

JULY 1, 2007 - JUNE 30, 2008
Albuquerque, New Mexico USA



COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

city of albuquerque

Martin J. CHÁVEZ
Mayor



CITY OF ALBUQUERQUE, NEW MEXICO

Comprehensive Annual Financial Report

Year ended June 30, 2008

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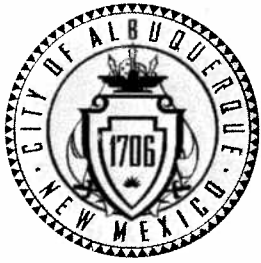
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INTRODUCTORY SECTION



February 9, 2009

Honorable Mayor and City Council
City of Albuquerque, New Mexico

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Albuquerque, New Mexico, (City), for the fiscal year ended June 30, 2008. New Mexico State Statute 12-6-3, NMSA 1978 mandates that the financial affairs of the City's records be thoroughly examined and audited each year by independent public accountants. Federal law also requires that a single audit be performed for federal grant funds in conformance with the provisions of the Single Audit Act of 1984 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in the Single Audit Section.

This report was prepared by the Department of Finance and Administrative Services with the assistance of various other City departments. City management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Moss Adams, Certified Public Accountants, have issued an unqualified opinion on the City's CAFR for the year ended June 30, 2008. As indicated by the opinion of our independent auditors, the report fairly presents the financial position and the 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. The independent auditors' report is located at the front of the financial statements.

Management's Discussion & Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

Albuquerque, New Mexico is located in the central region of the state and is the economic and population hub of New Mexico. With an estimated population of 500,000 in 2008, Albuquerque ranks 35th in population of the nation's cities and is the largest city in New Mexico with roughly one-fourth of the state's population. The 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, storm drainage, and refuse collection. In addition, the City operates parking facilities, a transit system, an international airport, and a housing authority.

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. 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. 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.



Summary of Local Economy

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, Torrance and Valencia Counties. The City has a population of approximately 500,000 and the MSA approximately 800,000. 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. Manufacturing, while a smaller part of the Albuquerque economy, has not declined in importance as in the U.S. where manufacturing has declined substantially since the 1960s.

Albuquerque MSA Employment in Thousands

NAICS CATEGORY	Employment FY/08	Share of FY/08 Employment	Growth FY/07 to FY/08	Compound Annual Average FY/03 to FY/08
Total Nonfarm Employment (does not include military)	396.39	100%	0.5%	1.8%
Natural Resources and Mining and Construction	29.69	7%	-4.7%	4.8%
Manufacturing	22.97	6%	-4.8%	-1.0%
Trade, Transportation, and Utilities	69.42	18%	1.8%	1.0%
Information	9.25	2%	-1.3%	-2.6%
Financial Activities	19.16	5%	0.0%	0.3%
Aggregate of Services	153.71	39%	1.7%	2.6%
Professional and Business Services	64.33	16%	1.3%	2.2%
Educational and Health Services	49.80	13%	2.5%	3.4%
Leisure and Hospitality	39.58	10%	1.1%	2.3%
Other Services	12.36	3%	1.4%	1.3%
Government	79.84	20%	1.1%	1.8%
MILITARY	6.475	NA	0%	0.3%

In the near term, Albuquerque is slowing as is the nation. Construction, particularly single family construction, has fallen off. Although unemployment remains relatively low and averaged 3.5% in FY/08, employment growth has slowed. In the manufacturing sector, Intel laid off over 1,000 workers, Eclipse Aviation laid off over 600 workers, and the entire sector was down 4.8%. Even with this slowdown, several large manufacturing firms recently moved to Albuquerque and/or expanded. The City believes it is well positioned to attract new investment by suppliers, customers, and other producers. The national labs represent a major strength in the Albuquerque economy. Sandia National Laboratories (SNL) devotes a great deal of research to terrorism, homeland security, and the mission to protect the nuclear weapons arsenal. The micro-systems technology, or

nano-technology, for which SNL is well known, provides many novel and inexpensive answers to medical and materials sciences. The labs expertise and technology is also becoming more readily available to the private sector.

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

Long-term financial planning

As a matter of City policy, the General Fund is required to maintain an operating reserve equal to one-twelfth of the total annual appropriation level. This standard is more conservative than the State's standard as it includes transfers and nonrecurring appropriations. This reserve is "funded" annually as part of the annual budget process and is modified as necessary, if material, throughout the year to reflect changes in appropriations. Annually, the budget process begins with the development and publication of a Five-Year Forecast which estimates future revenues and expenditures for the General Fund and the general fund subsidized funds. The purpose of this report is to identify key trends in revenues and expenditures and to provide information about the financial challenges anticipated over the next few years. The City's Forecasting Advisory Committee, including experts from within and outside government, reviews the forecasts and revenue projections prepared by City staff. Revenues are monitored monthly and expenditures are reviewed quarterly.

The City also develops a Decade Plan that guides the capital improvements program (CIP) and forms the basis for the general obligation bond program which is presented to and voted on by the public in odd-numbered years. This process allows for long-term planning for both initial construction costs as well as additional operating costs to staff, operate and maintain new facilities required in the community.

The City is committed to performance-based budgeting which drives the development of both operating and capital budgets.

Relevant Financial Policies

The City has a well developed system of program performance budgeting. Program strategies are developed to impact the defined and monitored community conditions which move the City towards achieving its goals. Each program strategy is a collection of specific service activities that are monitored for financial and performance management. Department directors are held responsible for the fiscal performance of their units as well as the programmatic performance of their units. The City has adopted the practice of not "cleaning-up" program over-expenditures, but rather reporting them in the comprehensive annual financial report as budget overspent. This practice provides necessary information for future budget cycles and brings attention to the reasons for the budget overage. The City does "clean-up" funds in the event that they are overspent. In most cases when funds require "clean-up", there is sufficient fund balance to make the appropriation.

Historically, the City has been conservative in its approach to financial matters, minimizing long-term debt cycles to control interest costs and stringently monitoring and controlling the use of both recurring and non-recurring operating revenues.

Major Initiatives

The City's Police Department in conjunctions with the Family and Community Services Department opened a Family Advocacy Center in the heart of downtown Albuquerque to bring together law enforcement agencies and domestic violence professionals to provide more services, more safety, and more justice to victims of domestic violence and their children. Also, during the year, the City reorganized the Environmental Health Department and transferred 142 positions into the newly created Animal Welfare Department. The goal of the Animal Welfare Department is to encourage and provide for the humane and ethical treatment of animals. The Family and Community Services Department created the Albuquerque Recovery program, which is a new program for the treatment of individuals with methamphetamine addiction. The City expects to complete construction and open Fire Station 22 at Mesa del Sol Community located south of the Sunport by the third quarter of FY09. This is a planned development community of over 13,000 acres south of the Sunport. A major initiative of the City's Aviation Department is the reconstruction and rehabilitation of the Sunport's east terminal apron by the third quarter of FY09. The Municipal Development Department will begin the first phase of the North Domingo Baca Multigenerational Center by the end of FY09.

Another initiative underway that will carry forward into fiscal year 2009 is the Phase I implementation of the City's new Enterprise Resource Planning (ERP) core financial system. The goal of the ERP project is to improve City business processes by adopting best practices, eliminating manual systems, establishing a "single source of truth" that provides timely and meaningful business information as the basis for informed business decisions, enabling the workforce to achieve greater results by spending more time on analysis, planning, and decision-making activities. ERP Phase I implementation will include the

following modules: Human Resources; Benefits Administration; Payroll; Time and Labor; General Ledger; Commitment Control; Payables; Purchasing; and Project Costing. In the following years, the City will obtain additional functionality from the implementation of ERP Phase II which will add the following system modules: Budget Preparation; Asset Management; Workflow; Benefit Providers Interfaces; eBenefits; Inventory; Accounts Receivables; eProcurement; and billing.

The City has a long history of commitment to both our natural and built environment. In future years, there will be more attention and resources devoted to the creation and maintenance of a "sustainable" community. The City is in the process of converting its fleet to alternative fuels.

Awards and Acknowledgements

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 CAFR for the fiscal year ended June 30, 2007. This is the 28th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 only. We believe that our current CAFR 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, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications medium.

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,



Tanda Meadors, Director
Department of Finance & Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albuquerque
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



President

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Albuquerque

New Mexico

For the Fiscal Year Beginning

July 1, 2007

President

Executive Director

THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) PRESENTED A DISTINGUISHED BUDGET PRESENTATION AWARD TO CITY OF ALBUQUERQUE, NEW MEXICO FOR ITS ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2007. IN ORDER TO RECEIVE THIS AWARD, A GOVERNMENTAL UNIT MUST PUBLISH A BUDGET DOCUMENT THAT MEETS PROGRAM CRITERIA AS A POLICY DOCUMENT, AS A FINANCIAL PLAN, AS AN OPERATIONS GUIDE, AND AS A COMMUNICATIONS DEVICE.

CITY OF ALBUQUERQUE

PRINCIPAL OFFICIALS

June 30, 2008

MAYOR

MARTIN J. CHÁVEZ

CITY COUNCIL

KEN SANCHEZ	District 1
DEBBIE O'MALLEY, VICE PRESIDENT	District 2
ISAAC BENTON	District 3
BRAD WINTER, PRESIDENT	District 4
MICHAEL J. CADIGAN	District 5
REY GARDUNO	District 6
SALLY MAYER	District 7
TRUDY JONES	District 8
DON HARRIS	District 9

CHIEF ADMINISTRATIVE OFFICE

ED ADAMS

DEPUTY CHIEF ADMINISTRATIVE OFFICERS

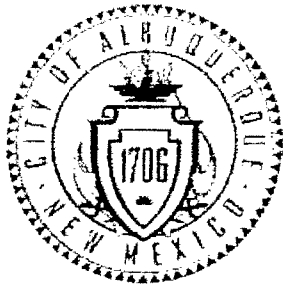
ANNA LAMBERSON, PhD, CHIEF FINANCIAL OFFICER

IRENE GARCIA, CHIEF OPERATING OFFICER

PETE DINELLI, CHIEF PUBLIC SAFETY OFFICER

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

TANDA L. MEADORS, DIRECTOR



City of Albuquerque

The People of Albuquerque

Mayor
Martin J. Chavez

City Council
Director of Council Services
Laura Mason

- DIST. 1 Ken Sanchez
- DIST. 2 Debbie O'Malley
- DIST. 3 Isaac Benton
- DIST. 4 Brad Winter
- DIST. 5 Michael Cadigan
- DIST. 6 Rey Garduno
- DIST. 7 Sally Mayer
- DIST. 8 Trudy Jones
- DIST. 9 Don Harris

Deborah James
Communications Officer

Chief Administrative Officer
Ed Adams

Office of Internal Audit
& Investigations
Carmen Kavelman
Director

Chief of Staff
Bianca Ortiz-Wertheim

Chief Financial Officer
Acting - Anna Lamberson

Office of OMB/OMOI
Acting - Mark Sandoval

Finance & Administrative
Services
Tanda Meadors

Human Resources
Patricia Miller

Office of Employee Relations
Lawrence Torres

Economic Development
Perer R. Mitchell

Legal
Robert White

City Clerk
Randy Autio

Office of Police Oversight
William W. Deaton

Municipal Development
John Castillo

Office of Education
Coordinator
Paul Broome

Chief Public Safety
Officer
Pete L. Dinelli

Emergency Preparedness
Greg Sanchez

Police
Ray Schultz

Fire
Robert Ortega

Chief Operations Officer
Irene F. Garcia

Animal Welfare
Jeanine L. Patterson

Aviation
Nicholas S. Bakas

Cultural Services
Ray Darnell

Environmental Health
Acting - John Soladay

Family & Community Svcs
Valorie Vigil

Parks & Recreation
Jay Hart

Planning
Richard Dinteen

Senior Affairs
Blanca Hise

Solid Waste
Leonard Garcia

Transit
Greg Payne

CITY OF ALBUQUERQUE, NEW MEXICO

CONTRIBUTORS

June 30, 2008

Anna Lamberson, PhD
Chief Financial Officer
Tanda L. Meadors, Director
Department of Finance & Administrative Services

Accounting Division Personnel

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Accounting Officer
Stephanie Yara, CPA, CGFM, MBA
Assistant Accounting Officer
Debbie Dombroski, CPA, MBA
Accounting Manager
Nela Wilkinson, CPA
Accounting System Coordinator
Garick Maez
Accounting System Coordinator
Barbara Burns, MBA
Principal Accountant
Elizabeth Barreras, CPA
Principal Accountant
Michelle Hayden
Principal Accountant
Mari Hughes, MACC
Principal Accountant
V. O. Shynkar, CPA
Principal Accountant
Amanda Vigil, MBA
Principal Accountant
Tracy Milman
Principal Accountant

Office of Management Budget

Mark Sandoval
Budget Officer
Patsy Pino
Executive Budget Analyst
Jane Aranda
Executive Budget Analyst
Kari Powles
Executive Budget Analyst
Karen Lopez
Executive Budget Analyst
Dee Dickson
Executive Budget Analyst

Office of Management Budget (cont).

Jacques Blair
City Economist

City Fiscal Managers

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Aviation
Steve Falk, CPA
Solid Waste Management
Dolores Gomez
Department of Municipal Development
Beverly Hoover
Environmental Health Department
Gerald Romero
Family and Community Services
Terry Suarez, CPA
Dept. of Finance and Administration Svcs.
Roberta Duran
Legal Department
Patricia Latter
Fire Department
Aubrey Thompson, CPA
Police Department
Thomas Torres, CPA
Risk Management
Andy Garcia
Parks & Recreation Department

Albuquerque Bernalillo County Water Authority

Stan Allred
Fiscal Manager
Cliff Wintrode, CPA
Budget Analyst

Treasury Division Personnel

Cilia E. Aglialoro, CTP
Assistant Treasurer - Debt
Christopher H. Daniel, CPA, CTP
Assistant Treasurer - Cash Management

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FINANCIAL SECTION

Independent Auditors' Report

The Honorable Martin Chavez, Mayor and
Members of the City Council and
Mr. Hector H. Balderas
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, the aggregate remaining fund information, and the general fund budgetary comparison of the City of Albuquerque, New Mexico (City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and the respective budgetary comparisons of each non-major governmental fund, major governmental funds, major enterprise funds, non-major enterprise funds and internal service funds as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds of the City as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the nonmajor governmental funds, major debt service fund, major capital projects funds, major enterprise funds, non-major enterprise funds, and internal service funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Martin Chavez, Mayor and
Members of the City Council and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

As discussed in Note I.D.19 to the financial statements, on July 1, 2007, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 45 requires the City to recognize and match other postemployment benefit costs with related services received and disclose additional information.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 12 through 23 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 financial statements. The additional schedules listed as "other supplementary information" in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 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. The 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.

Mess Adams LLP

Albuquerque, New Mexico
February 9, 2009

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

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, 2008. 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 City's total net assets increased by \$161.3 million during the year. The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$3.6 billion (net assets). Of this amount, \$231.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in subsequent accounting periods.
- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$436.1 million. Approximately 81.3% of this amount, \$353.2 million, is unreserved fund balance available for spending at the government's discretion. Included in this amount is approximately \$166.7 million in the Capital Acquisition Fund.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$54.0 million or 12.8% of the total general fund expenditures of \$421.7 million. \$44.1 million or 10.5% of the total general fund expenditures is unreserved designated for subsequent years' operations.
- The City's governmental activities long-term obligations increased by \$50.5 million during the current year. The key factors in this change were additions to bond debt, accrued vacation and sick leave pay, and claims totaling \$158.3 million and debt reduction payments and liquidations of accrued liabilities totaling \$107.8 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. 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, housing authority, and a transit system.

The City has determined that the Albuquerque Bernalillo County Water Utility Authority (Authority), created with an effective date of July 1, 2003, is a component unit of the City. The City does, however, provide certain administrative services to the Authority under the terms of a Memorandum of Understanding that will expire on June 30, 2012. 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 Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2008 is available by contacting the Authority at the following address: Fifth floor, P.O. Box 1293, Albuquerque, NM 87103.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

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.

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.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

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 and the Schedule of Funding Progress for Basic Life is presented separately and in the basic financial statements. The City is not required to provide other information in the RSI and, therefore, no additional information is presented there.

Combining Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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
	Governmental Activities		Business-type Activities		Total		
	2008	2007	2008	2007	2008	2007	
Assets:							
Current and other assets	\$ 719.8	\$ 587.6	\$181.2	\$193.0	\$ 901.0	\$ 780.6	15.4%
Capital Assets	2,989.7	2,931.6	548.0	524.5	3,537.7	3,456.1	2.4%
Total assets	<u>3,709.5</u>	<u>3,519.2</u>	<u>729.2</u>	<u>717.5</u>	<u>4,438.7</u>	<u>4,236.7</u>	4.8%
Liabilities:							
Long-term liabilities outstanding	393.9	343.4	240.2	259.8	634.1	603.2	5.1%
Other liabilities	202.5	191.2	42.7	44.2	245.2	235.4	4.2%
Total Liabilities	<u>596.4</u>	<u>534.6</u>	<u>282.9</u>	<u>304.0</u>	<u>879.3</u>	<u>838.6</u>	4.8%
Net assets:							
Invested in capital assets, Net of related debt	2,653.4	2,624.3	319.3	297.1	2,972.7	2,921.4	1.7%
Restricted	256.1	172.4	99.6	72.4	355.7	244.8	45.3%
Unrestricted	203.6	187.9	27.4	44.0	231.0	231.9	-0.4%
Total net assets	<u>\$3,113.1</u>	<u>\$2,984.6</u>	<u>\$446.3</u>	<u>\$413.5</u>	<u>\$3,559.4</u>	<u>\$3,398.1</u>	4.7%

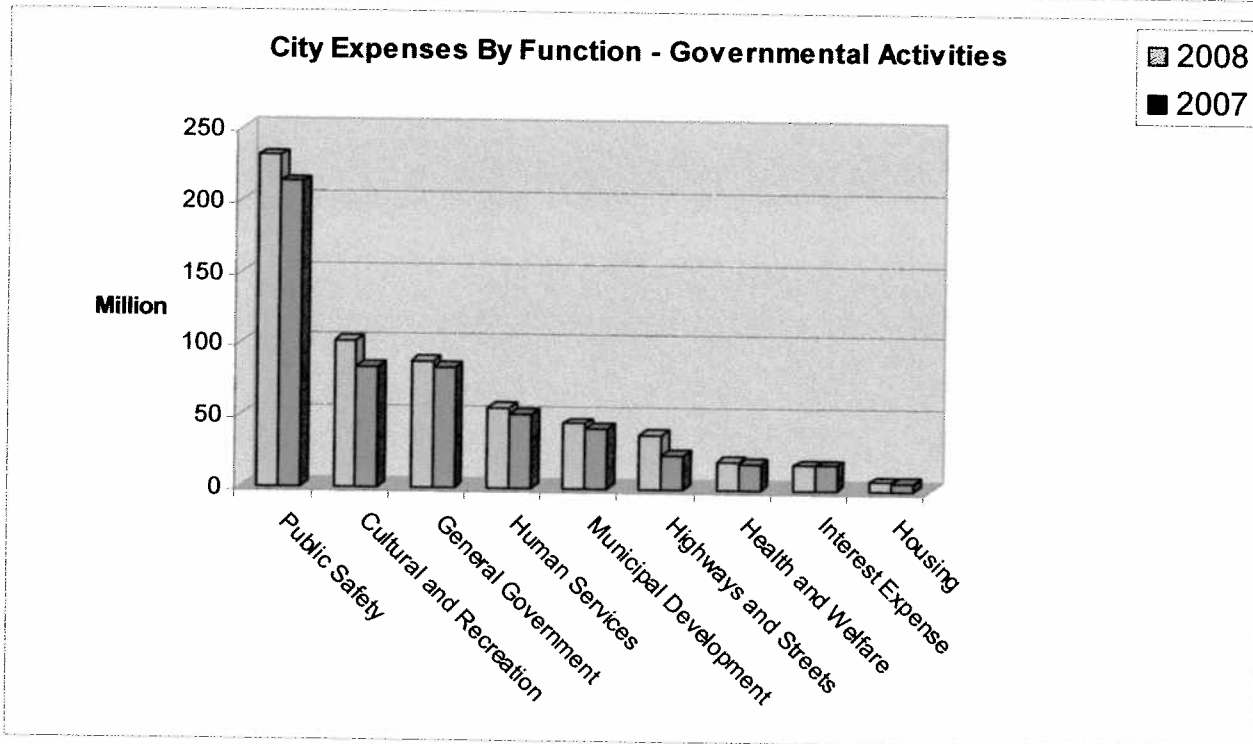
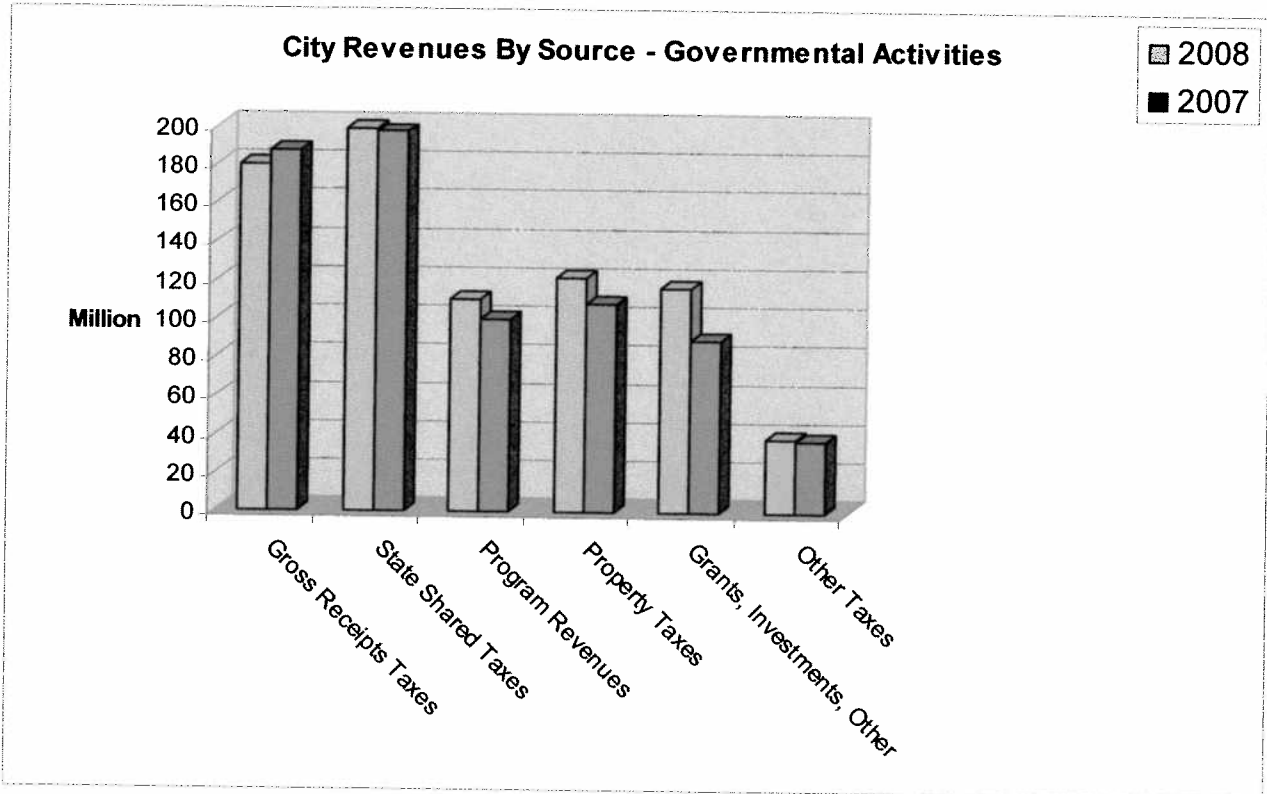
As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$3.6 billion at the close of the year. The largest portion of the City's net assets (83.3%) reflects its investment of \$3.0 billion in capital assets (e.g. land, buildings, infrastructure, 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. Restricted net assets in the amount of \$355.7 million represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$231.0 million, may be used to meet the City's ongoing obligations to its citizens and creditors. 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 governmental and business-type activities.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City's overall net assets increased by \$161.3 million during the current fiscal year. The increase in net assets is explained in the governmental and business-type activities discussion.

	CHANGE IN NET ASSETS						Total Percent Change
	Governmental Activities		Business-type Activities		Total		
	2008	2007	2008	2007	2008	2007	
Revenues:							
Program revenues:							
Charges for services	\$ 68.2	\$ 67.5	\$147.9	\$138.3	\$216.1	\$205.8	5.0%
Operating grants and contributions	33.8	32.0	29.1	26.0	62.9	58.0	8.4%
Capital grants and contributions	8.6	0.2	25.5	20.5	34.1	20.7	64.7%
General revenues:							
Gross receipts taxes	179.7	187.0	-	-	179.7	187.0	-3.9%
Property taxes	122.3	108.7	-	-	122.3	108.7	12.5%
Other taxes	38.8	37.6	-	-	38.8	37.6	3.2%
State shared taxes and fees	198.7	197.3	-	-	198.7	197.3	0.7%
Grants, investment income, and other	116.2	89.6	8.8	6.5	125.0	96.1	30.1%
Total revenues	<u>766.3</u>	<u>719.9</u>	<u>211.3</u>	<u>191.3</u>	<u>977.6</u>	<u>911.2</u>	7.3%
Expenses:							
General government	88.0	83.4	-	-	88.0	83.4	5.5%
Public safety	231.3	213.0	-	-	231.3	213.0	8.6%
Cultural and recreation	101.8	83.4	-	-	101.8	83.4	22.1%
Municipal Development	45.5	41.7	-	-	45.5	41.7	9.1%
Health and welfare	19.2	18.6	-	-	19.2	18.6	3.2%
Human services	55.9	52.0	-	-	55.9	52.0	7.5%
Housing	6.3	5.3	-	-	6.3	5.3	18.7%
Highways and streets	37.2	23.9	-	-	37.2	23.9	55.6%
Interest expense	17.5	17.3	-	-	17.5	17.3	1.2%
Airport	-	-	63.9	62.3	63.9	62.3	2.6%
Refuse disposal	-	-	53.5	47.9	53.5	47.9	11.7%
Transit	-	-	49.5	48.0	49.5	48.0	3.1%
Non major enterprise funds	-	-	46.7	43.8	46.7	43.8	6.8%
Total expenses	<u>602.7</u>	<u>538.6</u>	<u>213.6</u>	<u>202.0</u>	<u>816.4</u>	<u>740.6</u>	10.2%
Excess (deficiency) before transfers	163.6	181.3	(2.3)	(10.7)	161.3	170.6	-5.5%
Transfers	(35.1)	(31.1)	35.1	31.1	-	-	-
Increase (decrease) in net assets	128.5	150.2	32.8	20.4	161.3	170.6	-5.5%
Net Assets July 1	2,984.6	2,834.4	413.5	393.1	3,398.1	3,227.5	5.2%
Net Assets June 30	<u>\$3,113.1</u>	<u>\$2,984.6</u>	<u>\$446.3</u>	<u>\$413.5</u>	<u>\$3,559.4</u>	<u>\$3,398.1</u>	4.7%

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2008



Governmental activities. Governmental activities increased the City's net assets by \$128.5 million. Governmental activities revenue increased by \$47.0 million, or 6.5% from \$719.3 million in fiscal year 2007 to \$766.3 million in fiscal year 2008. Key elements in the change of the City's governmental activities revenues are as follows:

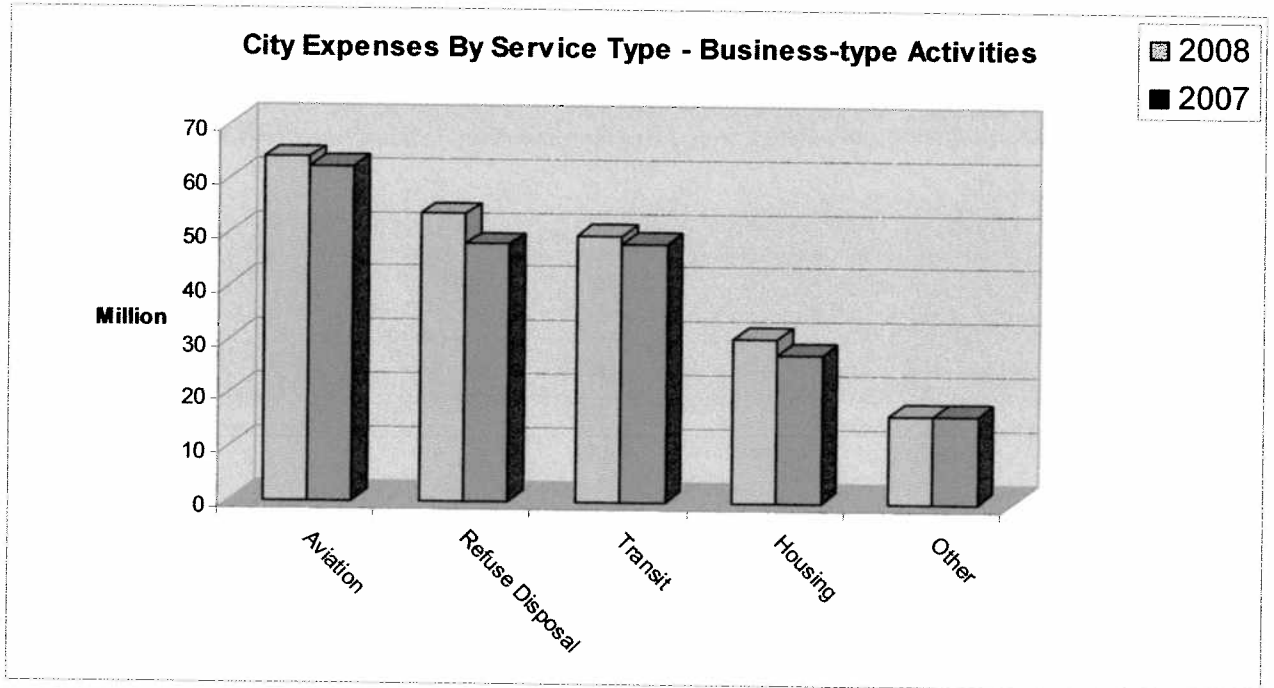
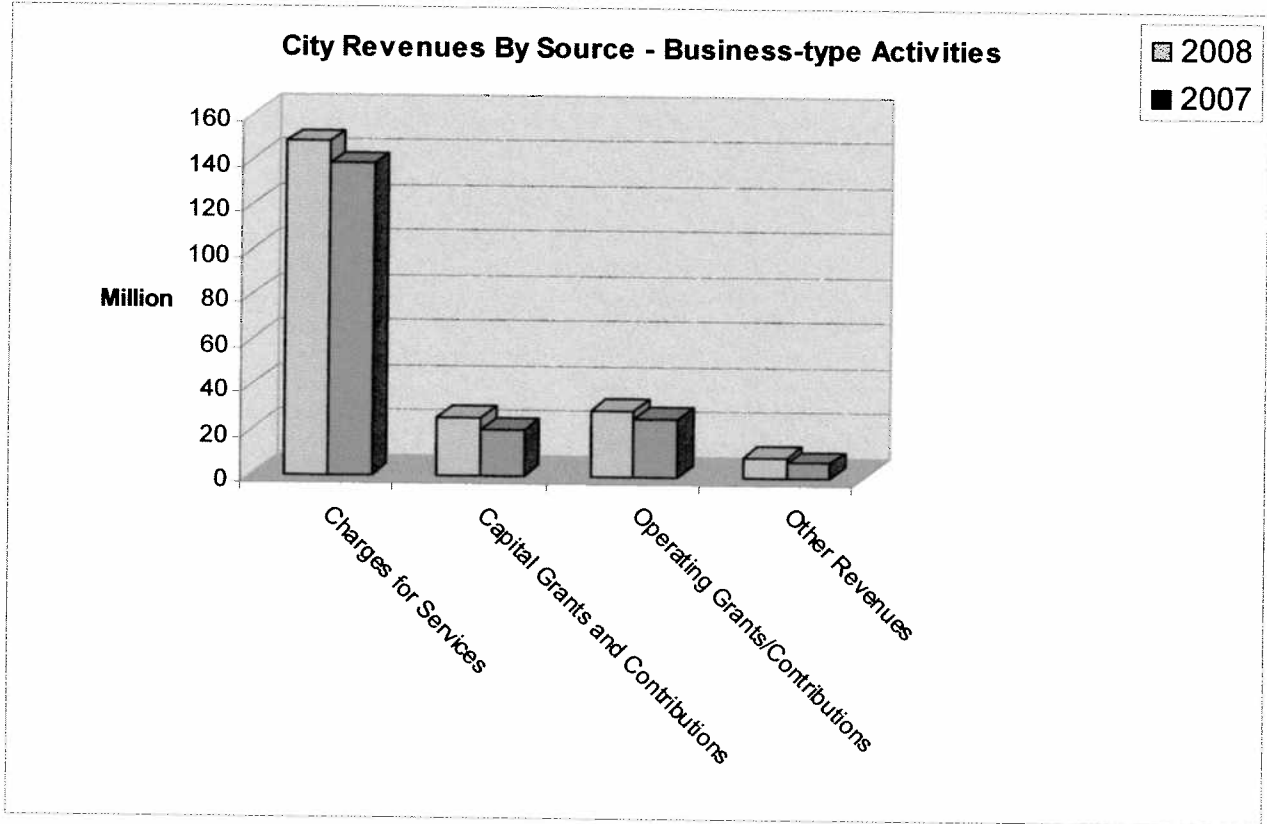
- Gross receipts tax revenue and state shared taxes and fees, which together account for approximately 49.4% of the City's governmental activities revenue, decreased by \$5.9 million, from \$384.3 million to \$378.4 million,

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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or by 1.5% from prior year, as the reduction in the gross receipt tax rate of 1/8th cent that took effect in January 2007 had its full effect. Construction in the Albuquerque area has declined rapidly from the very high level it had attained in fiscal year 2007. In the first three quarters of fiscal year 2008, construction gross receipts tax declined almost 20%. Taxable gross receipts reported by businesses within the City had little to no change between fiscal years 2007 and 2008 as \$13.9 billion in taxable gross receipts was reported by the New Mexico Department of Taxation and Revenue for both years.

- Program revenues consisting of charges for services, operating and capital grants and contributions, which account for approximately 14.4% of the City's governmental activities revenues, were higher than the previous year and increased by \$10.9 million from \$99.7 million to \$110.6 million, or by 10.9%. Building permit revenues declined approximately 25% in fiscal year 2007 and a similar decline was experienced in fiscal year 2008 due to the drastic downturn in the number of single family homes permitted in both fiscal years 2007 and 2008. Capital contributions increased by \$8.0 million when an internal agency account used to earmark resources for the City's basic life OPEB was reallocated to a City internal service fund for the implementation of GASBS 45.
- Property taxes, which account for approximately 16.0% of the City's governmental activities revenues, increased by \$13.6 million from \$108.7 million to \$122.3 million, or by 12.5%. In fiscal year 2008 (tax year 2007) taxable assessed property valuations within the City increased \$1.09 billion from \$9.86 billion to \$10.95 billion, or by 11.0%. This increase reflects the County Assessor's reassessments and new additions to the tax base and adjustments for yield control. The increase in property valuation was offset in part by a decrease in the City's direct property tax mill levy rate from 11.148 in fiscal year 2007 to 11.113 in fiscal year 2008.
- Grants, Investments, and Other Revenues, which account for approximately 15.2% of the City's governmental activities revenues, increased by \$26.6 million from \$89.6 million in fiscal 2007 to \$116.2 million in fiscal year 2008, or by 29.7%. The increase was primarily attributed to the recording of \$22.0 million in donated infrastructure from developers.
- Other taxes such as Franchise, Hospitality, Lodgers, and Payments in Lieu of Taxes increased by \$1.2 million from \$37.6 million in fiscal year 2007 to \$38.8 million in fiscal year 2008, or by 4.0%. In fiscal year 2008 prices of did not increase as much as expected; however, electric franchise revenues were larger than expected. More detail comparison of other taxes can be found on Schedule 3 in the Statistical Section of this report.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type activities. Business-type activities decreased the City's net assets by (\$2.3) million in fiscal year 2008 before operating transfers of \$35.1 million. Business-type activities revenues increased \$20.0 million from \$191.3 in fiscal year 2007 to \$211.3 million in fiscal year 2008, or by 10.5%. Key factors for the increases in the Charges for Services category are on the following page:

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- The Airport fund attributed to the largest growth in the business-type activities during the year and had an increase in net assets of \$18.4 million in fiscal year 2008 compared to a \$19.2 million increase in 2007. The passenger facilities charges (PFCs) increased slightly from \$8.3 million to \$8.6 million in fiscal year 2008.
- The reported change in net assets of \$1.3 million was lower than the increase of \$4.1 million in fiscal year 2007 for the Refuse Disposal fund. Charges for services increased \$2.0 million during the year while operating cost increased by \$5.3 million.
- For the Transit Fund, the current year change in net assets increased \$9.7 million compared to a \$2.9 million decrease for the prior year. The increase was primarily attributed to an increase in contributed capital from \$6.3 million in fiscal year 2007 to \$16.2 million in fiscal year 2008.

The changes in the net assets of the other business-type activities amount were not significant.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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 \$436.1 million, an increase of \$105.3 million in comparison with the prior year. Approximately 81.3% or \$353.2 million, is unreserved fund balance available for spending at the government's discretion of which \$309.1 million is unreserved, undesignated and \$44.1 million is unreserved, designated for subsequent years' operations. Included in unreserved fund balance is \$166.7 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) \$21.4 million to pay debt service; 2) \$22.3 million for acquisition and management of open space and urban enhancement; 3) \$16.6 million for advances to other funds; and 4) \$22.6 million for various other restricted purposes.

Revenues for governmental funds overall totaled approximately \$735.6 million in the fiscal year ended June 30, 2008, which represents an increase of \$9.0 million from the previous year total of \$726.6 million. The major cause for the increase was that Property tax revenue increased by \$12.5 million from \$109.1 million to \$121.6 million which is attributed to the Bernalillo County assessor's reassessments of property values and new additions to the tax base and adjustment for yield control. This increase was offset in part by a decrease in the gross receipt tax. Local option revenues decreased by \$10.7 million attributed to a decrease in the gross receipts tax rate by 0.125% effective January 1, 2007; and intergovernmental revenues increased by \$8.3 million of which \$6.3 million was attributed to an increase in the Capital Acquisition fund. The City's governmental funds expenditures of \$727.2 million decreased by \$3.0 million from the previous year's total of \$730.2 million. The primary cause of the decrease is attributed to a decrease of \$28.3 million in capital outlay expenditures from \$168.2 million to \$139.9 million which was offset in part by an increase in public safety expenditures from \$189.6 million to \$214.3 million or by \$24.7 million.

General Fund. This is the City's chief operating fund. At the end of the current fiscal year, the total fund balance was \$58.7 million, of which \$9.9 million is available as an unreserved fund balance and \$44.1 million is designated for subsequent years' operations. The remaining fund balance is reserved to indicate that non-current financial resource assets of \$4.7 million are unavailable to spend or already are committed for spending. The net change in fund balance for the current fiscal year was a decrease of \$25.9 million. The total revenues of \$451.2 million for the current fiscal year were \$18.1 million less than the previous fiscal year. The decrease largely resulted from a loss of local gross receipt tax revenue of approximately \$10.8 million dollars due to the decrease in the GRT rate and a decrease in license and permit revenues of approximately \$2.5 million attributed to a slow down in the local economy. Total expenditures of \$421.7 million represent an increase of \$4.3 million over the previous fiscal year. A significant portion of this increase was attributed to an increase in public safety from \$189.6 million to \$214.7 million which was offset in part by a decrease in general government expenditures from \$97.8 million to \$90.8. See the General Fund budgetary highlights for an analysis with respect to budgets.

General Obligation Bond Debt Service Fund (GO Bonds). This fund is used to accumulate resources for the repayment of the City's GO Bonds. GO Bonds are backed by the full faith and credit of the City and may be used to finance any capital improvement approved by the voters. GO bonds may be redeemed by any regular City funding, but by policy, are

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generally redeemed by property taxes paid to the City. Fund balance in the City's General Obligation Debt Service fund increased \$6.4 million from \$8.1 million in fiscal year 2007 to \$14.5 million in fiscal year 2008 as a result of dedicated revenues and bonds proceeds exceeding debt service requirements. Property tax revenues dedicated to the repayment of GO Bonds increased by \$9.2 million from \$77.7 million in fiscal year 2007 to \$86.9 million in fiscal year 2008, or by 11.8% which is attributed primarily to the increase in taxable assessed property valuations of 11% for fiscal year 2008. The City's property tax rates have remained constant for well over a decade and no tax rate increase has been required to fund the GO Bond program of capital improvements.

Capital Acquisition Fund. This fund is used to accumulate resources for the acquisition of Capital. Capital is defined as tangible property with a life beyond a one year budget cycle. Land, infrastructure, equipment, buildings as well as the services required to build or install these assets may be classified as capital. Capital acquisition is primarily funded by bond proceeds, but recurring and non-recurring revenue may be used. Major capital improvements for the City are funded primarily with general obligation and enterprise fund revenue bonds. In many cases, these bond funds are matched with Federal and/or State contributions and private assessments. During the 2008 fiscal year, the Capital Acquisition Fund unreserved fund balance increased by \$81.7 million from \$85.0 million in fiscal year 2007 to \$166.7 million. The increase in fund balance during the year is attributed to new debt proceeds of \$128.1 million, revenues of \$57.4 million, and net transfers of \$12.7 million exceeding capital outlay of \$116.6 million.

Proprietary funds. The City's proprietary funds provide the same type of information presented in the government-wide financial statements Business-type Activities, but in more detail. At the end of the fiscal year, the unrestricted net assets (in millions) were as follows:

Airport Fund	\$	17.6
Refuse Disposal Fund		6.7
Transit Fund		(15.8)
Nonmajor enterprise funds		18.9
Total	\$	27.4

Internal Service Funds. Internal Service Funds are used to account for certain governmental activities and had unrestricted net assets of \$30.5 million in fiscal 2008 as compared to an unrestricted net assets of \$15.8 million in fiscal year 2007. In fiscal year 2008, the Risk Management fund had an unrestricted fund balance of \$8.9 million which increased from \$3.1 million in fiscal year 2007. The Risk Management fund net assets increase of \$5.8 million attributed to a significant portion of the increase, followed by the Employee Insurance fund which increased by \$7.2 million due in part to the recording of inter agency basis life OPEB contributions less the annual required contribution (OPEB cost). All 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. There were no significant changes during the year.

Budgetary highlights. The City's approved fiscal year 2008 budget was built on the modest assumption that total revenues would increase by only 1.23% over the fiscal year 2007 estimated actual level. This rate of increase included the impact of a full year of the 1/8th cent GRT reduction effective January 1, 2007. Total expenditures in the approved fiscal year 2008 budget are 1.65% above the fiscal year 2007 estimated actual expenditure level. The City's final approved fiscal 2008 budget did not differ significantly from the original budget in total. During the year, the City's General Fund original budget of \$496.9 million increased by \$10.8 million to \$507.7 or by 4.5%. Significant changes between the original budget and final amended budget are summarized as follows. An intra year appropriation of \$1.488 million was passed to fund various non-recurring items. The most significant increases were \$600,000 to fund rail-yard property project, \$398,000 net change in the increase to the photo enforcement fund, and \$150,000 for the Tijeras Corridor Study and various other programs totaling \$340,000. A re-appropriation of \$8.146 million for encumbered items was also legislated. Significant increases were as follows: Council Services: \$277,000; Environmental Health: \$372,000; Family and Community Services: \$147,000; Finance and Administrative Services: \$159,000; Municipal Development Department: \$181,000; Planning: \$1.568 million; Police: \$5.197 million and various other programs totaling \$245,000. The City Council passed a clean-up resolution appropriation of \$2.103 million as follows: Family and Community Services: \$1.929 million; Finance and Administrative Services: (\$421,000); Fire: \$133,000; and Police: \$462,000. A Budget resolution appropriation of (\$1.880 million) was passed for the following: Family and Community Services (\$2.080 million) and Police \$200,000. A final budget clean-up resolution of \$860,000 was passed as follows: \$800,000 transfer to Transit and \$60,000 for Finance and Administrative Services. The City's other budgeted funds increased from \$459.783 million to \$531.452 in fiscal year 2008. During the year budget resolutions were passed totaling \$71,669,005 for the following significant areas: Photo Enforcement Fund: \$5.847 million; GO bond debt service: \$22.655 million;

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Aviation debt service refunding: \$35,723,505; Refuse Disposal Operating fund: \$3.920 million; Transit Operating fund: \$912,500; Fleet Management fund: \$1.436 million; and various other funds totaling \$1.175 million.

All General Fund departments continue to answer the call for budgetary responsibility by carefully controlling their expenses and returning funds. These actions resulted in actual expenditures of \$421.7 million being \$25.6 million less than the final budget of \$447.3 million. Significant expenditure budget variances in the positive during the year included: Community revitalization: \$2.2 million; investigative services: \$2.4 million; and Metropolitan Detention Center \$2.3 million. Revenues were slightly lower than predicted during this fiscal year with actual revenues of \$451.1 million falling short of budgeted revenues of \$452.2 million by \$1.1 million. Revenues were weaker than budgeted in indirect overhead by \$3.3 million; however, there were no other significant revenue budget variances during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's capital assets for governmental and business-type activities as of June 30, 2008, amount to \$3.5 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 \$81.6 million or 2.4% from fiscal year 2007.

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2008	2007	2008	2007	2008	2007	
Land	\$ 265.7	\$ 244.7	\$ 61.7	\$ 61.7	\$327.4	\$ 306.4	6.8%
Right of way	1,042.7	1,042.7	-	-	1,042.7	1,042.7	0.0%
Other	0.1	1.1	0.9	0.9	1.0	2.0	-50.0%
Buildings and improvements	258.8	166.9	238.9	242.9	497.7	409.8	21.5%
Runways and improvements	-	-	83.6	89.6	83.6	89.6	-6.7%
Improvements other than buildings and runways	230.6	171.0	81.1	69.3	311.7	240.3	29.7%
Equipment	37.4	40.6	65.0	35.8	102.4	76.4	34.0%
Infrastructure	1,011.1	790.2	3.3	2.5	1,014.4	792.7	27.9%
Construction in progress	143.2	474.4	13.6	21.8	156.8	496.2	-68.4%
Total	\$2,989.6	\$2,931.6	\$548.1	\$524.5	\$3,537.7	\$3,456.1	2.4%

Governmental activities. In Fiscal year 2008, \$218 million of street infrastructure was placed into service along with \$28 million of storm infrastructure, of this amount \$15.5 million was dedicated street infrastructure and \$6.5 million was dedicated storm infrastructure. The construction work in progress consists of expenditures made in connection with the Capital Acquisition, Infrastructure Tax, and Quality of Life Funds. The construction work in progress decreased by \$379 million due the following being placed in service: \$97 million in buildings, \$72 million in non-structural, \$20 million land, and \$167 million of infrastructure. Equipment purchases totaled \$15.2 million of which \$6 million was for Police, \$2 million for Parks and Recreation, and \$1.2 for Human Services.

Business-type activities. In 2008, the Aviation fund placed into service the following major projects: \$6.5 million Double Eagle improvements, \$10.1 million of terminal improvements, \$1.2 million foreign trade zone development improvements, \$4.9 million runways and apron, and \$4.8 million Double Eagle building. The Refuse fund placed into service the following: \$1 million of pipe infrastructure, \$1.1 million of heavy equipment, and \$1.1 million of vehicles. The Transit Fund placed the following into service: \$3.4 million Westside Transit Facility, and \$36 million for buses and vehicles. More detailed information may be found in Section IV Note C. Capital Assets of the accompanying financial statements. The business-type funds have uncompleted construction and other commitments in the amount of \$63.7 million that will be paid from assets restricted for construction, improvements and replacements or from operating revenues. More detailed information may be found in Section IV Note Q. Commitments and contingencies of the accompanying financial statements.

Debt Administration. At the end of the current fiscal year, the City's Governmental Activities had total long-term obligations of \$393.9 million, of which \$89.8 million is due or payable within the next fiscal year. The total bonded debt, net of unamortized discounts (\$1.5 million) and deferred amounts on refunding (\$4.7 million) and including unamortized premiums of \$6.9 million, is \$293.3 million. The remaining debt is for loans, accrued vacation and sick

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

leave pay, and claims payable. During the fiscal year ended June 30, 2008, the City issued \$128.125 million (\$91.125 million long-term and \$37 million short-term) in GO bonds. Long term general purpose bonds of \$43.045 million were issued September 11, 2007 to finance projects relating to fire protection: \$465,000; citizens' centers: \$1,738,550; parks and other recreational equipment: \$13,177,235; facilities and equipment: \$1,229,000; public library: \$1,103,150; zoo: \$1,289,500; streets: \$23,415,515; and museums: \$627,050. Storm sewer purpose bonds of \$5,080,000 were also issued September 11, 2007.

The City also issued 2008 series general obligation long-term general purpose bonds in the amount of \$39 million and storm sewer purpose bonds in the amount of \$4 million and short term GO bonds in the amount of \$37 million. In total, \$80 million in 2008 series GO bonds proceeds were deposited in the Capital Acquisition Fund to finance projects relating to public safety: \$7.55 million; citizens center projects: \$5.1 million; parks and recreation: \$17.05 million; facilities and equipment: \$7.63 million; library: \$2.5 million; transit: \$4.7 million; cultural facilities: \$3 million; affordable housing: \$10.1 million; sewer: \$4.1 million; and streets: \$8.27 million.

The City's Business-type Activities had long-term obligations of \$264.8 million, of which \$25.0 million is due or payable within the next fiscal year. 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 2.25% of the \$10.9 billion taxable value of property within the City's boundaries. The City currently may issue up to an additional \$191.5 million of general obligation bonds and has \$246.4 million of general obligation debt outstanding subject to the legal debt limit at June 30, 2008. The net general bonded debt per capita is \$555. The highest per capita amount in the last ten fiscal years was \$595 in the fiscal year ended June 30, 2005 and the lowest per capita amount was \$258 in the fiscal year ended June 20, 2001. The City's ratings on uninsured general obligation bonds and gross receipts tax bonds were upgraded during the year as follows:

- Gross Receipts Bonds:
Standard & Poors – upgraded from “AA” to “AAA”
Moody's – upgraded from “A1” to “Aa3”
- General Obligation Bonds:
Standards & Poors – upgraded from “AA” to “AAA”
Moody's – upgraded from “Aa3” to “Aa2”

The City General Obligation bond rating by Fitch, Inc. remained unchanged at “AA” as of June 30, 2008.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2009 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 weaker national economy, but a somewhat stronger local economy in terms of total employment. Construction employment in the area has remained unusually high, but is expected to slow during fiscal year 2009. This slowdown is expected to decrease the Gross Receipts Tax revenue from construction projects.

Charges for entry into City venues and other fees and charges for services remained unchanged in the fiscal year 2009 budget. 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 second mill was converted for fiscal year 2009. A state imposed limitation on assessed value for residential properties is not expected to have a major fiscal impact in the near term. In October 2007 general municipal election, the voters passed a bond issue of \$159.9 million. The infrastructure program is expected to have only modest impact on the City's operating budget.

Effective July 1, 2006 the City turned over operations of the Metropolitan Detention Center to Bernalillo County. Although not included in the fiscal year 2007 budget, the City cut taxes by 0.125% effective January 1, 2007. A full year of this tax cut was included in the fiscal year 2008 budget. This was to offset the same increase in taxes imposed by Bernalillo County to operate the Detention Center. The City cut the gross receipts taxes by another 0.125% effective July 1, 2008.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

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

Economic Variables Underlying the Forecast by Fiscal Year (October 2007)

	<u>2007</u>	<u>2008</u>	<u>2009</u>
National Variables			
Real GDP Growth	2.10%	2.10%	2.50%
Federal Funds Rate	5.30%	4.50%	4.30%
10 U.S. Bonds	4.80%	4.60%	4.80%
CPI U	2.60%	2.50%	1.60%
Unemployment Rate (U.S.)	4.50%	4.80%	5.00%
Total Non-Farm Employment	1.60%	.90%	1.00%
Manufacturing Employment	-0.50%	-1.20%	-1.80%
Consumer sentiment index			
University of Michigan	88.9	86.3	89.3
Exchange Rates	0.8	0.7	0.7
Current Trade Account	-793.2	-755.5	-700.4
Wage growth	3.30%	3.10%	2.70%
West TX Intermediate	63.4	75.3	74.1
Change in output per hour	0.50%	1.60%	1.90%
Albuquerque Variables			
Employment Growth and Unemployment in Albuquerque MSA			
Total Non-Ag ABQ	2.60%	1.10%	1.70%
Private-Non Construction	2.70%	1.10%	1.90%
Construction Employment (growth)	2.10%	-1.30%	0.20%
Manufacturing (ABQ)	2.90%	-3.60%	1.60%
Unemployment Rate (ABQ)	3.60%	3.70%	3.90%
Construction Units Permitted in City of Albuquerque			
Single-Family Permits	2,443	1,672	1,998
Multi-Family Permits	1,094	889	945
Total Residential Permits	3,537	2,561	2,943

Source Global Insight and FOR-UNM October 2007 Baseline Forecasts

The total original General Fund appropriation for fiscal year 2009 is \$474.7 million before interfund eliminations and \$432.5 million after eliminations. Total appropriation decreased by \$22.3 million, which is a 4.48% decrease from the original fiscal year 2008 budget. Recurring appropriations increased by 1.0%, while non-recurring appropriations decreased by 152%, this is primarily due to the use of fund balances for one-time expenses in fiscal year 2008. The international, national, state and local economies have shown modest growth following the 2001-2002 recession, but recent increases and sustained high prices of oil and natural gas, bring concern about the effects it will have on the City's 2009 budget. Costs for items such as fleet and building operations are escalating or remain high. These increased prices also may 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.

Request 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 87103.

FINANCIAL SECTION
BASIC FINANCIAL STATEMENTS

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CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
 JUNE 30, 2008

Page 1 of 2

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash, investments, and accrued interest	\$ 386,976,827	\$ 38,343,946	\$ 425,320,773	\$ 35,812,862
Cash with fiscal agents held for debt service	85,197,746	44,157,089	129,354,835	36,700,648
Cash held by others	-	1,749,738	1,749,738	-
Taxes receivable	74,141,098	-	74,141,098	-
Accounts receivable, net of allowance for uncollectibles	2,579,452	9,141,889	11,721,341	17,942,087
Notes receivable, current portion	-	-	-	1,012,387
Due from other governments	32,192,066	6,753,511	38,945,577	1,408,898
Deposits	100,000	-	100,000	-
Internal balances	37,645,171	(37,645,171)	-	-
Inventories	2,617,502	2,728,123	5,345,625	-
Prepaid expenses	134,835	27,541	162,376	-
Total current assets	621,584,697	65,256,666	686,841,363	92,876,882
Noncurrent Assets:				
Long-term accounts and notes receivable	13,780,299	-	13,780,299	5,647,255
Restricted assets:				
Cash, investments and accrued interest	78,811,675	109,392,124	188,203,799	71,509,971
Investment with fiscal agents	-	-	-	6,645
Accounts receivable - developers	-	2,927,814	2,927,814	-
Accounts receivable from bond escrow agent	-	1,682,444	1,682,444	-
Escrow deposits	-	467,091	467,091	147,604
Total restricted assets:	78,811,675	114,469,473	193,281,148	71,664,220
Capital assets:				
Land and construction in progress	1,451,736,886	73,052,717	1,524,789,603	329,983,546
Capital assets depreciated and amortized	2,408,192,104	1,018,400,789	3,426,592,893	1,847,087,460
Accumulated depreciation and amortization	(870,259,360)	(543,481,792)	(1,413,741,152)	(917,064,552)
Capital assets, net of depreciation and amortization	2,989,669,630	547,971,714	3,537,641,344	1,260,006,454
Other:				
Capitalized bond issue costs	-	1,622,033	1,622,033	4,016,387
Deferred charges and other assets	5,671,685	-	5,671,685	-
Total other	5,671,685	1,622,033	7,293,718	4,016,387
Total noncurrent assets	3,087,933,289	664,063,220	3,751,996,509	1,341,334,316
Total assets	3,709,517,986	729,319,886	4,438,837,872	1,434,211,198

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	30,261,726	2,883,632	33,145,358	2,601,319
Accrued employee compensation and benefits	12,309,831	2,021,889	14,331,720	977,579
Accrued vacation and sick leave	23,942,073	4,954,157	28,896,230	2,764,498
Accrued interest payable	7,663,766	-	7,663,766	423,199
Deposits	1,612,284	1,016,611	2,628,895	973,425
Water rights contract	-	-	-	893,395
Unearned revenue	15,425,914	2,579,819	18,005,733	-
Due to other governments	1,285,886	60,147	1,346,033	-
Payable from restricted assets:				
Contracts, claims, and other payable	33,719,448	4,993,202	38,712,650	13,049,049
Current portion:				
Bonds, notes payable, and capital leases	76,288,740	20,052,871	96,341,611	28,130,000
Water rights and loan agreements	-	-	-	8,348,928
Accrued interest	-	4,179,477	4,179,477	10,095,428
Total current liabilities	202,509,668	42,741,805	245,251,473	68,256,820
Noncurrent liabilities:				
Liabilities payable from restricted assets:				
Landfill closure costs	-	1,573,916	1,573,916	-
Other	-	451,030	451,030	-
Total liabilities payable from restricted assets	-	2,024,946	2,024,946	-
Long-term payable:				
Bonds, notes payable, and capital leases, net of current portion, discounts and premiums	351,629,647	237,456,512	589,086,159	389,983,916
Water rights contract and loan agreements	-	-	-	227,209,996
Total long-term payable	351,629,647	237,456,512	589,086,159	617,193,912
Other:				
Accrued vacation, sick leave and claims	40,597,959	729,189	41,327,148	125,636
Deferred credits and other liabilities	1,716,145	-	1,716,145	-
Total other	42,314,104	729,189	43,043,293	125,636
Total noncurrent liabilities	393,943,751	240,210,647	634,154,398	617,319,548
Total liabilities	596,453,419	282,952,452	879,405,871	685,576,368
NET ASSETS				
Invested in capital assets, net of related debt	2,653,410,464	319,277,730	2,972,688,194	698,063,092
Restricted for:				
Debt service	38,057,447	35,848,581	73,906,028	-
Construction	177,654,158	63,784,538	241,438,696	10,552,328
Housing & economic development	8,555,946	-	8,555,946	-
Federal & state funded programs	5,083,881	-	5,083,881	-
Open space and urban enhancement				
Expendable	1,885,373	-	1,885,373	-
Nonexpendable	23,013,930	-	23,013,930	-
Unrestricted	205,403,368	27,456,585	232,859,953	40,019,410
Total net assets	\$ 3,113,064,567	\$ 446,367,434	\$ 3,559,432,001	\$ 748,634,830

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 88,046,445	\$ (2,568,516)	\$ 35,997,143	\$ 4,443,694
Public safety	231,394,560	859,704	17,633,271	4,219,105
Culture and recreation	101,823,409	348,139	8,126,602	32,963
Public works/Municipal Development	45,546,687	530,935	-	2,257,495
Health and welfare	19,227,340	299,760	4,302,674	1,813,684
Human services	55,932,309	448,580	467,206	21,074,871
Housing	6,284,061	81,398	-	-
Highways and streets	37,234,930	-	1,634,793	-
Interest and other charges	17,504,836	-	-	-
Total governmental activities	<u>602,994,577</u>	<u>-</u>	<u>68,161,689</u>	<u>33,841,812</u>
Business-like activities:				
Airport	63,872,083	-	74,229,742	-
Refuse disposal	53,557,483	-	52,489,420	-
Transit	49,530,565	-	5,065,232	-
Golf course	4,527,594	-	4,267,524	-
Apartments	3,160,078	-	3,205,210	-
Housing authority	30,591,486	-	1,965,937	28,584,686
Parking facilities	5,970,029	-	4,635,250	497,043
Stadium	2,446,852	-	2,071,929	-
Total business-like activities	<u>213,656,170</u>	<u>-</u>	<u>147,930,244</u>	<u>29,081,729</u>
Total primary government	<u>\$ 816,650,747</u>	<u>\$ -</u>	<u>\$ 216,091,933</u>	<u>\$ 62,923,541</u>
Component Unit:				
Albuquerque Bernalillo County				
Water Utility Authority	<u>\$ 163,366,719</u>	<u>\$ -</u>	<u>\$ 164,664,338</u>	<u>\$ -</u>

General Revenues:

Taxes:
Property taxes
Franchise taxes
Hospitality taxes
Lodgers' taxes
Gross receipts taxes, local option
Payments in lieu of taxes
NM shared taxes and fees not restricted to specific programs
Grants and contributions not restricted to specific programs
Miscellaneous revenue
Unrestricted investment earnings
Transfers
Total general revenues and transfers
Change in net assets
Net assets, July 1
Net assets, June 30

The accompanying notes are an integral part of these financial statements

Program Revenues, cont. Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets			
	Governmental Activities	Business-type Activities	Total	Component Unit
\$ 8,020,875	\$ (37,016,217)	\$ -	\$ (37,016,217)	
582,807	(209,819,081)	-	(209,819,081)	
-	(94,011,983)	-	(94,011,983)	
-	(43,820,127)	-	(43,820,127)	
-	(13,410,742)	-	(13,410,742)	
-	(34,838,812)	-	(34,838,812)	
-	(6,365,459)	-	(6,365,459)	
-	(35,600,137)	-	(35,600,137)	
-	(17,504,836)	-	(17,504,836)	
<u>8,603,682</u>	<u>(492,387,394)</u>	<u>-</u>	<u>(492,387,394)</u>	
6,361,223	-	16,718,882	16,718,882	
7,566	-	(1,060,497)	(1,060,497)	
19,074,617	-	(25,390,716)	(25,390,716)	
20,142	-	(239,928)	(239,928)	
-	-	45,132	45,132	
-	-	(40,863)	(40,863)	
-	-	(837,736)	(837,736)	
57,316	-	(317,607)	(317,607)	
<u>25,520,864</u>	<u>-</u>	<u>(11,123,333)</u>	<u>(11,123,333)</u>	
<u>\$ 34,124,546</u>	<u>\$ (492,387,394)</u>	<u>\$ (11,123,333)</u>	<u>\$ (503,510,727)</u>	
<u>\$ 11,939,326</u>				<u>\$ 13,236,945</u>
	122,348,148	-	122,348,148	-
	20,035,776	-	20,035,776	-
	2,300,469	-	2,300,469	-
	11,502,350	-	11,502,350	-
	179,652,214	-	179,652,214	-
	5,018,751	-	5,018,751	-
	198,743,231	-	198,743,231	-
	45,241,380	-	45,241,380	-
	50,543,429	4,892,169	55,435,598	-
	20,565,992	3,937,365	24,503,357	6,442,709
	(35,132,896)	35,132,896	-	-
	<u>620,818,844</u>	<u>43,962,430</u>	<u>664,781,274</u>	<u>6,442,709</u>
	128,431,450	32,839,097	161,270,547	19,679,654
	<u>2,984,633,117</u>	<u>413,528,337</u>	<u>3,398,161,454</u>	<u>728,955,176</u>
<u>\$ 3,113,064,567</u>	<u>\$ 446,367,434</u>	<u>\$ 3,559,432,001</u>	<u>\$ 748,634,830</u>	

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	<u>General Fund</u>	<u>GO Bond Debt Service Fund</u>
ASSETS		
Cash, investments, and accrued interest	\$ 51,514,818	\$ 13,461,480
Cash with fiscal agents	-	79,457,210
Investments with fiscal agents	-	-
Taxes receivable, net of allowance for uncollectible:	61,421,439	3,433,788
Other receivables, net of allowance for uncollectible	757,089	-
Due from other governments	792,463	-
Due from other funds	1,470,945	-
Advances to other funds	-	-
Prepaid items	18,452	-
Land held for sale	-	-
Total assets	<u>\$ 115,975,206</u>	<u>\$ 96,352,478</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 12,617,500	\$ 11,127
Contracts and retainage payable	-	-
Accrued employee compensation and benefits	11,043,022	-
Due to other funds	1,341,983	-
Due to other governments	-	-
Advances from other funds	-	-
Deferred revenue	31,109,900	2,326,219
Deposits	1,177,234	-
Matured bonds and interest payable	-	79,457,210
Total Liabilities	<u>57,289,639</u>	<u>81,794,556</u>
Fund Balances:		
Reserved for:		
Encumbrances	4,678,108	-
Reserved for budgeted local matching funds	-	-
Prepaid items	18,452	-
Land held for resale	-	-
Advances to other funds	-	-
Transfer to capital acquisition fund	-	-
Acquisition and management of open space land	-	-
Urban enhancement	-	-
Debt service funds	-	14,557,922
Unreserved, designated for		
Subsequent years' operations	44,085,000	-
Unreserved undesignated report in:		
General Fund	9,904,007	-
Special Revenue funds	-	-
Capital projects funds	-	-
Total fund balances	<u>58,685,567</u>	<u>14,557,922</u>
Total liabilities and fund balances	<u>\$ 115,975,206</u>	<u>\$ 96,352,478</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

Capital Acquisition Fund	Nonmajor Funds	Total
\$ 140,324,750	\$ 170,475,216	\$ 375,776,264
-	4,952,225	84,409,435
-	788,311	788,311
-	9,285,871	74,141,098
18,669	15,543,606	16,319,364
22,477,945	8,860,741	32,131,149
19,799,131	-	21,270,076
-	16,655,000	16,655,000
-	-	18,452
-	4,470,382	4,470,382
<u>\$ 182,620,494</u>	<u>\$ 231,031,352</u>	<u>\$ 625,979,530</u>
\$ 8,337,746	\$ 5,509,694	\$ 26,476,067
6,338,550	801,598	7,140,148
83,719	932,506	12,059,247
-	279,905	1,621,888
-	1,285,886	1,285,886
971,000	-	971,000
200,607	20,697,599	54,334,325
-	435,050	1,612,284
-	4,942,215	84,399,425
<u>15,931,622</u>	<u>34,884,453</u>	<u>189,900,270</u>
-	9,663,539	14,341,647
-	3,750,696	3,750,696
-	-	18,452
-	4,470,382	4,470,382
-	16,655,000	16,655,000
-	-	-
-	12,637,892	12,637,892
-	9,619,568	9,619,568
-	6,844,525	21,402,447
-	-	44,085,000
-	-	9,904,007
-	42,728,336	42,728,336
166,688,872	89,776,961	256,465,833
<u>166,688,872</u>	<u>196,146,899</u>	<u>436,079,260</u>
<u>\$ 182,620,494</u>	<u>\$ 231,031,352</u>	<u>\$ 625,979,530</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

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

Total Fund Balance Governmental Funds (page 29).	\$ 436,079,260
Capital assets used in governmental activities (except for internal service funds) are not financial resources and, therefore, are not reported in the funds.	2,988,936,748
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 expenditures when due. All liabilities are reported in the statement of net assets.	(381,656,853)
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 additions, 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.	31,272,077
Other deferred and accrued charges that are not financial uses and resources and, therefore, are not reported in the funds.	(514,841)
Interest earned on loans receivable are not available for collections and are not included in the governmental fund financial statements. However, the accrued interest is reported in the governmental-wide financial statements.	41,520
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.	<u>38,906,656</u>
Total net assets of governmental activities (page 27)	<u>\$ 3,113,064,567</u>

The accompanying notes are an integral part of these financial statements

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CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	GO Bond Debt Service Fund
Revenues:		
Taxes:		
Gross receipts taxes, local option	\$ 142,001,087	\$ -
Property taxes	34,232,481	86,950,096
Lodgers' and hospitality taxes	-	-
Franchise taxes	19,507,697	-
Payment in lieu of taxes	5,018,751	-
Licenses and permits	10,768,555	-
Intergovernmental	194,147,216	-
Charges for services	40,922,954	-
Fines and forfeits	172,086	-
Interest on investments	3,331,957	1,114,450
Special Assessments	-	-
Collections on real estate contracts receivable	-	-
Miscellaneous	1,051,481	-
	451,154,265	88,064,546
Total revenues	451,154,265	88,064,546
Expenditures:		
Current		
General Government	76,283,985	-
Public safety	200,164,603	-
Culture and recreation	66,724,602	-
Municipal Development/Public works	26,319,813	-
Highways and streets	-	-
Health	13,668,722	-
Human services	32,292,085	-
Housing	-	-
Debt service		
Principal	-	74,625,000
Interest	-	9,205,374
Fiscal agent fees and other fees	-	938,828
Capital Outlay	6,215,545	-
	421,669,355	84,769,202
Total expenditures	421,669,355	84,769,202
Excess (deficiency) of revenues over expenditures	29,484,910	3,295,344
Other financing sources (uses):		
Transfers in	4,669,962	-
Transfers out	(60,116,140)	-
Premiums on bonds issued	-	3,124,010
Payments to refunded bond escrow agent	-	-
Payments from refunding bonds	-	-
Bond issued	-	-
	(55,446,178)	3,124,010
Total other financing sources (uses)	(55,446,178)	3,124,010
Net change in fund balances	(25,961,268)	6,419,354
Fund balances, July 1	84,646,835	8,138,568
Fund balances, June 30	\$ 58,685,567	\$ 14,557,922

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, 2008

Capital Acquisition Fund	Nonmajor Funds	Total
\$ -	\$ 37,011,006	\$ 179,012,093
-	435,032	121,617,609
-	13,802,819	13,802,819
528,079	-	20,035,776
-	-	5,018,751
-	2,686,651	13,455,206
49,781,610	39,143,050	283,071,876
-	7,008,542	47,931,496
-	13,169,316	13,341,402
4,071,778	7,422,241	15,940,426
-	1,925,726	1,925,726
-	16,063	16,063
3,037,888	16,393,001	20,482,370
<u>57,419,355</u>	<u>139,013,447</u>	<u>735,651,613</u>
-	14,519,066	90,803,051
-	14,136,013	214,300,616
-	4,724,153	71,448,755
-	3,486,269	29,806,082
-	7,025,325	7,025,325
-	5,283,211	18,951,933
-	20,383,158	52,675,243
-	6,365,459	6,365,459
-	4,127,326	78,752,326
-	6,590,509	15,795,883
-	396,588	1,335,416
116,629,095	17,106,097	139,950,737
<u>116,629,095</u>	<u>104,143,174</u>	<u>727,210,826</u>
<u>(59,209,740)</u>	<u>34,870,273</u>	<u>8,440,787</u>
17,474,815	27,513,303	49,658,080
(4,707,154)	(19,717,682)	(84,540,976)
-	-	3,124,010
-	(16,183,333)	(16,183,333)
-	16,655,000	16,655,000
128,125,000	-	128,125,000
<u>140,892,661</u>	<u>8,267,288</u>	<u>96,837,781</u>
81,682,921	43,137,561	105,278,568
<u>85,005,951</u>	<u>153,009,338</u>	<u>330,800,692</u>
<u>\$ 166,688,872</u>	<u>\$ 196,146,899</u>	<u>\$ 436,079,260</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

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 (page 32)	\$	105,278,568
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 in the current period. This is the amount by which capital outlays exceeded depreciation in the current period.		58,308,888
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 transactions, 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.		(51,479,822)
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 of the internal service funds is reported with governmental activities.		14,433,185
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.		2,806,738
Interest earned on loans receivable are not available for collections and are not included in the governmental fund financial statements. However, the accrued interest is reported in the governmental-wide financial statements.		1,756
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(917,863)</u>
Change in net assets of governmental activities (page 27)	\$	<u>128,431,450</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Current property tax	\$ 29,850,000	\$ 33,108,000	\$ 33,053,444	\$ (54,556)
Delinquent property tax	932,000	1,167,000	1,179,037	12,037
Franchise taxes:				
Telephone	3,070,000	3,070,000	2,970,022	(99,978)
Electric	5,960,000	6,200,000	6,315,097	115,097
Gas	6,422,000	5,700,000	5,602,951	(97,049)
Cable television	3,706,000	3,706,000	3,721,017	15,017
New Mexico Utility	222,000	254,000	254,590	590
Telecommunications	586,000	540,000	644,020	104,020
Payments in lieu of Taxes	5,195,000	5,195,000	5,018,751	(176,249)
Gross receipts tax-local option	146,555,000	141,839,000	142,001,087	162,087
Total taxes	202,498,000	200,779,000	200,760,016	(18,984)
Licenses and permits:				
Liquor licenses	210,000	210,000	213,780	3,780
Building permits	4,600,000	3,030,000	3,389,364	359,364
Plumbing/mechanical permits	1,400,000	1,175,000	1,105,366	(69,634)
Electrical/refrigeration permits	1,100,000	775,000	769,877	(5,123)
Plan checking permits	3,200,000	2,323,000	2,347,324	24,324
Flood plain certification	140,000	104,000	88,070	(15,930)
Reroofing permits	45,000	61,000	44,945	(16,055)
Restaurant inspections	800,000	730,000	600,502	(129,498)
Food retailers inspections	-	-	163,361	163,361
Swimming pool inspections	120,000	124,000	117,580	(6,420)
Animal licenses	315,000	207,000	265,355	58,355
Right of way usage permits	145,000	145,000	181,620	36,620
Loading zone permits	10,000	10,000	10,933	933
Solicitation permits	6,000	6,000	1,000	(5,000)
Business registration fees	1,269,000	1,308,000	1,258,343	(49,657)
Other licenses and permits	231,000	200,000	211,135	11,135
Total licenses and permits	13,591,000	10,408,000	10,768,555	360,555
Intergovernmental:				
State shared:				
Gross receipts tax	195,042,000	188,323,000	188,207,506	(115,494)
Cigarette tax	490,000	460,000	483,533	23,533
Motor vehicle license distribution	1,427,000	1,670,000	1,698,458	28,458
Municipal road - gas tax	2,380,000	2,486,000	2,436,805	(49,195)
DWI Fines	-	300,000	424,076	124,076
Grants:				
Other	25,000	516,000	582,807	66,807
Local administered grants:				
Bernalillo County-shared operations	258,000	258,000	314,031	56,031
Total intergovernmental	199,622,000	194,013,000	194,147,216	134,216

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued):				
Charges for services:				
General government:				
Administrative charges to other funds	23,546,000	23,791,000	20,431,355	(3,359,645)
Administrative fees	98,000	158,000	145,409	(12,591)
AGIS services	3,000	3,000	2,422	(578)
Engineering fees	1,800,000	850,000	824,264	(25,736)
Engineering inspections	-	-	398,432	398,432
Filing of plats and subdivisions	296,000	189,000	251,625	62,625
Grounds maintenance	1,236,000	1,236,000	1,260,031	24,031
Jury duty and witness fees	4,000	4,000	2,143	(1,857)
Land mediation charges	20,000	20,000	17,530	(2,470)
Legal services	2,000,000	2,000,000	1,875,072	(124,928)
Legal services- special council	239,000	132,000	142,511	10,511
Office services	38,000	45,000	44,469	(531)
Other	3,000	3,000	43,820	40,820
Photocopying	141,000	75,000	89,742	14,742
Planning services	29,000	29,000	31,965	2,965
Real property services	65,000	40,000	12,385	(27,615)
Records search fees	650,000	450,000	435,050	(14,950)
Sale of maps and publications	8,000	8,000	3,498	(4,502)
Shooting range fees	240,000	250,000	272,101	22,101
Sign fees	-	-	103,956	103,956
Zoning fence permit fees	141,000	101,000	105,099	4,099
Public safety:				
Police services	2,877,000	2,842,000	3,044,852	202,852
Fire services	448,000	498,000	563,243	65,243
Culture and recreation:				
Albuquerque aquarium and gardens	986,000	1,100,000	1,297,583	197,583
Community centers	34,000	51,000	49,556	(1,444)
Cultural affairs	1,885,000	1,373,000	1,552,937	179,937
Latch key program	700,000	680,000	648,637	(31,363)
Museum charges	205,000	218,000	235,766	17,766
Other recreation charges	335,000	335,000	399,471	64,471
Other zoo charges	81,000	101,000	103,428	2,428
Outdoor recreation fees	-	-	1,150	1,150
Sports programs	439,000	439,000	443,244	4,244
Swimming pools	630,000	650,000	640,968	(9,032)
Tournament/field rental	89,000	87,000	89,806	2,806
Zoo admissions	2,167,000	1,800,000	1,916,081	116,081

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued):				
Charges for services:				
Highways and streets:				
Excavation permits	435,000	300,000	321,863	21,863
Other street division charges	735,000	735,000	1,131,310	396,310
Health:				
Animal control charges	555,000	635,000	680,074	45,074
Human services:				
Childcare services	839,000	800,000	842,900	42,900
Meal programs	160,000	166,000	172,562	6,562
Memberships	144,000	149,000	176,834	27,834
Coffee	14,000	14,000	15,663	1,663
Dances	31,000	42,000	42,077	77
DSA Route #2	28,000	16,000	20,971	4,971
Other	19,000	30,000	39,099	9,099
Total charges for services	<u>44,393,000</u>	<u>42,445,000</u>	<u>40,922,954</u>	<u>(1,522,046)</u>
Fines and forfeits:				
Air quality penalties	100,000	150,000	172,086	22,086
Photo enforcement fines	5,532,000	-	-	-
Total fines and forfeits	<u>5,632,000</u>	<u>150,000</u>	<u>172,086</u>	<u>22,086</u>
Interest:				
Interest on investments	3,124,000	3,500,000	3,331,957	(168,043)
Total interest	<u>3,124,000</u>	<u>3,500,000</u>	<u>3,331,957</u>	<u>(168,043)</u>
Miscellaneous:				
Rental of City property	190,000	271,000	365,580	94,580
Community center rentals	315,000	315,000	270,527	(44,473)
Revenue sharing agreement	-	-	115,240	115,240
Sales of real property	-	-	26,629	26,629
Collections from property damage	8,000	-	64,815	64,815
Contributions and donations	20,000	20,000	20,957	957
Cash discounts earned	-	-	2,240	2,240
Other miscellaneous	348,000	348,000	185,493	(162,507)
Total miscellaneous	<u>881,000</u>	<u>954,000</u>	<u>1,051,481</u>	<u>97,481</u>
Total revenues	<u>469,741,000</u>	<u>452,249,000</u>	<u>451,154,265</u>	<u>(1,094,735)</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
General Government:				
Accounting	2,621,000	2,621,000	2,531,521	89,479
Administrative hearing office	1,052,000	1,052,000	1,039,972	12,028
Chief Administrative Officer	1,615,000	1,626,000	1,601,432	24,568
Citizen Services	4,179,000	3,758,000	3,314,428	443,572
City Clerk	1,716,000	1,716,000	1,447,468	268,532
City/County building rental	2,425,000	2,425,000	2,425,000	-
Citywide financial support	585,000	645,000	642,878	2,122
Community revitalization	3,583,000	4,376,000	2,148,831	2,227,169
Compensation in lieu of sick leave	350,000	350,000	231,626	118,374
Council services	3,442,000	3,644,000	3,192,798	451,202
DFAS - strategic support	383,000	383,000	367,766	15,234
Dues and memberships	387,000	387,000	371,999	15,001
Early retirement	7,000,000	7,000,000	6,253,947	746,053
Economic development	1,284,000	1,300,000	1,265,935	34,065
Facilities	8,123,000	8,134,000	7,734,952	399,048
Information services	11,490,000	11,601,000	10,395,083	1,205,917
International trade	316,000	316,000	283,373	32,627
Joint committee on intergov. legis. reltns.	236,000	251,000	183,167	67,833
Legal services	5,837,000	5,837,000	5,482,059	354,941
Mayor's office	904,000	904,000	851,292	52,708
Office of Internal Audit	1,304,000	1,304,000	972,874	331,126
Office of Management and Budget	1,412,000	1,412,000	1,260,460	151,540
Personnel services	2,677,000	2,727,000	2,292,007	434,993
Planning - development process and policy	6,784,000	6,784,000	6,297,268	486,732
Planning - strategic support	1,110,000	1,060,000	946,856	113,144
Planning - long range	1,375,000	1,375,000	1,226,048	148,952
Plaza del Sol building	1,410,000	1,410,000	1,410,000	-
Purchasing and office supply	1,137,000	1,154,000	1,096,937	57,063
Real property	536,000	536,000	475,377	60,623
Safe city strike force	961,000	961,000	959,138	1,862
Sustainability strategy	300,000	300,000	76,136	223,864
Treasury	1,500,000	1,531,000	1,347,393	183,607
Total general government	<u>78,034,000</u>	<u>78,880,000</u>	<u>70,126,021</u>	<u>8,753,979</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Current:				
Public safety:				
Police Department:				
Communications & records	12,931,000	13,579,000	12,915,354	663,646
Family advocacy center	5,011,000	5,011,000	4,450,843	560,157
Investigative services	20,737,000	22,090,000	19,707,365	2,382,635
Metro detention center	9,000,000	9,000,000	6,700,000	2,300,000
Neighborhood Policing	81,429,000	78,981,000	78,515,671	465,329
Off duty police overtime	1,432,000	1,632,000	1,431,336	200,664
Officer & department support	17,035,000	18,268,000	18,203,154	64,846
Prisoner transport	1,895,000	1,906,000	1,442,800	463,200
Professional standards	1,231,000	1,391,000	1,295,830	95,170
Fire Department:				
AFD headquarters	2,685,000	2,685,000	2,583,706	101,294
Dispatch	3,194,000	3,194,000	3,192,359	1,641
Emergency response	49,865,000	50,069,000	50,051,395	17,605
Fire prevention/fire marshal's office	3,626,000	3,628,000	3,625,064	2,936
Logistics	4,215,000	4,223,000	3,307,327	915,673
Technical services	916,000	916,000	893,932	22,068
Training	2,194,000	2,197,000	2,192,761	4,239
Total public safety	<u>217,396,000</u>	<u>218,770,000</u>	<u>210,508,897</u>	<u>8,261,103</u>
Culture and recreation:				
Aviation landscape	1,165,000	1,165,000	1,011,013	153,987
Balloon museum	1,374,000	1,374,000	1,323,588	50,412
Biopark	12,552,000	12,572,000	12,523,980	48,020
CIP Biopark	2,016,000	2,016,000	859,087	1,156,913
CIP library	60,000	60,000	58,335	1,665
Community events	2,500,000	2,512,000	2,443,376	68,624
Cultural services- strategic support	1,486,000	1,443,000	1,437,774	5,226
Explora	1,500,000	1,500,000	1,497,342	2,658
Library	11,915,000	11,942,000	10,785,728	1,156,272
Museum	3,045,000	3,045,000	3,044,838	162
Parks and recreation- strategic support	1,226,000	1,226,000	1,182,296	43,704
Parks management	13,906,000	13,959,000	14,052,752	(93,752)
Promote safe use of firearms	361,000	361,000	369,637	(8,637)
Quality recreation	5,723,000	5,723,000	5,657,623	65,377
Senior affairs- strategic support	1,617,000	1,617,000	1,597,487	19,513
Special events parking	19,000	19,000	19,000	-
Tourism	2,376,000	2,376,000	1,924,537	451,463
Total culture and recreation	<u>62,841,000</u>	<u>62,910,000</u>	<u>59,788,393</u>	<u>3,121,607</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Current:				
Municipal Development				
Code enforcement	2,847,000	2,847,000	2,739,059	107,941
Construction	2,098,000	2,193,000	1,813,246	379,754
Design recovered storm drain	2,206,000	2,206,000	1,715,054	490,946
Design recovered parks & CIP	3,473,000	3,473,000	3,031,441	441,559
Street services	10,603,000	10,672,000	10,526,890	145,110
Strategic support	2,376,000	2,376,000	2,211,860	164,140
Street CIP/ trans infrastructure tx	2,993,000	2,993,000	2,421,782	571,218
Storm drainage	2,402,000	2,408,000	2,328,425	79,575
Total municipal development	<u>28,998,000</u>	<u>29,168,000</u>	<u>26,787,757</u>	<u>2,380,243</u>
Health:				
Albuquerque animal care center	10,090,000	10,362,000	9,684,323	677,677
Consumer health protection	1,135,000	1,135,000	1,085,358	49,642
Environmental services	1,360,000	1,410,000	1,409,919	81
Strategic support	1,642,000	1,645,000	1,427,928	217,072
Vector born & zoonotic disease	410,000	457,000	424,541	32,459
Total health	<u>14,637,000</u>	<u>15,009,000</u>	<u>14,032,069</u>	<u>976,931</u>
Human services:				
Access to basic services	182,000	182,000	114,999	67,001
Affordable housing	74,000	205,000	204,917	83
Community recreation	7,751,500	7,758,500	7,726,085	32,415
Early childhood education	5,507,000	5,507,000	5,014,946	492,054
Emergency shelter	859,000	969,000	864,201	104,799
Health & social services	3,823,600	3,769,600	3,578,171	191,429
Mental health services	3,961,400	3,261,400	2,904,066	357,334
Neighborhood deterioration	142,000	142,000	199,295	(57,295)
Partner with public education	5,903,000	5,952,000	5,664,996	287,004
Plan and coordinate	2,334,000	2,334,000	2,215,425	118,575
Reduce youth gangs	1,317,000	1,317,000	1,312,448	4,552
Substance abuse treatment	6,685,000	7,178,000	6,558,614	619,386
Supportive services to homeless	281,000	281,000	270,697	10,303
Transitional housing	163,000	163,000	163,000	-
Well-being	3,632,000	3,632,000	3,634,358	(2,358)
Total human services	<u>42,615,500</u>	<u>42,651,500</u>	<u>40,426,218</u>	<u>2,225,282</u>
Total expenditures	<u>444,521,500</u>	<u>447,388,500</u>	<u>421,669,355</u>	<u>25,719,145</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of revenues over expenditures	25,219,500	4,860,500	29,484,910	24,624,410
Other financing sources (uses):				
Transfers in	5,557,000	5,394,000	4,669,962	(724,038)
Transfers out	(52,439,000)	(60,289,000)	(60,116,140)	172,860
Total other financing sources and uses	(46,882,000)	(54,895,000)	(55,446,178)	(551,178)
Net change in fund balance	(21,662,500)	(50,034,500)	(25,961,268)	24,073,232
Fund balance, July 1	84,646,835	84,646,835	84,646,835	-
Fund balance, June 30	\$ 62,984,335	\$ 34,612,335	\$ 58,685,567	\$ 24,073,232

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

ASSETS	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
Current assets:		
Cash, investments, and accrued interest	\$ 12,628,023	\$ 5,640,102
Cash with fiscal agents held for debt service	16,962,442	4,590,401
Cash held by others	-	-
Accounts receivable, net of allowance for uncollectible accounts	3,503,261	4,284,437
Due from other funds	-	-
Prepaid expenses	-	-
Due from other governments	-	-
Deposits	-	-
Inventories of supplies	458,235	877,231
Total current assets	<u>33,551,961</u>	<u>15,392,171</u>
Noncurrent assets:		
Restricted assets:		
Cash, investments, and accrued interest	90,095,664	12,255,267
Account receivable from bond escrow agent	1,682,444	-
Accounts receivable - developers	-	-
Escrow deposits	-	-
Total restricted assets	<u>91,778,108</u>	<u>12,255,267</u>
Capital assets:		
Land	35,327,744	5,165,506
Land and improvements acquired from U.S. Air Force	7,630,077	-
Buildings and improvements	179,722,328	40,181,891
Runways and other improvements	265,348,244	-
Infrastructure	-	3,452,744
Improvements other than buildings	176,552,416	-
Machinery and equipment	10,330,385	43,091,624
Other	854,296	-
Total	<u>675,765,490</u>	<u>91,891,765</u>
Less accumulated depreciation and amortization	<u>380,118,194</u>	<u>39,203,080</u>
Capital assets, net of depreciation	<u>295,647,296</u>	<u>52,688,685</u>
Construction work in progress	<u>8,688,089</u>	<u>1,642,009</u>
Total capital assets	<u>304,335,385</u>	<u>54,330,694</u>
Other:		
Capitalized bond issuance costs	904,783	53,541
Advance from other funds	-	-
Land - acquired under claim settlement	-	-
Total other assets	<u>904,783</u>	<u>53,541</u>
Total noncurrent assets	<u>397,018,276</u>	<u>66,639,502</u>
Total assets	<u>\$ 430,570,237</u>	<u>\$ 82,031,673</u>

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Transit Fund	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 1,326,782	\$ 18,749,039	\$ 38,343,946	\$ 90,012,238
21,502,892	1,101,354	44,157,089	-
-	1,749,738	1,749,738	-
897,696	456,495	9,141,889	622
-	-	-	1,341,983
-	27,541	27,541	116,382
6,692,004	61,507	6,753,511	60,917
-	-	-	100,000
1,239,001	153,656	2,728,123	2,617,502
<u>31,658,375</u>	<u>22,299,330</u>	<u>102,901,837</u>	<u>94,249,644</u>
885,238	6,155,955	109,392,124	-
-	-	1,682,444	-
-	2,927,814	2,927,814	-
-	467,091	467,091	-
<u>885,238</u>	<u>9,550,860</u>	<u>114,469,473</u>	<u>-</u>
4,768,660	8,875,432	54,137,342	283,842
-	-	7,630,077	-
70,263,701	144,493,084	434,661,004	406,001
-	-	265,348,244	-
-	-	3,452,744	-
-	-	176,552,416	872,229
79,392,039	5,572,333	138,386,381	1,529,949
-	100,904	955,200	-
154,424,400	159,041,753	1,081,123,408	3,092,021
42,944,737	81,215,781	543,481,792	2,359,139
111,479,663	77,825,972	537,641,616	732,882
-	-	10,330,098	-
<u>111,479,663</u>	<u>77,825,972</u>	<u>547,971,714</u>	<u>732,882</u>
36,583	627,126	1,622,033	-
-	-	-	971,000
-	-	-	-
<u>36,583</u>	<u>627,126</u>	<u>1,622,033</u>	<u>971,000</u>
112,401,484	88,003,958	664,063,220	1,703,882
<u>\$ 144,059,859</u>	<u>\$ 110,303,288</u>	<u>\$ 766,965,057</u>	<u>\$ 95,953,526</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, 2008

LIABILITIES	Airport Fund	Refuse Disposal Fund
Current liabilities:		
Accounts payable	\$ 3,391	\$ 1,423,960
Accrued payroll	400,366	701,846
Accrued vacation and sick leave pay	997,858	2,200,948
Accrued fuel cleanup costs	-	-
Fare tokens outstanding	-	-
Deposits	868,686	65,355
Due to other funds	-	-
Due to other governments	29,057	-
Current portion of claims and judgments payable	-	-
Liabilities payable from restricted assets:		
Construction contracts and miscellaneous payable	1,438,669	293,776
Deferred revenue	2,186,631	-
Current portion - revenue bonds and notes payable	13,940,000	4,062,844
Accrued interest	3,138,166	610,151
Total current liabilities	23,002,824	9,358,880
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Accrued landfill closure costs	-	1,573,916
Other	-	-
Total	-	1,573,916
Revenue bonds, notes payable and capital leases, net of current portion and unamortized discounts	172,788,191	20,838,748
Other:		
Claims and judgments payable	-	-
Accrued vacation and sick leave pay	353,639	59,240
Advances from other funds	-	-
Total	353,639	59,240
Total noncurrent liabilities:	173,141,830	22,471,904
Total liabilities	196,144,654	31,830,784
NET ASSETS		
Invested in capital assets, net of related debt	147,775,447	37,512,645
Restricted for:		
Debt service	12,161,781	478,487
Construction	56,884,259	5,471,571
Unrestricted (deficit)	17,604,096	6,738,186
Total net assets	\$ 234,425,583	\$ 50,200,889

The accompanying notes are an integral part of these financial statements

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Transit</u>	<u>Other</u>	<u>Totals</u>	<u>Activities -</u>
<u>Fund</u>	<u>Enterprise</u>		<u>Internal</u>
	<u>Funds</u>		<u>Service</u>
			<u>Fund</u>
\$ 1,033,393	\$ 422,888	\$ 2,883,632	\$ 3,785,658
701,033	218,644	2,021,889	166,156
1,264,955	490,396	4,954,157	530,094
-	-	-	84,429
61,616	-	61,616	-
-	20,954	954,995	-
19,799,131	1,191,040	20,990,171	-
-	31,090	60,147	-
-	-	-	26,579,300
3,260,757	-	4,993,202	-
393,188	-	2,579,819	-
963,425	1,086,602	20,052,871	-
-	431,160	4,179,477	-
<u>27,477,498</u>	<u>3,892,774</u>	<u>63,731,976</u>	<u>31,145,637</u>
-	-	1,573,916	-
-	451,030	451,030	-
<u>-</u>	<u>451,030</u>	<u>2,024,946</u>	<u>-</u>
<u>17,169,449</u>	<u>26,660,124</u>	<u>237,456,512</u>	<u>-</u>
-	-	-	33,517,404
316,310	-	729,189	18,408
-	16,655,000	16,655,000	-
<u>316,310</u>	<u>16,655,000</u>	<u>17,384,189</u>	<u>33,535,812</u>
<u>17,485,759</u>	<u>43,766,154</u>	<u>256,865,647</u>	<u>33,535,812</u>
<u>44,963,257</u>	<u>47,658,928</u>	<u>320,597,623</u>	<u>64,681,449</u>
94,346,797	39,642,841	319,277,730	732,882
20,539,467	2,668,846	35,848,581	-
-	1,428,708	63,784,538	-
(15,789,662)	18,903,965	27,456,585	30,539,195
<u>\$ 99,096,602</u>	<u>\$ 62,644,360</u>	<u>\$ 446,367,434</u>	<u>\$ 31,272,077</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, 2008

	Airport Fund	Refuse Disposal Fund
Operating revenues:		
Charges for services	\$ 65,670,650	\$ 52,489,420
Operating expenses:		
Salaries and fringe benefits	14,621,156	24,111,674
Professional services	709,841	253,776
Utilities	2,763,980	439,393
Supplies	784,064	1,560,953
Travel	58,525	22,943
Fuels, repairs and maintenance	3,826,651	10,307,646
Contractual services	4,805,984	3,051,952
Claims and judgments	-	-
Insurance premiums	-	-
Other operating expenses	2,448,394	5,693,382
Depreciation	26,043,878	6,795,417
Bad debt expense	-	-
Total operating expenses	56,062,473	52,237,136
Operating income (loss)	9,608,177	252,284
Non-operating revenues (expenses):		
Interest on investments	1,677,643	457,611
Federal housing grants	-	-
Housing assistance payments	-	-
Passenger facilities charges	8,559,092	-
Gain (loss) on disposition of property and equipment	(27,582)	100,975
Interest and other debt service expenses	(7,344,734)	(538,543)
Bond issue costs	(719,810)	(5,156)
Capital expenditures	-	(877,623)
Other	282,516	2,835,419
Total non-operating revenues (expenses)	2,427,125	1,972,683
Income (loss) before capital contributions and transfers	12,035,302	2,224,967
Capital contributions	6,361,223	7,566
Transfers in	-	1,300,000
Transfers out	-	(2,186,208)
Change in net assets	18,396,525	1,346,325
Net assets, July 1	216,029,058	48,854,564
Net assets, June 30	\$ 234,425,583	\$ 50,200,889

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Governmental
Activities -
Internal
Service
Funds

Transit Fund	Other Enterprise Funds	Totals	
\$ 5,065,232	\$ 16,145,850	\$ 139,371,152	\$ 101,046,559
25,635,374	7,795,450	72,163,654	8,657,860
196,559	124,022	1,284,198	1,039,542
1,014,206	2,939,914	7,157,493	188,713
1,225,967	198,084	3,769,068	1,256,852
53,284	2,879	137,631	22,032
7,316,812	2,302,956	23,754,065	8,369,815
1,800,436	710,357	10,368,729	3,115,638
-	-	-	24,687,241
-	-	-	48,338,150
5,814,339	4,560,282	18,516,397	1,702,351
5,242,865	4,919,607	43,001,767	149,582
24,504	251,633	276,137	-
<u>48,324,346</u>	<u>23,805,184</u>	<u>180,429,139</u>	<u>97,527,776</u>
<u>(43,259,114)</u>	<u>(7,659,334)</u>	<u>(41,057,987)</u>	<u>3,518,783</u>
823,102	979,009	3,937,365	3,135,281
-	28,584,686	28,584,686	-
-	(20,609,492)	(20,609,492)	-
-	-	8,559,092	-
(363,600)	(31,190)	(321,397)	(267,682)
(830,370)	(2,023,029)	(10,736,676)	-
(12,249)	(91,206)	(828,421)	-
-	-	(877,623)	-
<u>2,905,960</u>	<u>1,920,812</u>	<u>7,944,707</u>	<u>275,928</u>
<u>2,522,843</u>	<u>8,729,590</u>	<u>15,652,241</u>	<u>3,143,527</u>
<u>(40,736,271)</u>	<u>1,070,256</u>	<u>(25,405,746)</u>	<u>6,662,310</u>
16,168,657	574,501	23,111,947	8,020,875
34,762,482	2,027,000	38,089,482	-
(451,401)	(318,977)	(2,956,586)	(250,000)
9,743,467	3,352,780	32,839,097	14,433,185
<u>89,353,135</u>	<u>59,291,580</u>	<u>413,528,337</u>	<u>16,838,892</u>
<u>\$ 99,096,602</u>	<u>\$ 62,644,360</u>	<u>\$ 446,367,434</u>	<u>\$ 31,272,077</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, 2008

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 67,826,756	\$ 51,920,169
Cash received from other funds for goods and services	-	-
Cash payments to employees for services	(14,355,624)	(23,899,061)
Cash payments to suppliers for goods and services	(18,190,524)	(21,248,729)
Cash payments to other funds for goods and services	(2,763,980)	(439,393)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous cash received	-	2,835,419
Miscellaneous cash paid	282,516	-
Net cash provided by (used for) operating activities	<u>32,799,144</u>	<u>9,168,405</u>
Cash flow from noncapital financing activities:		
Operating grants received	6,329,318	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	(47,808)
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	1,300,000
Transfers-out to other funds	-	(2,186,208)
Net cash provided by (used for) noncapital financing activities	<u>6,329,318</u>	<u>(934,016)</u>
Cash flows from capital and related financing activities:		
Proceeds from notes payable	35,363,625	2,600,000
Principal paid on revenue bond maturities and refunded bonds	(50,808,250)	(3,957,926)
Interest and other expenses paid on revenue bond maturities	(8,529,822)	(571,736)
Acquisition and construction of capital assets	(24,122,264)	(3,574,989)
Capital grants received	-	-
Passenger facilities charges	8,559,092	-
Proceeds from sale (retirement) of property and equipment	2,968	269,892
Net cash provided by (used for) capital and related financing activities	<u>(39,534,651)</u>	<u>(5,234,759)</u>
Cash flows from investing activities:		
Interest received on investments	<u>1,677,643</u>	<u>457,611</u>
Net cash provided by investing activities	<u>1,677,643</u>	<u>457,611</u>
Net increase (decrease) in cash and cash equivalents	1,271,454	3,457,241
Cash and cash equivalents, July 1	<u>118,414,675</u>	<u>19,028,529</u>
Cash and cash equivalents, June 30	<u>\$ 119,686,129</u>	<u>\$ 22,485,770</u>

The accompanying notes are an integral part of these financial statements

Transit Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 5,116,607	\$ 15,727,234	\$ 140,590,766	\$ (12,636)
19,799,131	208,868	20,007,999	100,955,440
(25,584,390)	(7,668,523)	(71,507,598)	(8,720,312)
(13,152,571)	(8,484,885)	(61,076,709)	(61,599,727)
(1,014,206)	(3,391,247)	(7,608,826)	(188,713)
-	-	-	(21,596,973)
1,715,258	2,139,071	6,689,748	8,252,827
(520)	(207,958)	74,038	-
<u>(13,120,691)</u>	<u>(1,677,440)</u>	<u>27,169,418</u>	<u>17,089,906</u>
1,191,222	28,584,686	36,105,226	-
-	(20,609,492)	(20,609,492)	-
-	(1,545,000)	(1,592,808)	-
-	(778,346)	(778,346)	-
34,762,482	2,027,000	38,089,482	-
<u>(451,401)</u>	<u>(318,977)</u>	<u>(2,956,586)</u>	<u>(250,000)</u>
<u>35,502,303</u>	<u>7,359,871</u>	<u>48,257,476</u>	<u>(250,000)</u>
-	-	37,963,625	-
(1,867,126)	(1,150,557)	(57,783,859)	-
(830,369)	(1,252,749)	(11,184,676)	-
(37,050,903)	(1,591,910)	(66,340,066)	(80,812)
14,047,998	-	14,047,998	-
-	-	8,559,092	-
<u>(1,781)</u>	<u>-</u>	<u>271,079</u>	<u>8,182</u>
<u>(25,702,181)</u>	<u>(3,995,216)</u>	<u>(74,466,807)</u>	<u>(72,630)</u>
<u>823,102</u>	<u>979,009</u>	<u>3,937,365</u>	<u>3,135,281</u>
<u>823,102</u>	<u>979,009</u>	<u>3,937,365</u>	<u>3,135,281</u>
(2,497,467)	2,666,224	4,897,452	19,902,557
<u>26,212,379</u>	<u>25,556,953</u>	<u>189,212,536</u>	<u>70,109,681</u>
<u>\$ 23,714,912</u>	<u>\$ 28,223,177</u>	<u>\$ 194,109,988</u>	<u>\$ 90,012,238</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, 2008

	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 9,608,177	\$ 252,284
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	26,043,878	6,795,417
Miscellaneous income (expense)	282,516	2,835,419
Capital expenditures below capitalization threshold	-	(877,623)
Fiscal agent fees	-	(1,237)
Bad debt expense	-	-
Loss on adjustment of assets	-	-
Correction of accumulated depreciation balance	-	-
Decrease (increase) in assets:		
Receivables	1,887,713	(568,367)
Due from other governments	-	-
Due from other funds	-	-
Inventories of supplies	117,413	(47,316)
Prepaid expenses	-	-
Deposits	-	-
Land acquired under claim settlement	-	-
Increase (decrease) in liabilities:		
Accounts payable	(1,582)	255,743
Customer deposits	207,842	(884)
Accrued landfill closure costs and fuels cleanup	-	106,915
Accrued employee compensation and benefits	265,532	212,613
Fare tokens outstanding and deposits	-	-
Due to other funds	-	-
Construction and miscellaneous accounts payable	(5,665,922)	205,441
Claims and judgements payable	-	-
Other liability	-	-
Deferred revenue	60,551	-
Due to other governments	(6,974)	-
Net cash provided by (used for) operating activities	<u>\$ 32,799,144</u>	<u>\$ 9,168,405</u>
Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 12,628,023	\$ 5,640,102
Cash with fiscal agents	16,962,442	4,590,401
Cash held by others	-	-
Restricted assets:		
Cash, investments, and accrued interest	90,095,664	12,255,267
Escrow deposits	-	-
Total cash and cash equivalents, June 30	<u>\$ 119,686,129</u>	<u>\$ 22,485,770</u>
Non cash transactions:		
Unrealized gains (losses) on investments	\$ 240,230	\$ 40,867
Transfer of capital assets from other funds	31,905	7,566
HUD payment of third party guaranteed debt	-	-

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>
\$ (43,259,114)	\$ (7,659,334)	\$ (41,057,987)	\$ 3,518,783
5,242,865	4,919,607	43,001,767	149,582
1,714,738	1,897,584	6,730,257	8,252,827
-	-	(877,623)	-
-	(171,483)	(172,720)	-
24,504	251,633	276,137	-
-	-	-	-
-	-	-	-
(322,225)	(394,083)	603,038	9,027
-	(29,253)	(29,253)	(21,663)
-	-	-	(91,119)
(374,639)	(7,092)	(311,634)	(129,476)
-	3,201	3,201	192,484
-	-	-	-
-	-	-	-
1,033,393	(394,548)	893,006	169,542
-	4,720	211,678	-
-	-	106,915	26,944
50,984	126,927	656,056	(62,452)
(19,588)	-	(19,588)	-
19,799,131	(451,333)	19,347,798	-
2,596,072	-	(2,864,409)	-
-	-	-	3,090,268
-	208,868	208,868	1,985,159
393,188	-	453,739	-
-	17,146	10,172	-
<u>\$ (13,120,691)</u>	<u>\$ (1,677,440)</u>	<u>\$ 27,169,418</u>	<u>\$ 17,089,906</u>
\$ 1,326,782	\$ 18,749,039	\$ 38,343,946	\$ 90,012,238
21,502,892	1,101,354	44,157,089	-
-	1,749,738	1,749,738	-
885,238	6,155,955	109,392,124	-
-	467,091	467,091	-
<u>\$ 23,714,912</u>	<u>\$ 28,223,177</u>	<u>\$ 194,109,988</u>	<u>\$ 90,012,238</u>
\$ 45,702	\$ 17,171	\$ 343,970	\$ 188,406
274,201	133,257	446,929	43,976
-	-	-	-

The accompanying notes are an integral part of these financial statements

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CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash, investments, and accrued interest	\$ 4,878,481
Receivables	<u>187,732</u>
Total assets	<u><u>\$ 5,066,213</u></u>
LIABILITIES	
Accounts payable	\$ 299,247
Funds held for others	<u>4,766,966</u>
Total liabilities	<u><u>\$ 5,066,213</u></u>

The accompanying notes are an integral part of these financial statements

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CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

I. Summary of significant accounting policies

The financial statements of the City of Albuquerque, New Mexico (City) have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The significant governmental accounting policies are described below.

A. 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, 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.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government if they are unable to adopt a budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. 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. The Authority uses a simple majority to adopt a budget, set rates, and issue bonded debt, therefore the City has the potential to impose its will. The Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2008 is available by contacting the Authority at the following address; Fifth floor, P.O. Box 1293, Albuquerque, NM 87103. See Note IV P.

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.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Internal Service Fund activity is eliminated to the extent of the net income/loss. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and business-type (enterprise) funds are aggregated and reported as non-major funds.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. The agency fund is reported on the *accrual basis of accounting* and has no measurement focus. 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 have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. 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, motor vehicle taxes, cigarette taxes, gasoline taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Derived gross receipts tax revenue is recognized when the underlying exchange transaction takes place. A small portion of the gross receipts tax revenue is derived from an estimate of delinquent taxes not yet collected and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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. 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.

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.

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. The expendable trust funds account for the investment earnings from proceeds of the sale of certain properties.

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 Fund. This fund accounts for monies held by the City in a custodial capacity on behalf of third parties or other agencies.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). All governmental and business-type activities of the City follow the Financial Accounting Standards Board (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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's risk management and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 modified accrual basis of accounting is followed by the governmental fund types for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. The City considers revenue available if amounts are collected within one month after year-end.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, investment income and charges for services. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. Expenditures are recorded as liabilities when they are incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is utilized by proprietary and agency fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports unearned revenue on its combined balance sheet. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. 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.

The City enters into interest rate swap agreements to modify interest rates on the Airport Refunding Series 95 Revenue Bond debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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 (LGIP) are valued at fair value based on quoted market prices as of the valuation date in accordance with GASB Statement No. 31. The State Treasurer LGIP is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. 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 THE FINANCIAL STATEMENTS
JUNE 30, 2008

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year that are expected to be paid back within the year are referred to as "due to/from other funds." Lending/borrowing arrangements not expected to be paid back within the year are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Proprietary fund receivables are recorded as revenue when earned including services earned but not billed. The City refuse services are not recorded until billed. See Note I. D. 17. of the Notes to the Financial Statements. The receivables of proprietary funds include billing for residential and commercial customers for City refuse services, consignment sales of bus tokens for transit services, space rental fees from commercial customer at the airport and baseball stadium, and from tenant rental fees for City Housing services. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts, the aging of the accounts receivables, and historical experience. All property tax receivables are shown net of an allowance for uncollectibles.

3. *Inventories and prepaid items*

The inventories in the general fund consist of fuel, vehicle parts, and fluids. Inventories of supplies are valued at average cost. Expenditures in governmental funds and expenses in proprietary funds are recorded as inventory items and expensed when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *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, as 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 the lower of cost or fair 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.

5. *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. State of New Mexico Administrative Code requires state and local governmental agencies to capitalize fixed assets costing in excess of \$5,000. Currently, the City defines capital assets as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of one year. The City implemented the new \$5,000 capitalization threshold in fiscal year 2007 for items purchased during the fiscal 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.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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.

Infrastructure assets consist of the streets network: landscaped medians, roadways, right of ways, bridges, signals, beacons, trails, and trail bridges; and the storm network: easements, drainage pipes, lift stations, bridges, dams, detention basins right of ways, and arroyo easements right of ways. Streetlights managed by the local electric utility, sidewalks, traffic signs, dirt roads and milling roads are not considered infrastructure.

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	35-50 years
Improvements other than buildings and runways	15-20 years
Machinery and equipment	3-13 years

6. *Deferred charges and other assets*

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.

7. *Claims and judgments*

Liabilities for workers' compensation, tort and other claims as of June 30, 2008 were accrued based on actuarial estimates of the City's self-insurance programs. At June 30, 2008 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 3.0% at June 30, 2008, and 3.0% for 2007, 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.

8. *Compensated absences*

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.

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9. *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.

10. *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.

11. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. 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.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. *Net assets*

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as follows:

Investment in capital assets, net of related debt – This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets – 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. The restricted net assets are restricted for debt service, construction, housing and economic development, federal and state funded programs, open space and urban enhancement. The government-wide statement of net assets reports \$355,712,393 of restricted net assets, of which \$51,247,825 are restricted by enabling legislation.

Unrestricted net assets – This category reflects net assets of the City, not restricted for any project or other purpose.

13. *Fund equity reservation and designations*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted. Designations represent tentative managerial plans that are subject to change. 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.

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

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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.

Debt service – amounts legally restricted for the payment of debt.

Operations – a portion of the fund balance of the General Fund designated by Administrative Instruction No. 2-13-1A (Revised) from expenditure, except by specific appropriation, for the purpose of maintaining existing levels of government services to the public.

Unreserved, undesignated – Amounts, which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the City.

14. *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.

15. *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.

16. *Bond premiums/issuance costs*

In governmental fund types, bond premiums and issuance costs are recognized in the current period. Bond premiums are presented, separately as other financing sources.

17. *Unbilled revenues*

Refuse services are billed on a cycle basis; therefore, amounts for services provided but unbilled as of June 30, 2008 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.

18. *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 operating transfers and are included in the determination of the results of operations in the governmental, proprietary, and fiduciary funds.

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19. New accounting pronouncements

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2008.

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*.
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

The City will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City believes that the above listed new GASB pronouncements will not have a significant financial impact to the City or in issuing its financial statements. In fiscal year 2008, the City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Issued in June 2004, this Statement addresses how state and local governments should account for and report their costs and obligations related to OPEB. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as the currently do for pensions.

20. Reclassifications

Certain reclassifications of prior year information have been made to conform to the current period. Accrued vacation and sick leave reported on the Statement of Net Assets under restricted assets in the prior year are reported under current liabilities in the current year.

II. 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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets –governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds and bond anticipation notes payable	\$ (217,995,000)
Sales tax revenue bonds and notes payable	(129,265,000)
Special assessment debt with governmental commitment	(3,262,345)
Deferred refunding costs	4,706,695
Unamortized bond premiums	1,500,777
Unamortized bond discounts	(6,867,855)
Compensated absences	(30,474,125)
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ (381,656,853)
Unamortized bond issue costs	\$ 1,201,303
Accrued rebatable arbitrage payable reported as deferred credit	(1,716,144)
Total other deferred and accrued charges	\$ (514,841)

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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 are reported as deferred revenue in the funds as follows:

Gross receipts tax	\$ 33,068,485
Property taxes	3,233,363
Gasoline taxes	715,842
Cigarette taxes	43,694
Amounts due on real estate contracts	1,845,273
Net adjustment to increase fund balance – total	
Governmental funds to arrive at net assets – governmental activities	\$ 38,906,656

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, "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." The details of this difference are as follows:

Capital additions depreciated and non-depreciated	\$ 508,655,702
Construction work in process and other reclassified to fixed assets	(381,176,888)
Depreciation expense	(68,735,359)
Depreciation expense Internal Service fund included in net income	427,299
Capital additions Internal Service fund included in net income	(126,641)
Net gain (loss) on disposition of capital assets	(735,225)
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of Governmental activities	\$ 58,308,888

Another element of that reconciliation states that, "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. The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (131,249,010)
Deferred refunding costs	(195,366)
Bond discount	(165,833)
Bond premium	1,849,728
Proceeds of refunding bonds	(16,655,000)
Payment of refunded bonds	16,183,333
Principal repayments:	
General obligation bonds	74,625,000
Gross receipts tax revenue bonds	1,130,000
Gross receipts tax revenue note	505,000
Special assessment district bonds and notes	2,492,326
Net adjustment to decrease net changes in fund balances –	
Total governmental funds to arrive at changes in net assets of governmental activities	\$ (51,479,822)

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Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	\$ (544,326)
Rebatable arbitrage	(177,095)
Amortization of bond discounts	(196,442)
Net adjustment to decrease net changes in fund balances –	
Total governmental funds to arrive at changes in net assets of governmental activities	\$ (917,863)

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, 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.

Gross receipts taxes	\$ 1,197,383
Property taxes	730,539
Gasoline taxes	70,118
Cigarette taxes	(11,689)
Collections on real estate contracts, net of deferred gains	820,387
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of Governmental activities	\$ 2,806,738

III. Stewardship, compliance and accountability

A. Budgetary information

Budgetary information Annual budgets for the General Fund, the following Special Revenue Funds: Community Development; Fire; Recreation; Lodger's Tax; Hospitality Tax; Culture and Recreation Projects; Open and Ethical Elections; Albuquerque Biological Park; City Housing; Air Quality; Heart Ordinance; Corrections and Detention; Operating Grants; Metropolitan Redevelopment; Housing and Neighborhood Economic Development; Law Enforcement Protection; Photo Enforcement Red Light; Gas Tax Road; City/County Facilities; Plaza Del Sol; Acquisition and Management of Open Space Expenditures; and Urban Enhancement Expenditures; 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 I. C. 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 2008, 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.

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B. Deficit fund equity

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, 2008 is as follows:

Capital Acquisition Fund	
Community Services Building	\$ <u>(56,349)</u>
Quality of Life Fund	
Balloon Science Museum	\$ (75,960)
Quarter Cent Storm Drain	(109)
Rio Grande Bosque RR	<u>(260)</u>
	\$ <u>(76,329)</u>
Transportation Infrastructure Tax Fund	
Maintenance deficit	\$ (20,872,005)
Streets	61,618,700
Trails	3,432,448
Transit	6,277,289
Unallocated	<u>1,151,093</u>
Total unreserved fund balance	\$ <u>51,607,525</u>

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IV. Detailed notes on all funds

A. Cash and investments

The total cash, investments, accrued interest and cash with fiscal agents, net of cash overdrafts of the City at June 30, 2008, consist of the following:

	(In thousands of dollars)				
	Govern- mental Activities	Business- type Activities	Fiduciary Funds	Total	Component Unit
Cash, investments accrued interest and cash with fiscal agents, net of unamortized discounts and premiums:					
Repurchase agreements	\$ 156,131	\$ 54,302	\$ 1,096	\$ 211,529	\$ 38,061
Obligations of federal agencies or instrumentalities	194,277	57,814	1,363	253,454	47,360
State of New Mexico investment council	31,341	-	-	31,341	-
State of New Mexico local government investment pool	177,604	60,748	1,247	239,599	43,296
Held in trust by New Mexico Bank and Trust U.S Treasury Fund	-	-	-	-	-
Held in trust by NM FA in State of New Mexico local government investment pool	-	-	-	-	7
Held in trust by Wells Fargo Bank in U.S. Treasury Fund	114	2,502	-	2,616	-
Held in trust by Bank of Albuquerque in U.S. Treasury Fund	788	-	-	788	-
Total investments	560,255	175,366	3,706	739,327	128,724
Bank accounts at book balances	(11,341)	17,670	1,159	7,488	14,822
Total bank balances	(11,341)	17,670	1,159	7,488	14,822
Accrued interest receivable	1,986	591	14	2,591	484
Imprest cash funds	86	16	-	102	-
Escrow deposits	-	467	-	467	148
Total other	2,072	1,074	14	3,160	632
Total cash, investments, accrued interest and cash with fiscal agents	\$ 550,986	\$ 194,110	\$ 4,879	\$ 749,975	\$ 144,178
Current cash, investments and accrued interest:					
Cash, investments and accrued interest	\$ 386,977	\$ 38,344	\$ 4,879	\$ 430,200	\$ 35,813
Cash, investments with fiscal agents	85,198	44,157	-	129,355	36,701
Cash held by others	-	1,750	-	1,750	-
Total current cash, investments and accrued interest	472,175	84,251	4,879	561,305	72,514
Restricted noncurrent cash, investments and accrued interest:					
Cash, investments and accrued interest	78,811	109,392	-	188,203	71,509
Cash and investments with fiscal agents	-	-	-	-	7
Escrow deposits	-	467	-	467	148
Total noncurrent cash, investments, accrued interest	78,811	109,859	-	188,670	71,664
Total cash, investments, accrued interest and cash with fiscal agents	\$ 550,986	\$ 194,110	\$ 4,879	\$ 749,975	\$ 144,178

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, 2008, \$2,394,000 of the City's bank balances of \$10,282,000 was exposed to custodial credit risk. It is the Bank of America's policy to only collateralize collected balances, not available balances. The collateral is held in the City's name by Bank of New York, with whom the City has entered into a tri-party collateral agreement through Bank of America.

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.

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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, 2008, the City's investments in its internal investment pool other than overnight repurchase agreements and a position in the State of New Mexico Local Government Investment Pool (LGIP), 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 LGIP were not rated.

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: With the exception of collateralized repurchase agreements, U.S. Treasury securities, and authorized pools (comprising the "liquidity segment" of the portfolio), no more than 50% of the residual investment portfolio (the "core segment") will be invested in a single issue or at a single maturity. The core segment is invested in debt securities issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank and the Federal Farm Credit Bank. These investments comprise 25%, 8%, 42%, and 25% respectively, of the core segment. Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity range. At June 30, 2008, core segment maturities are allocated as follows: 0-3 months – 67%; 3-12 months – 18%; 1-2 years – 6%; 3-5 years – 9%.

At June 30, 2008 the City held investments issued by four Government Sponsored Entities (GSEs), as well as overnight repurchase agreements (repos) and a position in the New Mexico Treasurer's LGIP. Summarized information concerning the GSE investments is as follows:

U.S. Agency Investments (summarized by GSE)	Wtd. Avg. Days to Maturity	Weighted Average Days to Call	Standard & Poors Rating	Moody's Rating
Federal Home Loan Banks	439	22	AAA	Aaa
Federal National Mortgage Association	126	–	AAA	Aaa
Federal Home Loan Mortgage Corporation	492	45	AAA	Aaa
Federal Farm Credit Bank	476	55	AAA	Aaa

Repo holdings (collateral) consisted of U.S. Agency securities permitted under Section 6-10-10 N.M.S.A. 1978, and by the City's investment policy.

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At June 30, 2008, the City held an investment position in the State Treasurer's New MexiGROW LGIP. As a government investment pool, the LGIP is exempt from disclosing concentration risk. Summarized information regarding the pool's credit risk and interest rate risk is as follows:

Rating: AAAm WAM : 46 days

City Position:

Internal Investment Pool	\$ 275,000,000
Housing Authority	7,895,241
Total Position	<u>\$ 282,895,241</u>

The City's investments held outside of its internal investment pool in the State of New Mexico Investment Council Core Bond Pool were not rated.

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 core segment of 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's core segment at June 30, 2008 was 436 days. The weighted average days to call of the core segment was 10 days.

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, 2008 consists of the following:

	First Community		Bank of	Wells	Compass	NM
	(Housing)	(Other)	America	Fargo	Bank	Bank &
				Bank	Bank	Trust
Total amount on deposit	\$ 2,103	\$ 2,614	\$ 2,580	\$ 2,173	\$ 5	\$ 808
Less FDIC coverage	100	100	100	200	5	100
Total uninsured public funds	2,003	2,514	2,480	1,973	-	708
50% collateral requirement	1,001	1,257	1,240	986	-	354
Pledged securities, fair value	2,101	2,465	86	2,184	-	406
Pledged in excess of Requirement	\$ 1,100	\$ 1,208	\$ (1,154)	\$ 1,198	\$ -	\$ 52

B. Receivables

Taxes receivable at June 30, 2008 are from the following sources:

Gross receipts tax	\$ 63,566,571
Property tax	4,778,843
Lodgers tax	2,442,654
Hospitality tax	410,200
Other taxes	2,942,830
Total	<u>\$ 74,141,098</u>

The property taxes above include a receivable of \$3,433,788 in the General Obligation Debt Service Fund and \$1,345,055 in the General Fund.

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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 2008 tax levy had a taxable value of \$10,949,766,038. 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 7.650 mills for operations and 12.0 mills for each debt service obligation. The general obligation bond debt service levy for Tax Year 2007 (Fiscal Year 2008) is 7.976 mills and the operational levy is 2.97 mills on residential property and 3.544 mills on commercial property. Taxes are payable in two equal installments on November 10 and April 10 and become delinquent after 30 days.

Accounts receivable and Allowance for uncollectible accounts

Included on page 24, "Statement of Net Assets", are balances of receivables which are reported net of allowances for uncollectible accounts. The amounts of these receivables and allowances as of June 30, 2008, are as follows:

Current Portion of Accounts and Notes Receivable:

	<u>Total Receivables</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivables</u>
Governmental activities:			
Major funds:			
General Fund	\$ 1,246,748	\$ 489,659	\$ 757,089
Capital Acquisition Fund	37,571	18,902	18,699
Nonmajor government activity funds	11,171,479	9,368,407	1,803,072
Internal Service Funds	51,476	50,854	622
Total governmental activities	<u>\$ 12,507,274</u>	<u>\$ 9,927,822</u>	<u>\$ 2,579,452</u>
Business-type activities:			
Major funds:			
Airport	\$ 4,035,872	\$ 532,611	\$ 3,503,261
Refuse Disposal	4,647,191	362,754	4,284,437
Transit	937,846	40,150	897,696
Nonmajor enterprise funds	1,527,274	1,070,779	456,495
Total business-type activities	<u>\$ 11,148,183</u>	<u>\$ 2,006,294</u>	<u>\$ 9,141,889</u>

Long-term Accounts and Notes Receivable:

	<u>Total Receivables</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivables</u>
Governmental activities:			
Nonmajor funds:			
Rehabilitation loans	\$ 2,440,481	\$ -	\$ 2,440,481
Notes receivable	3,100	-	3,100
Developer loans	5,268,414	-	5,268,414
Special assessments debt service	4,767,807	-	4,767,807
Real estate contracts	1,300,497	-	1,300,497
Total governmental activities	<u>\$ 13,780,299</u>	<u>\$ -</u>	<u>\$ 13,780,299</u>
Business-type activities:			
Nonmajor funds:			
Developer loans	\$ 3,042,376	\$ 114,562	\$ 2,927,814
Total business-type activity funds	<u>\$ 3,042,376</u>	<u>\$ 114,562</u>	<u>\$ 2,927,814</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

C. Capital assets

Capital asset activity for the year ended June 30, 2008, was as follows:

Primary Government

<u>Governmental Activities*</u>	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Assets not being depreciated:				
Land	\$ 244,670,163	\$ 21,297,206	\$ 265,952	\$ 265,701,417
Construction work in progress	474,462,533	48,285,260	379,532,664	143,215,129
Right of way	1,042,691,667	-	-	1,042,691,667
Other	1,182,922	324,023	1,378,272	128,673
	<u>1,763,007,285</u>	<u>69,906,489</u>	<u>381,176,888</u>	<u>1,451,736,886</u>
Assets being depreciated:				
Buildings	217,813,559	98,608,022	-	316,421,581
Infrastructure	1,243,750,074	253,962,514	-	1,497,712,588
Improvements	376,778,265	72,994,277	-	449,772,542
Equipment	138,104,790	13,184,400	7,003,795	144,285,395
	<u>1,976,446,688</u>	<u>438,749,213</u>	<u>7,003,795</u>	<u>2,408,192,106</u>
Less accumulated depreciation:				
Buildings	50,947,213	6,660,946	-	57,608,159
Infrastructure	453,584,514	32,981,707	-	486,566,221
Improvements	205,745,267	13,478,960	-	219,224,227
Equipment	97,515,579	15,613,745	6,268,572	106,860,752
	<u>807,792,573</u>	<u>68,735,359</u>	<u>6,268,572</u>	<u>870,259,360</u>
Capital assets being depreciated, net	<u>1,168,654,115</u>	<u>370,013,854</u>	<u>735,223</u>	<u>1,537,932,746</u>
Total capital assets, net	<u>\$ 2,931,661,400</u>	<u>\$ 439,920,343</u>	<u>\$ 381,912,111</u>	<u>\$ 2,989,669,632</u>

*** Includes Internal Service Funds**

In Fiscal year 2008, \$218 million of street infrastructure was placed into service along with \$28 million of storm infrastructure, of this amount \$15.5 million was dedicated street infrastructure and \$6.5 million was dedicated storm infrastructure. The construction work in progress consists of expenditures made in connection with the Capital Acquisition, Infrastructure Tax, and Quality of Life Funds. The construction work in progress decreased by \$379 million due the following being placed in service: \$97 million buildings, \$72 million non-structural, \$20 million land, and \$167 million of infrastructure. Equipment purchases totaled \$13.2 million of which \$6 million was for Police, \$2 million for Parks and Recreation, and \$1.2 million for Human Services.

Business-type activities

In 2008, the Aviation fund placed into service the following major projects: \$6.5 million Double Eagle improvements, \$10.1 million of terminal improvements, \$1.2 million foreign trade zone development improvements, \$4.9 million runways and apron, and \$4.8 Double Eagle building. The Refuse fund placed into service the following: \$1 million of pipe infrastructure, \$1.1 million of heavy equipment, and \$1.1 million of vehicles. The Transit Fund placed the following into service: \$3.4 million Westside Transit Facility, and \$36 million for buses and vehicles.

The construction work in progress decreased by \$8.2 million. The construction work in progress consists of expenditures made in connection with the Aviation Fund, Refuse Disposal Fund, Transit Fund, and the Housing Authority Fund. Costs of \$33 million associated with projects were completed and are listed in the appropriate categories in the above paragraph. Depreciation expense was charged to functions/programs of the City as follows:

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Assets not being depreciated:				
Land	\$ 54,099,329	\$ 38,013	\$ -	\$ 54,137,342
Land and improvements acquired from the U.S Air Force	7,630,077	-	-	7,630,077
Other	955,200	-	-	955,200
Construction work in progress	21,849,374	25,165,578	36,684,854	10,330,098
Total assets, not being depreciated	84,533,980	25,203,591	36,684,854	73,052,717
Assets being depreciated:				
Buildings and improvements	422,838,907	12,183,903	361,806	434,661,004
Runways and improvements	260,468,542	4,879,702	-	265,348,244
Infrastructure	2,508,663	944,081	-	3,452,744
Improvements other than buildings and runways	155,542,089	21,010,327	-	176,552,416
Equipment	112,386,342	40,470,713	14,470,674	138,386,381
Total assets, being depreciated	953,744,543	79,488,726	14,832,480	1,018,400,789
Less accumulated depreciation:				
Buildings and improvements	179,897,824	12,735,762	-	192,633,586
Runways and improvements	170,892,766	10,888,931	-	181,781,697
Infrastructure	112,890	89,421	-	202,311
Improvements other than buildings and runways	86,233,321	9,213,536	-	95,446,857
Equipment	76,642,841	10,074,117	13,299,617	73,417,340
Total accumulated depreciation	513,779,642	43,001,767	13,299,617	543,481,792
Capital assets being depreciated, net	439,964,901	36,486,959	1,532,863	474,918,997
Total capital assets, net	\$ 524,498,881	\$ 61,690,550	\$ 38,217,717	\$ 547,971,714

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

Governmental activities:

General government	\$ 3,064,571
Public Safety:	
Corrections	83,567
Fire protection	2,994,723
Police protection	7,481,402
Culture and recreation	16,272,658
Public works	245,967
Highways and streets	19,235,692
Health	805,580
Human services	2,248,033
Municipal Development	15,875,867
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	427,299
Total depreciation expense – governmental activities	\$ 68,735,359

Business-type activities:

Major funds:	
Airport	\$ 26,043,878
Refuse Disposal	6,795,417
Transit	5,242,865
Nonmajor funds:	4,919,607
Total depreciation expense – business-type activities	\$ 43,001,767

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Capitalized interest

Changes to the capital assets for the business-type activities for 2008 include the following amounts of capitalized interest:

	<u>Total Interest</u>	<u>Interest Related to Tax-Exempt Borrowing</u>	<u>Net</u>
Interest expense	\$ 14,131,211	\$ 4,485,921	\$ 9,645,290
Interest income	6,249,522	2,951,585	3,297,937
Capitalized interest		<u>\$ 1,534,336</u>	

Discretely Presented Component Unit

Capital asset activity of the Authority for the year ended June 30, 2008, was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Assets not being depreciated:				
Land	\$ 23,232,063	\$ -	\$ -	\$ 23,232,063
Construction work in progress	324,170,005	18,526,096	35,944,618	306,751,483
Total assets not being depreciated	<u>347,402,068</u>	<u>18,526,096</u>	<u>35,944,618</u>	<u>329,983,546</u>
Assets being depreciated/amortized:				
Buildings	2,210,836	-	-	2,210,836
Improvements other than buildings	1,606,074,591	145,137,894	-	1,751,212,485
Equipment	51,310,341	2,778,264	72,101	54,016,504
Purchased water rights	39,535,758	111,877	-	39,647,635
Total assets being depreciated/amortized	<u>1,699,131,526</u>	<u>148,028,035</u>	<u>72,101</u>	<u>1,847,087,460</u>
Less accumulated depreciation/amortization:				
Buildings	1,519,026	42,760	-	1,561,786
Improvements other than buildings	820,194,025	56,235,283	-	876,429,308
Equipment	24,190,658	4,642,605	66,770	28,766,493
Purchased water rights	9,913,555	393,410	-	10,306,965
Total accumulated depreciation/amortization	<u>855,817,264</u>	<u>61,314,058</u>	<u>66,770</u>	<u>917,064,552</u>
Capital assets being depreciated/amortized, net	843,314,262	86,713,977	5,331	930,022,908
Total capital assets, net	<u>\$ 1,190,716,330</u>	<u>\$ 105,240,073</u>	<u>\$ 35,949,949</u>	<u>\$ 1,260,006,454</u>

Changes to capital assets of the Authority for the fiscal year ended June 30, 2008, include the following amounts of capitalized interest:

	<u>Total Interest</u>	<u>Interest Related to Tax-Exempt Borrowing</u>	<u>Net</u>
Interest expense	\$ 25,181,996	\$ 3,400,266	\$ 21,781,730
Interest income	7,605,199	1,162,490	6,442,709
Capitalized interest		<u>\$ 2,237,776</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

D. Interfund receivables, payables, and transfers

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, 2008, consists of the following:

	Due from other funds	Due to other funds
:		
Major governmental funds	\$ 21,270,076	\$ 1,341,983
Nonmajor governmental funds	-	279,905
Major proprietary funds	-	19,799,131
Nonmajor proprietary funds	-	1,191,040
Internal service funds	1,341,983	-
Total	\$ 22,612,059	\$ 22,612,059

Interfund advances not expected to be repaid within one year are to be repaid from revenues or proceeds from the sale of assets as follows as of June 30, 2008:

Receivable Fund	Payable Fund	Amount
Risk Management Fund	Capital Acquisition Fund	\$ 971,000
Nonmajor governmental fund*	Nonmajor proprietary fund*	16,655,000
Total advances		\$ 17,626,000

* 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 THE FINANCIAL STATEMENTS
JUNE 30, 2008

Interfund transfers for the year ended June 30, 2008, were as follows:

From	To		
General Fund	Capital Acquisition Fund	\$	13,963,000
General Fund	Refuse Disposal Fund		1,300,000
General Fund	Transit Fund		24,906,000
General Fund	Nonmajor Proprietary Funds		2,027,000
General Fund	Nonmajor Governmental Funds		17,920,140
Capital Acquisition Fund	Capital Acquisition Fund		2,252,875
Capital Acquisition Fund	Transit Fund		2,454,279
Refuse Disposal Fund	General Fund		2,186,208
Transit Fund	General Fund		339,712
Transit Fund	Capital Acquisition Fund		111,689
Nonmajor Governmental Funds	Capital Acquisition Fund		1,147,251
Nonmajor Governmental Funds	Transit Fund		7,402,203
Nonmajor Governmental Funds	General Fund		1,626,946
Nonmajor Governmental Funds	Nonmajor Governmental Funds		9,541,282
Nonmajor Proprietary Funds	General Fund		267,096
Nonmajor Proprietary Funds	Nonmajor Governmental Funds		51,881
Internal Service Funds	General Fund		250,000
Total transfers		\$	<u>87,747,562</u>

	Transfers Out	Transfers In
“Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds”	\$ 84,540,976	\$ 49,658,080
“Statement of Revenues, Expenses, and Changes in Net Assets – All Proprietary Funds”		
Enterprise funds	2,956,586	38,089,482
Internal Service funds	250,000	-
Total transfers	<u>\$ 87,747,562</u>	<u>\$ 87,747,562</u>

The transfers from the General Fund to the other funds are for the purpose of: 1) providing a subsidy for the operations of the Transit and Refuse Disposal funds, 2) providing the City's local match for operating grants from federal and state agencies, 3) funding the purchase of police and fire vehicles, and various construction projects, and 4) 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 THE FINANCIAL STATEMENTS
JUNE 30, 2008

E. Leases

The City has various lease commitments for real property. The lease commitments are for one to ten years, with most leases being for five years. About half of the leases have renewal options; the others do not. Lease expenses of \$1,325,887 were incurred for the year ended June 30, 2008. Lease commitments for future years are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 2,088,385
2010	1,858,783
2011	1,484,606
2012	1,290,822
2013	1,075,990
2014-2018	<u>1,490,699</u>
Total	<u>\$ 9,289,285</u>

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, 2008 the outstanding balance of the capital lease is \$681,583. Amortization expense is included with depreciation expense on the Statement of Revenues, Expenses and Changes in Fund Net Assets.

The assets acquired through capital leases are as follows:

Equipment and Improvements	\$ 944,458
Less: Accumulated amortizations	<u>(347,017)</u>
Total	<u>\$ 597,441</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2008 are as follows:

<u>Year Ending June 30</u>	<u>Principal and Interest</u>
2009	\$ 116,842
2010	116,842
2011	116,842
2012	116,842
2013	116,842
2014-2015	<u>204,477</u>
Total minimum lease payment	788,687
Less amount representing interest	<u>(107,124)</u>
Present value of minimum lease payments	<u>\$ 681,563</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

F. 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, 2008 is as follows:

Primary Government

<u>Governmental Activities</u>	
Capital Acquisition Fund	\$ <u>78,811,675</u>
<u>Business-type activities</u>	
Airport Fund	\$ 91,778,108
Refuse Disposal Fund	12,255,267
Transit Fund	885,238
Non-major Enterprise Funds	<u>9,550,860</u>
Totals	\$ <u>114,469,473</u>

Discretely Presented Component Unit:

Albuquerque Bernalillo County Water Utility Authority	\$ <u>71,664,220</u>
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G. Short-term and long term obligations

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 are notes payable, claims and judgments, deferred credits, and accrued vacation and sick leave pay. The City has complied with all revenue bond ordinances and bond covenants requirements for maintaining specific reserves for future debt service as of June 30, 2008. 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, 2008, are as follows:

	July 1	Increases	Decreases	June 30	Payable in one year
General Obligation Bonds	\$ 199,765,000	\$ 91,125,000	\$ 35,270,000	\$ 255,620,000	\$ 37,625,000
Sales Tax Revenue Bonds	132,645,000	16,655,000	22,670,000	126,630,000	1,130,000
Sales Tax Revenue Note	4,760,000	-	490,000	4,270,000	505,000
Special Assessment Bonds and Notes With Governmental Commitment	5,413,784	-	1,675,779	3,738,005	28,740
Accrued vacation and sick leave pay	30,579,428	22,516,019	22,072,820	31,022,627	23,942,073
Accrued claims payable	57,006,436	24,687,241	21,596,973	60,096,704	26,579,300
Other post employment obligation	-	1,985,159	-	1,985,159	-
Deferred credits and other liabilities	1,539,050	177,094	-	1,716,144	-
Less deferred amounts:					
Deferred refunding costs	(4,902,061)		(195,366)	(4,706,695)	-
Unamortized bond discounts	(1,666,610)		(165,833)	(1,500,777)	-
Unamortized bond premiums	5,593,573	3,124,010	1,849,728	6,867,855	-
	<u>430,733,600</u>	<u>160,269,523</u>	<u>105,264,101</u>	<u>485,739,022</u>	<u>89,810,113</u>
Current Portion of Long-term obligations	(87,287,658)		2,522,454	(89,810,112)	-
	<u>\$ 343,445,942</u>	<u>\$ 160,269,523</u>	<u>\$ 107,786,555</u>	<u>\$ 395,928,910</u>	<u>\$ 89,810,113</u>

Total interest cost incurred for governmental activities for the year ended June 30, 2008 was \$15,795,883, all of which was charged to expense.

CITY OF ALBUQUERQUE, NEW MEXICO
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Short-term debt activity for governmental activities: On June 30, 2008, the City issued \$37,000,000 Short Term General Obligation Bonds, Series C. The Series 2008 C 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 2.75%. The proceeds of these bonds were used for various construction projects for police, fire, parks, cultural services, facilities and equipment, libraries, public transit, storm sewer, and streets. The bonds mature on July 1, 2008. The changes in the short-term obligations of the governmental activities for the year ended June 30, 2008, are as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Short-term General Obligation Bonds	\$36,000,000	\$37,000,000	\$36,000,000	\$37,000,000

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, Operating Grants, and Gas Tax Road. Limited amounts are being liquidated by other funds. The City's Risk Management Fund (an internal service fund) liquidates all claims payable. General obligation bonds outstanding at June 30, 2008, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
February 1, 1999 Storm Sewer	\$ 2,380,000	4.00/4.05%	July 1, 2008	100% beginning July 1, 2006
August 1, 1999 General Purpose	4,000,000	4.50/4.75%	July 1, 2009	100% beginning July 1, 2007
July 1, 2000 Storm Sewer	3,600,000	5.00%	July 1, 2010	100% beginning July 1, 2008
September 1, 2001 General Purpose	12,730,000	4.00/5.00%	July 1, 2010	100% beginning July 1, 2009
September 1, 2001 Storm Sewer	4,510,000	4.38%	July 1, 2011	100% beginning July 1, 2009
December 1, 2001 Taxable Baseball Stadium	3,000,000	4.00/5.60%	July 1, 2010	Not callable
February 1, 2002 General Purpose	5,200,000	2.50/5.00%	July 1, 2009	Not callable
February 1, 2002 Storm Sewer	5,600,000	4.50%	July 1, 2011	100% beginning July 1, 2010
July 1, 2004 General Purpose	34,565,000	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 30, 2005 General Purpose	67,895,000	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
September 11, 2007 General Purpose	43,045,000	4.50/5.00%	July 1, 2016	Not callable
September 11, 2007 Storm Sewer	5,080,000	4.25/5.00%	July 1, 2016	100% beginning July 1, 2015
June 26, 2008 General Purpose	39,000,000	3.25/4.00%	July 1, 2017	100% beginning July 1, 2016
June 26, 2008 Storm Sewer	4,000,000	4.50%	July 1, 2017	100% beginning July 1, 2016
June 30, 2008 General Purpose	37,000,000	2.75%	July 1, 2008	Not callable
Total Outstanding	\$ 292,620,000			

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, 2008, based on the most recent assessed taxable valuation of \$10,949,766,038, the City may issue an additional \$191,555,642 of general-purpose general obligation bonds. Included in the general obligation bonds outstanding at June 30, 2008 are Storm Sewer bonds in the amount of \$46,185,000 that are not subject to the legal debt limit.

On September 11, 2007, the City issued \$48,125,000 of General Obligation Bonds, Series B and C with an average coupon rate of 4.84%. The proceeds of these bonds were deposited into the Capital Acquisition Fund and will be used for the purchase of equipment, materials, and various construction projects (including renovation and repair) for fire, police, parks and recreation, libraries, the zoo and biological park, museums, citizens' centers, streets and storm sewer. The bonds require annual principal payments and semi-annual interest payments through July 1, 2016.

On June 26, 2008 the City issued \$43,000,000 of General Obligation Bonds, Series A and B with an average coupon rate of 3.75%. The proceeds of these bonds were deposited into the Capital Acquisition Fund and will be used for the purchase of equipment, materials, and various construction projects (including renovation and repair) for public safety, parks and recreation, cultural facilities, citizens' centers, streets and storm sewer. The bonds require annual principal payments and semi-annual interest payments through July 1, 2017.

CITY OF ALBUQUERQUE, NEW MEXICO
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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, 2008, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
November 18, 1991 B Refunding and Improvement	\$ 3,970,000	6.60/7.10%	July 1, 2019	103% beginning July 1, 2011
October 15, 1996 Refunding	2,550,000	5.00%	July 1, 2011	100% beginning July 1, 2007
January 15, 1999 A Refunding	3,730,000	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
October 6, 2004 A Refunding	31,965,000	4.75%	July 1, 2037	100% beginning July 1, 2014
October 6, 2004 B Refunding	28,395,000	2.39/4.90%	July 1, 2014	100% beginning October 6, 2004
September 9, 2004 Note	4,270,000	1.26/3.67%	July 1, 2014	None
June 4, 2008 A Refunding	16,655,000	3.74/4.99%	July 1, 2014	Not callable
Total Outstanding	<u>\$ 130,900,000</u>			

On June 4, 2008, the City issued \$16,655,000 of Gross Receipts Tax Refunding Revenue Bonds, Taxable Series 2008A. These bonds have an average coupon rate of 4.46%, and will mature on July 1, 2014. The net proceeds of \$16,384,265 (exclusive of \$270,735 for underwriter's fees and other costs of issuance) and \$2,016,667 of available funds from the City were deposited into an irrevocable trust with an escrow agent to provide for the refunding of the Variable Rate Taxable Gross Receipts Tax Improvement Revenue Bonds, Series 2000A. The 2000A bonds were redeemed on June 4, 2008, at a redemption price of 100% in an aggregate principal amount of \$18,200,000 plus accrued interest. The refunding was undertaken to convert variable interest rate bonds to a fixed rate due to rising interest costs in FY 2008.

Special Assessment Debt and Notes Payable with Governmental Commitment are secured by pledges of revenues from special assessments levied. 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 \$3,738,005 are outstanding at June 30, 2008. Interest rates range from 2.99% to 4.95%, and maturities extend through July 1, 2015.

CITY OF ALBUQUERQUE, NEW MEXICO
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Business-type activities of the primary government

The changes in the Business-type activities obligations for the year ended June 30, 2008, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
Revenue bonds	\$ 240,820,000	\$ 34,930,000	\$ 55,500,000	\$ 220,250,000	\$ 18,015,000
Loans and notes payable	38,563,464	2,600,000	2,826,431	38,337,033	1,949,159
Accrued vacation and sick leave pay	5,420,030	2,614,363	2,351,047	5,683,346	4,954,157
Landfill closure costs	1,467,001	106,915	-	1,573,916	-
Other	453,527	-	2,497	451,030	-
Less deferred amounts:					
Deferred refunding costs	(3,520,450)	(561,100)	(976,277)	(3,105,273)	-
Unamortized bond premiums	895,858	793,505	170,684	1,518,679	-
Unamortized bond discounts	(195,729)	-	(23,110)	(172,619)	-
	<u>283,903,701</u>	<u>40,483,683</u>	<u>59,851,272</u>	<u>264,536,112</u>	<u>24,918,316</u>
Capitalized leases	766,474	-	84,911	681,563	88,712
Subtotal	<u>284,670,175</u>	<u>40,483,683</u>	<u>59,936,183</u>	<u>265,217,675</u>	<u>25,007,028</u>
Current Portion	<u>(24,876,381)</u>	<u>-</u>	<u>130,647</u>	<u>(25,007,028)</u>	<u>-</u>
Business-type activities Long-term obligations	<u>\$ 259,793,794</u>	<u>\$ 40,483,683</u>	<u>\$ 60,066,830</u>	<u>\$ 240,210,647</u>	<u>\$ 25,007,028</u>

Total interest cost incurred for business-type activities for the year ended June 30, 2008 was \$14,131,211, of which \$4,485,921 was capitalized and \$9,645,290 was charged to expense. The sick leave and vacation pay obligations are being liquidated primarily by the following funds: Airport, Refuse Disposal, Housing Authority, and Parking Facilities.

CITY OF ALBUQUERQUE, NEW MEXICO
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Airport Revenue Bonds are secured by pledges of net revenues of the airport. Airport Revenue bonds outstanding at June 30, 2008, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
May 3, 1995 Refunding	\$ 36,900,000	a*	July 1, 2014	100% on any interest payment date
April 3, 1997 Refunding	8,540,000	6.25/6.75%	July 1, 2018	102% beginning July 1, 2007
September 1, 1998 Refunding	31,855,000	3.80/5.00%	July 1, 2019	100% beginning July 1, 2008
August 1, 2001	29,800,000	3.20/4.75%	July 1, 2016	100% beginning July 1, 2012
March 23, 2004 A	18,210,000	1.63/5.11%	July 1, 2018	100% beginning July 1, 2005
March 23, 2004 B	28,330,000	2.0/4.5%	July 1, 2024	100% beginning July 1, 2007
March 11, 2008 Refunding	13,640,000	3.0/5.0%	July 1, 2018	100% on any interest payment date
May, 14, 2008 B Refunding	16,120,000	3.45/4.91%	July 1, 2015	100% on any interest payment date
May, 14, 2008 C Refunding	5,170,000	3.5/4.375	July 1, 2020	100% beginning July 1, 2018
Total Outstanding	<u>188,565,000</u>			
Deferred refunding cost	(3,079,920)			
Unamortized premiums/discounts	1,243,111			
	<u>\$ 186,728,191</u>			

a – adjustable weekly

* In connection with the City's Subordinate Series 1995 Bonds relating to the Airport, the City entered into an Interest Rate Swap Agreement (the "Exchange Agreement") dated as of October 1, 1992, with AIG Financial Products Corporation ("AIG-FP"). Under the Exchange Agreement, the City is obligated to pay interest at the fixed interest rate of 6.685% per annum and AIG-FP is obligated to make reciprocal floating rate payments equal to the interest rate on the Subordinate Series 1995 Bonds, subject to certain conditions. Arrangements made in respect of the Exchange Agreement do not alter the City's obligation to pay principal of and interest on the Subordinate Series 1995 Bonds from net revenues of the Airport and other amounts pledged. The Exchange Agreement does not provide a source of security or other credit for the Subordinate Series 1995 Bonds. The City's obligations under the Exchange Agreement to make monthly fixed rate of payments to AIG-FP are on a parity with the City's obligations to pay principal of and interest on the Subordinate Series 1995 Bonds. Under certain limited circumstances, the Exchange Agreement may be terminated prior to maturity of the Subordinate Series 1995 Bonds. If the Exchange Agreement is terminated under certain market conditions, the City may owe a termination payment to AIG-FP payable from net revenues of the Airport. As of June 30, 2008, the estimated mark-to-market value of the Exchange Agreement is as follows:

<u>Ref No.</u>	<u>Trade Date</u>	<u>Maturity Date</u>	<u>Notional</u>	<u>With Accruals</u>	<u>Without Accruals**</u>
57927	10/30/92	07/02/14	\$ 36,900,000	\$ 4,519,537	\$ 4,519,537

** The estimated mark-to-market values should not be taken as the price or an indication of the price at which a firm would be prepared to unwind these types of Exchange Agreements or to transact similar types of trades.

On March 11, 2008, the City issued \$13,640,000 of Airport Refunding Revenue Bonds Series 2008A. The bonds have a coupon rate of 4.795%, and will mature on July 1, 2018. The net proceeds of \$14,426,212 (exclusive of \$102,301 for underwriter's fees and other costs of issuance) and \$6,700,000 of available funds from the City were deposited into an irrevocable trust with an escrow agent to provide the refunding of the Airport Refunding Revenue Bonds, Series 1997 maturing July 1, 2015 and July 1, 2018. The 1997 bonds were redeemed on March 11, 2008, at a redemption price of 102% in an aggregate principal amount of \$14,565,000 plus accrued interest. The refunding was undertaken to convert variable interest rate bonds to a fixed rate due to rising interest costs in FY 2008. The economic gain on the advance refunding resulted in an economic gain of \$1,661,326.

On May 14, 2008, the City issued \$16,120,000 of Airport Refunding Revenue Bonds, Taxable Series 2008B. The Series 2008B bonds have a coupon rate of 4.493%, and will mature on July 1, 2015. with net proceeds of \$16,120,000 (exclusive of \$152,677 for underwriter's fees and other costs of issuance). The 2000B bonds were redeemed on May 14, 2008, at a redemption price of 100% in an aggregate principal amount of \$17,000,000 plus accrued interest. The refunding was undertaken to convert adjustable interest rate bonds to a fixed rate due to rising interest costs in FY 2008.

CITY OF ALBUQUERQUE, NEW MEXICO
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On May 14, 2008, the City issued \$5,170,000 of Airport Refunding Revenue Bonds, Tax-Exempt Series 2008C (Non-AMT). The Series 2008C bonds have a coupon rate of 4.003%, and will mature on July 1, 2020 with net proceeds of \$5,177,292.50 (exclusive of \$48,957 for underwriter's fees and other costs of issuance). The 2000A bonds were redeemed on May 14, 2008, at a redemption price of 100% in an aggregate principal amount of \$5,200,000 plus accrued interest. The refunding was undertaken to convert adjustable interest rate bonds to a fixed rate due to rising interest costs in FY 2008.

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, 2008 and 2007 interest was being paid monthly. The average interest rate on the Series 2000 bonds for the years ended June 30, 2008 and 2007 was 3.5% and 3.7% respectively. The City has executed a standby bond purchase agreement, which expires July 20, 2014, 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 \$12,480,000 is outstanding at June 30, 2008 and maturities extend through July 1, 2030.

Golf Course Revenue Bonds are secured by a pledge of net golf course revenues and a pledge of revenues received by the City from gross receipts tax revenues. Golf Course Revenue bonds outstanding at June 30, 2008 are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
February 1, 2001	\$ 1,175,000	5.70/6.70%	July 1, 2011	100% beginning July 1, 2007
Unamortized discounts	(1,360)			
	<u>\$ 1,173,640</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, 2008, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
July 1, 1995	\$ 3,295,000	4.90/5.30%	July 1, 2009	Not callable
February 1, 1998	4,885,000	4.20/5.00%	July 1, 2013	100% July 1, 2007
May 1, 2001 A	485,000	4.00/4.10%	July 1, 2008	Not callable
May 1, 2001 B	9,365,000	3.63/5.25%	July 1, 2012	Not callable
Total outstanding	18,030,000			
Deferred refunding costs	(25,351)			
Unamortized premiums	104,307			
Net outstanding	<u>\$ 18,108,956</u>			

CITY OF ALBUQUERQUE, NEW MEXICO
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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, 2008 was \$4,192,636. On March 16, 2008 the City entered into a tax-exempt loan agreement with New Mexico Finance Authority for \$2,600,000 with an average interest rate of 3.31%. Final payment is due on July 1, 2015. The balance due on June 30, 2008 was \$2,600,000.

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, 2008 was \$5,407,832. 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, 2008 was \$8,003,691. Both loans were used to finance reconstruction of the existing baseball stadium.

Transit Loans. On July 25, 2006 the City entered into a tax-exempt lease-purchase agreement with SunTrust Leasing Corporation for \$20,000,000 with an average interest rate of 4.3%. Final payment is due on July 1, 2016. The principal balance outstanding at June 30, 2008 was \$18,132,874.

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, 2008, the outstanding balance of the revenue bonds was \$600,000 with annual payments required through 2013 and the outstanding balance of the permanent notes was \$5,605,406 with annual payments required through 2017.

Summary of Annual Debt Service Requirements. The annual debt service requirements on the obligations outstanding at June 30, 2008 are as follows:

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2009	\$ 76,288,740	\$ 15,768,621	\$ 20,052,871	\$ 10,061,634
2010	44,256,382	15,002,892	24,937,107	11,234,266
2011	42,661,892	13,111,849	26,248,189	10,011,313
2012	41,023,496	11,248,741	26,342,588	8,706,575
2013	34,852,329	9,604,686	27,455,493	7,326,995
2014-2018	101,945,166	30,232,761	93,894,222	19,089,922
2019-2023	25,975,000	18,597,353	27,678,007	5,253,100
2024-2028	12,205,000	14,242,083	11,780,119	1,250,998
2029-2033	19,950,000	9,846,163	880,000	17,600
2034-2038	28,100,000	3,796,047	-	-
	\$ <u>427,258,005</u>	\$ <u>141,451,196</u>	\$ <u>259,268,596</u>	\$ <u>72,952,403</u>

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, 2008, the City has set aside an amount of \$1,716,144 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.

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Discretely presented component unit

Revenue bonds of the Albuquerque Bernalillo County Water Utility Authority (Authority) does not constitute debt of the City and are secured by a pledge of net revenues derived from the operations of the Authority's water and sewer system.

The change in the long-term obligations of the Authority for the year ended June 30, 2008, are as follows:

	Outstanding				Payable in one year
	July 1	Increases	Decreases	June 30	
Parity obligations:					
Revenue bonds	\$ 382,465,000	\$ 55,630,000	\$ 30,170,000	\$ 407,925,000	\$ 28,130,000
Loan agreements – NMFA	132,245,740	77,005,000	6,354,975	202,895,765	7,957,395
Subordinate obligations:					
Loan agreements - NMED	20,282,964	-	3,398,726	16,884,238	391,533
Water rights contract	17,539,303	-	866,987	16,672,316	893,395
Accrued vacation and sick leave payable	2,721,616	2,823,104	2,654,586	2,890,134	2,764,498
Less deferred amounts:					
Unamort. bond discounts	(776,229)	-	(776,229)	-	-
Unamort. bond premiums	8,947,945	3,235,454	1,518,219	10,665,180	-
Bond refunding costs	(765,643)	-	(289,379)	(476,264)	-
	<u>\$ 562,660,696</u>	<u>\$ 138,693,558</u>	<u>\$ 43,897,885</u>	<u>\$ 657,456,369</u>	<u>\$ 40,136,821</u>
Current portion of long term obligations	(37,161,870)	-	2,974,951	(40,136,821)	-
Total long term obligations	<u>\$ 525,498,826</u>	<u>\$ 138,693,558</u>	<u>\$ 46,872,836</u>	<u>\$ 617,319,548</u>	<u>\$ 40,136,821</u>

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

On April 9, 2008, the Authority issued \$55,630,000 of Joint Water and Sewer System Improvement Revenue Bonds, Series 2008A. The bonds have an interest rate of 5%, and require annual interest payments until July 1, 2026, at which time annual principal payments will also come due. Final maturity is July 1, 2033. The proceeds of these bonds will be used for improvements to reuse projects for the System to treat effluent water for subsequent use and to continue work on the San Juan Chama diversion project. The balance due at June 30, 2008 was \$55,630,000.

Loan Agreements – Parity Obligations

On May 10, 2002, the Authority executed a loan agreement with the New Mexico Finance Authority for \$2,450,000 with an average interest rate of 2.8%. The proceeds from the loan were used for the construction of a drinking water disinfection system in the Authority's water and wastewater utility system. In January, 2007, the Authority had drawn \$1,578,306 against this loan. It was determined that the remaining balance of \$847,194 was not to be used for the aforementioned project. The New Mexico Finance Authority resized the loan to \$1,594,092 (total draws on the loan plus \$15,783 for cost of issuance). The new loan has an interest rate of 2.75%. Final payment is due on July 1, 2012. The balance due at June 30, 2008 was \$736,835.

On April 11, 2003, the Authority executed a loan agreement with the New Mexico Finance Authority for \$3,600,000 with an interest rate of 2.0%. The proceeds from the loan will be used for the construction of a pump station in the Authority's water and wastewater utility system. Final payment is due on January 1, 2016. The balance due at June 30, 2008 was \$2,493,930.

On October 13, 2004, the Authority executed a loan agreement with the New Mexico Finance Authority for \$118,415,000 with an average interest rate of 3.3%. The proceeds of the loan will be used to fund the San Juan Chama surface water diversion project and various capital improvements to the water and wastewater system. Final payment is due May 1, 2024. The balance due at June 30, 2008 was \$105,160,000.

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On October 28, 2005, the Authority executed a loan agreement with the New Mexico Finance Authority for \$20,000,000 with an average interest rate of 4.8%. The proceeds of the loan will be used to fund the San Juan Chama surface water diversion project. Final payment is due May 1, 2025. The balance due at June 30, 2008 was \$20,000,000.

On September 26, 2007, the Authority executed a loan agreement with the New Mexico Finance Authority for \$77,005,000 with an average interest rate of 4.58%. The proceeds of the loan will be used for the San Juan Chama Drinking Water Project, capital improvements to the water system including expansion, maintenance, and upgrading of existing pumps, distribution lines and wells, and further development of the valley utilities system. Final payment is due May 1, 2025. The balance due at June 30, 2008 was \$74,505,000.

Loan Agreements – Subordinate Obligations

On October 1, 1994, the Authority executed a promissory note with the New Mexico Environment Department that converted an existing line of credit agreement of \$7,907,582 to a long-term notes payable with an interest rate of 5%. On March 12, 2001, the Authority refinanced the note payable, which lowered the interest rate to 3%. Annual payments are \$567,926, with a final payment due on July 1, 2013. The balance due at June 30, 2008, was \$2,600,935.

On June 14, 2000, the Authority executed a promissory note with the New Mexico Environment Department that converted an existing line of credit agreement of \$15,000,000 to a long-term note payable with an interest rate of 4% with annual payments of \$1,587,627. Final payment is due on July 1, 2012. The balance due at June 30, 2008, was \$5,762,922.

On May 20, 2005, the Authority executed a promissory note with the New Mexico Environment Department that converted an existing \$12,000,000 line of credit agreement. The note payable of \$9,627,877 (total draws on the line of credit plus accrued interest of \$242,655) has an interest rate of 3%. The note requires annual payments of \$647,145, due on May 20th each year. Final payment is due May 20, 2025. The balance due at June 30, 2008, is \$8,520,381.

Water Rights Contract

A Water Rights Contract with the United States Government was entered into by the Authority during the fiscal year ended June 30, 1963, to pay a portion of the construction, operation, and maintenance costs of the San Juan Chama diversion project in return for a portion of the water rights resulting from the project. The contract provides for payment in fifty annual installments with final maturity in 2022, and has an interest rate of 3.046%. The amount of the contract outstanding at June 30, 2008, was \$16,672,316.

The annual debt service requirements on the revenue bonds, loan agreements and the water rights contract payable outstanding of the Authority at June 30, 2008, are as follows:

Year Ending June 30	Principal	Interest
2009	\$ 37,372,323	\$ 26,997,523
2010	40,403,533	26,765,296
2011	37,073,145	25,005,374
2012	39,356,845	23,401,050
2013	34,176,693	21,875,805
2014-2018	164,114,068	87,492,074
2019-2023	149,672,420	52,189,707
2024-2028	98,518,292	20,359,545
2029-2033	35,495,000	6,659,375
2034	8,195,000	204,875
	<u>\$ 644,377,319</u>	<u>\$ 290,950,624</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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H. Demand bonds

Included in long-term debt obligations (Note G.) is \$49,380,000 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 G 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, 2008, no amounts were drawn on the "take out" agreements, which are as follows:

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

Remarketing Agent	Citigroup
Terms of "Take-Out" Agreement:	
Purchaser	Depfa Bank
Method of Purchase	Direct Pay Letter of Credit
Expiration Date	July 1, 2014
Annual Fee	0.25% 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 6/30/2008	\$36,900,000
Annual Debt Service Requirements*	Range of payment is from \$5,247,240 to \$6,824,955

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

Remarketing Agent	Capmark Securities, 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	0.125% 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 6/30/2008	\$12,480,000
Annual Debt Service Requirements*	Range of payment is from \$815,200 to \$1,412,300

* Based on interest rate in effect on June 30, 2008.

I. 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, 2008, is as follows:

Sales Tax Revenue Bonds	<u>\$51,133,489</u>
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CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

J. 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, 2008, there were fifty-two series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the thirty series issued after July 1, 1995, is \$709.3 million. The aggregate principal amount payable for the twenty-two series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$531.1 million.

Metropolitan Redevelopment Bonds. As of June 30, 2008, there were six series of Metropolitan Redevelopment Bonds outstanding. The aggregate principal amount payable for the two series issued after July 1, 1995, is \$12.3 million. The aggregate principal amount payable for the four series issued prior to July 1, 1995, could not be determined; however, the original amount issued totaled \$16.5 million.

CITY OF ALBUQUERQUE, NEW MEXICO
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K. 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, 2008 is as follows:

(in thousands of dollars)

	Golf Course Fund	Apart- ments Fund	Stadium Fund	Housing Fund	Total
CONDENSED STATEMENT OF NET ASSETS					
Assets:					
Current assets	\$ 305	\$ 1,795	\$ 1,196	\$ 17,694	\$ 20,990
Restricted assets	59	1,541	70	371	2,041
Capital assets	6,441	13,467	18,495	15,856	54,259
Other assets	12	276	75	-	363
Total assets	<u>6,817</u>	<u>17,079</u>	<u>19,836</u>	<u>33,921</u>	<u>77,653</u>
Liabilities:					
Current liabilities	912	418	828	1,475	3,633
Liabilities payable from restricted assets	-	100	-	351	451
Bonds, notes payable, and other long-term liabilities	909	12,180	12,978	593	26,660
Accrued vacation and sick leave	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	<u>1,821</u>	<u>12,698</u>	<u>13,806</u>	<u>2,419</u>	<u>30,744</u>
Net assets:					
Invested in capital assets, net of related debt	5,279	1,563	5,159	15,282	27,283
Net assets restricted for:					
Debt service	34	1,538	70	-	1,642
Construction	25	103	-	-	128
Unrestricted net assets (deficit)	<u>(342)</u>	<u>1,177</u>	<u>801</u>	<u>16,220</u>	<u>17,856</u>
Total net assets	<u>\$ 4,996</u>	<u>\$ 4,381</u>	<u>\$ 6,030</u>	<u>\$ 31,502</u>	<u>\$ 46,909</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS					
Operating revenues	\$ 4,268	\$ 3,205	\$ 2,072	\$ 1,966	\$ 11,511
Depreciation	(286)	(627)	(52)	(1,661)	(2,626)
Other operating expenses	<u>(4,143)</u>	<u>(2,007)</u>	<u>(1,640)</u>	<u>(8,289)</u>	<u>(16,079)</u>
Operating income (loss)	(161)	571	380	(7,984)	(7,194)
Nonoperating revenues (expenses):					
Investment earnings	(2)	75	15	641	729
Interest and other debt related expenses	(86)	(525)	(755)	(32)	(1,398)
Federal housing grants	-	-	-	28,585	28,585
Housing assistance payments	-	-	-	(20,609)	(20,609)
Other	(13)	228	57	1,828	2,100
Capital contributions	20	-	-	-	20
Transfers in	-	-	-	-	-
Transfers out	<u>(96)</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>(148)</u>
Change in net assets	<u>(338)</u>	<u>297</u>	<u>(303)</u>	<u>2,429</u>	<u>2,085</u>
Beginning net assets	<u>5,334</u>	<u>4,084</u>	<u>6,333</u>	<u>29,073</u>	<u>44,824</u>
Ending net assets	<u>\$ 4,996</u>	<u>\$ 4,381</u>	<u>\$ 6,030</u>	<u>\$ 31,502</u>	<u>\$ 46,909</u>
CONDENSED STATEMENT OF CASH FLOWS					
Net cash provided (used) by:					
Operating activities	\$ 434	\$ 1,337	\$ 1,254	\$ (4,655)	\$ (1,630)
Noncapital financing activities	(96)	(52)	-	7,975	7,827
Capital and related financing activities	(350)	(1,288)	(1,119)	(1,189)	(3,946)
Investing activities	(3)	75	15	641	728
Net increase (decrease)	<u>(15)</u>	<u>72</u>	<u>150</u>	<u>2,772</u>	<u>2,979</u>
Beginning cash and cash equivalents	<u>379</u>	<u>3,218</u>	<u>843</u>	<u>14,954</u>	<u>19,394</u>
Ending cash and cash equivalents	<u>\$ 364</u>	<u>\$ 3,290</u>	<u>\$ 993</u>	<u>\$ 17,726</u>	<u>\$ 22,373</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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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.

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.

L. 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. The contribution requirements of plan members and the City are established under Chapter 10, Article 11 NMSA 1978. 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, 2008:

Group Covered	Employee		Employer	
	Percent	Amount	Percent	Amount
General – Management, Blue Collar and White Collar	13.15%	\$ 19,394	9.15%	\$ 13,931
General – Bus Drivers	13.15%	1,085	9.15%	755
General – Other	7.00%	300	7.00%	344
Security/Animal Control	16.65%	119	16.65%	126
Police	16.30%	7,569	18.50%	9,924
Fire	16.30%	5,495	21.25%	7,208
		\$ 33,962		\$ 32,288

In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the City has elected to make a percentage of the employee's contributions. The percentage of the employee's contribution paid by the City varies according to the specific plan type. The City's employer contribution to PERA for the years ending June 30, 2008, 2007, and 2006 were \$32,287,682, \$32,162,718, and \$32,438,165 respectively, and represent 100% of required contributions.

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, 2008, \$247,258,407; the total payroll for all employees of the City of Albuquerque was \$281,844,964.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

M. Post employment benefits

In addition to providing pension benefits described in Note L, 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.

Postemployment Life Insurance Benefits.

Plan Description. The City's Life Insurance Benefit Plan (Plan) is a single employer defined benefit plan administered by the City; the plan also includes coverage for the employees of the Albuquerque Bernalillo County Water Authority (a separate legal entity, although a component unit of the City). Insurance benefits are authorized by the City's Merit System Ordinance and Personnel Rules and Regulations. Upon retirement an employee will continue to be covered by the City's plan at no cost to the employee. Coverage will be one-half of the coverage reflected on the most recent annual life insurance adjustment report immediately prior to retirement up to a maximum of \$25,000. Effective July 1, 2008 the minimum amount of coverage per retiree will be \$12,500. The number of retired employees covered under the life insurance benefit was 3,614 at June 30, 2008, and the amount of life insurance coverage for these retired employees was \$73,777,900.

Funding Policy. The City recognizes the cost of providing the life insurance benefits by charging the insurance premiums to expenditures. 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 required contribution is based on projected pay-as-you-go financing requirements. The current rate is .28 per \$1,000 face value of life insurance for actives and retirees. The life insurance premium costs for the City's retirees for the years ending June 30, 2008, 2007, and 2006 were \$242,940, \$215,577, and \$204,272 respectively. The life insurance and accidental death and dismemberment premium costs for the City's active employees for the years ending June 30, 2008, 2007, and 2006, were \$1,074,508, \$1,186,427 and \$1,073,051, respectively.

Annual OPEB Cost and Net OPEB Obligation. The City's annual postemployment benefit (OPEB) cost is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Life Insurance Benefit plan.

Annual required contribution:	
Normal cost	\$ 1,228,070
Amortization of unfunded actuarial accrued liability	1,955,693
Interest on net OPEB obligation	-
Annual OPEB cost	<u>3,183,763</u>
Contributions made	(1,198,604)
Increase in net OPEB obligation	<u>1,985,159</u>
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$ 1,985,159</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/06	N/A	N/A	N/A
6/30/07	N/A	N/A	N/A
6/30/08	\$ 3,183,763	37.6%	\$ 1,985,159

Funding Status and Funding Progress. As of June 30, 2008, the most recent actuarial valuation date, the plan was 0% percent funded using the criteria established by GASBS 45. The actuarial accrued liability for benefits was \$51,179,469 (\$15,087,654 for active employees and \$36,091,815 for retired employees). There are no plan assets; however, the City has earmarked \$7,397,129 in the City's Internal Service Employee Insurance Fund for future plan costs. The covered payroll (annual payroll of active employees covered by the plan) was \$275,105,270 and the ratio of the UAAL to the covered payroll was 18.6%. The ARC as a percent of payroll is 1.2% of which .4% is the normal cost as a percent of payroll. The ARC per active employee is \$478. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events of events far into the future. Examples include assumptions about future employment, mortality, and changes in life expectancies. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information for fiscal year 2008 only; however, in future years, the schedule will present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the Life Insurance Benefit plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the City's historical pattern of paying for the plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2008, actuarial valuation, the Entry Age Normal (EAN) funding method was used where, for each plan member, the actuarial present value of benefits is levelly spread over the plan member's earnings or service from entry age to assumed exit age. The EAN cost method is generally regarded by actuaries as the most stable of the funding methods. The goal of GASBS 45 is to match recognition of retiree life expense with the periods during which the benefit is earned and the City's actuary believe that EAN funding method effectively meets that goal in most circumstances. Another important issue in these calculations is the treatment of implicit subsidies where retiree coverage is subsidized by active employee costs. The City pays the same insurance premium rates for both active and retired employees, because the retired employees are on average older than active employees, there is an implicit subsidy of retiree coverage by active employee costs, which GASBS 45 generally requires be attributed to the retiree liability. The actuarial assumptions included a 4.0 percent investment rate of return on expected long-term returns on the City's own investments calculated on the funded level of the plan at the valuation date. As of June 30, 2008, the plan has not been funded and no interest was earned on the plan assets during the year. The City intends to amortize the UAAL over a thirty-year period under the level percentage of pay method, beginning in the next fiscal year. The remaining amortization period at June 30, 2008, was 29 years. The ARC was based on a 4.0 percent discount rate, funding will be based on an 8.0 percent discount rate.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Retiree Health Care Act Contributions. The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public services in New Mexico. The Retiree Health Care Authority is the administrator of the plan. 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 of 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 consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act, or the Magistrate 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 for contributions becomes the time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to .65 percent of the employee's annual 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 and made no contributions to the plan.

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd, NE, Suite 104, Albuquerque, New Mexico 87109.

The City of Albuquerque remitted \$3,298,559 in employer contributions and \$1,649,279 in employee contributions in the fiscal year ended June 30, 2008.

N. 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 \$1,494,107 reported as other liabilities payable from restricted assets at June 30, 2008, represents the cumulative amount reported to date based on the use of 21.3% of the estimated capacity of the Cerro Colorado and South Broadway Landfills.

CITY OF ALBUQUERQUE, NEW MEXICO
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The City will recognize the remaining estimated cost of closure and post-closure care of \$5,744,642 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 2008. 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 \$2,033,983 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.

O. 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 \$1,000,000 for each workers' compensation incident, \$1,050,000 for each tort liability claim, and \$50,000 for each City real and contents damage claim. Losses in other categories and catastrophic losses in the mentioned categories are the subject of insurance and/or actuarially reviewed retentions. Whenever a risk exposure is insured, the City continues to benefit from case coverage on claims that were incurred during the insured claim year.

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, 2008, 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. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic factors. The estimate of the claims liability also includes amounts for incremental claim adjustments expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Based on historical data, the City believes the Risk Management Fund (an internal service fund) is adequately funded. During Fiscal Year 2007, a comprehensive actuarial review was done to gauge the adequacy of the reserves for both the Workers' Compensation and Tort Liability programs. The actuarial review validated that the current reserves are adequate for reserves in anticipation of adverse developments in reported cases and for claims which may have occurred but have not yet been reported. The cash balance grew by \$9,448,436 during Fiscal Year 2008. Moreover, pursuant to Section 41-4-25(B) NMSA 1978, in the event of a judgment against the City in excess of \$1,000,000 the City, with Council approval, may levy a tax on real property to provide for the payment of catastrophic losses. In addition, the City started Fiscal Year 2008 with \$34,336,763 available in the General Fund balance.

Finally, the City has reserve amounts created by the City's policy to reserve one-twelfth of the General Fund budgeted amount. The amounts and change in the Fund's claims liability in fiscal year 2008 and 2007 were:

	2008	2007
Claims liability at July 1	\$ 57,006,436	\$ 50,950,991
Current year claims and change in estimates	24,687,241	29,078,498
Claims liquidated	(21,596,973)	(23,023,053)
Claims liability at June 30	\$ 60,096,704	\$ 57,006,436
The components of the claims liability at June 30 are:		
Current portion	\$ 26,579,300	\$ 21,322,550
Noncurrent portion	33,517,404	35,683,886
Total claims liability	\$ 60,096,704	\$ 57,006,436

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

P. 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 current memorandum of understanding (MOU) was executed on March 21st, 2007; effective July 1, 2007, City water and wastewater utility employees were no longer considered City employees and all managerial, operations and maintenance responsibilities associated with the utility were fully assumed by the Authority; however, the City still provides certain administrative services to the Authority.

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	\$ 4,998,709
Administrative indirect overhead, including accounting and other central services	6,197,513
Warehouse	3,003,757
Fleet Management Services	2,337,960
Telephone	291,769
Office services and parking	101,913
Total	<u>\$ 16,931,621</u>
 The City paid the Authority for water and sewer services in the amount of	 <u>\$ 7,427,893</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Q. Commitments and contingencies

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

Government activities:	
Major Funds: General Fund	\$ 4,678,108
Non-major Government Funds	9,663,539
Total Governmental Funds	<u>\$ 14,341,647</u>

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

Business-type activities:	
Major Funds:	
Airport Fund	\$ 56,884,259
Refuse Disposal Fund	5,471,571
Transit Operating Fund	-
Non-major Business-type Funds	<u>1,428,708</u>
Total Business-type Funds	<u>\$ 63,784,538</u>

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 estimatability 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 paragraph, it is the opinion of City management that the ultimate resolution of other litigation will not have a material effect on the financial position of the City.

The City 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, Transit Department and other employees are subject to overtime compensation. The ultimate outcome of these legal proceedings cannot presently be determined; the case is currently awaiting the Courts consideration on how the calculations are to be determined. Accordingly, no provision for any additional liability that may result upon the ultimate outcome has been recognized in the accompanying general-purpose financial statements and schedules.

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

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

R. Budget violation

In violation of City ordinance Section 2-11-12 ROA 1994, the City overspent the budget at the following program and fund levels. The City produces quarterly expenditure reports and provides this information to City Departments in an effort to prevent future violations.

<u>Fund/Program</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund – Parks Management	\$ 13,959,000	\$ 14,052,752	\$ (93,752)
General Fund – Promote Safe Use of Firearms	361,000	369,637	(8,637)
General Fund – Neighborhood Deterioration	142,000	199,295	(57,295)
General Fund – Well-Being	3,632,000	3,634,358	(2,358)
Housing and Economic Development Fund	3,146,062	3,206,847	(60,785)
Golf Course Fund	4,829,000	4,925,381	(96,381)

S. Financial Data Schedule

The City of Albuquerque is required, at year-end, to submit to HUD, financial statements on all programs and business activities. These financial statements are submitted electronically through a prescribed Financial Data Schedule (FDS). HUD has been working to redesign the FDS. HUD will provide notification when the new FDS is finalized. When the FDS is available from HUD, the City of Albuquerque will submit it to HUD and the auditor will issue a separate SAS 29 opinion on the FDS.

V. Significant effects of subsequent events

Aviation

The City has authorized in October 2006 its Third Lien Airport Revenue Commercial Paper. It is anticipated that the notes will be issued in fiscal year 2009.

Apartments

On December 16, 2008 the City issued Series 2008 B Gross Receipts Tax Revenue Refunding Bonds for \$11,275,000. The proceeds of these bonds were used to fully refund The Series 2000 Affordable Housing Projects Refunding Revenue Bonds. The refunding transaction resulted in an economic gain of \$784,256. The Series 2008 B bonds are secured by a pledge of net housing project revenues and a pledge of gross receipts tax revenues received by the City. The Series 2008 B bonds have interest rates ranging from 4.00% to 5.375%, and maturities through July 1, 2030.

CITY OF ALBUQUERQUE, NEW MEXICO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR LIFE INSURANCE BENEFIT PLAN
Year ended June 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age Normal	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL Percentage of Covered Payroll
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2008	0	51,179,469	51,179,469	0.00%	275,105,270	18.60%

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes:				
Current property taxes	\$ 75,785,000	\$ 75,785,000	\$ 84,022,115	\$ 8,237,115
Delinquent property taxes	2,633,000	2,633,000	2,927,981	294,981
Interest:				
Interest on investments	1,353,000	1,353,000	1,114,450	(238,550)
Total revenues	<u>79,771,000</u>	<u>79,771,000</u>	<u>88,064,546</u>	<u>8,293,546</u>
Expenditures:				
Debt service:				
Principal	68,625,000	74,625,000	74,625,000	-
Interest	11,598,000	9,598,000	9,205,374	392,626
Commitment and other fees	1,000,000	1,000,000	938,828	61,172
Total expenditures	<u>81,223,000</u>	<u>85,223,000</u>	<u>84,769,202</u>	<u>453,798</u>
Excess (deficiency) of revenues over expenditures	<u>(1,452,000)</u>	<u>(5,452,000)</u>	<u>3,295,344</u>	<u>8,747,344</u>
Other financing sources (uses):				
Premiums on bonds sold	-	-	3,124,010	3,124,010
Bond proceeds	-	4,000,000	-	(4,000,000)
Total other financing sources (uses)	<u>-</u>	<u>4,000,000</u>	<u>3,124,010</u>	<u>(875,990)</u>
Net change in fund balance	(1,452,000)	(1,452,000)	6,419,354	7,871,354
Fund balance, July 1	<u>8,138,568</u>	<u>8,138,568</u>	<u>8,138,568</u>	<u>-</u>
Fund balance, June 30	<u>\$ 6,686,568</u>	<u>\$ 6,686,568</u>	<u>\$ 14,557,922</u>	<u>\$ 7,871,354</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2008

	Police Facilities	Fire Protection	Public Libraries	Storm Sewer
Revenues:				
Taxes				
Franchise taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	-
State Highway Department	-	-	-	1,044,806
State Agency of Aging	-	-	-	-
State NM Library	-	-	31,205	-
State Dept of Finance & Administration	388,259	-	2,103,260	3,360,384
Bernalillo County Shared Construction	-	-	-	-
EPA	-	-	-	-
NM Dept of Education	-	-	-	-
NM Dept of Public Safety	-	-	-	-
NM Dept of Economic Development	-	-	-	-
Housing and Urban Development	-	-	-	-
NM Arts Commission	-	-	-	-
Total intergovernmental	388,259	-	2,134,465	4,405,190
Interest on investments	140,594	850,220	264,600	419,724
Miscellaneous:				
Sales of real property	1,427	413,901	83,670	-
Contributions in aid of construction	1,058,512	-	128,357	3,800,000
Other revenue (expenditure)	-	(222,106)	-	-
Total miscellaneous	1,059,939	191,795	212,027	3,800,000
Total revenues	1,588,792	1,042,015	2,611,092	8,624,914
Expenditures:				
Capital outlay	8,148,321	9,742,721	5,956,119	5,801,959
Total expenditures	8,148,321	9,742,721	5,956,119	5,801,959
Excess (deficiency) of revenues over expenditures	(6,559,529)	(8,700,706)	(3,345,027)	2,822,955
Other financing sources (uses):				
Transfers in from other funds	376,251	5,100,000	-	3,226,000
Transfers out to other funds	-	-	(1,693,909)	-
Internal transfers in (out)	(2,477)	440,848	115,977	5,332
Proceeds of notes payable and bonds issued	4,265,000	31,345,515	19,273,150	5,707,050
Total other financing sources (uses)	4,638,774	36,886,363	17,695,218	8,938,382
Net change in fund balances	(1,920,755)	28,185,657	14,350,191	11,761,337
Fund balances (deficit), July 1	3,246,559	14,602,513	6,818,377	(2,364,020)
Fund balances (deficit), June 30	\$ 1,325,804	\$ 42,788,170	\$ 21,168,568	\$ 9,397,317

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2008

Street Improvements	Parks and Recreation	Open Space	Convention Center	Community Services Building	Rio Grande Zoo
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1,513,972)	-	-	-	-	-
-	-	-	-	-	-
-	-	450,000	-	-	-
13,914,539	1,132,631	-	-	-	128,635
-	15,370	-	-	4,924	-
-	-	-	-	-	-
811,380	6,429,648	1,129,984	-	4,602,511	110,227
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,303,819	-
-	-	-	-	114,821	-
-	-	-	-	-	-
<u>13,211,947</u>	<u>7,577,649</u>	<u>1,579,984</u>	<u>-</u>	<u>6,026,075</u>	<u>238,862</u>
<u>833,278</u>	<u>590,148</u>	<u>17,477</u>	<u>71</u>	<u>(117)</u>	<u>(10,113)</u>
-	31,873	-	-	-	-
699,924	1,515,850	-	-	-	-
-	186,620	-	-	-	-
<u>699,924</u>	<u>1,734,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,745,149</u>	<u>9,902,140</u>	<u>1,597,461</u>	<u>71</u>	<u>6,025,958</u>	<u>228,749</u>
<u>18,981,837</u>	<u>23,172,399</u>	<u>2,476,287</u>	<u>-</u>	<u>6,025,980</u>	<u>458,633</u>
<u>18,981,837</u>	<u>23,172,399</u>	<u>2,476,287</u>	<u>-</u>	<u>6,025,980</u>	<u>458,633</u>
<u>(4,236,688)</u>	<u>(13,270,259)</u>	<u>(878,826)</u>	<u>71</u>	<u>(22)</u>	<u>(229,884)</u>
3,667,000	(3,530,001)	-	-	-	337,000
-	-	-	-	-	-
(563,037)	(78,056)	460	-	91,179	8,744
-	13,177,235	-	-	-	1,289,500
<u>3,103,963</u>	<u>9,569,178</u>	<u>460</u>	<u>-</u>	<u>91,179</u>	<u>1,635,244</u>
(1,132,725)	(3,701,081)	(878,366)	71	91,157	1,405,360
<u>20,624,035</u>	<u>15,933,873</u>	<u>900,406</u>	<u>12,349</u>	<u>(147,506)</u>	<u>(722,535)</u>
<u>\$ 19,491,310</u>	<u>\$ 12,232,792</u>	<u>\$ 22,040</u>	<u>\$ 12,420</u>	<u>\$ (56,349)</u>	<u>\$ 682,825</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2008

	Senior Citizens Facility	Museum	Transit	Miscellaneous Capital Projects
Revenues:				
Taxes				
Franchise taxes	\$ -	\$ -	\$ -	\$ 528,079
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	-
State Highway Department	-	-	(321,604)	-
State Agency of Aging	2,229,773	-	-	-
State NM Library	-	-	-	-
State Dept of Finance & Administration	15,582	4,773,141	-	51,822
Bernalillo County Shared Construction	-	-	-	-
EPA	-	-	-	-
NM Dept of Education	-	-	-	-
NM Dept of Public Safety	-	-	-	222,721
NM Dept of Economic Development	-	-	-	-
Housing and Urban Development	-	-	-	-
NM Arts Commission	-	-	-	-
Total intergovernmental	<u>2,245,355</u>	<u>4,773,141</u>	<u>(321,604)</u>	<u>274,543</u>
Interest on investments	<u>127,489</u>	<u>110,823</u>	<u>51,400</u>	<u>30,783</u>
Miscellaneous:				
Sales of real property	-	-	-	9,051
Contributions in aid of construction	-	-	-	75,000
Other	-	-	-	428,638
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,689</u>
Total revenues	<u>2,372,844</u>	<u>4,883,964</u>	<u>(270,204)</u>	<u>1,346,094</u>
Expenditures:				
Capital outlay	<u>6,347,057</u>	<u>5,539,906</u>	<u>16,482</u>	<u>10,689,012</u>
Total expenditures	<u>6,347,057</u>	<u>5,539,906</u>	<u>16,482</u>	<u>10,689,012</u>
Excess (deficiency) of revenues over expenditures	<u>(3,974,213)</u>	<u>(655,942)</u>	<u>(286,686)</u>	<u>(9,342,918)</u>
Other financing sources (uses):				
Transfers in from other funds	-	-	111,690	950,000
Transfers out to other funds	-	-	(712,791)	-
Internal transfers in (out)	(109,382)	(56,512)	-	105,385
Proceeds of notes payable and bonds issued	10,050,000	4,700,000	-	32,250,000
Total other financing sources (uses)	<u>9,940,618</u>	<u>4,643,488</u>	<u>(601,101)</u>	<u>33,305,385</u>
Net change in fund balances	5,966,405	3,987,546	(887,787)	23,962,467
Fund balances (deficit), July 1	<u>1,419,591</u>	<u>3,256,150</u>	<u>2,619,522</u>	<u>(839,231)</u>
Fund balances (deficit), June 30	<u>\$ 7,385,996</u>	<u>\$ 7,243,696</u>	<u>\$ 1,731,735</u>	<u>\$ 23,123,236</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2008

<u>Environmental Improvements</u>	<u>Facilities and Equipment</u>	<u>City Building</u>	<u>Bosque</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 528,079
-	-	-	-	(1,513,972)
-	-	-	-	-
-	1	-	-	450,001
-	-	-	(353)	15,898,654
-	-	-	-	2,250,067
-	-	386,599	-	417,804
1,024,548	-	561,361	(2,750)	25,359,357
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	222,721
-	-	-	-	1,303,819
-	-	-	-	114,821
-	-	-	-	-
<u>1,024,548</u>	<u>1</u>	<u>947,960</u>	<u>(3,103)</u>	<u>44,503,272</u>
<u>3,713</u>	<u>624,769</u>	<u>16,862</u>	<u>58</u>	<u>4,071,779</u>
-	-	-	-	539,922
-	19,887	-	-	7,297,530
-	85,621	-	-	478,773
-	<u>105,508</u>	-	-	<u>8,316,225</u>
<u>1,028,261</u>	<u>730,278</u>	<u>964,822</u>	<u>(3,045)</u>	<u>57,419,355</u>
<u>1,056,009</u>	<u>9,072,988</u>	<u>3,139,963</u>	<u>3,422</u>	<u>116,629,095</u>
<u>1,056,009</u>	<u>9,072,988</u>	<u>3,139,963</u>	<u>3,422</u>	<u>116,629,095</u>
<u>(27,748)</u>	<u>(8,342,710)</u>	<u>(2,175,141)</u>	<u>(6,467)</u>	<u>(59,209,740)</u>
-	4,984,000	-	-	15,221,940
-	(47,579)	-	-	(2,454,279)
20,651	45,501	(24,613)	-	-
-	<u>3,067,550</u>	<u>3,000,000</u>	-	<u>128,125,000</u>
<u>20,651</u>	<u>8,049,472</u>	<u>2,975,387</u>	-	<u>140,892,661</u>
(7,097)	(293,238)	800,246	(6,467)	81,682,921
<u>358,705</u>	<u>18,584,741</u>	<u>668,119</u>	<u>34,303</u>	<u>85,005,951</u>
<u>\$ 351,608</u>	<u>\$ 18,291,503</u>	<u>\$ 1,468,365</u>	<u>\$ 27,836</u>	<u>\$ 166,688,872</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CAPITAL ACQUISITION FUND
Year Ended June 30, 2008

	Total Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
<u>Capital Acquisition Fund</u>					
Capital Outlay and Other:					
Bosque	\$ 1,069,799	\$ 1,038,607	\$ 31,192	\$ 3,422	\$ 27,770
City building	12,190,929	3,452,674	8,738,255	3,139,963	5,598,292
Community services building	12,630,780	2,862,993	9,767,787	6,025,980	3,741,807
Environmental improvements	3,956,373	1,104,074	2,852,299	1,056,009	1,796,290
Facilities and Equipment	65,295,709	39,955,520	25,340,189	9,072,988	16,267,201
Fire protection	76,708,962	23,345,867	53,363,095	9,742,721	43,620,374
Libraries	73,497,174	10,191,870	63,305,304	5,956,119	57,349,185
Miscellaneous capital projects	68,917,018	5,919,124	62,997,894	10,689,012	52,308,882
Museum	41,422,564	18,649,472	22,773,092	5,539,906	17,233,186
Open Space	9,113,222	5,032,723	4,080,499	2,476,287	1,604,212
Parks and recreation	177,365,412	150,718,081	26,647,331	23,172,399	3,474,932
Police facilities	38,641,655	19,162,259	19,479,396	8,148,321	11,331,075
Rio Grande Zoo	10,322,048	9,797,885	524,163	458,633	65,530
Senior citizens facility	34,919,503	14,036,434	20,883,069	6,347,057	14,536,012
Storm Sewer	59,611,323	42,651,285	16,960,038	5,801,959	11,158,079
Street improvements	242,474,839	176,089,359	66,385,480	18,981,837	47,403,643
Transit	14,502,716	12,589,292	1,913,424	16,482	1,896,942
Total Capital Acquisition Fund	<u>\$ 942,640,026</u>	<u>\$ 536,597,519</u>	<u>\$ 406,042,507</u>	<u>\$ 116,629,095</u>	<u>\$ 289,413,412</u>

CITY OF ALBUQUERQUE, NEW MEXICO

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT FUND—To account for the sources and uses of Development Block Grants. (7-1-6.11 NMSA 1978)

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)

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)

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.

CULTURE AND RECREATION PROJECTS FUND—To account for contributions and donations earmarked for specific projects of Culture and Recreation Department. (Enactment No. 51-1997)

OPEN AND ETHICAL ELECTIONS FUND—To account for contributions and donations made for the purpose of financing the campaigns of Participating Candidates for Covered Offices and for expenditures related to the enforcement of the Open and Ethical Elections Code. (Enactment No. 35-2007)

ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND—To account for contributions and donations earmarked for specific projects of the Biological Park. (Enactment No. 51-1997)

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)

AIR QUALITY FUND—To account for the operation of the City's Air Pollution Control Program. (9-5-1-13 RO 1994)

HEART ORDINANCE FUND—To account for license and permit fees dedicated exclusively to programs for free microchipping and free spay and neutering of Companion Animals for Low Income Persons, moderate income persons, seniors, and when possible, the general public. (Enactment No. 18-2006)

CORRECTIONS AND DETENTION FUND—To account for the operations of the joint City/Bernalillo County Corrections and Detentions facilities.

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)

METROPOLITAN REDEVELOPMENT FUND – To account for the revenues and expenditures incurred in connection with the rehabilitation of historical buildings. Financing is provided by certain property taxes in accordance with the State of New Mexico Metropolitan Redevelopment Code. (14-8-4 NMSA 1978)

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 required to be used for law enforcement services. (29-13-6 NMSA 1978)

GAS TAX ROAD FUND—To account for the proceeds of the City's share of the state shared Gas Tax revenues required to be used for street maintenance. (7-1-6.9 NMSA 1978)

CITY/COUNTY PROJECTS FUND—To account for revenues received from the County for services provided by the City. (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)

CITY OF ALBUQUERQUE, NEW MEXICO

DESCRIPTION OF NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

PHOTO ENFORCEMENT FUND—To account for revenues and expenditures associated with the photo enforcement program. (Enactment No. 95-2003)

CITY/COUNTY FACILITIES FUND—To account for rental income and costs of operating City/County facilities. (1984 Joint Powers Agreement)

PLAZA DEL SOL BUILDING FUND—To account for rental income and costs of operating the Plaza Del Sol Building. (Enactment No. 29-1995)

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. 41-1982)

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)

CAPITAL PROJECTS FUNDS

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

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.

IMPACT FEES – To account for the fees received from builders of new commercial and residential building restricted for funding of critical major infrastructure.

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

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 the City's 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.

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. (Enactment NO. 41-1982)

URBAN ENHANCEMENT PERMANENT FUND—To account for the principal of the Urban Enhancement Fund. The principal of the fund is to remain intact. The investment earnings are to be used to enhance or enrich the appearance and culture of the City. (Enactment No. 69-1983)

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue						
	COMMUNITY DEVELOPMENT	FIRE	RECREATION	LODGERS' TAX	HOSPITALITY TAX	RECREATION PROJECTS	CULTURE AND RECREATION PROJECTS
ASSETS							
Cash, investments and accrued interest	\$ -	\$ 1,016,916	\$ 11,633	\$ 229,271	\$ 59,759	\$ -	\$ 2,604,297
Cash with fiscal agents	-	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:							
Taxes	-	-	2,442,654	-	410,200	-	-
Accounts	-	-	-	-	-	-	-
Rehabilitation loans	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-
Developer loans	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-
Real estate contracts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	35,924	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Total assets	\$ 2,533,818	\$ 1,016,916	\$ 47,557	\$ 2,671,925	\$ 469,959	\$ -	\$ 2,604,297
LIABILITIES							
Accounts payable	\$ 391,825	\$ 67,454	-	-	-	-	\$ 53,072
Contracts and retainage payable	-	-	-	-	-	-	-
Accrued employee compensation and benefits	27,338	-	-	-	-	-	1,010
Due to other funds	279,905	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenues	-	-	14,601	1,312,958	184,261	-	-
Deposits	1,834,076	-	-	-	-	-	4,050
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Total liabilities	\$ 2,533,144	\$ 67,454	\$ 14,601	\$ 1,312,958	\$ 184,261	\$ -	\$ 58,132
FUND BALANCES							
Reserved for:							
Encumbrances	-	354,063	-	-	-	-	72,271
Reserved for budgeted local matching funds	-	-	-	-	-	-	-
Acquisition and management of open space land	-	-	-	-	-	-	-
Urban enhancement	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unreserved	674	595,399	32,956	1,358,967	285,698	-	2,473,894
Total fund balances	674	949,462	32,956	1,358,967	285,698	-	2,546,165
Total liabilities and fund balances	\$ 2,533,818	\$ 1,016,916	\$ 47,557	\$ 2,671,925	\$ 469,959	\$ -	\$ 2,604,297

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue						
	OPEN AND ETHICAL ELECTIONS	ALBUQUERQUE BIOLOGICAL PARKS PROJECTS	CITY HOUSING	AIR QUALITY	HEART ORDINANCE	CORRECTIONS AND DETERENTION	
ASSETS							
Cash, investments and accrued interest	\$ 1,173,350	\$ 565,030	\$ 9,236,552	\$ 1,067,766	\$ -	\$ -	\$ 1,285,886
Cash with fiscal agents	-	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	91,480	-	-	-
Rehabilitation loans	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-
Developer loans	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-
Real estate contracts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Total assets	\$ 1,173,350	\$ 565,030	\$ 9,236,552	\$ 1,159,246	\$ -	\$ -	\$ 1,285,886
LIABILITIES							
Accounts payable	-	\$ 252,561	\$ 345,188	\$ 52,798	\$ -	\$ -	-
Contracts and retainage payable	-	-	-	-	-	-	-
Accrued employee compensation and benefits	-	-	466	63,651	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	1,285,886
Deferred revenues	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Total liabilities	-	\$ 252,561	\$ 345,654	\$ 116,449	-	-	\$ 1,285,886
FUND BALANCES							
Reserved for:							
Encumbrances	-	-	-	276,608	-	-	-
Reserved for budgeted local matching funds	-	-	-	-	-	-	-
Acquisition and management of open space land	-	-	-	-	-	-	-
Urban enhancement	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unreserved	1,173,350	312,469	8,890,898	766,189	-	-	-
	1,173,350	312,469	8,890,898	1,042,797	-	-	-
Total fund balances	\$ 1,173,350	\$ 565,030	\$ 9,236,552	\$ 1,159,246	\$ -	\$ -	\$ 1,285,886
Total liabilities and fund balances							

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue						CITY / COUNTY PROJECTS
	OPERATING GRANTS	METROPOLITAN REDEVELOPMENT	HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT	LAW ENFORCEMENT PROTECTION	GAS TAX ROAD		
ASSETS							
Cash, investments and accrued interest	\$ 4,396,772	\$ 5,475,818	\$ 4,072,580	\$ 2,355,970	\$ 1,095,392	\$ 140,594	
Cash with fiscal agents	-	-	-	-	-	-	
Investments with fiscal agents	-	-	-	-	-	-	
Receivables, net of allowance for uncollectible:							
Taxes	-	-	-	-	-	-	
Accounts	-	-	-	-	-	-	
Rehabilitation loans	606,405	-	-	-	-	2,862	
Notes	-	-	3,100	-	-	-	
Developer loans	353,790	1,223,304	3,651,555	-	-	-	
Special Assessments	-	-	-	-	-	-	
Real estate contracts receivable	-	-	-	-	-	-	
Due from other governments	7,163,609	-	-	-	961,466	-	
Advances to other funds	-	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	
Total assets	\$ 12,520,576	\$ 6,699,122	\$ 7,727,235	\$ 2,355,970	\$ 2,056,858	\$ 143,456	
LIABILITIES							
Accounts payable	\$ 2,925,337	\$ 334	\$ 347,918	\$ 129,381	\$ 27,470	\$ 1,683	
Contracts and retainage payable	-	-	-	-	-	-	
Accrued employee compensation and benefits	358,603	-	-	9,392	79,470	-	
Due to other funds	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	
Deferred revenues	2,880,709	1,223,304	3,654,655	-	478,452	-	
Deposits	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	
Total liabilities	6,164,649	1,223,638	4,002,573	138,773	585,392	1,683	
FUND BALANCES							
Reserved for:							
Encumbrances	-	70,000	643,369	-	-	-	
Reserved for budgeted local matching funds	3,750,696	-	-	-	-	-	
Acquisition and management of open space land	-	-	-	-	-	-	
Urban enhancement	-	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	
Advances to other funds	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	
Unreserved	2,605,231	5,405,484	3,081,293	2,217,197	1,471,466	141,773	
Total fund balances	6,355,927	5,475,484	3,724,662	2,217,197	1,471,466	141,773	
Total liabilities and fund balances	\$ 12,520,576	\$ 6,699,122	\$ 7,727,235	\$ 2,355,970	\$ 2,056,858	\$ 143,456	

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Special Revenue						
	FALSE ALARM ENFORCEMENT AND EDUCATION	PHOTO ENHANCEMENT RED LIGHT	CITY/COUNTY FACILITIES	PLAZA DEL SOL BUILDING	ACQUISITION & MANAGEMENT OF OPEN SPACE EXPENDITURES	URBAN ENHANCEMENT EXPENDITURES	SPECIAL REVENUE TOTAL
ASSETS							
Cash, investments and accrued interest	\$ 479,267	\$ 10,273,340	\$ 961,791	\$ 105,151	\$ 2,002,582	\$ 1,856,247	\$ 50,465,964
Cash with fiscal agents	-	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:							
Taxes	-	-	-	-	-	-	-
Accounts	116,001	1,056,620	536,109	-	-	-	2,852,854
Rehabilitation loans	-	-	-	-	-	-	1,803,072
Notes	-	-	-	-	-	-	2,440,481
Developer loans	-	-	-	-	-	-	3,100
Special Assessments	-	-	-	-	-	-	5,228,649
Real estate contracts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	8,860,741
Advances to other funds	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Total assets	\$ 595,268	\$ 11,329,960	\$ 1,497,900	\$ 105,151	\$ 2,002,582	\$ 1,856,247	\$ 71,654,861
LIABILITIES							
Accounts payable	\$ 531	\$ 389,492	\$ 286,525	\$ 27,189	\$ 55,422	\$ 27,708	\$ 5,381,888
Contracts and retainage payable	-	5,792	-	-	-	-	5,792
Accrued employee compensation and benefits	6,112	-	24,642	10,128	52,150	-	632,962
Due to other funds	-	-	-	-	-	-	279,905
Due to other governments	-	-	-	-	-	-	1,285,886
Deferred revenues	-	-	-	300	9,637	-	11,592,953
Deposits	-	-	-	-	-	-	4,050
Matured bonds payable	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-
Total liabilities	6,643	395,284	311,167	37,617	117,209	27,708	19,183,436
FUND BALANCES							
Reserved for:							
Encumbrances	-	-	862,170	-	-	-	2,278,481
Reserved for budgeted local matching funds	-	-	-	-	-	-	3,750,696
Acquisition and management of open space land	-	-	-	-	1,885,373	-	1,885,373
Urban enhancement	-	-	-	-	-	1,828,539	1,828,539
Land held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unreserved	588,625	10,934,676	324,563	67,534	-	-	42,728,336
Total fund balances	588,625	10,934,676	1,186,733	67,534	1,885,373	1,828,539	52,471,425
Total liabilities and fund balances	\$ 595,268	\$ 11,329,960	\$ 1,497,900	\$ 105,151	\$ 2,002,582	\$ 1,856,247	\$ 71,654,861

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

Capital Projects						
	SPECIAL ASSESSMENTS CAPITAL	QUALITY OF LIFE	INFRASTRUCTURE TAX	IMPACT FEES	VEHICLE AND EQUIPMENT REPLACEMENT	CAPITAL PROJECTS TOTAL
ASSETS						
Cash, investments and accrued interest	\$ 7,958,885	\$ 71,726	\$ 56,558,836	\$ 23,177,695	\$ 7,404,365	\$ 95,171,507
Cash with fiscal agents	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:						
Taxes	-	-	6,433,017	-	-	6,433,017
Accounts	-	-	-	-	-	-
Rehabilitation loans	-	-	-	-	-	-
Notes	-	-	-	-	-	-
Developer loans	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Real estate contracts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Total assets	\$ 7,958,885	\$ 71,726	\$ 62,991,853	\$ 23,177,695	\$ 7,404,365	\$ 101,604,524
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Contracts and retainage payable	-	-	795,806	-	-	795,806
Accrued employee compensation and benefits	-	-	-	299,544	-	299,544
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deferred revenues	-	-	3,347,155	-	-	3,347,155
Deposits	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-
Total liabilities	-	-	4,142,961	299,544	-	4,442,505
FUND BALANCES						
Reserved for:						
Encumbrances	-	32,923	7,241,367	110,768	-	7,385,058
Reserved for budgeted local matching funds	-	-	-	-	-	-
Acquisition and management of open space land	-	-	-	-	-	-
Urban enhancement	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unreserved	7,958,885	38,803	51,607,525	22,767,383	7,404,365	89,776,961
Total fund balances	7,958,885	71,726	58,848,892	22,878,151	7,404,365	97,162,019
Total liabilities and fund balances	\$ 7,958,885	\$ 71,726	\$ 62,991,853	\$ 23,177,695	\$ 7,404,365	\$ 101,604,524

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008

	Debt Service			Permanent Funds			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SALES TAX REFUNDING	CITY COUNTY BUILDING	SPECIAL ASSESSMENTS	DEBT SERVICE TOTAL	ACQUISITION AND MANAGEMENT OF OPEN SPACE	URBAN ENHANCEMENT	
ASSETS							
Cash, investments and accrued interest	\$ 2,472,201	\$ -	\$ 3,390,996	\$ 5,863,197	\$ 11,183,519	\$ 7,791,029	\$ 18,974,548
Cash with fiscal agents	4,405,343	-	546,882	4,952,225	-	-	-
Investments with fiscal agents	788,311	-	-	788,311	-	-	-
Receivables, net of allowance for uncollectible:							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Rehabilitation loans	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-
Developer loans	-	-	-	-	-	-	-
Special Assessments	-	-	4,767,807	4,767,807	-	-	-
Real estate contracts receivable	-	-	-	-	1,300,497	-	1,300,497
Due from other governments	-	-	-	-	-	-	-
Advances to other funds	16,655,000	-	-	16,655,000	-	-	16,655,000
Land held for resale	-	-	-	-	4,470,382	-	4,470,382
Total assets	\$ 24,320,855	\$ -	\$ 8,705,685	\$ 33,026,540	\$ 16,954,398	\$ 7,791,029	\$ 24,745,427
LIABILITIES							
Accounts payable	\$ 123,133	\$ -	\$ 4,673	\$ 127,806	\$ -	\$ -	\$ 127,806
Contracts and retamage payable	-	-	-	-	-	-	-
Accrued employee compensation and benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenues	-	-	4,456,994	4,456,994	1,300,497	-	5,757,491
Deposits	-	-	-	-	431,000	-	431,000
Matured bonds payable	1,635,000	-	475,659	2,110,659	-	-	2,110,659
Matured interest payable	2,765,005	-	66,551	2,831,556	-	-	2,831,556
Total liabilities	\$ 4,523,138	\$ -	\$ 5,003,877	\$ 9,527,015	\$ 1,731,497	\$ -	\$ 34,884,453
FUND BALANCES							
Reserved for:							
Encumbrances	-	-	-	-	-	-	-
Reserved for budgeted local matching funds	-	-	-	-	-	-	-
Acquisition and management of open space land	-	-	10,752,519	-	10,752,519	-	10,752,519
Urban enhancement	-	-	-	-	7,791,029	-	7,791,029
Land held for resale	-	-	-	-	4,470,382	-	4,470,382
Advances to other funds	16,655,000	-	-	16,655,000	-	-	16,655,000
Debt service	3,142,717	-	3,701,808	6,844,525	-	-	6,844,525
Unreserved	-	-	-	-	-	-	-
Total fund balances	\$ 19,797,717	\$ -	\$ 3,701,808	\$ 23,499,525	\$ 15,222,901	\$ 7,791,029	\$ 23,013,930
Total liabilities and fund balances	\$ 24,320,855	\$ -	\$ 8,705,685	\$ 33,026,540	\$ 16,954,398	\$ 7,791,029	\$ 24,745,427

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2008

	Special Revenue					
	COMMUNITY DEVELOPMENT	FIRE	RECREATION	LODGERS' TAX	HOSPITALITY TAX	CULTURE AND RECREATION PROJECTS
REVENUES						
Taxes:						
Gross receipts taxes, local option	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-
Lodgers' and hospitality taxes	-	-	-	11,502,350	2,300,469	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,838,698	1,414,548	242,665	-	-	-
Charges for services	-	1,814	-	-	-	481,288
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	-	56,502	425	41,498	12,392	96,281
Special assessments	-	-	-	-	-	-
Collections real estate contracts:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	508,198	-	-	-	-	507,180
Total revenues	<u>6,346,896</u>	<u>1,472,864</u>	<u>243,090</u>	<u>11,543,848</u>	<u>2,312,861</u>	<u>1,084,749</u>
EXPENDITURES						
Current:						
General government	-	-	-	6,195,133	1,275,000	-
Public safety	-	728,384	-	-	-	-
Culture and recreation	-	-	-	-	-	616,860
Public works	3,486,269	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health	-	-	-	-	-	-
Human services	606,255	-	-	-	-	-
Housing	1,852,204	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-
Capital outlays	404,155	45,301	-	-	-	-
Total expenditures	<u>6,348,883</u>	<u>773,685</u>	<u>-</u>	<u>6,195,133</u>	<u>1,275,000</u>	<u>616,860</u>
Excess (deficiency) of revenues over (under) expenditures	(1,987)	699,179	243,090	5,348,715	1,037,861	467,889
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(230,000)	(6,490,000)	(1,275,000)	-
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agents	-	-	-	-	-	-
Total other financing sources and (uses)	<u>(1,987)</u>	<u>699,179</u>	<u>(230,000)</u>	<u>(6,490,000)</u>	<u>(1,275,000)</u>	<u>-</u>
Net change in fund balance	2,661	250,283	19,866	2,500,252	522,837	467,889
Fund balance, July 1	674	949,462	32,956	1,358,967	285,698	2,078,276
Fund balance (deficit), June 30	<u>\$ 674</u>	<u>\$ 949,462</u>	<u>\$ 32,956</u>	<u>\$ 1,358,967</u>	<u>\$ 285,698</u>	<u>\$ 2,546,165</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2008

	Special Revenue					
	OPEN AND ETHICAL ELECTIONS	ALBUQUERQUE BIOLOGICAL PARKS PROJECTS	CITY HOUSING	AIR QUALITY	HEART ORDINANCE	CORRECTIONS AND DETENTION
REVENUES						
Taxes:						
Gross receipts taxes, local option	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-
Lodgers and hospitality taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	2,627,590	59,061	-
Intergovernmental	-	266,687	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	14,859	61,107	403,921	54,665	-	52,529
Special assessments	-	-	-	-	-	-
Collections real estate contracts:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	29,783	1,364,591	333,081	1,051	-	3
Total revenues	<u>44,642</u>	<u>1,692,385</u>	<u>737,002</u>	<u>2,683,306</u>	<u>59,061</u>	<u>52,532</u>
EXPENDITURES						
Current:						
General government	41,996	-	-	-	-	-
Public safety	-	-	-	-	-	26,266
Culture and recreation	-	1,165,017	-	-	-	-
Public works	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health	-	-	-	-	-	-
Human services	-	-	-	2,946,142	46,915	-
Housing	-	-	1,806,872	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-
Capital outlays	-	-	436,432	17,604	-	-
Total expenditures	<u>41,996</u>	<u>1,165,017</u>	<u>2,243,304</u>	<u>2,963,746</u>	<u>46,915</u>	<u>26,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,646</u>	<u>527,368</u>	<u>(1,506,302)</u>	<u>(280,440)</u>	<u>12,146</u>	<u>26,266</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	885,000	-	-	-	-	-
Transfers out	-	(337,000)	-	-	-	(26,266)
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agents	-	-	-	-	-	-
Total other financing sources and (uses)	<u>885,000</u>	<u>(337,000)</u>	<u>51,881</u>	<u>-</u>	<u>-</u>	<u>(26,266)</u>
Net change in fund balance	<u>887,646</u>	<u>190,368</u>	<u>(1,454,421)</u>	<u>(280,440)</u>	<u>12,146</u>	<u>-</u>
Fund balance, July 1	<u>285,704</u>	<u>122,101</u>	<u>10,345,319</u>	<u>1,323,237</u>	<u>(12,146)</u>	<u>-</u>
Fund balance (deficit), June 30	<u>\$ 1,173,350</u>	<u>\$ 312,469</u>	<u>\$ 8,890,898</u>	<u>\$ 1,042,797</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2008

	Special Revenue					
	OPERATING GRANTS	METROPOLITAN REDEVELOPMENT	HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT	LAW ENFORCEMENT PROTECTION	GAS TAX ROAD	CITY/COUNTY PROJECTS
REVENUES						
Taxes:						
Gross receipts taxes, local option	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	435,032	-	-	-	-
Lodgers' and hospitality taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	25,745,501	-	-	600,400	5,301,238	189,555
Charges for services	-	-	-	128,070	-	-
Fines and forfeitures	-	-	-	1,654,125	-	-
Interest on investments	64,272	233,046	207,505	110,164	44,448	19,198
Special assessments	-	-	-	-	-	-
Collections real estate contracts:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	597,711	250,995	1,269,637	157,577	-	-
Total revenues	26,407,484	919,073	1,477,142	2,650,336	5,345,686	208,753
EXPENDITURES						
Current:						
General government	2,299,694	441,969	-	-	-	63,424
Public safety	5,759,492	-	-	2,726,208	-	-
Culture and recreation	130,975	-	-	-	-	-
Public works	-	-	-	-	-	-
Highways and streets	1,709,192	-	-	-	5,316,133	-
Health	2,290,154	-	-	-	-	-
Human services	19,776,903	-	-	-	-	-
Housing	-	-	2,706,383	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-
Capital outlays	57,708	-	500,464	-	-	-
Total expenditures	32,024,118	441,969	3,206,847	2,726,208	5,316,133	63,424
Excess (deficiency) of revenues over (under) expenditures	(5,616,634)	477,104	(1,729,705)	(75,872)	29,553	(145,329)
OTHER FINANCING SOURCES (USES)						
Transfers in	5,394,852	-	-	431,000	37,000	-
Transfers out	(83,680)	-	-	(231,000)	-	(82,000)
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agents	-	-	-	-	-	-
Total other financing sources and (uses)	5,311,172	-	-	200,000	37,000	(82,000)
Net change in fund balance	(305,462)	477,104	(1,729,705)	124,128	66,553	63,329
Fund balance, July 1	6,661,389	4,998,380	5,454,367	2,093,069	1,404,913	78,444
Fund balance (deficit), June 30	\$ 6,355,927	\$ 5,475,484	\$ 3,724,662	\$ 2,217,197	\$ 1,471,466	\$ 141,773

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2008

	Special Revenue						
	FALSE ALARM ENFORCEMENT AND EDUCATION	PHOTO ENHANCEMENT RED LIGHT	CITY/COUNTY FACILITIES	PLAZA DEL SOL BUILDING	ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES	URBAN ENHANCEMENT EXPENDITURES	SPECIAL REVENUE TOTAL
REVENUES							
Taxes:							
Gross receipts taxes, local option							
Property taxes							\$ 435,032
Lodgers' and hospitality taxes							13,802,819
Licenses and permits							2,686,651
Intergovernmental							39,143,050
Charges for services	725,976		3,715,410	1,427,218	72,524		7,008,542
Fines and forfeitures		11,515,191					13,169,316
Interest on investments	22,162	78,860	29,550	2,002	79,926	77,645	1,762,957
Special assessments							
Collections real estate contracts:							
Principal							
Interest							
Miscellaneous							
Total revenues	<u>748,138</u>	<u>11,594,051</u>	<u>3,744,960</u>	<u>1,429,220</u>	<u>152,450</u>	<u>77,645</u>	<u>5,019,807</u>
EXPENDITURES							
Current:							
General government							
Public safety	393,566		3,004,459	803,825			14,519,066
Culture and recreation		4,809,663	86,000				14,136,013
Public works					2,840,008	436,766	5,189,626
Highways and streets							3,486,269
Health							7,025,325
Human services							5,283,211
Housing							20,383,158
Debt service:							6,365,459
Principal retirement							
Interest							
Fiscal agent fees and other fees							
Capital outlays							
Total expenditures	<u>393,566</u>	<u>4,809,663</u>	<u>3,090,459</u>	<u>803,825</u>	<u>2,840,008</u>	<u>436,766</u>	<u>77,849,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>354,572</u>	<u>6,784,388</u>	<u>654,501</u>	<u>625,395</u>	<u>(2,687,558)</u>	<u>(359,121)</u>	<u>5,178,383</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
Proceeds of refunding bonds							
Payment to refunded bond escrow agents							
Total other financing sources and (uses)							
Net change in fund balance	(376,251)	4,980,288	57,631	(572,000)	2,439,379	343,272	14,620,303
Fund balance, July 1		(830,000)					(10,533,197)
Fund balance (deficit), June 30	<u>\$ 588,625</u>	<u>\$ 10,934,676</u>	<u>\$ 1,186,733</u>	<u>\$ 67,534</u>	<u>\$ 1,885,373</u>	<u>\$ 1,828,539</u>	<u>\$ 52,471,425</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2008

Capital Projects

	SPECIAL ASSESSMENTS CAPITAL	QUALITY OF LIFE	INFRASTRUCTURE TAX	IMPACT FEES	VEHICLE AND EQUIPMENT REPLACEMENT	CAPITAL PROJECTS TOTAL
REVENUES						
Taxes:	\$ -	-	\$ 37,011,006	\$ -	-	\$ 37,011,006
Gross receipts taxes, local option	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Lodgers' and hospitality taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	313,860	3,165	1,890,298	721,978	233,748	3,163,049
Special assessments	-	-	-	-	-	-
Collections real estate contracts:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	1,457	107,212	10,935,135	242,520	11,286,324
Total revenues	313,860	4,622	39,008,516	11,657,113	476,268	51,460,379
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-
Capital outlays	-	10,797	13,047,112	892,495	1,694,029	15,644,433
Total expenditures	-	10,797	13,047,112	892,495	1,694,029	15,644,433
Excess (deficiency) of revenues over (under) expenditures	313,860	(6,175)	25,961,404	10,764,618	(1,217,761)	35,815,946
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	3,778,000	3,778,000
Transfers out	-	-	(7,402,203)	-	-	(7,402,203)
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunded bond escrow agents	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	(7,402,203)	-	3,778,000	(3,624,203)
Net change in fund balance	313,860	(6,175)	18,559,201	10,764,618	2,560,239	32,191,743
Fund balance, July 1	7,645,025	77,901	40,289,691	12,113,533	4,844,126	64,970,276
Fund balance (deficit), June 30	\$ 7,958,885	\$ 71,726	\$ 58,848,892	\$ 22,878,151	\$ 7,404,365	\$ 97,162,019

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2008

	Debt Service				Permanent Funds				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SALES TAX REFUNDING	CITY COUNTY BUILDING	SPECIAL ASSESSMENT	DEBT SERVICE TOTAL	ACQUISITION AND MANAGEMENT OF OPEN SPACE	URBAN ENHANCEMENT	PERMANENT FUND TOTAL		
REVENUES									
Taxes:									
Gross receipts taxes, local option	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,011,006
Property taxes	-	-	-	-	-	-	-	-	435,032
Lodgers' and hospitality taxes	-	-	-	-	-	-	-	-	13,802,819
Licenses and permits	-	-	-	-	-	-	-	-	2,686,651
Intergovernmental	-	-	-	-	-	-	-	-	39,143,050
Charges for services	-	-	-	-	-	-	-	-	7,008,542
Fines and forfeitures	-	-	-	-	-	-	-	-	13,169,316
Interest on investments	1,213,758	2,143	113,171	1,329,072	783,587	383,576	1,167,163	-	7,422,241
Special assessments	-	-	1,925,726	1,925,726	-	-	-	-	1,925,726
Collections real estate contracts:									
Principal	-	-	-	-	13,449	-	13,449	-	13,449
Interest	-	-	-	-	2,614	-	2,614	-	2,614
Miscellaneous	-	-	-	-	86,870	-	86,870	-	86,870
Total revenues	1,213,758	2,143	2,038,897	3,254,798	886,520	383,576	1,270,096	-	139,013,447
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	14,519,066
Public safety	-	-	-	-	-	-	-	-	14,136,013
Culture and recreation	-	-	-	-	(465,473)	-	(465,473)	-	4,724,153
Public works	-	-	-	-	-	-	-	-	3,486,269
Highways and streets	-	-	-	-	-	-	-	-	7,025,325
Health	-	-	-	-	-	-	-	-	5,283,211
Human services	-	-	-	-	-	-	-	-	20,383,158
Housing	-	-	-	-	-	-	-	-	6,365,459
Debt service:									
Principal retirement	3,651,667	-	475,659	4,127,326	-	-	-	-	4,127,326
Interest	6,457,409	-	133,100	6,590,509	-	-	-	-	6,590,509
Fiscal agent fees and other fees	387,594	-	8,994	396,588	-	-	-	-	396,588
Capital outlays	-	-	-	-	-	-	-	-	17,106,097
Total expenditures	10,496,670	-	617,753	11,114,423	(465,473)	-	(465,473)	-	104,143,174
Excess (deficiency) of revenues over (under) expenditures	(9,282,912)	2,143	1,421,144	(7,859,625)	1,351,993	383,576	1,735,569	-	34,870,273
OTHER FINANCING SOURCES (USES)									
Transfers in	9,115,000	-	-	9,115,000	-	-	-	-	27,513,303
Transfers out	-	(57,631)	-	(57,631)	(1,381,379)	(343,272)	(1,724,651)	-	(19,717,682)
Proceeds of refunding bonds	16,655,000	-	-	16,655,000	-	-	-	-	16,655,000
Payment to refunded bond escrow agents	(16,183,333)	-	-	(16,183,333)	-	-	-	-	(16,183,333)
Total other financing sources and (uses)	9,586,667	(57,631)	-	9,529,036	(1,381,379)	(343,272)	(1,724,651)	-	8,267,288
Net change in fund balance	303,755	(55,488)	1,421,144	1,669,411	(29,386)	40,304	10,918	-	43,137,561
Fund balance, July 1	19,493,962	55,488	2,280,664	21,830,114	15,252,287	7,750,725	23,003,012	-	153,009,338
Fund balance (deficit), June 30	\$ 19,797,717	\$ -	\$ 3,701,808	\$ 23,499,525	\$ 15,222,901	\$ 7,791,029	\$ 23,013,930	\$ -	\$ 196,146,899

The notes to the financial statements are an integral part of this statement.

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND
Year ended June 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Intergovernmental:					
Grants:					
U.S. Dept. of Housing and Urban Development	\$ 16,743,090	\$ 3,251,486	\$ 13,491,604	\$ 5,838,698	\$ 7,652,906
Miscellaneous:					
Rehabilitation loan repayments	1,381,040	535,737	845,303	508,198	337,105
Other miscellaneous	-	837,154	(837,154)	-	(837,154)
Total miscellaneous	<u>1,381,040</u>	<u>1,372,891</u>	<u>8,149</u>	<u>508,198</u>	<u>(500,049)</u>
Total revenues	<u>18,124,130</u>	<u>4,624,377</u>	<u>13,499,753</u>	<u>6,346,896</u>	<u>7,152,857</u>
Expenditures:					
Current:					
Public Works	<u>7,133,607</u>	<u>2,158,801</u>	<u>4,974,806</u>	<u>3,486,269</u>	<u>1,488,537</u>
Human services:					
Mayor's office for senior citizens	395,580	266,200	129,380	123,341	6,039
Community development administration	2,608,570	505,424	2,103,146	502,089	1,601,057
Outside operating agencies	1,119,353	346,800	772,553	384,980	387,573
Total human services	<u>4,123,503</u>	<u>1,118,424</u>	<u>3,005,079</u>	<u>1,010,410</u>	<u>1,994,669</u>
Housing	<u>6,963,792</u>	<u>1,442,004</u>	<u>5,521,788</u>	<u>1,852,204</u>	<u>3,669,584</u>
Total expenditures	<u>18,220,902</u>	<u>4,719,229</u>	<u>13,501,673</u>	<u>6,348,883</u>	<u>7,152,790</u>
Deficiency of revenues over expenditures	(96,772)	(94,852)	(1,920)	(1,987)	67
Other financing sources:					
Operating transfers in	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balance	<u>\$ (96,772)</u>	<u>\$ (94,852)</u>	<u>\$ (1,920)</u>	<u>(1,987)</u>	<u>\$ 67</u>
Fund balance, July 1				<u>2,661</u>	
Fund balance, June 30				<u>\$ 674</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,365,000	\$ 1,365,000	\$ 1,414,548	\$ 49,548
Charges for services	7,000	7,000	1,814	(5,186)
Interest:				
Interest on investments	15,000	15,000	56,502	41,502
 Total revenues	 1,387,000	 1,387,000	 1,472,864	 85,864
Expenditures:				
Current:				
Public safety:				
Fire special improvements	1,372,000	1,372,000	773,685	598,315
 Total expenditures	 1,372,000	 1,372,000	 773,685	 598,315
 Net change in fund balance	 15,000	 15,000	 699,179	 684,179
 Fund balance, July 1	 250,283	 250,283	 250,283	 -
 Fund balance, June 30	 \$ 265,283	 \$ 265,283	 \$ 949,462	 \$ 684,179

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental:				
State cigarette tax	\$ 230,000	\$ 230,000	\$ 242,665	\$ 12,665
Interest:				
Interest on investments	-	-	425	425
Total revenues	230,000	230,000	243,090	13,090
Other financing uses:				
Transfers out	(230,000)	(230,000)	(230,000)	-
Net change in fund balance	-	-	13,090	13,090
Fund balance, July 1	19,866	19,866	19,866	-
Fund balance, June 30	<u>\$ 19,866</u>	<u>\$ 19,866</u>	<u>\$ 32,956</u>	<u>\$ 13,090</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LODGERS' TAX FUND
Year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Lodgers' tax	\$ 11,178,000	\$ 11,178,000	\$ 11,502,350	\$ 324,350
Interest:				
Interest on investments	50,000	50,000	41,498	(8,502)
Total revenues	<u>11,228,000</u>	<u>11,228,000</u>	<u>11,543,848</u>	<u>315,848</u>
Expenditures:				
Current:				
General Government:				
Lodger's promotion	6,202,000	6,202,000	6,195,133	6,867
Excess (deficiency) of revenues over expenditures	<u>5,026,000</u>	<u>5,026,000</u>	<u>5,348,715</u>	<u>322,715</u>
Other financing uses:				
Transfer to Sales Tax Debt Service Fund	(6,346,000)	(6,346,000)	(6,346,000)	-
Transfer to the General Fund	(144,000)	(144,000)	(144,000)	-
Total other financing uses:	<u>(6,490,000)</u>	<u>(6,490,000)</u>	<u>(6,490,000)</u>	<u>-</u>
Net change in fund balance	(1,464,000)	(1,464,000)	(1,141,285)	322,715
Fund balance, July 1	<u>2,500,252</u>	<u>2,500,252</u>	<u>2,500,252</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,036,252</u>	<u>\$ 1,036,252</u>	<u>\$ 1,358,967</u>	<u>\$ 322,715</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOSPITALITY TAX FUND
Year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes:				
Hospitality tax	\$ 2,236,000	\$ 2,236,000	\$ 2,300,469	\$ 64,469
Interest:				
Interest on investments	10,000	10,000	12,392	2,392
Total revenues	<u>2,246,000</u>	<u>2,246,000</u>	<u>2,312,861</u>	<u>66,861</u>
Expenditures:				
Current:				
General government:				
Lodger's promotion	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>-</u>
Total expenditures	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>-</u>
Excess of revenues over expenditures	971,000	971,000	1,037,861	66,861
Other financing uses:				
Operating transfers out	<u>(1,275,000)</u>	<u>(1,275,000)</u>	<u>(1,275,000)</u>	<u>-</u>
Net change in fund balance	(304,000)	(304,000)	(237,139)	66,861
Fund balance, July 1	<u>522,837</u>	<u>522,837</u>	<u>522,837</u>	<u>-</u>
Fund balance, June 30	<u>\$ 218,837</u>	<u>\$ 218,837</u>	<u>\$ 285,698</u>	<u>\$ 66,861</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CULTURE AND RECREATION PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Charges for services:					
Culture and recreation:					
Library charges	\$ 415,000	\$ 596,505	\$ (181,505)	\$ 148,887	\$ (330,392)
Museum charges	972,000	857,887	114,113	332,401	(218,288)
Other	-	2,248	(2,248)	-	(2,248)
Total charges for services	<u>1,387,000</u>	<u>1,456,640</u>	<u>(69,640)</u>	<u>481,288</u>	<u>(550,928)</u>
Interest on investments	<u>189,950</u>	<u>320,097</u>	<u>(130,147)</u>	<u>96,281</u>	<u>(226,428)</u>
Other:					
Miscellaneous revenue	3,432,700	2,516,022	916,678	379,086	537,592
Contributions and donations	1,255,100	1,610,762	(355,662)	128,094	(483,756)
Total other revenues	<u>4,687,800</u>	<u>4,126,784</u>	<u>561,016</u>	<u>507,180</u>	<u>53,836</u>
Total revenues	<u>6,264,750</u>	<u>5,903,521</u>	<u>361,229</u>	<u>1,084,749</u>	<u>(723,520)</u>
Expenditures:					
Current:					
Culture and recreation	<u>6,619,750</u>	<u>3,825,245</u>	<u>2,794,505</u>	<u>616,860</u>	<u>2,177,645</u>
Excess (deficiency) of revenues over expenditures	(355,000)	2,078,276	(2,433,276)	467,889	(2,901,165)
Other financing sources:					
Transfers in	<u>355,000</u>	<u>-</u>	<u>355,000</u>	<u>-</u>	<u>355,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,078,276</u>	<u>\$ (2,078,276)</u>	<u>467,889</u>	<u>\$ (2,546,165)</u>
Fund balance, July 1				<u>2,078,276</u>	
Fund balance, June 30				<u>\$ 2,546,165</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPEN AND ETHICAL ELECTIONS FUND
YEAR ENDED JUNE 30, 2008

	Project Budget	Prior Years' Actual	Project Budget Remaining June 30, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Contributions and Donations	\$ -	\$ 13,867	\$ (13,867)	\$ 29,783	\$ (43,650)
Interest on investments	-	(594)	594	14,265	(13,671)
Total other revenues	-	13,273	(13,273)	44,048	(57,321)
Total revenues	-	13,273	(13,273)	44,048	(57,321)
Expenditures:					
Current:					
General Government:					
Contractual Services	1,286,000	164,569	1,121,431	5,402	1,116,029
Indirect Overhead	72,000	36,000	36,000	36,000	-
Total expenditures	1,358,000	200,569	1,157,431	41,402	1,116,029
Deficiency of revenues over expenditures	(1,358,000)	(187,296)	(1,170,704)	2,646	(1,173,350)
Other financing sources:					
Operating transfers in	1,358,000	473,000	885,000	885,000	-
Total other financing sources	1,358,000	473,000	885,000	885,000	-
Net change in fund balance	\$ -	\$ 285,704	\$ (285,704)	887,646	\$ (1,173,350)
Fund balance, July 1				285,704	
Fund balance, June 30				\$ 1,173,350	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	Project Budget	Prior Years' Actual	Project Budget Remaining June 30, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Charges for services:					
Zoo and park admissions	\$ 300,000	\$ 429,964	\$ (129,964)	\$ 266,687	\$ (396,651)
Collecting trips	50,000	7,602	42,398	-	42,398
Total charges for services	<u>350,000</u>	<u>437,566</u>	<u>(87,566)</u>	<u>266,687</u>	<u>(354,253)</u>
Interest on investments	<u>57,000</u>	<u>108,377</u>	<u>(51,377)</u>	<u>61,107</u>	<u>(112,484)</u>
Other:					
Miscellaneous revenue	1,706,000	46,404	1,659,596	560	1,659,036
Contributions and donations	8,193,255	8,214,825	(21,570)	1,361,226	(1,382,796)
Sales of other property	<u>100,000</u>	<u>168,327</u>	<u>(68,327)</u>	<u>2,805</u>	<u>(71,132)</u>
Total other	<u>9,999,255</u>	<u>8,429,556</u>	<u>1,569,699</u>	<u>1,364,591</u>	<u>205,108</u>
Total revenues	<u>10,406,255</u>	<u>8,975,499</u>	<u>1,430,756</u>	<u>1,692,385</u>	<u>(261,629)</u>
Expenditures:					
Current:					
Culture and recreation	8,884,255	7,668,398	1,215,857	1,165,017	50,840
Total Expenditures	<u>8,884,255</u>	<u>7,668,398</u>	<u>1,215,857</u>	<u>1,165,017</u>	<u>50,840</u>
Excess (deficiency) of revenues over expenditures	<u>1,522,000</u>	<u>1,307,101</u>	<u>214,899</u>	<u>527,368</u>	<u>(312,469)</u>
Other financing uses:					
Transfers to capital acquisitions	<u>(1,522,000)</u>	<u>(1,185,000)</u>	<u>(337,000)</u>	<u>(337,000)</u>	<u>-</u>
Total other financing uses	<u>(1,522,000)</u>	<u>(1,185,000)</u>	<u>(337,000)</u>	<u>(337,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 122,101</u>	<u>\$ (122,101)</u>	190,368	<u>\$ (312,469)</u>
Fund balance, July 1				<u>122,101</u>	
Fund balance, June 30				<u>\$ 312,469</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY HOUSING FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Interest:					
Interest on investments	\$ 1,364,507	\$ 444,598	\$ 919,909	\$ 403,921	\$ 515,988
Miscellaneous:					
CMO bond loan repayments	487,156	3,182,467	(2,695,311)	333,081	(3,028,392)
Affordable Housing Trust Fund	1,000,000	1,000,000	-	-	-
Proceeds from land sales	8,400,000	8,312,804	87,196	-	87,196
Total revenues	<u>11,251,663</u>	<u>12,939,869</u>	<u>(1,688,206)</u>	<u>737,002</u>	<u>(2,425,208)</u>
Expenditures:					
Current:					
Housing	<u>11,003,265</u>	<u>3,372,294</u>	<u>7,630,971</u>	<u>2,243,304</u>	<u>5,387,667</u>
Excess (deficiency) of revenues over expenditures	<u>248,398</u>	<u>9,567,575</u>	<u>(9,319,177)</u>	<u>(1,506,302)</u>	<u>(7,812,875)</u>
Other financing sources (uses):					
Operating transfers in (out)	<u>(248,398)</u>	<u>(268,037)</u>	<u>19,639</u>	<u>51,881</u>	<u>(32,242)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,299,538</u>	<u>\$ (9,299,538)</u>	<u>(1,454,421)</u>	<u>\$ (7,845,117)</u>
Fund balance, July 1				<u>10,345,319</u>	
Fund balance, June 30				<u>\$ 8,890,898</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIR QUALITY FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Licenses and permits:				
Authorized vehicle inspection fees	\$ 25,000	\$ 25,000	\$ 27,800	\$ 2,800
Certified vehicle inspection fees	10,000	10,000	10,605	605
Certified vehicle paper sales	1,250,000	1,250,000	1,249,570	(430)
Dust permits	410,000	410,000	312,006	(97,994)
Title V operating permits	955,000	955,000	898,212	(56,788)
Asbestos notification	40,000	40,000	129,397	89,397
Total licenses and permits	<u>2,690,000</u>	<u>2,690,000</u>	<u>2,627,590</u>	<u>(62,410)</u>
Interest:				
Interest on investments	50,000	50,000	54,665	4,665
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,051</u>	<u>1,051</u>
Total revenues	<u>2,740,000</u>	<u>2,740,000</u>	<u>2,683,306</u>	<u>(56,694)</u>
Expenditures:				
Environmental Health:				
Title V operating permits	1,509,000	1,774,000	1,568,487	205,513
Vehicle inspections	1,393,000	1,407,000	1,265,065	141,935
Indirect overhead	139,000	139,000	130,194	8,806
Total expenditures	<u>3,041,000</u>	<u>3,320,000</u>	<u>2,963,746</u>	<u>356,254</u>
Net change in fund balance	(301,000)	(580,000)	(280,440)	299,560
Fund balance, July 1	<u>1,323,237</u>	<u>1,323,237</u>	<u>1,323,237</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,022,237</u>	<u>\$ 743,237</u>	<u>\$ 1,042,797</u>	<u>\$ 299,560</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HEART ORDINANCE FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and permits	<u>135,000</u>	<u>135,000</u>	<u>59,061</u>	<u>(75,939)</u>
 Total revenues	 <u>135,000</u>	 <u>135,000</u>	 <u>59,061</u>	 <u>(75,939)</u>
Expenditures:				
Current:				
Health and Welfare	124,000	124,000	35,915	88,085
Indirect overhead	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
 Total expenditures	 <u>135,000</u>	 <u>135,000</u>	 <u>46,915</u>	 <u>88,085</u>
 Net change in fund balance	 -	 -	 12,146	 12,146
 Fund balance, July 1	 <u>(12,146)</u>	 <u>(12,146)</u>	 <u>(12,146)</u>	 <u>-</u>
 Fund balance (deficit), June 30	 <u><u>\$ (12,146)</u></u>	 <u><u>\$ (12,146)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 12,146</u></u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CORRECTIONS AND DETENTION FUND
Year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
County-shared operations	\$ -	\$ -	\$ -	\$ -
Charges for services:				
Care of prisoners-state	-	-	-	-
Community custody program fees	-	-	-	-
CCP reimbursement	-	-	-	-
Total charges for services	-	-	-	-
Interest :				
Interest on investments	-	54,000	52,529	(1,471)
Miscellaneous:				
Other	-	-	3	3
Total revenues	-	54,000	52,532	(1,468)
Expenditures:				
Current:				
Public safety:				
Administrative support	-	-	-	-
Community custody	-	-	-	-
Correction and detention	-	-	-	-
Bernalillo county balance due	-	27,000	26,266	734
Total expenditures	-	27,000	26,266	734
Excess (deficiency) of revenues over expenditures	-	27,000	26,266	(734)
Other financing uses:				
Transfers out	-	(27,000)	(26,266)	734
Total other financing uses	-	(27,000)	(26,266)	734
Net change in fund balance	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance (deficit), June 30	\$ -	\$ -	\$ -	\$ -

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CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
YEAR ENDED JUNE 30, 2008

	Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Intergovernmental:					
Grants:					
Corporation for National and Community Services	\$ 3,130,562	\$ 2,781,048	\$ 349,514	\$ 313,882	\$ 35,632
U.S. Department of Housing and Urban development	46,182,105	40,063,547	6,118,558	4,122,554	1,996,004
U.S. Department of Labor	3,888,864	3,395,005	493,859	-	493,859
U.S. Environmental Protection Agency	10,600,879	8,114,731	2,486,148	1,571,019	915,129
Federal Aviation Administration	440,000	440,000	-	-	-
U.S. Department of Energy	-	387,106	(387,106)	-	(387,106)
U.S. Department of Energy - UCETC	-	110,198	(110,198)	-	(110,198)
U.S. Dept. Health and Human Services	25,661,257	25,435,124	226,133	2,280,581	(2,054,448)
U.S. Department of the Treasury	409,169	385,994	23,175	-	23,175
U.S. Department of Justice	29,151,376	22,848,672	6,302,704	970,514	5,332,190
U.S. Department of Education	-	106,805	(106,805)	-	(106,805)
Federal Emergency Management Agency	2,255,765	2,166,343	89,422	-	89,422
N.M. Dept. of Health - Social Services	5,919,584	856,545	5,063,039	251,145	4,811,894
N.M. Department of Public Safety	7,479,367	4,860,390	2,618,977	1,233,643	1,385,334
N.M. State Library	300,123	364,715	(64,592)	32,963	(97,555)
N.M. State Highway Department	16,977,506	11,698,902	5,278,604	2,257,495	3,021,109
N.M. Department of Transportation	3,963,638	3,068,658	894,980	859,041	35,939
N.M. State Office on Aging	45,094,688	38,409,410	6,685,278	5,775,808	909,470
N.M. Board of Finance	124,869	84,346	40,523	-	40,523
N.M. Dept. of Economic Development	2,950,000	3,258,754	(308,754)	-	(308,754)
N.M. Energy and Minerals Dept.	236,000	24,630	211,370	-	211,370
N.M. Local government Division	17,849,938	17,552,394	297,544	3,043,614	(2,746,070)
N.M. Office Cultural Office	24,500	67,441	(42,941)	-	(42,941)
N.M. Dept. of Health - Public Health	6,000	6,000	-	-	-
N.M. Children, Youth & Families Dept.	18,431,400	17,129,187	1,302,213	2,460,185	(1,157,972)
N.M. Youth Conservation Corp. Comm.	479,139	576,389	(97,250)	-	(97,250)
City of Rio Rancho	60,000	33,436	26,564	-	26,564
County Other	2,446,736	836,478	1,610,258	227,157	1,383,101
N.M. Dept. of Health - Substance Abuse	6,000	10,000	(4,000)	-	(4,000)
County Aging	3,659,000	3,313,100	345,900	345,900	-
N.M. Governors Comm on Disabilities	-	-	-	-	-
Total intergovernmental	247,728,465	208,385,348	39,343,117	25,745,501	13,597,616
Interest:					
Interest - Police Block Grant	433,138	615,017	(181,879)	64,272	(246,151)
Miscellaneous:					
Other miscellaneous	12,620,350	14,580,723	(1,960,373)	304,243	(2,264,616)
Rehabilitation loan repayments	983,999	1,110,773	(126,774)	183,468	(310,242)
Contributions and donations	330,730	97,800	232,930	110,000	122,930
Total miscellaneous	13,935,079	15,789,296	(1,854,217)	597,711	(2,451,928)
Total revenues	262,096,682	224,789,661	37,307,021	26,407,484	10,899,537

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
YEAR ENDED JUNE 30, 2008

	Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Expenditures:					
General government:					
Aviation	440,000	439,527	473	473	-
Planning-redevelopment	1,146,502	765,159	381,343	38,177	343,166
Planning-Mayor	-	341,984	(341,984)	-	(341,984)
Planning-Chief Administrative Officer	5,306,739	1,656,412	3,650,327	1,645,269	2,005,058
General Services	-	2	(2)	-	(2)
Finance and Administrative Services	54,260	81,556	(27,296)	50,000	(77,296)
Legal	-	37,404	(37,404)	-	(37,404)
Solid waste	4,238,716	3,652,858	585,858	565,775	20,083
Economic Development	-	355,000	(355,000)	-	(355,000)
Total general government	11,186,217	7,329,902	3,856,315	2,299,694	1,556,621
Public Safety:					
Fire	2,981,901	2,619,902	361,999	15,045	346,954
Corrections	5,568,680	5,417,034	151,646	2,195	149,451
Police	45,272,259	35,049,618	10,222,641	5,742,252	4,480,389
Total public safety	53,822,840	43,086,554	10,736,286	5,759,492	4,976,794
Culture and recreation:					
Library	313,742	537,164	(223,422)	32,964	(256,386)
Parks and Recreation	1,552,623	1,082,063	470,560	98,011	372,549
Total culture and recreation	1,866,365	1,619,227	247,138	130,975	116,163
Highways and streets	8,619,043	6,419,697	2,199,346	1,709,192	490,154
Environmental health	21,389,632	17,630,820	3,758,812	2,347,862	1,410,950
Human services	209,774,833	182,093,758	27,681,075	19,776,903	7,904,172
Total expenditures	306,658,930	258,179,958	48,478,972	32,024,118	16,454,854
Excess (deficiency) of revenues over expenditures	(44,562,248)	(33,390,297)	(11,171,951)	(5,616,634)	(5,555,317)
Other financing sources (uses):					
Transfers in	43,644,825	40,152,018	3,492,807	5,394,852	(1,902,045)
Transfers out	-	-	-	(83,680)	83,680
Total other financing sources	43,644,825	40,152,018	3,492,807	5,311,172	(1,818,365)
Net change in fund balances	\$ (917,423)	\$ 6,761,721	\$ (7,679,144)	(305,462)	\$(7,373,682)
Fund balances, July 1				6,661,389	
Fund balances, June 30				<u>\$6,355,927</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - METROPOLITAN REDEVELOPMENT FUND
Year ended June 30, 2008

	Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Taxes:					
Current property tax	\$ 5,812,265	\$ 5,812,265	\$ -	\$ 435,032	\$ (435,032)
Intergovernmental:					
Grants:					
US Economic Development Administration	1,000,000	1,000,000	-	-	-
Interest:					
Interest on investments	2,236,700	2,411,582	(174,882)	233,046	(407,928)
Miscellaneous:					
Rental of city property	702,355	702,255	100	38,132	(38,032)
Sale of real property	2,199,173	2,199,173	-	133,463	(133,463)
Miscellaneous parking revenue	31,898	31,898	-	-	-
Other miscellaneous	266,837	762,022	(495,185)	79,400	(574,585)
Total miscellaneous	3,200,263	3,695,348	(495,085)	250,995	(746,080)
Total revenues	12,249,228	12,919,195	(669,967)	919,073	(1,589,040)
Expenditures:					
Current:					
General Government	13,004,202	8,709,816	4,294,386	441,969	3,852,417
Excess (deficiency) of revenues over expenditures	(754,974)	4,209,379	(4,964,353)	477,104	(5,441,457)
Other financing sources:					
Operating transfers in	425,000	425,000	-	-	-
Total other financing sources	425,000	425,000	-	-	-
Net change in fund balance	<u>\$ (329,974)</u>	<u>\$ 4,634,379</u>	<u>\$ (4,964,353)</u>	477,104	<u>\$ (5,441,457)</u>
Fund balance, July 1				4,998,380	
Fund balance, June 30				<u>\$ 5,475,484</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOUSING & NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Interest:					
Interest	\$ -	\$ 5,216,415	\$ (5,216,415)	\$ 207,505	\$ (5,423,920)
Miscellaneous:					
Housing and development	12,223,517	10,051,211	2,172,306	1,269,637	902,669
Total revenues	12,223,517	15,267,626	(3,044,109)	1,477,142	(4,521,251)
Expenditures:					
Current:					
Housing and development	12,223,517	9,077,455	3,146,062	3,206,847	(60,785)
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,190,171</u>	<u>\$ (6,190,171)</u>	(1,729,705)	<u>\$ (4,460,466)</u>
Fund balance, July 1				<u>5,454,367</u>	
Fund balance, June 30				<u>\$ 3,724,662</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT PROTECTION FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Intergovernmental:					
Insurance debt collections	\$ 3,002,200	\$ 2,135,547	\$ 866,653	\$ 600,400	\$ 266,253
Charges for services:					
Crime laboratory-Controlled substances and DWI tests	720,000	674,004	45,996	128,070	(82,074)
Fines and forfeits:					
Police-forfeited funds	5,025,000	3,931,297	1,093,703	1,654,125	(560,422)
Interest:					
Interest on Investments	-	613,158	(613,158)	110,164	(723,322)
Other:					
Miscellaneous	3,069,000	2,639,985	429,015	157,577	271,438
Total revenues	<u>11,816,200</u>	<u>9,993,991</u>	<u>1,822,209</u>	<u>2,650,336</u>	<u>(828,127)</u>
Expenditures:					
Current:					
Public safety:					
Law enforcement protection funds act	3,002,200	1,848,896	1,153,304	576,143	577,161
Federal forfeitures program	4,281,000	3,121,431	1,159,569	956,064	203,505
Crime lab program	525,000	329,006	195,994	46,039	149,955
DWI forfeitures program	4,081,000	2,610,180	1,470,820	1,147,962	322,858
Total expenditures	<u>11,889,200</u>	<u>7,909,513</u>	<u>3,979,687</u>	<u>2,726,208</u>	<u>1,253,479</u>
Excess (deficiency) of revenues over expenditures	<u>(73,000)</u>	<u>2,084,478</u>	<u>(2,157,478)</u>	<u>(75,872)</u>	<u>(2,081,606)</u>
Other financing sources (uses):					
Operating transfers in	862,000	569,508	292,492	431,000	(138,508)
Operating transfers out	(789,000)	(560,917)	(228,083)	(231,000)	2,917
Total other financing sources (uses)	<u>73,000</u>	<u>8,591</u>	<u>64,409</u>	<u>200,000</u>	<u>(135,591)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,093,069</u>	<u>\$ (2,093,069)</u>	<u>124,128</u>	<u>\$ (2,217,197)</u>
Fund balance, July 1				<u>2,093,069</u>	
Fund balance, June 30				<u>\$ 2,217,197</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAS TAX ROAD FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
State gasoline tax	\$ 4,833,000	\$ 4,833,000	\$ 5,301,238	\$ 468,238
Interest on investments:				
Interest	-	-	44,448	44,448
Total revenues	<u>4,833,000</u>	<u>4,833,000</u>	<u>5,345,686</u>	<u>512,686</u>
Expenditures:				
Current:				
Highways and streets	5,154,000	5,168,000	5,091,800	76,200
Payments to General Fund for services	235,000	235,000	224,333	10,667
Total expenditures	<u>5,389,000</u>	<u>5,403,000</u>	<u>5,316,133</u>	<u>86,867</u>
Excess (deficiency) of revenues over expenditures	(556,000)	(570,000)	29,553	599,553
Other financing sources:				
Transfers in	37,000	37,000	37,000	-
Net change in fund balance	(519,000)	(533,000)	66,553	599,553
Fund balance, July 1	<u>1,404,913</u>	<u>1,404,913</u>	<u>1,404,913</u>	-
Fund balance, June 30	<u>\$ 885,913</u>	<u>\$ 871,913</u>	<u>\$ 1,471,466</u>	<u>\$ 599,553</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Charges for services:					
Information System Services	\$ 1,089,000	757,603	\$ 331,397	\$ 189,555	\$ 141,842
Interest:					
Interest on investments	<u>40,000</u>	<u>38,832</u>	<u>1,168</u>	<u>19,198</u>	<u>(18,030)</u>
Total revenues	<u>1,129,000</u>	<u>796,435</u>	<u>332,565</u>	<u>208,753</u>	<u>123,812</u>
Expenditures:					
Current					
General Government	<u>619,000</u>	<u>494,740</u>	<u>124,260</u>	<u>63,424</u>	<u>60,836</u>
Excess (deficiency) of revenues over expenditures	510,000	301,695	208,305	145,329	62,976
Other financing (uses):					
Transfers (out)	<u>(510,000)</u>	<u>(428,000)</u>	<u>(82,000)</u>	<u>(82,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (126,305)</u>	<u>\$ 126,305</u>	63,329	<u>\$ 62,976</u>
Fund balance, July 1				<u>78,444</u>	
Fund balance, June 30				<u>\$ 141,773</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FALSE ALARM ENFORCEMENT AND EDUCATION FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Licenses and permits:				
Alarm permit fees	\$ 667,000	\$ 667,000	\$ 725,976	\$ 58,976
Interest	18,000	18,000	22,162	4,162
Total revenues	<u>685,000</u>	<u>685,000</u>	<u>748,138</u>	<u>63,138</u>
Expenditures:				
Current:				
General government	518,000	518,000	382,341	135,659
Indirect overhead	10,000	10,000	11,225	(1,225)
Total expenditures	<u>528,000</u>	<u>528,000</u>	<u>393,566</u>	<u>134,434</u>
Excess of revenues over expenditures	<u>157,000</u>	<u>157,000</u>	<u>354,572</u>	<u>197,572</u>
Other financing uses:				
Transfers out	(500,000)	(500,000)	(376,251)	123,749
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(376,251)</u>	<u>123,749</u>
Net change in fund balance	(343,000)	(343,000)	(21,679)	321,321
Fund balance, July 1	<u>610,304</u>	<u>610,304</u>	<u>610,304</u>	<u>-</u>
Fund balance, June 30	<u>\$ 267,304</u>	<u>\$ 267,304</u>	<u>\$ 588,625</u>	<u>\$ 321,321</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PHOTO ENFORCEMENT RED LIGHT FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Licenses and permits:				
Photo Enforcement Revenues	\$ -	\$ 5,541,000	\$ 11,515,191	\$ 5,974,191
Interest	-	-	78,860	78,860
Total revenues	-	5,541,000	11,594,051	6,053,051
Expenditures:				
Current:				
Public Safety	-	5,008,000	4,798,858	209,142
Indirect overhead	-	9,000	10,805	(1,805)
Total expenditures	-	5,017,000	4,809,663	207,337
Excess of revenues over expenditures	-	524,000	6,784,388	6,260,388
Other financing uses:				
Transfer In from General Fund- 110	-	5,100,000	4,980,288	(119,712)
Transfers out	-	(830,000)	(830,000)	-
Total other financing sources (uses)	-	4,270,000	4,150,288	(119,712)
Net change in fund balance	-	4,794,000	10,934,676	6,140,676
Fund balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ 4,794,000	\$ 10,934,676	\$ 6,140,676

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services:				
Charges for building rental	\$ 3,759,000	3,759,000	\$ 3,715,410	\$ (43,590)
Interest	-	-	29,550	29,550
Total revenues	<u>3,759,000</u>	<u>3,759,000</u>	<u>3,744,960</u>	<u>(14,040)</u>
Expenditures:				
Current:				
General Government:				
City/County building	3,705,000	3,934,000	3,004,459	929,541
Indirect overhead	86,000	86,000	86,000	-
Total expenditures	<u>3,791,000</u>	<u>4,020,000</u>	<u>3,090,459</u>	<u>929,541</u>
Excess of revenues over expenditures	<u>(32,000)</u>	<u>(261,000)</u>	<u>654,501</u>	<u>915,501</u>
Other financing uses:				
Transfers in	-	59,000	57,631	(1,369)
Total other financing sources	<u>-</u>	<u>59,000</u>	<u>57,631</u>	<u>(1,369)</u>
Net change in fund balance	(32,000)	(202,000)	712,132	914,132
Fund balance, July 1	<u>474,601</u>	<u>474,601</u>	<u>474,601</u>	<u>-</u>
Fund balance, June 30	<u>\$ 442,601</u>	<u>\$ 272,601</u>	<u>\$ 1,186,733</u>	<u>\$ 914,132</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PLAZA DEL SOL BUILDING FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Charges for services:				
Charges for building rental	\$1,427,000	\$ 1,427,000	\$ 1,427,218	\$ 218
Interest:				
Interest on investments	-	-	2,002	2,002
Total revenues	<u>1,427,000</u>	<u>1,427,000</u>	<u>1,429,220</u>	<u>2,220</u>
Expenditures:				
Current:				
General Government				
Building operations	820,000	820,000	803,825	16,175
Total expenditures	<u>820,000</u>	<u>820,000</u>	<u>803,825</u>	<u>16,175</u>
Excess of revenues over expenditures	607,000	607,000	625,395	18,395
Other financing uses:				
Operating transfers out	(572,000)	(572,000)	(572,000)	-
Net change in fund balance	35,000	35,000	53,395	18,395
Fund balance, July 1	<u>124,527</u>	<u>124,527</u>	<u>14,139</u>	<u>(110,388)</u>
Fund balance, June 30	<u>\$ 159,527</u>	<u>\$ 159,527</u>	<u>\$ 67,534</u>	<u>\$ (91,993)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES FUND
 YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 75,000	\$ 75,000	\$ 72,524	\$ (2,476)
Interest income	15,000	15,000	79,926	64,926
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>152,450</u>	<u>62,450</u>
Expenditures:				
Culture and recreation	<u>2,863,000</u>	<u>2,863,000</u>	<u>2,840,008</u>	<u>22,992</u>
Excess (deficiency) of revenues over expenditures	(2,773,000)	(2,773,000)	(2,687,558)	85,442
Other financing sources:				
Operating transfers in	<u>1,858,000</u>	<u>1,858,000</u>	<u>2,439,379</u>	<u>581,379</u>
Net change in fund balance	<u>(915,000)</u>	<u>(915,000)</u>	<u>(248,179)</u>	<u>666,821</u>
Fund balance, July 1	<u>915,000</u>	<u>915,000</u>	<u>2,133,552</u>	<u>1,218,552</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,885,373</u>	<u>\$ 1,885,373</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - URBAN ENHANCEMENT EXPENDITURES FUND
YEAR ENDED JUNE 30, 2008

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2007</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2008</u>
Revenues:					
Interest on investments	\$ 247,475	\$ 443,975	\$ (196,500)	\$ 77,645	\$ (274,145)
Miscellaneous:					
Other miscellaneous revenue	-	2,591	(2,591)	-	(2,591)
Total miscellaneous	-	2,591	(2,591)	-	(2,591)
Total revenues	247,475	446,566	(199,091)	77,645	(276,736)
Expenditures:					
Current:					
Culture and recreation	1,694,502	639,937	1,054,565	436,766	617,799
Total expenditures	1,694,502	639,937	1,054,565	436,766	617,799
Excess (deficiency) of revenues over expenditures	(1,447,027)	(193,371)	(1,253,656)	(359,121)	(894,535)
Other financing sources:					
Operating transfers in	1,447,027	1,242,509	204,518	343,272	(138,754)
Total other financing sources (uses)	1,447,027	1,242,509	204,518	343,272	(138,754)
Net change in fund balance	\$ -	\$ 1,049,138	\$ (1,049,138)	(15,849)	\$ (1,033,289)
Fund balance, July 1				1,844,388	
Fund balance, June 30				<u>\$ 1,828,539</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SALES TAX REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest:				
Interest on investments	\$ 100,000	\$ 100,000	\$ 176,261	\$ 76,261
Interest on advance	-	-	1,037,497	1,037,497
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>1,213,758</u>	<u>1,113,758</u>
Expenditures:				
Debt service:				
Principal	3,835,000	3,835,000	3,651,667	183,333
Interest	6,622,011	6,622,011	6,457,409	164,602
Bond issuance costs and other fees	192,403.00	364,153	387,594	(23,441)
Total expenditures	<u>10,649,414</u>	<u>10,821,164</u>	<u>10,496,670</u>	<u>324,494</u>
Excess (deficiency) of revenues over expenditures	(10,549,414)	(10,721,164)	(9,282,912)	1,438,252
Other financing sources:				
Proceeds of refunding bonds	-	16,655,000	16,655,000	-
Payment to refunded bond escrow agent	(187,586)	(16,670,836)	(16,183,333)	487,503
Operating transfers in	12,469,000	12,469,000	9,115,000	(3,354,000)
Total other financing sources (uses)	<u>12,281,414</u>	<u>12,453,164</u>	<u>9,586,667</u>	<u>(2,866,497)</u>
Net change in fund balance	1,732,000	1,732,000	303,755	(1,428,245)
Fund balance, July 1	<u>19,493,962</u>	<u>19,493,962</u>	<u>19,493,962</u>	<u>-</u>
Fund balance, June 30	<u>\$ 21,225,962</u>	<u>\$ 21,225,962</u>	<u>\$ 19,797,717</u>	<u>\$ (1,428,245)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY BUILDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment income	\$ -	\$ 59,000	\$ 2,143	\$ (56,857)
Expenditures:				
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	59,000	2,143	(56,857)
Other financing sources (uses):				
Transfers out	-	(59,000)	(57,631)	1,369
Net change in fund balance	-	-	(55,488)	(55,488)
Fund balance, July 1	55,488	55,488	55,488	-
Fund balance, June 30	\$ 55,488	\$ 55,488	\$ -	\$ (55,488)

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE
CERTAIN CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2008

	Total Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
<u>Quality of Life Fund</u>					
Capital Outlay and Other:					
Balloon/Science Museum	\$ 25,005,700	\$ 24,967,634	\$ 38,066	\$ 10,797	\$ 27,269
Tingley Aqua Park /Botanical	36,620,000	36,595,631	24,369	-	24,369
Quarter cent - streets	-	-	-	-	-
Quarter cent - storm drain	-	-	-	-	-
Rio Grande Bosque RR	-	-	-	-	-
Total Quality of Life Fund	\$ 61,625,700	\$ 61,563,265	\$ 62,435	\$ 10,797	\$ 51,638
<u>Transportation Infrastructure Tax Fund</u>					
Capital Outlay and Other:					
Streets	\$ 19,197,600	\$ 14,625,014	\$ 4,572,586	\$ 903,967	\$ 3,668,619
Maintenance	141,223,936	122,428,357	18,795,579	10,549,112	8,246,467
Trails	14,768,247	4,106,376	10,661,871	1,594,033	9,067,838
Transit	49,083,660	43,748,753	5,334,907	-	5,334,907
Total Transportation Infrastructure Tax Fund	\$ 224,273,443	\$ 184,908,500	\$ 39,364,943	\$ 13,047,112	\$ 26,317,831

CITY OF ALBUQUERQUE, NEW MEXICO
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
 QUALITY OF LIFE FUND
 Year ended June 30, 2008

	Balloon Science Museum	Tingley Aqua Park Botanical	Sworn Police Personnel Program	Quarter-Cent Streets
Revenues:				
Interest on investments	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	1,457	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,457</u>	<u>-</u>
Expenditures:				
Capital outlay	10,797	-	-	-
Total expenditures	<u>10,797</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,797)	-	1,457	-
Fund balances (deficit), July 1	<u>(65,163)</u>	<u>24,367</u>	<u>786</u>	<u>10,105</u>
Fund balances (deficit), June 30	<u>\$ (75,960)</u>	<u>\$ 24,367</u>	<u>\$ 2,243</u>	<u>\$ 10,105</u>

<u>Quarter Cent Storm Drain</u>	<u>Rio Grande Bosque RR</u>	<u>Miscellaneous</u>	<u>Intra-Fund Eliminations</u>	<u>Total</u>
\$ -	\$ -	\$ 3,165	\$ -	\$ 3,165
-	-	-	-	1,457
-	-	3,165	-	4,622
-	-	-	-	10,797
-	-	-	-	10,797
-	-	3,165	-	(6,175)
(109)	(260)	108,175	-	77,901
<u>\$ (109)</u>	<u>\$ (260)</u>	<u>\$ 111,340</u>	<u>\$ -</u>	<u>\$ 71,726</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - IMPACT FEES CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2008

	Project Budget	Prior Years Actual	Project Budget Remaining June 30, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Charges for services	\$ 16,400,755	\$ 12,002,609	\$ 4,398,146	\$ 10,935,135	\$ (6,536,989)
Interest	474,841	353,750	121,091	721,978	(600,887)
Total revenues	<u>16,875,596</u>	<u>12,356,359</u>	<u>4,519,237</u>	<u>11,657,113</u>	<u>(7,137,876)</u>
Expenditures:					
Current					
Capital Outlay	<u>16,875,596</u>	<u>242,826</u>	<u>16,632,770</u>	<u>892,495</u>	<u>15,740,275</u>
Total expenditures	<u>16,875,596</u>	<u>242,826</u>	<u>16,632,770</u>	<u>892,495</u>	<u>15,740,275</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>12,113,533</u>	<u>(12,113,533)</u>	<u>10,764,618</u>	<u>(22,878,151)</u>
Other financing sources (uses):					
Operating transfers in (out)	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 12,113,533</u>	<u>\$ (12,113,533)</u>	<u>10,764,618</u>	<u>\$ (22,878,151)</u>
Fund balances, July 1				<u>12,113,533</u>	
Fund balances, June 30				<u>\$ 22,878,151</u>	

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN PROJECT FUND BALANCE BY PURPOSE
BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Prior Years' Actual	Project Budget Remaining July 1, 2007	Current Year Actual	Project Budget Remaining June 30, 2008
Revenues:					
Interest on investments	\$ 784,744	\$ 1,108,874	\$ (324,130)	\$ 233,748	\$ (557,878)
Other:					
Sales of property and equipment	399,500	989,821	(590,321)	120,181	(710,502)
Recoveries on damaged vehicles	285,582	320,271	(34,689)	4,360	(39,049)
Miscellaneous revenues	30,174	233,916	(203,742)	117,979	(321,721)
Total other revenues	715,256	1,544,008	(828,752)	242,520	(1,071,272)
Total revenues	1,500,000	2,652,882	(1,152,882)	476,268	(1,629,150)
Expenditures:					
Capital outlay:					
Vehicles and equipment	8,562,000	4,884,138	3,677,862	66,528	3,611,334
Computers	8,200,000	4,408,618	3,791,382	1,627,501	2,163,881
Total expenditures	16,762,000	9,292,756	7,469,244	1,694,029	5,775,215
Deficiency of revenues over expenditures	(15,262,000)	(6,639,874)	(8,622,126)	(1,217,761)	(7,404,365)
Other financing sources:					
Operating transfers in	15,262,000	11,484,000	3,778,000	3,778,000	-
Net change in fund balance	\$ -	\$ 4,844,126	\$ (4,844,126)	2,560,239	\$ (7,404,365)
Fund balance, July 1				4,844,126	
Fund balance, June 30				\$ 7,404,365	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - AIRPORT FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	\$ 61,248,000	\$ 61,248,000	\$ 65,670,650	\$ 4,422,650
Passenger Facility Charge	8,300,000	8,300,000	8,559,092	259,092
Interest on investments	770,000	770,000	1,477,115	707,115
Proceeds of refunding bonds	-	35,723,505	35,723,505	-
Transfer from non-restricted cash to cash restricted for debt service	26,500,000	26,500,000	26,500,000	-
Total revenues	96,818,000	132,541,505	137,930,362	\$ 5,388,857
Expenses:				
Aviation management and professional support	3,662,000	4,626,000	4,310,871	315,129
Aviation operation, maintenance and security	25,144,000	25,148,000	24,261,945	886,055
Airport capital and deferred maintenance	16,980,000	16,016,000	16,016,000	-
Payments for General Fund services	1,354,000	1,354,000	1,259,303	94,697
Transfer from non-restricted cash to cash restricted for debt service	26,500,000	26,500,000	26,500,000	-
Debt service	26,456,000	62,179,505	57,553,581	4,625,924
Total expenses	100,096,000	135,823,505	129,901,700	5,921,805
Excess of revenues over (under) expenses	\$ (3,278,000)	\$ (3,282,000)	8,028,662	\$ 11,310,662
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			200,528	
Depreciation			(26,043,878)	
Amortization			(719,810)	
Gain on disposition of property and equipment			(27,582)	
Miscellaneous revenue			282,516	
Capital fund non-capitalized items			(682,629)	
Charges to conform to generally accepted accounting principles:				
Principal payment on bonds			15,498,333	
Payment to refund bond			35,206,667	
Proceeds of refund bond			(35,723,505)	
Transfer from non-restricted cash to cash restricted for acquisition of property and equipment			16,016,000	
Capital contributions			6,361,223	
Change in net assets			\$ 18,396,524	

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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services	\$ 50,564,105	\$ 52,639,105	\$ 52,489,420	\$ (149,685)
Interest on investments	280,000	393,000	436,542	43,542
Miscellaneous revenue	1,102,758	2,834,758	2,835,419	661
Transfer from General Fund	1,300,000	1,300,000	1,300,000	-
Transfer from non-restricted cash to cash restricted for debt service	<u>5,078,000</u>	<u>5,078,000</u>	<u>5,078,000</u>	<u>-</u>
Total revenues	<u>58,324,863</u>	<u>62,244,863</u>	<u>62,139,381</u>	<u>(105,482)</u>
Expenses:				
Administrative services	7,142,000	7,452,000	7,390,110	61,890
Collections	16,685,000	19,301,000	19,300,764	236
Disposal	6,249,000	6,538,000	6,120,412	417,588
Recycling	3,576,000	3,722,000	3,694,176	27,824
Clean City	5,539,000	6,067,000	6,080,378	(13,378)
Transfer from non-restricted cash to cash:				
restricted for debt service	5,078,000	5,078,000	5,078,000	-
restricted for capital acquisition	4,663,000	4,663,000	4,663,000	-
Payment for General Fund services	4,130,000	4,148,000	4,141,437	6,563
Billings expense-Albuquerque Bernalillo County Water Utility Authority	949,000	949,000	949,000	-
Debt service	<u>5,078,000</u>	<u>5,091,000</u>	<u>5,090,416</u>	<u>584</u>
Total expenses	<u>59,089,000</u>	<u>63,009,000</u>	<u>62,507,693</u>	<u>501,307</u>
Excess of revenues over (under) expenses	<u>\$ (764,137)</u>	<u>\$ (764,137)</u>	<u>(368,312)</u>	<u>\$ 395,825</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			246,939	
Gain on disposition of property and equipment			100,975	
Capital contributions			7,566	
Depreciation			(6,795,417)	
Amortization			(3,984)	
Unrealized gain on investments			21,224	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			4,062,844	
Transfer from non-restricted cash to cash restricted for capital acquisition			4,663,000	
Capitalized interest on long-term debt			240,763	
Capital outlay			<u>(829,273)</u>	
Change in net assets			<u>\$ 1,346,325</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - TRANSIT FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Passenger revenues	\$ 5,788,000	\$ 5,788,000	\$ 5,065,232	\$ (722,768)
Interest on investments	50,000	50,000	151,586	101,586
General operating assistance	24,106,000	24,906,000	24,906,000	-
Transfer from Transportation Infrastructure Tax Fund	7,566,000	7,639,000	7,402,203	(236,797)
County- shared operations	1,806,000	1,806,000	1,715,258	(90,742)
Total revenues	39,316,000	40,189,000	39,240,279	(948,721)
Expenses:				
ABQ ride	27,156,000	27,456,000	27,650,900	(194,900)
Paratransit services	5,612,000	5,612,000	5,498,729	113,271
Special events	252,000	252,000	166,385	85,615
Strategic support	3,744,000	3,744,000	3,284,104	459,896
Facility maintenance	1,576,000	1,576,000	1,872,245	(296,245)
Transfer from non-restricted cash to cash restricted for operating grants	568,000	380,500	380,500	-
Payment for General Fund services	2,342,000	2,342,000	2,197,406	144,594
Debt service	2,698,000	2,698,000	2,697,496	504
Total expenses	43,948,000	44,060,500	43,747,765	312,735
Excess of revenues over (under) expenses	\$ (4,632,000)	\$ (3,871,500)	(4,507,486)	\$ (635,986)
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			671,516	
Depreciation			(5,255,114)	
Bad debt expense			(24,504)	
Miscellaneous income/ (Cash over and short)			(520)	
Operating grant revenue			1,191,222	
Operating grant expenses			(2,726,920)	
Loss on disposition of capital assets			(363,600)	
Transfer from Capital Acquisition Fund			2,342,590	
Changes to conform to generally accepted accounting principles:				
Capital Contributions			16,168,657	
Transfer from non-restricted cash to cash restricted for operating grants			380,500	
Principal payment on debt, not reported			1,867,126	
Change in net assets			\$ 9,743,467	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
AIRPORT FUND
June 30, 2008

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
Revenue Bonds			
2009	\$ 13,940,000	\$ 7,585,852	\$ 21,525,852
2010	17,755,000	8,473,130	26,228,130
2011	18,760,000	7,575,353	26,335,353
2012	18,420,000	6,616,404	25,036,404
2013	19,545,000	5,595,318	25,140,318
2014 - 2018	76,290,000	13,680,579	89,970,579
2019 - 2023	20,525,000	2,191,085	22,716,085
2024 - 2025	<u>3,330,000</u>	<u>149,851</u>	<u>3,479,851</u>
	<u>188,565,000</u>	<u>51,867,572</u>	<u>240,432,572</u>
Total bonds	<u>\$ 188,565,000</u>	<u>\$ 51,867,572</u>	<u>\$ 240,432,572</u>

* including interest on variable rate bonds

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
REFUSE DISPOSAL FUND
June 30, 2008

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds			
2009	\$ 3,510,000	\$ 793,323	\$ 4,303,323
2010	3,165,000	635,325	3,800,325
2011	3,320,000	478,528	3,798,528
2012	3,485,000	312,863	3,797,863
2013	3,645,000	134,834	3,779,834
2014 - 2016	<u>905,000</u>	<u>20,928</u>	<u>925,928</u>
Total bonds	<u>\$ 18,030,000</u>	<u>\$ 2,375,801</u>	<u>\$ 20,405,801</u>
Notes Payable			
2009	\$ 552,844	\$ 192,739	\$ 745,583
2010	898,986	192,765	1,091,751.00
2011	924,528	165,964	1,090,492.00
2012	952,720	136,611	1,089,331.00
2013	983,381	104,785	1,088,166.00
2014-2016	<u>2,480,177</u>	<u>112,275</u>	<u>2,592,452.00</u>
Total notes payable	<u>\$ 6,792,636</u>	<u>\$ 905,139</u>	<u>\$ 7,697,775</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
TRANSIT FUND
June 30, 2008

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Notes payable			
2009	\$ 963,425	\$ 385,324	\$ 1,348,749
2010	1,988,703	708,794	2,697,497
2011	2,074,121	623,376	2,697,497
2012	2,163,208	534,289	2,697,497
2013	2,256,121	441,376	2,697,497
2014-2018	<u>8,687,296</u>	<u>753,941</u>	<u>9,441,237</u>
	<u>18,132,874</u>	<u>3,447,100</u>	<u>21,579,974</u>
Total notes payable	<u>\$ 18,132,874</u>	<u>\$ 3,447,100</u>	<u>\$ 21,579,974</u>

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CITY OF ALBUQUERQUE, NEW MEXICO

DESCRIPTION OF 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 the 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, 2008

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 850	\$ -
Cash with fiscal agents held for debt service	303,975	-
Cash held by others	-	1,749,738
Accounts receivable, net of allowance for uncollectible accounts	-	17,952
Due from other governments	-	-
Prepaid expenses	-	27,541
Inventories of supplies	-	-
	<u>304,825</u>	<u>1,795,231</u>
Total current assets		
Noncurrent assets:		
Restricted assets:		
Cash, investments, and accrued interest restricted for construction and debt service	59,322	1,444,662
Accounts receivable-developers	-	-
Escrow deposits	-	95,809
	<u>59,322</u>	<u>1,540,471</u>
Total restricted assets		
Capital Assets		
Land	828,330	2,042,705
Buildings and improvements	8,366,372	18,102,655
Machinery and equipment	2,204,944	572,190
Other	-	-
Total capital assets before depreciation	<u>11,399,646</u>	<u>20,717,550</u>
Less accumulated depreciation and amortization	4,958,707	7,250,129
Capital assets, net of depreciation	<u>6,440,939</u>	<u>13,467,421</u>
Construction work in progress	-	-
	<u>6,440,939</u>	<u>13,467,421</u>
Total capital assets		
Deferred Charges		
Capitalized bond issuance costs	<u>11,531</u>	<u>275,757</u>
Total deferred charges	11,531	275,757
Total noncurrent assets	<u>6,511,792</u>	<u>15,283,649</u>
Total assets	<u><u>\$ 6,816,617</u></u>	<u><u>\$ 17,078,880</u></u>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 17,355,204	\$ 1,267,457	\$ 125,528	\$ 18,749,039
-	-	797,379	1,101,354
-	-	-	1,749,738
123,669	41,592	273,282	456,495
61,507	-	-	61,507
-	-	-	27,541
153,656	-	-	153,656
<u>17,694,036</u>	<u>1,309,049</u>	<u>1,196,189</u>	<u>22,299,330</u>
-	4,582,363	69,608	6,155,955
-	2,927,814	-	2,927,814
371,282	-	-	467,091
<u>371,282</u>	<u>7,510,177</u>	<u>69,608</u>	<u>9,550,860</u>
3,767,389	2,237,008	-	8,875,432
54,208,251	39,701,373	24,114,433	144,493,084
1,205,347	1,579,634	10,218	5,572,333
-	-	100,904	100,904
59,180,987	43,518,015	24,225,555	159,041,753
43,325,483	19,950,960	5,730,502	81,215,781
15,855,504	23,567,055	18,495,053	77,825,972
0	-	-	-
<u>15,855,504</u>	<u>23,567,055</u>	<u>18,495,053</u>	<u>77,825,972</u>
-	264,243	75,595	627,126
-	264,243	75,595	627,126
<u>16,226,786</u>	<u>31,341,475</u>	<u>18,640,256</u>	<u>88,003,958</u>
<u>\$ 33,920,822</u>	<u>\$ 32,650,524</u>	<u>\$ 19,836,445</u>	<u>\$ 110,303,288</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, 2008

	Golf Course Fund	Apartment Fund
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 53,087	\$ 53,148
Accrued payroll	56,565	-
Accrued vacation and sick leave pay	169,065	-
Deposits and prepaid rents	-	20,954
Due to other funds	329,393	-
Due to other governments	-	-
Payable out of restricted assets:		
Current portion of bonds, notes payable and capital leases	265,000	300,000
Accrued interest	38,975	44,461
	912,085	418,563
Total current liabilities		
Noncurrent liabilities		
Liabilities payable from restricted assets:		
Tenant security deposits	-	99,756
	-	99,756
Total liabilities payable from restricted assets		
Long-term debt, excluding current portion:		
Revenue bonds (net of unamortized discounts), notes payable, and capital leases	908,640	12,180,000
	908,640	12,180,000
Total long-term debt		
Other:		
Accrued vacation and sick leave pay	-	-
Advances from other funds	-	-
	-	-
Total other liabilities		
Total noncurrent liabilities	908,640	12,279,756
Total liabilities	1,820,725	12,698,319
NET ASSETS		
Invested in capital assets, net of related debt	5,278,830	1,563,178
Restricted:		
Debt Service	34,318	1,538,104
Construction	25,004	103,211
Unrestricted (deficit)	(342,260)	1,176,068
	4,995,892	4,380,561
Total net assets	\$ 4,995,892	\$ 4,380,561

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 239,088	\$ 51,293	\$ 26,272	\$ 422,888
99,597	59,146	3,336	218,644
154,735	149,064	17,532	490,396
-	-	-	20,954
861,647	-	-	1,191,040
31,090	-	-	31,090
88,712	-	432,890	1,086,602
-	-	347,724	431,160
<u>1,474,869</u>	<u>259,503</u>	<u>827,754</u>	<u>3,892,774</u>
<u>351,274</u>	<u>-</u>	<u>-</u>	<u>451,030</u>
<u>351,274</u>	<u>-</u>	<u>-</u>	<u>451,030</u>
<u>592,851</u>	<u>-</u>	<u>12,978,633</u>	<u>26,660,124</u>
<u>592,851</u>	<u>-</u>	<u>12,978,633</u>	<u>26,660,124</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>16,655,000</u>	<u>-</u>	<u>16,655,000</u>
<u>-</u>	<u>16,655,000</u>	<u>-</u>	<u>16,655,000</u>
<u>944,125</u>	<u>16,655,000</u>	<u>12,978,633</u>	<u>43,766,154</u>
<u>2,418,994</u>	<u>16,914,503</u>	<u>13,806,387</u>	<u>47,658,928</u>
15,282,542	12,359,166	5,159,125	39,642,841
-	1,026,816	69,608	2,668,846
-	1,300,493	-	1,428,708
<u>16,219,286</u>	<u>1,049,546</u>	<u>801,325</u>	<u>18,903,965</u>
<u>\$ 31,501,828</u>	<u>\$ 15,736,021</u>	<u>\$ 6,030,058</u>	<u>\$ 62,644,360</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, 2008

	Golf Course Fund	Apartments Fund
	<u> </u>	<u> </u>
Operating revenues:		
Charges for services	\$ 4,267,524	\$ 3,205,210
Operating Expenses		
Salaries and fringe benefits	1,976,021	-
Professional services	8,028	-
Utilities	1,098,238	437,638
Supplies	90,836	-
Travel	2,879	-
Fuels, repairs and maintenance	412,579	461,327
Contractual services	49,335	190,581
Other operating expenses	504,242	865,650
Depreciation	286,215	626,890
Bad Debt expense	-	52,521
	<u> </u>	<u> </u>
Total operating expenses	4,428,373	2,634,607
Operating income (loss)	<u>(160,849)</u>	<u>570,603</u>
Non-operating revenues (expenses):		
Interest on investments	(2,579)	74,827
Gain (loss) on disposition fo property and equipment	-	(31,190)
Federal housing grants	-	-
Housing payments	-	-
Interest expense	(78,617)	(438,676)
Bond issue costs	(7,357)	(19,748)
Fiscal agent fees	-	(67,047)
Other	(13,247)	259,648
	<u> </u>	<u> </u>
Total non-operating revenues (expenses)	(101,800)	(222,186)
Income (loss) before capital contributions and transfers	(262,649)	348,417
Capital contributions	20,142.00	-
Transfers in	-	-
Transfers out	(95,606)	(51,881)
	<u> </u>	<u> </u>
Change in net assets	(338,113)	296,536
Net assets, July 1	<u>5,334,005</u>	<u>4,084,025</u>
Net assets, June 30	<u>\$ 4,995,892</u>	<u>\$ 4,380,561</u>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 1,965,937	\$ 4,635,250	\$ 2,071,929	\$ 16,145,850
3,571,750	2,155,089	92,590	7,795,450
57,642	6,352	52,000	124,022
718,505	284,187	401,346	2,939,914
159	106,989	100	198,084
-	-	-	2,879
1,208,421	163,559	57,070	2,302,956
-	434,979	35,462	710,357
2,647,789	490,737	51,864	4,560,282
1,661,237	1,343,418	1,001,847	4,919,607
84,550	114,562	-	251,633
<u>9,950,053</u>	<u>5,099,872</u>	<u>1,692,279</u>	<u>23,805,184</u>
<u>(7,984,116)</u>	<u>(464,622)</u>	<u>379,650</u>	<u>(7,659,334)</u>
640,956	250,859	14,946	979,009
-	-	-	(31,190)
28,584,686	-	-	28,584,686
(20,609,492)	-	-	(20,609,492)
(31,941)	(778,346)	(695,449)	(2,023,029)
-	(38,506)	(25,595)	(91,206)
-	(104,436)	(33,529)	(205,012)
1,828,292	51,131	-	2,125,824
<u>10,412,501</u>	<u>(619,298)</u>	<u>(739,627)</u>	<u>8,729,590</u>
2,428,385	(1,083,920)	(359,977)	1,070,256
-	497,043	57,316	574,501
-	2,027,000	-	2,027,000
-	(171,490)	-	(318,977)
<u>2,428,385</u>	<u>1,268,633</u>	<u>(302,661)</u>	<u>3,352,780</u>
<u>29,073,443</u>	<u>14,467,388</u>	<u>6,332,719</u>	<u>59,291,580</u>
<u>\$ 31,501,828</u>	<u>\$ 15,736,021</u>	<u>\$ 6,030,058</u>	<u>\$ 62,644,360</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, 2008

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 4,353,165	\$ 3,158,760
Cash received from other funds for goods and services	208,868	-
Cash payments to employees for services	(1,921,609)	-
Cash payments to suppliers for goods and services	(1,095,490)	(1,643,190)
Cash payments to other funds for goods and services	(1,098,238)	(437,638)
Miscellaneous cash received	-	259,648
Miscellaneous cash paid	(13,247)	-
Net cash provided by (used for) operating activities	<u>433,449</u>	<u>1,337,580</u>
Cash flow from noncapital financing activities:		
Operating grants received	-	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	-
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	-
Transfers-out to other funds	(95,606)	(51,881)
Net cash provided by (used for) noncapital financing activities	<u>(95,606)</u>	<u>(51,881)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities and refunded bonds	(249,332)	(400,000)
Interest and other expenses paid		
on revenue bond maturities	(86,742)	(430,870)
Acquisition and construction of capital assets	(13,949)	(457,225)
Net cash used for capital and related financing activities	<u>(350,023)</u>	<u>(1,288,095)</u>
Cash flows from investing activities:		
Interest received on investments	(2,579)	74,827
Net cash provided by investing activities	<u>(2,579)</u>	<u>74,827</u>
Net increase (decrease) in cash and cash equivalents	(14,759)	72,431
Cash and cash equivalents, July 1	<u>378,906</u>	<u>3,217,778</u>
Cash and cash equivalents, June 30	<u>\$ 364,147</u>	<u>\$ 3,290,209</u>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Totals
\$ 2,298,682	\$ 3,828,669	\$ 2,087,958	\$ 15,727,234
-	-	-	208,868
(3,547,273)	(2,123,903)	(75,738)	(7,668,523)
(4,177,272)	(1,324,618)	(244,315)	(8,484,885)
(1,057,318)	(284,187)	(513,866)	(3,391,247)
1,828,292	51,131	-	2,139,071
-	(194,711)	-	(207,958)
<u>(4,654,889)</u>	<u>(47,619)</u>	<u>1,254,039</u>	<u>(1,677,440)</u>
28,584,686	-	-	28,584,686
(20,609,492)	-	-	(20,609,492)
-	(1,545,000)	-	(1,545,000)
-	(778,346)	-	(778,346)
-	2,027,000	-	2,027,000
-	(171,490)	-	(318,977)
<u>7,975,194</u>	<u>(467,836)</u>	<u>-</u>	<u>7,359,871</u>
(84,911)	-	(416,314)	(1,150,557)
(31,941)	-	(703,196)	(1,252,749)
<u>(1,072,022)</u>	<u>(48,714)</u>	<u>-</u>	<u>(1,591,910)</u>
<u>(1,188,874)</u>	<u>(48,714)</u>	<u>(1,119,510)</u>	<u>(3,995,216)</u>
<u>640,956</u>	<u>250,859</u>	<u>14,946</u>	<u>979,009</u>
<u>640,956</u>	<u>250,859</u>	<u>14,946</u>	<u>979,009</u>
2,772,387	(313,310)	149,475	2,666,224
<u>14,954,099</u>	<u>6,163,130</u>	<u>843,040</u>	<u>25,556,953</u>
<u>\$ 17,726,486</u>	<u>\$ 5,849,820</u>	<u>\$ 992,515</u>	<u>\$ 28,223,177</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, 2008

	Golf Course Fund	Apartments Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (160,849)	\$ 570,603
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	286,215	626,890
Miscellaneous income (expense)	(13,247)	259,648
Fiscal agent fees	-	(67,047)
Bad debt expense	-	52,521
Loss on adjustment of assets	-	-
Corrections	-	-
Decrease (increase) in assets:		
Receivables	85,641	(55,678)
Due from other governments	-	-
Inventories of supplies	-	-
Prepaid expenses	-	3,201
Increase (decrease) in liabilities:		
Accounts payable	(27,591)	(61,786)
Accrued employee compensation and benefits	54,412	-
Deposits and prepaid rents	-	9,228
Due to other governments	-	-
Deferred revenue	-	-
Due to other funds	-	-
Escrow liability	208,868	-
Net cash provided by (used for) operating activities	\$ 433,449	\$ 1,337,580
Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 850	\$ -
Cash and investments with fiscal agents	303,975	-
Cash held by others	-	1,749,738
Restricted assets:		
Cash, investments, and accrued interest	59,322	1,444,662
Escrow deposits	-	95,809
Total cash and cash equivalents, June 30	\$ 364,147	\$ 3,290,209
Non cash transactions:		
Unrealized gains on investments	\$ 1,343	1
Transfer of fixed assets from the Capital Acquisition Fund	20,142	-

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Totals
\$ (7,984,116)	\$ (464,622)	\$ 379,650	\$ (7,659,334)
1,661,237	1,343,418	1,001,847	4,919,607
1,828,292	(143,580)	(33,529)	1,897,584
-	(104,436)	-	(171,483)
84,550	114,562	-	251,633
-	-	-	-
-	-	-	-
366,506	(806,581)	16,029	(394,083)
(29,253)	-	-	(29,253)
(7,092)	-	-	(7,092)
-	-	-	3,201
(273,315)	(17,566)	(14,290)	(394,548)
24,477	31,186	16,852	126,927
(4,508)	-	-	4,720
17,146	-	-	17,146
-	-	-	-
(338,813)	-	(112,520)	(451,333)
-	-	-	208,868
<u>\$ (4,654,889)</u>	<u>\$ (47,619)</u>	<u>\$ 1,254,039</u>	<u>\$ (1,677,440)</u>
\$ 17,355,204	\$ 1,267,457	\$ 125,528	\$ 18,749,039
-	-	797,379	1,101,354
-	-	-	1,749,738
-	4,582,363	69,608	6,155,955
371,282	-	-	467,091
<u>\$ 17,726,486</u>	<u>\$ 5,849,820</u>	<u>\$ 992,515</u>	<u>\$ 28,223,177</u>
2,397	\$ 12,962	468	17,171
-	55,799	57,316	133,257

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - GOLF COURSE FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 4,412,291	\$ 4,412,291	\$ 4,221,394	\$ (190,897)
Transfer from non-restricted cash to cash restricted for debt service	344,000	344,000	344,000	-
Miscellaneous	<u>53,000</u>	<u>53,000</u>	<u>44,678</u>	<u>(8,322)</u>
Total revenues	<u>4,809,291</u>	<u>4,809,291</u>	<u>4,610,072</u>	<u>(199,219)</u>
Expenses:				
Affordable and quality golf	3,603,000	3,603,000	3,743,607	(140,607)
Debt service	344,000	344,000	343,617	383
Payment for General Fund services	538,000	538,000	494,157	43,843
Transfer from non-restricted cash to cash restricted for debt service	<u>344,000</u>	<u>344,000</u>	<u>344,000</u>	<u>-</u>
Total expenses	<u>4,829,000</u>	<u>4,829,000</u>	<u>4,925,381</u>	<u>(96,381)</u>
Excess of revenues under expenses	<u>\$ (19,709)</u>	<u>\$ (19,709)</u>	(315,309)	<u>\$ (295,600)</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			(1,526)	
Depreciation			(286,215)	
Amortization of bond issue costs and discounts			(7,357)	
Unrealized gain on investments			399	
Other			(13,247)	
Changes to conform to generally accepted accounting principles:				
Principal payments on bonds			265,000	
Contributed Capital			<u>20,142</u>	
Change in net assets			<u>\$ (338,113)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - APARTMENTS FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services:				
Apartment rents and fees	\$ 3,136,897	\$ 3,136,897	\$ 3,464,858	\$ 327,961
Interest on investments	-	-	74,827	74,827
Transfer from non-restricted cash to cash restricted for debt service	934,000	934,000	934,000	-
Total revenues	4,070,897	4,070,897	4,473,685	402,788
Expenses:				
Apartment operations	2,368,000	2,443,000	2,412,418	30,582
Transfer from non-restricted cash to cash restricted for debt service	934,000	934,000	934,000	-
Transfer to City Housing Fund	47,000	47,000	51,881	(4,881)
Debt Service	848,000	848,000	838,676	9,324
Fiscal agent fees	86,000	86,000	67,047	18,953
Total expenses	4,283,000	4,358,000	4,304,022	53,978
Excess of revenues over (under) expenses	\$ (212,103)	\$ (287,103)	169,663	\$ 456,766
Revenues (expenses) not budgeted:				
Loss on disposition of capital assets			(31,190)	
Amortized bond issue costs			(19,748)	
Depreciation expense			(626,890)	
Bad debt expense			(52,521)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds not reported			400,000	
Capital Outlay			457,222	
Change in net assets			\$ 296,536	

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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services:				
Parking facilities	\$ 2,664,000	\$ 2,664,000	\$ 2,992,566	\$ 328,566
Parking meter collection	739,000	739,000	1,005,399	266,399
Parking fines	631,000	631,000	597,800	(33,200)
Rental of city property	40,000	40,000	39,485	(515)
Interest on investments	30,000	30,000	55,557	25,557
Miscellaneous revenue	-	-	50,607	50,607
Transfers from restricted cash				
to cash restricted for debt service	-	-	-	-
Transfer from General Fund	2,027,000	2,027,000	2,027,000	-
Transfers from non-restricted cash				
to cash restricted for debt service	3,097,000	3,097,000	3,097,000	-
 Total revenues	 <u>9,228,000</u>	 <u>9,228,000</u>	 <u>9,865,414</u>	 <u>637,414</u>
Expenses:				
Parking services	3,418,000	3,424,000	3,389,036	34,964
Transfer from non-restricted cash				
to cash restricted for debt service	3,097,000	3,097,000	3,097,000	-
Transfer to General Fund	505,000	505,000	507,203	(2,203)
Transfer to Sales Tax Refunding Debt Service Fund	3,354,000	3,354,000	2,582,497	771,503
 Total expenses	 <u>10,374,000</u>	 <u>10,380,000</u>	 <u>9,575,736</u>	 <u>804,264</u>
 Excess of revenues over (under) expenses	 <u>\$ (1,146,000)</u>	 <u>\$ (1,152,000)</u>	 289,678	 <u>\$ 1,441,678</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			182,340	
Depreciation			(1,343,418)	
Debt service			(38,506)	
Gain on disposition of property and equipment			524	
Bad debt expense			(114,562)	
Unrealized gain on investments			12,962	
Other			148,862	
Changes to conform to generally accepted accounting principles:				
Capital contributions			497,043	
Capital outlay			88,710	
Principal payment on advance			<u>1,545,000</u>	
 Change in net assets			 <u>\$ 1,268,633</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - STADIUM FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services:				
Surcharge revenues	\$ 1,000,000	\$ 1,000,000	\$ 1,355,633	\$ 355,633
Stadium lease revenues	706,000	706,000	706,796	796
Rental of city property	7,000	7,000	9,500	2,500
Interest on investments	16,000	16,000	440	(15,560)
Transfers from non-restricted cash to cash restricted for debt service	1,163,000	1,163,000	1,163,000	-
	2,892,000	2,892,000	3,235,369	343,369
Total revenues				
Expenses:				
Stadium services	692,000	692,000	674,463	17,537
Payment for General Fund services	6,000	16,000	15,969	31
Transfer from non-restricted cash to cash restricted for debt service	1,163,000	1,163,000	1,163,000	-
Debt service	1,163,000	1,163,000	1,161,868	1,132
	3,024,000	3,034,000	3,015,300	18,700
Total expenses				
Excess (deficiency) of revenues over expenses	\$ (132,000)	\$ (142,000)	220,069	\$ 362,069
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			14,506	
Depreciation			(1,001,847)	
Amortization of bond issuance costs			(25,595)	
Changes to conform to generally accepted accounting principles:				
Capital contributions			57,316	
Capital outlay			-	
Principal paid on long term debt			432,890	
Change in net assets			\$ (302,661)	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
June 30, 2008

<u>Year ending June 30</u>	<u>Golf</u>		<u>Apartments</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Revenue bonds, loans, advances, and capital lease				
2009	\$ 265,000	\$ 69,205	\$ 300,000	\$ 493,200
2010	285,000	51,055	300,000	481,200
2011	300,000	31,713	300,000	469,200
2012	325,000	10,888	400,000	455,200
2013	-	-	400,000	439,200
2014-2018	-	-	2,300,000	1,938,000
2019-2023	-	-	3,200,000	1,388,000
2024-2028	-	-	4,400,000	636,000
2029	-	-	880,000	17,600
Total bonds, loans, advances and capital lease	<u>\$ 1,175,000</u>	<u>\$ 162,861</u>	<u>\$ 12,480,000</u>	<u>\$ 6,317,600</u>

Housing Authority		Stadium		Combined		
Principal	Interest	Principal	Interest	Principal	Interest	Total
\$ 88,712	\$ 28,131	\$ 432,890	\$ 686,591	\$ 1,086,602	\$ 1,277,127	\$ 2,363,729
92,683	24,160	451,735	667,837	1,129,418	1,224,252	2,353,670
96,831	20,011	472,709	647,168	1,169,540	1,168,092	2,337,632
101,166	15,677	495,494	624,643	1,321,660	1,106,408	2,428,068
105,694	11,148	520,297	600,334	1,025,991	1,050,682	2,076,673
196,477	7,997	3,035,272	2,576,202	5,531,749	4,522,199	10,053,948
-	-	3,953,007	1,674,015	7,153,007	3,062,015	10,215,022
-	-	4,050,119	465,147	8,450,119	1,101,147	9,551,266
-	-	-	-	880,000	17,600	897,600
<u>\$ 681,563</u>	<u>\$ 107,124</u>	<u>\$ 13,411,523</u>	<u>\$ 7,941,937</u>	<u>\$ 27,748,086</u>	<u>\$ 14,529,522</u>	<u>\$ 42,277,608</u>

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CITY OF ALBUQUERQUE, NEW MEXICO

DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

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

RISK MANAGEMENT FUND—To account for the cost of providing Workers' Compensation, tort, and other claims insurance coverage to City departments.

SUPPLIES INVENTORY MANAGEMENT FUND—To account for the cost 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, 2008

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 1,656,821	\$ 16,711,487
Accounts receivable, net of allowance for uncollectibles	-	622
Prepaid expenses	116,382	-
Deposits	-	100,000
Due from other funds	-	1,341,983
Due from other governments	60,917	-
Inventories of supplies	41,492	-
	<u>1,875,612</u>	<u>18,154,092</u>
Total current assets		
Capital Assets		
Land	-	-
Buildings	-	-
Improvements	-	-
Equipment	215,503	13,002
Total capital assets before depreciation	<u>215,503</u>	<u>13,002</u>
Less accumulated depreciation	176,861	8,646
Net property and equipment	<u>38,642</u>	<u>4,356</u>
Other assets:		
Advance to other funds	-	-
Total other assets	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 1,914,254</u></u>	<u><u>\$ 18,158,448</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 119,592	\$ 53,495
Accrued employee compensation	21,728	17,198
Accrued vacation and sick leave pay	97,171	64,374
Accrued fuel cleanup costs	-	-
Current portion of claims and judgements payable	-	-
	<u>238,491</u>	<u>135,067</u>
Total current liabilities		
Long-term obligations:		
Claims and judgements payable excluding current portion	-	-
Other post employment benefit obligation	-	1,985,159
Accrued vacation and sick leave pay	18,408	-
	<u>18,408</u>	<u>1,985,159</u>
Total long-term obligations		
Total liabilities	<u>256,899</u>	<u>2,120,226</u>
NET ASSETS		
Invested in capital assets, net of related debt	38,642	4,356
Unrestricted	1,618,713	16,033,866
	<u>1,657,355</u>	<u>16,038,222</u>
Total net assets	<u><u>\$ 1,657,355</u></u>	<u><u>\$ 16,038,222</u></u>

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Total
\$ 1,595,385	\$ 68,658,608	\$ 1,389,937	\$ 90,012,238
-	-	-	622
-	-	-	116,382
-	-	-	100,000
-	-	-	1,341,983
-	-	-	60,917
<u>465,632</u>	<u>-</u>	<u>2,110,378</u>	<u>2,617,502</u>
<u>2,061,017</u>	<u>68,658,608</u>	<u>3,500,315</u>	<u>94,249,644</u>
255,472	-	28,370	283,842
-	-	406,001	406,001
825,764	46,465	-	872,229
<u>1,010,622</u>	<u>37,368</u>	<u>253,454</u>	<u>1,529,949</u>
2,091,858	83,833	687,825	3,092,021
<u>1,576,580</u>	<u>81,470</u>	<u>515,582</u>	<u>2,359,139</u>
<u>515,278</u>	<u>2,363</u>	<u>172,243</u>	<u>732,882</u>
-	971,000	-	971,000
-	971,000	-	971,000
<u>\$ 2,576,295</u>	<u>\$ 69,631,971</u>	<u>\$ 3,672,558</u>	<u>\$ 95,953,526</u>
\$ 516,338	\$ 401,818	\$ 709,256	\$ 1,800,499
50,764	63,776	12,690	166,156
171,348	169,257	27,944	530,094
84,429	-	-	84,429
-	26,579,300	-	26,579,300
<u>822,879</u>	<u>27,214,151</u>	<u>749,890</u>	<u>29,160,478</u>
-	33,517,404	-	33,517,404
-	-	-	1,985,159
-	-	-	18,408
-	33,517,404	-	35,520,971
<u>822,879</u>	<u>60,731,555</u>	<u>749,890</u>	<u>64,681,449</u>
515,278	2,363	172,243	732,882
<u>1,238,138</u>	<u>8,898,053</u>	<u>2,750,425</u>	<u>30,539,195</u>
<u>\$ 1,753,416</u>	<u>\$ 8,900,416</u>	<u>\$ 2,922,668</u>	<u>\$ 31,272,077</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 JUNE 30, 2008

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
Operating revenues:		
Charges for services	\$ 1,559,385	\$ 49,946,082
Operating expenses		
Salaries and fringe benefits	858,785	3,203,750
Professional services	-	-
Utilities	38,750	12,226
Supplies	93,259	41,314
Travel	3,428	6,619
Fuels, repairs and maintenance	107,519	8,239
Contractual services	32,357	155,496
Claims and judgements	-	-
Insurance premiums	-	46,595,426
Other operating expenses	190,607	130,824
Depreciation	11,676	2,361
Total operating expenses	<u>1,336,381</u>	<u>50,156,255</u>
Operating income (loss)	<u>223,004</u>	<u>(210,173)</u>
Non-operating revenues (expenses):		
Interest on investments	45,542	377,161
Gain (loss) on disposition of equipment	-	-
Other	2,550	129,870
Total non-operating revenues (expenses)	<u>48,092</u>	<u>507,031</u>
Income before transfers	271,096	296,858
Capital contributions	-	8,020,875
Transfers out	-	-
Change in net assets	271,096	8,317,733
Net assets, July 1	<u>1,386,259</u>	<u>7,720,489</u>
Net assets, June 30	<u>\$ 1,657,355</u>	<u>\$ 16,038,222</u>

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Total
\$ 14,606,254	\$ 33,887,717	\$ 1,047,121	\$ 101,046,559
1,878,420	2,209,194	507,711	8,657,860
2,142	1,037,400	-	1,039,542
104,730	22,614	10,393	188,713
1,062,998	32,358	26,923	1,256,852
7,091	4,894	-	22,032
8,120,197	106,948	26,912	8,369,815
2,818,454	20,847	88,484	3,115,638
-	24,687,241	-	24,687,241
-	1,742,724	-	48,338,150
617,317	545,018	218,585	1,702,351
112,818	1,520	21,207	149,582
<u>14,724,167</u>	<u>30,410,758</u>	<u>900,215</u>	<u>97,527,776</u>
<u>(117,913)</u>	<u>3,476,959</u>	<u>146,906</u>	<u>3,518,783</u>
93,208	2,567,516	51,854	3,135,281
(272,497)	-	4,815	(267,682)
43,976	-	99,532	275,928
<u>(135,313)</u>	<u>2,567,516</u>	<u>156,201</u>	<u>3,143,527</u>
<u>(253,226)</u>	<u>6,044,475</u>	<u>303,107</u>	<u>6,662,310</u>
-	-	-	8,020,875
-	(250,000)	-	(250,000)
<u>(253,226)</u>	<u>5,794,475</u>	<u>303,107</u>	<u>14,433,185</u>
<u>2,006,642</u>	<u>3,105,941</u>	<u>2,619,561</u>	<u>16,838,892</u>
<u>\$ 1,753,416</u>	<u>\$ 8,900,416</u>	<u>\$ 2,922,668</u>	<u>\$ 31,272,077</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 June 30, 2008

	Communications Fund	Employee Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ (21,663)	\$ 9,027
Cash received from other funds for goods and services	1,559,385	49,629,154
Cash payments to employees for services	(830,544)	(3,217,433)
Cash payments to suppliers for goods and services	(433,785)	(44,934,410)
Cash payments to other funds for goods and services	(38,750)	(12,226)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous cash received	2,550	8,150,745
Net cash provided by (used for) operating activities	<u>237,193</u>	<u>9,624,857</u>
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	-	-
Proceeds from sale of property and equipment	-	-
Net cash provided by (used for) capital financing	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	45,542	377,161
Net increase (decrease) in cash and cash equivalents	282,735	10,002,018
Cash and cash equivalents, July 1	1,374,086	6,709,469
Cash and cash equivalents, June 30	<u>\$ 1,656,821</u>	<u>\$ 16,711,487</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 223,004	\$ (210,173)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	11,676	2,361
Miscellaneous income (expense)	2,550	8,150,745
Loss on adjustment of equipment	-	-
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	-	9,027
Due from other governments	(21,663)	-
Due from other funds	-	(316,928)
Inventories of supplies	(2,737)	-
Prepaid expenses	85,684	-
Deposits	-	-
Land acquired under claim settlement	-	-
Increase (decrease) in liabilities:		
Accounts payable	(89,562)	18,349
Accrued employee compensation and benefits	28,241	(13,683)
Claims and judgements payable	-	-
Other post employment benefit obligations	-	1,985,159
Accrued fuel cleanup costs	-	-
Net cash provided by (used for) operating activities	<u>\$ 237,193</u>	<u>\$ 9,624,857</u>
Non cash transactions:		
Unrealized gains on investments	\$ 3,761	\$ 20,475
Transfer of capital assets from other funds	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Totals
\$ -	\$ -	\$ -	\$ (12,636)
14,606,254	34,113,526	1,047,121	100,955,440
(1,932,343)	(2,222,656)	(517,336)	(8,720,312)
(12,859,264)	(3,140,363)	(231,905)	(61,599,727)
(104,730)	(22,614)	(10,393)	(188,713)
-	(21,596,973)	-	(21,596,973)
-	-	99,532	8,252,827
<u>(290,083)</u>	<u>7,130,920</u>	<u>387,019</u>	<u>17,089,906</u>
-	(250,000)	-	(250,000)
-	(250,000)	-	(250,000)
(37,122)	-	(43,690)	(80,812)
3,367	-	4,815	8,182
<u>(33,755)</u>	<u>-</u>	<u>(38,875)</u>	<u>(72,630)</u>
93,208	2,567,516	51,854	3,135,281
(230,630)	9,448,436	399,998	19,902,557
1,826,015	59,210,172	989,939	70,109,681
<u>\$ 1,595,385</u>	<u>\$ 68,658,608</u>	<u>\$ 1,389,937</u>	<u>\$ 90,012,238</u>
\$ (117,913)	\$ 3,476,959	\$ 146,906	\$ 3,518,783
112,818	1,520	21,207	149,582
-	-	99,532	8,252,827
-	-	-	-
-	-	-	9,027
-	-	-	(21,663)
-	225,809	-	(91,119)
(40,261)	-	(86,478)	(129,476)
-	106,800	-	192,484
-	-	-	-
-	-	-	-
(217,748)	243,026	215,477	169,542
(53,923)	(13,462)	(9,625)	(62,452)
-	3,090,268	-	3,090,268
-	-	-	1,985,159
26,944	-	-	26,944
<u>\$ (290,083)</u>	<u>\$ 7,130,920</u>	<u>\$ 387,019</u>	<u>\$ 17,089,906</u>
\$ 3,322	\$ 157,563	\$ 3,285	\$ 188,406
\$ 43,976	\$ -	\$ -	\$ 43,976

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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 1,184,000	\$ 1,184,000	\$ 1,559,385	\$ 375,385
Interest on investments	<u>-</u>	<u>-</u>	<u>45,542</u>	<u>45,542</u>
 Total revenues	 <u>1,184,000</u>	 <u>1,184,000</u>	 <u>1,604,927</u>	 <u>420,927</u>
Expenses:				
City Communications	1,268,000	1,268,000	1,143,681	124,319
Payment for General Fund Services	<u>190,000</u>	<u>190,000</u>	<u>181,024</u>	<u>8,976</u>
 Total expenses	 <u>1,458,000</u>	 <u>1,458,000</u>	 <u>1,324,705</u>	 <u>133,295</u>
 Excess of revenues over (under) expenses	 <u>\$ (274,000)</u>	 <u>\$ (274,000)</u>	 280,222	 <u>\$ 554,222</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(11,676)	
Miscellaneous income			<u>2,550</u>	
Change to conform to generally accepted accounting principles:				
Capital outlay			<u>-</u>	
Change in net assets			<u>\$ 271,096</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - EMPLOYEE INSURANCE FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	\$ 46,431,000	\$ 46,431,000	\$ 49,754,211	\$ 3,323,211
Charges for services- other local governments	115,000	115,000	191,871	76,871
Miscellaneous	13,000	13,000	129,870	116,870
Interest on investments	50,000	50,000	377,161	327,161
	<hr/>			
Total revenues	<u>46,609,000</u>	<u>46,609,000</u>	<u>50,453,113</u>	<u>3,844,113</u>
Expenses:				
Insurances and Administration	52,575,000	52,575,000	47,424,564	5,150,436
Payment for General Fund Services	143,000	143,000	120,425	22,575
	<hr/>			
Total expenses	<u>52,718,000</u>	<u>52,718,000</u>	<u>47,544,989</u>	<u>5,173,011</u>
Excess of revenues over (under) expenses	<u>\$ (6,109,000)</u>	<u>\$ (6,109,000)</u>	2,908,124	<u>\$ 9,017,124</u>
Expenses not budgeted:				
Depreciation			(2,361)	
Capital contributions			8,020,875	
Other employee benefits			<u>(2,608,905)</u>	
Change in net assets			<u>\$ 8,317,733</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - FLEET MANAGEMENT FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 13,358,000	\$ 14,794,000	\$ 14,606,254	\$ (187,746)
Interest on investments	50,000	50,000	93,208	43,208
Miscellaneous revenue	-	-	-	-
	13,408,000	14,844,000	14,699,462	(144,538)
Total revenues				
Expenses:				
Fleet management	12,938,000	14,374,000	14,257,695	116,305
Payments for general fund services	619,000	619,000	390,776	228,224
	13,557,000	14,993,000	14,648,471	344,529
Total expenses				
Excess of revenues over (under) expenses	\$ (149,000)	\$ (149,000)	50,991	\$ 199,991
Expenses not budgeted:				
Depreciation			(112,818)	
Loss on disposition of other property			(272,497)	
Change to conform to generally accepted accounting principles:				
Capital outlay			37,122	
Capital contributions			43,976	
Change in net assets			\$ (253,226)	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - RISK MANAGEMENT FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 34,250,000	\$ 34,250,000	\$ 33,887,717	\$ (362,283)
Interest on investments	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,567,516</u>	<u>567,516</u>
Total revenues	<u>36,250,000</u>	<u>36,250,000</u>	<u>36,455,233</u>	<u>205,233</u>
Expenses:				
Safety office	1,649,000	1,649,000	1,249,327	399,673
Tort and other claims	18,388,000	18,388,000	16,640,563	1,747,437
Workers' compensation claims	10,885,000	10,885,000	8,329,735	2,555,265
Transfer to general fund	796,000	796,000	757,474	38,526
Unemployment compensation	688,000	688,000	520,680	167,320
Employee equity	<u>91,000</u>	<u>91,000</u>	<u>71,191</u>	<u>19,809</u>
Total expenses	<u>32,497,000</u>	<u>32,497,000</u>	<u>27,568,970</u>	<u>4,928,030</u>
Excess of revenues over expenses	<u>\$ 3,753,000</u>	<u>\$ 3,753,000</u>	8,886,263	<u>\$ 5,133,263</u>
Expenses not budgeted:				
Depreciation			(1,520)	
Tort and other claims - reserve adjustment			(1,480,902)	
Worker's compensation claims - reserve adjustment			<u>(1,609,366)</u>	
Change in net assets			<u>\$ 5,794,475</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - SUPPLIES INVENTORY MANAGEMENT FUND
YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	\$ 793,000	\$ 793,000	\$ 1,047,121	\$ 254,121
Interest on investments	31,000	31,000	51,854	20,854
Miscellaneous	<u>65,050</u>	<u>65,050</u>	<u>99,532</u>	<u>34,482</u>
Total revenues	<u>889,050</u>	<u>889,050</u>	<u>1,198,507</u>	<u>309,457</u>
Expenses:				
Materials management	794,000	794,000	714,357	79,643
Payment for General Fund Services	<u>236,000</u>	<u>236,000</u>	<u>208,341</u>	<u>27,659</u>
Total expenses	<u>1,030,000</u>	<u>1,030,000</u>	<u>922,698</u>	<u>107,302</u>
Excess of revenues over (under) expenses	<u>\$ (140,950)</u>	<u>\$ (140,950)</u>	275,809	<u>\$ 416,759</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(21,207)	
Gain on disposition of equipment			4,815	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>43,690</u>	
Change in net assets			<u>\$ 303,107</u>	

CITY OF ALBUQUERQUE, NEW MEXICO DESCRIPTION OF AGENCY FUNDS

The City's Agency fund accounts for monies held by the City in a custodial capacity on behalf of third parties or other agencies.

Summer Arts Institute – to account for monies received for the SAI program.

Summer Hire Program – to account for monies received from businesses to employ youth for the summer through the Mayor's Summer Youth Jobs Initiative.

ABEC Philips Clawback – to account for Philips Corporation Industrial Revenue Bond clawback monies dedicated to the ABEC – Education Program.

Otter Exhibit – to account for gift received for the construction of the otter exhibit at the Rio Grande Zoological Park.

Adopt A Park – to account for monies received for the purpose of landscape beautification of parks and medians.

Bear Canyon Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

Museum – to account for donations received for the purchase of museum artifacts.

D.A.R.E. – to account for donations received for the Drug Abuse Resistance Education project.

NM Regional PPC Shooting – to account for monies received for the use of the shooting range.

Business Improvement District – to account for monies received from the assessment on properties located within the Downtown Albuquerque Business Improvement District established by City Ordinance No. 38-2000. Monies are to be spent in accordance with Management Committee improvement district plan.

Trees and Shrubs – to account for monies received from individuals or groups for the purchase of trees and shrubs as memorials.

Community Centers – to account for monies received from the New Mexico Athletic Commission for the Jack Candelaria Boxing Ring and equipment.

Police Evidence Unit – to account for the recording of funds deposited in the Albuquerque Police Department evidence room.

Senior Multi-service Center – to account for monies received to sponsor senior citizens in-state trips and events.

Palo Duro Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

North Valley Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

Highland Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

Los Volcanes Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

Q13 Fire Fund – to account for monies received for the purchase of Thermo Imaging Camera for the AFD.

Basic Life – to account for monies held for the City Life Insurance Benefit Program.

Unemployment Deduction – to account for monies received for unemployment compensation insurance costs.

Recycle Coupons – to account for monies received paid by the Office of Senior Affairs from the City Solid Waste Department for distribution of trash bags.

Outdoor Recreation – to account for monies received for the purchase of equipment for the maintenance of outdoor recreation facilities.

New Mexico Games – to account for monies received for the New Mexico Games events sponsored by the City Parks and Recreation Department.

DSA Advisory Council/Adult Fitness – to account for monies received to promote adult fitness events.

Albuquerque Conference on Aging – to account for monies received for the Senior Companion program.

Manzano Mesa Senior Center – to account for monies received to sponsor senior citizens in-state trips and events.

Transit Department – to account for monies received for the Uptown Sector Plan project and to assist the Uptown Transportation Management Organization.

Veterans Advisory Memorials – to account for monies received in support of the construction of the New Mexico Veterans Memorial and Garden at Phil Chacon Park.

Veterans Advisory Mayor – to account for monies received for the cost to construct and install various separate memorials or monuments at the New Mexico Veterans Memorial park.

Special Events Mayor – to account for monies generated from sponsorships at special events for the purpose of promoting community family event outings.

Mayor's Charity Ball – to account for monies received in support of the Mayor's Charity Ball.

Bosque Restoration – to account for monies received for the restoration of the Rio Grande Bosque.

Energy Conference – to account for monies received to sponsor an energy conference.

Miscellaneous – to account for monies received for various miscellaneous purposes.

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS				
Cash, investments, and accrued interest	\$ 12,564,144	\$ 5,980,448	\$ 13,666,111	\$ 4,878,481
Receivables	318,815	1,157,872	1,288,955	187,732
Total assets	\$ 12,882,959	\$ 7,138,320	\$ 14,955,066	\$ 5,066,213
LIABILITIES				
Accounts payable	\$ 416,728	\$ 4,502,766	\$ 4,620,247	\$ 299,247
Funds held for others	12,466,231	3,091,098	10,790,363	4,766,966
Total liabilities	\$ 12,882,959	\$ 7,593,864	\$ 15,410,610	\$ 5,066,213

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, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Summer Arts Institute	\$ 2,896	\$ -	\$ -	\$ 2,896
Summer Hire Program	5,026	-	-	5,026
ABEC-Phillips Clawback	1,769,633	56,038	161,000	1,664,671
Otter Exhibit	43,980	1,393	-	45,373
Adopt-A-Park	60,907	3,675	3,200	61,382
Bear Canyon Senior Center	24,398	26,997	29,962	21,433
Museum	12,042	93,005	9,835	95,212
D.A.R.E.	7,170	-	-	7,170
NM Regional PPC Shooting	6,906	26,433	27,088	6,251
Business Improvement District #1	43,215	891,040	927,636	6,619
Trees and Shrubs	26,402	18,097	14,553	29,946
Community Centers	6,973	-	-	6,973
Police Evidence Unit	1,774,687	246,757	194,035	1,827,409
Senior Multi-service Center	15,343	3,453	3,323	15,473
Palo Duro Senior Center	5,355	13,705	11,181	7,879
North Valley Senior Center	10,636	1,379	2,440	9,575
Highland Senior Center	(7,818)	25,000	17,182	-
Los Volcanes Senior Center	3,317	6,751	7,441	2,627
Q13 Fire Fund	10,782	-	-	10,782
Basic Life	8,020,875	693,702	8,714,577	-
Unemployment Deduction	470,609	656,735	392,643	734,701
Recycle Coupons	1,707	-	-	1,707
Outdoor Recreation	55,425	18,501	-	73,926
New Mexico Games	379	-	-	379
DSA Advisory Council	36,253	40,908	15,112	62,049
ABQ Conf on Aging Trust	10,572	-	-	10,572
Manzano Mesa Senior Center	11,368	15,542	15,529	11,381
Transit Department	38,857	25,359	29,079	35,137
Veterans Advisory-Mayor	(16,198)	35,210	33,530	(14,518)
Veterans Advisory-Memorial	738	-	-	738
Special Events - Mayor	6,099	-	-	6,099
Mayor's Charity Ball	-	191,418	181,017	10,401
Bosque Restoration	283	-	-	283
Energy Conference	450	-	-	450
Miscellaneous	6,964	-	-	6,964
Total agency funds	<u>\$ 12,466,231</u>	<u>\$ 3,091,098</u>	<u>\$ 10,790,363</u>	<u>\$ 4,766,966</u>

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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, 2008

	2008
General Fixed Assets:	
Land	\$ 265,417,575
Right of Way	1,042,691,667
Buildings	316,015,580
InfraStructure	1,497,712,588
Improvements other than buildings	448,900,314
Equipment	142,755,445
Other	128,673
Construction work in progress	143,215,129
Total General Fixed Assets	\$ 3,856,836,971
Investment in General Fixed Assets from:	
Acquisitions prior to July 1, 1978	\$ 59,288,948
Acquisitions after July 1, 1978:	
General Fund	(13,452,859)
Special Revenue Funds	125,322,482
Acquisition and Management of	
Open Space Nonexpendable Trust Fund	7,146,278
Investments from earnings of the	
Urban Enhancement Expendable Trust Fund	76,049
Capital Projects Funds	3,677,662,208
Net transfers from Enterprise Funds	1,660,512
Net transfers to Internal Service Funds	(866,647)
Total investment in General Fixed Assets	\$ 3,856,836,971

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
JUNE 30, 2008

Function and Activity	Land	Right of Way	Infra-Structure	Buildings	Improvements Other Than Buildings	Equipment	Total
Acquisitions prior to July 1, 1985	\$ 48,694,532	\$ 642,294,313	\$ 343,942,123	\$ 30,104,221	\$ 92,799,538	\$ 6,844,213	\$ 1,164,678,940
Total unidentified purposes	-	-	2,042,002	6,776,919	1,259,952	(13,421,467)	(3,342,594)
Acquisitions after June 30, 1985:							
General government:							
City clerk/records	-	-	-	-	-	33,515	33,515
City council	-	-	-	-	3,950	156,499	160,449
Finance and management	-	-	-	-	2,349,248	7,405,723	9,754,971
Legal services	2,886	-	-	-	-	210,427	213,313
Mayor/CAO	-	-	-	-	2,233	872,607	874,840
Internal audit	-	-	-	-	-	50,988	50,988
Personnel	-	-	-	-	-	3,029	3,029
Labor management	-	-	-	-	-	36,729	36,729
Open space	881,926	-	-	-	-	80,517	962,443
Planning	586,238	-	-	-	-	1,984,233	2,570,471
General services	5,803,038	-	96,452	7,937,427	23,589,421	13,474,273	50,900,611
City/county building	-	-	-	9,440,198	6,018,247	192,813	15,651,258
Central telephone system	-	-	-	-	-	1,258,415	1,258,415
Total general government	7,274,088	-	96,452	17,377,625	31,963,099	25,759,768	82,471,032
Public safety:							
Fire	833,265	-	-	13,454,589	4,831,744	23,860,187	42,979,785
Police	4,318,253	-	-	27,232,777	14,389,849	47,870,138	93,811,017
Corrections	-	-	-	2,670,006	175,602	718,393	3,564,001
Police/Fire	-	-	-	36,639	168,696	811,636	1,016,971
Total public safety	5,151,518	-	-	43,394,011	19,565,891	73,260,354	141,371,774
Culture and recreation:							
Library	1,702,302	-	-	11,323,565	31,006,663	4,194,888	48,227,418
Museum	9,356,588	-	2,680,703	36,575,493	12,839,196	1,206,613	62,658,593
Parks and recreation	91,003,489	-	11,129,069	73,933,227	152,339,971	14,413,630	342,819,386
Open space	39,064,743	-	-	-	3,823,545	1,675,611	44,563,899
Zoo	1,006,059	-	-	8,807,631	27,914,479	1,927,696	39,655,865
Convention center	5,029,268	-	-	19,895,350	49,521,098	814,876	75,260,592
Total culture and recreation	147,162,449	-	13,809,772	150,535,266	277,444,952	24,233,314	613,185,753
Public works:							
Housing code administration	-	-	-	-	-	4,040	4,040
Redevelopment	335,324	-	-	-	-	4,918	340,242
Municipal development	-	-	-	-	2,199	1,980,018	1,982,217
Engineering	1,192,212	-	-	-	-	113,922	1,306,134
Planning	-	-	-	-	-	86,984	86,984
Storm drainage/maintenance	5,441,709	95,279,003	580,094,183	5,903,963	1,650,243	860,678	689,229,779
Geographic information system	-	-	-	-	173,441	34,300	207,741
Total public works	6,969,245	95,279,003	580,094,183	5,903,963	1,825,883	3,084,860	693,157,137

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
JUNE 30, 2008

Function and Activity	Land	Right of Way	Infra- Structure	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
Highways and streets:							
Transportation/Street maint.	38,125,025	305,118,351	557,461,759	7,042,823	12,060,689	9,196,556	929,005,203
Traffic engineering	260,651	-	-	-	136,231	558,129	955,011
Total highways and streets	<u>38,385,676</u>	<u>305,118,351</u>	<u>557,461,759</u>	<u>7,042,823</u>	<u>12,196,920</u>	<u>9,754,685</u>	<u>929,960,214</u>
Health:							
Consumer protection	-	-	-	-	-	68,503	68,503
Environmental services	-	-	59,745	2,481,727	297,233	3,200,574	6,039,279
Animal control services	96,243	-	-	1,374,241	440,866	467,922	2,379,272
Environmental health admin.	-	-	-	6,820	196,662	1,596,595	1,800,077
Resources management	-	-	-	-	-	16,404	16,404
Total health	<u>96,243</u>	<u>-</u>	<u>59,745</u>	<u>3,862,788</u>	<u>934,761</u>	<u>5,349,998</u>	<u>10,303,535</u>
Human services:							
Human rights	-	-	-	40,370	1,000	(2,103)	39,267
Human services	557,374	-	206,552	15,016,260	2,736,443	4,428,944	22,945,573
Office of senior affairs	1,481,146	-	-	31,458,619	4,848,164	2,739,062	40,526,991
Housing/community development	9,645,304	-	-	4,502,715	3,323,711	723,817	18,195,547
Total human services	<u>11,683,824</u>	<u>-</u>	<u>206,552</u>	<u>51,017,964</u>	<u>10,909,318</u>	<u>7,889,720</u>	<u>81,707,378</u>
Total general fixed assets allocated to functions	<u>216,723,043</u>	<u>400,397,354</u>	<u>1,151,728,463</u>	<u>279,134,440</u>	<u>354,840,824</u>	<u>149,332,699</u>	<u>2,552,156,823</u>
Total general fixed assets in service	<u>\$ 265,417,575</u>	<u>\$ 1,042,691,667</u>	<u>\$ 1,497,712,588</u>	<u>\$ 316,015,580</u>	<u>\$ 448,900,314</u>	<u>\$ 142,755,445</u>	3,713,493,169
Construction work in progress							143,215,129
Other							<u>128,673</u>
Total general fixed assets							<u>\$ 3,856,836,971</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST- BY FUNCTION AND ACTIVITY
Year ended June 30, 2008

Function and Activity	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Acquisitions prior to July 1, 1985	\$ 1,164,678,940	\$ -	\$ -	\$ 1,164,678,940
Total unidentified purposes	(13,421,467)	10,078,873	-	(3,342,594)
Acquisitions after June 30, 1985:				
General government:				
City clerk/records	24,415	9,100	-	33,515
City council	143,241	19,110	1,902	160,449
Finance and management	8,844,847	1,035,618	125,494	9,754,971
Legal services	204,266	9,047	-	213,313
Mayor/CAO	931,841	-	57,001	874,840
Internal audit	65,269	6,000	20,281	50,988
Personnel	3,029	-	-	3,029
Labor management	36,729	-	-	36,729
Open space	962,443	-	-	962,443
Planning	2,654,357	-	83,886	2,570,471
General services	36,753,989	14,157,022	10,400	50,900,611
City/county building	12,754,961	2,908,537	12,240	15,651,258
Central telephone system	1,258,415	-	-	1,258,415
Total general government	<u>64,637,802</u>	<u>18,144,434</u>	<u>311,204</u>	<u>82,471,032</u>
Public safety:				
Fire	38,964,729	4,455,861	440,805	42,979,785
Police	82,800,152	15,121,199	4,110,334	93,811,017
Corrections	3,564,001	-	-	3,564,001
Police/Fire	1,016,971	-	-	1,016,971
Total public safety	<u>126,345,853</u>	<u>19,577,060</u>	<u>4,551,139</u>	<u>141,371,774</u>
Culture and recreation:				
Library	42,183,372	6,049,232	5,186	48,227,418
Museum	38,602,460	24,056,133	-	62,658,593
Parks and recreation	266,455,773	76,630,189	266,576	342,819,386
Open space	37,131,001	7,432,898	-	44,563,899
Zoo	31,945,923	7,726,394	16,452	39,655,865
Convention center	68,409,840	6,859,440	8,688	75,260,592
Total culture and recreation	<u>484,728,369</u>	<u>128,754,286</u>	<u>296,902</u>	<u>613,185,753</u>
Public works:				
Housing code administration	4,040	-	-	4,040
Redevelopment	340,242	-	-	340,242
Municipal development	1,540,671	620,965	179,419	1,982,217
Engineering	1,312,814	-	6,680	1,306,134
Planning	37,325	49,659	-	86,984
Storm drainage/maintenance	661,169,817	28,065,299	5,337	689,229,779
Geographic information system	207,741	-	-	207,741
Total public works	<u>664,612,650</u>	<u>28,735,923</u>	<u>191,436</u>	<u>693,157,137</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
Year ended June 30, 2008

Function and Activity	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Highways and streets:				
Transportation/Street maintenance	707,903,818	221,397,958	296,573	929,005,203
Traffic engineering	1,240,442	8,719	294,150	955,011
Total highways and streets	<u>709,144,260</u>	<u>221,406,677</u>	<u>590,723</u>	<u>929,960,214</u>
Health:				
Consumer protection	68,503	-	-	68,503
Environmental services	4,948,963	1,300,328	210,012	6,039,279
Animal control services	2,529,771	-	150,499	2,379,272
Environmental health and administration	1,800,077	-	-	1,800,077
Resources management	16,404	-	-	16,404
Total health	<u>9,363,718</u>	<u>1,300,328</u>	<u>360,511</u>	<u>10,303,535</u>
Human services:				
Human rights	39,267	-	-	39,267
Human services	7,778,853	15,217,791	51,071	22,945,573
Office of senior affairs	25,336,528	15,363,357	172,894	40,526,991
Housing/community development	17,120,448	1,341,051	265,952	18,195,547
Total human services	<u>50,275,096</u>	<u>31,922,199</u>	<u>489,917</u>	<u>81,707,378</u>
Construction work in progress	474,462,533	48,285,260	379,532,664	143,215,129
Other	1,182,922	324,023	1,378,272	128,673
Total general fixed assets	<u>\$ 3,736,010,676</u>	<u>\$ 508,529,063</u>	<u>\$ 387,702,768</u>	<u>\$ 3,856,836,971</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF TRANSFERS BETWEEN FUNDS
For the year ended June 30, 2008

Interfund transfers were as follows:

From	To	
General Fund *	Open and Ethical Elections Fund	\$ 885,000
General Fund *	Operating Grants Fund	5,394,852
General Fund *	Law Enforcement Protection Fund	431,000
General Fund *	Gas Tax Fund	37,000
General Fund *	Photo Enforcement Fund	4,980,288
General Fund *	City/County Building Operations Fund	-
General Fund *	Plaza del Sol Fund	-
General Fund *	Capital Acquisition Fund *	13,963,000
General Fund *	Sales Tax Refunding Debt Service Fund	1,356,000
General Fund *	City/County Building Debt Service Fund	-
General Fund *	Parking Facilities Fund	2,027,000
General Fund *	Refuse Disposal Fund *	1,300,000
General Fund *	Transit Operating Fund *	24,906,000
General Fund *	Vehicle/Equipment Replacement Fund	3,778,000
General Fund *	Open Space Expenditures Fund	1,058,000
Recreation Fund	General Fund *	230,000
Lodgers Tax Fund	General Fund *	144,000
Lodgers Tax Fund	Sales Tax Refunding Debt Service Fund	6,346,000
Hospitality Tax Fund	Capital Acquisition Fund *	434,000
Hospitality Tax Fund	Sales Tax Refunding Debt Service Fund	841,000
Albuquerque Bio Park Fund	Capital Acquisition Fund *	337,000
Corrections Fund	General Fund *	26,266
Law Enforcement Protection Fund	General Fund *	231,000
Operating Grants Fund	General Fund *	83,680
City/County Projects Fund	General Fund *	82,000
False Alarm Enforcement	Capital Acquisition Fund*	376,251
Photo Enforcement Fund	General Fund *	830,000
City/County Building Operations Fund	City/County Building Debt Service Fund	57,631
Plaza del Sol Fund	Sales Tax Refunding Debt Service Fund	572,000
Capital Acquisition Fund *	Capital Acquisition Fund *	2,252,875
Capital Acquisition Fund *	Transit Capital Projects Fund*	2,454,279
Transportation Infrastructure Tax Fund	Transit Operating Fund *	7,402,203
Transit Operating Fund *	Transit Grants Fund *	-
Transit Capital Projects Fund*	Capital Acquisition Fund *	111,689
Aviation Operating Fund *	Aviation Capital Projects Fund *	-
Parking Facilities Fund	General Fund *	171,490
Refuse Disposal Operating Fund *	General Fund *	2,186,208
Refuse Disposal Capital Projects Fund *	General Fund *	-
Transit Operating Fund *	General Fund *	339,712
Apartments Operating Fund	City Housing Fund	51,881
Golf Operating Fund	General Fund *	95,606
Risk Management Fund	General Fund *	250,000
Open Space Permanent Fund	Open Space Expenditures Fund	1,381,379
Urban Enhancement Permanent Fund	Urban Enhancement Expenditures Fund	343,272
Total transfers		\$ 87,747,562

* Major fund, all others are nonmajor funds

	<u>Transfers Out</u>	<u>Transfers In</u>
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances		
All Governmental Funds"	\$ 84,540,976	\$ 49,658,080
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets		
All Proprietary Funds"		
Enterprise funds	2,956,586	38,089,482
Internal Service funds	250,000	-
Total transfers	\$ 87,747,562	\$ 87,747,562

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

Parking Facilities Fund	\$ 171,490
Refuse Disposal Fund	1,052,208
Transit Fund	339,712
Golf Course Fund	95,606
Total PILOT	\$ 1,659,016

STATISTICAL INFORMATION

CITY OF ALBUQUERQUE, NEW MEXICO
STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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Financial Trends – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
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Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand he environment within with the City’s financial activities take place.	
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Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
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Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Albuquerque, New Mexico
 Net Assets by Component
 Last Six Fiscal Years
 (accrual basis of accounting)

Schedule I

	Fiscal Years					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 504,054,856	\$ 557,927,627	\$ 2,411,458,952	\$ 2,634,062,347	\$ 2,624,259,680	\$ 2,653,410,465
Restricted	192,032,124	211,593,171	181,042,023	166,750,878	172,430,062	254,250,734
Unrestricted	50,236,928	76,175,065	103,128,677	33,578,099	187,943,375	205,403,368
Total governmental activities net assets	\$ 746,323,908	\$ 845,695,863	\$ 2,695,629,652	\$ 2,834,391,324	\$ 2,984,633,117	\$ 3,113,064,567
Business-type activities						
Invested in capital assets, net of related debt	\$ 651,138,659	\$ 197,589,791	\$ 237,142,685	\$ 296,141,191	\$ 297,136,715	\$ 319,277,730
Restricted	76,854,521	77,463,968	82,966,714	71,543,791	70,846,509	99,633,119
Unrestricted	87,987,411	36,600,635	35,122,994	25,461,317	45,545,113	27,456,585
Total business-type activities net assets	\$ 815,980,591	\$ 311,654,394	\$ 355,232,393	\$ 393,146,299	\$ 413,528,337	\$ 446,367,434
Primary government						
Invested in capital assets, net of related debt	\$ 1,155,193,515	\$ 755,517,418	\$ 2,648,601,637	\$ 2,930,203,538	\$ 2,921,396,395	\$ 2,972,688,195
Restricted	268,886,645	289,057,139	264,008,737	238,294,669	243,276,571	353,883,853
Unrestricted	138,224,339	112,775,700	138,251,671	59,039,416	233,488,488	232,859,953
Total primary government net assets	\$ 1,562,304,499	\$ 1,157,350,257	\$ 3,050,862,045	\$ 3,227,537,623	\$ 3,398,161,454	\$ 3,559,432,001

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
 Changes in Net Assets
 Last Seven Fiscal Years
 (accrual basis of accounting)

	Fiscal Years						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 52,802,606	\$ 53,021,966	\$ 65,199,614	\$ 67,551,970	\$ 77,107,681	\$ 83,362,320	\$ 88,046,445
Public Safety	180,520,033	186,205,866	196,502,048	209,967,573	233,410,622	213,014,961	231,394,560
Culture and recreation	64,806,137	71,782,754	66,765,905	82,108,879	77,297,628	83,397,788	101,823,409
Public works/Municipal Development	27,869,181	9,857,177	15,949,001	13,680,172	37,768,785	41,735,871	45,546,687
Health and human services	62,055,477	61,943,139	59,675,888	63,942,585	63,902,932	70,592,142	75,159,649
Housing and community development	2,248,822	3,994,279	3,394,615	6,198,786	3,071,733	5,330,345	6,284,061
Highways and street	27,146,590	22,197,881	18,252,379	11,985,023	22,803,534	23,875,925	37,234,930
Interest on long-term debt	16,796,249	15,275,693	15,949,492	13,815,019	18,970,735	17,329,247	17,504,836
Total governmental activities expenses	434,245,095	424,278,755	441,688,942	469,250,007	534,333,650	538,638,599	602,994,577
Business-type activities:							
Airport	60,524,079	60,643,039	60,846,366	54,644,728	59,904,463	62,265,198	63,872,083
Refuse disposal	35,836,803	37,131,656	39,444,987	41,369,980	45,080,158	47,897,085	53,557,483
Housing Authority	-	25,796,567	-	-	-	-	30,591,486
Transit	30,622,700	-	31,401,160	37,958,533	40,960,678	47,972,405	49,530,565
Joint water and sewer (1)	106,949,587	109,545,515	-	-	-	-	-
Other non-major business-type activities	32,389,529	44,107,381	40,724,540	41,878,871	42,721,505	43,868,850	16,104,553
Total business-type activities expenses	266,322,698	277,224,158	172,417,053	175,852,112	188,666,804	202,003,538	213,656,170
Total primary government expenses	\$ 700,567,793	\$ 701,502,913	\$ 614,105,995	\$ 645,102,119	\$ 723,000,454	\$ 740,642,137	\$ 816,650,747
Program Revenues							
Governmental activities:							
Charges for services							
General government	\$ 31,209,841	\$ 35,131,516	\$ 42,675,819	\$ 42,536,261	\$ 42,539,075	\$ 39,930,676	\$ 35,997,143
Public Safety	5,105,798	26,358,911	25,956,317	29,652,627	29,001,098	5,356,710 (2)	17,633,271
Other	26,395,321	14,291,111	15,229,558	14,921,613	15,040,659	22,251,900	14,531,275
Operating grants and contributions	47,497,821	28,728,252	32,925,778	29,915,795	37,115,148	32,039,118	33,841,812
Capital grants and contributions	5,392,337	9,930,175	2,381,212	1,026,532	1,097,787	216,178	8,603,682
Total governmental activities program revenues	115,601,118	114,439,965	119,168,684	118,052,848	124,793,767	99,794,582	110,607,183
Business-type activities:							
Charges for services							
Airport	57,549,154	59,325,022	60,664,848	64,046,597	68,416,707	68,214,647	74,229,742
Refuse	39,174,156	41,182,770	44,248,388	45,551,715	46,541,085	50,430,182	52,489,420
Other	140,012,282	154,697,701	20,084,614	19,498,189	18,744,313	19,621,912	21,211,082
Operating grants and contributions	21,969,729	24,770,592	25,249,911	24,750,772	24,348,775	26,027,625	29,081,729
Capital grants and contributions	24,539,122	38,909,321	12,802,142	29,891,981	30,407,851	20,552,706	25,520,864
Total business-type activities program revenues	283,244,443	318,885,406	163,049,903	183,739,254	188,458,731	184,847,072	202,532,837
Total primary government program revenues	\$ 398,845,561	\$ 433,325,371	\$ 282,218,587	\$ 301,792,102	\$ 313,252,498	\$ 284,641,654	\$ 313,140,020

City of Albuquerque, New Mexico
 Changes in Net Assets
 Last Seven Fiscal Years
 (accrual basis of accounting)

	Fiscal Years						
	2002	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue							
Governmental activities	\$ (318,643,977)	\$ (309,838,790)	\$ (322,520,258)	\$ (351,197,159)	\$ (409,539,883)	\$ (438,844,017)	\$ (492,387,394)
Business-type activities	16,921,745	41,661,248	(9,367,150)	7,887,142	(208,073)	(17,156,466)	(11,123,333)
Total primary government net (expense)/revenue	\$ (301,722,232)	\$ (268,177,542)	\$ (331,887,408)	\$ (343,310,017)	\$ (409,747,956)	\$ (456,000,483)	\$ (503,510,727)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 72,151,496	\$ 86,393,546	\$ 88,253,706	\$ 92,546,664	\$ 101,600,383	\$ 108,690,517	\$ 122,348,148
Franchise taxes	15,368,751	18,119,767	18,449,049	20,138,467	19,290,495	19,439,256	20,035,776
Sales taxes	116,252,287	121,984,293	132,257,178	163,250,264	187,323,240	187,007,560	179,652,214
Other taxes	8,319,032	8,326,069	8,730,347	9,019,206	11,991,553	12,959,738	13,802,819
Unrestricted NM shared taxes and fees	146,338,236	152,505,829	161,755,908	167,875,410	180,991,062	197,343,767	198,743,231
Unrestricted grants and contributions	12,346,808	11,471,037	15,281,939	29,230,347	34,041,732	38,863,931	45,241,380
Payments in lieu of taxes	-	-	5,110,928	4,769,764	5,202,860	5,111,853	5,018,751
Investment earnings	11,324,332	8,594,542	4,253,858	12,469,788	14,039,015	19,994,223	20,565,992
Miscellaneous	5,179,315	15,559,876	13,917,869	15,759,659	27,167,544	30,737,892	50,543,429
Transfers between gov't and business type	(21,184,079)	(15,943,671)	(25,625,107)	(25,933,600)	(33,346,329)	(31,062,927)	(35,132,896)
Gain/(loss) on disposition of capital assets	-	-	-	(45,363,094)	-	-	-
Total governmental activities	366,096,178	407,011,288	422,385,675	443,762,875	548,301,555	589,085,810	620,818,844
Business-type activities:							
Investment earnings	4,531,263	2,506,826	124,945	1,697,541	3,051,453	4,022,531	3,937,365
Miscellaneous	-	-	-	-	1,724,197	2,453,046	4,892,169
Transfers between gov't and business type	21,184,079	15,943,671	25,625,107	25,933,600	33,346,329	31,062,927	35,132,896
Gain/(loss) on disposition of capital assets	-	-	(538,744,820)	(1,267,740)	-	-	-
Total business-type activities	25,715,342	18,450,497	(512,994,768)	26,363,401	38,121,979	37,538,504	43,962,430
Total primary government	\$ 391,811,520	\$ 425,461,785	\$ (90,609,093)	\$ 470,126,276	\$ 586,423,534	\$ 626,624,314	\$ 664,781,274
Changes in Net Assets							
Governmental activities	47,452,201	97,172,498	99,865,417	92,565,716	138,761,672	150,241,793	128,431,450
Business-type activities	42,637,087	60,111,745	(522,361,918)	34,250,543	37,913,906	20,382,038	32,839,097
Total primary government	\$ 90,089,288	\$ 157,284,243	\$ (422,496,501)	\$ 126,816,259	\$ 176,675,578	\$ 170,623,831	\$ 161,270,547

(1) In Fiscal Year 2004 Joint Water and Sewer became the Albuquerque Bernalillo County Water Utility Authority a Component Unit of the City.

(2) In Fiscal Year 2007 the City turned over operation of the Metropolitan Detention Center to Bernalillo County.

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year	State Shared Gross Receipt Tax	Gasoline Tax	State Shared Cigarette Tax	State Shared Motor Vehicle Tax	Local Option Gross Receipt Tax	Property Tax	Franchise Tax	Hospitality Tax	Lodgers' Tax	Total
2008	\$188,764,768	\$7,808,161	\$471,844	\$1,698,458	\$179,652,214	\$122,348,148	\$20,035,776	\$2,300,469	\$11,502,350	\$534,582,188
2007	187,215,960	8,150,721	453,447	1,523,639	187,007,560	108,690,517	19,439,256	2,162,060	10,797,678	525,440,838
2006	176,647,546	7,274,479	504,955	1,397,094	184,643,805	101,600,383	19,290,495	1,995,823	9,995,729	503,350,309
2005	162,685,510	7,024,191	542,098	1,426,523	163,250,264	92,546,664	18,353,990	1,784,477	9,019,206	456,632,923
2004	156,188,748	6,761,988	604,817	1,267,037	132,257,178	88,253,706	18,449,049	-	8,730,347	412,512,870
2003	143,950,677	6,744,579	587,209	1,106,151	121,984,293	86,393,546	18,119,767	-	8,326,069	387,212,291
2002	137,385,362	6,933,815	590,261	1,371,390	116,252,287	72,151,496	15,368,751	-	8,319,032	358,372,394
2001	135,830,834	6,998,370	607,493	967,264	114,839,392	79,102,344	15,625,873	-	8,488,118	362,459,688
2000	130,281,585	6,899,766	680,669	1,246,228	96,367,231	72,961,680	13,581,230	-	8,394,740	330,413,129
1999	125,538,540	6,957,554	668,494	1,219,314	104,853,765	63,661,977	14,161,396	-	8,091,811	325,152,851

City of Albuquerque, New Mexico
Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Years				
	1999	2000	2001	2002	2003
General Fund					
Reserved	\$ 19,476,022	\$ 18,948,761	\$ 18,829,144	\$ 16,781,809	\$ 28,163,764
Unreserved	24,665,504	24,454,124	21,353,520	19,817,655	14,961,437
Total general fund	<u>\$ 44,141,526</u>	<u>\$ 43,402,885</u>	<u>\$ 40,182,664</u>	<u>\$ 36,599,464</u>	<u>\$ 43,125,201</u>
All Other Governmental Funds					
Reserved	\$ 51,804,175	\$ 106,269,951	\$ 81,007,719	\$ 64,982,499	\$ 62,655,779
Unreserved reported in:					
Special revenue funds	\$ 19,175,941	\$ 8,764,539	\$ 3,913,646	\$ 19,120,526	\$ 21,466,100
Debt service funds	18,505,932	29,663,267	15,998,712	5,013,003	4,042,465
Capital projects funds	123,374,805	50,000,403	67,295,182	16,991,567	27,703,336
Total all other governmental funds	<u>\$ 212,860,853</u>	<u>\$ 194,698,160</u>	<u>\$ 168,215,259</u>	<u>\$ 106,107,595</u>	<u>\$ 115,867,680</u>
General Fund					
Reserved	\$ 30,741,358	\$ 42,706,312	\$ 5,644,988	\$ 8,402,072	\$ 4,696,560
Unreserved	33,737,288	42,717,703	81,705,583	76,244,763	53,989,007
Total general fund	<u>\$ 64,478,646</u>	<u>\$ 85,424,015</u>	<u>\$ 87,350,571</u>	<u>\$ 84,646,835</u>	<u>\$ 58,685,567</u>
All Other Governmental Funds					
Reserved	\$ 55,841,404	\$ 54,530,026	\$ 63,006,291	\$ 57,381,957	\$ 78,199,524
Unreserved reported in:					
Special revenue funds	\$ 25,522,271	\$ 22,674,822	\$ 26,911,919	\$ 38,795,673	\$ 42,728,336
Debt service funds	3,406,977	3,992,483	-	-	-
Capital projects funds	32,575,154	26,749,226	151,940,533	149,976,227	256,465,833
Total all other governmental funds	<u>\$ 117,345,806</u>	<u>\$ 107,946,557</u>	<u>\$ 241,858,743</u>	<u>\$ 246,153,857</u>	<u>\$ 377,393,693</u>

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City of Albuquerque, New Mexico
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands of dollars)

Schedule 5

	1999	2000	2001	2002
Revenues				
Taxes	\$ 195,694	\$ 201,300	\$ 228,910	\$ 218,303
Licenses, fees and permits	9,537	9,542	10,275	10,396
Fines and penalties	1,035	352	458	669
Charges for services	42,499	40,903	44,132	43,745
Municipal development	1,251	3,412	4,823	10,277
Intergovernmental	214,533	195,209	209,617	209,422
Interest earnings	12,047	13,573	20,504	10,411
Other revenues	14,601	12,023	11,592	11,520
Total revenues	491,197	476,314	530,311	514,743
Expenditures				
General government	49,917	51,967	52,359	53,055
Public safety	144,965	154,464	165,804	172,368
Cultural and recreation	50,152	50,533	54,248	53,316
Public works/Municipal development	18,967	17,261	15,385	11,277
Housing and community development	37,321	17,523	21,352	21,463
Health and human services	57,344	61,025	62,654	60,943
Capital outlay	81,323	103,225	140,853	110,038
Debt service				
Principal	65,182	60,023	95,325	60,058
Interest				14,829
Fees and other charges				2,764
Total expenditures	505,171	516,021	607,980	560,111
Excess of revenues under expenditures	(13,974)	(39,707)	(77,669)	(45,368)
Other Financing Sources/(Uses)				
Proceeds from borrowing	26,940	49,708	68,008	99,103
Proceeds from refunding	77,601	-	-	-
Payments to escrow agent	(76,691)	-	-	-
Transfers in	38,839	38,672	43,465	47,096
Transfers out	(53,859)	(52,766)	(63,334)	(68,011)
Total other financing sources/(uses)	12,830	35,614	48,139	78,188
Net change in fund balances	\$ (1,144)	\$ (4,093)	\$ (29,530)	\$ 32,820
Debt service as a percentage of noncapital expenditures	15.38%	14.54%	20.41%	17.25%

Note: Prior to 2002 debt service expenditures were not reported as principal or interest, therefore a breakdown is not available.

Note: Expenditures in FY2006 and FY2007 were changed to agree to the final Statement of Revenues, Expenditures, and Changes in Fund Balance Go

City of Albuquerque, New Mexico
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands of dollars)

Schedule 5

Fiscal Years						
2003	2004	2005	2006	2007	2008	
\$ 232,317	\$ 252,644	\$ 289,570	\$ 323,403	\$ 336,354	\$ 339,487	
14,436	16,026	17,801	17,768	16,027	13,455	
715	901	1,157	1,374	10,719	13,341	
45,683	51,428	51,414	54,219	47,381	47,932	
7,163	5,871	5,148	3,818	2,429	1,926	
216,174	229,799	251,326	272,027	269,415	277,794	
7,946	4,082	12,297	10,390	15,667	15,940	
15,709	15,056	11,263	23,757	28,612	25,777	
<u>540,143</u>	<u>575,807</u>	<u>639,976</u>	<u>706,756</u>	<u>726,604</u>	<u>735,652</u>	
54,193	67,988	68,849	71,552	97,887	90,803	
178,933	191,486	216,212	228,853	189,609	214,301	
52,891	8,208	63,385	68,451	68,479	71,449	
6,385	54,925	9,190	30,817	34,230	36,831	
22,074	17,292	21,765	3,074	5,330	6,366	
61,230	59,237	65,940	65,971	69,390	71,627	
112,738	132,615	174,569	181,778	168,185	139,951	
44,764	67,896	95,492	84,621	80,400	78,752	
13,582	14,781	13,907	17,744	15,785	15,796	
1,427	2,085	2,306	889	924	1,335	
<u>548,217</u>	<u>616,513</u>	<u>731,615</u>	<u>753,750</u>	<u>730,219</u>	<u>727,211</u>	
(8,074)	(40,706)	(91,639)	(46,994)	(3,615)	8,441	
16,522	149,719	133,350	37,000	36,000	131,249	
-	-	61,147	-	-	16,655	
-	-	(61,023)	-	-	(16,183)	
51,176	48,713	54,088	60,167	50,785	49,658	
<u>(66,850)</u>	<u>(74,143)</u>	<u>(79,753)</u>	<u>(93,244)</u>	<u>(81,579)</u>	<u>(84,541)</u>	
<u>848</u>	<u>124,289</u>	<u>107,809</u>	<u>3,923</u>	<u>5,206</u>	<u>96,838</u>	
\$ <u>(7,226)</u>	\$ <u>83,583</u>	\$ <u>16,170</u>	\$ <u>(43,071)</u>	\$ <u>1,591</u>	\$ <u>105,279</u>	
13.73%	17.52%	20.05%	18.05%	17.28%	16.33%	

Government Funds

City of Albuquerque, New Mexico
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property		Other Property		Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Centrally Assessed	Personal Livestock	Residential Property	Commercial Property				
1999	3,935,196,924	2,036,146,299	263,165,055	394,438,139	(222,877,796)	(749,174,066)	5,656,894,555	11.357	19,906,745,997	28.42%
2000	4,770,611,719	2,777,089,571	281,059,652	392,176,789	(230,337,445)	(1,134,317,568)	6,856,282,718	11.080	24,687,500,694	27.77%
2001	4,889,334,382	2,656,130,415	310,904,220	403,869,906	(232,987,561)	(1,126,355,395)	6,900,895,967	11.166	24,805,522,291	27.82%
2002	5,268,673,417	2,732,952,651	347,857,674	413,820,240	(241,603,430)	(1,102,570,602)	7,419,129,950	11.161	26,316,228,174	28.19%
2003	5,327,999,929	2,679,078,770	361,189,032	378,159,626	(249,209,374)	(1,077,788,203)	7,619,420,780	11.153	26,866,121,192	28.36%
2004	5,779,478,341	2,764,775,655	332,740,564	419,066,231	(290,547,121)	(1,121,680,068)	7,883,833,602	11.154	27,916,098,471	28.24%
2005	6,182,702,442	2,883,663,171	314,998,373	387,884,498	(324,693,906)	(1,159,063,422)	8,285,493,156	11.149	29,337,088,541	28.24%
2006	6,645,055,388	3,490,233,530	324,655,661	380,585,156	(354,473,556)	(1,178,475,587)	9,307,580,592	11.080	32,554,143,348	28.59%
2007	7,269,163,333	3,455,322,706	342,401,308	382,554,459	(375,626,598)	(1,215,646,430)	9,858,168,778	11.148	34,382,708,126	28.67%
2008	8,012,863,525	4,041,061,548	367,219,331	434,366,502	(392,119,005)	(1,516,627,863)	10,949,766,038	11.113	38,614,152,871	28.36%

Source: Bernalillo County Abstract of Property Reported For Taxation

Note: Bernalillo County assesses property at 33.3% of assessed valuation in accordance with Sections 7-37-7 and 7-37-7.1 NMSA 1978. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

- (1) Weighted average of residential rate and non-residential (commercial) rate based on percentage of each type to total assessed value.
- (2) Residential exemptions are Head of Household (\$2,000) and Veteran (\$4,000) and low income/age (65 years old with less than \$18,500 in income).
- (3) Non-residential exemptions are granted for agriculture property and for Industrial and Municipal Revenue Bonds.

**City of Albuquerque, New Mexico
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy (1)
1999	64,063,064	59,698,737	93.19%	(2)	(2)	(2)
2000	73,991,401	59,460,369	80.36%	\$14,405,844	\$73,866,213	99.83%
2001	76,698,781	70,662,827	92.13%	5,766,474	76,429,301	99.65%
2002	81,970,773	78,096,507	95.27%	3,575,227	81,671,734	99.64%
2003	85,059,627	81,327,454	95.61%	3,378,905	84,706,359	99.58%
2004	87,872,587	84,534,872	96.20%	2,910,509	87,445,381	99.51%
2005	92,507,491	89,148,702	96.37%	2,340,605	91,489,307	98.90%
2006	102,290,447	99,100,903	96.88%	3,210,398	102,311,300	100.02%
2007	109,792,820	106,845,546	97.32%	2,374,766	109,220,312	99.48%
2008	121,750,532	117,075,560	96.16%	4,107,019	121,182,579	99.53%

Source: Bernalillo County Treasurer's Reports for the Year ended June 30 and Bernalillo County Tax Calculation Certification by tax year.

(1) Percentage of Levy collected to date is based on the revised taxes levied for each fiscal year based on adjustments made to the property tax rolls by the Bernalillo County Assessor's Office.

(2) In fiscal year 2000, Bernalillo County implemented a new property tax assessment and collection software system. Current total collections to date information is not available by tax year for fiscal year 1999.

City of Albuquerque, New Mexico
Taxable Sales by Category
Current Year and Nine Years Ago

Schedule 8

	1999			2008		
	Tax Remitter	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank
All Other Sectors	\$ 3,968,833,492	1	39.38%	\$ 5,897,260,474	2	38.92%
Retail Trade	3,963,137,971	2	39.32%	6,348,565,375	1	41.89%
Construction	1,001,379,561	3	9.93%	1,563,993,363	3	10.32%
Wholesale Trade	535,577,392	4	5.31%	664,259,249	4	4.38%
Manufacturing	324,194,181	5	3.22%	311,803,301	6	2.06%
Finances, Insurance and Real Estate	286,259,751	6	2.84%	368,778,970	5	2.43%
Total Taxable Gross Receipts	\$ 10,079,382,348		100%	\$ 15,154,660,732		100%

City of Albuquerque, New Mexico
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy(1)		City	Bernalillo County	State of New Mexico	Schools	Central NM Community College(2)	Flood Control Authority		Hospital	Conservancy District
	1999	2000						Authority	Hospital		
1999	48.132	11.362	11.362	9.070	1.347	11.888	2.935	1.050	4.565	5.915	
2000	46.752	11.357	11.357	9.066	1.438	11.013	2.945	1.050	4.103	5.780	
2001	42.499	11.080	11.080	8.270	1.482	8.505	2.578	0.939	4.016	5.629	
2002	43.701	11.166	11.166	8.558	1.529	8.527	3.179	0.962	4.184	5.596	
2003	45.571	11.161	11.161	8.635	1.765	8.503	2.628	0.943	6.500	5.436	
2004	44.701	11.153	11.153	8.532	1.123	7.883	3.174	0.937	6.500	5.399	
2005	46.668	11.154	11.154	9.549	1.520	8.497	3.175	0.936	6.500	5.337	
2006	46.160	11.149	11.149	9.536	1.028	8.493	3.174	0.934	6.500	5.346	
2007	44.367	11.080	11.080	8.369	1.234	8.415	3.069	0.920	6.317	4.963	
2008	44.766	11.148	11.148	8.575	1.291	8.489	3.184	0.936	6.487	4.655	

Source: Bernalillo County Treasurer's Office

(1) Weighted average residential and non-residential property.

(2) Previously Technical Vocational Institute

City of Albuquerque, New Mexico
Direct and Overlapping Gross Receipts (Sales) Tax Rates
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Tax Rate Imposed on City Residents by:				Total Rate in City	Effective City Rate ³
	State	Less: State Credit	City	County		
1999						
7/1/98-12/31/98	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1/1/99-6/30/99	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2000						
7/1/99-12/31/99	5.0000	(0.5000)	0.8125	0.2500	5.5625	2.0375
1/1/00-6/30/00	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2001						
7/1/00-12/31/00	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1/1/01-6/30/01	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2002						
7/1/01-12/31/01	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1/1/02-6/30/02	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2003						
7/1/02-12/31/02	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1/1/03-6/30/03	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2004						
7/1/03-12/31/03	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1/1/04-6/30/04	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2005						
7/1/04-12/31/04	5.0000	(0.5000)	1.3125	0.2500	6.0625	2.5375
1/1/05-6/30/05	5.0000	--	1.3125	0.4375	6.7500	2.5375
2006						
7/1/05-12/31/05	5.0000	--	1.3125	0.4375	6.7500	2.5375
1/1/06-6/30/06	5.0000	--	1.3125	0.4375	6.7500	2.5375
2007						
7/1/06-12/31/06	5.0000	--	1.3125	0.5625	6.8750	2.5375
1/1/07-6/30/07	5.0000	--	1.1875	0.6875	6.8750	2.4125
2008						
7/1/07-12/31/07	5.0000	--	1.1875	0.6875	6.8750	2.4125
1/1/08-6/30/08	5.0000	--	1.1875	0.6875	6.8750	2.4125

Source: New Mexico Taxation & Revenue Department

Notes:

1. City and County local option gross receipts tax rates can be changed only on January 1 and July 1 each year.
2. Some County local option gross receipts tax rates can be imposed County-wide within the City limits.
3. From the state rate, 1.225% of the taxable gross receipts within a municipality is distributed to the municipality.

City of Albuquerque, New Mexico
Principal Property Tax Payers
Current Year and Seven Years Ago

Schedule 11

Name of Taxpayer	2008			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Qwest (US West)	\$ 97,062,812	1	0.886%	\$ 92,792,984	1	1.34%
PNM Electric	91,937,229	2	0.840%	65,419,389	2	0.95%
Southwest Airlines	20,191,079	3	0.184%	20,125,475	4	0.29%
PNM Gas Services	20,176,901	4	0.184%	20,081,828	5	0.29%
Simon Property Group Ltd (Cottonwood Mall)	16,041,762	5	0.147%	17,689,498	7	0.26%
Comcast Cablevision of New Mexico	15,805,635	6	0.144%	-	-	-
Heitman Properties of NM (part of Coronado Shopping Mall)	14,771,490	7	0.135%	18,497,917	6	0.27%
HUB Albuquerque LLC/HRPT Properties	14,261,640	8	0.130%	-	-	-
T-Mobile Texas LP	13,881,352	9	0.127%	-	-	-
Verizon Wireless (VAW) LLC	12,775,431	10	0.117%	-	-	-
AHS Albuquerque Regional Medical Center	12,049,903	11	0.110%	-	-	-
GEB Lobos LLC	10,904,680	12	0.100%	-	-	-
Skywest Airlines, Inc.	10,780,249	13	0.098%	-	-	-
Albuquerque Plaza Office Investment LLC	10,029,330	14	0.092%	-	-	-
Albuquerque Plaza Associates	9,407,793	15	0.086%	-	-	-
Crescent Real Estate (Hyatt Hotel)	-	-	-	20,904,443	3	0.30%
AT&T Communications	-	-	-	15,518,310	8	0.22%
Southwestco Wireless	-	-	-	12,808,309	9	0.19%
Winrock Property (Winrock Mall)	-	-	-	12,406,360	10	0.18%
Total	\$ 370,077,286		3.380%	\$ 296,244,513		4.29%
Total taxable valuation	10,949,766,038			6,900,895,967		4.29%

Sources: Bernalillo County Treasurer's Office

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
Ratios of Outstanding Debt of the
Primary Government to Personal Income and Population
Last Seven Fiscal Years

Fiscal Year	<u>Governmental Activities</u>			<u>Business Type Activities</u>			
	General Obligation Bonds	Sales Tax Bonds	Special Assessment Bonds	Airport Revenue Bonds	Refuse Revenue Bonds/Notes	Transit Loan	Non-Major Bonds/Notes
2002	\$ 160,055,000	\$ 140,580,349	\$ 18,051,511	\$ 225,335,000	\$ 33,635,000	\$ -	\$ 27,895,000
2003	160,055,000	156,478,688	13,421,510	211,750,000	33,635,000	-	55,975,000
2004	262,605,000	153,172,800	16,680,492	233,660,000	30,795,000	-	54,675,000
2005	296,560,917	147,252,116	12,655,943	226,030,000	27,820,000	-	53,504,263
2006	276,205,000	141,556,299	7,674,819	216,220,000	24,710,000	-	50,417,914
2007	235,765,000	137,405,000	5,413,784	205,070,000	26,180,627	20,000,000	49,199,311
2008	292,620,000	130,900,000	3,738,005	210,865,000	24,822,636	19,076,252	44,403,086

Fiscal Year	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	Population (2)	Personal Income (3) (in billions)
2002	\$ 605,551,860	2.91%	1,298	466,419	\$20,793,000,000
2003	631,315,198	2.96%	1,328	475,447	21,311,000,000
2004	751,588,292	3.37%	1,544	486,676	22,279,000,000
2005	763,823,239	3.20%	1,532	498,716	23,857,000,000
2006	716,784,032	2.78%	1,407	509,621	25,814,000,000
2007	679,033,722	2.45%	1,310	518,271	27,679,000,000
2008	726,424,979	2.49%	1,378	527,082	29,188,000,000

(1) Population and personal income data used to calculate Per Capita and % of Personal Income are from Bureau of Business & Economic Research, UNM (BBER).
 (2) 2007 Population is an estimate based on a BBER projected annual growth rate of 1.2%.
 (3) FY 2006 and FY 2007 personal income amount is from BBER forecast for the Albuquerque MSA.

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
Ratios of General Bonded Debt Outstanding
to Taxable Value of Property and Population
Last Ten Fiscal Years

Schedule 13

<u>Fiscal Year</u>	<u>General Obligation Bonds Outstanding</u>	<u>Actual Taxable Value</u>	<u>Percentage of Actual Taxable Value of Property to Bonds Outstanding</u>	<u>G.O. Bonds Per Capita</u>	<u>Population (1)</u>
1999	\$ 152,825,000	\$ 5,656,894,555	2.70%	\$ 362.67	421,384
2000	144,144,636	6,856,282,717	2.10%	320.06	450,372
2001	117,440,000	6,900,700,986	1.70%	257.63	455,848
2002	209,865,000	7,419,129,910	2.83%	449.95	466,419
2003	160,055,000	7,619,420,780	2.10%	336.64	475,447
2004	262,605,000	7,883,833,602	3.33%	539.59	486,676
2005	296,555,000	8,285,493,156	3.58%	594.64	498,716
2006	276,205,000	9,307,580,592	2.97%	541.98	509,621
2007	235,765,000	9,858,168,778	2.39%	454.91	518,271
2008	292,620,000	10,949,766,038	2.67%	555.17	527,082

(1) Population data used to calculate Per Capita is from Bureau of Business & Economic Research, UNM (BBER).

City of Albuquerque, New Mexico
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

<u>Governmental Agency</u>	<u>G.O. Debt</u>	<u>Tax Year 2007 Assessed Valuation</u>	<u>Percent Applicable to City</u>	<u>Net Overlapping</u>
City of Albuquerque	\$205,054,417	\$10,949,766,038	100.00%	\$205,054,417
Albuquerque Public Schools	238,180,000	13,182,532,511	83.06%	197,838,714
Albuquerque Metropolitan Arroyo Flood Control Authority	32,000,000	12,672,275,357	86.41%	27,650,324
Central New Mexico Community College	29,050,000	13,115,229,736	83.49%	24,253,537
Bernalillo County	98,835,000	13,191,112,431	83.01%	82,041,612
State of New Mexico	309,900,000	46,914,958,823	23.34%	72,329,436
Total Direct & Overlapping General Obligation (G.O.) Bond Debt				<u><u>\$609,168,040</u></u>
Gross G.O. Bonded Debt (includes general purpose & water, sewer, & stormsewer)				<u>\$292,620,000</u>
Less G.O. Sinking Fund June 30, 2008 Balance				<u>(87,565,583)</u>
Net G.O. Bonded Debt				<u><u>\$205,054,417</u></u>

**City of Albuquerque, New Mexico
Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Years			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2003</u>
Debt Limit	\$ 226,276,000	\$ 274,251,000	\$ 276,026,000	\$ 304,953,000
Total net debt applicable to limit	123,476,000	179,481,000	205,241,000	127,140,000
Legal Debt Margin	\$ 102,800,000	\$ 94,770,000	\$ 70,785,000	\$ 169,625,196
Total net debt applicable to the limite as a percentage of debt limit	55%	65%	74%	43%

	Fiscal Years			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 315,502,000	\$ 331,571,000	\$ 372,303,224	\$ 394,326,751
Total net debt applicable to limit	214,995,000	238,375,917	223,770,000	266,936,751
Legal Debt Margin	\$ 100,507,000	\$ 93,195,083	\$ 148,533,224	\$ 127,390,000
Total net debt applicable to the limite as a percentage of debt limit	68%	72%	60%	68%

Legal Debt Margin Calculation for Fiscal Year 2008:

Assessed Value	\$ 10,949,766,038
Debt Limit (1)	437,990,642
Debt applicable to limit: General Obligation Bonds - General Purpose Only	246,435,000
Legal debt margin	\$ 191,555,642

(1) The State of New Mexico limits the amount of general purpose obligation indebtedness of the City to 4% of the assessed value of taxable property within the City.

City of Albuquerque, New Mexico
 Pledged-Revenue Coverage
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	<u>Airport Bonds</u>				<u>Refuse Bonds</u>					
	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>	<u>Coverage</u>	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>	<u>Coverage</u>
1999	54,827	16,109	38,718	17,799	2.18	33,960	26,262	7,698	3,917	1.97
2000	55,439	17,036	38,403	17,244	2.23	35,943	27,090	8,853	3,910	2.26
2001	58,011	20,136	37,875	21,261	1.78	38,997	28,465	10,532	3,913	2.69
2002	59,494	21,437	38,057	14,840	2.56	39,191	29,638	9,553	4,496	2.12
2003	59,604	22,059	37,545	18,940	2.01	41,001	31,166	9,835	4,326	2.27
2004	60,891	24,288	36,603	16,091	2.30	43,521	33,263	10,258	4,390	2.34
2005	64,287	24,616	39,671	18,750	2.14	44,888	34,227	10,661	5,122	2.08
2006	66,397	25,600	40,797	21,166	1.96	48,144	28,805	19,339	5,134	3.77
2007	67,969	27,618	40,351	25,257	1.63	54,143	42,013	12,130	5,131	2.36
2008	75,256	29,846	45,410	25,875	1.78	57,088	46,595	10,493	5,090	2.06

Fiscal Year	<u>Sales Tax Revenue Bonds</u>				<u>Golf Course Revenue Bonds</u>					
	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>	<u>Coverage</u>	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>	<u>Coverage</u>
1999	154,817		154,817	14,625	10.59	NA	NA	NA	NA	NA
2000	161,941		161,941	9,883	16.39	NA	NA	NA	NA	NA
2001	168,269		168,269	10,226	16.46	NA	NA	NA	NA	NA
2002	169,909		169,909	8,920	19.05	\$4,111	\$3,621	\$490	\$343	1.43
2003	177,634		177,634	9,802	18.12	3,980	3,435	545	347	1.57
2004	193,783		193,783	9,549	20.29	3,820	3,594	226	345	0.66
2005	201,610		201,610	10,658	18.92	3,938	3,499	439	348	1.26
2006	216,205		216,205	11,764	18.38	4,234	3,485	749	348	2.15
2007	234,161		234,161	13,105	17.87	3,979	4,001	(22)	344	(0.06)
2008	234,503		234,503	10,226	22.93	4,285	4,143	142	343	0.41

The City has issued the above revenue bonds in the past, where the City pledges income derived from certain assets or operating income to pay debt service.

City of Albuquerque, New Mexico
Principal Employers
Current Year and Nine Years Ago

Employer	2008			1999			Percentage of Total Albuquerque MSA Employment
	Employees	Rank	Percentage of Total Albuquerque MSA Employment	Employees	Rank	Percentage of Total Albuquerque MSA Employment	
University of New Mexico	15,435	1	3.80%	17,500	1	5.42%	
Albuquerque Public Schools	14,000	2	3.45%	7,207	2	2.23%	
Kirtland Air Force Base (Civilian)	8,640	3	2.13%	6,600	3	2.04%	
Sandia National Labs	7,720	4	1.90%	6,553	4	2.03%	
Presbyterian	7,315	5	1.80%	5,800	5	1.80%	
City of Albuquerque	6,342	6	1.56%	5,468	6	1.69%	
State of New Mexico	5,490	7	1.35%	5,200	7	1.61%	
Kirtland Air Force Base (Military Active Duty)	5,100	9	1.26%	4,139	8	1.28%	
Lovelace	3,400	8	0.84%	3,600	9	1.11%	
Intel Corporation	3,300	10	0.81%	3,225	10	1.00%	
Total	76,742		18.90%	65,292		20.21%	

Source: Albuquerque Economic Development, Sandia National Labs, City of Albuquerque Annual Information Statement 1998, and NM Department of Labor

City of Albuquerque, New Mexico
Economic Statistics
Last Ten Fiscal Years

Schedule 18

(1)

Fiscal Year	City of Albuquerque		Metropolitan Statistical Area					Average		Unemployment Rate*
	Population	MSA Population	Personal Income Billions \$(3)	Personal Income(2)	Civilian Labor Force	Civilian Employment	Wage/Salary Per Job			
1999	421,384	706,262	17.336	24,546	371,115	354,894	28,432	28,432	4.4%	
2000	450,372	731,717	18.264	24,960	372,306	357,484	29,836	29,836	4.0%	
2001	455,848	739,593	19.909	26,919	374,600	359,375	31,088	31,088	4.1%	
2002	466,419	753,834	20.793	27,583	375,725	357,817	31,989	31,989	4.8%	
2003	475,447	766,268	21.311	27,811	378,128	358,021	33,024	33,024	5.3%	
2004	486,676	780,937	22.279	28,529	381,897	360,884	34,163	34,163	5.5%	
2005	498,716	798,558	23.857	29,875	389,003	368,649	35,425	35,425	5.2%	
2006	509,621	817,794	25.814	31,565	397,947	380,099	36,712	36,712	4.5%	
2007	518,271	835,120	(1)	33,144	405,756	390,917	NA	NA	3.7%	
2008	527,082	(1)	29.188	34,032	408,867	394,423	NA	NA	3.5%	

Sources:

Income and wage/salary from Bureau of Economic Analysis-except where noted
Population from Census Bureau
Average Wage/Salary per Job- from Bureau of Business and Economic Research University of New Mexico, BBBER.

* Albuquerque Metropolitan Statistical Area. Includes Bernalillo, Sandoval, and Valencia counties prior to 2004. As of 2004, it also includes Torrance County.
(1) Based on growth in Fiscal Year 2007 of 1.7% for the City and 2.7% for the MSA
(2) Calculated: Personal income divided by MSA population.
(3) Personal Income for Fiscal Years 2007 and 2008 is estimated by BBBER

NA - Not Available

**City of Albuquerque, New Mexico
Demographic Statistics**

Schedule 19

<u>Education (1)</u>	<u>Number</u>	<u>Percent</u>
Adequate Yearly Progress and Designations Under No Child Left Behind		
Total number of schools that made Adequate Yearly Progress	808	100.0%
Elementary Schools (includes K-5, K-6, K-8)	262	32.4%
Middle Schools	45	5.6%
High Schools	61	7.5%
Total number of schools that did not make Adequate Yearly Progress		
Elementary Schools (includes K-5, K-6, K-8)	201	24.9%
Middle Schools	120	14.9%
High Schools	119	14.7%

<u>School Enrollment (1)</u>	<u>Enrollment</u>	
Person enrolled in school	159,463	100.00%
Elementary schools (including Kindergarten)	46,680	29.27%
Mid-high schools	21,013	13.18%
High schools	28,272	17.73%
Private, alternative, and parochial schools	14,015	8.79%
Community College of New Mexico	23,607	14.80%
University of New Mexico	25,876	16.23%
Percent completed High School	4,477	85.57%

<u>Household by Type (3)</u>		
Total households	183,236	100.0%
Family households	112,623	61.5%
with children under 18 years	55,400	30.2%
Married-couple family	79,915	43.6%
with children under 18 years	35,480	19.4%
Female householder, no husband present	23,626	12.9%
with children under 18 years	14,709	8.0%
Nonfamily households	70,613	38.5%
Average household size	2.40	
Average family size	3.02	

<u>Housing Characteristics (2)</u>		
Total housing units	224,495	
Occupied housing units	207,017	92.2%
Owner-occupied housing units	126,854	61.3%
Renter-occupied housing units	80,163	38.7%
Vacant housing units	17,478	7.8%

<u>Medians (2)</u>	
Population age	35.3
Family income	\$55,295
Monthly housing cost - mortgage	\$1,218
Monthly housing cost - renting	\$639

<u>National Comparison of Selected Characteristics (2)</u>	<u>National Rank</u>	
Population living below the poverty level	4	18.5%
Children under 18 years below poverty level	4	25.6%
Households with one or more people under 18	14	34.6%
Population 18 years and older who are veterans	17	12.3%
Population 25 years and older who have completed high school	41	81.5%
Population 25 years and over how have completed a Bachelor's degree	29	25.3%
Percent of People 25 Years and Over Who Have Completed an Advanced Degree	12	10.9%

(1) New Mexico Department of Education

(2) American Community Survey Profile 2006 (U.S. Census Bureau)

(3) U.S. Census Bureau, Census 2000

City of Albuquerque, New Mexico
Full-time Equivalent City Employees by Function/Program
Last Seven Fiscal Years

Schedule 20

Function/Program	Full-time Equivalent Employees as of June 30						
	2002	2003	2004	2005	2006	2007	2008
Animal Welfare	0	0	0	0	0	0	142 (14)
Aviation	254	254	261	260	262	269	275
Chief Administrative Officer Department	78	47	55	57	59	40	35
Convention Center	50	46	37	0 (2)	0	0	0
Council Services	18	18	18	21	21	27	27
Cultural Services	378	375	322	362	390	400	411
Economic Development	0	0	0	0	0	10 (7)	11
Environmental Health	174	171	163	185	196	237	96
Family and Community Services	429	379	369	416	429	428	444
Finance and Administrative Services	330	306	190 (1)	230	328 (4)	343 (8)	343
Fire	602	602	604	665	675	692 (9)	692
Human Resources	42	42	41	41	42	45	45
Legal	71	63	73	77	80	107 (10)	110
Mayor Department	9	9	7	7	7	7	7
Metropolitan Detention Center	494	485	495	510	503	0 (11)	0
Municipal Development	0	0	201 (5)	278	524 (5)	543	541
Office of Internal Audit	11	11	11	12	14	14	14
Parks and Recreation	305	300	285	273	264	296 (12)	297
Planning	143	161	168	182	182	191	191
Police	1,308	1,311	1,330	1,363	1,488	1,566	1,566
Public Works	968	841	792	282 (3)	0 (6)	0	0
Senior Affairs	107	92	92	93	95	99	99
Solid Waste	409	403	405	414	418	432	445
Transit Operations	536	512	476	528	531	589 (13)	591
Total	<u>6,716</u>	<u>6,428</u>	<u>6,395</u>	<u>6,256</u>	<u>6,508</u>	<u>6,335</u>	<u>6,382</u>

- (1) Twenty-nine Capital Implementation Program FTEs, 62 Buildings FTEs, and 20 City/County Building FTEs were transferred to the Municipal Development Category.
- (2) Effective February 1, 2004 management of the Convention Center was awarded to an individual firm and the oversight of the management contract was transferred to the Department of Finance and Administrative Services.
- (3) The New Mexico Legislature adopted legislation creating the Albuquerque Bernalillo County Water Utility Authority (ABWUA). In FY 2005 the City transferred all functions, appropriations, money, records, equipment, property, and personnel to the ABWUA.
- (4) Twenty-nine FTEs were added for the new City 311 call center and 54 Fleet management FTEs were transferred from Public Works to DFAS.
- (5) The Department of Municipal Development was created by the passage of R-03-304 to assure that capital projects would be completed efficiently and in a timely manner.
- (6) The remaining functions of the Public Works Department was transferred to the Municipal Development Department. Public Works is no longer a City Department.
- (7) Economic Development is new department
- (8) Fifteen Finance & Administrative Services FTEs were added for the implementation of the Enterprise Resource Planning (ERP)/E-government system.
- (9) Seventeen Finance & Administrative Services FTEs were added for the implementation of the Enterprise Resource Planning (ERP)/E-government system.
- (10) Ten FTEs from the City Clerk Division moved from CAO's office to Legal
- (11) The operations of the Metropolitan Detention Center were transferred to Bernalillo County
- (12) Parks & Recreation was approved and budgeted additional FTE for new park acreage and medians coming on line, for the new FTE median activity, Abq Golf Training Center that was purchased in FY/07, and for dog parks.
- (13) Fifty-eight FTEs increase expanded Rapid Ride motorcoach and security personnel
- (14) Creation of Animal Welfare Department

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
Operating Indicators by Function/Program
Last Seven Fiscal Years

Schedule 21

Function/Program	Fiscal Years						
	2002	2003	2004	2005	2006	2007	2008
Aviation							
Passengers enplaned/deplaned	6,311,000	6,007,000	6,228,000	6,466,435	6,563,579	6,489,548	6,600,000
Number of flights	122,096	130,475	121,511	124,465	120,150	115,749	130,000
Cultural and Recreation							
Library materials in collection	1,326,008	1,378,532	1,304,108	1,326,486	1,341,547	1,391,687	1,300,000
Library materials borrowed	3,150,628	3,404,772	3,620,494	4,178,204	4,326,904	4,422,245	4,990,000
Library visits	1,587,510	1,767,502	1,705,622	2,089,730	2,154,040	2,324,698	2,590,000
BioPark annual attendance	953,585	957,321	973,407	1,039,513	1,111,893	1,048,067	1,123,000
Explora annual attendance	47,000	60,820	219,378	214,977	190,485	205,055	195,700
Albuquerque Museum attendance	102,460	104,595	170,072	99,473	147,159	112,359	140,000
Park acres maintained	2,359	2,408	2,468	2,514	2,661	2,722	2,776
Open space acres	31,515	26,786	27,513	28,056	28,223	28,373	28,486
Municipal Development							
Street miles maintained	4,058	4,141	4,102	4,118	4,318	4,437	4,450
Street miles resurfaced/crack-seal	300	297	248	303	291	385	285
Potholes repaired	3,000	1,280	2,741	3,528	5,889	3,499	3,500
Curb miles swept	36,000	51,925	19,764	58,471	49,616	51,823	50,000
Facility maintained	128	130	133	145	145	168	172
Facility sq. ft. area maintained (mil.)	1.90	1.94	1.98	2.00	2.00	2.23	2.32
Planning							
Inspections -code compliance	31,165	37,758	35,973	63,933	51,566	52,511	70,000
Inspections - permits	164,079	192,020	201,932	236,052	244,117	182,438	211,140
Business registrations	6,831	6,501	6,683	7,495	5,862	6,979	6,500
Plans reviewed	10,220	11,492	11,803	9,370	7,707	7,416	7,500
Public Safety - Fire							
Emergency responses	65,387	69,170	68,271	69,877	73,242	76,171	76,171
Fires extinguished (residential)	*	*	201	99	136	138	128
Fires extinguished (non-residential)	*	*	191	114	127	115	114
Fires extinguished (wildland)	*	*	36	11	21	6	2
Hazardous materials incidents	863	1,496	1,002	884	952	1,071	1,184
Rescue calls	*	68	43	46	69	74	70
Code enforcement inspections	10,837	11,027	11,135	11,200	11,500	3,662	4,200
Public Safety - Police							
Offense reports processed	124,040	79,009	94,406	111,796	120,565	101,560	102,000
Accident reports processed	31,270	25,736	29,330	33,892	32,556	30,556	32,000
Calls received	*	1,284,531	1,176,022	1,156,696	1,130,979	911,071	1,157,416
Felony arrests	*	*	8,216	10,451	10,501	11,326	10,794
Misdemeanor arrests	*	*	12,195	24,379	19,773	24,179	22,778
Solid Waste							
Refuse collected (tons)	381,548	406,827	423,640	440,541	439,359	452,097	484,964
Recyclables collected (tons)	7,348	12,392	7,046	7,367	9,161	9,750	11,152
Miles litter/weeds cleaned	16,718	17,665	20,014	72,507	80,657	75,317	75,000
Graffiti sites cleaned	19,142	33,367	30,939	33,424	38,230	41,588	40,051
Transit - Bus							
Passenger miles	*	19,621,375	19,631,700	25,046,000	28,300,000	31,163,000	32,000,000
ABQRide ridership	7,435,000	6,834,508	6,863,216	7,249,621	8,450,000	9,386,450	9,500,000

Source: City of Albuquerque Annual Performance Plan.

Note: Some data are based estimated, projected, or preliminary information

* Data not available or information was not captured or recorded in a comparable format.

Note: The City implemented GASB 34 as of Fiscal Year 2002.

City of Albuquerque, New Mexico
Schedule of Capital Assets by Function/Program
 Last Seven Fiscal Years

Schedule 22

Function/Program	Fiscal Years						
	2002	2003	2004	2005	2006	2007	2008
General Government:							
Bus Lines-minibuses	140	140	151	151	144	144	160
Landfill	1	1	1	1	1	1	1
Refuse Convenience Centers	3	3	3	3	3	3	3
Storm sewers (miles)	555	580	610	611	611	612	615
Public Safety:							
Law Enforcement Center	1	1	1	1	1	1	1
Police Area Command Centers	5	5	5	5	5	5	6
Police Substations	11	12	12	12	12	12	12
Fire Stations	23	23	23	23	23	23	23
Highways and Streets:							
Streets maintained (miles)	3,890	4,141	4,102	4,118	4,264	4,437	4,470
ROW acres	*	*	*	*	7,383	7,383	7,383
Bridges (railroad, river, roads)	31	31	31	31	31	31	150
Urban trails (miles)	54	55	59	60	66	126	128
Traffic signals	533	557	565	571	573	586	593
School flashing beacons	112	112	112	112	117	117	278
Storm lift stations	13	14	14	14	14	14	14
Storm drainage bridges	182	192	193	193	193	193	41
Dams/Dentention basin	14	14	14	14	14	14	110
Cultural and Recreation:							
Open space acreage	*	26,786	27,513	28,056	28,223	28,326	28,786
Park acres	*	2,408	2,468	2,514	2,661	2,769	2,776
Playgrounds	*	138	140	143	145	145	171
Baseball/softball parks	7	7	7	7	6	6	6
Golf courses	4	4	4	4	4	4	4
Swimming pools	12	12	12	12	12	12	14
Tennis courts	32	32	32	32	32	36	136
Community centers	24	24	24	24	24	24	24
Museums/Zoos/Cultural Centers	10	10	10	10	10	10	10
Libraries	17	17	17	17	17	17	17

Source: City of Albuquerque Annual Performance Plan, department records and infrastructure records.

Note: Some data are based on estimated, projected, or preliminary information

* Data not available or information was not captured or was not recorded in a comparable format.

SINGLE AUDIT INFORMATION

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CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2007 through June 30, 2008

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures/ Adjustments
			From	To	
<u>U.S. Department of Agriculture</u>					
Pass Through - New Mexico Children and Youth Child and Adult Care Food Program	0278	10.558	10/1/2007	9/30/2008	\$ 282,973
Child and Adult Care Food Program	0278	10.558	10/1/2006	9/30/2007	70,162
					353,135
National School Lunch Program					
Pass Through - New Mexico Children and Youth Summer Food Service Program FY07/08	3037	10.559	10/1/2007	9/30/2008	618,020
Summer Food Service Program FY06/07	3037	10.559	10/1/2006	9/30/2007	581,064
					1,199,084
Total U.S. Department of Agriculture					\$ 1,552,219
<u>U.S. Department of Commerce</u>					
Direct					
Double Eagle II Infrastruct Improvement Construction of a Small Business Incubator	EDA 08-01-03787 08-01-04126	11.300 11.300	12/30/2002 8/1/2006	Completion 8/31/2011	\$ 6,569 1,250,000
Economic Adjustment Assistance					
Direct					
Design Engineering for Mixed-Use incubator	08-79-03999	11.307	7/1/2005	7/31/2010	53,819
Total U.S. Department of Commerce					\$ 1,310,388
<u>U.S. Department of Housing and Urban Development</u>					
Property Improvement Loan Insurance For Improving Existing Structures					
Direct					
Double Eagle II Power and Gas	B-03-SP-NM-0491	14.142	6/1/2003	Completion	\$ -
Community Development Block Grants/Entitlement Grants					
Direct					
Community Develop. Blk Grant 2008	B-08-MC-35-0001	14.218	1/1/2008	Completion	1,119,177
Community Develop. Blk Grant 2007	B-07-MC-35-0001	14.218	1/1/2007	Completion	1,777,134
Community Develop. Blk Grant 2006	B-06-MC-35-0001	14.218	1/1/2006	Completion	1,025,153
Community Develop. Blk Grant 2005	B-05-MC-35-0001	14.218	1/1/2005	Completion	171,479
Community Develop. Blk Grant 2004	B-04-MC-35-0001	14.218	1/1/2004	Completion	1,248,713
					5,341,656
Emergency Shelter Grants Program					
Direct					
Emergency Shelter Grant Program	S-08-MC-35-0001	14.231	1/1/2008	Completion	-
Emergency Shelter Grant Program	S-07-MC-35-0001	14.231	1/1/2007	Completion	193,286
Emergency Shelter Grant Program	S-06-MC-35-0001	14.231	1/1/2006	Completion	-
					193,286

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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Housing and Urban Development, continued</u>					
Supportive Housing Program					
Direct					
Supportive Housing Program	Admin. Component	14.235	4/10/2007	4/9/2008	22,211
Supportive Housing Program	Admin. Component	14.235	4/10/2008	4/9/2009	4,604
Supportive Housing Program	NM02B700005	14.235	4/10/2008	4/9/2008	128,186
Supportive Housing Program	NM02B700009	14.235	4/10/2008	4/9/2009	60,128
Supportive Housing Program	NM02B600004	14.235	5/1/2007	4/30/2008	187,012
Supportive Housing Program	NM02B600010	14.235	5/1/2007	4/30/2008	698,088
					1,100,229
Shelter Plus Care					
Direct					
Shelter Plus Care	Admin. Component	14.238	5/1/2007	4/30/2008	35,841
Shelter Plus Care	Admin. Component	14.238	5/1/2008	4/30/2009	8,726
Shelter Plus Care	NM02C700018	14.238	5/1/2008	4/30/2009	67,225
Shelter Plus Care	NM02C700019	14.238	5/1/2008	4/30/2009	142,275
Shelter Plus Care	NM02C600017	14.238	5/1/2007	4/30/2008	680,018
Shelter Plus Care	NM02C600018	14.238	5/1/2007	4/30/2008	182,709
					1,116,794
HOME Investment Partnerships Program					
Direct					
Home	M-08-MC-35-0209	14.239	1/1/2008	Completion	-
Home	M-07-MC-35-0209	14.239	1/1/2007	Completion	98,544
Home	M-06-MC-35-0209	14.239	1/1/2006	Completion	875,593
Home	M-05-MC-35-0209	14.239	1/1/2005	Completion	363,136
Home	M-04-MC-35-0209	14.239	1/1/2004	Completion	373,891
Home	M-03-MC-35-0209	14.239	1/1/2003	Completion	15,587
					1,726,751
Section 8 Moderate Rehabilitation					
Single Room Occupancy					
Direct					
Section 8 Moderate Rehabilitation	NM001SR-0004	14.249	7/1/2007	6/30/2008	31,552
<u>Community Development Block Grants/Economic Development Initiative</u>					
Direct					
Economic Development Initiative	B04SPNM0474	14.251	5/27/2005	4/30/2008	497,050
Santa Barbara/Martineztown Learning Cntr	B-05-SP-NM-0542	14.251	5/10/2007	5/10/2012	114,821
					611,871
Public and Indian Housing					
Direct					
Low Rent Operating Subsidy	NM00100408D	14.850	1/1/2008	12/31/2008	1,153,990
Low Rent Operating Subsidy	NM00100407D	14.850	1/1/2007	12/31/2007	945,883
					2,099,873

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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Housing and Urban Development, continued</u>					
Lower Income Housing Assistance Program					
Direct					
Section 8 Moderate Rehabilitation	NM001MR-0002	14.856	7/1/2007	6/30/2008	22,512
Section 8 Moderate Rehabilitation	NM001MR-0003	14.856	7/1/2007	6/30/2008	20,178
					42,690
Resident Opportunity and Supportive Services					
Direct					
Resident OPRT & Self Sufficiency	NM001RFS124A007	14.870	4/30/2008	4/29/2009	29,813
Resident OPRT & Self Sufficiency	NM001RFS102A006	14.870	2/28/2007	2/28/2008	56,692
Resident OPRT & Self Sufficiency	NM001REF0057A005	14.870	4/12/2006	4/10/2009	66,390
					152,895
Section 8 Housing Choice Vouchers					
Direct					
Section 8-Housing Choice Voucher	NM001VO	14.871	7/1/2007	6/30/2008	22,658,860
Section 8-Housing Choice Voucher	NM001DV0001	14.871	7/1/2007	6/30/2008	227,877
					22,886,737
Public Housing Capital Fund					
Direct					
Public Housing Capital Fund Prog.	NM02P00150107	14.872	9/13/2007	9/12/2011	221,422
Public Housing Capital Fund Prog.	NM02P00150103	14.872	8/9/2003	9/16/2007	90,292
Public Housing Capital Fund Prog.	NM02P00150104	14.872	9/14/2004	9/13/2008	512,558
Public Housing Capital Fund Prog.	NM02P00150105	14.872	8/18/2005	8/17/2009	185,325
Public Housing Capital Fund Prog.	NM02P00150106	14.872	7/18/2006	7/17/2010	428,140
Public Housing Capital Fund Prog.	NM02P00150203	14.872	2/13/2004	2/12/2008	30,867
					1,468,604
Total U.S. Department of Housing and Urban Development					\$ 36,772,938
<u>U.S. Department of the Interior</u>					
Water Reclamation and Reuse Program					
Direct					
Alb. Metro Area Water Reclamation	99-FC-40-1050	15.504	6/1/1999	12/31/2009	\$ 113,674
Fish and Wildlife Coordination Act					
Direct					
Habitat Restoration Project	03-FG-40-2091	15.517	37,895	39,903	134,214
Low Impact High Yield	04-EG-40-2255	15.517	38,261	40,086	66,130
Total U.S. Department of the Interior					\$ 314,018

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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Justice</u>					
Direct					
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies		16.0000	7/1/2007	6/30/2008	\$ 364,634
US Marshall's Service		16.0000	10/1/2007	9/30/2008	5,901
US Marshall's Service		16.0000	10/1/2006	9/30/2007	8,821
DEA State and Local Task Force Agreement		16.001	7/1/2007	6/30/2008	34,606
FBI Cost Reimbursement Agreement		16.300	7/1/2007	6/30/2008	16,298
Pass through - New Mexico Children and Youth Juvenile Accountability Block Grant	07-690-700-745	16.523	7/1/2006	6/30/2008	34,945
					465,205
National Institute of Justice Research					
Evaluation and Development					
Direct					
Indian Country Crime Lab Services	2004-RC-CX-K075	16.560	5/1/2004	4/30/2009	-
DNA Backlog Reduction	2006-DN-BX-K061	16.560	10/1/2006	9/30/2008	-
DNA Backlog Reduction	2004-DN-BX-K098	16.560	7/1/2004	9/30/2008	46,179
Forensic Casework DNA Backlog Reduction	2005-DA-BX-K015	16.560	10/1/2005	9/30/2008	7,995
Solving Cold Cases with DNA	2005-DN-BX-K014	16.560	6/1/2005	5/31/2008	12,242
					66,416
Byrne Formula Grant Program					
Pass through - New Mexico Dept. of Public Safety Drug Control and System Improvement	2003-DB-BX-0028	16.579	10/1/2006	9/30/2007	1,505
					1,505
Executive Office for Weed and Seed					
Direct					
Weed and Seed Program (Eastside)	2007-WS-Q7-0233	16.595	10/1/2007	9/30/2008	11,089
Weed and Seed Program (Westside)	2007-WS-Q7-0001	16.595	10/1/2007	9/30/2008	61,597
Weed and Seed Program (Eastside)	2006-WS-Q60138	16.595	10/1/2006	9/30/2007	109,840
Weed and Seed Program (Westside)	2006-WS-Q60139	16.595	10/1/2006	9/30/2007	126,414
					308,940

CITY OF ALBUQUERQUE, NEW MEXICO
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Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Justice, continued</u>					
Bulletproof Vest Partnership Program					
Direct					
Bulletproof Vest Partnership Grant	N/A	16.607	6/1/2004	9/30/2010	-
Bulletproof Vest Partnership Grant	N/A	16.607	6/1/2004	9/30/2009	-
Bulletproof Vest Partnership Grant	N/A	16.607	6/1/2004	9/30/2008	-
					-
Total U.S. Department of Justice					\$ 842,066
U.S. Department of Treasury					
Bureau of Alcohol, Tobacco, Firearms and Explosives					
ATF Project EXILE	06-pho-208-aff	16.012	7/1/2007	6/30/2008	\$ 12,559
Total U.S. Department of Treasury					\$ 12,559
U.S. Department of Justice Programs					
Public Safety Partnerships and Community Policing Grants					
Direct					
COPS-Universal Hiring	98-UL-WX-0071	16.710	9/1/1998	7/31/2006	\$ -
COPS-Technology Grant	2006-CK-WX-0131	16.710	11/22/2005	11/21/2008	296,168
COPS-Methamphetamine Initiative	2007-CK-WX-0235	16.710	9/1/2007	8/31/2009	22,215
					318,383
Gang Resistance Education and Training					
Pass Through					
N.M. Gang Task Force	MOU	16.737	1/7/2008	9/30/2008	-
Edward Byrne Memorial Justice Assistance Grant Program					
Direct					
Edward Byrne Memorial Justice Assistance	2007-DJ-BX-1100	16.738	10/1/2006	9/30/2010	78,013
Edward Byrne Memorial Justice Assistance	2006-DJ-BX-1087	16.738	10/1/2005	9/30/2009	292,535
Edward Byrne Memorial Justice Assistance	2005-DJ-BX-0380	16.738	10/1/2004	9/30/2008	-
					-
Pass Through					
NM Gang & Terrorism Task Force	03-DCSI-NMGTF	16.738	11/1/2006	9/30/2007	13,275
					383,823
Paul Coverdell Forensic Sciences Improvement Grant Program					
Direct					
Paul Coverdell Forensic Science Improvement Grant	2006-DN-BX-0100	16.742	38991	39721	4,552
Paul Coverdell Forensic Science Improvement Grant	2005-DN-BX-0100	16.742	38596	39324	1,040
					-
Pass Through					
Paul Coverdell Forensic Science Improvement Grant	07-PCFSIG-MFSC-FY08	16.742	39356	39721	-
					5,592

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			From	To	
Anti-Gang Initiative					
Pass Through					
Anti-Gang Initiative	07-Anti-Gang-APD-FY08	16.744	39326	39691	2,663
Anti-Gang Initiative	06-Anti-Gang-APD-FY07	16.744	38991	39355	5,261
					<u>7,924</u>
Total U.S. Department of Justice					<u>\$ 715,722</u>
U.S. Department of Transportation					
DEII Access Roadway	STP-4007-3(3)03	20.xxx	3/1/2006	Completion	<u>\$ -</u>
Airport Improvement Program					
Direct					
Terminal Apron	3-35-0003-031-2006	20.106	7/6/2006	Completion	1,643,232
Security Checkpoint	3-35-0003-29	20.106	8/6/2003	Completion	-
DE II Midfield Dev. Phase III	3-35-0002-012-2007	20.106	2004	Completion	66,716
DE II Midfield Dev. Phase II	3-35-0002-010-2004	20.106	2004	Completion	-
DE II Midfield Dev. Phase I	3-35-0002-008-2003	20.106	2004	Completion	-
DE II Runway 17/35 Rehabilitation	3-35-0002-009-2004	20.106	7/19/2004	Completion	-
DE II Runway Assessment	3-35-0002-011-2005	20.106	8/1/2005	Completion	175,977
Taxiway E	3-35-0003-32-2007	20.106	6/1/2007	Completion	3,000,658
Pass Through					
DE II Midfield Dev. Phase III	AEG-06-001	20.106	2004	Completion	1,756
DE II Midfield Dev. Phase I	NMAD-983	20.106	2004	Completion	-
DE II Runway 17/35 Rehabilitation	NMAD 1014	20.106	6/1/2004	Completion	-
DE II Runway Assessment	NMAD995	20.106	8/1/2005	Completion	4,631
					<u>4,892,970</u>
Federal Highway Administration					
Direct					
TCSP - Commuter Rail	TCSE-0012-Q69/92D	20.205	10/1/2001	Completion	-
TCSP - Downtown Wayfinding	TCSE-001-Q69	20.205	9/1/2001	Completion	-
TCSP Uptown	TCSE-015-Q69/92D	20.205	8/15/2001	Completion	-
Federal Highway Administration					
Indirect - State Pass Thru					
Signal Control	CAQ-TPU-7601(9)	20.205	3/14/2000	9/30/2011	359,796
Westside/McMahon	CAQ-HPP-TPU-7601(07) SP-GA-ST-7601(261)	20.205	4/2/1997	6/30/2010	161,531
2nd Street/Montano Rd Improve	TPU-4035(7)07	20.205	2/4/2004	9/30/2010	316,915
North Diversion Channel	CAQ-TPE-7701(39)	20.205	2/1/2000	6/30/2009	500,028
University/Rio Bravo/Mesa Del Sol	STP-TPU-HPP-GRIP-5260 SP-GA-ST-5260(269)	20.205	7/30/2004	6/30/2009	2,707,983
Louisiana Blvd Interchange Public Art	TPE-7601(11)	20.205	10/26/2004	6/30/2008	107,000
Bicycle Lanes/Trails@ Rio Grande Xing	TPU-TPE-040-3(104)155	20.205	2/15/2005	6/30/2009	(8,823)
Bear Canyon Arroyo Trail	CAQ-TPU-7701(51)	20.205	8/20/2004	9/30/2012	(10,294)
Bicycle Travel Demand Management Program	CAQ-7701(43)	20.205	6/12/2002	9/30/2011	179,742
Tea21 Bicycle/Pedestrian Safety	CAQ-771(12) Contr No. 98	20.205	6/20/2005	Completion	34,637

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For the Period of July 1, 2007 through June 30, 2008

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			From	To	
Mid-Block Bicycle/Pedestrian Crossings	TPZ-5096(3)04	20.205	3/17/2006	9/30/2010	232,958
CMAQ Fixed Route Expansion	M00745	20.205	10/1/2007	9/30/2008	668,208
Comanche Rd Bike Lanes	TPU-5016(3)02	20.205	6/11/2007	9/30/2011	645,243
North Diversion Bicycle Lanes/Trails	TPE-TPU-7501(6)	20.205	5/15/2006	9/30/2010	400,000
Rideshare/TDM FY06	MOO464	20.205	7/1/2007	6/30/2008	692,563
					<u>6,987,487</u>
Federal Transit Capital Investment Grants					
Direct					
URICA Phase II	NM-03-0020	20.500*	9/30/1997	Completion	-
Construction-Uptown Transfer Center	NM-03-0021	20.500*	12/3/1998	Completion	-
High Capacity/Rapid Transit Project	NM-03-0025	20.500*	11/23/1999	Completion	-
Solar, Buses, Westside, ATC Depot	NM-03-0029	20.500*	7/1/2001	Completion	330,318
WSTF, Buses, ATC Depot	NM-03-0033	20.500*	3/1/2002	Completion	41,229
CAPITAL	NM-04-0003	20.500*	10/1/2006	Completion	-
					<u>371,547</u>
Federal Transit Formula Grants					
Direct					
Capital (CMAQ) Operating 1996	NM-90-X045	20.507*	7/1/1995	Completion	491,334
Uptown Facility CMAQ	NM-90-X049	20.507*	7/1/1996	Completion	-
Capital Bus Planning	NM-90-X051	20.507*	9/17/1998	Completion	-
Real Estate, Design, Constr. TE	NM-90-X054	20.507*	9/1/2000	Completion	46,108
Construction 3 Facilities, Buses	NM-90-X060	20.507*	7/1/2001	Completion	4,837
WSTF, Buses, Planning, Yale, Park & Ride	NM-90-X065	20.507*	3/1/2002	Completion	12,837,934
ATC Depot, SW Mesa, PNR	NM-90-X073	20.507*	7/12/2005	Completion	-
Buses, Technology, Planning	NM-90-X078	20.507*	10/1/2006	Completion	3,197,033
Southwest Mesa PNR FY07	NM-95-X001	20.507*	9/16/2007	Completion	-
					<u>16,577,246</u>
Job Access Reverse Commute					
Direct					
Job Access	NM-37-X004	20.516	10/1/2001	Completion	159,418
JARC Program Administration	NM-37-X015	20.516	7/1/2006	Completion	-
					<u>159,418</u>

* Tested as Transit cluster

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<u>Grantor Agency and Grant Title</u>	<u>Grant Number-</u>	<u>Federal CFDA</u>	<u>Grant Period</u>		<u>Expenditures /</u>
			<u>From</u>	<u>To</u>	
	<u>Federal or State</u>	<u>Number</u>			<u>Adjustments</u>
New Freedom Program					
Direct					
Planning Program Administration Region 6	NM-57-X0002	20.521	7/1/2006	Completion	-
					-
State and Community Highway Safety					
Pass Through - New Mexico Dept. of Transportation					
Pedestrian Safety	07-PS-03-P2A	20.600	3/30/2007	9/30/2007	3,208
Selective Traffic Enforcement	07-PT-02-002	20.600	10/1/2006	9/30/2007	9,052
					12,260
Pass Through					
Click It or Ticket	06-OP-CT-002	20.602	5/19/2008	6/1/2008	5,365
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons					
Pass Through					
Selective Traffic Enforcement	06-PT-63-002	20.605	10/1/2007	9/30/2008	64,194
					64,194
<u>U.S. Department of Transportation, continued</u>					
Minimum Penalties for repeat Offenders for Driving While Intoxicated					
Pass Through - New Mexico Dept. of Transportation					
Drug Recognition Expert	08-AL-64-P07	20.608	10/1/2007	9/30/2008	35,261
Drug Recognition Expert	07-AL-64-P07	20.608	10/1/2006	9/30/2007	44,936
Operation DWI	08-AL-64-002	20.608	9/1/2007	8/31/2008	143,572
Operation DWI	07-AL-64-002	20.608	10/1/2006	9/30/2007	116,311
Operation DWI	05-AL-64-002	20.608	10/1/2004	9/30/2005	-
Underage Drinking	07-AL-64-P2A	20.608	10/1/2006	9/30/2007	75,273
DWI Drunkbuster Overtime Enforcement	07-AL-64-P34	20.608	2/23/2007	9/30/2007	864
08 APD Traffic Statistician	08-AL-64-P29	20.608	2/22/2008	9/30/2010	-
Traffic Safety Education and Enforcement	08-EE-05-002	20.608	9/1/2007	8/31/2008	9,505
Traffic Safety Education and Enforcement	05-OP-RF-002	20.608	10/1/2006	9/1/2007	51,696
Project Safe Neighborhood	07-PSN-APD-FY08	20.608	9/1/2007	8/31/2008	-
DWI Underage Enforcement Program	08-AL-64-P02	20.608	10/1/2007	9/30/2008	67,491
					544,909

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			<u>From</u>	<u>To</u>	
Safety Belt Performance Grants					
Pass Through - New Mexico Dept. of Transportation					
Sel. Traffic Enforc. (100 Days/Nights of Summer)	08-PT-DS-002	20.609	6/1/2008	9/30/2008	9,885
Sel. Traffic Enforc. (100 Days/Nights of Summer)	07-PT-DS-002	20.609	05/31/2007	9/30/2007	19,101
08 APD Traffic Statistician	08-PT-06-P06	20.609	02/22/2008	9/30/2010	-
					28,986
Total U.S. Department of Transportation					\$ 29,644,382
<u>U.S. Environmental Protection Agency</u>					
Air Pollution Control Program Support					
Direct					
FY08 Air Pollution	A-00615808-2	66.001	10/01/2007	09/30/2008	\$ 569,554
FY07 Air Pollution	A-00615807-2	66.001	10/1/2006	9/30/2007	800,458
					1,370,012
<u>U.S. Environmental Protection Agency-continued</u>					
Surveys, Studies, Investigations and Special Purpose Grants					
Direct					
PM 2.5 Ambient Air Monitoring	PM-96603901-3	66.034	10/1/2005	3/31/2008	285,932
Air Toxics Monitoring	XA-96637901-0	66.034	10/1/2006	6/30/2009	207,792
PM Fine Monitoring	PM-9667801-0	66.034	4/1/2008	3/31/2009	-
					493,724
Brownfields Assessment and Cleanup					
Cooperative Agreements					
Direct					
Brownfields Cleanup Revolving Loan Fund	BL-98667301-2	66.818	10/1/2000	3/31/2008	32,431
Total U.S. Environmental Protection Agency					\$ 1,896,167
<u>U.S. Department of Health and Human Services</u>					
Special Programs for the Aging Title III, Part D					
Disease Prevention and Health Promotion Services					
Pass Through - New Mexico Agency on Aging					
2008 Older American Program/ Title III, Part D	08-624-4000-0001	93.043	7/1/2007	6/30/2008	\$ 28,716
2007 Older American Program/ Title III, Part D	07-624-4000-0001	93.043	7/1/2006	06/30/2007	-
					28,716

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2007 through June 30, 2008

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Health and Human Services, continued</u>					
Special Programs for the Aging Title III, Part B					
Grants for Supportive Services and Senior Centers					
Pass Through - New Mexico Agency on Aging					
2008 Older American Program/ Title III, Part B	08-624-4000-0001	93.044	7/1/2007	6/30/2008	381,929
2007 Older American Program/ Title III, Part B	07-624-4000-0001	93.044	7/1/2006	06/30/2007	-
					381,929
Special Programs for the Aging Title III, Part C					
Nutrition Services					
Pass Through - New Mexico Agency on Aging					
2008 Older American Program/ Title III, Part C	08-624-4000-0001	93.045	7/1/2007	6/30/2008	360,868
2007 Older American Program/ Title III, Part C	07-624-4000-0001	93.045	7/1/2006	6/30/2007	-
Federal Alzheimer's Disease Demonstration	08-624-4000-0008	93.045	7/1/2007	6/30/2008	35,230
Federal Alzheimer's Disease Demonstration	07-624-4000-0008	93.045	7/1/2006	6/30/2007	-
					396,098
<u>U.S. Department of Health and Human Services</u>					
Special Programs for the Aging Title III, Part E					
National Family Caregiver Support					
Pass Through - New Mexico Agency on Aging					
2008 Older American Program/ Title III, Part E	08-624-4000-0001	93.052	7/1/2007	6/30/2008	90,482
2007 Older American Program/ Title III, Part E	07-624-4000-0001	93.052	7/1/2006	6/30/2007	-
					90,482
Nutrition Services Incentive Program					
Pass Through - New Mexico Agency on Aging					
Nutrition Services Incentive Program	08-624-4000-0004	93.053	7/1/2007	6/30/2008	176,291
Nutrition Services Incentive Program	07-624-4000-0004	93.053	7/1/2006	6/30/2007	-
					176,291
Centers for Disease Control and Prevention Investigation and Technical Assistance					
Pass Through - New Mexico Dept. of Health					
CDC Public Health Preparedness,	07/665.0300.0100	93.283	9/1/2006	9/28/2007	174,319
Cities Readiness Initiative					
Head Start					
Direct					
Early Head Start FY 08	06CH7016/06	93.600	7/1/2007	6/30/2008	2,495,590
Early Head Start FY 07	06CH7016/05	93.600	7/1/2006	6/30/2007	-
					2,495,590
Centers for Medicare and Medicaid Services					
Research, Demonstrations and Evaluations					
Pass Through - New Mexico Agency on Aging					
Health Insurance and Benefits Assist	08-624-2000-0001	93.779	7/1/2007	6/30/2008	60,000
Health Insurance and Benefits Assist	07-624-2000-0003	93.779	7/1/2006	6/30/2007	-
					60,000
Total U.S. Department of Health and Human Services					\$ 3,803,425

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2007 through June 30, 2008

<u>Grantor Agency and Grant Title</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures / Adjustments</u>
			<u>From</u>	<u>To</u>	
<u>Corporation for National and Community Services</u>					
Retired and Senior Volunteer Program					
Direct					
Retired Senior Volunteer Prog.	05SRWNM016	94.002	7/1/2005	6/30/2008	\$ 54,623
<u>Corporation for National and Community Services-continued</u>					
Training and Technical Assistance					
Pass Through_New Mexico Dept. of Homeland Security					
EOC Table Top Exercises	2004-GE-T4-0005-ABQ	94.009	1/1/2007	10/30/2007	30,000
Foster Grandparent Program					
Direct					
Foster Grandparent	05SFWNM008	94.011	7/1/2005	6/30/2008	168,610
Senior Companion Program					
Direct					
Senior Companion Program	05SCWNM005	94.016	7/1/2005	6/30/2008	104,272
Total Corporation for National and Community Services					\$ 357,505
<u>Department of Homeland Security</u>					
Direct					
Security Cameras	OTA	97.XXX	8/30/2006	Completion	22,045
<u>State Domestic Preparedness Equipment Support Program</u>					
Pass Through					
FY04 ODP Authorized Equipment Grant	2004-GE-T4-0005-ABQ	97.004**	1/4/2007	6/15/2008	30,290
<u>State and Local Homeland Security Training Program</u>					
Pass Through					
WMD/EID Electronics & Diagnostic Course	2003-MU-T3-0047-ABQ	97.005	8/1/2006	10/31/2007	-
<u>State and Local Homeland Security Exercise Support</u>					
Pass Through					
ABQ Exercise Grant	2006-GE-T6-0046-ABQ	97.006	1/15/2008	5/30/2009	-
<u>Emergency Performance Grants</u>					
Pass Through					
07 Emergency Mgmt Performance	2007-EM-E70035-ABQ	97.042	1/1/2007	12/31/2007	99,450
2007 Firefighters Assistance	EMW-2007-FO-12139	97.044	10/1/2007	9/30/2008	-

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2007 through June 30, 2008

<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>	
Citizen Corps					
Pass Through					
Albuquerque Citizen Corps	2006-GE-T6-0064-CCP-AI	97.053	11/15/2006	6/30/2009	29,297
Albuquerque Citizen Corps	2005-GE-T5-0012-ABQC	97.053	10/31/2005	3/15/2008	5,954
					35,251
Homeland Security Grant Program					
Pass Through					
Homeland Security Grant	2005-GE-T5-0012-ALB	97.067**	11/1/2004	9/30/2008	489,015
National Explosives Detection Canine Team Program					
Direct					
TSA National Explosives Detection Canine Team	HSTS0208HCAN460	97.072	4/1/2008	Present	60,574
TSA National Explosives Detection Canine Team	DTSA20-03-H-00973	97.072	2/15/2002	Present	66,619
					127,193
Law Enforcement Terrorism Prevention Program					
Pass Through					
Law Enforcement Terrorism Prevention Program	2006-GE-T60064-ABQ	97.074	12/1/2006	5/30/2009	559,529
Buffer Zone Protection Plan					
<u>Pass Through</u>					
Homeland Security Buffer Zone	2005-GR-T5-0029-ABQ	97.078	9/11/2006	5/30/2008	49,485
Total Department of Homeland Security					1,412,258
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 78,633,647

** Tested as Homeland Security+A377 cluster

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

NOTE A SIGNIFICANT ACCOUNTING POLICY

The accompanying schedule of federal awards is prepared on the modified accrual basis of accounting. The schedule of federal awards includes expenditures of the City of Albuquerque and the discretely presented component unit--Albuquerque Bernalillo County Water Utility Authority.

NOTE B SUBRECIPIENTS OF GRANT AWARDS

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants			
2008 calendar year grant			
Law Access New Mexico	B-08-MC-35-0001	14.218	\$ 28,900
Greater Albuquerque Housing Partnership	B-08-MC-35-0001	14.218	139,198
Sawmill Community Land Trust	B-08-MC-35-0001	14.218	125,883
American Red Cross	B-08-MC-35-0001	14.218	364,942
Southwest Creations Collaborative	B-08-MC-35-0001	14.218	21,000
Albuq. Healthcare/Homeless Dental	B-08-MC-35-0001	14.218	62,000
Albuq. Healthcare/Homeless Motel Voucher	B-08-MC-35-0001	14.218	18,568
United South Broadway Corp.	B-08-MC-35-0001	14.218	87,832
Barrett Shelter	B-08-MC-35-0001	14.218	12,000
Cuidano Los Ninos	B-08-MC-35-0001	14.218	9,000
Community Dental	B-08-MC-35-0001	14.218	<u>120,000</u>
Total			<u>989,323</u>
2007 calendar year grant			
Law Access New Mexico	B-07-MC-35-0001	14.218	33,104
Greater Albuquerque Housing Partnership	B-07-MC-35-0001	14.218	91,179
Sawmill Community Land Trust	B-07-MC-35-0001	14.218	96,682
American Red Cross	B-07-MC-35-0001	14.218	315,326
Southwest Creations Collaborative	B-07-MC-35-0001	14.218	2,000
United South Broadway Corp.	B-07-MC-35-0001	14.218	<u>104,770</u>
Total			<u>643,061</u>
2006 calendar year grant			
St. Martins Shelter	B-06-MC-35-0001	14.218	92,500
Community Housing Resources	B-06-MC-35-0001	14.218	55,500
Supportive Housing Coalition of NM	B-06-MC-35-0001	14.218	<u>50,000</u>
Total			<u>198,000</u>
Emergency Shelter Grant Program			
2007 calendar year grant			
Barrett Shelter	S-07-MC-350001	14.231	20,000
St. Martins Shelter	S-07-MC-350001	14.231	148,301
Good Shephard	S-07-MC-350001	14.231	63,000
Albuq. Rescue Mission	S-07-MC-350001	14.231	<u>132,886</u>
Total			<u>364,187</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

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>
Supportive Housing Program			
Cuidando Los Ninos	NM02B700009	14.235	60,128
Barrett Shelter	NM02B700005	14.235	7,508
Women's Community Association	NM02B700005	14.235	22,053
Cuidando Los Ninos	NM02B600004	14.235	177,823
Barrett Foundation	NM02B600010	14.235	94,184
Catholic Charities	NM02B600010	14.235	203,111
St. Martin's Hospitality	NM02B600010	14.235	231,713
Women's Community Association	NM02B600010	14.235	251,555
Total			<u>1,048,075</u>
Shelter Plus Care			
Albuquerque Healthcare for the Homeless	NM-02-C700019	14.238	76,963
St. Martin's Hospitality Center	NM-02-C700019	14.238	65,312
Transitional Living Services	NM-02-C700018	14.238	21,876
Albuquerque Healthcare for the Homeless	NM-02-C600017	14.238	391,699
St. Martin's Hospitality Center	NM-02-C600017	14.238	412,555
Transitional Living Services	NM-02-C600018	14.238	203,120
Total			<u>1,171,525</u>
HOME Investment Partnerships Program			
United South Broadway	M-07-MC-35-0209	14.239	28,944
New Life Homes	M-06-MC-35-0209	14.239	200,000
United South Broadway	M-06-MC-35-0209	14.239	50,228
Greater Albuquerque Housing Project	M-06-MC-35-0209	14.239	382,396
Greater Albuquerque Housing Project	M-05-MC-35-0209	14.239	211,596
United South Broadway	M-05-MC-35-0209	14.239	100,658
Sawmill Community Landtrust	M-04-MC-35-0209	14.239	336,219
United South Broadway	M-04-MC-35-0209	14.239	14,970
Sawmill Community Landtrust	M-03-MC-35-0209	14.239	15,587
Total			<u>1,340,598</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 5,754,769</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Justice			
Juvenile Accountability Incentive Block Grants			
Juvenile Accountability Incentive Grant			
Bernalillo County	2004-JB-BX-0035	16.523	\$ 34,945
			<u>34,945</u>
Executive Office for Weed and Seed			
Westside Weed and Seed			
APD, Memorandum of Understanding	2007-WS-Q7-0001	16.595	5,762
Big Brothers Big Sisters of Central NM	2007-WS-Q7-0001	16.595	5,073
Second Judicial	2007-WS-Q7-0001	16.595	3,747
Total			<u>14,582</u>
Eastside Weed & Seed			
APD, Memorandum of Understanding	2007-WS-Q7-0233	16.595	30,782
Nancy Sanchez	2007-WS-Q7-0233	16.595	35,700
Second Judicial	2007-WS-Q7-0233	16.595	3,747
Total			<u>70,229</u>
Executive Office for Weed and Seed			
Westside Weed and Seed			
APD, Memorandum of Understanding	2006-WS-Q6-0139	16.595	27,544
Big Brothers Big Sisters of Central NM	2006-WS-Q6-0139	16.595	978
Second Judicial	2006-WS-Q6-0139	16.595	3,996
UNM Social Research	2006-WS-Q6-0139	16.595	9,994
Total			<u>42,512</u>
Eastside Weed & Seed			
APD, Memorandum of Understanding	2006-WS-Q6-0138	16.595	55,131
Nancy Sanchez	2006-WS-Q6-0138	16.595	14,764
Second Judicial	2006-WS-Q6-0138	16.595	3,996
UNM Social Research	2006-WS-Q6-0138	16.595	9,994
Total			<u>83,885</u>
Edward Byrne Memorial Justice Assistance Grant Program			
Edward Byrne Memorial Justice Assistance			
Bernalillo County Sheriff's Office	2007-DJ-BX-1100	16.738	176,256
Total			<u>176,256</u>
Total U.S. Department of Justice			<u>\$ 422,409</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title III, Part D			
Disease Prevention and Health Promotion Services			
UNM College of Nursing-GEHM Clinic	08-624-4000-0001	93.043	<u>28,716</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title III, Part B, E			
Curtis Graff	08-624-4000-0001	93.044	45,000
Share Your Care-Adult Day Care	08-624-4000-0001	93.044	43,946
Senior Citizens Law Office	08-624-4000-0001	93.044	118,000
Premier Home Healthcare	08-624-4000-0001	93.044	8,351
La Vida Felicidad	08-624-4000-0001	93.044	4,714
Home Instead Senior Care	08-624-4000-0001	93.044	13,491
Addus Healthcare	08-624-4000-0001	93.044	8,170
Jewish Family Services	08-624-4000-0001	93.044	<u>3,704</u>
Total			<u>245,376</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title III, Part D			
Disease Prevention and Health Promotion Services			
UNM College of Nursing-GEHM Clinic	07-624-4000-0001	93.043	<u>4,726</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title III, Part B, E			
Curtis Graff	07-624-4000-0001	93.044	7,500
Share Your Care-Adult Day Care	07-624-4000-0001	93.044	2,798
Senior Citizens Law Office	07-624-4000-0001	93.044	29,948
Premier Home Healthcare	07-624-4000-0001	93.044	1,041
La Vida Felicidad	07-624-4000-0001	93.044	476
Home Instead Senior Care	07-624-4000-0001	93.044	1,009
Addus Healthcare	07-624-4000-0001	93.044	680
Jewish Family Services	07-624-4000-0001	93.044	<u>567</u>
Total			<u>44,019</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

U.S. Department of Health and Human Services				
	Federal Alzheimer's Disease Demonstration			
	Home Instead Senior Care	08-624-4000-0008	93.045	<u>10,385</u>
Head Start				
	Early Head Start FY 06			
	Catholic Charities	06CH7016/06	93.600	173,000
	Cuidando Los Ninos Day Care	06CH7016/06	93.600	<u>222,000</u>
	Total			<u>395,000</u>
	Centers for Medicare and Medicaid Services			
	Research, Demonstrations and Evaluations			
	Health Insurance and Benefits Assistance			
	Senior Citizens Law Office	08-624-2000-0001	93.779	60,000
	Senior Citizens Law Office	07-624-2000-0003	93.779	<u>80,000</u>
	Total			<u>140,000</u>
	Total U.S. Department of Health and Human Services			<u>\$ 868,222</u>
	TOTAL ALL PROGRAMS			<u>\$ 7,045,400</u>

NOTE C NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City discloses non-cash assistance, loans, and loan guarantees. The City considers the non-cash assistance amount to be immaterial and will fully disclose amounts in subsequent years. The reported amount includes new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements. Accordingly, the total expenditures per the Schedule of Expenditures of Federal Awards is adjusted as follows:

Total expenditures per Schedule of Expenditures of Federal Awards		\$ 75,724,944
Loans and loan guarantees:		
Community Development Block Grant	14.218	2,762,887
HOME program	14.239	<u>145,816</u>
Adjusted total expenditures per Schedule of Expenditures of Federal Awards		<u>\$ 78,633,647</u>

CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

	Expenditures		
	Federal	Non-Federal	Total
General Fund	\$ 63,463	\$ 421,605,892	\$ 421,669,355
Special Revenue Funds:			
Community Development	5,838,706	510,177	6,348,883
Operating Grants Fund	16,202,768	15,821,350	32,024,118
Metropolitan Redevelopment Fund	-	441,969	441,969
Law Enforcement Protection	364,634	2,361,574	2,726,208
Culture and Recreation Projects	-	616,860	616,860
Total Special Revenue Funds	<u>22,406,108</u>	<u>19,751,930</u>	<u>42,158,038</u>
Capital Projects Funds:			
Capital Acquisition Fund	7,211,063	109,418,032	116,629,095
Transportation Infrastructure Tax Fund		<u>13,047,112</u>	<u>13,047,112</u>
Total Capital Projects Funds	<u>7,211,063</u>	<u>122,465,144</u>	<u>129,676,207</u>
Enterprise Funds:			
Airport Fund	5,048,777	59,078,240	64,127,017
Transit Fund	17,108,211	31,216,135	48,324,346
Housing Authority Fund	<u>26,682,351</u>	<u>3,909,135</u>	<u>30,591,486</u>
Total Enterprise Funds	<u>48,839,339</u>	<u>94,203,510</u>	<u>143,042,849</u>
Component Unit:			
Water Utility	<u>113,674</u>	<u>163,223,045</u>	<u>163,336,719</u>
 TOTAL	 <u>\$ 78,633,647</u>	 <u>\$ 821,249,521</u>	 <u>\$ 899,883,168</u>

**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 the City Council and
Mr. Hector H. Balderas
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 general fund budgetary comparison of the City of Albuquerque, New Mexico (City) as of and for the year ended June 30, 2008, and have issued our report thereon dated February 9, 2009. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and the respective budgetary comparisons of each non-major governmental fund, major governmental funds, major enterprise funds, non-major enterprise funds and internal service funds as of and for the year ended June 30, 2008, as listed in the table of contents. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 02-21, 05-10, 06-03, 06-11, 06-12, 06-13, 06-16, 07-02, 07-06, 07-08, 07-09, 07-10, 08-01, 08-03, 08-04, 08-05, 08-06, 08-07, 08-08, 08-09, 08-10, 08-11, and 08-16.

The Honorable Martin Chavez, Mayor and
Members of the City Council and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 01-18, 07-05, 07-09, 08-13, 08-14, and 08-15.

We noted certain matters that are required to be reported under *Government Auditing Standards July 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 01-17, 05-12, 05-13, 07-10, 08-02, 08-12, 08-13, and 08-17.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
February 9, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Martin Chavez, Mayor and
Members of the City Council and
Mr. Hector H. Balderas
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, 2008. The City's major federal programs are identified in the summary of auditor's 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 of 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, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 01-18, 06-16, 07-05, 07-09, 08-14, 08-15, and 08-17.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal

Jim Hall, Chair, City Council
Members of the Council, and Max Baker, City Administrator
State of New Mexico – Incorporated City of Los Alamos
Los Alamos, New Mexico 87544, and
Hector H. Balderas, State Auditor

program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 01-18, 06-16, 07-05, 07-09, 08-15, and 08-17 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and applicable federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
February 9, 2009

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X Yes _____ None Reported

Non-compliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) X Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes _____ No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Early Head Start
20.205	Federal Highway Planning Administration
20.507/20.500	Federal Transit Capital Investment Grants
14.850	Low Rent Operating Subsidy
97.067/97.004	Homeland Security

Dollar threshold used to distinguish between type A and type B programs \$ 2,271,748

Auditee qualified as low-risk auditee? X Yes _____ No

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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B. FINDINGS-FINANCIAL STATEMENT AUDIT CITY OF ALBUQUERQUE

02-21 Capital Assets Deletions

Condition. During our testwork of deleted equipment assets and during an observation of assets on the capital asset listing prior to July 1, 2007, we noted the following:

Out of a sample size of 50 disposals tested,

- Sixteen assets with a total historical cost of \$885,995 were disposed of without a surplus/salvage form authorizing the disposal.
- Of the sixteen assets not authorized with a surplus/salvage form, one asset with a historical cost of \$123,800 was documented as being disposed of in 2001, but it remained on the listing until FY 2008.
- Five assets with a total historical cost of \$202,767 that were purchased in FY 2008 were erroneously removed from the capital asset listing in FY 2008.

Out of a sample of 15 assets observed on the listing prior to July 1, 2007,

- We were unable to verify the existence of three assets on the listing with a historical cost of \$16,541. All three assets were fully depreciated in a prior year.

Criteria. The City's policies and procedures require the departments to submit a salvage form to the accounting department prior to removing the asset from the general ledger. The departments are also required to keep track of capital asset disposals and report back to the accounting department on a yearly basis. Additionally, an annual fixed asset inventory should be performed in accordance with Section 12-6-10, NMSA 1978.

Effect. Without proper authorization and recording of fixed asset deletions, the City's risk of asset misappropriation increases. There is also potential for the overstatement of assets that no longer exist and remain on the listing.

Cause. The retention of documents is maintained in a number of departments and locations. Employee turnover and the lack of knowledge of employees responsible for such document retention have also contributed to improper record retention. Departments are not consistently reviewing the capital asset listing on a yearly basis to verify existence.

CITY OF ALBUQUERQUE
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Recommendation. To maintain adequate accountability, the City should obtain and retain proper authorization prior to disposing of assets. We recommend that the policies for proper accounting of capital assets be conveyed to all city employees with the responsibility of accounting for capital asset deletions. Additional training may be necessary to ensure proper procedures are understood and followed. When feasible, City accounting should perform physical observation of assets throughout the year in departments that do not consistently review their capital asset listing.

Management Response. The City concurs with this finding. In FY08, the City began disposing of some assets on a governmental auction website which includes controls to ensure that disposal information is provided to the City Accounting Division. The City will provide additional training to the City's property disposal officers at their next meeting to ensure that Departments retain supporting documentation related to the disposal of capital inventory and other adjustments and that this information is forwarded to the Accounting Division.

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05-10 Outstanding Fines and Service Fees

Condition. During our Testwork of False Alarm Service Fees accounts receivable, we noted approximately 82% of receivables are greater than 90 days past due and only minimal, if any, collection efforts have been made. In addition, during our testwork of Red Light Camera accounts receivable, we noted 22,014 red light violations and 44,016 fixed speed violations that were greater than 100 days since the violation and minimal collection efforts have been made.

Criteria. Administrative Instruction No. 2-2 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.

Effect. The City is non-compliance with Administrative Instruction No. 2-2 and possible overstatement of accounts receivable. Additionally, there are funds that belong to the City, and that are supposed to be used to provide services to its citizens, that are not being actively sought after.

Cause. False alarm fees are not considered to be a significant part of the police department and, therefore, efforts in this area have been limited. In addition, due to the contract with a third party for the red light violations, the City has relied on the third party to collect the fees.

Recommendation. In order to collect more funds that are due to the City, we recommend City allocate more resources to pursue their old accounts receivable balances in these programs.

Management Response. The City concurs that the City should follow all Ordinances and Administrative Instructions. Additional efforts will be made to collect all valid account receivables.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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05-13 Audit Report Due Date

Condition. The report was not submitted by the due date. It was received by the New Mexico Office of the State Auditor on February 10, 2009.

Criteria. Per section 2.2.2.9A (1) (d) NMAC Audit Rule 2008, 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.

Effect. The City is not in compliance with the New Mexico State Auditor Rule. Also, late audit reports may affect the City's bond ratings, thereby making it more expensive for the City to issue debt.

Cause. The implementation of GASB 45 was one of the causes for the delay. The City hired an actuary to assist in the recording of the City's obligation and there were some delays in obtaining the information from the actuary. Also, Accounting needed extra time to identify the excess fund balance in the Operating Grants fund.

Recommendation. The City should work to resolve these issues quickly so they do not cause any more delays.

Management Response. The City concurs with this finding and is taking actions to prevent this situation in the future.

CITY OF ALBUQUERQUE
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06-03 Pet Licensing Revenues

Condition. There was a variance of \$16,768 in the calculation of revenue to be transferred into Fund 243 from Fund 110 between the actual number of licenses sold per PetData and what had been recorded as revenues in the fund during the year.

Criteria. The HEART Ordinance requires 60% of net License and Permit fees collected under the HEART Ordinance to be deposited into the HEART Ordinance Fund. This fund is to be used exclusively to programs for the free micro-chipping and free spaying and neutering of companion animals.

Effect. It is possible that the third party vendor could withhold revenues and that individuals purchasing licenses could not receive corresponding tags. Revenues may not be transferred to the HEART Fund in accordance with the Ordinance requirements.

Cause. The City has contracted with a third party vendor to perform functions related to processing licenses for pet owners. The vendor, Pet Data, in addition to providing licenses, collects and submits revenues to the City. PetData provides the city with a monthly statement which indicates the number of licenses sold as well as the numbers issued. Through October, 2007, these statements were being reconciled between the Animal Control Chameleon ("ACC") system and PetData. In November, 2007 Animal Control was separated from Environmental Health and became its own department. At this time, no one was assigned the task of continuing the reconciliations.

Recommendation. We recommend that the City establish procedures that verify revenues and related activity from the third party vendor and reconcile deposits with data captured by the vendor database on a regular basis.

Management Response. The City concurs with this finding. The City currently reconciles the revenues as reported to the City's bank account each month. The City worked with a Contractor to establish a process to allow the City to more easily reconcile the licenses sold each month between the Contractor report and the ACC's licensing software. The process was put into effect, but when the new Animal Welfare Department was created, financial functions were not fully transferred until July 1 and the reconciliation process lapsed during the transition. The City will resolve this situation during FY/09 in accordance with the recommendation.

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06-11 Dedicated Infrastructure

Condition. Many of the infrastructure assets, such as streets, storm drains, easements and related right of ways, are constructed by developers and then transferred to the City when completed. The City was not recording these assets upon date of acquisition in prior years. During the current year's audit, the City did record current year donated capital assets of \$22 million. However, the City has not identified and recorded donated infrastructure from prior years.

Criteria. In accordance with GASB 34, paragraph 18, "donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any."

Effect. The infrastructure assets donated prior to 2006 are included in the retroactive adjustment of fixed assets. However, 2006 and 2007 infrastructure additions do not include donated assets, thereby understating infrastructure balances.

Cause. Policies and procedures have not been developed and implemented to ensure that donated infrastructure capital assets are properly recorded upon date of donation.

Recommendation. The amount of donated infrastructures from the prior year should be identified and recorded.

Management Response. The City concurs with this finding. The City Planning Department is now providing captured dedicated infrastructure costs and forwarding the information to the Accounting Division for inclusion in the City's capital asset records. The City Accounting Division will work with the City Planning Department to ensure that dedicated infrastructure records for fiscal year 2006 and 2007 are retroactively updated.

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06-12 Governmental Gross Receipts Tax (GGRT) Accrual in Refuse and Water Utility Authority

Condition. In prior years, there was a difference between what the City reported and paid to the State for governmental gross receipts tax and the tax liability recorded in the general ledger for Refuse and the Water Utility Authority. In the current year, the City has reconciled the difference and has determined that the City under reported and under paid governmental gross receipts tax (“GGRT”) to the State in an amount of \$55,652 for Refuse and \$284,734 for the Water Utility Authority.

Criteria. Governmental gross receipts taxes should be collected and submitted to the State of New Mexico in accordance with Section 7-9-4.3, NMSA 1978.

Effect. The City may be liable for penalties and interest for the amount of GGRT underpaid.

Cause. A new billing system was implemented in 2006. The system automatically records the governmental gross receipts tax when bills are created. The City had not determined if the system was correctly calculating governmental gross receipts taxes or if it was properly relieving the accrual when cash receipts are posted. The account balance was not reconciled to the tax return.

Recommendation. Account balances should be reconciled to subsidiary ledgers and/or supporting schedules and variances identified investigated and resolved in a timely manner.

Management Response. The City has requested a managed audit from the New Mexico Tax and Revenue Department and will be filing amended CRS tax returns for the under reported and under paid gross receipts tax owed to the State.

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06-13 Infrastructure Capital Assets Variances

Condition. The City implemented retroactive reporting of its infrastructure capital assets. The reporting of the arroyo easements, detention basins, and the storm lift stations requires additional research and possible adjustment. The arroyo differences that need additional research include approximately \$10,200,000 in unnamed arroyos and costs that need to be determined. The basins include potential additional costs of approximately \$1,600,000. Also a pump station at Alameda was included that is actually maintained by Bernalillo County.

Criteria. GASB 34 requires the capitalization of all capital assets including infrastructure.

Effect. The City may be understating infrastructure capital assets.

Cause. The City had not been reconciling infrastructure capital assets on a regular basis.

Recommendation. It is recommended that the City should reconcile all infrastructure capital assets and determine ownership and estimated costs.

Management Response. The City concurs with this finding and will provide additional resources in order to more accurately record and document cost and ownership issues for arroyo easements, detention basins, and storm lift station infrastructure.

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06-16 Operating Grants Fund Balance

Condition. The Operating Grants Fund is used 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). In prior year audits, we noted that there was a remaining fund balance in the Operating Grants fund and the City had not identified the cause and/or source of the fund balance. In the current year, the City has been able to identify a portion of the fund balance remaining in the fund. The City identified approximately \$3.8 million as local matching funds that were transferred from General Operating Fund, but have not been expended. Of the remaining \$2 million in fund balance, there is approximately \$1.2 million remaining from a Family and Community Services grant. Family Services is not certain if the funding on this grant was earned or must be returned to the federal grantor because the expenditures and draw downs were not properly tracked by the department. The remaining \$800,000 has not been identified as of the date of the audit report.

Additionally, the grants receivable balance has not been reconciled to the Schedule of Expenditures of Federal Awards (SEFA). There is also an un-located difference of approximately \$400,000 between the schedule of receivables and the general ledger.

Criteria. Grant accounting recognizes revenues equal to expenditures, and that fund balance equals zero – costs in excess of receipts will be recorded as a receivable and receipts in excess of costs will be recorded as deferred revenues. However, there are occasions when grants will require the City to match expenditures. In this case, funds will be transferred from other funds into the Operating Grants Fund to meet matching requirements. However, good accounting practices require proper tracking of those matching funds or any additional revenue sources.

Effect. Grant revenues and expenditures may not be properly recorded in the financial statements and in the SEFA. Grantors may subsequently disallow costs if a proper accounting of matching funds, or identification of other sources, is not done. Also, there may be grant funding that the City could lose because it did not spend it in the required time period.

Cause. First, grant accounting is decentralized. Therefore, grants are recorded and tracked by the individual departments and accounting has to rely on the information provided by the individual departments. Accounting does not always receive timely and accurate information from the departments, because some individual departments are not properly tracking their grants in the general ledger, and reconciling grant expenditures with grant draw downs. Secondly, accounting does not have adequate resources allocated to this function nor do the personnel assigned to this function possess the requisite training and skills.

CITY OF ALBUQUERQUE
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Recommendation. First, the City should continue to research and identify the remaining fund balance. Secondly, procedures should be put into place that ensure that these funds are tracked, which would include improved tracking of revenues and expenditures by grant, and by federal and non-federal sources, in the general ledger, and periodic reconciliations of grant expenditures to receipts. The City should consider centralizing the grant accounting function so that accounting has better control over recording and reporting of grants. Finally, the appropriate number and skill level of personnel should be allocated to grant accounting.

Management Response. The City concurs with the finding. The City Accounting Division has identified many of the grants that make up the excess fund balance in the grant fund and will be working with the appropriate City departments that manage the grants to ensure that they have been properly accounted for or closed out if necessary. Family and Community services is in agreement that one of their program grants is out of balance by the \$1.2 million and they will reconcile this grant; however, they do not believe that any amounts are due back to the funding agencies.

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07-02 ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES POLICY

Condition. The City's accounts receivable policy does not address the establishment of an allowance for uncollectible accounts. Generally, the various departments allow for all accounts over 120 days, but some departments use 90 days.

Criteria. Administrative Instruction No. 2-2: Credit, Collections and Accounts Receivable Policy.

Effect. Different methods are used by the various departments. There is an increased risk of misstatement of the valuation of accounts receivable.

Cause. Although there is an Administrative Instruction requiring departments to monitor the aged accounts receivable, there is none providing guidance on recording an allowance for uncollectible accounts receivable.

Recommendation. The City should development and implement written policies regarding the recording of the allowance for uncollectible receivables.

Management Response. The City concurs with this finding. Administrative Instruction No. 2-2: Credit, Collections and Accounts Receivable Policy, is currently being reviewed for revision. The revision will address a city-wide policy for the valuation and recording of allowances for uncollectible receivables.

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07-06 Capitalization of Work in Progress

Condition. While performing Capital Assets testwork, we observed capital assets that were not being transferred from construction work in progress (“WIP”) to the appropriate capital asset category in the proper fiscal period. The City’s accounting policies require projects to be transferred from WIP once the project is approximately 90% complete. Out of twenty seven items we tested, thirteen projects with the total capitalized value of over \$93 million were not transferred once the projects met the 90% completion threshold. The makeup of the \$93 million by asset category (approximate) is \$33 million in buildings, \$4.6 million non-structural, \$50.4 million infrastructure, and \$5 million in land. Of the thirteen capital projects not transferred in the proper period, one should have been transferred in FY 2000, one in FY 2003, one in FY 2004, three in FY 2005, two in FY 2006, and five in FY 2007. The calculated value of under-recognized depreciation expense in prior years is approximately \$5.6 million. In addition, during our testwork and walk-through of the Capital Project WIP schedule, we noted approximately \$1 million of capital expenditures that should have been transferred in the prior year and we noted that WIP is being capitalized at the activity level and not at the project level, which makes it difficult to determine when to capitalize an activity when there are multiple projects tied to one activity.

Another item we tested was from an activity called Road Rehabilitation, which has been active since March 2000 with total appropriations of over \$95 million, and expenditure of over \$92 million through June 30, 2008. Since the WIP listings do not separate projects, we inquired further about this activity and were told by City personnel that it included many street rehabilitation projects which have been completed but not transferred. The WIP reports are not geared to provide project by project information and do not provide necessary information to determine if a given project within the activity needs to be capitalized. Based on the information provided to us, we could not determine the amount of projects completed within the Road Rehabilitation activity which should have been transferred in the current fiscal year or in prior fiscal years.

We also noted that there was approximately \$2.3 million in WIP on the Housing Authority books for projects that had been completed, but had not been transferred in the year in which the projects were completed.

Criteria. The City’s “Accounting Procedures for Control of Fixed Assets” policy.

Effect. The projects are not always capitalized at the appropriate time. The capital assets may be in use for several years before the City begins to record depreciation and thus the carrying value of capital assets could be overstated and depreciation expense could be understated.

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Cause. The WIP listings are generated by activity, which may consist of various independent projects not related to each other. The accounting software used to generate these listings does not provide project by project status within the activity report. Thus the Departments wait until the entire activity meets the capitalization threshold rather than capitalizing each project once it meets the criteria.

The City's fixed asset personnel in the accounting department are dependent on individual departments when determining whether items should be capitalized, or left in WIP. If the department does not accurately relay which assets are to be capitalized, the City's data will be incorrect.

Recommendation. The WIP listing should be broken down further by projects, which then should be monitored for completion at the project level. Individual projects that meet the capitalization threshold should then be capitalized in the fiscal year that the criteria are met. The city should ensure employees with capital asset responsibilities are aware of the city's fixed asset policies and procedures and are capable of properly determining when a capital asset should be capitalized.

Management Response. The city concurs with this finding and will implement the auditor recommendations. It is anticipated that the new ERP system will address this issue by capturing the information at the individual project level. The Accounting Division will work with the Municipal Development Department and the Housing Authority to ensure the WIP is determined at the individual project level and not at the activity level, and the items are capitalized in the proper fiscal year.

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08-01 CHECKS DISTRIBUTED FROM ISD

Condition. During our internal control test work, we noted that the listing of employees authorized to pickup checks from the information systems department (ISD) was not updated or maintained during fiscal year ending June 30, 2008. We tested two days of checks being picked up from ISD (5-14-08 and 5-15-08) and noted that 4 out of 23 employees were not on the approved list to pick up checks. We also noted that ISD does not refer to the listing of employees approved to pick up checks from the computer room. Identification cards are not checked ISD, but the computer operator relies solely on visual recognition.

Criteria. According to the City's ISD procedures, employees who pick up checks from ISD must be approved by department heads, and must present their red/blue ISD ID cards.

Effect. There is a risk of unauthorized personnel handling checks, which increases risk of theft.

Cause. The list of personnel authorized by individual departments is not updated timely and changes in personnel authorized to pick up checks is not documented. Furthermore, the added control of personnel presenting identification is not being consistently followed.

Recommendation. The list of personnel authorized to pick up checks from ISD should be updated periodically and any changes should be timely made to the list. ISD personnel should be re-trained in the City's procedures relating to distributing checks only to those who present proper identification.

We noted that new forms are now used for departments to authorize certain employees; however, we recommend the use of another form to document changes such as retirements/terminations/transfers/etc.

Management Response. The City concurs with this finding. The Treasury Division will periodically provide ISD with the revised list of personnel authorized to pick up checks. ISD will re-train the computer operators to ensure they verify the identity of each person picking up checks and ensure these individuals are on the approved list.

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08-03 ISD CHECK PRINTING PROCEDURES

Condition. During our internal control test work, we noted the following in our walkthrough of ISD's check processing procedures and review of City policies:

- There is a 6 check number gap between each check run. This is leftover in the software from when the paper was manually fed and needed to line up. Under a new system, this is not required, but the gap is still used. The current system shows that the checks were printed, requiring that the 6 checks be voided in the system.
- There is no background check on computer operators prior to hiring.
- The system allows for a second download of a check run from the departments.
- System also allows for a second check run of same checks to be printed.
- When computer operators walk away from Bottomline terminal, there is no mechanism in place to lock the terminal (ie. password protect screensaver).
- There is no change in vault access number when there is turnover in employees who have access. (Check stock is locked in this vault).
- Blank check stock is not tracked by ISD for missing stock, although there are control numbers on checks which the warehouse does track.
- Quality Verification forms are required to be used in some check runs, but not all. These forms document the range of checks processed, date and operator.
- Quality control forms, such as Check Pickup and Quality Verification, are not maintained for any length of time to allow them to be an adequate audit trail document.

Criteria. Section 1.15.2.107 Administrative Reference Files and various City policies. Additionally, good internal controls over check processing include controls that help ensure safekeeping of assets. Included in those controls are restrictions in access, tracking of assets, maintenance of documentation supporting controls were followed, controls preventing duplication of check runs.

Effect. There is an increased risk of theft.

Cause. Current policies and procedures do not include some of the controls noted.

CITY OF ALBUQUERQUE
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Recommendation. We suggest the following: eliminate the 6 check number gap, perform background checks on operators, prohibit second downloads of files from departments, prohibit a second run of printing checks without an approval password, add screensaver password security for Bottomline terminal, change the key number and location in the vault at a minimum of when employees leave or every six months. In addition, it would be advisable to add tracking of controls numbers of check stock on the quality verification forms, require quality verification forms to be signed even if there are no misprinted checks to verify document and check stock ranges from previous form to next form, require quality verification form for each run not just payroll and accounts payable, maintain check pickup and quality verification forms in accordance with City's retention policy, since these forms are key controls in this process.

Management Response.

- **Eliminate the 6 check number gap:** The six-check gap is generated by the Empath application and cannot be changed by City personnel. This issue is expected to go away with the implementation of our new ERP system.
- **Perform background checks on operators:** All of the City's computer operators have worked here for at least nine years. If ISD has the need and approval to hire a new computer operator, we will coordinate with the Human Resources Classification group to ensure that future hires will require background checks.
- **Prohibit second downloads of files from departments:** The checks are created via scheduled batch processes; therefore, departments do not have the capability to create second downloads.
- **Prohibit a second run of printing checks without an approval password:** Under the current system, safeguards exist if a second run of printing checks is performed due to paper jams or improper printing, thus making an approval password unnecessary. To print checks, the computer operators are required to log into Bottomline/Pay Base each using a unique username and password. If an operator prints a second set of checks, this operation is recorded by the Pay Base application. Therefore, a record of any re-prints are logged showing who initiated the operation.
- **Add screen saver password security for Bottomline terminal:** The Bottomline application, as well as the operating system, time out the sessions after a prescribed period of time. The Bottomline system will be replaced by the ERP system in the next several months. Consequently, it is impractical to have the vendor change the software at this time.

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- **Change the key number and location in the vault at a minimum of when employees leave or every six months:** Safeguards are in place to control access to ISD keys. The keys are kept in the computer room, in a cabinet in the vault. Access to the computer room is restricted via a card key security system to only a select few personnel. Each entry into the computer room is recorded in a security log. When an employee terminates, his/her card key access to all City facilities is revoked. If an ISD employee transfers to another department, his/her access is either terminated or modified to suit the access requirements of the new position.
- **Add tracking of controls numbers of check stock on the quality verification form:** The “check stock” is blank paper with a watermark and a red sequence number that is not used. This paper is not useful without the check form and data printed on it with micr ink. Consequently, we do not agree that it is necessary to track that blank check stock. Note: Blank check stock, such as ours, can be purchased at most office supply stores. Also, tracking of all check printing jobs is done through the Bottomline Paybase applications. Its logs record all checks that are printed and what user submitted the jobs. Consequently, sufficient controls
- exist to track the printing of city checks. Additionally, checks are controlled through the positive pay files sent to the city’s fiscal agent.
- **Require quality verification forms to be signed even if there are no misprinted checks to verify document and check stock ranges from previous form to next form:** The Quality Verification Forms were established to ensure that the computer operators verified that when checks were printed, they were readable. This form is not used to document the range of checks processed and date; however, the Document Transfer Sign-off Form is. An Operator signature line will be added to the Document Transfer Sign-off Form.
- **Require quality verification form for each run not just payroll and accounts payable:** As stated above, the Quality Verification Form is not used to track checks; however, the Document Transfer Sign-off Form is. The computer operators are required to complete a Document Transfer Sign-ff Form for each check run.
- **Maintain check pickup and quality verification forms in accordance with City’s retention policy, since these forms are key controls in this process:** The City follows the State of New Mexico document retention requirements. The two forms mentioned fall under Section 1.15.2.107 Administrative Reference Files (Non-executive Levels) as routine office management files. They are required to be kept “*until no longer needed for reference.*” Their retention period will be extended to 60 days.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-04 ISD DIRECTOR – SEGREGATION OF DUTIES

Condition. During our internal control test work, we noted that the ISD Systems' Administrator has access to blank check stock and has unlimited access to mPATH, Bottomline, Mainframe and GEAC A/P files.

Criteria. Good internal controls include the segregation of system personnel from having access to assets and general ledger or payroll functions.

Cause. Current procedures do not provide the segregation of the ISD Directors access to the system files and check stock.

Effect. The ISD Administrator currently has the ability to create unauthorized checks or change accounting records without approval or detection.

Recommendation. Responsibilities should be re-aligned so that any one person does not have unlimited system access without reviewing/approving of changes controls in place. Additionally, key access to blank check stock should be limited to necessary staff only.

Management Response. The ISD Director does not have system access. However, the system administrator currently has access to both the system check-generating systems and the computer room. However, with the safeguards built into the Bottomline software, the system administrator is not able to print checks without a record of such. Tracking of all check printing jobs is done and logged through the Bottomline Paybase application. Also, the check stock is locked in a cabinet that is not accessible to system administrator.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-05 FINANCIAL REPORTING – DOCUMENTATION OF DUTIES

Condition. The financial closing and reporting process is well established but is not well documented in policies and procedures, including the identification and updating of internal and external financial reporting requirements and deadlines; the methodology, format, and frequency of required analyses; and the content of reporting packages from departments and component units. Also, roles and responsibilities in the financial closing and reporting process, including a required understanding of the entity's operations and appropriate accounting knowledge, are clearly defined, updated, and communicated to appropriate departments and individuals on a timely basis in meetings, but not in written policies and procedures. There are no written responsibility descriptions by employee. Furthermore, there are close procedures that are in use but have not been updated.

Criteria. Good internal controls include written policies and procedures.

Effect. Turnover of a few key people could be very detrimental to accounting with no documented procedures and tasks by position. This could also contribute to higher risk of management override.

Cause. Turn over of accounting personnel in recent years has created and backlog of work. Accounting has made great progress in catching up, but updating of written procedures over the reporting process has not yet been done.

Recommendation. Financial close and reporting processes should be documented and written job descriptions for accountants' responsibilities in this process should be created.

Management Response. The City concurs with the finding and will implement the auditor recommendation. The financial closing and reporting process will be documented for the new ERP system and the accountants' responsibilities in this process will be documented in written job descriptions.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-06 BONDING EMPLOYEES WHO HANDLE INVESTMENTS

Condition. At this time, there is general insurance and the Treasurer is bonded; however, an employee such as the investment manager, who has access to investments and is responsible for the initiation of transactions, is not bonded.

Criteria. Good internal controls include protecting the City's assets from loss.

Effect. There is a risk of uninsured loss.

Cause. Although the Treasurer approves the investment transactions and is ultimately responsible for the investments of the City, he or she does not handle the day to day transactions, but rather has delegated this responsibility. Current policies do not include bonding these employees for loss.

Recommendation. The City's investment policy should require all personnel with access to investments to be bonded.

Management Response. The City concurs with the finding. Currently the Treasurer is bonded for investment activities and all other City employees are insured against losses due to criminal activity. We have requested a quote to bond all treasury staff who handle the City's investments and will bind that coverage when we receive the quote.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-07 RISK MANAGEMENT-CLAIMS PAID SEGREGATION OF DUTIES

Condition. During our internal control test work we noted the following:

- Risk managers have access to enter claims.
- There is no reconciliation of final paid claims to the amount of claim approved by the Claims Review Board.

Criteria. Good internal controls over paid claims include timely closing out of closed claims. Good internal controls and City policies include approvals for paid claims and maintaining supporting documentation for paid claims.

Effect. There is an increased risk of improper payments being made without timely detection.

Cause. Claims managers must view the claims system to do their job, but the system does not have the ability to restrict claims managers from entering new claims. Current policies and procedures do not provide for a final reconciliation of final claims paid to amounts approved by the CRB

Recommendation. Risk Managers' access to enter claims should be restricted and someone independent of claim processing should reconcile total claim approved by the Claims Review Board to total claims paid to claimant.

Management Response. Risk Management's claim system, Gensource, does not have the capability to restrict creation of claims without restricting access to claims. The system does record an internal stamp of the person who opens and closes the claim. Risk Management is creating a report that will list all of the claims opened and closed for a specific period. This report will also contain the name of the person who performs those functions for each claim. The claim opening and closing authorities in our office are assigned to different positions; authorized clerical people open claims and adjusters or their immediate supervisor close them. This report will enable Risk Management to assure that opening and closing functions are properly managed.

The minutes and authorization forms from CRB meetings are used to maintain a database of the Board's settlement authorizations. Risk Management is implementing a procedure to assure that the terms of settlement for CRB authorizations are recorded in the database. As part of this procedure, a report will be maintained which will contain all claim settlements approved by the CRB, the amount of the approved settlement, and the date and amount of the final payment. This report will be delivered on a quarterly basis to the CRB.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-08 TRANSFERS OF VEHICLES FROM FLEET

Condition. In our testing of capital assets in the Fleet Internal Service Fund, we noted that four of four transfers tested related to assets that were physically transferred to other departments/funds in prior years, but were not transferred in the general ledger until the current year. The errors were caught in current year due to a physical inventory performed by Accounting.

Criteria. Good internal controls include tracking of capital assets.

Effect. Controls over the safekeeping of assets are weakened and the general ledger by fund is misstated.

Cause. Fleet is not communicating transfers of vehicles to the Accounting Division.

Recommendation. All transfers of vehicles should be properly tracked by Accounting to ensure that capital assets are properly stated in the financials. Fleet should communicate all transfers of vehicles to Accounting.

Management Response. The City agrees to the finding. Fleet Management in the future will notify DFAS Accounting of all vehicle transfers between City Departments. The notification will be documented on the fixed asset transfer form.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-09 ENVIRONMENTAL LIABILITIES

Condition. During our design and implementation of internal control test work, we noted that there are no policies in place to ensure that environmental obligations or contingent obligations are reported in the City's financial statements.

Criteria. According to NCGAS 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, claims and assessments should be recorded in the financials of the City if the contingent liability is probable and estimable. Otherwise, contingent liabilities should be disclosed in the footnotes to the City's financials.

Effect. There is a risk that the City may incur obligations or contingent obligations related to environmental remediation that will not be properly recorded and/or reported in the City's financial statements.

Cause. Various departments and divisions manage environmental issues that may result in contingent liabilities to the City, and there is no process in place to communicate these potential liabilities to the Accounting Division.

Recommendation. The Environmental Department should periodically provide accounting with information regarding actual and potential obligations related to environmental remediation.

Management Response. The City agrees to the finding. Fleet Management in the future will notify DFAS Accounting of all vehicle transfers between City Departments. The notification will be documented on the fixed asset transfer form.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-10 RISK MANAGEMENT - CLAIMS

Condition. During our paid claims test work, we noted the following out of seven claims tested:

- For one closed claim, the file was not closed in the system within a reasonable amount of time after final claim was paid. The claim was closed approximately five months after final payment.
- For one claim paid for damages to a police car, there was no evidence in the file of approval to pay and there was no supporting documentation, such as an accident report or an adjuster's estimate.

The City's policies do not include when approvals for paid claims are required and also do not address how supporting documentation for paid claims is to be maintained.

Criteria. Good internal controls over paid claims include timely closing out of closed claims. Good internal controls and City policies include approvals for paid claims and maintaining supporting documentation for paid claims.

Effect. There is a risk that the City may pay for false claims. Additionally, the claims reserves may be overstated because the reserves for closed claims are included in the City's estimate.

Cause. Risk management uses a third party claims adjuster (TPA), and the TPA fell behind on processing claims during the year, thereby delaying the close out of claims.

- The Police Department (APD) must keep a minimum amount of police vehicles on the streets for public safety, and at times, APD does not have enough vehicles in its fleet to wait for Risk Management to approve a claim. Therefore, the Department permits its employees to proceed with the repairs and then subsequently submit the claim to Risk Management.

Recommendation. Closed claims should be timely closed in the system and the reserve removed. Additionally, employees should not be permitted to proceed with repairs of City vehicles before approval by a Risk Management adjuster. The adjuster should obtain evidence of damages and estimates of repairs and place these in the file before claim is paid. In the case of public safety vehicles, procedures should be put in place to provide for expedient repairs to these vehicles while ensuring that Risk Management's procedures are still followed.

Management Response. The City concurs with the finding. The City will write an administrative instruction that requires departments to provide the Accounting Division with information regarding actual and potential obligations related to environmental remediation.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

**08-11 IMPROPER RECORDING OF EXPENDITURES PERTAINING TO
CREDIT CARD PROCESSING FEES**

Condition. The City receives some of the parking fees at the airport by way of credit card payments. The City pays credit card transaction and processing fees to various credit card companies. While reviewing revenue receipts for the Aviation Department of which the parking fee is part of, we noted that the credit card transactions and processing fees were not recorded as expenditures but rather debited to revenue accounts in an inconsistent manner. Fees paid to Visa, MasterCard and Discover were debited to Miscellaneous Revenue in the amount of \$85,765.44 whereas fees paid to American Express and some portion of the fees paid to Visa, MasterCard and Discover in the amount of \$119,334.70 were debited to Parking Structure Rent account.

Criteria. Generally Accepted Accounting Principles (GAAP) requires that such fees should be recorded as expenditures for better transparency, rather than recording them as an offset to the revenue.

Effect. The revenue of parking fees has been underreported by \$205,100.14 and an expense over reported by the same amount. The expense, if it was recorded correctly, could adversely affect the budget to actual expenditure presentation in the City's financial statements.

Cause. An appropriate line item has not been set up for these fees and a lack of managerial review of how this expense had been recorded.

Recommendation. For better transparency, we recommend that management begin recording credit card fees as expenses rather than contra revenue. Management should periodically review revenues and expense accounts to ensure that expense are not buried in the City's books as negative or contra revenue.

Management Response The City concurs with this recommendation. An appropriate expenditure account will be set up to record credit card fees. The City expects to have an active account by December 31, 2008. Management will periodically review other revenue and expenditure accounts to ensure transactions are grouped correctly in the general ledger.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

**08-12 NONCOMPLIANCE WITH THE NEW MEXICO STATE PUBLIC MONEY
LAW REQUIREMENTS**

Condition. During the fiscal year, the City Treasurer's Office processed 9,595 transactions where the City received money. The auditors selected 18 of these transactions for a test of cash receipts. The auditors noted that one of the items pertaining to a check for rent received for a City property in the amount of \$534.03 was not deposited to the City's treasury in a timely manner. We were unable to determine when the City actually received the check which was dated April 9, 2008. However, from an internal memorandum reviewed, we noted that the City's Real Property Division had forwarded the check to the Department of Municipal Development (DMD) on April 15, 2008 instructing to deposit it. The check was not deposited to the City's Treasury until May 19, 2008, i.e. 34 days after it was forwarded to the DMD.

Criteria. The New Mexico Public Money statutes, Section 6-10-3 NMSA 1978 requires all public money to be deposited before the close of the next succeeding business day after the receipt of the money.

Effect. The City is not complying with the State's Public Money statutes. Receipts that are recorded and/or deposited in an untimely manner are susceptible to fraud and/or misuse.

Cause. One of the employees of the DMD had been loaned to work at a different department of the City for part of the week during the time of this instance, which appears to have caused a delay of about a week. The cause for the remainder of the delay could not be determined.

Recommendation. The City should deposit all receipts of the money to the City's Treasury or the bank, whichever is applicable, before the close of the next succeeding business day after the receipt of the money. Personnel in charge of such task should diligently ensure that the public monies are deposited in a timely manner.

Management Response. The City concurs with this recommendation. An appropriate expenditure account will be set up to record credit card fees. The City expects to have an active account by December 31, 2008. Management will periodically review other revenue and expenditure accounts to ensure transactions are grouped correctly in the general ledger.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-13 CAPITAL ASSETS ADDITIONS

Condition. During our testwork of capital asset equipment additions we noted the following:

Out of a sample size of 23 additions tested,

- The serial number for one asset in the capital asset system did not agree with the serial number on the title and invoice related to the purchase of that asset.
- One asset capitalized in the amount of \$69,050 was not supported with any documentation to verify the cost of the asset or the acquisition date. The asset was recorded by Accounting after a site visit. The asset was located at the shooting range, but it was not found on the fixed assets listing. Because it was believed to be a donated asset, it was recorded as a donated asset in this year. However, after further investigation, it was noted that the equipment, with a cost of \$77,761 was purchased and probably included in CWIP in 2007 and was most likely capitalized in buildings upon the shooting range's completion. Therefore, the asset was recorded twice.
- There was one asset, in the amount of \$34,095, out of eleven additions physically observed for which we were unable to satisfy ourselves that the asset on the fixed assets listing was actually the asset we observed. The asset we observed was not tagged nor did the serial number on the asset agree with the fixed assets listing.

Criteria. The City's policies and procedures require the departments to mark capitalized equipment with an asset number or other identifying characteristic that will allow it to be traced from the capital asset records to the physical asset. Good accounting practice requires congruence between the capital asset listing and actual physical existence and for the retention of appropriate supporting records.

Effect. Fixed assets and donation revenues are over stated by \$69,050 and the equipment purchased in the amount of \$77,761 is misclassified in buildings on the fixed assets listing. Without proper recording of capital asset additions, the City's risk of asset misappropriation increases. In addition, if the asset can not be identified in the system upon disposal due to errors such as an inaccurate serial number, capital assets may be overstated. If the assets are purchased with federal funds, the lack of support for the asset could jeopardize future funding and result in non-compliance in equipment handling by the City.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Cause. The capital projects system of tracking individual assets in CWIP is not adequate. Documents retained to support the capital asset records are maintained in various locations by the different departments of the City. Employee turnover and the lack of knowledge about accounting for capital assets by employees responsible for such document retention have also contributed to improper record retention and recording. Departments are not always diligent about tagging assets with the asset number assigned.

Recommendation. Assets included in CWIP should be tracked and appropriately classified upon completion of CWIP. City employees responsible for capital assets in the various departments must be informed of the importance of proper accounting for those assets from acquisition to ultimate disposition. Additional training may be necessary to ensure proper procedures are understood and followed. When feasible, city accounting should perform physical observation of assets throughout the year in departments that do not consistently review their capital asset listing.

Management Response. The City agrees with the finding. All City employees that handle cash receipts are required to attend a class on cash handling procedures where the requirement to deposit cash receipts by the next business day is discussed. The individuals involved will be reminded of this state statute requirement.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-16 BANK RECONCILIATION PROCESS

Condition. The City's bank reconciliations are unnecessarily complex and cluttered with reconciling items that should have been resolved in previous years. For example: the reconciliation for the accounts payable bank account as of June 30, 2008 has as a reconciling item a transaction in the amount of \$4,884,238 that dates back to November 2003. In total, seventy-seven reconciling items amounting to \$5,133,450.17 on the bank reconciliation at June 30, 2007 were still present on the bank reconciliation at June 30, 2008.

Criteria. The New Mexico Local Government statutes, Section 6-6-3 A NMSA 1978 require the City to "...keep all the books, records and accounts in their respective offices in the form prescribed by the local government division." The Local Government Division of the Department of Finance and Administration has, pursuant to this statute, published the Budgeting and Accounting Manual and other guidance for New Mexico municipalities to follow. Concise, easy-to-understand bank reconciliations are part of the records that the City should be maintaining.

Effect. The City has a bank reconciliation process that is unnecessarily complex and which takes more time than it should to reconcile the bank accounts each month. The current process increases the risk of delayed financial information and increases the risk of error.

Cause. A former employee of the City's Accounting Division developed a complex bank reconciliation template on a computerized spreadsheet. This former employee has had to train all three of his successors in the use of the bank reconciliation template. The City employee currently charged with the bank reconciliation task has not been trained completely in the process of preparing the bank reconciliations.

Recommendation. The City is going to implement new accounting software in the near future. If the new software includes a bank reconciliation module, it should be implemented as soon as possible. Before implementing the new software, the old reconciling items in the bank reconciliation should be resolved.

Management Response. The City concurs with this finding and will take immediate steps to research and clear out the old reconciling items.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS
PROGRAM AUDIT – City of Albuquerque**

See comment 06-16 “operating Grant Funds” in section B. Finding 06-16 relates to all major programs and there were no questioned costs.

**01-18 FEDERAL CLAIM – U. S. DEPARTMENT OF JUSTICE – COPS
UNIVERSAL HIRING GRANT CFDA# 16.710**

Questioned Costs. The original amount in question was \$4,152,447. In response to the federal agency and after a review of the City’s records by City personnel, to date, the City has reimbursed the Department of Justice the sum of \$151,636 and is not anticipating further reimbursement. The City is awaiting final determination from the Department of Justice.

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.

Effect. It is possible that the City may be disqualified for future Department of Justice grant awards.

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 received the report from the Department of Justice and disagrees with a large portion of the amount the federal agency is questioning.

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.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Management Response. The City concurs with this finding and implemented the recommended procedures in 2001. The Office of Inspector General and the COPS Office Audit Liaison Division came to an agreement with the City on an additional six outstanding issues and closed out those items in FY07. The three agencies are working to resolve the final eight recommendations. The COPS Office has awarded APD additional grants since 2001.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

07-05 VACATION LEAVE APPROVAL – DEPARTMENT OF HEALTH AND HUMAN SERVICES EARLY HEAD START PROGRAM – CFDA No. 93.600; GRANT No. 06CH7016/06; GRANT PERIOD: YEAR ENDED JUNE 30, 2008 AND SUMMNER LUNCH PROGRAM – CFDA No. 10.559 (U.S. DEPARTMENT OF AGRICULTURE); PASSED THROUGH NEW MEXICO CHILDREN, YOUTH AND FAMILIES DEPRTMENT; AGREEMENT No. 3037.

Questioned Costs: None

Condition. During our audit of allowable expenditures for the Early Head Start Program, CFDA 93.600, we noted two occurrences out of four tested where leave was not approved prior to being taken. During our test work of the Status of Prior Year Findings schedule, we also noted one occurrence out of one tested where leave was not approved prior to being taken for the Summer Lunch Program, CFDA 10.559

Criteria. The City of Albuquerque's Personnel Rules and Regulations, Section 401.2 A requires that vacation leave must be approved twenty four hours prior to the leave being taken. However, the Office of Child Development maintains a separate policy for the Early Head Start program that leave must be approved 3 days prior in order to ensure enough coverage at the sites where the program is administered.

Effect. The Early Head Start program is not in compliance with the City of Albuquerque's Personnel Rules and Regulations or the Office of Child Development. In addition, Federal funds may be jeopardized if policies are not adhered to.

Cause. The Early Head Start program did not ensure that employee leave forms for vacation time are completed and approved at least twenty four hours prior to the leave being taken.

Recommendation. The Early Head Start program should ensure that all vacation leave is approved within the time period that is set forth in the City's Personnel Rules and Regulations as well as the Office of Child Development's Policies and Procedures.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Management Response. We concur with the finding that annual leave was not approved with the 3 days prior notice as required by the Office of Child Development Early Head Start Program. Some exceptions to the rule were made in the past when there were extenuating circumstances and when staff have exhausted their sick leave. After receiving the prior years audit finding we responded in January 2008 that we would adhere to the 24 hour notice required for annual leave request. There should have been no further occurrences after January 2008. We plan to meet with our supervisory staff and provide them with additional training so that this finding does not occur again. Staff will be required to sign a statement that they understand and will adhere to the requirement of a three days notice prior to approving annual leave.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

07-09 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) – U.S. DEPARTMENT OF TRANSPORTATION, AIRPORT IMPROVEMENT GRANT CFDA 20.106, FEDERAL HIGHWAY ADMINISTRATION GRANT CFDA 20.205, U.S. DEPARTMENT OF HOMELAND SECURITY, HOMELAND SECURITY GRANT CFDA 97.067, LAW ENFORCEMENT TERRORISM PREVENTION 97.074

Questioned Costs: None

Condition. During our test work of the Airport fund, we noted federal revenues approximating \$1,000,000 in the current year for which the expenditures were incurred in the prior fiscal year for the Airport Improvement (20.106) grant.

During our test work of the SEFA, we noted current year federal expenditures reported on the SEFA that did not agree to the general ledger detail support. CFDA 20.106 grant 3-35-0003-031-2006 expenditures on the SEFA were \$1,768,403; while the general ledger detail of expenditures supported \$1,643,232.44, overstating SEFA expenditures by \$125,170.56. CFDA 97.067 grant 2005-GE-T5-0012-ALB expenditures on the SEFA were \$788,167; while the general ledger detail of expenditures supported \$489,015, overstating SEFA expenditures by \$299,152. CFDA 97.074 grant 2006-GE-T60064-ABQ expenditures on the SEFA were \$612,594; while the general ledger detail of expenditures supported \$559,529, overstating SEFA expenditures by \$53,065. Although these expenditures were adjusted on the SEFA to reflect the accurate amounts after auditor inquiry, the City did not have a review process in place to catch these overstatements.

We requested support for CFDA 20.205 grant CAQ-771(12) Contr No. 9819 reported in the amount of \$34,637 and never received any detail of expenditures that supported the total, and were therefore unable to verify the amount reported on the SEFA.

It was also noted that two grants under CFDA 20.205, TPU-TPE-040-3(104)155 and CAQ-TPU-7701(51) overstated expenditures in the prior year and thus reported the reversal of such as negative expenditures (8,823) and (10,294), respectively in the current year.

During testwork it was also revealed that the City does not have a process in place to recognize non-cash federal awards.

Criteria. In accordance with OMB Circular A-133 Subpart B, Section 310, the City shall prepare a schedule of expenditures of federal awards.

CITY OF ALBUQUERQUE
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Year Ended June 30, 2008

Effect. Federal expenditures on the prior year SEFA are misstated and prior year federal revenues in the Aviation fund are misstated. There is a risk that federal expenditures reported on the SEFA, and federal revenues in the funds are inaccurate in the current year. The City may have failed to recognize non-cash awards on the SEFA.

Cause. Federal grant reporting is de-centralized. DFAS accountants rely upon the information provided by the departments, and there is no process in place for DFAS to verify the accuracy of the information provided. Federal and non-federal expenditures are not separately tracked in the general ledger system. There is no process in place to identify and recognize non-cash awards.

Recommendation. Processes should be in place that will ensure the accuracy and completeness of the reporting of federal expenditures. These processes should include a general ledger system that is designed to allow for the separate recording and tracking of federal and non-federal expenditures, revenues, grants receivable and deferred revenues. Ideally, the grant accounting function should be centralized. Additionally, personnel with the proper training and experience should review federal expenditures and verify that the SEFA is reported correctly. The City should update the grant questionnaire that is sent out to the departments to include indication of non-cash awards such as equipment or commodities.

Management Response. The City concurs with this finding and will develop processes and procedures that are designed to accurately record and track federal expenditures and grants receivable and deferred revenue. The new ERP system has been designed to assist the Accounting Division in properly identifying and monitoring grants expenditures and receipts that are managed by departments at the program level.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-14 TRAINING COSTS BENEFITING OTHER PROGRAMS – EARLY HEAD START PROGRAM – CFDA No. 93.600; GRANT NO. 06CH7016/06; GRANT PERIOD: YEAR ENDED JUNE 30, 2008

Questioned Costs: \$1,297

Condition. During the testing of Allowable Costs and Activities for the Early Head Start program, there was one instance of travel expenses in the amount of \$1,297 for an HR management training which was charged solely to Early Head Start. The attendee of the training does perform some HR functions for the EHS program, however, as she is the Head of the Division, Family and Community Services and she also performs HR functions for other federal programs and general administrative services.

Criteria. Indirect costs attributable to common or joint use of facilities or services must be fairly allocated among the various programs which utilize such services (42 USC 9839(c); 45 CFR section 1301.32).

Effect. The costs charged to the program may be considered unallowable by the awarding agency.

Cause. The Early Head Start program assumed that since their main HR contact, who also provides some trainings and workshops on HR management, wanted to attend the training, that the expenses incurred were allowed to be paid out of the grant funding.

Recommendation. Costs for services that benefit more than the federal program should be appropriately allocated to the federal and non-federal programs benefited. Early Head Start should contact the grantor to seek approval of these costs or seek to reimburse the grantor for the portion of the funds that are not allocable to Early Head Start.

Management Response. The City agrees with the audit finding. The US Department of Health and Human Services will be contacted for a determination as to whether the questioned costs, in whole or in part, should be reimbursed to the granting agency. Similar expenditures in the future will be appropriately allocated to the funding sources.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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08-15 REPORTING FINDING – U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT–PUBLIC HOUSING – LOW RENT OPERATING SUBSIDY PROGRAM CFDA #14.850

Questioned Costs: None

Condition. During single audit testwork of reporting requirements for the Public Housing – Low Rent Operating Subsidy Program, CFDA 14.850, we noted that the required reporting HUD Form 60002 was not completed nor submitted during FY 2008. HUD Form 60002 is used to submit performance information about the low rent subsidy program to HUD.

Criteria. HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons (OMB No. 2529-0043)* – For each public and Indian housing grant that involves development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002 (24 CFR sections 135.3(a) and 135.90). The effective date of this requirement per 24 CFR section 135.2 was May 31, 1995. March 31, 2008 was the due date for the Section 3 Form 60002 report.

Effect. The City has not supplied HUD with vital information inclusive of Section 3 data, in which HUD incorporates into federal reporting data. This increases the risk that federal funds may be delayed or sanctioned.

Cause. The Public Housing Program did not initiate the required reporting process in a timely manner.

Recommendation. The Public Housing Program should ensure procedures are in place to meet Federal HUD reporting requirements. We recommend the City implement a system that will alert the Housing Program of reporting due dates and related requirements.

Management Response. Albuquerque Housing Services (AHS) has established procedures as recommended above including adding the Section 3 reporting requirements to its fiscal year-end schedule of required reports to HUD. AHS fiscal section together with City purchasing division, Capital Program Grant Coordinator and the Maintenance Section will be responsible for preparing and submitting the Section 3 report to HUD by the January 10th deadline.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-17 REPORTING FINDING – U.S. DEPARTMENT OF HOMELAND SECURITY – HOMELAND SECURITY PROGRAM CFDA #97.067

Questioned Costs: None

Condition. During single audit testwork of reporting requirements for the Homeland Security Program, CFDA 97.067, we noted that the required Quarterly Performance reports and the Annual Performance Report were not completed nor submitted during FY 2008. It was also noted that the 4th Quarter Financial report was submitted after the due date. The 4th Quarter financial report was submitted on July 31, 2008 which is 15 days after the due date of July 15, 2008. These required reports are utilized by the NM State Department of Public Safety/Office of Emergency Management (NM DPS/OEM) to assist in evaluating the effectiveness of the program and to assist in reporting Federal Awards that are passed through by the State to the City.

Criteria. Article III – Report, Part A in the Sub-Grant Agreement 2005-GE-T5-0012-ALB between the State of New Mexico Department of Public Safety/Office of Emergency Management and the City of Albuquerque, requires the submission of quarterly financial and performance reports not later than the 15th of month subsequent to the end of each quarter. Article III – Report Part B requires the submission of the Annual Performance Report no later than 30 days following the end of the funding year.

Effect. The State, as the direct recipient of the federal funds, may not have sufficient data to report back to the US Department of Homeland Security in a timely manner. This increases the risk that federal funds may be delayed or jeopardized.

Cause. The Homeland Security Program did not initiate the required reporting process in a timely manner.

Recommendation. The Homeland Security Program should ensure procedures are in place to meet State sub-recipient reporting requirements. We recommend the City implement a system that will alert the Homeland Security Program of reporting due dates and related requirements.

Management Response. The City of Albuquerque OEM is in agreement with the stated findings and recommendation. The OEM has implemented an internal alert system to better track the due dates for reporting. The OEM is on track with current reporting requirements and will work diligently to report in accordance to grant specifications.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

**D. OTHER FINDINGS, AS REQUIRED BY NEW MEXICO STATE STATUTE,
SECTION 12-6-5, NMSA 1978**

01-17 BUDGET OVERSPENDING

Condition. The budget was overspent at the program level in several departments. We have been informed that this was viewed as a means to improve the long-term budgeting process. The following funds were overspent:

General Fund - Parks Management	\$ 93,752
General Fund - Promote Safe Use of Firearms	8,637
General Fund - Neighborhood Deterioration	57,295
General Fund - Well Being	2,358
Housing and Economic Development Fund	60,785
Golf Course Fund	96,381

Criteria. Per ordinances Section 2-11-12 ROA 1994 expenditures are to be within budgeted amounts.

Effect. Overspending of the budget violates City ordinances. Also, allowing budget overages weakens the internal controls that budgets are intended to provide.

Cause. Over spending budgets is allowed and the City provides a “clean-up” resolution to rectify budget overages before the financials are closed and published. The budget adjustments for these particular programs were not included in the “clean-up” resolutions because the requests were not submitted in time.

Recommendation. Overspending of the budget should not be allowed. Approvals over budget adjustments should be done before expenditures are allowed. We recommend that all budget adjustments be approved prior to spending and budget to actual reviews be made timely.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Management Response. The City has made a conscious decision to report actual program expenditures. In order to minimize and monitor overspending, the City produces quarterly expenditure reports and provides the information to the Departments and the Office of Internal Audit and Investigation. The Office of Internal Audit and Investigation uses the information to produce quarterly expenditure reports to the City Council. This process has shown a successful track record of reducing the number of programs overspent at the end of the year. In Fiscal Year 2000, 79 programs were overspent. In 2008, the number was reduced to four programs within the General Fund and the Golf Course Fund. The Office of Management and Budget will continue to use the information on overspending to budget correctly and the quarterly projections to convince the departments to alter their behavior to avoid an over expenditure.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

05-12 DEBT SERVICE COVERAGE FOR GOLF BOND

Condition. The debt service coverage has not been met for the Golf Series 2001 Bond as of June 30, 2008.

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, 2008 is (.06).

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.

Cause. Insufficient revenue to comply with coverage requirement.

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 debt service coverage.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

07-08 UNCOLLATERALIZED BANK DEPOSITS (MODIFIED AND REPEATED)

Condition. The City's cash balance on deposit at Bank of America exceeded the FDIC insurance of \$100,000 on June 30, 2008 by \$2,479,759. The bank has only posted \$85,899 of pledged collateral, thus leaving the City's bank accounts undercollateralized by \$1,153,981. The bank has not collateralized "uncollected funds" in the City's accounts. Further, the City has failed to remove its funds from Bank of America as required by the Public Money Statutes. All of the other banks in which the City has deposited funds that require collateralization have collateralized both "collected" and "uncollected funds."

Criteria. The Public Money statutes, 6-10-16 and 6-10-17 NMSA 1978 require the bank to collateralize the City's bank accounts in an amount equal to one half of the public monies in excess of the FDIC insured amount. The Public Money statutes do not differentiate between "collected" and "uncollected" funds. In addition, the Public Money statutes, 6-10-17.1 NMSA 1978 require the City to withdraw its funds from the Bank of America within ten calendar days after the bank failed to post the required collateral.

Effect. The City has cash on deposit at the bank that is at risk of loss in the case of bank failure. The City is also not in compliance with the New Mexico Public Money statutes.

Cause. The Bank of America has relied upon an advisory opinion from the Federal Deposit Insurance Corporation (FDIC) that is not germane to the issue of whether the City's bank balances at Bank of America are adequately collateralized pursuant to the New Mexico Public Money statutes cited in the criteria. The advisory opinion from FDIC is just that: an opinion. It does not carry the same authority as a law and it is subject to being overturned by a higher authority.

Recommendation. Demand the bank post collateral for the City's accounts pursuant to the Public Money Statutes. If the bank continues to refuse to comply with the Public Money Statutes within the ten days provided by 6-10-17.1 NMSA 1978, the City must withdraw its funds from the bank within the next ten days.

Management Response. The City's fiscal agent assigns collateral to our deposit accounts in the basis of collected balances. These are the funds to which the City has legal claim. Further, the fiscal agent collateralizes 100% of collected balances, well in excess of the 50% Statutory requirement (6-10-17). The City has no claim to uncollected ledger balances. This position is affirmed not only by our fiscal agent, but also by the FDIC. In its Advisory Opinion FDIC-87-41 dated November 30, 1987 (concerning uncollected funds during a bank closing), the FDIC clearly states two points; Uncollected funds are not considered part of the depositor's balance; and the FDIC ultimately serves as trustee and remitter for uncollected deposits, thus rendering collateral for these uncollected deposits redundant and unnecessary.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

07-10 PURCHASE CARDS (MODIFIED AND REPEATED)

Condition. The City recorded 16,781 purchase card (P-Card) and travel card (T-Card) transactions during this fiscal year. We reviewed a sample of 24 P-Card transactions and the followings were noted: Three transactions totaling \$ 1,104.18 were not reviewed and signed off by the Director or designee thereof of the relevant department. One item pertaining to purchase of certificate plaques by the Fire Department in the amount of \$101.94 was charged to a default activity of station renovation and rehabilitation and was not corrected to reflect it as AFD Headquarter expenditure. Two items pertaining to amount spent on business lunch by the Economic Development Department for \$32.79 and \$110.41 were coded to supplies. The City paid gross receipt tax totaling \$34.89 on three transactions. The City did not have a current P-card agreement for one of the employee whose P-card purchase transaction was part of the test. In addition to the 24 transactions, an additional nine transactions were specifically reviewed to follow up on practice of splitting the purchase transaction to avoid exceeding \$1,000 limit on P-Card purchases, which had been part of the prior year finding. Out of nine items reviewed, three were found to be items totaling \$1,035.23 which were split to avoid exceeding \$1,000 limit on single purchase. However, the City's accounting department appears to be monitoring split purchase transactions diligently, as the employee in question had been already warned in writing on this particular instance before auditors picked these transactions for review.

Criteria. The City's Policies and Procedures over P-Card purchases require that there is pre-approval on all purchases, the log/reconciliation and EAGLS-WORKS/ reconciliation of P-Cards purchased to be reviewed on a weekly basis. Individual purchases are not supposed to be split into two or more transactions to avoid the \$1,000 limit set for P-Card transactions. The City is exempt from paying gross receipts tax on goods.

Effect. There is a risk of unauthorized purchases being made and an increased risk of fraud.

Cause. It appears there is a lack of adequate formal training dealing with P-Card use and the policies and procedures governing P-Cards are not being enforced at all levels.

Recommendation. We recommend that management emphasize that P-Card policies and procedures are to be adhered to in all cases. Management should review P-Card transactions on a periodic basis to identify patterns of reoccurring transactions that could be potentially set up as a contract. Card holders should notify management when tax has been paid so a tax-exempt certificate can be issued.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Management Response. The City concurs with this finding. In September of 2007, the City implemented new P-Card software (Works). Controls have been established in the new software that require Departments to review, reconcile, and approve their P-Card transactions before their P-Card credit limits are replenished. The City's Purchasing and Accounting Divisions continue to provide additional training to the P-Card users and coordinators at formal training sessions and the Purchasing User Group meetings to ensure compliance with City P-Card policies, including split purchases and the payment of gross receipts tax. Additional, beginning in April 2008, the Accounting and Purchasing Divisions implemented a monthly single transaction audit to identify violations regarding split purchases. As of June 30, 2008 seven split purchases were identified and the respective cardholders, card coordinators and department directors were informed and asked to file a formal response to the violations.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

08-02 MANUAL PAYROLL CHECKS HANDLING

Condition. During our design and implementation of internal control test work, we noted that the payroll techs are authorized to pick up manual payroll checks from the information systems department (ISD). This may create a lack of segregation of duties in that a payroll tech that processes a manual check may also be the one who picks it up from ISD.

Criteria. Good internal controls require segregation of duties between those who process transactions from those who handle the related assets.

Effect. There is an increased risk of theft.

Cause. Current procedures allow payroll techs to pick up manual checks.

Recommendation. Policies and procedures should be changed to provide a segregation of duties, so that payroll techs are no longer authorized to handle the checks that they process. Only personnel who do not process payroll should be authorized to pickup and distribute checks to employees.

Management Response. The City concurs with the finding and has already implemented the necessary changes. An assigned DFAS employee now picks up the manual payroll checks from ISD. The checks issued are than compared to a copy of the check register provided by the Payroll Office. The payroll register is signed as acknowledgment that this control procedures has been performed. The payroll checks are then submitted to the payroll techs for distribution at the payroll office front counter. When the employee picks up the check they sign the register that we verified against. This signed register is retained by Payroll.

CITY OF ALBUQUERQUE
Status of Prior Year Audit Recommendations
Year Ended June 30, 2008

FINDINGS FROM YEAR ENDED JUNE 30, 2007:

CURRENT STATUS:

01-17 Budget Overspending	Revised
01-18 Federal Claim Department of Justice – CFDA #16.710	Repeated
02-21 Capital Asset Inventory	Repeated
05-01 Travel Procedures	Resolved
05-10 False Alarms Service Fees	Repeated
05-12 Debt Service Coverage for Golf Bond	Repeated
05-13 Audit Report Due Date	Repeated
06-02 Citation Revenues	Revised
06-03 Pet Licensing Revenues	Revised
06-04 Travel and Per Diem	Resolved
06-08 Accounts Receivable	Resolved
06-09 General Fund Cash Imprest Account Reconciliation	Resolved
06-11 Donated Infrastructure	Revised
06-12 Gross Receipts Tax Accrual in Water Utility Authority	Revised
06-13 Infrastructure Capital Assets Variances	Revised
06-16 Operating Grants Fund Balance	Revised
07-01 Risk Management Disbursements	Resolved
07-02 Allowance for Uncollectible Accounts	Revised
07-03 Premature Purchase of Airline Ticket	Resolved
07-04 SEFA Reporting U.S Department of Transportation	Resolved
07-05 Vacation Leave Approval	Revised
07-06 Capitalization of Work in Progress	Revised
07-07 Inventory	Resolved
07-08 Uncollateralized Bank Deposits	Revised
07-09 SEFA U.S. Department of Transportation	Repeated
07-10 Purchase Cards	Repeated

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STATE COMPLIANCE

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 INSTITUTION
June 30, 2008

Financial Institution: Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Deposits:				
Wells Fargo Bank				
APD Evidence	Checking	\$ 1,852,828	\$ (25,418)	\$ 1,827,410
Las Cruces Land	Savings	43,117	-	43,117
Library Petty Cash	Checking	1,362	(1,362)	-
Bluewater Apartments - operating and maintenance	Checking	161,864	(41,070)	120,794
Mayor's Charity Ball account	Checking	10,390	-	10,390
USBC Program - certificates of deposit	Investment	102,982	(102,982)	-
		<u>2,172,543</u>	<u>(170,832)</u>	<u>2,001,711</u>
Bank of America				
Common Fund	Checking	2,426,252	20,227,890	22,654,142
Payroll	Checking	-	(266,374)	(266,374)
Water Utility Payroll	Checking	-	(30,558)	(30,558)
Accounts Payable	Checking	-	(6,987,628)	(6,987,628)
Water Clearing	Checking	-	(3,928,771)	(3,928,771)
Real Property	Checking	229	(229)	-
Employee Health Services	Checking	827	(190)	637
Water Utility Escrow Deposits	Checking	147,604	(147,604)	-
APD Criminal Investigations	Checking	3,375	4,235	7,610
Housing Authority - Public Housing	Checking	-	1,000	1,000
Housing Authority - Housing Services	Checking	(62)	62	-
Housing Authority - Section 8	Checking	938	62	1,000
Housing Authority - Modernization	Checking	596	(596)	-
		<u>2,579,759</u>	<u>8,871,299</u>	<u>11,451,058</u>
New Mexico Bank & Trust (all related to The Apartments Fund)				
Candelaria Gardens - Tenant security deposits	Checking	2,307	(2,307)	-
Santa Barbara - Tenant security deposits	Checking	1,153	(1,153)	-
Tucson - Tenant security deposits	Checking	1,196	(1,196)	-
Manzano Vista-Tenant security deposits	Checking	29,159	(29,159)	-
Glorieta-Tenant security deposits	Checking	3,079	(3,079)	-
Beach-Tenant security deposits	Checking	15,286	(15,286)	-
Bluewater-Tenant security deposits	Checking	43,629	(43,629)	-
Manzano Vista- Operating and maintenance	Checking	48,611	(20,760)	27,851
Santa Barbara - Operating and maintenance	Checking	788	(281)	507
Tucson - Operating and maintenance	Checking	41,621	(700)	40,921
Beach - Operating and maintenance	Checking	107,872	(33,976)	73,896
Candelaria Gardens - Operating and maintenance	Checking	158,110	(233)	157,877
Glorieta - Operating and maintenance	Checking	72,140	(4,098)	68,042
Candelaria Gardens - Property reserve	Checking	84,428	(1,972)	82,456
Glorieta - Property reserve	Checking	30,879	-	30,879
Tucson - Property reserve	Checking	55,154	-	55,154
Santa Barbara - Property reserve	Checking	32,914	-	32,914
FCSD property management trust	Checking	79,195	(547)	78,648
		<u>807,521</u>	<u>(158,376)</u>	<u>649,145</u>
Compass Bank				
Attorney's Cost Advance	Checking	5,042	72,639	77,681

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTION
June 30, 2008

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Deposits continued:				
First Community Bank				
Common Fund	Checking	\$ 51,166	\$ -	\$ 51,166
Water Clearing	Checking	1,624,771	4,015,826	5,640,597
Housing Authority - Public Housing	Checking	805,493	(259,263)	546,230
Housing Authority - Section 8	Checking	170,739	(16,454)	154,285
Housing Authority - Section 8	Checking	127,953	(127,953)	-
Housing Authority - Modernization	Checking	-	-	-
Housing Authority - Public Housing FSS Escrow	Checking	6,135	(6,135)	-
Housing Authority - Housing Services	Checking	992,588	(76,025)	916,563
APD SID	Checking	84,186	(39,854)	44,332
APD SID	Checking	488,470	-	488,470
APD SID	Checking	364,692	-	364,692
APD SID	Checking	800	-	800
		<u>4,716,993</u>	<u>3,490,142</u>	<u>8,207,135</u>
Total bank accounts book balance		<u>10,281,858</u>	<u>12,104,872</u>	<u>22,386,730</u>
Investments:				
Bank of America				
Short-Term Investment Account	Investment	241,750,000	-	241,750,000
Working Capital Account	Investment	300,840,400	(24,517)	300,815,883
State of New Mexico				
Investment Council				
Core Bond Fund	Investment	24,419,954	-	24,419,954
Core Bond Fund	Investment	6,920,559	-	6,920,559
State of New Mexico				
Local Government Investment Pool				
LGIP Fund Pool-4101	Investment	7,895,241	-	7,895,241
LGIP Fund Pool-4101	Investment	275,000,000	-	275,000,000
Bank of Albuquerque				
U.S. Treasury Money Market Fund	Investment	788,311	-	788,311
U.S. Treasury Money Market Fund	Investment	6,645	-	6,645
Wells Fargo Trust in Denver, Colorado				
U.S. Treasury Money Market Fund	Investment	113,827	-	113,827
U.S. Treasury Money Market Fund	Investment	2,502,209	-	2,502,209
First Community Bank				
Short-Term Investment Account	Investment	2,049,421	-	2,049,421
Short-Term Investment Account	Investment	5,790,665	-	5,790,665
Total investments		<u>868,077,232</u>	<u>(24,517)</u>	<u>868,052,715</u>
Total cash and investments		<u>\$ 878,359,090</u>	<u>\$ 12,080,355</u>	<u>\$ 890,439,445</u>
Imprest cash not in bank				23,583
Accrued interest investment fund				3,074,724
Escrow cash				614,695
Fiduciary cash				(4,878,481)
Cash and Investments Statement of Net Assets				<u>\$ 889,273,966</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION
June 30, 2008

Financial Institution Collateral Description	Original Face	Current Face	Current Market	Maturity Date	Coupon Rate
Wells Fargo Bank					
FNCL 867437	\$ 650,000	\$ 496,040	\$ 501,737	05/01/2036	6.00%
FNCL 895631	1,450,000	1,162,182	1,175,529	05/01/2036	6.00%
FGIOOH 895	<u>545,000</u>	<u>518,343</u>	<u>506,923</u>	06/01/2037	5.50%
		<u>\$ 2,176,565</u>	<u>\$ 2,184,189</u>		
Location of collateral:	Wells Fargo Bank Safekeeping/Custodial Services, San Francisco, CA				
New Mexico Bank & Trust					
Sandoval Cnty NM FSA Insured	\$ 400,000	\$ 400,000	\$ 405,879	08/15/2010	3.60%
Location of collateral:	Commerce Bank, St. Louis, MO				
Bank of America					
GNMA II Single Family Loan Pool	\$ 21,091	not stated	\$ 20,998	05/20/2038	5.50%
GNMA II Single Family Loan Pool	1,582	not stated	1,571	04/20/2038	5.50%
GNMA II Single Family Loan Pool	61	not stated	62	05/20/2038	6.00%
GNMA II Single Family Loan Pool	<u>1,067,079</u>	not stated	<u>63,268</u>	12/15/2026	7.00%
			<u>\$ 85,899</u>		
Location of collateral:	Federal Reserve Bank, Richmond VA				
First Community Bank					
Federal Home Loan Bank	\$ 200,000	not stated	\$ 200,090	07/21/2008	3.38%
FHR 3171 DB	707,998	not stated	724,205	12/15/2031	6.00%
FHR 2724 PT	360,071	not stated	360,415	05/15/2016	3.75%
Ruidoso NM Mu Mun SD #3	500,000	not stated	465,435	08/01/2020	3.80%
Taos NM St - Shared Gross	335,000	not stated	332,722	06/01/2023	4.10%
MBS GNMA Platinum	140,780	not stated	143,867	04/15/2028	6.00%
FHR 2695 DG	249,174	not stated	238,682	09/15/2031	3.50%
FFCB Agency Note	150,000	not stated	151,251	08/04/2009	3.75%
MBS FNMA 253960	90,732	not stated	92,474	08/01/2011	6.00%
MBS FNMA 10-YR	34,087	not stated	33,914	10/01/2013	4.50%
Southern Sandoval NM Arroyo	200,000	not stated	203,094	08/01/2014	4.00%
Los Lunas NM Sch Dist #1	575,000	not stated	568,595	07/15/2018	3.80%
FHR 2857 AH	105,729	not stated	106,450	12/15/2023	5.00%
FHR 2857 AH	<u>939,123</u>	not stated	<u>945,524</u>	12/15/2023	5.00%
	<u>\$ 4,587,694</u>		<u>\$ 4,566,718</u>		
Location of collateral:	Federal Home Loan Bank, Dallas TX				
Total all banks			<u>\$ 7,242,685</u>		

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION
June 30, 2008

The collateral for the repurchase agreements is as follows:

Financial Institution Collateral Description	Original Face	Current Face	Current Market	Maturity Date	Coupon Rate
Bank of America					
City of Albuquerque Common Fund					
FNMA	\$ 4,289,383	\$ 3,927,439	\$ 4,005,988	12/01/2033	6.30%
FNMA	8,940,000	8,876,357	9,053,884	07/01/2017	5.89%
FNMA	12,500,000	12,053,918	12,294,996	06/01/2016	5.87%
FNMA	25,000,000	17,455,812	17,804,928	05/01/2036	5.77%
FNMA	28,001,717	18,928,454	19,307,024	05/01/2036	6.01%
FNMA	13,029,535	3,548,683	3,619,657	08/01/2035	4.27%
FNMA	30,163,939	5,754,184	5,869,267	01/01/2035	6.16%
Freddie Mac Discount Note	7,803,849	7,542,226	7,693,071	02/01/2037	5.77%
Freddie Mac Discount Note	5,125,139	4,320,048	4,406,449	02/01/2037	5.95%
Freddie Mac Discount Note	12,537,000	11,153,442	11,376,511	11/01/2036	5.82%
Freddie Mac Discount Note	8,000,000	5,239,291	5,344,077	10/01/2021	5.50%
Freddie Mac Discount Note	28,424,500	18,970,032	19,349,433	10/01/2035	6.00%
Freddie Mac Discount Note	22,000,000	15,144,490	15,447,380	05/01/2035	5.50%
Freddie Mac Discount Note	10,812,233	9,757,193	9,952,337	02/01/2038	5.00%
Freddie Mac Discount Note	14,378,876	13,224,342	13,488,829	02/01/2038	5.00%
Freddie Mac Discount Note	3,407,453	3,182,990	3,246,650	09/01/2037	5.00%
Freddie Mac Discount Note	11,787,492	10,413,422	10,621,690	09/01/2037	6.50%
Freddie Mac Discount Note	9,260,817	8,257,890	8,423,048	09/01/2037	6.50%
Freddie Mac Discount Note	134,480	131,134	133,757	09/01/2037	6.50%
Freddie Mac Discount Note	15,047,735	13,202,604	13,466,656	08/01/2037	7.00%
Freddie Mac Discount Note	7,379,642	6,881,435	7,019,063	08/01/2037	5.00%
Freddie Mac Discount Note	16,269,496	15,183,520	15,487,190	06/01/2037	5.50%
Freddie Mac Discount Note	7,444,083	6,264,147	6,389,430	03/01/2037	6.50%
Freddie Mac Discount Note	21,759,612	17,530,366	17,880,973	04/01/2037	5.85%
FNMA	5,128,550	4,806,581	4,902,712	09/01/2037	6.20%
	<u>\$ 328,625,531</u>	<u>\$ 241,750,000</u>	<u>246,585,000</u>		

102% collateral requirement

246,585,000

Collateral in excess (deficit) of requirement

\$ -

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 6/30/2008. The market value at the close of business on 6/30/2008 was \$245,440,877.

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.

First Community Bank

Housing Authority

FNMA	not stated	\$ 1,746,124	\$ 1,694,072	11/15/2017	4.00%
FNMA	not stated	400,676	400,175	06/15/2024	3.75%
FNMA	not stated	1,342,644	1,340,966	06/15/2024	3.75%
FNMA	not stated	2,309,883	2,432,007	08/15/2023	7.00%
FNMA	not stated	1,216,509	1,233,187	12/15/2025	5.50%
FNMA	not stated	905,108	927,672	12/15/2028	5.75%
		<u>\$ 7,920,944</u>	<u>8,028,079</u>		

102% collateral requirement

7,996,888

Collateral in excess (deficit) of requirement

\$ 31,191

Location of collateral: Federal Home Loan Bank, Dallas TX

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2008

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
ABWUA CCN 2004-0692 CCN 03-0673	City of Albuquerque and Albuquerque-Bernalillo County Water Utility Authority	City of Albuquerque and Albuquerque-Bernalillo County Water Utility Authority	Set forth the procedures for the issuance of revenue bonds or other obligations needed to finance the utility capital needs and establish right-of-way eminent domain powers
AMAFCA	City of Albuquerque/DFA/ and AMAFCA	Albuquerque and AMAFCA	Provides a wide range of direct and indirect billable services
Area Agency on Aging	City of Albuquerque and the County of Bernalillo	City of Albuquerque	Provide services for older persons as outlined in the Older Americans Act
Conduct of Community Programs on Aging CCN 1995-0739	City of Albuquerque/ Village of Los Ranchos/Village of Tijeras/ and the County of Bernalillo	City of Albuquerque	Provide programs and services to older residents through a centralized system of administration
Benefits Consulting CCN 200600949	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
Health and Dental CCN 200600850	City of Albuquerque/ Human Resources/ Benefits and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee dental benefits program for eligible employees
Bernalillo County Detention CCN 08-156	City of Albuquerque and the County of Bernalillo	County of Bernalillo	Assistance in funding of the Metropolitan Detention Center contingent upon the actions outlined in city resolution R-07- 277
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 CCN 83-0017	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Maintain Child Abuse Council
City County Building CCN 2005-0117	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Authorization for each entity to regulate construction of buildings owned by them within the jurisdiction of the other entity.

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
September 22, 2004	Indefinite	Not specified	Unknown	All parties
September 6, 2001	Ongoing	\$6204 Administrative charges plus payroll processing	\$6204 Administrative	N/A
July 1, 1984	Ongoing	\$345,900 per annum	Not specified	City of Albuquerque
November 13, 1995	90-day Notice	Not specified	Unknown	City of Albuquerque
August 1, 2003	June 30, 2008	\$25,000	\$25,000	N/A
July 1, 2003	June 30, 2008	\$65,000	\$65,000	N/A
March 14, 2008	June 30, 2008	\$6,700,000	\$6,700,000	N/A
July 1, 2003	June 30, 2009	\$1,319,726	\$1,319,726	N/A
July 1, 2003	June 30, 2009	Not to exceed \$278,048	\$278,048	N/A
May 3, 1983	Ongoing	Not specified	Unknown	City of Albuquerque
April 12, 2005	Indefinite	Not specified	N/A	County of Bernalillo

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2008

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
City County Building CCN 88-0161	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	For the ownership, care, control, improvement, operation and maintenance of the jointly held City/County Building.
Law Enforcement Center CCN 86-0063	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	For the ownership, care, control, improvement, operation and maintenance of the jointly Law Enforcement Center
City of Belen Health and Dental CCN 200601289	City of Albuquerque/ Human Resources/ Insurance and the City of Belen	City of Albuquerque and the City of Belen	Employee dental benefits program for eligible employees
COG	City of Albuquerque/DFA and COG	City of Albuquerque and COG	Provides a wide range of direct and indirect billable services
County of Sandoval Health and Dental CCN 200600849	City of Albuquerque/ Human Resources/ Insurance and the County of Sandoval	City of Albuquerque and the County of Sandoval	Employee dental benefits program for eligible employees
Emergency Medical Services CCN 1991-0239	City of Albuquerque and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Delivery of emergency medical and ambulance services and contribute to the health and safety of county residents
Environmental Health/Vehicle Pollution Management	City of Albuquerque and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Household hazardous waste agreement
Environmental Health/Vehicle Pollution Management	City of Albuquerque and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Biodisease program
Flood Damage Prevention CCN 93-045 CCN 95-0191	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Develop and maintain a flood damage prevention plan which includes constructing, altering, installing and maintaining buildings or other

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
December 28, 1988	Indefinite	Not specified	\$1,333,552	City of Albuquerque/and the County of Bernalillo
August 5, 1986	Ongoing until terminated by a 6-month notice	Not specified	Varies yearly	City of Albuquerque/and the County of Bernalillo
July 1, 2006	June 30, 2008	\$1,837	\$1,837	N/A
September 6, 2001	Ongoing until terminated by either party	\$34,279 Administrative charges plus payroll	\$34,279 Administrative charges plus payroll	N/A
July 1, 2003	June 30, 2008	\$18,368	\$18,368	N/A
7/10/1991	Ongoing until terminated by a 180-day notice	Varies yearly	Unknown	City of Albuquerque and the County of Bernalillo
July 1, 2008	June 30, 2009	\$483,000	\$71,000	City of Albuquerque
July 1, 2008	June 30, 2009	\$94,000	\$94,000	City of Albuquerque
March 2, 1993	30- day notice	Not specified	Unknown	City of Albuquerque and the County of Bernalillo

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2008

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
GOV TV 16 CCN 200800379	City of Albuquerque/ Cultural Services and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Government TV resources management. City of Albuquerque - County of Bernalillo Joint Powers
High School Drop Out Program	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Drop out prevention and associated support services for Rio Grande HS
Metropolitan Forensic Science Center (MFSC) CCN 2005-0688	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Maintain and manage a joint crime laboratory for the processing, analysis and secured storage of evidence
Metropolitan Criminal Justice CCN 2003-0385	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provides criminal justice services to deter, and prevent crime in the community
Maintenance of Records and Warrants	City of Albuquerque/ Police and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provides police services for the maintenance of warrants and central records services
Middle Rio Grande Conservation CCN 200600848	City of Albuquerque/ Human Resources/ Insurance and the MRGCD	City of Albuquerque and the MRGCD	Employee health benefits program for eligible employees
Montano/Edith Intersection Improvement Project CCN 08-293	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	50% cost share for the construction of the traffic signal interconnect conduit at the intersection of Edith and Montano
Municipal Development CCN 200101280.5	City of Albuquerque/and the NM State Highway and Transportation Department	City of Albuquerque	Bicycle Travel Demand Management Program
SSCAFCA Health and Dental CCN 2006000854	City of Albuquerque/ Human Resources/ Insurance and SCAFCA	City of Albuquerque and the SCAFCA	Employee health benefits program for eligible employees
South Eubank Landfill CCN 93-0367	City of Albuquerque Commissioner of Public Lands for NM/ AMAFCA and the County of Bernalillo	Commissioner of Public Lands for NM	Land lease for the purpose of operation a sanitary landfill.
Spanish Language Proficiency Exam	City of Albuquerque/ Human Resources and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	The City shall provide Spanish language proficiency testing of Bernalillo County Sheriff's Deputies as requested by the County

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
July 1, 2007	June 30, 2009	Not specified	\$15,190	City of Albuquerque
July 1, 2005	June 30, 2009	\$25,000	\$25,000	City of Albuquerque
July 1, 2005	June 30, 2009	\$12,000,000	\$653,323	City of Albuquerque
July 1, 2003	Ongoing	Not specified	Unknown	N/A
July 1, 2007	June 30, 2008	\$25,000	\$25,000	N/A
July 1, 2003	June 30, 2008	\$3,674	\$3,674	N/A
June 6, 2008	Indefinite	\$8,135	Unknown	The County of Bernalillo
April 20, 2000	September 30, 2011	\$1,425,000	\$0	City of Albuquerque
July 1, 2006	June 30, 2008	\$600	\$600	N/A
September 16, 1993	Silent	Not to exceed \$200,000	Unknown	N/A
May 7, 2008	One year, can be extended by mutual agreement	\$0	\$0	N/A

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2008

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
Town of Bernalillo Health and Dental	City of Albuquerque/ Human Resources/ Insurance and the Town of Bernalillo	City of Albuquerque and the Town of Bernalillo	Employee health benefits program for eligible employees
Town of Cochiti Lake Health and Dental CCN 2006000852	City of Albuquerque/ Human Resources/ Insurance and the Town of Cochiti Lake	City of Albuquerque and the Town of Cochiti Lake	Employee health benefits program for eligible employees
Town of Mountainair Health and Dental CCN 200601287	City of Albuquerque/ Human Resources/ Insurance and the Town of Mountainair	City of Albuquerque and the Town of Mountainair	Employee health benefits program for eligible employees
Unified Library System CCN 90-01328, 93-0516, 2003-0589 & 2006-0421	City of Albuquerque and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provide well-balanced collections of books and other media for residents
Village of Bosque Farms Health and Dental CCN 200600835	City of Albuquerque/ Human Resources/ Insurance and the Village of Bosque Farms	City of Albuquerque and the Village of Bosque Farms	Employee health benefits program for eligible employees
Village of Corrales Health and Dental CCN 200600837	City of Albuquerque/ Human Resources/ Insurance and the Village of Corrales	City of Albuquerque and the Village of Corrales	Employee health benefits program for eligible employees
Village of Cuba Health and Dental CCN 200600836	City of Albuquerque/ Human Resources/ Insurance and the Village of Cuba	City of Albuquerque and the Village of Cuba	Employee health benefits program for eligible employees
Village of Los Ranchos Health and Dental CCN 200600851	City of Albuquerque/ Human Resources/ Insurance and the Village of Los Ranchos	City of Albuquerque and the Village of Los Ranchos	Employee health benefits program for eligible employees
Village of San Ysidro Health and Dental CCN 200600853	City of Albuquerque/ Human Resources/ Insurance and the Village of San Ysidro	City of Albuquerque and the Village of San Ysidro	Employee health benefits program for eligible employees
Village of Tijeras Health and Dental CCN 200600838	City of Albuquerque/ Human Resources/ Insurance and the Village of Tijeras	City of Albuquerque and the Village of Tijeras	Employee health benefits program for eligible employees

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A
July 1, 2006	June 30, 2008	\$600	\$600	N/A
July 1, 2006	June 30, 2008	\$1,837	\$1,837	N/A
April 29, 1991	Ongoing	Not specified	\$1,138,925	City of Albuquerque and the County of Bernalillo
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A
July 1, 2006	June 30, 2008	\$600	\$600	N/A
July 1, 2003	June 30, 2008	\$1,837	\$1,837	N/A

**CITY OF ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
June 30, 2008**

An exit conference was held on December 19, 2008, and attended by the following:

CITY Personnel:

Sally Mayer
City Council Member

Tanda Meadors
Director of Finance and Administrative Services

Carmen Kavelman
Director of Internal Audit & Investigation

Gregory Stricklin
Accounting Officer

Debbie Dombroski
Accounting Manager

Cilia Aglioloro
Acting Treasurer

Moss Adams, LLC Personnel:

Wayne Brown
Partner

Chris Garner
Audit Senior Manager

Amy Myer
Audit Manager

Office of the State Auditors Personnel:

Carla Martinez
Deputy State Auditor

Antonio Corrales
Chief of Staff

John Earnshaw
Audit Manager

Natalie Cordova
Audit Supervisor