</u>	<u>236,873</u>
<b>Expenses:</b>				
City Communications	1,037,000	1,095,000	983,321	111,679
Payment for General Fund Services	<u>235,000</u>	<u>235,000</u>	<u>208,301</u>	<u>26,699</u>
<b>Total expenses</b>	<u>1,272,000</u>	<u>1,330,000</u>	<u>1,191,622</u>	<u>138,378</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (57,000)</u>	<u>\$ (115,000)</u>	260,251	<u>\$ 375,251</u>
<b>Revenues (expenses) not budgeted:</b>				
Depreciation expense			(22,192)	
Bad debt			-	
Miscellaneous income			71,729	
Capital Contributions			-	
Unrealized gain (loss) on investments			<u>(1,851)</u>	
<b>Change in net assets as reported in Exhibit J-2</b>			<u>\$ 307,937</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**EMPLOYEE INSURANCE FUND**  
Year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services, net of related costs	\$ 37,581,000	\$ 38,456,000	\$ 38,710,412	\$ 254,412
Miscellaneous Revenues	-	115,000	136,327	21,327
Interest on investments	<u>32,000</u>	<u>32,000</u>	<u>68,586</u>	<u>36,586</u>
<b>Total revenues</b>	<u>37,613,000</u>	<u>38,603,000</u>	<u>38,915,325</u>	<u>312,325</u>
<b>Expenses:</b>				
Insurances and Administration	37,262,000	38,286,000	38,328,796	(42,796)
Payment for General Fund Services	<u>205,000</u>	<u>205,000</u>	<u>171,423</u>	<u>33,577</u>
<b>Total expenses</b>	<u>37,467,000</u>	<u>38,491,000</u>	<u>38,500,219</u>	<u>(9,219)</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ 146,000</u>	<u>\$ 112,000</u>	415,106	<u>\$ 303,106</u>
<b>Revenues (expenses) not budgeted:</b>				
Depreciation expense			(3,115)	
Gain (Loss) on disposition of other property			(2,113)	
Miscellaneous income				
Capital contribution			-	
Unrealized gains on investments			8,351	
<b>Change to conform to generally accepted accounting principles:</b>				
Capital outlay			<u>5,207</u>	
<b>Change in net assets as reported in Exhibit J-2</b>			<u>\$ 423,436</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**FLEET MANAGEMENT FUND**  
**Year Ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 9,342,000	\$ 10,367,000	\$ 10,376,440	\$ 9,440
Interest on investments	10,000	10,000	31,068	21,068
Miscellaneous	-	-	11,992	11,992
<b>Total revenues</b>	<b>9,352,000</b>	<b>10,377,000</b>	<b>10,419,500</b>	<b>42,500</b>
<b>Expenses:</b>				
Fleet management	8,701,000	9,726,000	9,736,675	(10,675)
Payments for general fund services	710,000	710,000	648,864	61,136
<b>Total expenses</b>	<b>9,411,000</b>	<b>10,436,000</b>	<b>10,385,539</b>	<b>50,461</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (59,000)</b>	<b>\$ (59,000)</b>	<b>33,961</b>	<b>\$ 92,961</b>
<b>Revenues (expenses) not budgeted:</b>				
Depreciation			(50,699)	
Gain on disposition of property and equipment			10,691	
<b>Changes to conform to generally accepted accounting principles:</b>				
Capital outlay			37,768	
<b>Change in net assets as reported in Exhibit J-2</b>			<b>\$ 31,721</b>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**RISK MANAGEMENT FUND**  
**Year Ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 32,159,000	\$ 32,240,000	\$ 32,476,920	\$ 236,920
Interest on investments	500,000	500,000	885,559	385,559
<b>Total revenues</b>	<u>32,659,000</u>	<u>32,740,000</u>	<u>33,362,479</u>	<u>622,479</u>
<b>Expenses:</b>				
Safety office	1,270,000	1,303,000	1,151,049	151,951
Tort and other claims	17,671,000	17,671,000	18,275,622	(604,622)
Workers' compensation claims	9,313,000	9,313,000	5,804,700	3,508,300
Transfer to general fund	872,000	872,000	889,355	(17,355)
Unemployment compensation	438,000	519,000	488,097	30,903
Employee Equity	77,000	77,000	44,385	32,615
<b>Total expenses</b>	<u>29,641,000</u>	<u>29,755,000</u>	<u>26,653,208</u>	<u>3,101,792</u>
<b>Excess of revenues over expenses</b>	<u>\$ 3,018,000</u>	<u>\$ 2,985,000</u>	<u>6,709,271</u>	<u>\$ 3,724,271</u>
<b>Revenues (expenses) not budgeted:</b>				
Depreciation			(8,602)	
Gain (loss) on disposition of equipment			(17,846)	
Other revenue			415	
Tort and other claims - reserve adjustment			(50,330)	
Workers' compensation claims - reserve adjustment			(2,750,186)	
<b>Change to conform to generally accepted accounting principles:</b>				
Capital outlay			<u>12,874</u>	
<b>Change in net assets as reported in Exhibit J-2</b>			<u>\$ 3,895,596</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**SUPPLIES INVENTORY MANAGEMENT FUND**  
Year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services, net of related costs	\$ 600,000	\$ 600,000	\$ 674,316	\$ 74,316
Interest on investments	<u>24,000</u>	<u>24,000</u>	<u>19,065</u>	<u>(4,935)</u>
<b>Total revenues</b>	<u>624,000</u>	<u>624,000</u>	<u>693,381</u>	<u>69,381</u>
<b>Expenses:</b>				
Materials management	496,000	496,000	454,132	41,868
Payment for General Fund Services	<u>178,000</u>	<u>178,000</u>	<u>157,154</u>	<u>20,846</u>
<b>Total expenses</b>	<u>674,000</u>	<u>674,000</u>	<u>611,286</u>	<u>62,714</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	82,095	<u>\$ 132,095</u>
<b>Revenues (expenses) not budgeted:</b>				
Miscellaneous Revenues			1,780	
Depreciation expense			(25,882)	
Unrealized loss on investments			<u>1,352</u>	
<b>Change in net assets as reported in Exhibit J-2</b>			<u>\$ 63,078</u>	

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**Year ended June 30, 2005**

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<b>ASSETS</b>				
Cash, investments, and accrued interest	\$ 13,101,421	\$ 4,857,493	\$ 4,498,756	\$ 13,460,158
Receivables	<u>229,008</u>	<u>839,917</u>	<u>831,856</u>	<u>237,069</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,330,429</u>	<u>\$ 5,697,410</u>	<u>\$ 5,330,612</u>	<u>\$ 13,697,227</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 352,263	\$ 1,479,605	\$ 1,482,614	\$ 349,254
Funds held for others	<u>12,978,166</u>	<u>4,376,301</u>	<u>4,006,494</u>	<u>13,347,973</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 13,330,429</u>	<u>\$ 5,855,906</u>	<u>\$ 5,489,108</u>	<u>\$ 13,697,227</u>

The accompanying notes are an integral part of these financial statements



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF CHANGES IN FUNDS HELD FOR OTHERS**  
**AGENCY FUND**  
**Year ended June 30, 2005**

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
Summer Arts Institute	\$ 2,896	-	-	\$ 2,896
Summer Hire Program	4,142	-	1,018	3,124
ABEC-Phillips Clawback	1,621,875	35,349	50	1,657,174
Otter Exhibit	40,301	881	-	41,182
Adopt-A-Park	48,404	6,225	2,000	52,629
Bear Canyon Senior Center	25,068	31,795	30,828	26,035
Museum	1,774	462	-	2,236
D.A.R.E.	7,118	-	-	7,118
Animal Control	-	236	236	-
Business Improvement District #1	89	730,441	728,503	2,027
Contributions - Special DFAS	52	-	-	52
Trees and Shrubs	16,446	24,187	17,905	22,728
Community Centers	6,973	-	-	6,973
Police Evidence Unit	1,447,627	385,907	174,483	1,659,051
Senior Multi-service Center	10,091	6,336	5,901	10,526
Palo Duro Senior Center	12,501	11,772	16,585	7,688
North Valley Senior Center	13,814	2,105	7,104	8,815
Highland Senior Center	9,467	10,162	13,659	5,970
Los Volcanes Senior Center	2,486	10,738	10,867	2,357
Life Insurance Reserve	1,176,148	-	1,176,148	-
Q13 Fire Fund	20,115	-	9,833	10,282
Basic Life	8,117,343	2,514,624	1,340,024	9,291,943
Unemployment Deduction	312,379	483,123	394,964	400,538
Recycle Coupons	1,707	-	-	1,707
Outdoor Rrecreation	27,767	16,405	-	44,172
New Mexico Games	379	-	-	379
DSA Advisory Council	28,649	68,729	54,148	43,230
Transit Department	6,093	12,300	2,127	16,266
Veterans Advisory	4,116	23,524	20,111	7,529
Special Events - Mayor	5,099	1,000	-	6,099
Bosque Restoration	283	-	-	283
Miscellaneous	6,964	-	-	6,964
<b>Total agency funds</b>	<b>\$ 12,978,166</b>	<b>4,376,301</b>	<b>4,006,494</b>	<b>\$ 13,347,973</b>

The accompanying notes are an integral part of these financial statements

# **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, 2005**

	<u>2005</u>
<b>General Capital Assets:</b>	
Land	\$ 231,776,122
Buildings	174,424,371
InfraStructure	77,207,261
Improvements other than buildings	328,486,974
Equipment	120,748,388
Other	1,838,392
Construction work in progress	<u>367,375,951</u>
<b>Total General Capital Assets</b>	<b><u>\$ 1,301,857,459</u></b>
<b>Investment in General Capital Assets from:</b>	
Acquisitions prior to July 1, 1978	\$ 59,288,948
Acquisitions after July 1, 1978:	
General Fund	(41,169,968)
Special Revenue Funds--Restated	95,740,130
Acquisition and Management of	
Open Space Nonexpendable Trust Fund	6,450,258
Investments from earnings of the	
Urban Enhancement Expendable Trust Fund	76,049
Capital Projects Funds	1,180,678,177
Net transfers from Enterprise Funds	1,660,512
Net transfers to Internal Service Funds	<u>(866,647)</u>
<b>Total investment in General Capital Assets</b>	<b><u>\$ 1,301,857,459</u></b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY**  
**June 30, 2005**

<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	\$ 7,272,362	\$ 178,870,653
Total unidentified purposes					\$ (11,244,413)	\$ (11,244,413)
Acquisitions after June 30, 1985:						
General government:						
City clerk/records	-	-	-	-	37,323	37,323
City council	-	-	-	3,950	170,215	174,165
Finance and management	-	-	-	2,318,073	7,323,360	9,641,433
Legal services	2,886	-	-	-	262,758	265,644
Mayor/CAO	-	-	-	2,233	862,118	864,351
Internal audit	-	-	-	-	63,306	63,306
Personnel	-	-	-	-	28,469	28,469
Labor management	-	-	-	-	36,729	36,729
Open space	294,474	-	-	-	80,517	374,991
Planning	586,238	-	-	-	1,644,904	2,231,142
General services	4,153,038	-	4,183,113	12,385,721	13,722,658	34,444,530
City/county building	-	-	8,175,979	2,821,248	81,232	11,078,459
Central telephone system	-	-	-	-	1,273,881	1,273,881
Total general government	<u>5,036,636</u>	<u>-</u>	<u>12,359,092</u>	<u>17,531,225</u>	<u>25,587,470</u>	<u>60,514,423</u>
Public safety:						
Fire	833,265	-	9,002,264	4,857,709	17,509,724	32,202,962
Police	4,318,253	-	18,671,172	11,357,125	38,436,979	72,783,529
Corrections	-	-	2,670,006	175,602	1,871,432	4,717,040
Police/Fire	-	-	36,639	168,696	811,636	1,016,971
Total public safety	<u>5,151,518</u>	<u>-</u>	<u>30,380,081</u>	<u>16,559,132</u>	<u>58,629,771</u>	<u>110,720,502</u>
Culture and recreation:						
Library	225,246	-	7,996,810	26,222,183	3,295,546	37,739,785
Museum	7,356,588	-	10,391,561	8,032,827	1,160,918	26,941,894
Parks and recreation	78,857,352	1,312,378	52,253,991	75,704,146	9,559,259	217,687,126
Open space	32,032,346	946,815	-	3,006,109	1,953,334	37,938,604
Zoo	1,006,059	-	1,793,694	25,627,673	2,108,088	30,535,514
Convention center	5,029,268	-	13,000,122	49,521,098	846,532	68,397,020
Total culture and recreation	<u>124,506,859</u>	<u>2,259,193</u>	<u>85,436,178</u>	<u>188,114,036</u>	<u>18,923,677</u>	<u>419,239,943</u>
Public works:						
Housing code administration	-	-	-	-	4,040	4,040
Redevelopment	335,324	-	-	-	4,918	340,242
Municipal development	-	-	-	2,199	487,760	489,959
Engineering	1,192,212	-	-	-	136,678	1,328,890
Planning	-	-	-	-	140,040	140,040
Storm drainage/maintenance	5,187,159	22,850,125	1,908,227	729,927	472,009	31,147,447
Geographic information system	-	-	-	-	34,300	34,300
Total public works	<u>6,714,695</u>	<u>22,850,125</u>	<u>1,908,227</u>	<u>732,126</u>	<u>1,279,745</u>	<u>33,484,918</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY**  
**June 30, 2005**

<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>
<b>Highways and streets:</b>						
Transportation/Street maint.	35,619,037	52,097,943	1,036,320	3,964,314	9,284,281	102,001,895
Traffic engineering	<u>260,000</u>	-	-	<u>136,231</u>	<u>278,794</u>	<u>675,025</u>
<b>Total highways and streets</b>	<u>35,879,037</u>	<u>52,097,943</u>	<u>1,036,320</u>	<u>4,100,545</u>	<u>9,563,075</u>	<u>102,676,920</u>
<b>Health:</b>						
Consumer protection	-	-	-	-	68,503	68,503
Environmental services	-	-	1,548,265	265,684	2,255,876	4,069,825
Animal control services	96,243	-	1,374,241	440,866	218,564	2,129,914
Environmental health admin.	-	-	6,820	2,480	1,596,595	1,605,895
Resources management	-	-	-	-	<u>16,404</u>	<u>16,404</u>
<b>Total health</b>	<u>96,243</u>	<u>-</u>	<u>2,929,326</u>	<u>709,030</u>	<u>4,155,942</u>	<u>7,890,541</u>
<b>Human services:</b>						
Human rights	-	-	40,370	1,000	(4,490)	36,880
Human services	557,374	-	2,075,047	1,434,760	2,959,793	7,026,974
Office of senior affairs	1,481,779	-	5,319,911	3,692,794	2,892,818	13,387,302
Housing/community development	<u>3,657,449</u>	<u>-</u>	<u>2,835,598</u>	<u>2,812,788</u>	<u>732,638</u>	<u>10,038,473</u>
<b>Total human services</b>	<u>5,696,602</u>	<u>-</u>	<u>10,270,926</u>	<u>7,941,342</u>	<u>6,580,759</u>	<u>30,489,629</u>
<b>Total general capital assets allocated to functions</b>	<u>183,081,590</u>	<u>77,207,261</u>	<u>144,320,150</u>	<u>235,687,436</u>	<u>124,720,439</u>	<u>765,016,876</u>
<b>Total general capital assets in service</b>	<u>\$ 231,776,122</u>	<u>\$ 77,207,261</u>	<u>\$ 174,424,371</u>	<u>\$ 328,486,974</u>	<u>\$ 120,748,388</u>	<u>932,643,116</u>
<b>Construction work in progress</b>						<u>367,375,951</u>
<b>Other</b>						<u>1,838,392</u>
<b>Total general capital assets</b>						<u>\$ 1,301,857,459</u>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY**  
Year ended June 30, 2005

Function and Activity	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Acquisitions prior to July 1, 1985	\$ 185,398,975	\$ -	\$ 6,528,322	\$ 178,870,653
Total unidentified purposes			\$ 11,244,413	\$ (11,244,413)
<b>Acquisitions after June 30, 1985:</b>				
<b>General government:</b>				
City clerk/records	143,354	22,411	128,442	37,323
City council	293,068	89,320	208,223	174,165
Finance and management	16,565,611	801,837	7,726,015	9,641,433
Legal services	504,223	105,442	344,021	265,644
Mayor/CAO	1,084,667	82,386	302,702	864,351
Internal audit	88,819	6,936	32,449	63,306
Personnel	199,096	24,803	195,430	28,469
Labor management	36,729	-	-	36,729
Open space	334,868	40,123	-	374,991
Planning	4,126,301	315,067	2,210,226	2,231,142
General services	35,336,977	91,477	983,924	34,444,530
City/county building	11,073,260	5,199	-	11,078,459
Central telephone system	1,463,509	-	189,628	1,273,881
<b>Total general government</b>	<b>71,250,482</b>	<b>1,585,001</b>	<b>12,321,060</b>	<b>60,514,423</b>
<b>Public safety:</b>				
Fire	31,089,904	4,864,819	3,751,761	32,202,962
Police	83,918,034	7,997,861	19,132,366	72,783,529
Corrections	4,822,725	91,403	197,088	4,717,040
Police/Fire	1,016,971	-	-	1,016,971
<b>Total public safety</b>	<b>120,847,634</b>	<b>12,954,083</b>	<b>23,081,215</b>	<b>110,720,502</b>
<b>Culture and recreation:</b>				
Library	38,087,513	221,950	569,678	37,739,785
Museum	31,461,069	232,618	4,751,793	26,941,894
Parks and recreation	203,542,723	17,410,979	3,266,576	217,687,126
Open space	37,012,986	925,618	-	37,938,604
Zoo	30,525,897	79,233	69,616	30,535,514
Convention center	68,612,806	25,040	240,826	68,397,020
<b>Total culture and recreation</b>	<b>409,242,994</b>	<b>18,895,438</b>	<b>8,898,489</b>	<b>419,239,943</b>
<b>Public works:</b>				
Housing code administration	4,040	-	-	4,040
Redevelopment	340,242	-	-	340,242
Municipal development	581,134	-	91,175	489,959
Engineering	1,341,753	21,990	34,853	1,328,890
Planning	140,040	-	-	140,040
Storm drainage/maintenance	31,229,630	2,817	85,000	31,147,447
Geographic information system	34,300	-	-	34,300
<b>Total public works</b>	<b>33,671,139</b>	<b>24,807</b>	<b>211,028</b>	<b>33,484,918</b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY**  
Year ended June 30, 2005

<u>Function and Activity</u>	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<b>Highways and streets:</b>				
Transportation/Street maintenance	98,086,857	3,977,072	62,034	102,001,895
Traffic engineering	669,648	147,303	141,926	675,025
<b>Total highways and streets</b>	<b>98,756,505</b>	<b>4,124,375</b>	<b>203,960</b>	<b>102,676,920</b>
<b>Health:</b>				
Consumer protection	68,503	-	-	68,503
Environmental services	4,472,736	545,967	948,878	4,069,825
Animal control services	2,133,516	172,057	175,659	2,129,914
Environmental health and administration	1,605,895	-	-	1,605,895
Resources management	16,404	-	-	16,404
<b>Total health</b>	<b>8,297,054</b>	<b>718,024</b>	<b>1,124,537</b>	<b>7,890,541</b>
<b>Human services:</b>				
Human rights	41,370	-	4,490	36,880
Human services	7,601,952	307,325	882,303	7,026,974
Office of senior affairs	12,938,104	815,217	366,019	13,387,302
Housing/community development	8,459,398	1,626,949	47,874	10,038,473
<b>Total human services</b>	<b>29,040,824</b>	<b>2,749,491</b>	<b>1,300,686</b>	<b>30,489,629</b>
Construction work in progress	223,532,205	149,646,243	5,802,497	367,375,951
Other	854,300	1,011,440	27,348	1,838,392
<b>Total general capital assets</b>	<b>\$ 1,180,892,112</b>	<b>\$ 191,708,902</b>	<b>\$ 59,499,142</b>	<b>\$ 1,301,857,459</b>

The accompanying notes are an integral part of these financial statements

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF TRANSFERS BETWEEN FUNDS**  
For the year ended June 30, 2005

Interfund transfers were as follows:

From	To	
General Fund *	Corrections and Detention Fund *	\$ 21,598,000
General Fund *	Gas Tax Fund	744,195
General Fund *	Operating Grants Fund	4,007,055
General Fund *	Special Revenue Metro Redevelopment Fund	425,000
General Fund *	City/County Building Debt Service Fund	95,000
General Fund *	Sales Tax Refunding Debt Service Fund	1,332,000
General Fund *	Capital Acquisition Fund *	3,795,000
General Fund *	Parking Facilities Fund	2,300,000
General Fund *	Transit Fund *	16,365,000
General Fund *	Vehicle/Equipment Replacement Fund	2,000,000
General Fund *	Open Space Expenditures Fund	2,659,000
Corrections Fund *	Operating Grants Fund	31,901
City/County Facilities Fund	City/County Building Debt Service Fund	1,200,000
Law Enforcement Protection	Operating Grants Fund	195,000
City/County Projects Fund	General Fund *	82,000
Lodgers Tax Fund	General Fund *	133,000
Hospitality Tax Fund	General Fund *	786,000
Lodgers Tax Fund	Sales Tax Refunding Debt Service Fund	4,263,000
False Alarm Enforcement	Capital Acquisition Fund	300,194
Plaza del Sol Building Fund	Sales Tax Refunding Debt Service Fund	569,000
Recreation Fund	General Fund *	290,000
Acquisition and Management of Open Space Permanent Fund	Acquisition and Management of Open Space Expenditures Fund	1,735,207
Acquisition and Management of Open Space Permanent Fund Permanent Fund	Capital Acquisition Fund *	5,500,000
Capital Acquisition Fund *	Urban Enhancement Expenditures Fund	380,766
Infrastructure Tax Fund	Transit Fund *	1,558,557
Golf Course Fund	Transit Fund*	7,407,980
Parking Facilities Fund	General Fund *	62,643
Refuse Disposal Fund *	General Fund *	168,055
Transit Fund*	General Fund *	1,252,055
Risk Management Fund	General Fund *	215,184
	General Fund *	269,000
<b>Total transfers</b>		<b>\$ 81,719,792</b>

\* 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"	\$ 54,088,255	\$ 79,752,855
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets All Proprietary Funds"		
Enterprise funds	27,631,537	1,697,937
Internal Service funds	-	269,000
<b>Total transfers</b>	<b>\$ 81,719,792</b>	<b>\$ 81,719,792</b>

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

Parking Facilities Fund	\$ 168,055
Refuse Disposal Fund	676,055
Transit Fund	215,184
Golf Course Fund	62,643
Albuquerque Bernalillo County Water Utility Authority	3,822,709
Albuquerque Bernalillo County Water Utility Authority	947,055
<b>Total PILOT</b>	<b>\$ 5,891,701</b>

The accompanying notes are an integral part of these financial statements



## **STATISTICAL INFORMATION**

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
<b>Revenues:</b>				
Taxes	\$ 99,105	\$ 105,634	\$ 113,542	\$ 113,608
Licenses and permits	7,873	7,454	7,556	8,136
Intergovernmental	124,625	129,058	132,410	135,383
Charges for services	34,920	37,294	37,162	35,758
Fines and forfeits	227	8	35	31
Interest	2,437	2,910	3,279	2,088
Miscellaneous	<u>536</u>	<u>536</u>	<u>1,115</u>	<u>868</u>
<b>Total revenues</b>	<u>269,723</u>	<u>282,894</u>	<u>295,099</u>	<u>295,872</u>
<b>Expenditures:</b>				
General government	41,153	40,732	42,605	42,081
Public safety	97,840	103,593	110,161	111,039
Cultural and recreation	41,766	47,582	47,801	47,466
Public works	15,232	15,641	15,739	14,842
Highways and streets	13,381	13,765	14,011	13,947
Health	6,451	6,635	6,059	5,796
Human services	<u>11,975</u>	<u>15,945</u>	<u>18,180</u>	<u>18,523</u>
<b>Total expenditures</b>	<u>227,798</u>	<u>243,893</u>	<u>254,556</u>	<u>253,694</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>41,925</u>	<u>39,001</u>	<u>40,543</u>	<u>42,178</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,916	2,971	5,914	1,416
Transfers out	<u>(38,568)</u>	<u>(42,842)</u>	<u>(48,602)</u>	<u>(44,147)</u>
<b>Total other financing sources and uses</b>	<u>(35,652)</u>	<u>(39,871)</u>	<u>(42,688)</u>	<u>(42,731)</u>
<b>Net change in fund balance</b>	6,273	(870)	(2,145)	(553)
<b>Fund Balance, July 1</b>	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>	<u>44,695</u>
<b>Fund Balance, June 30</b>	<u>47,710</u>	<u>46,840</u>	<u>44,695</u>	<u>44,142</u>
<b>Reservations of fund balance:</b>				
Reserved for Encumbrances	5,071	6,434	5,231	4,352
Reserved for assets	570	446	471	438
Reserved for Operations	17,858	12,263	14,427	14,686
<b>Unreserved fund balance</b>	<u>24,211</u>	<u>27,697</u>	<u>24,566</u>	<u>24,666</u>
<b>Total ending fund balance</b>	<u>\$ 47,710</u>	<u>\$ 46,840</u>	<u>\$ 44,695</u>	<u>\$ 44,142</u>

TABLE I  
Page 1 of 4

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 116,855	\$ 124,526	\$ 120,316	\$ 127,128	\$ 149,203	\$ 183,812
8,011	8,723	8,643	12,279	13,716	15,026
135,501	140,184	141,519	147,361	160,965	167,851
35,539	36,706	36,638	37,770	41,111	42,110
41	42	23	44	38	159
1,883	3,229	973	746	427	1,590
785	490	583	459	3,432	787
<u>298,615</u>	<u>313,900</u>	<u>308,695</u>	<u>325,787</u>	<u>368,892</u>	<u>411,335</u>
43,979	44,444	43,375	43,802	59,417	58,613
116,909	122,153	127,469	130,107	139,621	163,130
46,791	50,408	49,152	48,653	49,171	57,242
14,425	9,223	8,571	6,161	8,037	8,445
9,520	11,872	12,898	12,373	8,107	9,817
5,774	6,134	6,288	6,557	6,906	8,699
22,104	29,264	26,795	27,146	27,385	31,903
<u>259,502</u>	<u>273,498</u>	<u>274,548</u>	<u>274,799</u>	<u>298,644</u>	<u>337,849</u>
<u>39,113</u>	<u>40,402</u>	<u>34,147</u>	<u>50,988</u>	<u>70,248</u>	<u>73,486</u>
1,468	3,663	8,885	7,122	2,170	2,472
(41,320)	(47,285)	(46,616)	(51,584)	(50,757)	(55,320)
(39,852)	(43,622)	(37,731)	(44,462)	(48,587)	(52,848)
(739)	(3,220)	(3,584)	6,526	21,661	20,638
<u>44,142</u>	<u>43,403</u>	<u>40,183</u>	<u>36,599</u>	<u>43,125</u>	<u>64,786</u>
<u>43,403</u>	<u>40,183</u>	<u>36,599</u>	<u>43,125</u>	<u>64,786</u>	<u>85,424</u>
3,600	2,722	84	16	16	3,965
470	558	538	390	537	502
14,879	15,549	16,161	27,758	29,477	38,239
24,454	21,354	19,816	14,961	34,756	42,718
<u>\$ 43,403</u>	<u>\$ 40,183</u>	<u>\$ 36,599</u>	<u>\$ 43,125</u>	<u>\$ 64,786</u>	<u>\$ 85,424</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.

In 2005, a \$35 million increase in tax revenue was due to a ¼ cent increase in the gross receipts tax as approved by voters.

Expenditures

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.

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

**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.**

**In 2005, public safety expenditures increased by \$24 million from a staffing increase that was funded by a ¼ cent increase in gross receipts tax.**

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

<b>Year Ended June 30</b>	<b>Total Current Tax Billings</b>	<b>Current Tax Collections</b>	<b>Percent of Billings Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections as Percent of Current Billings</b>
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%
2005	92,415,726	88,965,021	96.27%	3,234,797	92,199,818	99.77%

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 97.22% 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>
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
2005	7,560,067,255	314,998,373	414,226,997	8,289,292,625

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>
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
2005	46.160	11.149	9.536	1.028	8.493	3.174	0.934	6.500	5.346

(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		
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	449,950	6,856,281,348	152,825,000	24,831,686	127,993,314	1.87%	284.46
2001	454,711	6,900,667,082	138,180,000	10,706,769	127,473,231	1.85%	280.34
2002	464,178	7,423,666,498	117,440,000	18,229,575	99,210,425	1.34%	213.73
2003	473,330	7,623,843,160	160,055,000	45,493,412	114,561,588	1.50%	242.03
2004	479,061	7,887,550,658	126,810,000	46,157,897	80,652,103	1.02%	168.35
2005	490,542	8,289,292,625	326,560,917	22,659,903	303,901,014	3.67%	619.52

- (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, 2005**

<b>Legal debt limit for issuance of general purpose general obligation bonds</b> <b>4% of taxable valuation of \$8,289,293,000</b>	<b>\$ 331,571,000</b>
<b>Total general obligation bonds issued</b>	<b>\$ 296,560,917</b>
<b>Less general obligation bond debt not subject to legal debt limit:</b> <b>Storm Drainage Bonds</b>	<b><u>58,185,000</u></b>
<b>General obligation bonds issued subject to legal debt limit</b> <b>General Purpose</b>	<b><u>238,375,917</u></b>
<b>Legal debt margin</b>	<b><u>\$ 93,195,083</u></b>

**CITY OF ALBUQUERQUE**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT**  
June 30, 2005

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Albuquerque</u>	<u>City of Albuquerque Share of Debt</u>
City of Albuquerque	<u>\$ 219,718,249</u>	100.00%	<u>\$ 219,718,249</u>
<b>Other Governments:</b>			
Albuquerque Public Schools	134,850,000	80.66%	108,770,010
Albuquerque Metropolitan Flood Control Authority	28,350,000	85.18%	24,148,530
Bernalillo County	79,085,000	81.61%	64,541,269
Albuquerque Technical-Vocational Institute	21,500,000	82.05%	17,640,750
State of New Mexico	<u>315,925,000</u>	27.13%	<u>85,710,453</u>
<b>Total Other Governments</b>	<u>579,710,000</u>		<u>300,811,012</u>
<b>Total direct and overlapping G.O. debt</b>	<u>\$ 799,428,249</u>		<u>\$ 520,529,261</u>

**Ratios:**

Total direct and overlapping G.O. debt to assessed valuation	6.28%
Direct and overlapping G.O. debt to actual valuation	1.78%
Direct and overlapping G.O. debt per capita (1)	\$1,089.00

(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>
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%
2005	91,151,734	13,390,085	104,541,819	337,848,495	30.94%

**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>
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
2005	2,684,036	2,569,593	96%	11,809,528

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
<b>Airport Revenue Bonds</b>				
<b>Test #1</b>				
Revenues	\$ 40,604	\$ 52,671	\$ 53,052	\$ 53,098
Expenses **	<u>13,803</u>	<u>13,584</u>	<u>14,799</u>	<u>16,109</u>
Available for debt service	26,801	39,087	38,253	36,989
Debt service*	11,836	13,181	11,422	9,416
Debt service coverage ratio	2.3	3.0	3.3	3.9
<b>Test #2</b>				
Revenues	\$ 41,521	\$ 54,187	\$ 54,546	\$ 54,827
Expenses **	<u>13,803</u>	<u>13,584</u>	<u>14,799</u>	<u>16,109</u>
Available for debt service	27,718	40,603	39,747	38,718
Debt service*	18,437	21,186	19,919	17,799
Debt service coverage ratio	1.5	1.9	2.0	2.2
<b>Golf Course Revenue Bonds</b>				
Revenues	not applicable	not applicable	not applicable	not applicable
Expenses **	not applicable	not applicable	not applicable	not applicable
Available for debt service				
Debt service				
Debt service coverage ratio				
<b>Refuse Disposal Revenue Bonds</b>				
Revenues	\$ 33,302	\$ 31,504	\$ 32,223	\$ 33,960
Expenses **	<u>24,164</u>	<u>24,481</u>	<u>25,823</u>	<u>26,262</u>
Available for debt service	9,138	7,023	6,400	7,698
Debt service	2,489	2,969	3,156	3,917
Debt service coverage ratio	3.7	2.4	2.0	2.0
<b>Sales Tax Revenue Bonds</b>				
Revenues	\$ 142,276	\$ 147,261	\$ 150,753	\$ 154,817
Debt service*	7,204	7,689	11,044	14,625
Debt service coverage ratio	19.8	19.2	13.7	10.6

\* 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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Ratio Required 2005</u>
\$	54,001	\$ 56,336	\$ 57,818	\$ 59,724	\$ 61,077	\$ 64,396	
	<u>17,036</u>	<u>20,136</u>	<u>21,437</u>	<u>22,059</u>	<u>24,288</u>	<u>24,616</u>	
	36,965	36,200	36,381	37,665	36,789	39,780	
	10,074	11,027	10,070	9,669	10,753	12,349	
	3.7	3.3	3.6	3.9	3.4	3.2	1.2
\$	55,439	\$ 58,011	\$ 59,494	\$ 60,157	\$ 61,410	\$ 64,943	
	<u>17,036</u>	<u>20,136</u>	<u>21,437</u>	<u>22,059</u>	<u>24,288</u>	<u>24,616</u>	
	38,403	37,875	38,057	38,098	37,122	40,327	
	17,244	21,261	14,840	13,711	16,100	20,915	
	2.2	1.8	2.6	2.8	2.3	1.9	1.1
not applicable	not applicable	\$ 4,111	\$ 3,980	\$ 3,820	\$ 3,938	\$ 3,938	
		<u>3,621</u>	<u>3,435</u>	<u>3,594</u>	<u>3,499</u>		
		490	545	226	439		
		343	347	345	348		
		1.4	1.6	0.7	1.3		1.5
\$	35,943	\$ 38,997	\$ 39,191	\$ 41,001	\$ 43,521	\$ 44,888	
	<u>27,090</u>	<u>28,465</u>	<u>29,638</u>	<u>31,166</u>	<u>33,263</u>	<u>34,227</u>	
	8,853	10,532	9,553	9,835	10,258	10,661	
	3,910	3,913	4,496	4,326	4,390	5,122	
	2.3	2.7	2.1	2.3	2.3	2.1	1.5
\$	161,941	\$ 168,269	\$ 169,909	\$ 177,634	\$ 193,783	\$ 201,610	
	9,883	10,226	8,920	9,802	9,549	10,658	
	16.4	16.5	19.0	18.1	20.3	18.9	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	Metropolitan Statistical Area*			
		Total Population	Civilian Labor Force	Civilian Employment	Civilian Unemployment Rate (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 %
2004**	484,246	781,447	391,798	371,284	5.2 %

Population Characteristics

Education (2)

	Number	Percent
Persons age 25 and over	320,569	
Less than 9th Grade	17,917	
9th-12th Grade, no diploma	26,150	
High School graduate	74,383	
Some college, no degree	84,031	
Associate degree	20,480	
Bachelor degree	55,575	
Graduate or Professional degree	42,033	
Percent completed High School		86.3
Percent completed 4-year college		30.4

Poverty Status (3)

Families	11,285	10.0
With related children under 18 years	9,288	15.2
With related children under 5 years	4,923	19.8
Families with female householder, no husband present	5,992	25.9
With related children under 18 years	5,469	33.7
With related children under 5 years	2,732	46.0
Individuals	59,641	13.5
18 years and over	40,339	12.1
65 years and over	4,369	8.5
Related children under 18 years	18,576	17.4
Related children 5 to 17 years	12,362	16.4
Unrelated individuals 15 years and over	22,481	22.7

Household Type by Presence of Children (2)

Total households	206,279	
Married couple with children under age 18	36,514	
Married couple, no children under 18	40,334	
Male		
Male householder with children, no wife	7,290	
Male householder, no children, no wife	3,440	
Female		
Female householder with children, no husband	9,236	
Female householder, no children, no husband	22,214	
Non-family households	87,251	
Percent married couple household		37.3
Percent Single Parent Household		20.5

**School Enrollment (1)**

<b>Elementary schools (including Kindergarten)</b>	<b>41,397</b>
<b>Mid-high schools</b>	<b>20,589</b>
<b>High schools</b>	<b>24,556</b>
<b>Private and parochial schools</b>	<b>12,831</b>
<b>Charter Schools</b>	<b>5,325</b>
<b>Technical-Vocational schools</b>	<b>23,726</b>
<b>University of New Mexico (Public)</b>	<b>26,280</b>

\* Includes Bernalillo, Sandoval, and Valencia counties prior to 2004. As of 2004, data conforms to the new definition of the Metropolitan Statistical Area which includes Bernalillo, Sandoval, Valencia, and Tarrant counties.

\*\* City of Albuquerque Estimates.

- (1) Albuquerque Public Schools, University of New Mexico, National Center for Education Statistics.
- (2) American Community Survey Profile 2004 (U.S. Census Bureau).
- (3) Census 2000 Summary (U.S. Census Bureau).
- (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)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Total Nonfarm Employment</b>	\$322.7	\$328.7	\$337.1	\$342.2	\$347.0	\$357.4	\$362.2	\$361.7	\$363.1	\$370.8
<b>Nat. Resources, Mining and Construction</b>	23.1	22.5	22.1	21.3	21.6	23.6	24.8	23.4	24.1	25.8
<b>Manufacturing</b>	27.9	27.7	28.0	27.6	26.6	27.6	27.1	24.8	23.4	22.6
<b>Trade, Transportation and Utilities</b>	61.4	63.1	65.2	66.2	65.7	66.2	66.0	65.9	65.7	66.2
<b>Information</b>	7.0	7.1	7.7	8.9	10.4	11.1	11.4	11.0	10.2	9.4
<b>Financial Activities</b>	17.6	17.8	18.4	18.9	19.6	19.4	19.6	18.9	18.8	19.2
<b>Services (2)</b>	124.0	127.1	130.5	132.5	135.5	140.5	143.2	145.4	147.7	152.6
<b>Government</b>	61.8	63.3	65.4	66.8	67.7	69.0	70.2	72.4	73.4	74.9

\* Source: New Mexico Department of Labor.

\*\* Albuquerque (Bernalillo, Sandoval, Valencia and Torrence 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 1995 through 2004 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
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
2005	24,867,879	6867	1,070,323

(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, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>Percentage of Total Taxable Valuation (1)</u>
Qwest	Utility	\$ 84,276,258	1.02%
Public Service Company of New Mexico - Electric	Utility	70,020,611	0.84%
Simon Property Group, Ltd.	Retail	20,483,754	0.25%
Southwest Airlines	Airline	19,433,839	0.23%
Comcast Cablevision of New Mexico	Telecommunications	19,394,182	0.23%
Heitman Properties of N.M.	Retail	19,111,489	0.23%
Crescent Real Estate	Hotel Management	15,965,071	0.19%
Voicestream PCS II Corporation	Telecommunications	14,017,627	0.17%
Verizon Wireless (VAW) LLC	Telecommunications	12,566,690	0.15%
Public Service Company of New Mexico - Gas	Utility	12,424,384	0.15%
Winrock Property	Retail	11,750,735	0.14%
Alltel Communications Inc.	Telecommunications	11,114,311	0.13%
Delta Airlines, Inc.	Airline	8,417,044	0.10%
AHS Albuquerque Regional Medical Center	Medical Services	8,314,168	0.10%
AT&T Communications	Telecommunications	<u>7,730,839</u>	<u>0.09%</u>
		<u>\$ 335,021,002</u>	<u>4.02%</u>

(1) Total taxable valuation : \$8,289,292,625

Source: Bernalillo County Treasurer's Office

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

**Form of Government**

The City has a Mayor-Council form of government with a salaried full-time Mayor elected every four years. The nine-member council is elected by district for four-year overlapping terms. The nonpartisan elections are held each October of odd numbered years. The Councilors' remuneration is equivalent to one-tenth the Mayor's salary.

The Charter provides for a Chief Administrative Officer appointed by the Mayor and approved by the Council who is responsible for the administration of the merit system and, subject to the authority of the Mayor, supervises the operations of all departments.

Year of Incorporation: 1885

<u>Area</u> (City area)	<u>Year</u>	<u>Square Miles</u>
	1960	61.1
	1970	80.6
	1980	106.6
	1990	135.0
	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
	2005	188.1

**Fire Protection (1)**

Administration Building	1
Number of stations	29
Number of employees	568
Fire Academy	1
Fire Marshall's Office	1
Arson Building	1

**Police Protection (1)**

Traffic station	1
Number of sub-stations	8
Number of employees	1982

**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)
<b>Ballfields:</b>	
Youth Baseball Fields	49
General/Adult Lit Ball Fields	18
<b>Basketball Courts:</b>	
Full	58
Half	57
<b>Game/Practice Fields</b>	113
<b>Play Areas</b>	162
<b>Community Centers (gymnasiums at 8 locations)</b>	22
<b>Community Center Satellites</b>	1
<b>Golf Courses (3 18-hole and 9-hole, and 1 9-hole)</b>	4
<b>Swimming Pools (5 indoor pools, 7 outdoor pools)</b>	12
<b>Tennis Courts (21 lighted courts)</b>	140
<b>Trails (97 miles paved &amp; 12 miles unpaved)</b>	109 miles
<b>Libraries</b>	<b>Volumes</b> <b><u>June 30, 2004</u></b>
<b>Albuquerque Public Library (1)</b> (Main branch and 16 area branches, bookmobile, bookvan)	1,450,976
<b>University of New Mexico:</b>	
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
<b>Technical Vocational Institute</b>	59,676
<b>Source: Listed Libraries</b>	
<b>Municipal Water (1)</b>	
<b>Number of customers (June 2005)</b>	160,649 meters (fluctuates)
<b>Average daily water production (FY 2005)</b>	96 million gallons per day
<b>Miles of water lines (June 2005)</b>	2,513
<b>Municipal Sewer (1)</b>	
<b>Number of sewer customers (June 2005)</b>	155,325 (fluctuates)
<b>Miles of storm lines (June 2005)</b>	555
<b>Miles of sanitary lines (June 2005)</b>	1,893
<b>Storm drainage channels including lined channels and unlined arroyos</b>	85 miles
<b>Sources:</b>	
(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, 2005

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Aircraft - Police	Westchester	08/29/05	08/29/06	\$ 76,835	\$ 10,000,000	Property & Passenger Liab
				Phys Dam.	\$ 96,000	Hull
					\$ 1,476,444	Eurocopter
<b>Airport Liability:</b>						
Primary	Ace	03/09/05	03/09/06	\$ 204,540	\$ 50,000,000	\$25,000 Deductible;
Excess	Lloyd's of London	03/09/05	03/09/06	\$ 41,200	\$ 50,000,000	\$100,000 Annual Aggregate \$0 Deductible
Employee Dishonesty Bond	Great American	05/01/05	05/01/06	\$ 20,258	\$ 1,000,000	Incl. Faithful Performance;
					\$ 1,000,000	Per Loss \$10,000 Deductible Per Loss
					\$ 1,000,000	Forgery/Alteration Computer Fraud
Excess Worker's Compensation	Midwest Employers Cas.	11/11/04	11/11/05	\$ 459,231	\$ 25,000,000	Excess of \$600,000
					\$ 2,000,000	Employer Liability Retention
Flood (Housing Authority Properties)	Harleysville Mutual	09/01/05	09/01/05	\$ 12,335	\$ 20,400	\$1,000 deductible Per Property
Housing Authority Property	Insurance Corp of Hanover	09/01/05	09/01/06	\$ 66,758	\$ 5,000,000	Required by H.U.D.
					Per Occurrence	Excludes Pressure Vessels
					\$ 250,000	Business Income
					\$ 25,000,000	Equipment Breakdown
Shooting Range Liability	Nautilus	11/22/04	11/22/05	\$ 1,496	\$ 500,000	Per Occurrence
					\$ 100,000	Fire Legal Liability
					\$ 5,000	Medical Payments
					\$ 1,000	Deductible Per Occurrence
Summerfest	Western World	06/05/05	06/05/06	\$ 11,900	\$ 2,000,000	Individual Occurrence
Treasurer's Bond	Travelers	07/12/04	07/12/07	\$ 438	\$ 50,000	
Zoo Van Liability	Progressive	06/08/05	06/08/06	\$ 7,749	\$ 1,000,000	C.S.L.
					\$ 60,000	Uninsured Motorists
					\$ 500	Comprehensive Deductible
Airport Art Collection	St. Paul/Trevelers	04/17/05	04/17/06	\$5,375	\$ 1,658,464	*Sub-limits Listed Below

**\*Sub-limits By Collection**

**Locations and Amount of Sub-limits**

Permanent	Locations and Amount of Sub-limits		
	Airport	In Transit	International Coverage
	\$1,658,464	\$100,000	\$100,000

Coverage Type	Name of Company	Policy Period		Annual Premium	Amount of Coverage	Comments
		From	To			
Museum Collection	St. Paul	07/01/04	07/01/05	\$132,371	\$ 79,000,000	*Sub-limits Listed Below

**\*Sub-limits By Collection****Locations and Amount of Sub-limits**

Property at Other Locations	Museum	Warehouse	Scheduled Art	In Transit	Legal Liability
\$4,000,000	\$ 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			
Balloon Museum	St. Paul/Travelers	04/02/05	04/02/06	\$5,676	\$ 1,000,000	\$10,000 Deductible

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	07/01/04	07/01/05	\$650,000	\$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**

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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Period of July 1, 2004 through June 30, 2005

<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures/ Adjustments</u>
			<u>From</u>	<u>To</u>	
<b>U.S. Department of Agriculture</b>					
<b>National School Lunch Program</b>					
Summer Food Ser. Prog. FY05/06	3037	10.559	10/1/2004	9/30/2005	\$ 605,848
Summer Food Ser. Prog. FY04/05	3037	10.559	10/1/2003	9/30/2004	737,162
					1,343,010
<b>Cash-In-Lieu of Commodities</b>					
Cash in Lieu of Commodities FY05	2005-006	10.570	7/1/2004	6/30/2005	207,330
<b>U.S. Department of Commerce</b>					
Double Eagle II Infrastruct Improv	08-01-03787	11.300	12/30/2002	12/7/2004	344,018
<b>U.S. Department of Housing and Urban Development</b>					
<b>Community Development Block Grants/Entitlement Grants</b>					
Community Develop. Blk Grant 2005	B-05-MC-35-0001	14.218	1/1/2005	Completion	1,765,105
Community Develop. Blk Grant 2004	B-04-MC-35-0001	14.218	1/1/2004	Completion	2,487,185
Community Develop. Blk Grant 2003	B-03-MC-35-0001	14.218	1/1/2003	Completion	430,816
Community Develop. Blk Grant 2002	B-02-MC-35-0001	14.218	1/1/2002	Completion	507,771
Community Develop. Blk Grant 2001	B-01-MC-35-0001	14.218	1/1/2001	Completion	221,096
Community Develop. Blk Grant 2000	B-00-MC-35-0001	14.218	1/1/2000	Completion	387,960
					5,799,933
<b>Emergency Shelter Grants Program</b>					
Emergency Shelter Grant Program	S-04-MC-35-5001	14.231	7/1/2004	6/30/2005	196,276
Emergency Shelter Grant Program	S-03-MC-35-5001	14.231	7/1/2003	6/30/2004	(4,275)
					192,001
<b>Supportive Housing Program</b>					
Supportive Housing Program	Admin. Component	14.235	5/1/2005	4/30/2006	11,905
Supportive Housing Program	NM02B400007	14.235	5/1/2005	4/30/2006	38,093
Supportive Housing Program	NM02B400011	14.235	5/1/2005	4/30/2006	91,948
Supportive Housing Program	NM02B300007	14.235	5/1/2004	4/30/2005	182,167
Supportive Housing Program	NM02B300013	14.235	5/1/2004	4/30/2005	496,649
					820,762
<b>Shelter Plus Care</b>					
Shelter Plus Care	NM02C400016	14.238	5/1/2005	4/30/2006	48,415
Shelter Plus Care	NM02C400015	14.238	5/1/2005	4/30/2006	151,625
Shelter Plus Care	NM02C300015	14.238	4/1/2004	3/31/2005	350,333
Shelter Plus Care	NM02C300014	14.238	4/1/2004	3/31/2005	483,603
					1,033,976
<b>HOME Investment Partnerships Program</b>					
Home	M-04-MC-35-0209	14.239	1/1/2004	Completion	1,327,661
Home	M-03-MC-35-0209	14.239	1/1/2003	Completion	407,238
Home	M-02-MC-35-0209	14.239	1/1/2002	Completion	85,942
Home	M-01-MC-35-0209	14.239	1/1/2001	Completion	353,440
					2,174,281



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<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures / Adjustments</u>
			<u>From</u>	<u>To</u>	
<b><u>U.S. Department of Housing and Urban Development, continued</u></b>					
<b>Section 8 Moderate Rehabilitation</b>					
<b>Single Room Occupancy</b>					
Section 8 Moderate Rehabilitation	NM001SR-0004	14.249	7/1/2004	6/30/2005	<u>36,023</u>
<b>Public and Indian Housing</b>					
<b>Low Rent Housing Program</b>					
Resident OPRT & Self Sufficiency	NM00100405J	14.850	7/1/2004	6/30/2005	1,513,314
	NM02RSF0010101	14.850	12/3/2002	12/2/2005	<u>152,966</u>
					<u>1,666,280</u>
<b>Lower Income Housing Assistance Program</b>					
Section 8 Moderate Rehabilitation	NM001MR-0002,0003	14.856	7/1/2004	6/30/2005	<u>50,537</u>
<b><u>Resident Opportunity and Supportive Services</u></b>					
Resident OPRT & Self Sufficiency	NM001RFS096A004	14.870	5/10/2005	5/9/2006	<u>10,804</u>
<b>Section 8 Housing Choice Vouchers</b>					
Section 8-Housing Choice Voucher	NM001-VO-00113,0114	14.871	1/1/2005	8/31/2005	10,693,233
Section 8-Housing Choice Voucher	NM001-VO-0110,0111	14.871	7/1/2004	12/31/2004	<u>10,981,753</u>
					<u>21,674,986</u>
<b>Public Housing Capital Fund</b>					
Public Housing Capital Fund Prog.	NM02P00150101	14.872	9/9/2002	6/30/2005	79,174
Public Housing Capital Fund Prog.	NM02P00150102	14.872	8/21/2002	6/30/2006	277,709
Public Housing Capital Fund Prog.	NM02P00150103	14.872	9/17/2003	9/16/2007	242,288
Public Housing Capital Fund Prog.	NM02P00150104	14.872	8/19/2004	9/13/2008	542,447
Public Housing Capital Fund Prog.	NM02P00150203	14.872	12/23/2003	2/12/2008	<u>229,806</u>
					<u>1,371,424</u>
<b><u>U.S. Department of the Interior</u></b>					
<b><u>U.S. Fish and Wildlife</u></b>					
Exotic Species	04-521-0400-0141	15.FFA	4/12/2004	6/30/2005	<u>13,074</u>
<b>Water Reclamation and Reuse Program</b>					
Alb. Metro Area Water Reclamation	99-FC-40-1050	15.504	6/18/1999	7/31/2004	<u>2,276,773</u>
<b>Fish and Wildlife Management Assistance</b>					
Bosque Restoration	1448-20181-01-G925	15.608	8/1/2003	8/1/2005	<u>13,574</u>
<b>Historic Preservation Fund Grants-in-Aid</b>					
Historic Preservation Grant	35-03-18231.11	15.904	11/18/2003	07/31/2004	<u>7,477</u>

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<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures / Adjustments</u>
			<u>From</u>	<u>To</u>	
<b><u>U.S. Department of Justice</u></b>					
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies		16.0000	7/1/2004	6/30/2005	<u>293,955</u>
DEA State and Local Task Force Agreement		16.001	7/1/2004	6/30/2005	<u>65,363</u>
HIDTA/Region 1 Task Force		16.220	7/1/2004	6/30/2005	<u>25,091</u>
FBI Cost Reimbursement Agreement		16.300	7/1/2004	6/30/2005	<u>14,546</u>
<b><u>Office of Juvenile Justice and Delinquency Prevention</u></b>					
<b><u>Gang-Free Schools and Communities</u></b>					
Gang Resistance Education and Training	2004-JV-FX-0046	16.544	1/1/2004	6/30/2005	<u>90,861</u>
Underage Drinking	05-690-7000-7044	16.548	7/1/2004	5/30/2005	<u>59,471</u>
<b><u>National Institute of Justice Research, Evaluation and Development</u></b>					
Indian Country Crime Lab Services	2004-RC-CX-K075	16.560	5/1/2004	4/30/2007	18,653
Digital Evidence Enhancement Grant	2003-DN-BX-0097	16.560	1/27/2004	6/30/2005	9,597
DNA Capacity Enhancement	2004-DN-BX-K023	16.560	7/1/2004	5/30/2005	147,311
Computer Forensic Training Grant	2003-DN-BX-0035	16.560	5/1/2003	7/31/2005	247
Crime Laboratory Training Grant	2003-DN-BX-1005	16.560	6/1/2003	5/31/2005	<u>14,383</u>
					<u>190,191</u>
<b><u>Crime Laboratory Improvement-Combined Offender DNA Index System Backlog Reduction</u></b>					
No Suspect Casework DNA Backlog Reduction	2002-DN-BX-K008	16.564	3/1/2002	2/28/2005	<u>83,823</u>
<b><u>Byrne Formula Grant Program</u></b>					
NM Gang Task Force	04-DCSI-PA24-NMGTT	16.579	8/12/2004	6/30/2005	17,965
Open Space Law Enforcement FY 05	04-DCI-PPA-02-AOS	16.579	7/1/2004	6/30/2005	19,926
Open Space Law Enforcement FY 04	03-MJTF-AOS	16.579	7/1/2003	6/30/2004	<u>14,636</u>
					<u>52,527</u>
<b><u>Edward Byrne Memorial State &amp; Local Law Enforcement Discretionary Grants</u></b>					
Methamphetamine/Drug Hot Spots	2003-DD-BX-1153	16.580	9/1/2003	12/31/2004	<u>22,008</u>
<b><u>Grants to Encourage Arrest Policies and Enforcement of Protection Orders</u></b>					
Encourage Arrest Policies	1998-WE-VX-0023	16.590	9/1/1998	3/31/2005	<u>221,746</u>

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			<u>From</u>	<u>To</u>	
<b><u>U.S. Department of Justice, continued</u></b>					
<b><u>Local Law Enforcement Block Grants Program</u></b>					
Local Law Enforcement Block Grant 8	2003-LB-BX-1966	16.592	4/6/2004	4/5/2006	466,438
Local Law Enforcement Block Grant 7	2002-LB-BX-2892	16.592	12/5/2002	12/4/2004	297,935
					<u>764,373</u>
<b><u>Executive Office for Weed and Seed</u></b>					
Weed and Seed Program (Eastside)	2004-WS-Q5-0059	16.595	1/1/2005	12/31/2005	24,023
Weed and Seed Program (Eastside)	2004-WS-Q4-016	16.595	10/1/2003	9/30/2005	100,945
Weed and Seed Program (Westside)	2004-WS-Q4-0060	16.595	1/1/2005	12/31/2005	7,530
Weed and Seed Program (Westside)	2004-WS-Q4-017	16.595	10/1/2003	9/30/2005	108,864
					<u>241,362</u>
<b><u>Bulletproof Vest Partnership Program</u></b>					
Bulletproof Vest Partnership Grant	N/A	16.607	6/1/2004	5/31/2008	<u>18,300</u>
<b><u>Community Prosecution and Project Safe Neighborhoods</u></b>					
Project Safe Neighborhood	03-PSN-APD	16.609	2/1/2004	9/30/2006	<u>23,797</u>
<b><u>U.S. Department of Labor</u></b>					
Workforce Investment Act Adult Prog	CT-04-002	17.258	3/28/2005	6/30/2005	<u>24,000</u>
<b><u>U.S. Department of Transportation</u></b>					
<b><u>Airport Improvement Program</u></b>					
Reconstruct Taxiway Portion A,B,C	3-35-0003-27-03	20.106	8/18/2003	Completion	415,169
Rehab Runway 8/26	3-35-0003-26-2002	20.106	9/20/2002	Completion	28,245
Security Checkpoint	3-35-0003-28	20.106	8/18/2003	Completion	3,821,118
DE II Contract Control Tower	OTA	20.106	6/1/2003	Completion	66,601
DE II Midfield Dev. Phase II	3-35-0002-008-2003	20.106	2004	Completion	846,894
DE II Midfield Dev. Phase II	3-35-0002-010-2004	20.106	2004	Completion	465,306
DE II Runway 17/35 Rehabilitation	3-35-0002-009-2004	20.106	2004	Completion	173,255
					<u>5,816,588</u>
<b><u>Highway Planning and Construction</u></b>					
TCSP Uptown	TCSE-015-Q69/92D	20.205	8/15/2001	Completion	1,967
Dennison-Trujillo-Townsend	ST-GA-7601(243)	20.205	11/13/2000	6/30/2009	134,385
Westside/McMahon	TPU-7601(07)	20.205	4/22/1997	6/30/2009	2,566,383
Second Street Right of Way	TPU-TPE-4035(1)	20.205	7/27/1999	9/30/2005	42,657
Coors Widening	TPU-4001(6)01	20.205	11/12/1999	6/30/2005	566,027
Downtown Core Area	TPU-CAQ-7601-(10)	20.205	3/14/2000	6/30/2006	103,418
Jefferson/Ellison Intersection	TPU-5037(1)02	20.205	3/14/2000	6/30/2006	694,983

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			<u>From</u>	<u>To</u>	
<b><u>Highway Planning and Construction, continued</u></b>					
Traffic Signals @ Unser/Signal CTL Sys	TPU-CAQ-7601-(9)	20.205	3/14/2000	6/30/2008	2,788,912
Bicycle Travel Demand Mgmt	CAO-7701(430)	20.205	6/12/2002	6/30/2008	145,281
Golf Course Irving County Line	HPP-4079-6(3)	20.205	6/12/2002	6/30/2006	3,907,265
Irving Widening	HPP-5036-1	20.205	6/12/2001	6/30/2006	1,782,595
Comanche Griegos St. @ Strm	ST-5016(200)	20.205	8/23/2002	6/30/2007	29,000
PDN & Unser Blvd Extension	ST-4054-210	20.205	8/23/2002	6/30/2008	10,749
Street Imp Various Streets	CN 84577	20.205	2/24/2003	6/30/2007	185,000
Journal Center Trail	CAQ-7701(38)	20.205	2/25/2000	6/30/2008	246,985
Trail from Rio Grande to 6th/I-40	TPE-040-3(112)157	20.205	8/1/2001	6/30/2007	240,810
Unser/McMahon Intersection	HPP-4003(1)	20.205	12/1/2004	6/30/2008	537,340
Gibson Reconstruction	TPU-4078-(5)00	20.205	3/5/2003	6/30/2007	1,806,570
Westside Shooting Park	ST-7301(260)	20.205	12/10/2003	6/30/2008	100,000
Tea21 Bicycle/Pedestrian Safety	CAQ-7701(12) CN # 981	20.205	6/20/1998	Completion	16,765
Speed Humps on Alamogrodo Street	ST-7501-235	20.205	11/14/2003	6/30/2008	12,436
					15,919,528
<b><u>Federal Transit Metropolitan Planning Grants</u></b>					
Ridepool Sharing Program 2005	MOO374	20.505	7/1/2004	6/30/2005	683,222
Ridepool Sharing Program 2004	MOO278/1	20.505	7/1/2003	6/30/2004	215,754
					898,976
<b><u>Federal Transit Formula Grants</u></b>					
Operating Assistance FY96/Capital	NM-90-X045	20.507	7/1/1995	Completion	125,518
Uptown Facility Adding CMAQ	NM-90-X049	20.507	7/1/1996	Completion	698,942
Capital Bus Planning	NM-90-X051	20.507	9/17/1998	Completion	559
Bus-Facilities Constr.and Improv.	NM-90-X060	20.507	7/1/2001	Completion	2,473,792
Bus Replacement	NM-90-0065	20.507	3/1/2002	Completion	10,172,472
Job Access	NM-37-X004	20.507	10/1/2001	Completion	162,929
URICA II (Solar)	NM-03-0020	20.507	9/30/1997	Completion	64,552
Construction-Uptown Transfer Center	NM-03-0021	20.507	2/16/1999	Completion	393,521
High Capacity/Rapid Transit Project	NM-03-0025	20.507	12/2/1997	Completion	1,033,255
Bus-Purchase & Facilities Constr.	NM-03-0027	20.507	9/1/2000	Completion	177,134
Bus-Purchase & Facilities Cons.SOLAR	NM-03-0029	20.507	7/1/2001	Completion	7,200,209
Bus-Purchase & Facilities Constr.	NM-03-0033	20.507	3/1/2002	Completion	573,554
					23,076,437
<b><u>State and Community Highway Safety</u></b>					
Underage Drinking Enforcement	05-J8-07-P02	20.600	1/1/2005	9/30/2005	77,448
Click It or Ticket	05-OP-CT-002	20.600	10/1/2003	9/30/2004	14,937
Pedestrian Safety	MOU	20.600	10/1/2002	9/30/2003	2,873
					95,258
<b><u>Safety Incentive Grants for Use of Seatbelts</u></b>					
Red Light Photo Enforcement	04-PT-57-P18	20.604	1/1/2003	9/30/2004	40,092

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			<u>From</u>	<u>To</u>	
<b><u>Safety Incentives to Prevent Operation of Motor Vehicles by</u></b>					
<b><u>Intoxicated Persons</u></b>					
Selective Traffic Enforcement	05-PT-63-002	20.605	10/1/2004	9/30/2005	79,847
Selective Traffic Enforcement Program - Aggressive Driving	04-PT-63-002	20.605	10/1/2003	9/30/2004	49,836
					129,683
<b><u>Minimum Penalties for repeat Offenders for Driving</u></b>					
<b><u>While Intoxicated</u></b>					
Drug Recognition Expert	04-AL-02-P04	20.608	10/01/2003	9/30/2004	10,273
Drug Recognition Expert	05-AL-64-P09	20.608	10/01/2004	9/30/2005	429
Operation DWI	05-AL-64-002	20.608	10/01/2004	9/30/2005	140,234
					150,936
<b><u>U.S. Department of Treasury</u></b>					
<b><u>Bureau of Alcohol, Tobacco, Firearms and Explosives</u></b>					
ATF Project EXILE		21.053	7/1/2004	6/30/2005	34,046
<b><u>U.S. Environmental Protection Agency</u></b>					
<b><u>Air Pollution Control Program Support</u></b>					
FY05 Air Pollution	A-006158-05	66.001	10/1/2004	9/30/2005	747,982
FY04 Air Pollution	A-006158-04	66.001	10/1/2003	9/30/2004	573,465
					1,321,447
<b><u>Surveys, Studies, Investigations and Special Purpose Grants</u></b>					
PM Fine Monitoring	PM-97650901-0	66.034	10/1/2003	9/30/2005	107,356
Del Norte Station	X-98683301-4	66.034	8/17/1998	3/30/2005	37,115
					144,471
<b><u>Surveys, Studies, Investigations and Special Purpose Grants</u></b>					
South Valley Sewer Improvements	250620	66.606	7/1/1996	6/30/2005	1,964,314
<b><u>Brownfields Assessment and Cleanup</u></b>					
<b><u>Cooperative Agreements</u></b>					
Brownfields Cleanup Redevelop Loan	BL-98667301-1	66.818	10/1/2002	9/30/2005	567,174
Brownfields Redevelopment Program	BP986351-01-2	66.818	10/1/2002	9/30/2004	30,326
					597,500
<b><u>U.S. Department of Health and Human Services</u></b>					
<b><u>Special Programs for the Aging Title III, Part D</u></b>					
<b><u>Disease Prevention and Health Promotion Services</u></b>					
2005 Older American Pro./Title III,Part D	2005-001	93.043	7/1/2004	6/30/2005	29,348
<b><u>Special Programs for the Aging Title III, Part B</u></b>					
<b><u>Grants for Supportive Services and Senior Centers</u></b>					
2005 Older American Pro/ Title III,Part B	2005-001	93.044	7/1/2004	6/30/2005	339,987

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			<u>From</u>	<u>To</u>	
<u>U.S. Department of Health and Human Services, continued</u>					
<u>Special Programs for the Aging Title III, Part C</u>					
<u>Nutrition Services</u>					
2005 Older American Prog./Title III	2005-001	93.045	7/1/2004	6/30/2005	360,866
Federal Alzheimer's Disease Demonstration		93.045	9/1/2004	6/30/2005	<u>7,521</u>
					<u>368,387</u>
<u>Special Programs for the Aging Title III, Part E</u>					
<u>National Family Caregiver Support</u>					
2005 Older American Prog./ Title III	2005-001	93.052	7/1/2004	6/30/2005	<u>216,884</u>
<u>Substance Abuse and Mental Health Services</u>					
Enhancement of City's Assesment/Treat	4H79 TI12750-03-2	93.243	9/30/2003	9/29/2005	<u>338,779</u>
<u>Child Care and Development Block Grant</u>					
FY04 Child &Adult Care Food Prog.	278	93.575	10/1/2003	9/3/2004	102,163
FY03 Child Care Food Program	278	93.575	10/1/2004	9/30/2005	<u>274,226</u>
					<u>376,389</u>
<u>Head Start</u>					
Early Head Start FY 05	06CH7016103	93.600	7/1/2004	6/30/2005	2,662,469
Early Head Start FY 04	06CH7016102	93.600	7/1/2003	6/30/2004	<u>13,697</u>
					<u>2,676,166</u>
<u>Centers for Medicare and Medicaid Services</u>					
<u>Research, Demonstrations and Evaluations</u>					
Health Insurance and Benefits Assist	2005-013	93.779	7/1/2004	6/30/2005	<u>70,000</u>
<u>Corporation for National and Community Services</u>					
<u>Retired and Senior Volunteer Program</u>					
Retired Senior Volunteer Prog.FY05	02SRWNM011	94.002	7/1/2001	6/30/2005	<u>53,451</u>
<u>Foster Grandparent Program</u>					
Foster Grandparent FY 05	02SFWNM010	94.011	7/1/2002	6/30/2005	<u>167,222</u>
<u>Senior Companion Program</u>					
Senior Companion Program FY 05	02SCWNM004	94.016	7/1/2002	6/30/2005	<u>102,670</u>
<u>U.S. Department of Homeland Security</u>					
<u>Public Assistance Grants</u>					
Public Assistance Grants	FEMA-1514-DR-NM	97.036	4/29/2004	Completion	<u>2,588,341</u>
2003 Firefighters Assistance	EMW-2003-FG-10727	97.044	1/15/2003	11/14/2004	<u>196,577</u>
<u>Metropolitan Medical Response System</u>					
MMRS Fiscal Year Program Support	233-03-0085	97.071	9/30/2003	9/30/2004	121,143
Phase II Development of a Metro Med Res	04/665/4200.0599	97.071	38,152	08/30/2004	<u>131,143</u>
					<u>252,286</u>
<b>TOTAL</b>					<u><b>\$ 99,193,440</b></u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

**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>
<b>U.S. Department of Agriculture</b>			
<b>Summer Food Service Program for Children</b>			
<b>Summer Food Service Program FY05/06</b>			
Albuquerque Public School Food & Nutrition Svcs.	3037	10.559	\$ 465,242
Albuquerque Mini Storage	3037	10.559	690
			<u>465,932</u>
<b>Summer Food Service Program FY04/05</b>			
Albuquerque Public School Food & Nutrition Svcs.	3037	10.559	461,358
Albuquerque Mini Storage	3037	10.559	136
New Mexico State University	3037	10.559	4,775
			<u>466,269</u>
<b>Total U.S. Department of Agriculture</b>			<u>932,201</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Community Development Block Grants/Entitlement Grants</b>			
<b>2005 calendar year grant</b>			
Abq. HealthCare Homeless	B-05-MC-35-0001	14.218	94,000
FCS/Human Rights	B-05-MC-35-0001	14.218	24,081
Planning/Abq MRA	B-05-MC-35-0001	14.218	58,879
Law Access NM	B-05-MC-35-0001	14.218	26,240
Greater Alb Housing Partnership	B-05-MC-35-0001	14.218	84,270
Sawmill Comm Land Trust	B-05-MC-35-0001	14.218	85,924
Mid Rio Grande Amer Red Cross	B-05-MC-35-0001	14.218	306,054
FCS/Housing Rehab Prog Delivery	B-05-MC-35-0001	14.218	247,845
Dept Senior Affairs/Retrofit Prog	B-05-MC-35-0001	14.218	73,422
SW Creations Collaborative	B-05-MC-35-0001	14.218	11,652
Women's Comm. Assoc.	B-05-MC-35-0001	14.218	64,100
Alb Health Care Homeless/Dental	B-05-MC-35-0001	14.218	64,200
Alb Health Care Homeless/Hotel Voucher	B-05-MC-35-0001	14.218	18,800
United South Broadway Corp.	B-05-MC-35-0001	14.218	53,602
Alb. Rape Crisis Center	B-05-MC-35-0001	14.218	55,700
All Faith's Receiving Home	B-05-MC-35-0001	14.218	47,450
Barrett House	B-05-MC-35-0001	14.218	11,750
Barrett House	B-05-MC-35-0001	14.218	11,750
Cuidano Los Ninos	B-05-MC-35-0001	14.218	9,400
Comm Dental	B-05-MC-35-0001	14.218	119,850
Dept. Senior Affairs/Nutrition Prog.	B-05-MC-35-0001	14.218	58,455
			<u>1,527,424</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

## 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>
<b>U.S. Department of Housing and Urban Development, continued</b>			
<b>2004 calendar year grant</b>			
Planning/Code Enforcement	B-04-MC-35-0001	14.218	81,905
DMD/Parks	B-04-MC-35-0001	14.218	157,622
FCS/Human Rights	B-04-MC-35-0001	14.218	32,359
Planning/Abq. MRA	B-04-MC-35-0001	14.218	56,936
Law Access NM	B-04-MC-35-0001	14.218	30,000
Greater Abq. Housing Partnership	B-04-MC-35-0001	14.218	70,222
Sawmill Comm. Land Trust	B-04-MC-35-0001	14.218	70,023
Mid Rio Grande - Amer Red Cross	B-04-MC-35-0001	14.218	358,673
FCS/Housing Rehab Prog Delivery	B-04-MC-35-0001	14.218	308,700
Dept. of Senior Affairs/Retrofit	B-04-MC-35-0001	14.218	53,887
SW Creations Collaborative	B-04-MC-35-0001	14.218	10,558
United South Broadway Corp.	B-04-MC-35-0001	14.218	81,098
Dept. of Senior Affairs/Nutrition	B-04-MC-35-0001	14.218	52,335
UNM Young Children's Health	B-04-MC-35-0001	14.218	29,559
UNM Young Children's Health	B-04-MC-35-0001	14.218	56,291
Barrett House	B-04-MC-35-0001	14.218	500,000
			1,950,168
<b>2003 calendar year grant</b>			
ABQ Indian Center	B-03-MC-35-0001	14.218	333,400
United South Broadway Corp.	B-03-MC-35-0001	14.218	24,945
			358,345
<b>2002 calendar year grant</b>			
United South Broadway Corp.	B-02-MC-35-0001	14.218	54,105
VSA Arts of NM	B-03-MC-35-0001	14.218	289,925
			344,030
<b>2001 calendar year grant</b>			
DMD/Parks	B-01-MC-35-0001	14.218	20,135
<b>Emergency Shelter Grant Program</b>			
Barrett Foundation	S-04-MC-35-0001	14.231	20,000
St. Martin's Hospitality Center	S-04-MC-35-0001	14.231	102,698
Good Shepherd Center	S-04-MC-35-0001	14.231	45,451
Albuquerque Rescue Mission	S-04-MC-35-0001	14.231	18,313
			186,462
<b>Supportive Housing Program</b>			
St. Martin's Hospitality	NM02C200018	14.235	81,155
Abq. Healthcare for the Homeless	NM02C200018	14.235	70,470
Woman's Community Association	NM02B400011	14.235	30,991
Ciudando Los Ninos	NM02B400007	14.235	38,093
Barrett Foundation	NM02B300013	14.235	55,069
Catholic Charities	NM02B300013	14.235	162,073
St. Martin's Hospitality	NM02B300013	14.235	97,080
Women's Community Association	NM02B300013	14.235	182,427
Cuidano Los Ninos	NM02B300007	14.235	182,167
			899,525



**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

**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>
<b>Shelter Plus Care</b>			
Transitional Living Services	NM-02-C400016	14.238	48,415
Albuquerque Healthcare for the Homeless	NM-02-C300014	14.238	207,468
St. Martin's Hospitality Center	NM-02-C300014	14.238	266,242
Transitional Living Services	NM-02-C300015	14.238	152,856
			<u>674,981</u>
<b>U.S. Department of Housing and Urban Development, continued</b>			
<b>HOME Investment Partnerships Program</b>			
Fidelity National Title	M-05-MC-35-0209	14.239	529,696
Greater ABQ Housing Ptrsrhp/Wellesley	M-04-MC-35-0209	14.239	23,302
FCS/ABQ Housing Rehab	M-04-MC-35-0209	14.239	453,524
New Life Homes 3	M-04-MC-35-0209	14.239	46,647
Greater ABQ Housing Ptrsrhp/Arno	M-03-MC-35-0209	14.239	41,513
Greater ABQ Housing Ptrsrhp/Wellesley	M-03-MC-35-0209	14.239	94,499
Greater ABQ Housing Ptrsrhp/Wellesley	M-03-MC-35-0209	14.239	17,959
FCS/ABQ Housing Ptrsrhp	M-03-MC-35-0209	14.239	635
Greater ABQ Housing Ptrsrhp/Wellesley	M-02-MC-35-0209	14.239	85,072
Greater ABQ Housing Ptrsrhp/Arno	M-01-MC-35-0209	14.239	106,169
Greater ABQ Housing Ptrsrhp/Wellesley	M-01-MC-35-0209	14.239	60,000
Independent Living Resource Center	M-01-MC-35-0209	14.239	27,473
Sawmill Community Landtrust	M-01-MC-35-0209	14.239	96,552
FCS/ABQ/Housing Rehab	M-01-MC-35-0209	14.239	32,580
			<u>1,615,621</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>7,556,556</u>
<b>U.S. Department of Justice</b>			
<b>Edward Bryne Memorial State &amp; Local Law Enforcement Discretionary Grants</b>			
<b>Grants to Encourage Arrest Policies and Enforcement of Protection Orders</b>			
Resources, Inc.	98WEVX0023	16.590	174,266
The Arc of New Mexico	98WEVX0023	16.590	16,584
Morningstar	98WEVX0023	16.590	13,070
2nd Judicial District Attorney's Office	98WEVX0023	16.590	67,909
			<u>271,829</u>
<b>Local Law Enforcement Block Grant Program</b>			
District Attorney's Office	2003-LB-BX-1966	16.592	19,327
Metropolitan Court	2002-LB-BX-2892	16.592	13,875
			<u>33,202</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

**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>
<b>Executive Office for Weed and Seed</b>			
<b>Westside Weed and Seed</b>			
APD, Memorandum of Understanding	2004-WS-Q4-0017	16.595	21,864
Nancy Sanchez	2004-WS-Q4-0017	16.595	6,496
			<u>28,360</u>
<b>Eastside Weed &amp; Seed</b>			
APD, Memorandum of Understanding	2004-WS-Q4-0016	16.595	49,676
Nancy Sanchez	2004-WS-Q4-0016	16.595	4,243
			<u>53,919</u>
<b>Total U.S. Department of Justice</b>			<u>387,310</u>
<b>U.S. Department of Labor</b>			
<b>Workforce Investment Act Adult Program</b>			
Alb. Hispano Chamber of Commerce	CT-04-002	17.258	<u>24,000</u>
<b>U.S. Department of Health and Human Services</b>			
<b>Special Program for the Aging Title III, Part D</b>			
<b>Disease Prevention and Health Promotion Services</b>			
UNM College of Nursing-GEHM Clinic	2005-01	93.043	<u>29,348</u>
<b>Special Programs for the Aging Title III, Part B</b>			
<b>Grants for Supportive Services and Senior Centers</b>			
Sheryl Phillips	2005-01	93.044	1,458
Cornucopia	2005-01	93.044	1,522
Cornucopia	2005-01	93.044	2,841
Share Your Care-Adult Day Care	2005-01	93.044	38,952
Senior Citizens Law Office	2005-01	93.044	118,000
Professional Home Health Care	2005-01	93.044	13,648
Heritage Home Health Care	2005-01	93.044	11,442
Premier Home Health Care	2005-01	93.044	8,009
			<u>195,872</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

## 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>
<b>Special Programs for the Aging Title III, Part E</b>			
<b>National Family Caregiver Support</b>	2005-01	93.052	24,999
Curtis Graff	2005-01	93.052	10,447
Cornucopia	2005-01	93.052	8,892
Share Your Care-Adult Day Care	2005-01	93.052	21,678
Share Your Care-Ponderosa	2005-01	93.052	16,659
Professional Home Health Care	2005-01	93.052	15,723
Pegasus Legal Services	2005-01	93.052	21,631
Heritage Home Healthcare	2005-01	93.052	29,886
Premier Home Healthcare			<u>149,915</u>
<b>Substance Abuse and Mental Health Services</b>			
Enhancement of City's Assesment/Treatment Svcs.	4 H79 TI12750-03-2	93.243	257,668
UNM Health Science Center /TCE Medical	4 H79 TI12750-03-2	93.243	19,703
Eligio R. Padilla	4 H79 TI12750-03-2	93.243	11,512
UNM Office of Research Services			<u>288,883</u>
<b>Head Start</b>			
<b>Early Head Start FY 05</b>			
Altimira Specialists	06CH7016103	93.600	23,000
Cuidando Los Ninos Day Care	06CH7016103	93.600	130,000
Youth Development Inc.	06CH7016103	93.600	269,067
			<u>422,067</u>
<b>Centers for Medicare and Medicaid Services</b>			
<b>Research Demonstrations and Evaluations</b>			
Senior Citizens Law Office	2005-013	94	70,000
<b>Total U.S. Department of Health and Human Services</b>			<u>1,156,085</u>
<b>TOTAL ALL PROGRAMS</b>			<u>\$ 10,056,152</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

**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:

<b>Total expenditures per Schedule of Expenditures of Federal Awards</b>		<b>\$ 99,193,440</b>
<b>Loans and loan guarantees:</b>		
Community Development Block Grant	14.218	1,138,764
HOME program	14.239	<u>1,314,975</u>
<b>Adjusted total expenditures per Schedule of Expenditures of Federal Awards</b>		<b><u>\$ 101,647,179</u></b>

The City Police owe a liability of grant monies to the federal grants.

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**RECONCILIATION OF SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2005**

	Expenditures		Total
	Federal	Non-Federal	
<b>General Fund</b>	<u>\$ 65,363</u>	<u>\$ 337,783,132</u>	<u>\$ 337,848,495</u>
<b>Special Revenue Funds:</b>			
Community Development	5,799,933	112,460	5,912,393
Operating Grants Fund	16,143,644	11,280,977	27,424,621
Metropolitan Redevelopment Fund	-	298,823	298,823
Law Enforcement Protection	367,638	1,819,634	2,187,272
Culture and Recreation Projects	<u>24,000</u>	<u>377,533</u>	<u>401,533</u>
<b>Total Special Revenue Funds</b>	<u>22,335,215</u>	<u>13,889,427</u>	<u>36,224,642</u>
<b>Capital Projects Funds:</b>			
Capital Acquisition Fund	15,914,370	126,272,816	142,187,186
Transportation Infrastructure Tax Fund	-	<u>25,344,089</u>	<u>25,344,089</u>
<b>Total Capital Projects Funds</b>	<u>15,914,370</u>	<u>151,616,905</u>	<u>167,531,275</u>
<b>Enterprise Funds:</b>			
Airport Fund	6,160,606	47,669,620	53,830,226
Transit Fund	23,078,404	14,880,129	37,958,533
Housing Authority Fund	<u>24,810,054</u>	<u>2,486,614</u>	<u>27,296,668</u>
<b>Total Enterprise Funds</b>	<u>54,049,064</u>	<u>65,036,363</u>	<u>119,085,427</u>
<b>Component Unit:</b>			
Water Utility	<u>6,829,428</u>	<u>112,079,992</u>	<u>118,909,420</u>
<b>TOTAL</b>	<u>\$ 99,193,440</u>	<u>\$ 680,405,819</u>	<u>\$ 779,599,259</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**FINANCIAL DATA SCHEDULE**  
**ALBUQUERQUE PUBLIC HOUSING AUTHORITY**  
Year Ended June 30, 2005

FDS Line Item No.	Low Rent Public Housing	Public Housing Capital Fund	Public and Indian Housing Drug Elimination
<b>ASSETS</b>			
Current assets:			
111	\$ 10,123,780	\$ -	\$ -
115	Cash - Restricted for Payment of Current Liabilities 57,071	-	-
113	Cash - Restricted Other 151,375	-	-
100	<u>Total Cash 10,332,226</u>	<u>-</u>	<u>-</u>
Accounts Receivable:			
122	HUD Other Projects 40,820	139,931	-
125	Miscellaneous 9,013	-	-
126	Tenants - Dwelling Rents 279,765	-	-
Allowance for Doubtful Accounts:			
126.1	Dwelling Rents (32,522)	-	-
126.2	Other -	-	-
120	<u>Total Receivables, net of allowances for doubtful accounts 297,076</u>	<u>139,931</u>	<u>-</u>
142	Prepaid Expenses and Other Assets -	9,647	-
143	Inventories 171,551	-	-
143.1	Allowance for Obsolete Inventories (8,182)	-	-
144	Interprogram Due From 1,938,221	144	-
150	<u>Total Current Assets 12,730,892</u>	<u>149,722</u>	<u>-</u>
Property and equipment:			
161	Land 3,767,389	-	-
162	Buildings 48,239,868	2,662,992	-
163	Furniture, Equipment & Machinery, Dwellings -	4,690	-
164	Furniture, Equipment & Machinery, Administration 644,357	181,234	-
166	Less Accumulated Depreciation (39,009,955)	(91,193)	-
167	Construction In Progress -	466,755	-
160	<u>Total property and equipment 13,641,659</u>	<u>3,224,478</u>	<u>-</u>
174	Other Assets -	-	-
180	<u>Total Noncurrent Assets 13,641,659</u>	<u>3,224,478</u>	<u>-</u>
190	<u>TOTAL ASSETS \$ 26,372,551</u>	<u>\$ 3,374,200</u>	<u>\$ -</u>

Residential Opportunity and Supportive Services	Section 8 HCV	Section 8 SR0004	Section 8 MR0002	Section 8 MR0003	Total
\$ -	\$ 2,020,612	\$ 63,097	\$ 37,132	\$ 42,150	\$ 12,286,771
-	-	-	-	-	57,071
-	130,206	-	-	-	281,581
-	2,150,818	63,097	37,132	42,150	12,625,423
10,804	161,625	-	1,270	-	354,450
-	229,702	-	-	537	239,252
-	-	-	-	-	279,765
-	-	-	-	-	(32,522)
-	(43,251)	-	-	(537)	(43,788)
10,804	348,076	-	1,270	-	797,157
-	-	-	-	-	9,647
-	-	-	-	-	171,551
-	10,751,228	6,065	3,560	3,560	(8,182)
10,804	13,250,122	69,162	41,962	45,710	12,702,778
-	-	-	-	-	26,298,374
-	-	-	-	-	3,767,389
-	-	-	-	-	50,902,860
-	102,259	12,449	21,209	-	4,690
-	(57,381)	(12,449)	(21,209)	12,449	973,957
-	-	-	-	(12,449)	(39,204,636)
-	-	-	-	-	466,755
-	44,878	-	-	-	16,911,015
-	-	-	-	-	-
-	44,878	-	-	-	16,911,015
\$ 10,804	\$ 13,295,000	\$ 69,162	\$ 41,962	\$ 45,710	\$ 43,209,389

CITY OF ALBUQUERQUE, NEW MEXICO  
 FINANCIAL DATA SCHEDULE  
 ALBUQUERQUE PUBLIC HOUSING AUTHORITY  
 Year Ended June 30, 2005

FDS Line Item <u>No.</u>	<u>Low Rent Public Housing</u>	<u>Public Housing Capital Fund</u>	<u>Public and Indian Housing Drug Elimination</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Current liabilities:			
311	\$ -	144	-
312	200,877	139,931	-
321	493,381	-	-
322	79,887	9,647	-
Accounts payable:			
331	-	-	-
341	175,540	-	-
345	114,877	-	-
346	-	-	-
347	-	-	-
	<u>1,426,747</u>	<u>-</u>	<u>-</u>
310	<u>2,491,309</u>	<u>149,722</u>	<u>-</u>
Long-term Debt, Net of Current - Capital Projects/			
351	Mortgage Revenue Bonds	-	-
353	Noncurrent liabilities - other	-	-
	<u>2,910</u>	<u>-</u>	<u>-</u>
350	<u>922,093</u>	<u>-</u>	<u>-</u>
300	<u>3,413,402</u>	<u>149,722</u>	<u>-</u>
Fund Equity:			
Contributed capital:			
508	-	-	-
508.1	13,641,658	3,224,478	-
511	-	-	-
511.1	-	-	-
512.1	9,317,491	-	-
	<u>22,959,149</u>	<u>3,224,478</u>	<u>-</u>
513	<u>22,959,149</u>	<u>3,224,478</u>	<u>-</u>
600	<u>\$ 26,372,551</u>	<u>\$ 3,374,200</u>	<u>\$ -</u>



Residential Opportunity and Supportive Services	Section 8 HCV	Section 8 SR0004	Section 8 MR0002	Section 8 MR0003	Total
-	-	-	-	-	144
-	-	-	-	-	340,808
10,804	-	-	-	-	504,185
-	66,168	205	120	120	156,147
-	102,343	8,944	2,229	2,645	116,161
-	-	-	-	-	175,540
-	245,170	-	-	537	360,584
-	8,689	28	17	16	8,750
<u>10,804</u>	<u>11,195,667</u>	<u>47,511</u>	<u>27,887</u>	<u>27,887</u>	<u>12,725,699</u>
<u>10,804</u>	<u>11,618,037</u>	<u>56,688</u>	<u>30,253</u>	<u>31,205</u>	<u>14,388,018</u>
-	-	-	-	-	919,183
<u>-</u>	<u>130,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,116</u>
<u>-</u>	<u>130,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052,299</u>
<u>10,804</u>	<u>11,748,243</u>	<u>56,688</u>	<u>30,253</u>	<u>31,205</u>	<u>15,440,317</u>
-	-	-	-	-	-
-	-	-	-	-	16,866,136
-	-	-	-	-	-
<u>-</u>	<u>1,546,757</u>	<u>12,474</u>	<u>11,709</u>	<u>14,505</u>	<u>10,902,936</u>
<u>-</u>	<u>1,546,757</u>	<u>12,474</u>	<u>11,709</u>	<u>14,505</u>	<u>27,769,072</u>
<u>\$ 10,804</u>	<u>\$ 13,295,000</u>	<u>\$ 69,162</u>	<u>\$ 41,962</u>	<u>\$ 45,710</u>	<u>\$ 43,209,389</u>

CITY OF ALBUQUERQUE, NEW MEXICO  
 FINANCIAL DATA SCHEDULE  
 ALBUQUERQUE PUBLIC HOUSING AUTHORITY  
 Year Ended June 30, 2005

FDS Line Item No.	Low Rent Public Housing	Public Housing Capital Fund	Public and Indian Housing Drug Elimination
Operating revenues:			
703	\$ 1,706,978	\$ -	\$ -
706	1,666,280	401,579	-
706.1	227,956	850,676	-
711	187,230	-	-
714	-	-	-
715	12,595	-	-
700	<u>3,801,039</u>	<u>1,252,255</u>	<u>-</u>
Operating expenses:			
911	105,653	90,462	-
912	8,750	-	-
914	5,846	-	-
915	53,168	37,734	-
916	133,308	229,942	-
921	295,098	-	-
923	125,440	-	-
924	152,966	31,654	-
931	321,936	-	-
932	177,773	-	-
933	144,639	-	-
938	144,732	-	-
Ordinary Maintenance and Operations:			
941	415,012	-	-
942	253,855	-	-
943	507,000	-	-
945	171,667	-	-
952	-	11,786	-
961	162,107	-	-
962	683	-	-
964	62,500	-	-
966	-	-	-
967	13,673	-	-
969	<u>3,255,806</u>	<u>401,578</u>	<u>-</u>
970	<u>545,233</u>	<u>850,677</u>	<u>-</u>
Non operating expenses:			
973	-	-	-
974	2,642,781	76,630	-
Total non operating expenses:			
	<u>2,642,781</u>	<u>76,630</u>	<u>-</u>
900	<u>5,898,587</u>	<u>478,208</u>	<u>-</u>
1010	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of			
1000	<u>\$ (2,097,548)</u>	<u>\$ 774,047</u>	<u>\$ -</u>

<u>Residential Opportunity and Supportive Services</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706,978
10,804	21,741,277	36,023	26,135	24,402	23,906,500
-	-	-	-	-	1,078,632
-	39,804	120	80	80	227,314
-	72,760	-	604	493	73,857
-	72,910	-	604	493	86,602
<u>10,804</u>	<u>21,926,751</u>	<u>36,143</u>	<u>27,423</u>	<u>25,468</u>	<u>27,079,883</u>
7,616	1,202,538	3,633	2,422	2,422	1,414,746
-	8,689	26	18	18	17,501
-	(1,839)	(6)	(4)	(4)	3,993
3,188	499,169	1,508	1,005	1,005	97,608
-	476,267	1,491	624	624	865,158
-	-	-	-	-	771,365
-	-	-	-	-	125,440
-	-	-	-	-	184,620
-	-	-	-	-	321,936
-	-	-	-	-	177,773
-	-	-	-	-	144,639
-	-	-	-	-	144,732
-	-	-	-	-	415,012
-	-	-	-	-	253,855
-	-	-	-	-	507,000
-	-	-	-	-	171,667
-	117,015	369	220	-	11,786
-	216	1	-	220	279,931
-	-	-	-	-	900
-	40,315	-	-	-	62,500
-	17,747	-	507	253	41,075
<u>10,804</u>	<u>2,360,117</u>	<u>7,076</u>	<u>4,828</u>	<u>4,574</u>	<u>6,044,783</u>
-	19,566,634	29,067	22,595	20,894	21,035,100
-	19,291,972	28,857	22,203	20,542	19,363,574
-	15,578	-	-	-	2,734,989
-	19,307,550	28,857	22,203	20,542	22,098,563
<u>10,804</u>	<u>21,667,667</u>	<u>35,933</u>	<u>27,031</u>	<u>25,116</u>	<u>28,143,346</u>
-	-	-	-	-	-
\$ -	\$ 259,084	\$ 210	\$ 392	\$ 352	\$ (1,063,463)

CITY OF ALBUQUERQUE, NEW MEXICO  
 FINANCIAL DATA SCHEDULE  
 ALBUQUERQUE PUBLIC HOUSING AUTHORITY  
 Year Ended June 30, 2005

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	24,627,215	3,630,257	-
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	429,482	(1,179,826)	-
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	11,448	-	-
1121	Number of Unit Months Leased	11,206	-	-

<u>Residential Opportunity and Supportive Services</u>	<u>Section 8 HCV</u>	<u>Section 8 SR0004</u>	<u>Section 8 MR0002</u>	<u>Section 8 MR0003</u>	<u>Total</u>
-	-	-	-	-	-
-	1,409,183	12,121	6,819	13,381	29,698,976
-	(121,510)	143	4,498	772	(866,441)
-	21,447,263	21,540	24,154	28,766	21,521,723
-	-	-	-	-	-
-	<u>2,340,865</u>	<u>233,534</u>	<u>675,473</u>	<u>133,849</u>	<u>3,383,721</u>
-	<u>23,788,128</u>	<u>255,074</u>	<u>699,627</u>	<u>162,615</u>	<u>24,905,444</u>
-	46,212	144	84	84	57,972
-	45,891	142	78	75	57,392

**Independent Auditors' 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***

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the financial statements of the City of Albuquerque, New Mexico (City) as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2005. We have also audited each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds and the supplementary information as of and for the year ended June 30, 2005. 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.

**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 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 01-17, 02-21, 05-01 to 05-13.

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

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

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 01-17, 02-21, 05-01 to 05-13.

This report is intended solely for the information and use of management, 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 16, 2005

# NEFF + RICCI LLP

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

## **Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

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

### Compliance

We have audited the compliance of the City of Albuquerque, New Mexico (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of



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

noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 01-18, 03-18 and 05-14 to 05-16.

#### 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 management, 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 16, 2005

**CITY OF ALBUQUERQUE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Albuquerque (City).
2. Fifteen 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. Five 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:

	<b>CFDA No.</b>
Section 8 Choice Vouchers	14.871
Local Law Enforcement Block Grant	16.592
Community Development Block Grants/Entitlement Grants	14.218
Public and Indian Housing	14.850
Public Assistance Grants	97.036

8. The dollar threshold for Type A programs of the City is \$2,975,803.
9. The City was determined to be a low risk auditee.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**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 expenditures are to be within budgeted amounts.

*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 of attain the necessary data for future budgeting.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**02-21 Capital Asset Inventory**

*Condition.* The City performed a physical inventory of its buildings in 2003 and an inventory of equipment and other assets in 2005 in order to comply with GASB 34. The City deleted approximately \$45,000,000 during 2005 based on the inventory but we saw no additions to the list or asset transfers. The physical inventory noted several departments in which deletions may not be accurate. For example, a vehicle purchased during 2004 was deleted when in fact it was transferred to another department. There was also a motorcycle that was not added that was then wrecked without the insurance proceeds recorded.

*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 physical inventory revealed some additional steps and verification of assets remaining.

*Effect.* To maintain adequate accountability, the City should continue to verify the physical inventory performed and adjust the records accordingly.

*Cause.* The completion of a physical inventory, the size of the City is a large project and was dependent on proper information provided by the departments. The departments deleted items that could not be located, but did not add items that they had not on the inventory list.

*Recommendation.* We recommend that proper resources of funding and personnel be allocated to complete this project.

*Management Response.* We concur with this finding. The Accounting Division will ensure that City departments retain supporting documentation related to inventory adjustments.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-01 Travel Procedures**

*Condition.* Travel Cards (T-Card) transactions were tested for compliance. We noted one instance (out of 18 tested) not in compliance with City travel and per diem policies and procedures. In this case, the T-1 was prepared after “booking the tickets” and approved after the travel occurred. In addition, the T-7, which grants exemptions from the standard hotel rates, was also approved after the actual dates of travel.

*Criteria.* City travel authorization guidelines state that requests must be submitted and approved in advance of both “booking the tickets” and the actual travel. It also states that if the maximum allowable hotel rates are not adequate due to exceptional circumstances, the Department Director may request an exemption by submitting to the DFAS Director for approval in advance of the trip.

*Cause.* Non-compliance with City regulations.

*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 be properly approved by the authorized individual in accordance with the regulations.

*Management Response.* We concur with this finding. The department involved will be instructed as to the contracts of the travel rules and regulations and the necessity to follow as such.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-02 Purchase Cards**

*Condition.* Based on our review of 26 P-Card transactions at the fire department, the following was noted; 17 transactions did not have documentation of prior approval, 6 transactions are for items that are specifically disallowed by the P-Card policies and procedures, including purchases for gas and airline tickets, 3 purchases were signed for by someone other than the cardholder, 20 transaction logs/reconciliations lacked documentation of a director or authorized personnel's approval and 2 invoices/receipts did not agree to the log/reconciliation.

*Criteria.* Departmental policies and procedures over P-Cards require that there is pre-approval on all purchases, the log/reconciliation of p-card purchases is to be reviewed by the director on a weekly basis, purchases of gas and airline tickets are specifically disallowed, and cardholders are the only parties allowed to sign for transactions.

*Cause.* It appears that there is a lack of adequate internal controls and formal policies and procedures are not in place at the department level.

*Effect.* Non-compliance with department policies and procedures.

*Recommendation.* We recommend that management continues to emphasize that P-card policies and procedures are adhered to in all cases. In addition, formal policies and procedures should also be developed at the department level.

*Management Response.* We concur with this finding. The Fire Department discovered some unallowable purchases during the fiscal year. The department reviewed and improved its own pre-approval procedures. All card holders and coordinators have been instructed on the new procedures.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-03 Metropolitan Detention Center**

*Condition.* During our payroll testing we noted 1 of 16 employees of the Metropolitan Detention Center (MDC) was improperly paid. This employee was paid for regular hours and overtime hours for the same time and shift worked for three consecutive days. The employee submitted a timesheet and an adjusted hour's worksheet for the same time/shift. These forms were both signed by the employee and the supervisor.

*Criteria.* The employee, supervisor and payroll clerk are all responsible for verifying the accuracy of time sheets and supporting payroll documentation. Any discrepancies should be investigated and times/shifts worked should be compared.

*Cause.* The time sheet was filled out incorrectly.

*Effect.* The employee was paid for 24.5 hours at the overtime rate. Since the employee was paid regular pay for 24 hours and another 24.5 of overtime it would be considered a duplicate payment.

*Recommendation.* Payroll forms should be scrutinized for accuracy in hours worked and times/shifts worked.

*Management Response.* We concur with this finding. All personnel will be instructed on the importance of accurate information on payroll forms.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-04 Controls Over Purchase Cards (P-Cards)**

*Condition.* Based on our review of 49 P-Card transactions, the following items were noted; approval of transactions is not consistently documented by all departments as to who should approve and when the approval should occur. Transaction logs and reconciliations are not consistently reviewed and/or approved by the authorized person, and there is not consistent documentation of procedures used to verify available City contracts and/or availability of items housed at the City warehouse.

*Criteria.* Current P-Card policies related to the items in the condition are as follows: Purchase card policies and procedures require approval of the purchase, the log/reconciliation of p-card purchases is required to be reviewed by the authorized individual on a weekly basis, and verification that the item to be purchased is not provided by City contracts and not held at the City warehouse is required prior to purchase.

*Cause.* Policies and procedures over P-Cards do not require written documentation or pre-approval of all purchases consistently. Since the policies and procedures are determined on the departmental level, there is no consistent application or documentation.

*Effect.* The current procedures increase the risk of non-compliance and opportunity for fraudulent activities.

*Recommendation.* We recommend formal policies and procedures be developed at the appropriate level and adherence be monitored and reviewed by appropriate management level to determine if citywide purchasing standards are being followed.

*Management Response.* We respectfully disagree with this finding. The City feels that the current policies and procedures provide adequate controls to detect unauthorized use of the Purchasing Card.



**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-05 Solid Waste Inventory**

*Condition.* During our inventory observation test work, we noted 7 obsolete inventory items listed on the master inventory list. The amount of obsolete inventory was \$813. These items could not be located during year-end physical inventory procedures but were on the final inventory listing. We also noted that the perpetual inventory listing did not agree to the physical count done at year end. The counts for 28 out of 50 items tested did not agree.

*Criteria.* The inventory listing should be maintained and include only inventory items that are in stock and not obsolete. Also, the perpetual inventory should agree to physical counts at year end.

*Cause.* The inventory listing is not being properly reviewed and obsolete items are not being promptly removed. In addition, final inventory count sheets are not being used to complete year-end inventory procedures. Also, the general ledger is adjusted at year end to match the physical inventory without verification of what the cause for differences in perpetual inventory is.

*Effect.* Inventory is overstated.

*Recommendation.* The physical inventory counts should be reconciled to the master inventory list. Historical activity should be verified within the inventory system and any obsolete items need to be removed from the system. We also recommend that all inventories be reviewed for year end adjustments and determine causes for these adjustments.

*Management Response.* We concur with your recommendation. We are now performing monthly inventories of selected areas, concentrating on parts with high dollar value and high usage. Differences are being researched to determine reasons for discrepancies and corrective action is taken when necessary.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-06 Cash Handling – Albuquerque Bio Park Division (Cultural Services Department)**

*Condition.* During our review of reports prepared by the Office of Internal Audit and Investigations, we noted compliance issues relating to the Bio Park. Cash handlers have not all received the required City Cash handling training. Another requirement of the City Cash Handling Manual was not followed regarding custodial statements.

*Criteria.* The City Cash Handling Manual requires cash controls in many areas including required training and custodial statements. These requirements were not being followed by the division.

*Cause.* Constraints of staffing and Bio Park hours of operation caused employee changes and the training and policies were not followed.

*Effect.* The City's exposure to loss of monies is increased because policies and procedures are not being followed.

*Recommendation.* All training and cash controls should be followed as required by City policy.

*Management Response.* We concur with the recommendation. The Bio Park is working toward 100% compliance by training all its cashiers and cash handlers, and following the City's Cash Handling Manual requirements.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-07 Payroll Audit - Legal Department**

*Condition.* During our review of reports prepared by the Office of Internal Audit and Investigations, we noted payroll processing for the Legal Department did not follow City policy and lacked proper segregation of duties.

*Criteria.* Administrative instruction No. 7-6, states that Department directors and supervisory staff are responsible for insuring that the procedures for accurately recording leave are followed and that records and supporting documentation are properly maintained.

*Cause.* The Legal Department is not following and not in compliance with City Personnel Rules and Regulations and the approved Department Leave Plan. Also an adequate review process is not in place.

*Effect.* Without proper review and separation of duties, necessary for good internal controls, the recording and processing of payroll for the department is not accurate.

*Recommendation.* We recommend that all supervisors and employees comply with all City personnel rules and regulations. We also recommend a proper review process and that all adjustments to payroll be properly documented.

*Management Response.* The Legal Department agrees with the findings and has implemented procedures to ensure compliance with all City personnel rules and regulation. Payroll duties are now properly segregated. In addition, supervisory staff members have been informed of their responsibility to ensure that procedures for accurately recording leave are followed and that payroll records and support documentation, including payroll adjustments, are properly maintained.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-08 Transit Department Revenue**

*Condition.* Cash and revenue reporting at the transit department are not adequate. A theft of cash and possible fraud concerning an unknown amount of bus passes and tokens occurred. City policies and procedures are not being followed regarding cash handling training, custodian statements, and notifications to treasury for overages and shortages.

*Criteria.* The City Cash Handling Manual requires cash controls in many areas including training and custodial statements. These requirements were not being followed by the division.

*Cause.* Insufficient training, supervision and review of all employees handling cash contribute to improper following of procedures. Also, there were 28 transit employees who had card key access to the teller area and were not involved in the customer service or teller functions.

*Effect.* There is increased risk of loss of public monies as well as approximately \$700 in cash and an unknown amount of bus passes and tokens have been reported stolen.

*Recommendation.* We recommend that the transit department follow City policies and procedures and that the department directors review and verify compliance.

*Management Response.* Transit concurs with the recommendation. Transit has corrected the issue with employees having card key access to the teller area. Only employees with a need have access. The issue of cash handling training and custodial statements have been complied with; all employees handling cash have received cash handling training and signed a custodian statement of responsibility (these are on file in the Finance division). All overages and shortages are posted to cashbook remote ledger.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-09 State Auditor Notification**

*Condition.* Improper use of a purchase card by a City employee was not disclosed to the State Auditor. There was also another instance of a stolen computer not disclosed.

*Criteria.* Pursuant to Section 12-6-6, NMSA 1978, the City shall notify the State Auditor immediately, in writing, upon discovery of all possible criminal statute violation in connection with its financial affairs.

*Cause.* City personal responsible for reporting were not advised.

*Effect.* Non-compliance with 2.2.2 NMAC Audit Rule 2005 and State requirements.

*Recommendation.* We recommend City follow all State requirements and verify that all notifications are sent to the State Auditor in a timely manner.

*Management Response.* The City concurs with this finding and the City has changed its procedures to insure proper notification.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-10 False Alarms Service Fees (Fund 287)**

*Condition.* The following deficiencies related to the treatment of receivables and revenues from false alarms service fees were noted;

- Approximately 70% of receivables are greater than 120 days past due and only minimal, if any, collection efforts have been made.
- Reconciliations of the A/R detail listing and general ledger are not being completed on a regular basis.
- Revenues are not being posted to the correct fund consistently and on a timely basis.
- Computer purchases were not received by the alarm unit

*Criteria.* Administrative Instruction No. 2 states that each department shall be responsible for reconciling its A/R to the centralized GL system on a monthly basis. It also states that the department shall be responsible for collection efforts and to coordinate with the Treasury Department for combined efforts. In addition, the Alarm Ordinance, Section 9-3-16 requires that false alarm service fees should be recorded in the general fund.

*Cause.* False alarm fees are not considered to be a significant part of APD and, therefore, efforts in this area have been limited.

*Effect.* Non-compliance with Administrative Instruction No. 2-2 and overstatement of accounts receivable and other assets.

*Recommendation.* We recommend City follow all Ordinances and Administrative Instructions and make considerable efforts to collect all receivables.

*Management Response.* The false alarm unit is complying with the collection procedures outlined in Administrative Instruction 2-2 as to the best of our abilities. Restrictions on staffing numbers prohibit complete adherence to the policy, but the Department will continue to develop plans for implementation of additional collection procedures.

The false alarm unit reconciles bank information to the false alarm software information and to the general ledger source data on a daily basis. The Department agrees that the information should also be reconciled to the City general ledger when the month end information is available and will implement procedures to do so.

The current general ledger system does not interface with the false alarm software system to post revenue entries automatically to the correct fund. Reports are run on the false alarm software system to collect the information needed which is then manually recorded in the City general ledger system. During FY05, the procedure was changed from

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-10 False Alarms Service Fees (Fund 287) (Continued)**

recording the manual adjusting journal entry annually to recording it quarterly. The revenue that should be going into the General fund rather than the False Alarm fund is being moved. The Department disagrees with this finding and believes that the revenues are being posted to the correct fund consistently and on a timely basis and that the Department is complying with all Ordinances and Administrative Instructions related to this reported deficiency.

The alarm unit did receive purchased computers. Comparable computer equipment was delivered to the alarm unit from technical services as opposed to the exact equipment and serial numbers that were listed on the false alarm invoices. Procedures were implemented in FY05 to ensure that the same, not comparable, equipment be delivered to the false alarm unit when purchased. The Department believes that it has complied with all Ordinances and Administrative Instructions related to this reported deficiency.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-11 Fixed Assets – Albuquerque Bernalillo County Water Utility Authority**

*Condition.* During our testwork of fixed assets for the Water Utility Authority, it was determined that additions to capitalized meters were understated.

*Criteria.* Asset additions should be reconciled to supporting documentation.

*Cause.* The Water Utility Authority has not implemented procedures reconciling meter additions per the books to supporting documentation.

*Effect.* Assets are understated.

*Recommendation.* We recommend the Water Utility Authority implement procedures ensuring that financial data agrees to supporting documentation.

*Management Response.* We agree with the finding. The Utility's billing system generates a report that shows all new meters installed during the fiscal year. These reports are used by New Services, who provides this information to the Water Systems Division to calculate the capitalized meter amount. New Service's provided Water Systems the incorrect meter count. The Utility is implementing policy in which when New Services provides the meter count to Water Systems they must also provide the reports to support the count given. Water Systems will not use any information from New Services without the proper support. All capitalized meter information submitted the City of Albuquerque's accounting group will include all the appropriate support as well.



**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-12 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, 2005.

*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, 2005 is 1.29

*Cause.* Insufficient revenue to comply with coverage requirement.

*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 concur with this finding. The City will review expenditures relative to revenues and make appropriate adjustments to ensure compliance with coverage requirements.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**05-13 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 2005, *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.* Staff changes.

*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 are taking actions to prevent this situation in the future.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**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, 2005**

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

**03-18 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 and each in fund.

*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, 2005**

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

**05-14 Late Filing on Status Reports  
Community Development Block Grant – CFDA #14.218**

**Questioned Costs: None**

*Condition.* We noted during our test work of the reporting requirement for the CDBG grant, the Financial Status Reports was filed past the required deadline.

*Criteria.* Per review of the grant compliance supplement, the City is required to submit quarterly financial status reports to the granting agency within 15 days of the close of the quarter.

*Cause.* Unknown.

*Effect.* Non-compliance with grant requirement increases possible questioned costs and additional review by the granting agency.

*Recommendation.* We recommend that all grant requirements be followed and all required reports be filed within the specified time frame.

*Management Response.* The City concurs with this finding. In most instances the City is able to comply with the Federal Requirement given that the COA's Central Accounting Division closes the books 10 working days after the month end. However, there are occasional anomalies - December 2004 was one. December 2004 books did not close until January 20, 2005, which was 14 working days, following the end of the quarter. City staff needs 2 working days to reconcile GL Transactions to invoices and draws before completing Form 272. It generally takes an additional 2 working days for signature routing and delivery to the local HUD office. This has not been an issue with the local HUD office given the City's continuing effort to submit the report as soon as possible.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

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

**05-15 Period Of Availability**

**Public Assistance Grant – CFDA #97.036**

**Questioned Costs: \$998,092**

*Condition.* We noted during our testwork of grant revenues and related receivables, for the Albuquerque Bernalillo County Water Utility Authority, that \$998,092 of expenditures related to this program (FEMA Project 53) may be determined ineligible since work was performed subsequent to the cut-off date.

*Criteria.* Per review of correspondence related to this project, the Grant required the project to be completed within six months.

*Cause.* Water Utility Department staff were unaware of the six month time frame.

*Effect.* The Water Utility is now at risk to pay for a project with Utility funds instead of Federal funds.

*Recommendation.* We recommend that the Water Utility develop procedures to monitor deadlines to help ensure that projects are completed timely and can be reimbursed with Federal funds.

*Management Response.* We agree with the finding. The issue stems from a misunderstanding with the Authority and the New Mexico Department of Public Safety. It was the Authority's understanding based upon the contract signed between the Utility and the State that all the projects had a time period of one year. After the one year time period we are allowed to request extensions. As this relates to project 53 the period to complete the project was only 6 months, and work performed after that required an extension. The Utility was tracking this monthly, but was working under the year time table. The Authority is working with the State and FEMA to fix this problem. From the beginning, procedures have been in place to monitor these deadlines. Reports are filed quarterly with the State, and again the problem was not identified by the State until FEMA notified them of the time requirements.

**CITY OF ALBUQUERQUE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

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

**05-16 GRANT EXPENDITURES**

**EPA Grant – CFDA # 66.001 & 66.034**

**Questioned Costs: \$342,378**

*Condition.* During the current year, the City underwent a program audit relating to the EPA/AIR Quality grant. It was determined that \$342,378 were unallowable grant costs for grant periods for 2002 and 2003. This amount consisted of \$128,710 in costs that lacked supporting documentation and \$213,668 was disallowed. This amount has been repaid to EPA.

*Criteria.* Grant awards specifically state what expenditures are allowed and what will be reimbursed by the grantor. The award also states that all supporting documentation is required for reimbursement.

*Cause.* Procedures were not established and reviewed to ensure proper costs.

*Effect.* The City is not in compliance with grant requirements. This may effect future funding related to EPA/Air Quality grants.

*Recommendation.* The City should provide additional training to any individuals responsible for expending grant funds. Also the City should strengthen controls with review procedures and stress the importance of supporting documentation.

*Management Response.* Subsequent to the EPA audit in Fiscal Year 2004, the Environmental Health Department, Air Quality Division developed written procedures that became Divisional Standard Operating Procedures. All staff members that administer EPA grants have been instructed in these procedures. The Department has also added a position to coordinate grant administration.

**CITY OF ALBUQUERQUE  
STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS  
Year Ended June 30, 2005**

**REPORTABLE CONDITIONS**

01-09	Disaster Recovery Plan	Resolved
01-11	Capital Assets – Transit Department	Resolved
01-17	Budget Overspending	Repeated
02-21	Capital Asset Inventory	Revised
01-18	Federal Claim	Repeated
03-18	Reporting Federal Grants	Repeated
04-01	Transit Division Inventory	Resolved
04-02	Radio Communications Inventory	Resolved
04-03	Disposition of City Property	Resolved
04-04	Payroll Metropolitan Detention Center Department	Resolved
04-05	Travel Arrangements Inconsistent with Travel Regulations	Revised see 05-01
04-06	Barelas Community Write-Off	Resolved
04-07	Theft of Cash at Transit	Resolved
04-08	Purchase Cards	Revised see 05-02 & 03
04-09	Debt Service Coverage for Golf Bond	Revised see 05-12
04-10	Housing Authority Inventory Overstatements	Resolved
04-11	Housing Authority-Lack of Segregation of Duties	Resolved
04-12	Water Authority Capital Assets	Resolved
04-13	Apartment Capital Assets	Resolved
04-14	Audit Report Due Date	See Current Year 05-13
04-15	State Auditor Notification	Resolved
04-16	Apartment Fund-Accounting Oversight Within the City and Internal Control	Resolved
04-17	Apartment Inter-fund Transactions	Resolved
04-18	Unbilled Receivables-Capital Acquisition Fund	Resolved
04-19	COPS	Resolved
04-20	Section 8 Housing Choice Vouchers	Resolved
04-21	Albuquerque Police Department Expenditures – All Grants from US Department of Justice with Fiscal Year Expenditures	Resolved
04-22	Open Space Division Grants-Department of Justice	Resolved



# **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**

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**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS**  
**June 30, 2005**

Financial Institution: Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
<b>Wells Fargo Bank</b>				
APD Evidence	Checking	\$ 1,671,747	\$ (12,694)	\$ 1,659,053
APD SID	Checking	30,461	-	30,461
APD SID	Checking	503,262	(1,799)	501,463
APD SID	Checking	10,343	-	10,343
Las Cruces Land	Savings	43,117	-	43,117
		<u>2,258,930</u>	<u>(14,493)</u>	<u>2,244,437</u>
<b>Bank of America</b>				
Common Fund	Checking	138,176,842	(231,027)	137,945,815
Payroll	Checking	-	6,803,215	6,803,215
Accounts Payable	Checking	-	(15,396,575)	(15,396,575)
Water Clearing	Checking	-	234,075	234,075
Real Property	Checking	385	(385)	-
Employee Health Services	Checking	2,207	(180)	2,027
Corrections	Checking	253,307	(135,184)	118,123
Water Utility Escrow Deposits	Checking	145,398	(145,398)	-
		<u>138,578,139</u>	<u>(8,871,459)</u>	<u>129,706,680</u>
<b>New Mexico Bank &amp; Trust (all related to The Apartments Fund)</b>				
F&CS Department - Operating Custodial	Checking	64,457	-	64,457
<b>Compass Bank</b>				
Attorney's Cost Advance	Checking	5,625	(5,625)	-
<b>First State Bank</b>				
Common Fund	Checking	1,500,594	-	1,500,594
Water Clearing	Checking	2,556,804	(36,025)	2,520,779
Housing Authority - Public Housing	Checking	3,115,096	(128,232)	2,986,864
Housing Authority - Section 8	Checking	-	-	-
Housing Authority - Section 8	Checking	2,425,001	(77,421)	2,347,580
Housing Authority - Modernization	Checking	-	(144)	(144)
Housing Authority - Public Housing FSS Escrow	Checking	2,910	(2,910)	-
Housing Authority - Section 8 FSS Escrow	Checking	130,206	(130,206)	-
		<u>9,730,611</u>	<u>(374,938)</u>	<u>9,355,673</u>
<b>Total bank accounts book balance</b>		<u>150,637,762</u>	<u>(9,266,515)</u>	<u>141,371,247</u>
<b>Bank 1st</b>				
Certificate of Deposit	Investment	100,000	-	100,000
<b>Union Savings Bank</b>				
Certificate of Deposit	Investment	100,000	-	100,000
<b>Total certificate of deposit balance</b>		<u>200,000</u>	<u>-</u>	<u>200,000</u>
<b>Total bank balances</b>		<u>\$ 150,837,762</u>	<u>\$ (9,266,515)</u>	<u>\$ 141,571,247</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTIONS**  
**June 30, 2005**

<u>Financial Institution Account name</u>	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Outstanding (Checks) Deposits</u>	<u>Book Balance</u>
<b>Bank of America</b>				
Short-Term Investment Account	Investment	\$ 240,000,000	\$ -	\$ 240,000,000
Working Capital Account	Investment	399,000,000	(4,191,819)	394,808,181
<b>State of New Mexico</b>				
<b>Investment Council</b>				
Core Bond Fund	Investment	21,488,014	-	21,488,014
Core Bond Fund	Investment	6,089,654	-	6,089,654
<b>State of New Mexico</b>				
<b>Local Government Investment Pool</b>				
LGIP Fund Pool-4101	Investment	6,928,630	(196,232)	6,732,398
<b>New Mexico Finance Authority</b>				
New Mexico Local Government Investment Pool	Investment	847,194	-	847,194
<b>Bank of Albuquerque</b>				
U.S. Treasury Money Market Fund	Investment	990,377	2,065	992,442
U.S. Treasury Money Market Fund	Investment	1,016,973	-	1,016,973
U.S. Treasury Money Market Fund	Investment	302,134	-	302,134
U.S. Treasury Money Market Fund	Investment	-	182,573	182,573
U.S. Treasury Money Market Fund	Investment	457,922	-	457,922
<b>Wells Fargo Trust in Denver, Colorado</b>				
U.S. Treasury Money Market Fund	Investment	33,255		33,255
U.S. Treasury Money Market Fund	Investment	33,607		33,607
U.S. Treasury Money Market Fund	Investment	2,647,166	781	2,647,947
<b>Subtotal</b>		<u>679,834,926</u>	<u>(4,202,632)</u>	<u>675,632,294</u>
<b>Other adjustments to reconcile</b>				
<b>total investments to book balance</b>				
Unrealized gain (loss) on investments		-	-	-
<b>Total investments</b>		<u>\$ 679,834,926</u>	<u>\$ (4,202,632)</u>	<u>\$ 675,632,294</u>

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTIONS**  
June 30, 2005

Financial Institution Collateral Description	Original Face	Current Face	Current Market	Maturity Date	Coupon Rate
<b>Wells Fargo Bank</b>					
FNCL 555528	\$ 1,600,000	\$ 481,325	\$ 493,782	04/01/2033	6.00%
GNSF 781215	<u>8,515,000</u>	<u>869,741</u>	<u>910,378</u>	09/15/2029	6.50%
		<u>\$ 1,351,066</u>	<u>\$ 1,404,160</u>		
Location of collateral:	Wells Fargo Bank Safekeeping/Custodial Services, San Francisco, CA				
<b>New Mexico Bank &amp; Trust</b>					
FHLMC REMIC Serial 1727 Class H	\$ 100,000	\$ 74,447	<u>\$ 75,169</u>	08/15/2023	6.50%
Location of collateral:	Commerce Bank, St. Louis, MO				
<b>Bank of America</b>					
FNMA Pool 555424	not stated	\$ 2,063,079	\$ 2,102,271	05/01/2033	5.50%
FNMA Pool 555743	not stated	32,284,618	32,459,054	09/01/2033	5.00%
FNMA Pool 555743	not stated	<u>39,232,736</u>	<u>39,444,712</u>	09/01/2033	5.00%
		<u>\$ 73,580,433</u>	<u>\$ 74,006,037</u>		
Location of collateral:	Federal Reserve Bank, Richmond VA				
<b>First State Bank</b>					
Federal Home Loan Bank	\$ 350,000	not stated	\$ 345,408	11/14/2008	3.63%
Federal Home Loan Bank	500,000	not stated	490,470	02/13/2009	3.50%
Federal Home Loan Bank	700,000	not stated	677,691	06/30/2008	2.88%
Federal Home Loan Bank	1,000,000	not stated	991,880	08/15/2008	3.75%
Federal Home Loan Bank	150,000	not stated	148,032	11/14/2008	3.63%
FHLMC	603,835	not stated	609,479	10/01/2018	5.00%
FNMA	165,726	not stated	170,213	12/01/2007	7.00%
Bernalillo NM Muni SD #1	200,000	not stated	199,782	08/01/2009	3.00%
Southern Sandoval NM Arroyo	400,000	not stated	414,656	08/01/2014	4.00%
Federal Home Loan Bank	600,000	not stated	593,436	02/12/2007	3.20%
Federal Home Loan Bank	700,000	not stated	690,816	11/14/2008	3.63%
Federal Farm Credit Bank	1,000,000	not stated	990,000	11/15/2007	3.50%
Federal Home Loan Bank	25,000	not stated	24,664	04/01/2008	3.50%
Federal Home Loan Bank	500,000	not stated	494,220	04/23/2008	3.63%
Federal Home Loan Bank	400,000	not stated	391,252	07/21/2008	3.38%
Federal Farm Credit Bank	340,000	not stated	334,050	06/12/2008	3.38%
Federal Farm Credit Bank	400,000	not stated	396,000	11/15/2007	3.50%
Federal Home Loan Bank	1,500,000	not stated	1,471,410	02/13/2009	3.50%
Federal Farm Credit Bank	300,000	not stated	297,000	11/15/2007	3.50%
Federal Farm Credit Bank	225,000	not stated	222,750	11/15/2007	3.50%
Federal Home Loan Bank	500,000	not stated	495,940	08/15/2008	3.75%
MBS FNMA 10-YR	73,170	not stated	72,987	10/01/2013	4.50%
	<u>\$ 10,632,731</u>		<u>\$ 10,522,136</u>		
Location of collateral:	Federal Home Loan Bank, Dallas TX				
<b>Total all banks</b>			<u>\$ 86,007,502</u>		

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTIONS**  
**June 30, 2005**

The collateral for the repurchase agreements is as follows:

<u>Financial Institution</u> <u>Collateral Description</u>	<u>Original</u> <u>Face</u>	<u>Current</u> <u>Face</u>	<u>Current</u> <u>Market</u>	<u>Maturity</u> <u>Date</u>	<u>Coupon</u> <u>Rate</u>
<b>Bank of America</b>					
<b>City of Albuquerque Common Fund</b>					
FHLMC Discount Note	\$ 50,000,000	\$ 49,326,000	\$ 50,312,500	04/15/2007	3.75%
FHLMC Discount Note	50,000,000	49,326,000	50,312,500	04/15/2007	3.75%
FHLMC Discount Note	50,000,000	49,326,000	50,312,500	04/15/2007	3.75%
FHLMC Discount Note	50,000,000	49,326,000	50,312,500	04/15/2007	3.75%
FHLMC Discount Note	<u>43,280,000</u>	<u>42,696,000</u>	<u>43,550,500</u>	04/15/2007	3.75%
	<u>243,280,000</u>	<u>240,000,000</u>	<u>244,800,500</u>		
<b>102% collateral requirement</b>			<u>244,800,000</u>		
<b>Collateral in excess (deficit) of requirement</b>			<u>\$ 500</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 6/30/2005

The market value at the close of business on 6/30/2005 was \$ 243,051,317

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, 2005**

<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	\$235,000	\$401,199	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	\$115,000	\$123,646	N/A
September 4, 2002	Ongoing until terminated by 12-month notice	Varies	\$23,393,083	N/A
July 1, 2003	June 30, 2004	\$668,173	\$668,173	N/A
July 1, 2003	June 30, 2004	Not to exceed \$890,000	\$859,042	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	\$1,356,256	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, 2005

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

<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	\$4,034	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	\$542,568.00	City of Albuquerque

**CITY OF ALBUQUERQUE, NEW MEXICO**  
**JOINT POWERS AGREEMENTS**  
**June 30, 2005**

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

<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	\$632,002	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	\$1,148,331	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, 2005**

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

<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, 3005**

**An exit conference was held on January 4, 2006, and attended by the following:**

**CITY Personnel:**

**Sally Mayer  
City Council member**

**Gail Reese  
Chief Finance Officer**

**Tanda Meadors  
Director of Finance and Administrative Services**

**Cameron Hull  
Accounting Officer**

**Angela Ekofo  
Accounting Manager, Financial Reporting**

**NEFF & RICCI, LLP Personnel**

**Valerie Allen  
Partner**

**Vikki Sanchez  
Audit Senior**

