CITY OF ALBUQUERQUE

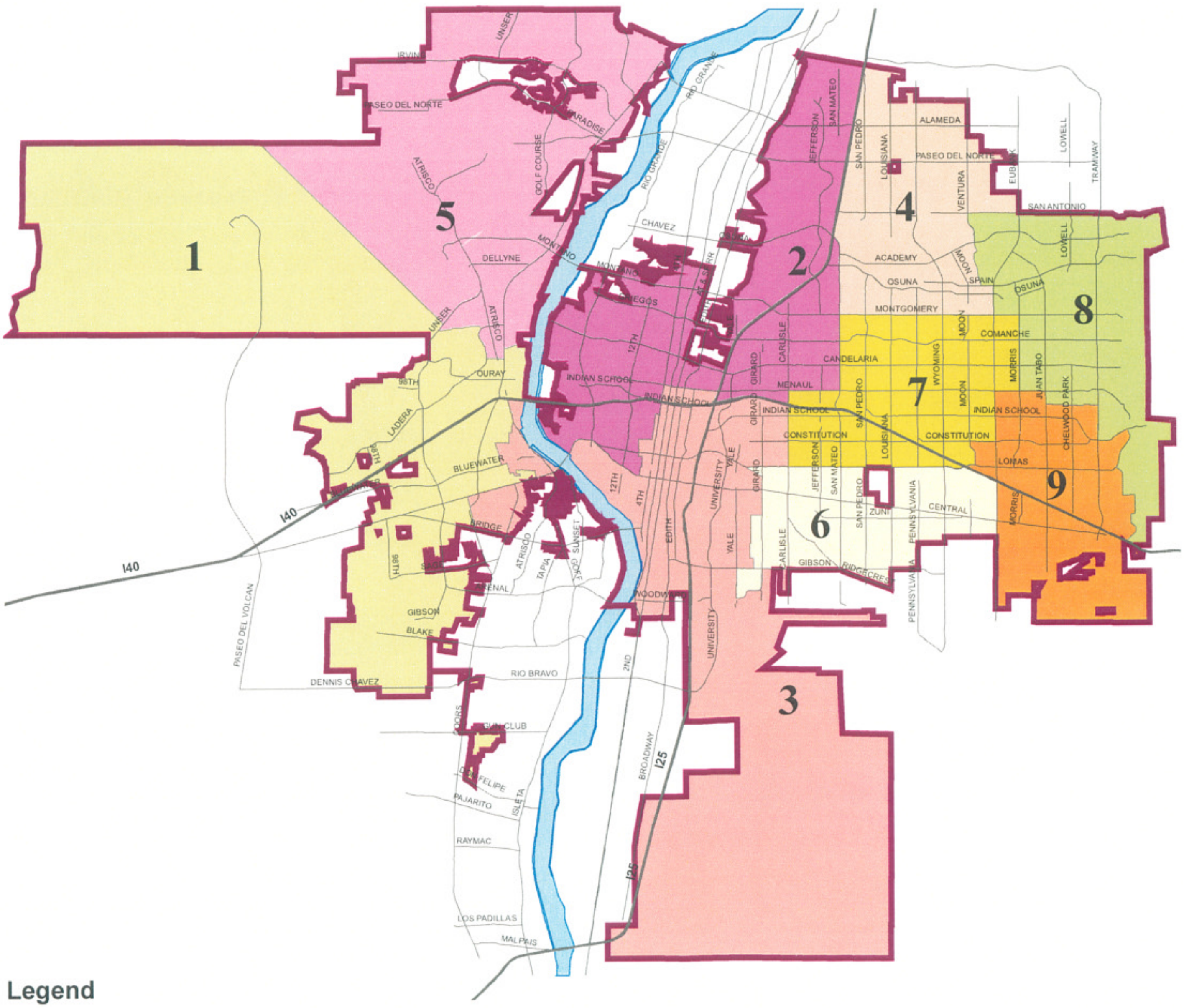
ANNUAL INFORMATION STATEMENT

DATED JANUARY 28, 2008

IN CONNECTION WITH BONDS AND

OTHER OBLIGATIONS

Albuquerque City Council Districts and Albuquerque Municipal Limit



Legend

Rio Grande

Albuquerque Municipal Limit

Albuquerque City Council District

1: Ken Sanchez
2: Debbie O'Malley
3: Isaac Benton
4: Brad Winter
5: Michael Cadigan
6: Martin Heinrich
7: Sally Mayer
8: Craig Loy
9: Don Harris

0 0.5 1 2 3 Miles

Data provided by City of Albuquerque AGIS and Bernalillo County Public Works.

Map prepared January 4, 2006 by City of Albuquerque City Council Services.

CITY OF ALBUQUERQUE

MAYOR
Martin J. Chavez

CITY COUNCIL

Ken Sanchez	District 1
M. Debbie O'Malley (Vice President)	District 2
Isaac Benton	District 3
Brad Winter (President)	District 4
Michael Cadigan	District 5
Rey Garduño	District 6
Sally Mayer	District 7
Trudy Jones	District 8
Don Harris	District 9

ADMINISTRATION
Bruce J. Perlman, PhD., Chief Administrative Officer
Anna Lamberson, PhD., Acting Chief Financial Officer
Ed Adams P.E., Chief Operations Officer
Randy Autio, Esq., Interim City Clerk

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
Tanda Meadors, Director
Cilia Aglialoro, CTP, Acting Treasurer
Christopher Daniel, CTP, CPA, Assistant Treasurer-Cash Management

OFFICE OF MANAGEMENT AND BUDGET
Mark Sandoval, Acting Budget Officer
Jacques Blair, PhD., City Economist
Greg Stricklin, CPA, Accounting Officer

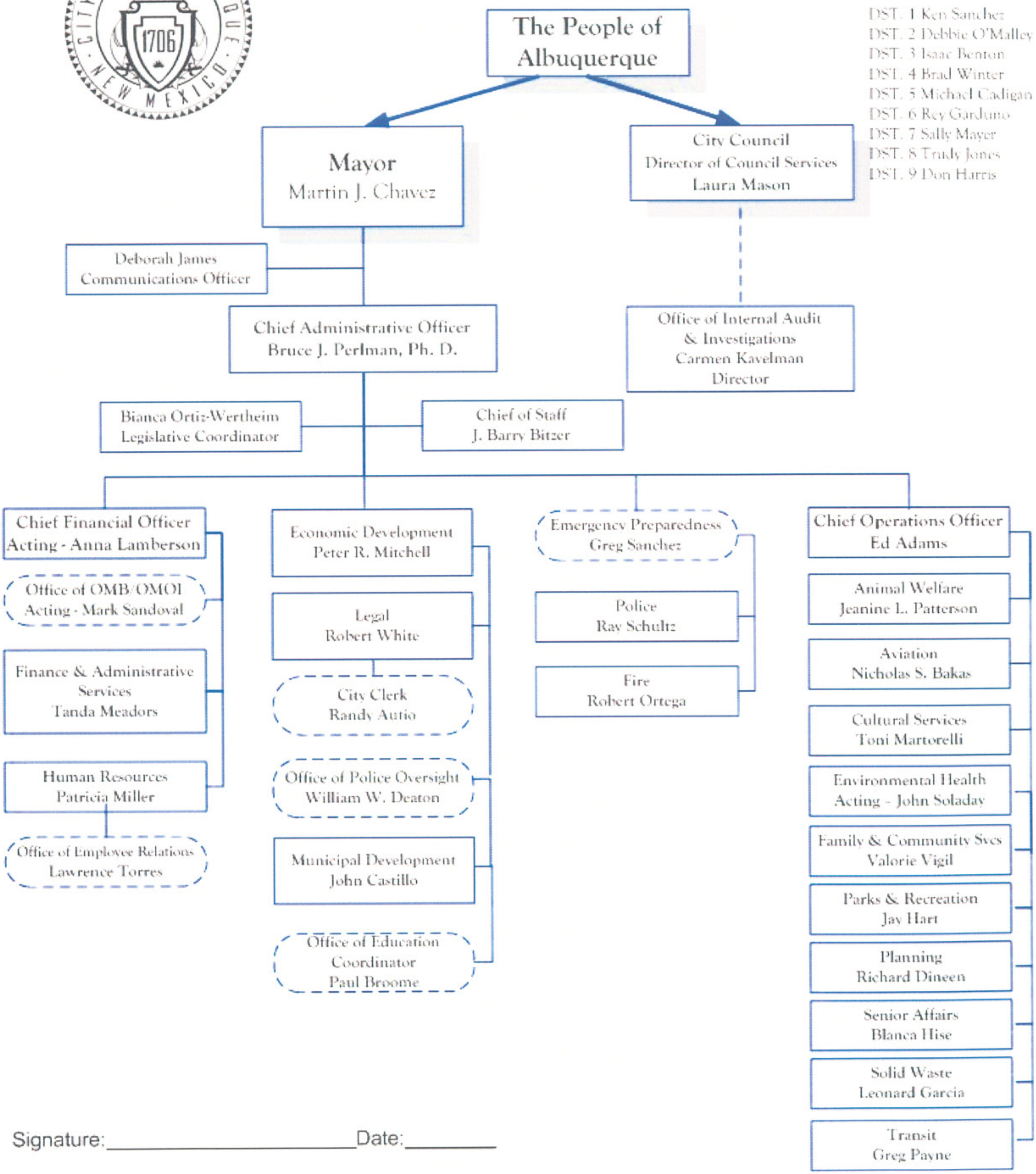
LEGAL DEPARTMENT
Robert M. White, Esq., City Attorney
Susan Biernacki, Esq., Assistant City Attorney

BOND COUNSEL
Brownstein Hyatt Farber Schreck, P.C., Albuquerque, New Mexico

DISCLOSURE COUNSEL
Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico

SPECIAL TAX COUNSEL
Kutak Rock LLP, Denver, Colorado

City of Albuquerque



Signature:______________________ Date:________

1/3/08

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INTRODUCTION

This "Annual Information Statement Dated January 28, 2008 in Connection with Bonds and Other Obligations" (the "Annual Statement") has been prepared by the City to provide certain financial and other information relating to the City, its various enterprise operations and its other projects, the revenues of which secure certain outstanding long-term obligations of the City. The Annual Statement is intended for use by existing holders of the City's obligations and by investors in such obligations in the secondary market. The Annual Statement also includes annual financial information and operating data which the City has agreed in certain continuing disclosure undertakings to provide on an annual basis for the benefit of its bondholders. See "CONTINUING DISCLOSURE UNDERTAKINGS."

City Council (the "Council") actions taken after January 1, 2008, including information relating to bonds, notes or other obligations of the City issued or incurred after that date, are not included in the Annual Statement. Other information contained in the Annual Statement is current as of January 1, 2008, unless specifically stated otherwise in the Annual Statement. The information in the Annual Statement is subject to change without notice and the delivery of the Annual Statement shall not create any implication that the affairs of the City have remained unchanged since the date of its delivery. Audited financial statements of the City will be filed when available to the City. See "FISCAL YEAR 2007 FINANCIAL INFORMATION UNAUDITED." The distribution of the Annual Statement by the City does not in any way imply that the City has obligated itself to update the information therein. All financial and other information presented in the Annual Statement has been provided by the City from its records, except for information expressly attributed to other sources believed to be reliable.

The City does not intend that the Annual Statement be relied on as specific offering information in connection with the primary offering and issuance by the City of bonds, notes or other obligations. The presentation of information, including tables of receipts from taxes, enterprise revenues and other information, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City or its enterprises. No representation is made that past experiences, as might be shown by such financial and other information will necessarily continue in the future.

Questions regarding information contained in the Annual Statement should be directed to Cilia Aglialoro, Acting Treasurer, City of Albuquerque, Albuquerque/Bernalillo County Government Center, One Civic Plaza, NW, Albuquerque, New Mexico 87102 (P.O. Box 1293, Albuquerque, New Mexico 87103), Telephone (505) 768-3309, Fax (505) 768-3447. Information about the City may also be obtained through the City's World Wide Web site, www.cabq.gov. A copy of the Annual Statement will be posted to the City's web site as soon as the audited financial information is available.

CONTINUING DISCLOSURE UNDERTAKINGS

Pursuant to the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC"), the City has entered into continuing disclosure undertakings (the "Disclosure Undertakings") for the benefit of holders of the following outstanding bonds of the City:

(1) Refuse Removal and Disposal Refunding Revenue Bonds, Series 1995;
(2) Joint Water and Sewer System Revenue Bonds, Series 1995;
(3) Gross Receipts Tax Refunding Revenue Bonds, Series 1996;
(4) Gross Receipts Tax Adjustable Tender Revenue Bonds, Series 1997;
(5) Joint Water and Sewer System Revenue Bonds, Series 1997;
(6) General Obligation Bonds, Series 1998B;
(7) Refusal Removal and Disposal Revenue Bonds, Series 1998;
(8) Governmental Purpose Airport Refunding Revenue Bonds, Series 1998;
(9) General Obligation Bonds, Series 1999C;
(10) Joint Water and System Refunding and Improvement Revenue Bonds, Series 1999A;
(11) Special Assessment District No. 224 Bonds, Issue of February 1, 1999;
(12) Municipal Gross Receipts Tax Refunding Revenue Bonds, Series 1999A;
(13) Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 1999B;
(14) Gross Receipts Tax Refunding Revenue Bonds, Series 1999C;
(15) General Obligation Bonds, Series 2000B;
(16) Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001;
(17) Refuse Removal and Disposal Revenue Bonds, Series 2001 A and B;
(18) General Obligation Bonds, Series 2001A and B;
(19) Airport Refunding Revenue Bonds, Series 2001;
(20) Joint Water and Sewer System Revenue Bonds, Series 2001;
(21) General Obligation Taxable Baseball Stadium Bonds, Series 2001C;
(22) General Obligation General Purpose Bonds, Series 2002B;
(23) General Obligation Storm Sewer Bonds, Series 2002C;
(24) General Obligation Bonds, Series 2003B, and C;
(25) Airport Refunding and Improvement Revenue Bonds, Series 2004A and Taxable Series 2004B;
(26) Gross Receipts/Lodgers' Tax Refunding Revenue Bonds, Series 2004A and Taxable Series 2004B;
(27) General Obligation General Purpose Bonds, Series 2005A; and
(28) General Obligation Storm Sewer Bonds, Series 2005B.

In each of its Disclosure Undertakings, the City has agreed to file certain annual information with the nationally recognized municipal securities information repositories approved by the SEC (the "NRMSIRs"). Timely filing of the information provided in the Annual Statement, including the City's current audited financial statements, with each of the NRMSIRs would satisfy the disclosure requirements set forth in the Disclosure Undertakings. In recent years, the City's year end audits have not been released by the State Auditor in time for the City to make filings within the time required by certain of its Disclosure Undertakings. Other than the delay in filing its audited financial statements, the City has been in compliance with the requirements of its Disclosure Undertakings.

FISCAL YEAR 2007 FINANCIAL INFORMATION UNAUDITED

The City's audited financial statements for Fiscal Year 2007 are not complete. Therefore, the financial information for Fiscal Year 2007 in this Annual Information Statement is unaudited. As soon as the audit is complete and approved by the New Mexico State Auditor, the City will attach audited financial information to this Annual Statement and file its Audited Financial Statement for Fiscal Year 2007 with each Nationally Recognized Municipal Securities Information Repository.

OUTSTANDING CITY OBLIGATIONS

Summary of Outstanding Obligations

The City has issued and there are outstanding certain general obligation bonds payable from property tax revenues and limited obligations payable from State and municipal gross receipts tax revenues, net revenues of various City enterprise operations, special property assessments, and certain single family and multifamily housing programs. These outstanding obligations are generally described below and certain terms of such obligations will be summarized in the Comprehensive Audited Financial Report of the City of Albuquerque, Audited General Purpose Financial Statements as of and for the Fiscal Year ended June 30, 2007 ("CAFR"); a portion of which will be attached hereto as Appendix A when received. Other information relating to the City's outstanding obligations, including information about debt service coverage ratios, can be obtained from the CAFR when filed; the CAFR will be able to be viewed at and downloaded from the City's website, www.cabq.gov, as soon as the audit is complete and approved by the State Auditor. See "FISCAL YEAR 2007 FINANCIAL INFORMATION UNAUDITED." Certain of these obligations are further secured by municipal bond insurance, letters of credit and other credit enhancement provided by various entities as described in "Credit Enhancement and Interest Rate Risk Management" under this caption.

Ratings of City Obligations

The assigned ratings on the City's bonds reflect only the respective views of the rating agencies. These ratings are the long-term ratings of the City with respect to the bonds; short-term ratings of bonds bearing short-term interest rates are based upon the short-term rating of the liquidity provider. Some City bonds are credit enhanced and therefore have a rating which is based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption. Any explanation of the significance of the ratings may be obtained from the respective rating agency. There can be no assurance that these ratings will continue for any given period of time or that any rating will not be lowered or withdrawn entirely by a rating agency, if in its judgment circumstances so warrant. Any downward change in, or withdrawal of, a rating may have an adverse effect on the marketability and/or market price of the City's bonds.

Tax-Supported Obligations

General Obligation Debt

Outstanding General Obligation Bonds. The City presently has outstanding general purpose general obligation bonds in an outstanding aggregate principal amount of $170,435,000, and storm sewer system general obligation bonds in an outstanding aggregate principal amount of $42,185,000.

In a regular municipal election held October 2, 2007, the issuance of $149,570,000 general purpose general obligation bonds and $10,403,000 storm sewer system general obligation bonds was approved. It is expected that the City will issue general obligation bonds in Summer 2008.

City of Albuquerque
Outstanding General Obligation Bonds
As of December 31, 2007

Issue[1]	Principal Amount Of Original Issue	Currently Outstanding
General Purpose G.O. Bonds:		
August 1999	$24,105,000	$4,000,000
September 2001	46,315,000	12,730,000
October 2001 – Taxable Stadium	10,000,000	3,000,000
February 2002	20,000,000	5,200,000
July 2003	81,805,000	34,565,000
June 2005	90,595,000	67,895,000
September 2007	43,045,000	43,045,000
Total	$315,865,000	$170,435,000
Water, Sewer and Storm Sewer G.O. Bonds:		
February 1999	$4,760,000	$2,380,000
July 2000	6,750,000	3,600,000
September 2001	4,510,000	4,510,000
February 2002	5,600,000	5,600,000
July 2003	9,440,000	9,440,000
June 2005	11,575,000	11,575,000
September 2007	5,080,000	5,080,000
Total	$47,715,000	$42,185,000
Total General Obligation Bonds	$363,580,000	$212,620,000

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.

The Constitution of the State of New Mexico (the "State") limits the amount of general purpose general obligation indebtedness of the City to 4% of the assessed value of taxable property within the City. Based on the most recent assessed value of the City of $10,949,766,038, as shown below, and the City's outstanding general purpose general obligation debt, the City may issue $267,555,642 aggregate principal amount of general purpose general obligation bonds in the future.

City of Albuquerque
Test for Maximum General Purpose G.O. Bonds

4% Assessed Value of $10,949,766,038	$437,990,642
Outstanding (General Purpose subject to 4% limitation):	170,435,000
Available for Future Issues	$267,555,642

* See the table below entitled "Assessed Valuation County Tax Year 2007 (Fiscal Year 2008)."

City of Albuquerque
Assessed Valuation
(County Tax Year[1] 2007 - Fiscal Year 2008)

Market Value of Property Assessed	\$39,677,196,711
(1/3 Market Value)	\$12,491,293,575
Less Exemptions	(1,908,746,868)
Plus Centrally Assessed (Corporate)	367,219,331
Certified Net Tax Base[2]	\$10,949,766,038[3]

(1) The County Tax Year ("Tax Year") begins November 1 and ends October 31.
(2) Reflects market values submitted to the State by the County Assessor prior to properties assessed late. Value shown was used to assess property taxes for the tax year. Current values could vary from value shown.
(3) This Certified Net Tax Base is based on information received from the County Assessor's Office. Taxable value is determined by dividing market value by three and subtracting exemptions.

Sources: City of Albuquerque, Department of Finance and Administrative Services; Bernalillo County Assessor; New Mexico Department of Finance and Administration.

City of Albuquerque
Direct and Overlapping General Obligation Debt
As of October 1, 2007

Gross G.O. Bonded Debt	$212,620,000[1]
Less G.O. Sinking Fund Balance (October 1, 2007)	(10,184,677)[2]
Net G.O. Bonded Debt	$202,435,323

	G.O. Debt	Tax Year 2007 Assessed Valuation	% Applicable to City	Net Overlapping
City of Albuquerque	$202,435,323	$10,949,766,038	100.00%	$202,435,323
Albuquerque Public Schools	131,800,000	13,182,532,511	83.06%	109,476,625
Albuquerque Metropolitan Arroyo Flood Control Authority	30,000,000	12,672,275,357	86.41%	25,922,178
Central New Mexico Community College	39,700,000	13,115,229,736	83.49%	33,145,108
Bernalillo County	88,580,000	13,191,112,431	83.01%	73,529,074
State of New Mexico	362,735,000	46,914,958,823	23.34%	84,660,916
Total Direct and Overlapping G.O. Debt				$529,169,224

Ratios

Direct and Overlapping G.O. Debt as Percent of Taxable Assessed Valuation	4.83%
Direct and Overlapping G.O. Debt as Percent of Actual Market Valuation	1.33%
Assessed Valuation Per Capita (2006 Estimated Population 511,008)[3]	$21,427.78
Direct and Overlapping G.O. Debt Per Capita	$ 1,035.54

(1) Amount does not include any bonds which have been advance refunded and fully defeased by an escrow containing cash and securities.

(2) The cash balance as of October 1, 2007 was $11,981,973. The amount properly attributable to principal reduction is 85% of the cash balance.

(3) Population estimated by City of Albuquerque Office of Management & Budget.

Sources: City of Albuquerque, Department of Finance and Administrative Services; Bernalillo County Assessor; New Mexico Department of Finance and Administration.

City of Albuquerque
Ratio of Net General Obligation Debt to Taxable Value
And Net General Obligation Debt Per Capita
(Fiscal Year 2008, County Tax Year 2007)

General Obligation Debt

Fiscal Year	Population[1]	Taxable Value(000s)[2]	Total G.O. Debt (000s)	Debt Service Fund(000s)[3]	Net G.O. Debt (000s)	Ratio of Net G.O. Debt To Taxable Value	Net G. O. Debt Per Capita
1998	421,384	$5,469,636	$172,155	$7,834	$164,321	3.00%	$389.96
1999	420,578	5,656,901	169,165	12,114	157,051	2.78%	373.42
2000	448,607	6,856,281	152,825	24,832	127,993	1.87%	285.31
2001	454,015	6,900,667	138,180	10,707	127,473	1.85%	280.77
2002	460,464	7,423,666	117,440	18,230	99,210	1.34%	215.46
2003	473,849	7,623,843	160,055	45,493	114,562	1.50%	241.77
2004	479,061	7,887,551	126,810	46,158	80,652	1.02%	168.35
2005	490,541	8,285,493	239,205	19,487	219,718	2.65%	447.91
2006	500,661	9,307,581	276,205	9,977	266,228	2.86%	531.75
2007	511,008	9,858,169	236,765	8,139	227,626	2.31%	445.45

(1) Population is estimated for all years except for June 30, 2000 which is based on Bureau of Census data. Estimates provided by City of Albuquerque Planning Department.
(2) Assessment made by County Assessor. The taxable ratio by State statute is one-third of assessed value.
(3) Available for debt service.

Source: City of Albuquerque, Department of Finance and Administrative Services (unless otherwise noted).

City of Albuquerque
Aggregate Debt Service
For Outstanding General Obligation Bonds
As of October 1, 2007

Fiscal Year	Principal	Interest	Total Debt Service
2008	$37,625,000	$11,806,240	$49,432,240
2009	35,250,000	7,995,950	43,245,950
2010	33,250,000	6,446,350	39,696,350
2011	31,045,000	4,931,838	35,976,838
2012	24,030,000	3,475,038	27,505,038
2013	24,030,000	2,420,238	26,450,238
2014	16,700,000	1,257,613	17,957,613
2015	5,345,000	507,775	5,852,775
2016	5,345,000	240,525	5,585,525
	$212,620,000	$39,081,565	$251,701,565

Source: City of Albuquerque, Department of Finance and Administrative Services.

City of Albuquerque
Historical General Obligation Bond Debt Service
As a Percent of Total General Fund Expenditures

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (Excluding GO Debt Service)[1]	Debt Service as a % of Total General Fund Expenditures (Excluding GO Debt Service)
1998	$47,370,000	$9,241,602	$56,611,602	$303,158,434	18.7%
1999	37,970,000	8,614,288	46,584,288	297,841,293	15.6%
2000	38,750,000	8,357,440	47,107,440	300,822,796	15.7%
2001	71,570,000	9,046,715	80,616,715	320,852,941	25.1%
2002	49,810,000	8,215,773	58,025,773	321,419,453	18.1%
2003	33,245,000	7,596,953	40,841,953	326,383,639	12.5%
2004	52,220,000	9,366,770	61,586,770	349,401,983	17.6%
2005	87,355,917	7,747,457	95,103,374	393,168,745	24.2%
2006	76,440,000	10,562,178	87,002,178	445,130,907	19.5%
2007	71,270,000	8,869,510	80,139,510	475,697,255[2]	16.8%

(1) Includes transfers and other financing uses.
(2) Unaudited.

Sources: City of Albuquerque Comprehensive Annual Financial Reports.

Current Ratings of the General Obligation Bonds. The City's outstanding general obligation bonds are currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"), "AA" by Standard & Poor's Ratings Service ("S&P") and "AA" by Fitch, Inc. ("Fitch"). Certain of these bonds are credit enhanced and therefore have a different rating which is based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.

State Gross Receipts Tax Obligations

Outstanding State Gross Receipts Tax Obligations. The City presently has outstanding the following series of special limited obligation bonds and loans secured by a pledge of revenues received by the City as a distribution from the State of the City's share of the state gross receipts tax as described in "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes."

City of Albuquerque
Outstanding State Gross Receipts Tax Obligations
As of December 31, 2007

Issue[1]	Project Financed	Principal Amt. of Original Issue	Outstanding Principal Amt.	Reserve Fund Balances	Optional Redemption Provisions
Gross Receipts Tax Refunding Revenue Bonds, Series 1996[2]	Refunding	$18,315,000	$2,550,000	N/A	7/01/08 @ 100%
Gross Receipts Tax Refunding Revenue Bonds, Series 1999C	Refunding	27,130,000	27,130,000	N/A	7/01/09 @ 100%
Taxable Gross Receipts Tax Adjustable Tender Revenue Bonds, Series 2000A	Parking Structures	25,600,000	18,200,000	MBIA surety	Callable on any interest payment date at 100%
Taxable Golf Revenue/Gross Receipts Tax Bonds Series 2001[3]	Golf Course	2,420,000	1,175,000	N/A	7/01/06 @ 100%
New Mexico Finance Authority Stadium Loan #1 (2002)[4]	Baseball Stadium	6,000,000	5,407,832	N/A	Callable on any interest payment date
New Mexico Finance Authority Stadium Loan #2 (2002)[5]	Baseball Stadium	9,000,000	8,003,691	N/A	Callable on any interest payment date
Total Outstanding State Gross Receipts Tax Obligations			$62,466,523		

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.
(2) These bonds are also payable from certain allocated net revenues of the City's parking and airport systems.
(3) These bonds are also payable from net revenues of the City's golf courses.
(4) This loan is also payable from lease payments due to the City from the lessee of the baseball stadium.
(5) This loan is also payable from surcharges imposed on ticket sales, concessions and other goods and services sold at the baseball stadium.

The City has also pledged its share of the state gross receipts tax, on a basis subordinate to the outstanding state gross receipts tax obligations discussed above and in the following paragraph entitled "Outstanding State Gross Receipts/Lodgers' Tax Bonds," to secure its payment obligations under a surety bond reimbursement agreement entered into by the City and MBIA Insurance Corporation ("MBIA") in connection with the provision of a surety bond securing certain payments on the City's Affordable Housing Projects Refunding Revenue Bonds, Series 2000. See "Credit Enhancement and Interest Rate Risk Management" under this caption.

Outstanding State Gross Receipts/Lodgers' Tax Bonds. The City has outstanding the following series of special limited obligations secured by a pledge of both state gross receipts tax revenues distributed to the City by the State as described in "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes" and 50% of the revenues received by the City from the 5% lodgers' tax levied, as described in "FINANCIAL INFORMATION - Lodgers' Tax and Hospitality Fee."

City of Albuquerque
Outstanding State Gross Receipts/Lodgers' Tax Bonds
As of December 31, 2007

Issue[(1)]	Project Financed	Principal Amt. Of Original Issue	Outstanding Principal Amt.	Reserve Fund Balances	Optional Redemption Provisions
Gross Receipts/ Lodgers' Tax Refunding and Improvement Bonds, Series 1991B[(2)]	Refunding and Convention Center	$20,095,587	$2,303,390	N/A	7/1/11 @ 103%
Gross Receipts/ Lodgers' Tax Refunding Revenue Bonds, Series 1999B	Refunding	45,335,000	12,235,000	N/A	7/1/09 @ 100%
Tax-Exempt Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004A	Refunding	31,965,000	31,965,000	N/A	7/01/2014 @ 100%
Taxable Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004B	Refunding	28,915,000	$28,395,000	N/A	Callable at any time with make-whole premium[(3)]
Total Outstanding State Gross Receipts/Lodgers' Tax Obligations			$74,898,390		

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.
(2) These bonds were issued as capital appreciation bonds. The amount shown as outstanding is the accreted value of the bonds as of July 1, 2007.
(3) Optional Redemption requires an approving opinion of bond or special tax counsel.

Outstanding Hospitality Fee Obligations. The City presently has outstanding the following special limited obligation secured by Hospitality Fee revenues received by the City as described in “FINANCIAL INFORMATION – Lodgers’ Tax and Hospitality Fee.”

City of Albuquerque
Outstanding Hospitality Fee NMFA Loan

Issue	Project Financed	Principal Amount of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions
New Mexico Finance Authority Hospitality Fee Loan (2004)	Convention Center Improvements	$5,700,000	$4,270,000	$563,752	Callable on any interest payment date
Total Hospitality Fee Loan			$4,270,000		

Combined Debt Service. The following schedule shows, for each calendar year, the total combined debt service estimated for all outstanding bonds of the City payable from state gross receipts tax revenues (as described above). The table lists separately the City’s state gross receipts tax bonds referred to as “Old Lien Tax Obligations” and those referred to as “New Lien Tax Obligations.” The pledge securing the Old Lien Tax Obligations is made as to the tax revenues produced by the 1% portion of the 1.225% tax applied to gross receipts in the City and distributed to the City by the State. The pledge securing the New Lien Tax Obligations is made as to state gross receipts tax revenues the City receives from the entire 1.225% distribution from the State. See “FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes.”

Estimated Total Combined Debt Service
Outstanding Gross Receipts Tax Obligations

	Old Lien Tax Obligations					New Lien Tax Obligations			
July 1	Series 1991B (1)(2)	Series 1996	Series 1999B(2)	Series 1999C	Series 2001(3)	NMFA Stadium Lease Loan(4)	Surcharge Stadium Loan(5)	Series 2004A/B(2)	Estimated Total Combined Debt Service Requirements
2008	--	$632,500	$609,005	$1,355,213	$342,950	$490,881	$670,987	$3,354,451	$12,034,985
2009	--	702,250	609,005	1,355,213	345,460	490,902	671,013	3,321,079	11,909,921
2010	--	742,250	609,005	1,355,213	341,650	490,925	671,043	3,313,002	11,962,087
2011	--	813,750	609,005	1,355,213	346,775	490,950	671,074	3,299,474	11,713,240
2012	$560,000	--	709,005	1,355,213	--	490,976	671,109	3,315,714	11,117,017
2013	590,000	--	764,405	1,355,213	--	491,005	671,148	3,290,431	11,241,201
2014	585,000	--	826,885	1,855,213	--	491,036	671,188	3,305,414	10,729,735
2015	600,000	--	885,960	3,956,463	--	491,069	671,229	3,303,899	10,103,620
2016	540,000	--	951,410	4,533,650	--	491,104	671,275	3,370,694	10,753,132
2017	545,000	--	1,012,790	4,538,300	--	491,142	671,322	3,378,176	10,831,730
2018	550,000	--	1,080,250	4,533,500	--	491,182	671,373	3,379,311	10,900,616
2019	--	--	1,692,750	4,593,500	--	491,225	671,426	3,394,368	11,038,269
2020	--	--	1,768,250	4,606,250	--	491,271	671,484	3,392,539	11,124,794
2021	--	--	1,847,000	4,543,888	--	491,321	671,545	3,394,631	11,143,385
2022	--	--	1,933,500	1,105,113	--	491,374	671,610	3,385,376	7,781,973
2023	--	--	662,000	--	--	491,430	671,678	3,440,313	6,760,421
2024	--	--	2,145,000	--	--	491,491	671,751	3,395,937	6,704,179
2025	--	--	2,157,750	--	--	491,556	671,827	3,467,370	6,788,504
2026	--	--	--	--	--	491,626	671,909	5,707,468	6,871,003
2027	--	--	--	--	--	--	--	5,796,531	5,796,531
2028	--	--	--	--	--	--	--	5,881,744	5,881,744
2029	--	--	--	--	--	--	--	5,972,553	5,972,553
2030	--	--	--	--	--	--	--	6,057,850	6,057,850
2031	--	--	--	--	--	--	--	6,151,401	6,151,401
2032	--	--	--	--	--	--	--	6,245,241	6,245,241
2033	--	--	--	--	--	--	--	6,341,491	6,341,491
2034	--	--	--	--	--	--	--	6,431,491	6,431,491
2035	--	--	--	--	--	--	--	6,526,592	6,526,592
2036	--	--	--	--	--	--	--	6,626,342	6,626,342
2037	--	--	--	--	--	--	--	6,690,875	6,690,875
Total	$3,970,000	$2,890,750	$20,872,975	$42,397,155	$1,376,835	$9,490,784	$12,984,948	$134,931,754	$256,199,197

(1) Accreted Values shown.
(2) Payable from both State Shared Gross Receipts Tax Revenues and Lodgers' Tax Revenues.
(3) Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001.
(4) NMFA Lease Revenue/Gross Receipts Tax Stadium Loan – October 4, 2002.
(5) NMFA Surcharge Revenue/Gross Receipts Tax Stadium Loan – December 27, 2002.

The state gross receipts tax revenues of the City attributable to the 1.225% levy for Fiscal Year 2007 were $234,160,820 (unaudited). See "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes." The maximum estimated calendar year combined debt service requirements for the outstanding state gross receipts tax obligations of the City as shown in the preceding table are estimated to be $12,034,985 (occurring in fiscal year 2008). The coverage ratio of the Fiscal Year 2007 State gross receipts tax revenues to such maximum estimated calendar year combined debt service requirements is 19.46x.

Current Ratings of State Gross Receipts Tax Bonds. The City's outstanding state gross receipts tax bonds are currently rated "A1" by Moody's, "AA" by S&P, and "AA" by Fitch. In addition, certain of these bonds (which includes two series of the outstanding state gross receipts/lodgers' tax bonds) are credit enhanced and therefore have a different rating, which is based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.

Municipal Gross Receipts Tax Bonds

Outstanding Municipal Gross Receipts Tax Bonds. The City presently has outstanding the following series of special limited obligations secured by certain of the municipal gross receipts tax revenues received by the City as described in "FINANCIAL INFORMATION - Gross Receipts Taxes - Municipal and Other Gross Receipts Tax."

City of Albuquerque
Outstanding Municipal Gross Receipts Tax Bonds
As of December 31, 2007

Issue[1]	Project Financed	Principal Amt. Of Original Issue	Outstanding Principal Amt.	Reserve Fund Balances	Optional Redemption Provisions
Municipal Gross Receipts Tax Refunding Revenue Bonds, Series 1999A	Refunding	$6,070,000	$3,730,000	N/A	7/1/09 @ 100%
Total Outstanding Municipal Gross Receipts Tax Bonds			$3,730,000		

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.

Debt Service and Coverage Ratio. The following schedule shows, for each calendar year, the total debt service to be payable for the outstanding municipal gross receipts tax bonds of the City.

City of Albuquerque
Total Debt Service
Outstanding Municipal Gross Receipts Tax Bonds
As of December 31, 2007

Calendar Year	Series 1999A Bonds
2008	$571,138
2009	571,388
2010	570,638
2011	566,498
2012	571,248
2013	569,398
2014	571,133
2015	571,433
Total	$4,562,870

The municipal gross receipts tax (0.5%) revenues of the City for Fiscal Year 2007 were $76,032,308 (unaudited). See "FINANCIAL INFORMATION - Gross Receipts Taxes - Municipal and Other Gross Receipts Taxes." The maximum calendar year debt service requirements for the outstanding municipal gross receipts tax bonds of the City are scheduled to be $571,433 (occurring in calendar year 2015). The coverage ratio of the Fiscal Year 2007 municipal gross receipts tax revenues to such maximum calendar year debt service requirements is 133.06x.

Current Ratings of Municipal Gross Receipts Tax Bonds. The City's outstanding municipal gross receipts tax bonds are credit enhanced and therefore have a rating which is based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.

2007 Debt Calculations for Tax-Supported Obligations

The following table summarizes (i) the total outstanding obligations of the City as of December 31, 2007 payable from General Fund tax revenues, (ii) the property tax debt of certain overlapping jurisdictions and (iii) the per capita debt resulting from such aggregate outstanding amounts as of such date.

City of Albuquerque
Debt Calculations for Tax-Supported Obligations
Outstanding as of December 31, 2007

General Obligation Debt	**Total Outstanding**	**Per Capita (Population of 511,008[1])**
Net Direct G.O. Debt[2]	$202,435,323	$396.15
Overlapping Jurisdiction G.O. Debt[2]	326,733,901	639.39
Total Direct and Overlapping G.O. Debt	$529,169,224	$1,035.54
Special Tax Obligations		
State Shared Gross Receipts Tax Bonds[3]	$62,466,523	$122.24
Hospitality Fee Loan	4,270,000	8.36
State Gross Receipts/Lodgers' Tax Bonds[4]	74,743,699	146.27
Municipal Gross Receipts Tax Bonds[5]	3,730,000	7.30
Direct Special Tax Obligations	$145,210,222	$284.16
TOTAL OVERALL TAX-SUPPORTED OBLIGATIONS	$674,379,446	$1,319.70

(1) Estimates provided by City Planning Department.
(2) See table entitled "City of Albuquerque Direct and Overlapping General Obligation Debt as of December 31, 2007" under this caption.
(3) See table entitled "City of Albuquerque Outstanding State Gross Receipts Tax Obligations as of December 31, 2007" under this caption.
(4) See table entitled "City of Albuquerque Outstanding State Gross Receipts/Lodgers' Tax Bonds as of December 31, 2007" under this caption.
(5) See table entitled "City of Albuquerque Outstanding Municipal Gross Receipts Tax Bonds" under this caption.

Enterprise Obligations

Airport Revenue Bonds

Outstanding Airport Revenue Bonds. The City presently has outstanding the following special limited obligations secured by net revenues of the Albuquerque Airport and Double Eagle II Airport. See "ENTERPRISE OPERATIONS - Albuquerque Airport."

City of Albuquerque
Outstanding Airport Revenue Bonds as of December 31, 2007

Issue[1]	Project Financed	Principal Amount of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions[2]
Airport Subordinate Lien Adjustable Tender Refunding Revenue Bonds, Refunding Series 1995[3][4]	Refunding	$ 67,000,000	$36,900,000	$6,700,000	Callable on any interest payment date @100%
Airport Refunding Revenue Bonds, Series 1997[3]	Refunding	33,310,000	23,105,000	Ambac surety	7/1/07-6/30/08 @102% 7/1/08-6/30/09 @101% 7/1/09 and thereafter @100%
Airport Refunding Revenue Bonds, Series 1998[3]	Refunding	42,685,000	31,855,000	Ambac surety	7/1/08 @100%
Subordinate Lien Adjustable Rate Airport Refunding Revenue Bonds, Series 2000A & B[3][4]	Road Improvements and Rental Car Facility	47,200,000	22,200,000	Ambac surety	Callable on any interest payment date @100%
Airport Revenue Bonds, Series 2001[3]	Refunding	42,550,000	29,800,000	Ambac surety	7/1/11 @100%
Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A[4] [5]	Refunding	20,610,000	18,210,000	MBIA surety	7/1/13 @100%
Senior Lien Airport Improvement Revenue Bonds, Series 2004B[5]	Fuel Facility, Terminal and Improvements	30,000,000	28,330,000	MBIA surety	7/1/13 @100%
Total Airport Revenue Bonds			$190,400,000		

(1) The CUSIP numbers for each maturity listed on this table are shown on Appendix B hereto.
(2) These bonds are also subject to mandatory redemption at par on the dates and under certain circumstances relating to damage to or destruction of the Airport or condemnation of all or a part of the Airport as described in the bond documents relating to such bonds.
(3) Ambac Assurance Corporation has provided its bond insurance policy in connection with these bonds. See “Credit Enhancement and Interest Rate Risk Management” under this caption.
(4) These bonds are payable from net revenues of the Airport on a subordinate parity lien basis to the other outstanding Airport revenue bonds, which are sometimes referred to herein as “Senior Parity Obligations.” See also “Credit Enhancement and Interest Rate Risk Management” under this caption for a description of certain credit enhancement relating to these bonds and an exchange agreement relating to the Series 1995 Bonds.
(5) MBIA Insurance Corporation has provided its bond insurance policy in connection with these bonds. See “Credit Enhancement and Interest Rate Risk Management” under this caption.

The City has also authorized, but not issued $55,000,000 of its Third Lien Airport Revenue Commercial Paper Notes Series A, B and C. It is anticipated that notes will be issued in Spring or Summer 2008.

Combined Debt Service and Coverage Ratio. The following schedule shows, for each calendar year, the estimated total combined debt service payable for the outstanding Airport revenue bonds of the City.

Total Combined Outstanding Debt Service of Airport Obligations

	Outstanding Senior Parity Obligations					Outstanding Subordinate Parity Obligations				
Calendar Year	Series 1997 Bonds	Series 1998B Bonds	Series 2001 Bonds	Series 2004B Bonds	Total Senior Parity Obligations	Series 1995 Bonds[1]	Series 2000A & B Bonds[2]	Series 2004A Bonds	Total Subordinate Party Obligations	Estimated Total Combined Requirements
2008	$3,027,121	$3,574,234	$4,964,200	$2,883,440	$14,448,995	$6,681,155	$4,986,000	$1,968,089	$13,635,244	$28,084,239
2009	3,029,621	3,579,474	4,790,200	2,843,778	14,243,073	6,694,360	5,225,000	2,241,174	14,160,534	28,403,607
2010	3,021,621	3,568,399	4,994,040	2,798,688	14,382,748	6,786,580	4,989,000	2,213,614	13,989,194	28,371,942
2011	3,011,871	3,571,279	3,769,350	2,715,188	13,067,688	6,850,820	4,641,000	2,245,254	13,737,074	26,804,761
2012	3,020,034	3,568,748	3,770,463	2,665,088	13,024,331	6,887,080	4,793,000	2,208,474	13,888,554	26,912,885
2013	3,014,421	3,578,323	3,768,513	2,576,588	12,937,844	6,995,360	4,570,000	2,206,891	13,772,251	26,710,094
2014	3,018,096	3,575,683	3,768,231	2,493,338	12,855,348	7,168,665	4,317,000	2,214,338	13,700,003	26,555,351
2015	3,023,165	3,575,945	3,769,081	2,410,088	12,778,279		2,334,000	2,211,970	4,545,970	17,324,249
2016	3,018,990	3,573,500	3,760,525	2,326,838	12,679,853		676,000	2,173,466	2,849,466	15,529,319
2017	3,022,495	3,571,500		2,260,238	8,854,233		628,000	2,170,667	2,798,667	11,652,900
2018	3,019,610	3,572,250		2,193,638	8,785,498		680,000	1,881,469	2,561,469	11,346,967
2019		3,575,250		2,110,388	5,685,638		620,000		620,000	6,305,638
2020				2,027,138	2,027,138		560,000		560,000	2,587,138
2021				1,956,375	1,956,375					1,956,375
2022				1,885,613	1,885,613					1,885,613
2023				1,814,850	1,814,850					1,814,850
2024				1,739,925	1,739,925					1,739,925
Total	$33,227,046	$42,884,583	$37,354,603	$39,701,193	$153,167,424	$48,064,020	$39,019,000	$23,735,405	$110,818,425	$263,985,848

Note: Columns may not add to totals due to rounding.

(1) The interest rate payable by the City for the Subordinate Series 1995 Bonds has been calculated at 6.685% per annum pursuant to the interest rate exchange agreement entered into by the City in connection with its issuance of the Subordinate Series 1995 Bonds.

(2) The interest payable by the City for the Subordinate Series 2000A and 2000B Bonds has been calculated at assumed annual interest rates of 12% and 15%, respectively, the maximum bond interest rates under the bond ordinance pursuant to which the those Bonds were issued, although the City expects the actual rates to be significantly lower than such maximum bond interest rates.

In the ordinances pursuant to which the City's Airport revenue obligations have been issued, the City has agreed to charge all users of the Airport reasonable rates sufficient to produce net revenues (as adjusted in accordance with the ordinances) annually to pay 120% of the debt service requirements on all outstanding Senior Parity Obligations ("Test No. 1") and 110% of the debt service requirements on all outstanding Airport obligations ("Test No. 2"). The estimated net revenues of the Airport for Fiscal Year 2007 were $40,351,145 (Test No. 1) and $40,648,938 (Test No. 2). See "ENTERPRISE OPERATIONS - Albuquerque Airport - Airport Financial Information; Airport Fund." This amount is adjusted to conform amounts presented as net revenues in the City's CAFRs to the definition of Net Revenues in the ordinances and the calculation of debt service under Test No. 1 and Test No. 2. The maximum estimated calendar year combined debt service requirements for all outstanding Senior Parity Obligations are estimated to be $14,448,995 (occurring in calendar year 2008). With respect to Test No. 1, the coverage ratio of the unaudited net revenues for the Airport for Fiscal Year 2007 ($40,351,145) to such maximum estimated calendar year debt service requirements is 2.79x. The maximum estimated calendar year combined debt service requirements for all outstanding Airport revenue obligations are estimated to be $28,403,607 (occurring in calendar year 2009). With respect to Test No. 2, the coverage ratio of the unaudited net revenues of the Airport for Fiscal Year 2007 ($40,648,938) to such maximum estimated calendar year debt service requirements is 1.43x (occurring in calendar year 2009). For Fiscal Year 2007, the actual debt service ratio for Test No. 1 is equal 2.77x, and the ratio for Test No. 2 is equal to 1.59x.

<u>Current Ratings of the Airport Revenue Bonds</u>. All of the City's outstanding Airport revenue bonds are credit enhanced and therefore have received a rating based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption. However, the following underlying ratings have been assigned to the Senior Parity Obligations: "Aa3" by Moody's, "A+" by S&P and "A+" by Fitch. The following underlying ratings have been assigned to the Subordinate Parity Obligations: "A1" by Moody's, "A" by S&P and "A" by Fitch.

Joint Water and Sewer System Obligations

The joint water and sewer system was owned by the City and operated by its Public Works Department until December 17, 2003 (the "Water/Sewer System") and revenue bond debt relating to the Water/Sewer System continues to be outstanding. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (the "Authority") and provided that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System would be transferred to the Authority. The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. The City has transferred functions, appropriations, money records, equipment and other real and personal property pertaining to the Water/Sewer System to the Authority and the policy-making functions of the Water/Sewer System have been transferred to the Authority. The Authority and the City entered into a Memorandum of Understanding dated July 1, 2007, under which the City provides certain administrative support to the Authority.

Information relating to outstanding Water/Sewer System obligations may be found in the Annual Information Statement of the Authority dated January 25, 2008 on file with each Nationally Recognized Municipal Securities Information Repository.

Refuse Removal and Disposal System Revenue Bonds

Outstanding Refuse System Revenue Bonds. The City presently has outstanding the following special limited obligations secured by net revenues of the City's refuse removal and disposal system. See "ENTERPRISE OPERATIONS - Refuse Removal and Disposal System."

City of Albuquerque
Outstanding Refuse Removal and Disposal Revenue Bonds
As of December 31, 2007

Issue[(1)]	Project Financed	Principal Amt. Of Original Issue	Outstanding Principal Amt.	Reserve Fund Balances	Optional Redemption Provisions [(2)]
Refuse Removal and Disposal Refunding Revenue Bonds, Series 1995[(3)]	Refunding	$13,515,000	$3,295,000	Ambac surety	Not callable
Refuse Removal and Disposal Revenue Bonds, Series 1998[(3)]	System improvements	10,170,000	4,885,000	Ambac surety	7/1/2007 @100%
Refuse Removal and Disposal Revenue Bonds, Series 2001A and B[(4)]	System improvements and refunding	14,205,000	9,850,000	FSA surety	Not callable
NMFA – Refuse Removal and Disposal Loan (2004)	System Improvements	5,800,000	4,192,636	N/A	Callable on any interest payment date after one year from and after July 13, 2004
Total Refuse System Revenue Bonds[(5)]			$22,222,636		

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.
(2) Certain of these bonds are also subject to mandatory sinking fund redemption at par on the dates and otherwise as described in the bond documents relating to such bonds.
(3) Ambac Assurance Corporation has provided its municipal bond insurance in connection with these bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.
(4) Financial Security Assurance Inc. has provided its municipal bond insurance in connection with these bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.
(5) The City is currently pursuing a $2,600,000 loan for System improvements and equipment with the New Mexico Finance Authority which loan will have a parity lien on net system revenues of the City's refuse removal and disposal system.

Combined Debt Service and Coverage Ratio. The following schedule shows, for each calendar year, the total combined debt service requirements payable for the City's outstanding refuse system revenue bonds through their respective final maturity dates.

City of Albuquerque
Total Combined Debt Service
Outstanding Refuse System Revenue Bonds
As of December 31, 2007

Calendar Year	Series 1995 Bonds	Series 1998 Bonds	Series 2001A Bonds	Series 2001B Bonds	NMFA Loan	Combined Debt Service Requirements
2008	$1,777,988	$948,468	$1,153,800	$504,885	$677,732	$5,062,872
2009	1,778,725	947,443	1,150,338	--	677,762	4,554,267
2010	--	949,193	2,929,950	--	677,796	4,556,939
2011	--	949,213	2,933,700	--	677,837	4,560,750
2012	--	946,863	2,925,950	--	677,883	4,550,695
2013	--	946,856	--	--	677,932	1,624,788
2014	--	--	--	--	677,986	677,986
Total	$3,556,713	$5,688,034	$11,093,738	$504,885	$4,744,928	$25,588,297

In the ordinances pursuant to which the City's refuse system obligations have been issued, the City has agreed to charge users of the system such reasonable rates as are sufficient to produce net revenues annually to pay 150% of the annual debt service requirements on all outstanding refuse system obligations. The unaudited net revenues of the City's solid waste and refuse disposal system for Fiscal Year 2007 were $11,817,575. See "ENTERPRISE OPERATIONS - Refuse Removal and Disposal System." The maximum calendar year combined debt service requirements for the outstanding refuse system revenue bonds of the City (as shown above) are $5,062,872 (occurring in calendar year 2008). The coverage ratio of the 2007 refuse system net revenues ($11,817,575) to such maximum calendar year combined debt service requirements ($5,062,872) would be 2.33x. For Fiscal Year 2007, the ratio of net revenues ($11,817,575) to actual debt service ($5,131,158) was equal to 2.3x.

Current Ratings of the Refuse System Revenue Bonds. All of the City's outstanding refuse system revenue bonds are credit enhanced and therefore have ratings which are based on the ratings of the credit enhancer rather than the ratings of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption. The City's outstanding refuse system revenue bonds are currently given underlying ratings of "Al" by Moody's, "AA-" by S&P, and "AA" by Fitch.

Golf Course Obligations

Outstanding Golf Course Bonds. The City presently has outstanding one series of special limited obligations secured by net revenues of the City's golf courses as well as by a pledge of the state gross receipts tax. See "ENTERPRISE OPERATIONS - Golf Courses."

City of Albuquerque
Outstanding Golf Course Bonds
As of December 31, 2007

Issue[1]	Project Financed	Principal Amount Of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions
Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001[2][3]	Golf Course Facilities	$2,420,000	$1,175,000	N/A	7/1/06 @ 100%

(1) The CUSIP numbers for each maturity are listed on Appendix B hereto.
(2) MBIA Insurance Corporation has provided its municipal bond insurance in connection with these bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.
(3) These bonds are also secured by a pledge of revenues received by the City as a distribution from the State of the City's share of the state gross receipts tax. State gross receipts tax revenues will only be used to pay debt service on these bonds to the extent that net revenues from the City's golf courses are not available to pay such debt service. The coverage ratio of the maximum annual debt service on the bonds ($346,775 in 2008) compared to the City's state gross receipts tax revenues in Fiscal Year 2007 ($234,160,820) was 675.25x.

Debt Service and Coverage Ratio. The following schedule shows, for each calendar year, the total debt service requirements payable for the City's outstanding golf course bonds through their final maturity dates.

City of Albuquerque
Total Debt Service
Outstanding Golf Course Bonds
As of December 31, 2007

Calendar Year	Series 2001 Bonds
2008	$342,950
2009	345,460
2010	341,650
2011	346,775
Total	$1,376,835

In the ordinance pursuant to which the City's golf course obligations have been issued, the City has agreed to charge users of the system reasonable rates sufficient to produce net revenues annually to pay (i) the annual operation and maintenance expenses of the City's golf courses, and (ii) 150% of the maximum calendar year principal and interest requirements for the Series 2001 Bonds and any additional golf course obligations (excluding the accumulation of any reserves therefore but including any amounts coming due under mandatory sinking fund redemption provisions). The amount available in Fiscal Year 2007 that constituted the net revenues of the City's golf courses was ($21,612) (unaudited). Because the Golf Courses did not generate positive net revenues in Fiscal Year 2007, there is not a positive coverage ratio for the Series 2001 Bonds. See "ENTERPRISE OPERATIONS - Golf Courses - Golf Course Financial Information." The coverage ratio of Fiscal Year 2007 state gross receipts tax ($234,160,820 to such maximum fiscal year debt service requirements ($346,775)) would be 675.25x.

The City is currently not in compliance with the 1.50x rate covenant for the golf course bonds. The Department of Recreation/Golf Course management attributes the shortfall to severe weather in late summer 2006 and winter 2007 that substantially limited rounds played on the City golf courses. Due to the lack of sufficient golf course revenues, the City used state gross receipts tax revenues to pay debt service on the golf course bonds in Fiscal Year 2007.

Current Ratings of the Golf Course Revenue Bonds. The City's outstanding golf course bonds are credit enhanced and therefore have ratings which are based on the ratings of the credit enhancer rather than the ratings of the City for such bonds. See "Credit Enhancement and Interest Rate Risk Management" under this caption.

Special Assessment District Obligations

SAD Bonds are special and limited obligations of the City, payable from certain assessments levied against the property specially benefited by the improvements. The assessments constitute a lien on each parcel of land in the district as to the respective amounts relating to such parcel, which lien has a priority on the land equal to the lien thereon for general and ad valorem taxes and superior to all other liens, claims and taxes. The City currently has no special assessment district bonds outstanding but does have loans with a lien on special assessments from the New Mexico Finance Authority.

Outstanding Special Assessment District Loans. The New Mexico Finance Authority ("NMFA") has loaned funds to the City to finance improvements to certain special assessment districts. Such NMFA loans ("SAD NMFA Loans") are special and limited obligations of the City, payable solely from certain assessments levied against the property specially benefited by the improvements. There are currently four SAD NMFA Loans outstanding in an aggregate principal amount of $3,738,005.

City of Albuquerque
Outstanding Special Assessment District Obligations
As of December 31, 2007

SAD NMFA Loans	Principal Amt. Of Original Issue	Outstanding Principal Amt.	Redemption Provisions[(2)]
SAD 225 (November 2000): NMFA Tax-Exempt Loan (Street and Storm Drainage Improvements)	$3,867,500	$86,365	Optional and special redemption
SAD 222 (October 2001): NMFA Tax-Exempt Loan (Street and Storm Drainage Improvements)	2,605,539	340,193	Optional and special redemption
SAD 216 (May 2002): NMFA Tax-Exempt Loan (Street and Storm Drainage Improvements)	1,314,322	368,002	Optional and special redemption
SAD 227 (February 2004): NMFA			
Tax-Exempt Loan	8,170,888	2,674,169	Optional and special redemption
Taxable Loan	404,255	269,276	
Total Special Assessment District Obligations		$3,738,005	

(2) The loans are subject to optional redemption and special redemption at par in accordance with the bond ordinances relating to such loans.

Current Ratings of the Special Assessment District Bonds. The City's outstanding SAD NMFA Loans are unrated.

Housing Obligations

Collateralized Mortgage Obligations

1988 CMO Bonds. On December 28, 1988, the City issued its Municipal Refunding Collateralized Mortgage Obligations ("MR CMO"), Series 1988A (the "1988 CMO Bonds") in the aggregate principal amount of $43,650,000. The 1988 CMO Bonds were outstanding as of December 31, 2007 in the aggregate principal amount of $5,000,000. The only 1988 CMO Bonds currently outstanding are the Class A-4 Bonds which are zero coupon or capital appreciation bonds. Interest on the 1988 CMO Bonds is subject to federal income taxation.

The 1988 CMO Bonds were issued to provide funds for the purpose of refunding and defeasing the City's Residential Mortgage Revenue Refunding Bonds, Series 1980. The 1988 CMO Bonds are secured by mortgage loans (the "Mortgage Loans") with liens on one-to-four family residences (including condominiums) in the City, originally owned by persons of low and moderate income, and by moneys and securities held under the indenture relating to those Bonds. The Mortgage Loans currently are being serviced for the City by mortgage servicing institutions pursuant to certain agreements (collectively, each an "Agreement" and, together, the "Agreements"). Each Mortgage Loan bears interest at a rate of not less than 8.25% per annum, with an initial term of not less than 25 years. Certain scheduled payments on the 1988 CMO Bonds are unconditionally and irrevocably guaranteed pursuant to a bond insurance policy from Financial Guaranty Insurance Corporation.

The bond insurance policy, the Mortgage Loans, the Agreements, and certain payments received by the Trustee, together with amounts available in the reserve account, and certain other amounts held under the 1988 Indenture, constitute the security for the 1988 CMO Bonds.

Multifamily Revenue Bonds

On July 20, 2000, the City issued its Affordable Housing Projects Refunding Revenue Bonds, Series 2000 (the "Series 2000 Bonds") in the aggregate principal amount of $15,080,000 for the purpose of refunding and defeasing the three following bond issues of the City: its Multifamily Mortgage Revenue Bonds (Beach Apartments Project), Series 1991; its Multifamily Mortgage Revenue Bonds (Manzano Vista, formerly Dorado Village Apartments Project), Series 1994; and its Affordable Housing Project/Gross Receipts Tax Subordinate Lien Revenue Bonds, Series 1996. The Series 2000 Bonds were outstanding as of December 31, 2007 in the aggregate principal amount of $12,880,000.

The Series 2000 Bonds are secured by a lien on, and payable only from revenues of, the Beach Apartments Project, the Manzano Vista Apartments Project and the Bluewater Village Apartments Project (including a mortgage on such projects), certain funds and accounts created under the indenture relating to the Series 2000 Bonds, a municipal bond insurance policy issued by MBIA Insurance Corporation and a standby bond purchase agreement provided by Bank of America, N.A. See "OTHER PROJECTS OF THE CITY - Housing Projects."

A debt service reserve fund was established which, as of June 30, 2006, had a balance of $284,491 in cash. Also in connection with the refunding, a repair and replacement fund was established for the benefit of the three projects which, as of June 30, 2006, had a balance of $555,919. All funds and accounts are in compliance with the requirements of the mortgage and indenture of trust governing the refunding bonds.

Transit-Related Obligations

On July 25, 2006, the City entered into a Lease-Purchase Agreement with BOSC, Inc. for the purchase of transit buses for the City's Transit Department. The City pledged grant revenues it is scheduled to receive from the United States Federal Transit Authority ("FTA") pursuant to 49 USC Section 5307 and FTA Regulations for repayment of the Lease-Purchase Agreement. The City has not pledged any ad valorem or gross receipts tax revenues toward repayment of the Lease-Purchase Agreement.

The following schedule shows, for each calendar year, the total debt service requirements payable for the City's outstanding Transit Department Lease-Purchase Agreement through the anticipated final maturity date.

City of Albuquerque
Debt Service Schedule
Outstanding Transit Department Lease-Purchase Agreement
As of December 31, 2007

Date	Payment	Prepayment Option
7/1/2008	$1,348,748	$18,132,874
1/1/2009	1,348,748	17,169,449
7/1/2009	1,348,748	16,185,551
1/1/2010	1,348,748	15,180,746
7/1/2010	1,348,748	14,154,588
1/1/2011	1,348,748	13,106,625
7/1/2011	1,348,748	12,036,393
1/1/2012	1,348,748	10,943,418
7/1/2012	1,348,748	9,827,217
1/1/2013	1,348,748	8,687,297
7/1/2013	1,348,748	7,523,154
1/1/2014	1,348,748	6,334,272
7/1/2014	1,348,748	5,120,127
1/1/2015	1,348,748	3,880,182
7/1/2015	1,348,748	2,613,887
1/1/2016	1,348,748	1,320,684
7/1/2016	1,348,748	0

Credit Enhancement and Interest Rate Risk Management

Credit Enhancement

The following table sets forth certain information concerning the providers of credit enhancement (including municipal bond insurance and letters of credit) supporting outstanding obligations of the City. **The City makes no representation as to the financial status of or otherwise about any of such credit providers; investors should contact the respective provider for any such information.**

City of Albuquerque
Credit Enhancement Supporting Outstanding Obligations of the City

Name of Credit Provider	Outstanding Aggregate Principal Amount of Obligations Supported	Present Ratings of Credit Provider [1]	Credit Enhanced Obligations	Expiration of Credit Enhancement	Date City May Request Renewal of Credit Enhancement
Ambac Assurance Corporation	$115,140,000	S&P: AAA Moody's: Aaa	·Refuse Removal and Disposal Revenue Bonds, Series 1995 and 1998 · Airport Refunding · Airport Subordinate Lien Adjustable Tender Refunding Revenue Bonds, Series 1997 [2] · Airport Refunding Revenue Bonds, Series 1998 · Airport Subordinate Lien Adjustable Rate Revenue Bonds, Series 2000A & B[3] · Airport Refunding Revenue Bonds, Series 2001	Maturity of insured bonds	N/A
Financial Guaranty Insurance Corporation	$14,440,000	S & P: AAA Moody's: Aaa	· Municipal Refunding Collateralized Mortgage Obligations, Series 1988 and 1989 · General Obligation Bonds, Series 2003C	Maturity of insured bonds	N/A
Financial Security Assurance	$72,679,223	S & P: AAA Moody's: Aaa	· Gross Receipts/Lodgers' Tax Refunding and Improvement Revenue Bonds, Series 1991B · Refuse Removal and Disposal Improvement Revenue Bonds, Series 2001 A · Refuse Removal and Disposal Refunding Revenue Bonds, Series 2001B · Tax-Exempt Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004A · Taxable Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004B	Maturity of insured bonds	N/A
MBIA Insurance Corporation	$115,910,000	S & P: AAA Moody's Aaa	· Gross Receipts Tax Refunding Revenue Bonds, Series 1996 · Variable Rate Gross Receipts Tax Improvement Revenue Bonds, Series 2000A[4] · Affordable Housing Projects Refunding Revenue Bonds, Series 2000[5] · Taxable Golf Course Net Revenue/ Gross Receipts Tax Revenue Bonds, Series 2001 · General Obligation Bonds, Series 2003B · Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A · Senior Lien Airport Improvement Revenue Bonds, Series 2004B	Maturity of insured bonds	N/A

(1) To the City's knowledge as of December 31, 2007.
(2) These bonds are also secured by a standby bond purchase agreement provided by DEPFA Bank PLC, New York Branch which expires July 1, 2014.
(3) These bonds are also secured by a standby bond purchase agreement provided by Morgan Guaranty Trust Company of New York which expires May 30, 2010.
(4) These bonds are also secured by a standby bond purchase agreement provided by Bank of America, N.A. which expires January 20, 2014.
(5) These bonds are also secured by a standby bond purchase agreement provided by Bank of America, N.A. which expires July 20, 2010.

Interest Rate Risk Management

The City has from time to time entered into financing arrangements in order to more effectively manage its debt portfolio and limit its exposure in certain cases to interest rate risk. At the present time, there is one such arrangement currently in place with respect to the City's outstanding long-term obligations as described below.

Subordinate Series 1995 Airport Revenue Bonds. 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 Corp. ("AIG-FP"). Under the Exchange Agreement, the City is obligated to make payments to AIG-FP calculated on the basis of a fixed rate (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. These payments are to be made on a net basis on the business day immediately preceding each interest payment date for the Subordinate Series 1995 Bonds.

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 therefore. 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 payments to AIG-FP are on a parity with the City's obligation to pay principal of and interest on the Subordinate Series 1995 Bonds. The obligations of AIG-FP under the Exchange Agreement have been guaranteed by its parent corporation, American International Group, Inc.

Under certain limited circumstances, the Exchange Agreement may be terminated prior to the maturity of the Subordinate Series 1995 Bonds. Accordingly, no assurance can be given that the Exchange Agreement will continue to be in existence. 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 which could be substantial.

ECONOMIC AND DEMOGRAPHIC INFORMATION

The City and Metropolitan Area

Albuquerque is the largest city in the State, accounting for roughly one-quarter of the State's population. Located at the center of the State in Bernalillo County (the "County") at the intersection of two major interstate highways and served by both rail and air, Albuquerque is the major trade, commercial and financial center of the State.

City of Albuquerque Area in Square Miles	
	Square Miles
December 31, 1885	0.36
December 31, 1940	11.15
December 31, 1950	48.81
December 31, 1960	61.94
December 31, 1970	82.72
December 31, 1980	100.31
December 31, 1990	137.46
June 30, 2000	181.7
June 30, 2001	184.8
June 30, 2002	187.0
June 30, 2003	187.5
June 30, 2004	188.5
June 30, 2005	188.7
June 30, 2006	188.8
June 30, 2007	188.8

Source: City of Albuquerque Planning Department.

Population

The Albuquerque Metropolitan Statistical Area ("MSA") was re-defined in January 1, 1994 to include Bernalillo, Sandoval and Valencia Counties. The Census added Torrance County to the estimate of the MSA in the 2000 census.

Population

Year	City	Bernalillo County	Albuquerque MSA	State
1960	201,189	262,199	292,500(1)	951,023
1970	244,501	315,774	353,800(1)	1,017,055
1980	332,920	420,262	485,500(1)	1,303,303
1990	384,736	480,577	589,131	1,515,069
2000 April(2)	448,607	556,678	729,649	1,819,046
2000(3)	449,140	556,902	731,651	1,820,861
2001(3)	454,291	561,942	739,518	1,829,032
2002(3)	464,011	572,206	753,375	1,850,562
2003(3)	472,814	581,151	766,089	1,870,113
2004(3)	483,249	591,799	780,270	1,892,182
2005(3)	494,477	603,783	797,517	1,916,331
2006(3)	504,949	615,099	816,811	1,942,302
2007	511,008(4)	623,095	829,880	1,969,915

(1) Because Valencia County was split into two counties in 1981, official data is not available prior to that year for the Albuquerque MSA. Figures shown represent estimates by the University of New Mexico Bureau of Business and Economic Research ("BBER").
(2) April of 2000 is the month and year of the Census. It is reported as the benchmark; all other years are as of July of the year. The Census in 2000 expanded the Albuquerque MSA to include Torrance County, population of 16,911.
(3) 2000 through 2007 data: U.S. Dept. of Commerce, Bureau of the Census, Population Division.
(4) Estimates provided by the City of Albuquerque Planning Department.

Sources: U.S. Dept. of Commerce, Bureau of the Census, except as indicated in footnotes.

Population in the City grew at a compounded annual rate of 1.97% during the 1960s, 3.13% during the 1970s, 1.46% during the 1980s and 1.55% during the 1990s. The percentage of the State's population in the City was 21.2% in 1960, 24.0% in 1970, 25.5% in 1980, 25.4% in 1990 and 24.7% in 2000.

Employment

General

The Albuquerque economy in the period Fiscal Year 1998 to 2007 grew at an average of 1.67% a year. This growth was limited due, in part, to the decline in employment experienced in 2002 and nominal employment growth in 2003. In Fiscal Year 2006 annual employment growth was 3.1% and 2.67% in Fiscal Year 2007.

The information on nonagricultural employment for the State and the Albuquerque MSA reported in the following table represents estimates by the New Mexico Department of Labor. More detailed information on nonagricultural employment can be found in the table entitled "Estimated Nonagricultural Wage and Salary Employment for the Albuquerque MSA Fiscal Years 1998-2007" under the heading "Major Industries" under this caption.

Nonagricultural Employment
(000s Omitted)

	Albuquerque MSA		New Mexico		United States	
Calendar Year	Employment	% Chg.	Employment	% Chg.	Employment	% Chg.
1998	342.2	1.5%	720.0	1.6%	125,930	2.6%
1999	347.0	1.4%	729.7	1.4%	128,993	2.4%
2000	357.4	3.0%	744.8	2.1%	131,785	2.2%
2001	362.2	1.3%	757.2	1.7%	131,832	0.0%
2002	361.7	(0.1)%	766.1	1.2%	130,347	(1.1)%
2003	363.1	0.4%	775.6	1.2%	129,990	(0.3)%
2004	370.2	1.9%	790.4	1.9%	131,423	1.1%
2005	377.9	2.1%	808.7	2.3%	133,696	1.7%
2006	391.7	3.7%	833.3	3.0%	136,175	1.9%
2007	397.9	1.6%	847.2	1.7%	137,994	1.3%

Sources: Albuquerque MSA and New Mexico data based on figures from the New Mexico Department of Labor; U.S. data from the U.S. Department of Labor.

Civilian Employment/Unemployment Rates

	Albuquerque MSA			Unemployment Rates		
Calendar Year	Civilian Labor Force	Number Employed	Number Unemployed	Albuquerque MSA	New Mexico	United States
1998	369,579	352,489	17,090	4.60%	6.20%	4.50%
1999	373,258	358,687	14,571	3.90%	5.60%	4.20%
2000	370,857	355,580	15,277	4.12%	5.00%	4.00%
2001	376,382	360,240	16,142	4.29%	4.90%	4.70%
2002	378,031	358,841	19,190	5.12%	5.50%	5.80%
2003	382,397	361,686	20,711	5.49%	5.90%	6.00%
2004	391,190	370,654	20,536	5.35%	5.80%	5.50%
2005	399,956	380,354	19,602	4.98%	5.30%	5.10%
2006	403,978	387,797	16,181	4.01%	4.20%	4.60%
2007	407,809	393,468	14,341	3.52%	3.59%	4.61%

Sources: U.S. Department of Labor and New Mexico Department of Labor.

The following table lists the major employers in the Albuquerque area and their estimated number of full-time and part-time employees for 2007. Albuquerque Public Schools, University of New Mexico, Kirtland Air Force Base, Sandia National Laboratories ("SNL"), the City and Presbyterian Healthcare Services were the largest employers in the Albuquerque area.

Major Employers in the Albuquerque Area(1)
By Number of Employees – 2007

Organization	Employees	% of Total Non-Agricultural & Military Employment(2)	Description
Albuquerque Public Schools	14,480	3.6%	Educational Institution
University of New Mexico	14,300	3.5%	Educational Institution
Kirtland Air Force Base (Civilian)	8,640	2.1%	Air Force Material Command
Sandia National Labs	7,624	1.9%	Research Development
City of Albuquerque	6,710	1.7%	Government
Presbyterian	6,670	1.6%	Healthcare Services
State of New Mexico	5,490	1.4%	Government
Lovelace	5,200	1.3%	Hospital/Medical Services
Kirtland Air Force Base (Military Active Duty)	5,100	1.3%	Air Force Material Command
Intel Corporation	4,700	1.2%	Semiconductor Manufacturer
UNM Hospital	4,600	1.1%	Hospital/Medical Services
Bernalillo County	2,300	0.6%	Government
PNM Electric & Gas Services	1,800	0.4%	Utilities Provider
New Mexico Veterans Affairs Healthcare System	1,800	0.4%	Hospital/Medical Services
Central New Mexico Community College	1,770	0.4%	Educational Institution
T-Mobile	1,700	0.4%	Customer Service Center
Sandia Resort & Casino	1,670	0.4%	Casino
Bank of America	1,600	0.4%	Financial Institution
Rio Rancho Public Schools	1,580	0.4%	Educational Institution
Los Lunas Public Schools	1,360	0.3%	Educational Institution
Heritage Home Healthcare	1,300	0.3%	Home-Based Healthcare Services
US Forest Service	1,200	0.3%	Government
Route 66 Casino	1,200	0.3%	Casino
Isleta Gaming Palace	1,200	0.3%	Casino
Eclipse Aviation	1,200	0.3%	Aircraft Manufacturer

(1) Employment figures are from a survey conducted by Albuquerque Economic Development, Inc. For a discussion regarding major employers and certain changes which may impact their number of employees, see "Major Industries" under this caption.
(2) Based on total nonagricultural employment (399,535) plus the number of military employees (5,100) for a total of 404,635 employees (estimated by the Bureau of Business and Economic Research (for-UNM) in May 2007.

Source: Albuquerque Economic Development, Inc.

Major Industries

The following narrative discusses the trends in each major sector of the Albuquerque economy. The latest information available to the City in calendar year 2007 is provided unless otherwise noted. The City makes no projections or representations, nor shall the provision of such information create any implication that there has been no change in the described employment sectors of the City or that any historical trends set forth herein will continue. The table in this section entitled "Estimated Nonagricultural Wage and Salary Employment for the Albuquerque MSA, Fiscal Years 1998-2007" provides detailed information regarding employment growth within key sectors of the economy for that period.

<u>Trade, Transportation and Utilities</u>. This sector is composed of retail trade, wholesale trade, transportation, and utilities and constitutes approximately 17% of Albuquerque MSA employment. As a whole the employment increased by an annual average of only 0.3% from Fiscal Year 1998 to 2007. Wholesale trade lost employment and utilities had limited growth of 0.8%, but declined in Fiscal Years 2004 and 2005. In the same period retail grew by approximately 0.8%. Retail is an important sector for the City and retail trade makes up approximately 40% of gross receipts tax ("GRT") revenues. Despite this slow growth in employment in the Albuquerque MSA, gross receipts tax revenues for the retail trade sector grew strongly in the past several years.

<u>Educational and Health Services</u>. Albuquerque is a major regional medical center. Presbyterian Healthcare Services is one of the largest employers in the area. This is one of the fastest growing categories in the Albuquerque MSA economy. From Fiscal Year 1998 to 2007 the average annual growth was 3.7%. The sector now makes up 12.3% of non-agricultural employment. Much of this growth is due to a change in Medicare policy that allows payment for home healthcare. The educational sector is small in comparison to health services. Exact numbers are not available, but the educational sector has also grown substantially in the past several years with expansion of several local private education facilities.

<u>Leisure and Hospitality</u>. Employment in the leisure and hospitality sector has expanded relatively slowly at an average of 2.1% per year in the period Fiscal Year 1998 to Fiscal Year 2007. In Fiscal Year 2007 growth was quite strong at 5.7%, reflecting growth in lodging establishment and new eating and drinking establishments. This category includes eating and drinking establishments as well as hotels and other tourist related facilities. Albuquerque has benefited from the interest in the Southwest and from efforts to promote the City and to attract major conventions to the City's convention center. The hotel stock in the City of Albuquerque has increased substantially in the past few years. From 1995 to June 2003, construction permits for 4,088 hotel rooms were issued. From June 2003 to June 2006, ten hotels with a total of 1,073 rooms were permitted. The largest, the Embassy Suites Hotel near downtown, has 261 suites and large convention facilities and opened for business in April 2005. The second half of 2007 saw three permits for 439 additional rooms added. Occupancy at Albuquerque hotels continues to be a problem. Occupancy has averaged around 60% for the past five years. In 2001, following the September 11th terrorist attacks, travel declined as did lodgers' tax revenues. Growth in Fiscal Year 2001 was 1.3% followed by a decline of 2% in Fiscal Year 2002 and an increase in Fiscal Year 2003 of 1.5%. In Fiscal Year 2004 there was a rebound with growth in lodgers' tax

revenues of nearly 5%. This continues with growth in Fiscal Year 2005 of 3.3%, 10.7% in Fiscal Year 2006 and 8.2% in Fiscal Year 2007.

Professional and Business Services. This sub-sector includes temporary employment agencies and some of Albuquerque's back-office operations, Sandia National Labs ("SNL") and other scientific and research facilities. This sector had average annual growth of approximately 2% from Fiscal Year 1998 to Fiscal Year 2007. In the past three fiscal years growth has averaged 3.3%. According to SNL, employment stabilized at around 6,500 for 1999 to 2001. In 2002, SNL experienced growth, in part, as a result of anti-terrorism efforts and the SNL's core nuclear protection program. SNL reported approximately 7,719 employees in Albuquerque in federal Fiscal Year 2005, and for Fiscal Year 2006, SNL reported 7,624. On December 12, 2007, the Albuquerque Journal reported that SNL's total national employment was down 384 jobs from the Fiscal Year 2005 level (SNL's Albuquerque operation has averaged around 85% of SNL's total nationwide lab employment). The article also notes that approximately 65 workers may lose their jobs in the coming months. SNL also expects to reduce the size of its workforce by an additional 600 jobs by 2011. This reduction of 600 jobs is expected to be met by normal attrition and no additional layoffs will be needed. The first phase of a $450 million project called Microsystems and Engineering Sciences Applications facility ("MESA") was started in the summer of 2003. This is the largest project ever at SNL and is expected to be fully functional in 2008. The project has the basic purpose of helping modernize safety, security, and reliability functions of the United States nuclear deterrent and contributes to other national security missions. The Center for Integrated Nanotechnologies ("CINT") officially opened its doors in August 2006 at SNL. CINT is one of five new Nanoscale Science Research Centers being created by the Office of Science of the United States Department of Energy. The SNL science and technology park is an effort to house research facilities and/or manufacturing that benefit from the expertise available from SNL. The first tenant of the park was EMCORE a manufacturing firm. EMCORE opened in 1998, with a facility to build solar cells for telecommunications satellites.

Manufacturing. This sector accounted for 8.6% of City employment in Fiscal Year 1996, declining to 6.1% in Fiscal Year 2007. Employment in this sector peaked in Fiscal Year 1998 at 28,342, declining to 22,610 in Fiscal Year 2006, a loss of 5,592 jobs. In Fiscal Year 2006 and Fiscal Year 2007 there was an increase of 1,366 jobs in the sector. The manufacturing sector has held up better in Albuquerque than it has in the United States economy. The job losses in Albuquerque were due first to the Asian financial crisis of 1998, which hit telephone manufacturing and hurt the local employment of Motorola and Philips. Motorola sold what little manufacturing capacity it had left in Albuquerque in 1999 and Philips closed its plant in October 2003. Intel, after expanding in 1995 and 2002, laid off an estimated 1,100 employees in the second half of calendar year 2007 from its Rio Rancho plant. These are the result of ending production of an older silicon wafer technology.

A new manufacturer, Eclipse Aviation Corporation ("Eclipse"), has set up headquarters in the City and is manufacturing small two-engine jets. Eclipse received authorization for industrial revenue bonds from the City totaling $45 million for buildings, equipment, and machinery at its current facilities at the Albuquerque Airport and at the Double Eagle II Airport. As of June 2007 Eclipse has approximately one thousand employees. The presence of Eclipse at the Albuquerque Airport and the future relocation of Eclipse manufacturing at the Double Eagle

II Airport in 2009 helps diversify the City's economy and represent current and future potential for increased revenues from general aviation users.

The City has provided the basic infrastructure for an aerospace tech park of 300 acres near the City's Double Eagle II Airport. The bulk of the major infrastructure for the project has been completed with roadway and storm drainage improvements to be completed by 2007-2008. It is anticipated that Eclipse will use 150 acres of the park and could potentially employ approximately 2,000 workers.

Tempur-Pedic Inc., a mattress company, opened its plant on January 26, 2007 and will employ as many as 300 employees.

Information. This sector includes businesses in publishing, broadcasting, telecommunications and internet service establishments. The sector had a modest annual increase of 1.8% from Fiscal Year 1998 to Fiscal Year 2007. After adding over 4,000 jobs from Fiscal Years 1997 to 2001, from Fiscal Year 2003 through Fiscal Year 2006 the sector had a net job loss of approximately 2,600 jobs. The largest declines came when MCI and QWEST closed their call centers, resulting in a total loss of 1,110 jobs. In December 2006, the closure of the AOL call center resulted in a loss of approximately 900 jobs. Convergys, a global staffing company, took over the space from AOL creating 500 jobs. The film industry is also included in this sector and there has been significant activity in this sector due to tax credits given by the State of New Mexico to the film industry. In addition to movies being filmed in Albuquerque, a large sound studio (Albuquerque Studios) has been built at Mesa del Sol, and Sony Imageworks is building a studio adjacent to Albuquerque Studios with 200 jobs expected in late 2008.

Government. Over the past ten years government employment (comprised of federal, state and local employees) has had a relatively constant share of employment. "Government" (as defined by the New Mexico Department of Labor for purposes of reporting nonagricultural employment) does not include military employment; military employment in the Albuquerque MSA represents approximately 5,100 jobs. In addition, "government" does not include employment at SNL. SNL is operated by a private contractor, although funded by the federal government (primarily the Department of Energy) and its approximately 7,624 jobs are counted in the business services sector. Several of the largest employers in the Albuquerque area are in the government sector, including Albuquerque Public Schools, the University of New Mexico, Kirtland Air Force Base ("Kirtland AFB"), and the City.

Kirtland AFB is a major military installation and home to over 150 different operations. Including private contractors, the largest of which is SNL, military and civilian employment on the base is approximately 24,040; approximately 5,100 of these employees are military and 19,000 are civilian. The Bureau of Business and Economic Research ("BBER") has estimated that total military employment in the Albuquerque MSA has declined from 6,946 in 1998 to approximately 5,100 in 2007. The general downtrend of military jobs since 1998 reflects the decision of the military to replace military jobs with civilians where possible.

Federal government employment increased by approximately 433 jobs from Fiscal Year 1998 to Fiscal Year 2007. In 2002, the federal government increased employment as the Transportation Safety Administration took over baggage screening operations at the

Albuquerque Airport. Total federal civilian employment increased by approximately 225 jobs. In Fiscal Year 2003 net federal government employment increased by 217 jobs. The U.S. Forest Service created a regional office for financial services center, human resources and information technology (IT) personnel in the City. This consolidation resulted in transferring or filling approximately 700 positions. The net increase in Fiscal Year 2006 was 391 workers. In November 2006 it was announced that human resource services for most Forest Services workers will now be located in the City.

From July 1998 to July 2007 federal government employment was growing slowly, but local government employment increased by almost 8,600 jobs. In large part this is due to the inclusion of Indian casinos in this sector. Since early 1995, when gaming compacts were signed with the State, Indian casinos have grown substantially. Isleta Gaming Palace Casino and Resort opened at the end of 2000. Santa Ana Star Casino expanded its casino in the spring of 2001 by 33,000 square feet. In the spring of 2001, the Hyatt Tamaya resort hotel opened on the Santa Ana Pueblo and the Sandia Pueblo opened a new casino and an amphitheater. In the summer of 2005, the Sandia Pueblo opened a new golf course and in December 2005 opened a 238 room full service resort hotel. This continues the efforts of certain Indian Pueblos to make their casinos into destination resorts.

Financial Activities. This sector includes finance and insurance including credit intermediation. The sector increased employment by an average of 0.5% per year from Fiscal Year 1998 to Fiscal Year 2007, despite consolidations in the banking industry and a 2.7% decline in Fiscal Year 2002. The sector rebounded with growth in the insurance carrier industry, including approximately 500 jobs created in 2002 and 2003 by Blue Cross. In Fiscal Year 2007, employment in this sector declined by a net of 125 jobs.

Construction. Construction employment in the Albuquerque MSA is generally cyclical. There can be large increases in employment due to large road projects, commercial expansions, or strong residential construction and large decreases upon completion of such projects. The number of jobs declined in Fiscal Years 2002 and 2003, with completion of major projects at Intel and the Big-I interchange. By the end of 2003 the number of jobs started increasing and the increase continued into 2006. Fiscal Year 2007 had employment of 29,583, a new maximum for this sector, an increase of 8.8% or 2,383 jobs from Fiscal Year 2005.

Single family housing construction in the City reached a peak in 2003 and in 2004 and 2005 remained near this high. Also, single family housing outside of the City, particularly in Rio Rancho, increased rapidly in this period. In 2006 single family housing in the City declined by nearly 29%. This slowdown has continued; the number of single family permits issued through November 2007 was 36.7% below the same period in 2006. Single family construction in Rio Rancho has gone down a similar amount. Multifamily construction was slow in the period 2003-2005, but the number of units permitted in 2006 was nearly double 2005. In 2007, multifamily construction continued to grow. The 649 units permitted through November 2007 was 11% above the same period in 2006.

The commercial sector offset some of this slowdown with the value of new permits increasing by 39% and additions and alterations increasing by 11%. Even so, the total value of permits issued through October 2007 was 12.7% below the same period in 2006.

Construction Building Permits
Issued in Albuquerque

	Single Residential[1]		Multi-Residential			Commercial Buildings		Public Buildings			
Year	# of Permits	$ Value	# of Units	# of Permits	$ Value	# of Permits	$ Value	# of Permits	$ Value	Additions & Alterations $ Value	Total Permits $ Value
1998	3,449	316,741,579	367	13	12,984,822	129	113,526,149	5	4,150,517	141,112,977	588,516,044
1999	3,601	341,061,779	390	21	18,144,931	102	88,001,238	9	31,258,900	126,411,527	604,878,375
2000	3,367	318,777,857	210	14	10,513,303	123	133,839,520	10	45,144,700	176,202,823	684,812,517
2001	4,138	389,087,259	792	47	36,509,058	121	113,707,767	11	9,848,356	149,130,782	698,283,222
2002	4,434	451,295,687	1,212	24	50,570,538	102	91,737,800	2	2,900,000	206,841,623	803,345,648
2003	5,034	554,888,261	720	35	46,232,739	118	95,467,862	7	33,258,787	163,555,378	893,403,027
2004	4,975	629,042,637	462	15	24,637,800	117	117,591,103	12	21,439,556	137,816,901	930,527,997
2005	4,686	741,415,158	469	10	25,052,416	148	179,734,320	15	80,658,927	150,691,562	1,177,552,383
2006	3,347	584,012,539	884	20	77,119,478	124	157,948,170	6	63,901,069	195,999,123	1,078,980,379
2007[2]	2,023	373,294,066	649	16	51,606316	126	194,186,533	6	9,761,230	196,779,157	825,627,302
Growth 06-07	(36.7)%	(32.9)%	10.8%	60.0%	(4.6)%	3.3%	39.1%	20.0%	(47.9)%	11.1%	(12.7)%

(1) Figures do not include manufactured housing.
(2) Through November

Total Housing Units in the City of Albuquerque:	Total Units	Single Family	Multi Family	Mobile Homes & Other
As of (April 1) 1990 Census	166,870	101,780	55,931	9,159
As of (April 1) 2000 Census	198,714	126,643	63,285	8,786
1990-2000 housing units added	31,844	24,863	7,354	(373)
Units Permitted (2001-2007)	33,825	28,637	5,188	N/A
Estimated Units as of October 2007	232,539	155,280	68,473	8,786

Sources: City of Albuquerque Planning Department; Census Bureau, U.S. Department of Commerce.

Historical Employment by Sector

The following table describes by industry sector the estimated nonagricultural wage and salary employment for the Albuquerque MSA during the past ten years.

Estimated Nonagricultural Wage and Salary Employment for the Albuquerque MSA Fiscal Years 1998-2007
($000 omitted)

Category		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006 to 2007	Annual Average Growth 1998 to 2007
Total Nonagricultural		340,442	343,508	352,008	361,783	361,150	362,417	366,058	373,467	385,225	395,267	2.61%	1.67%
Natural Resources and Mining and Construction		21,725	21,025	22,267	24,875	24,058	23,500	24,783	27,200	30,408	31,050	2.11%	4.05%
Manufacturing		28,342	26,808	26,892	28,058	25,567	24,133	22,783	22,742	23,425	24,108	2.92%	(1.78)%
Computer and Electronics Manufacturing		13,017	11,525	11,450	12,350	11,258	10,408	9,592	9,267	9,350	N/A	N/A	N/A
Trade Transportation and Utilities		66,033	65,950	65,608	66,500	65,642	65,924	65,858	66,425	67,209	68,025	1.21%	0.33%
Wholesale Trade		14,858	14,533	14,133	14,075	13,592	13,233	12,908	12,808	13,100	13,475	2.86%	(1.08)%
Retail Trade		41,350	41,050	40,925	41,800	41,492	42,083	42,425	43,225	43,692	43,992	0.69%	0.69%
Transportation, Warehousing and Utilities		9,825	10,367	10,550	10,625	10,558	10,608	10,525	10,392	10,417	10,558	1.35%	0.80%
Information		8,233	9,617	10,875	11,233	11,400	10,542	9,900	8,992	9,008	9,658	7.22%	1.79%
Financial Activities		18,467	19,400	19,483	19,625	19,117	18,850	18,950	19,192	19,417	19,292	(0.64)%	0.49%
Professional, Scientific and Technical Services		26,042	25,917	26,592	26,858	26,958	27,767	28,242	29,292	29,842	N/A	N/A	N/A
Management/Administration/Support		27,492	29,033	31,142	32,225	31,000	29,892	29,825	30,675	31,292	N/A	N/A	N/A
Educational and Health Services		34,975	35,667	36,983	38,025	40,392	42,042	43,758	45,708	47,092	48,575	3.15%	3.72%
Leisure and Hospitality		32,267	32,225	32,900	34,025	34,392	35,308	36,200	36,017	36,933	39,033	5.69%	2.14%
Food Services and Drinking Places		24,933	24,667	25,375	26,225	26,675	27,383	28,125	27,708	28,317	N/A	N/A	N/A
Other Services		10,683	10,750	10,792	11,050	11,242	11,608	11,733	11,808	12,000	12,242	2.02%	1.53%
Government		66,183	67,117	68,475	69,308	71,383	72,850	74,025	75,392	77,283	79,233	2.52%	2.02%
Federal Government		30,725	31,808	32,433	33,175	34,792	35,567	36,133	37,067	38,075	39,325	3.28%	2.78%
State Government		21,358	21,308	21,917	22,333	22,658	23,133	23,850	24,258	24,800	25,375	2.32%	1.93%
Local Government		14,100	14,000	14,125	13,800	13,933	14,150	14,042	14,067	14,408	14,533	0.87%	0.34%

Source: Data provided by the New Mexico Department of Labor.

Income

The following table sets forth annual per capita personal income levels for the Albuquerque MSA, the State and the United States. The Bureau of Economic Analysis defines "earnings" as including wages and salaries, proprietor's income and other labor income (such as bonuses).

Per Capita Personal Income [1]

Calendar Year	Albuquerque MSA	New Mexico	United States
1997	$22,931	$19,698	$25,334
1998	23,894	20,656	26,883
1999	24,412	21,042	27,939
2000	25,846	22,133	29,843
2001	27,982	24,083	30,562
2002	27,853	24,247	30,795
2003	28,250	24,846	31,466
2004	29,836	26,281	33,072
2005	30,884	28,042	34,685
2006	Not Available	29,725	36,629

(1) The Bureau of Economic Analysis revised the definition of personal income in 2000 and all historical data was revised accordingly.

Sources: Bureau of Economic Analysis, U.S. Department of Commerce.

The following table presents data on non-farm earnings by industry for the Albuquerque MSA for 2001 through 2005, the latest available to the City.

Albuquerque MSA
Estimated Earnings by NAICS Industry, 2001-2005[1]
($000s omitted)

NAICS Category	2001	2002	2003	2004	2005
Farm earnings	$25,630	$12,106	$16,105	$28,439	$13,748
Nonfarm earnings	15,970,429	16,389,464	17,019,271	18,092,908	19,151,506
Private earnings	12,520,332	12,630,848	13,059,490	13,797,093	14,655,522
Mining	54,281[2]	44,758[2]	45,115[2]	44,779[2]	57,849
Utilities	[3]	49,281[2]	[3]	[3]	[3]
Construction	1,239,397	1,147,682	1,201,973	1,314,559	1,527,982
Manufacturing	1,556,027	1,441,864	1,471,456	1,487,334	1,553,845
Wholesale trade	687,670[2]	722,645[2]	702,976[2]	759,767(2)	792,921[2]
Retail trade	1,238,880	1,262,678	1,290,602	1,363,141	1,424,145
Transportation and warehousing	438,587	459,654	466,996	[3]	516,904
Information	[3]	467,517[2]	466,678[2]	529,376[2]	536,645
Finance and insurance	839,520	865,480	853,728	855,191[2]	873846[2]
Real estate and rental and leasing	323,402	319,292	347,767	356,428[2]	392,312[2]
Professional and technical services	2,075,313[2]	2,128,192	2,293,733	2,412,489	2,547,593[2]
Management of companies and enterprises	235,848[2]	229,610[2]	203,383[2]	211,311[2]	239,828
Administrative and waste services	727,097[2]	767,661[2]	767,658[2]	828,781[2]	869,555[2]
Educational services	111,012[2]	120,809[2]	134,483[2]	159,697	163,997[2]
Health care and social assistance	1,357,454[2]	1,490,691[2]	1,577,169[2]	1,749,096	1,874,783[2]
Arts, entertainment, and recreation	93,009	86,668[2]	90,789[2]	93,569[2]	98,032[2]
Accommodation and food services	476,051	493,300[2]	525,585[2]	555,158[2]	575,253[2]
Other services, except public administration	391,118[2]	442,869[2]	465,327[2]	480,945[2]	504,902
Government and government enterprises	3,450,097	3,758,616	3,959,781	4,295,815	4,495,984
Federal, civilian	1,041,616	1,111,182	1,146,070	1,252,746	1,304,582
Military	316,985	380,690	419,768	451,658	467,961
State government	866,008	945,075	1,030,038	1,103,907	1,164,419
Local government	1,225,488	1,321,669	1,363,905	1,487,504	1,559,022

(1) In 2002 the North American Industrial Classification System replaced the Standard Industrial Classification. See “Major Industries - NAICS Classifications.” Comparisons of the NAICS to the SIC are not readily made.
(2) The estimate shown here constitutes the major portion of the true estimate.
(3) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

FINANCIAL INFORMATION

General

Taxes and Revenues

The City is a home rule charter municipality. No tax imposed by the governing body of a charter municipality, unless authorized by general law, becomes effective until approved at an election of its voters. Taxes authorized by general law that may be imposed without an election include a property tax for general purposes (up to a maximum of 7.65 mills), which is set by the State Department of Finance and Administration, and the local-option GRT, except that an election to impose the local-option GRT must be called if required by statute or if the governing body provides in the ordinance that the tax shall not be effective until approved at an election or upon the filing of a petition meeting certain requirements requesting that an election be held. The City does not have the power to impose a tax on income.

The general policy of the City is to charge for services where those who benefit from the services are easily identified and charged according to their use and benefit. Thus, refuse, golf and airport services are intended to be self-supporting. Permits and inspection fees are established in relation to the cost of providing control and inspection and as permitted by law. Other fees, including admission fees to the zoo, fees charged participants in adult sports programs, rider charges for transit services, charges for municipal parking facilities, and fees charged for filing of plats and subdivisions, help defray some of the costs of providing these services.

Budget Process - Operating Funds

The City operates on a Fiscal Year basis from July 1 through June 30. Pursuant to the City Charter, the Mayor, in consultation with the Council, formulates the City's operating budget and submits it to the Council on or before April 1 of each year. The Council is required to hold at least three public hearings and must adopt a budget within 60 days after it is proposed by the Mayor or the Mayor's proposed budget is deemed adopted. The annual City operating budget determines departmental appropriations by program. Expenditures may not legally exceed appropriations. The financial officers and staff of each department are responsible for monitoring and controlling the expenditures of their departments to ensure that budgeted appropriations for their departments are not exceeded. The City's Office of Management and Budget monitors expenditures and revenues quarterly.

Budget Process - Estimates, Forecasting and Revision of Revenues

In May or June of each year the Council adopts a budget for the upcoming Fiscal Year (beginning July 1). The City prepares revenue forecasts for five-year periods (referred to as the "Five-Year Forecast") each December and updates the budget year forecast prior to introduction of the Mayor's proposed general fund budget. All revenue forecasts are prepared by the Office of Management and Budget. These forecasts make certain adjustments to revenue forecasts in the current budget based on events occurring since the preparation of the budget and provide a starting point for preparation of the next year's budget. The Forecast Advisory Committee, comprised of experts from City government, the University of New Mexico, State government and the private sector, reviews forecasts and makes recommendations. After incorporating any recommendations of the Advisory Committee, the Five-Year Forecast is presented to the Council. In response to changing conditions and revenue forecasts, the City may amend the budget at any time during the year.

The latest five-year forecast for Fiscal Years 2008-2012 was presented to the Council in January 2008. This forecast was used to help develop the Fiscal Year 2009 budget.

Budget Process - Capital Funds

The budget amounts of the capital project funds and certain of the special revenue funds are individual project budgets authorized by the Council for the entire length of the project which are not necessarily the same as the Fiscal Year of the City. Pursuant to City ordinance, the Mayor develops a capital implementation program ("CIP"), which consists of a ten-year plan of capital expenditures, including a more detailed two-year CIP budget, and submits it to the Council by January 23 of each odd-numbered year. See "Capital Implementation Program" below. The Council is required to hold at least one public hearing and must approve the budget as proposed or as the Council amends it within 60 days after the submission date. The Mayor may change the amount designated for a specific capital project in a CIP budget without Council approval, if the total change does not exceed 20% of the original amount designated for the project.

The General Fund

General Fund Revenues

The General Fund is the City's primary operating fund and is used to account for the general operations of the City and for all financial resources, except those required to be accounted for in another fund. Set forth below are discussions of General Fund revenues in Fiscal Years 2007 and 2008.

Actual Fiscal Year 2007 Revenues.

Revenues in Fiscal Year 2007 outperformed previous estimates. The revenues for Fiscal Year 2007 are actual results for the General Fund. Total Revenues were $473 million, $3.5 million above the estimated and $21.8 million above the Fiscal Year 2007 Budget. It represents an increase above Fiscal Year 2006 of 5.7%. Strengths were in gross receipts taxes, charges for services, interest earnings and fines. Weaknesses were primarily in revenues to pay for CIP funded positions and indirect overhead charged to other City funds. The CIP funded positions are directly offset by expenditures that did not occur, therefore, this does not have a net impact on the fund balance. The following describes each sector in more detail.

Gross Receipts Tax. The GRT revenues for Fiscal Year 2006 were stronger than anticipated pushing up the base for Fiscal Year 2007. There were also increases in the growth in GRT in Fiscal Year 2007. The underlying growth in GRT in the Fiscal Year 2007 budget was 3.3%. During the Fiscal Year 2008 proposed budget process the forecast was pushed up to 7.5% taking into account the strong growth in the first half of the fiscal year. The underlying growth ended at 8.4% in Fiscal Year 2007. The total growth in GRT was only 6% due to the 1/8th cent reduction in GRT that took place in January 2007, but was not included in the Fiscal Year 2007 budget. In total GRT was $13.8 million above the approved budget and $2.9 million above the estimated actual calculations.

Local Taxes other than GRT. Property taxes revenues were stronger than estimated, with growth of 8% above Fiscal Year 2006. Franchise taxes in total for Fiscal Year 2007 were close to the estimate and the approved budget. The QWEST telecommunications franchise was stronger than anticipated, but the other franchises which include other telecommunications companies were weaker. Natural gas was a little below estimate as natural gas prices were not quite as strong as originally anticipated. The cable franchise revenues continue to be strong and more than offset the weakness in natural gas. A franchise agreement with the Albuquerque Bernalillo County Water Utility Authority ("Water Authority") requires a franchise fee of 4% of revenues from the Water Authority, which began in Fiscal Year 2005. In prior years, the City water utility, as predecessor to the Water Authority, made payments in lieu of taxes ("PILOT") that included an implied 3% franchise fee as well as other taxes.

Payment in lieu of taxes revenues were above the estimate and had strong growth due to increases in revenue for the enterprise funds.

Licenses and Permits. Building permit revenues in Fiscal Year 2007 were $281,000 below the approved Fiscal Year 2007 budget. Revenues were 16.7% below the Fiscal Year 2006 revenues. The reduction is primarily due to the slowdown in single family housing.

Revenues from other permits and licenses were $70,000 below the budget. Business licenses, restaurants and food inspections all showed increases. Animal license revenues declined due to changes in procedures.

Intergovernmental Revenues Other Than GRT. Intergovernmental revenues, other than GRT distributions, includes state shared revenues (excluding GRT), grants and county shared revenues. This category has declined in recent years due to changes in state policy and the manner in which grant revenue is received. Revenues were $11,000 above estimated and $340,000 above the approved Fiscal Year 2007 budget. Revenue from the municipal gasoline tax was $150,000 above budget. Other revenues, primarily grants, were lower than expectations.

Charges for Services. Direct charges for services were relatively weak due to the slowdown in revenues from construction related fees for engineering, zoning fees, and records search fees.

Internal services include charges for services provided to other City funds. This includes landscaping maintenance by the Parks and Recreation Department for the Albuquerque Airport, provision of special legal counsel to other funds, engineering and surveying for the Department of Municipal Development. This category has become less important over the years as the City has moved to contract out rather than directly provide services such as office services, building construction, and engineering and surveying.

Indirect overhead charges were $1.1 million below the amount anticipated.

Funding for CIP funded positions was lower than anticipated but these revenues are offset directly by expenditures and do not affect the fund balance.

Interest on Investments. Earnings on investments were larger than anticipated, mostly based on larger than expected fund balances.

Other Miscellaneous. The largest source of other miscellaneous revenue in Fiscal Year 2007 was from STOP traffic photo enforcement ordinance, where civil fines are imposed for running a red light. Revenue in Fiscal Year 2007 was $9 million.

Revised Revenue Estimates for Fiscal Year 2007

Total General Fund revenues for Fiscal Year 2007 are anticipated to be $469.5 million or $22.2 million above Fiscal Year 2006. This is an increase of 5% over Fiscal Year 2006 and is $18.4 million above the approved Fiscal Year 2007 budget. There are several reasons for the strong growth. The increase above the approved budget is due to stronger than expected Gross Receipts Tax (GRT) revenues in Fiscal Year 2006 and stronger than anticipated growth in Fiscal Year 2007. This was somewhat offset by the .0125% tax decrease effective in January 2007. The City loses only five months of revenues, due to the one month delay in receiving GRT revenues. Non-recurring revenues are estimated in Fiscal Year 2007 at $18.2 million, including $10.6 million in GRT revenues received prior to the .0125% tax cut, $3.5 million (of the estimated $9 million) in STOP (traffic photo enforcement) program revenues, the revenues for Transportation Infrastructure Tax CIP funded positions and other one time grants and transfers.

Appropriations for Fiscal Year 2007 were increased by $12.3 million over the original approved budget. There were $19 million in one-time appropriations such as increased expenditures for the photo enforcement program (covered by increased revenue), reserve for purchase of rail yard buildings, additional police vehicles, initiatives for community planning, and substance abuse treatment. Recurring expenses were reduced by $7.5 million representing reversions, primarily in salary savings. The available fund balance, above the 1/12th reserve, is $25.1 million and the estimate of recurring revenues exceeded recurring expenses by $23.3 million. Much of this available fund balance was used for non-recurring expenses in the Fiscal Year 2008 budget.

Approved Budget Revenue Estimates for Fiscal Year 2008

The Fiscal Year 2008 Approved Budget revenues are $475.3 million. This represents an increase of only 1.2% or $5.6 million. The limited growth is due to the full year impact of the .0125% reduction in GRT revenues. Details by category are discussed in the following text.

<u>Gross Receipts Taxes</u>. GRT distributed to the City is reported as state shared revenues and municipal revenues. The state shared portion that is distributed to municipalities is 1.225% of GRT.

Gross Receipts Tax revenues, after experiencing weak growth of 0.2% in Fiscal Year 2002, increased by 4.6% in Fiscal Year 2003, 9.2% in Fiscal Year 2004, 4.2% in Fiscal Year 2005 and 7.3% in Fiscal Year 2006. In Fiscal Year 2007, growth is expected to be 7.5%. The revenue estimate for Fiscal Year 2007 was adjusted for the effect of the half year tax cut of .0125% that went into effect in January 2007. Growth in the Fiscal Year 2008 is estimated at 4.3%. The tax cut reduces growth in the total GRT revenues to 5.1% in Fiscal Year 2007 and 1% in Fiscal Year 2008.

The total GRT rate imposed during Fiscal Year 2006 was 6.7500%. The County increased its GRT rate by 0.125% on July 1, 2006 increasing the rate imposed in the City to 6.875%. Although the County increased its GRT rate by another 0.125% on January 1, 2007, the City reduced its GRT by 0.125% on the same date and on January 1, 2007 the total GRT rate imposed in the City remained at 6.875%.

Local Taxes Other Than Gross Receipts. Growth in property tax revenues for Fiscal Year 2008 is expected to be 2.5% with revenues of $30.7 million. Franchise fee revenues are expected at $25.2 million an increase of 4%. Growth comes primarily from expected increases in the price of natural gas and general population growth for the other franchises. Telecommunications franchises are expected to again remain flat as cell phones continue to limit growth. PILOT revenues are anticipated to increase $60,000 from Fiscal Year 2007, an increase of 4%.

Licenses and Permits. Permit revenues are expected to remain relatively flat. Building permit revenues after substantial decline in Fiscal Year 2007 are expected to maintain that level for Fiscal Year 2008. Other permit and license revenues are expected to grow 2% with general growth in the City.

Intergovernmental Revenues Other than Gross Receipts. Intergovernmental revenues are expected to decline in Fiscal Year 2008 because of a reduction of $660,000 in one-time grants received in Fiscal Year 2007. Gasoline tax revenues and vehicle license revenues are expected to show little growth and cigarette tax revenues are expected to continue their decline.

Charges for Services. Charges for City services sold to the public such as zoo and bio park admissions are expected to show modest growth of about 4%.

Indirect overhead revenues in Fiscal Year 2008 are expected to increase 3.6%, about the expected increase in wages and salaries.

Internal Services are expected to increase substantially as the City Parks Department has a new contract with the Albuquerque Airport to maintain additional grass at the airport and car rental facility. This is an increase of $715,000, but there are also increased expenses that offset these charges.

Charges for positions funded by the CIP program are up $1.3 million, but these revenues are completely offset by expenses. CIP charges have increased solely because of a reduction in expected revenues in Fiscal Year 2008.

Miscellaneous Revenues. Interest earnings are expected to increase slightly from the Fiscal Year 2007 level, as interest rates are expected to remain relatively flat. Revenues from the STOP (traffic photo enforcement) program are expected to decline from Fiscal Year 2007 as the number of intersections with photo enforcement stops growing and drivers start adjusting their behavior in response to the STOP program.

Inter-Fund Transfers. Inter fund transfers are expected to grow with the costs of programs and a one-time transfer of $1 million from police evidence funds.

Revenue Outlook for 2008

Gross receipts tax revenue that was expected to increase at 4.3% in Fiscal Year 2008 only increased 0.4% for the first half of the fiscal year compared to the same period in Fiscal Year 2007. The decline in revenues is in large part related to the slowdown in construction and also by layoffs at Intel and the general economic slowdown nationally. In the five-year forecast, revenues for Fiscal Year 2008 were adjusted down $11.4 million. Gross receipts tax revenues were decreased by $7.6 million, building permit revenues were decreased $1.3 million, charges for services (primarily construction related charges) decreased $1.4 million, and a $4.7 million decrease for photo enforcement program net revenues. The photo enforcement program also had a similar amount of expenditures transferred to the new photo enforcement fund. These declines were partially offset by unexpected growth in property tax revenue. Estimated property tax revenues were increased $3 million. The outlook for Fiscal Year 2009 is for a decrease in revenues due to an anticipated gross receipts tax cut of $1/8^{th}$ cent that will take place in July of 2008 and slow growth due to continued weakness in the economy.

Fiscal Year 2008 Budget Synopsis; Revenues and Expenditures. The approved Fiscal Year 2008 budget was built on the assumption that total revenues will increase 5.4% over the Fiscal Year 2007 budgeted revenues. This growth in revenues supports the total growth of expenditures in the budget of 4.3% above the original budget level for Fiscal Year 2007. The estimated Fiscal Year 2008 revenues of $475.3 million is an increase of 1.2% or $5.8 million above the Fiscal Year 2007 estimated actual revenue level. The increase is small due to the full year impact of the .0125% decrease in GRT that was in effect for only five months in Fiscal Year 2007.

The Fiscal Year 2008 Budget represents primarily maintenance of effort, with salary increases for employees which are a continuance of the increases negotiated in Fiscal Year 2007. These increases were 3.5% for most employees and 4.5% for police and fire fighters. New or expanded programs include: enhancement of 911 services, added hours at City libraries, and a Family Advocacy Center. The fund balance from Fiscal Year 2007 will be used for non-recurring events such as one-time funding to Bernalillo County for the Metropolitan Detention Center, snow removal and officer retention efforts.

Total recurring revenues exceed recurring appropriations by $977,000 in the Fiscal Year 2008 approved budget. In comparison, the original approved 2007 growth in recurring revenues is 2.68%, while recurring appropriations increased 3.84%.

Fiscal Year 2008 Budget Update; Revenues and Expenditures. The revenue and expenditure outlook for Fiscal Year 2008 have changed since the Approved Fiscal Year 2008 Budget was prepared. Appropriations for Fiscal Year 2008 are up $12 million, though $8.4 million of this is from encumbrances rolled forward from the Fiscal Year 2007 fund balance. Council and administration appropriations, as well as appropriation adjustments for the Photo Enforcement Fund, account for the difference. In the Five-Year Forecast it is estimated that due to revenue slowdown and changes in appropriations the general fund will have a negative available fund balance of $5.6 million at the end of Fiscal Year 2008. The City administration is taking action to address this by not filling vacant positions and reducing expenditures where possible. The challenge will continue into Fiscal Year 2009 where it will be necessary to adjust appropriations to account for the revenue slowdown and a $17.5 million cut in gross receipts tax.

General Fund

($000's)	Original Budget FY 2007	Estimate Expenditures FY 2007	$ Change	% Change	Approved Budget FY 2008	Change Original FY 2007 & FY 2008	% Change Approved
Revenue:							
Recurring	$441,300	$451,264	$9,964	2.26%	$453,106	$27,124	2.68%
Nonrecurring	9,838	18,238	8,400	85.38%	22,192	1,589	125.57%
TOTAL	$451,138	$469,502	$18,364	4.07%	$475,298	$28,713	5.36%
Appropriations:							
Recurring	$435,410	$427,918	($7,492)	(1.72%)	$452,129	$21,241	3.84%
Nonrecurring	41,270	60,993	19,723	47.79%	44,832	8,932	8.63%
TOTAL	$476,680	$488,911	$12,231	2.57%	$496,961	$30,173	4.25%
Recurring Balance	$5,890	$23,346			$977		

Details on the Fiscal Year 2007 and Fiscal Year 2008 budgets can be found on the City website at http://www.cabq.gov/budget/.

General Fund Balances

The following table shows actual revenues, expenditures and fund balances for the General Fund in Fiscal Years 2003-2006 and also shows the unaudited actual amounts for Fiscal Year 2007 and the City's approved budget for 2008.

General Fund Revenues, Expenditures and Fund Balances
Fiscal Years 2003-2007
($000)

	Actual	Actual	Actual	Actual	Approved Budget	Estimated Actual	Unaudited Actual	Approved Budget	Annual Chg	Compound Annual Chg
REVENUES	**2003**	**2004**	**2005**	**2006**	**2007**	**2007**	**2007**	**2008**	**07 - 08**	**03 - 08**
Taxes:										
Property Tax	$16,498	$24,734	$26,153	$28,605	$29,663	$30,032	$30,883	$30,782	2.5%	13.3%
Gross Receipts Tax	93,173	101,663	134,936	147,742	150,146	151,194	152,823	146,555	(3.1%)	9.5%
Other Taxes	17,457	17,695	17,953	18,752	18,776	19,029	18,909	19,966	4.9%	2.7%
Water Authority PILOT/Franchise	4,779	5,111	4,770	5,203	5,172	5,172	5,112	5,195	0.4%	1.7%
Payment in lieu of taxes	834	925	1,122	1,465	1,510	1,510	1,609	1,570	4.0%	13.5%
Total Taxes	132,741	150,128	184,934	201,766	205,267	206,937	209,337	204,068	(1.4%)	9.0%
Licenses & Permits	12,279	13,716	15,026	15,203	13,318	13,530	13,253	13,591	0.5%	2.1%
Intergovernmental Revenue:										
State and Federal Grants	46	370	145	1,060	-	-	216	-		(100.0%)
State Shared Revenue:										
Gross Receipts Tax	142,840	156,138	162,583	173,955	177,242	187,001	188,323	195,042	4.3%	6.4%
Other State Shared	4,233	4,256	4,791	4,868	4,727	4,919	4,747	4,322	(12.1%)	0.4%
County	242	201	332	562	281	418	385	258	(38.3%)	1.3%
Total Intergovernmental Revenue	147,361	160,965	167,851	180,444	182,250	192,338	193,671	199,622	3.8%	6.3%
Charges for Services	37,770	40,429	41,287	41,680	42,162	41,012	39,591	44,401	8.3%	3.3%
Miscellaneous	1,249	3,898	2,598	6,059	5,535	13,076	14,118	9,629	(26.4%)	50.5%
Other Transfers	1,509	1,927	2,112	2,140	2,606	2,609	3,024	3,987	52.8%	21.4%
TOTAL REVENUES	332,909	371,063	413,807	447,293	451,138	469,502	472,993	475,298	1.2%	7.4%
Beginning Fund Balance	36,600	43,124	64,786	85,424	72,156	87,350	87,350	67,941		13.2%
TOTAL RESOURCES	369,508	414,188	478,593	532,718	523,294	556,852	560,343	543,237	(2.4%)	8.0%
EXPENDITURES										
General government	43,802	59,417	58,613	62,600	63,686	64,890	70,772	73,645	13.5%	11.0%
Public safety	130,107	139,621	163,130	203,897	212,430	213,586	207,679	222,927	4.4%	11.4%
Cultural and recreation	48,653	49,171	57,242	65,591	72,516	70,701	67,767	60,057	(15.1%)	4.3%
Public works	6,161	8,037	8,444	-	2,913	2,623	-	-		
Municipal Development[1]	-	-	-	24,800	25,687	25,603	27,314	34,293	33.9%	
Highways and Streets	12,374	8,107	9,817	-	-	-	-	-		
Health	6,557	6,906	8,699	9,951	13,341	13,127	12,751	14,637	11.5%	17.4%
Human services	27,146	27,385	31,903	28,409	39,694	41,137	31,047	44,233	7.5%	10.3%
Other transfers out	51,584	50,757	55,320	50,118	46,413	57,244	58,367	47,169	(17.6%)	(1.8%)
TOTAL EXPENDITURES	326,384	349,401	393,168	445,3670	476,680	488,911	475,697	496,961	1.6%	8.8%
ENDING FUND BALANCE	43,124	64,786	85,424	87,350	46,614	67,941	84,646	46,276		
TOTAL ADJUSTMENTS[2]	(502)	(1,197)	(3,935)	(5,645)	29	(287)	(8,368)	(287)		
Reserves	27,758	29,477	38,239	47,411	46,585	42,055	49,084	45,009		
AVAILABLE FUND BALANCE	14,864	34,112	43,250	34,294	58	25,599	27,194	982		
Ending fund balance as percent of recurring revenues [3]										
Ending fund balance as percent of total expenditure [3]	13.2%	18.5%	21.7%	19.6%	9.8%	13.9%		9.3%		
Recurring revenues	329,710	360,542	400,827	438,531	441,300	447,368		453,106		6.6%
Recurring expenditures	324,829	341,032	372,032	413,212	435,410	436,103		452,129		6.8%

(1) Beginning in Fiscal Year 2006, the categories Public Works and Highways and Streets were included in Municipal Development.

(2) Adjustments reflect changes in reserves for encumbrances and other accounting adjustments. The adjustments for the designation for future appropriations are not made following the change in reserve policy in Fiscal Year 2003.

(3) The reserve policy change is, as of Fiscal Year 2003, 8.33% of total expenditures. In prior years the reserve policy was 5% of recurring revenues.

Revenues

Municipally Determined Revenues

The City's primary revenue sources, other than intergovernmental revenues, include, in order of magnitude, the municipal (local option) GRT, the real property tax and charges for services.

Local Option Gross Receipts Taxes. The City has authority under the Municipal Local Option Gross Receipts Taxes Act (Sections 7-19D-1, *et seq*. NMSA 1978 as amended) to impose up to 1.50% municipal GRT on the gross receipts of any person engaging in business in the City. The municipal GRT imposed by the City on July 1, 2006 was 1.25%. However, effective January 1, 2007, the City reduced its GRT by 0.125%. The City has also imposed a 0.0625% municipal infrastructure GRT for general purposes and has authority to impose a second 0.0625% municipal infrastructure GRT for general purposes without a referendum. The City may impose, with voter approval, an additional 0.125% municipal infrastructure GRT for general municipal purposes, infrastructure, regional transit and/or economic development; a 0.0625% municipal environmental services GRT and an additional 0.25% municipal capital outlay GRT for municipal infrastructure and other purposes. Effective July 1, 2007 the City was given authority to impose an additional 0.25% for general purposes without a referendum. If the City becomes a member of a regional transit district, upon request from the district, the City, after an election approving the tax, shall impose a municipal regional transit GRT of up to 0.5% for a public transit system or public transit projects or services for the district.

Real Property Tax. The City is authorized to impose a maximum levy of 7.650 mills for City operations. In Fiscal Year 2006 and Fiscal Year 2007, 3.012 mills were imposed on residential property and 3.544 mills were imposed on commercial property. These revenues are subject to yield control. See "Property Taxes" below.

Charges for Services. Many services provided by the City's General Fund agencies are provided to the public or other governmental entities on a fee basis. Services for which fees are charged include the following: engineering services, patching and paving, filings of plats and subdivisions, photocopying, sales of maps and publications, swimming pools, meals and other activities at senior centers, animal control and zoo admissions. The City also has a cost allocation plan which is used as a basis for assessing indirect overhead charges on non-General Fund agencies and on capital expenditures.

Intergovernmental Revenues

The principal source of intergovernmental revenues to the City's General Fund is the distribution made by the State to the City from the State GRT. In addition to the 1.225% GRT distribution, State receipts include distributions of gasoline and cigarette taxes and of motor vehicle fees.

Property Taxes

Generally

The State Constitution limits the rate of real property taxes which all taxing jurisdictions can levy for operations to a maximum of 20 mills ($20.00 per $1,000 of assessed valuation). Beginning Fiscal Year 1987, the maximum levy for City operations (the "operational levy") has been 7.650 mills. The operational levy is subject to yield control. The yield control provisions of Section 7-37-7.1 NMSA 1978, as amended, require that the Local Government Division of the New Mexico Department of Finance and Administration annually adjust operational mill levies subject to yield control after the reassessment of property to prevent revenues on locally assessed residential and non-residential properties from increasing by no more than the sum of 5% for inflation plus the growth in the tax base due to new value. In cases in which a rate is set for a governmental unit that is imposing a newly authorized rate pursuant to Section 7-37-7 NMSA 1978, the rate must be at a level that will produce in the first year of imposition revenues no greater than that which would have been produced if the valuation of property subject to the imposition had been the valuation in the Tax Year in which the increased rate was authorized by the taxing district. The yield control provisions do not apply to the general obligation debt service levy.

A 1998 amendment to the State Constitution allows the State Legislature to enact legislation providing for the assessment of residential properties at levels different than the current estimated market value of a home on the basis of age, income, or home ownership. Section 7-36-21.2 NMSA 1978, as amended, limits increases in the value of residential property for taxation purposes beginning with the Tax Year 2001. The section provides that, with respect to properties within a county assessing properties in the aggregate at or greater than 85% of their market value, a property's new valuation shall not exceed 103% of the previous year's valuation or 106.1% of the valuation two years prior to the Tax Year in which the property is being valued. This does not apply to residential properties in their first year of valuation, physical improvements made to the property or instances where the owner or the zoning of the property has changed in the year prior to the Tax Year for which the value of the property is being determined. Section 7-36-21.3 NMSA 1978, as amended, freezes the property tax valuation for single family dwellings owned and occupied by persons 65 or older and whose taxable gross income does not exceed $18,000. The valuation is frozen at the level of the 2001 Tax Year if the person was then 65, or frozen in the subsequent year in which the person has his or her 65th birthday. Section 7-36-21.3 NMSA 1978, freezes the property tax valuation for single family dwellings owned and occupied by persons who are disabled and whose taxable gross income does not exceed $18,000. The valuation is frozen at the level of the 2003 Tax Year if the person was then determined to be disabled, or in the subsequent year in which the person is determined to be disabled.

Rates

The total rates for City property taxes in effect for Tax Year 2007 (Fiscal Year 2008) are 10.988 mills for residential and 11.520 mills for commercial property. As set by the State Department of Finance and Administration, the general obligation bond debt service levy for Tax

Year 2007 (Fiscal Year 2008) is 7.976 mills and the operational levy is 3.012 mills on residential property and 3.544 mills on commercial property.

Purpose of Property Tax	Total Taxing Authority	Levy Imposed	Unused Authority
Operations:	7.650 mills		
Residential		3.012 mills	4.638 mills
Commercial		3.544 mills	4.106 mills
Debt Service[(1)]	12.000 mills[(2)]		
Residential		7.976 mills	4.024 mills
Commercial		7.976 mills	4.024 mills

(1) Debt service levy is a function of assessed value and bonds outstanding authorized in City general elections every two years.
(2) The City is authorized to contract debt, after an election, and is required to levy a tax, not exceeding 12 mills on the dollar, for payment of the debt from such election.

Source: City of Albuquerque, Office of City Treasurer.

Limits Regarding General Obligation Indebtedness

The aggregate amount of general obligation indebtedness of the City under the State Constitution is limited for general purposes to 4% of, and the single debt limitation to 12 mills on, the assessed value of taxable property within the City (excepting the construction or purchase of a water or sewer system with general obligation indebtedness, which has no limit). Schools are limited to 6% of the assessed valuation and counties are limited to 4% of the assessed valuation. The only special purpose district overlapping the City is the Albuquerque Metropolitan Arroyo Flood Control Authority ("AMAFCA"), which is limited by State statute as to the amount of bonded debt which can be issued which is currently $40,000,000, of which $22,250,000 is outstanding, with $20,282,553 payable from taxable property within the City.

Tax Administration

The County is charged with the responsibility of administering the assessment and collection of property taxes for the City. The State assesses corporate property such as utilities, pipelines and railroads which cross county lines. Assessments are made as of January 1 of each year, with one-half of the taxes on that assessment due the following November 10 and one-half due April 10 of the next calendar year. The taxes due November 10 become delinquent December 11, while the April 10 payment becomes delinquent May 11. Properties on which taxes are delinquent are transferred to the State, which conducts a tax sale if taxes remain unpaid. The proceeds of the tax sale are remitted to the political subdivisions at the rates of the then current tax levy.

City of Albuquerque
Net Taxable Property Values

Tax Year[1]	Real Property	Corporate Property	Personal Property	Net Taxable Valuation	Percent (%) Growth Per Year
1998[2]	4,918,412,659	241,257,015	309,966,061	5,469,635,735	5.50%
1999	5,047,988,793	263,165,055	345,747,000	5,656,900,848	3.42%
2000	6,234,946,669	281,059,652	340,275,027	6,856,281,348	21.20%
2001	6,657,462,354	347,858,674	413,809,882	7,419,130,910	8.21%
2002	6,880,088,229	361,189,032	378,149,519	7,619,420,780	2.70%
2003	7,132,035,544	332,740,564	419,057,494	7,883,833,602	3.47%
2004	7,582,619,605	314,998,373	387,875,178	8,285,493,156	5.09%
2005	8,602,349,098	324,655,661	380,575,833	9,307,580,592	12.34%
2006	9,133,223,501	342,401,308	382,543,969	9,858,168,778	5.92%
2007	10,175,391,552	367,219,331	407,155,155	10,949,766,038	11.07%

(1) Tax Year begins November 1 and ends October 31
(2) As of October in each year.

Source: Bernalillo County Treasurer's Office.

Top 15 Taxpayers for Tax Year 2007 (Fiscal Year 2008)[1]

Name of Taxpayer	Taxable Value[2] 2007 Assessed	Tax Amount[3]	Percentage of Total City Assessed Valuation[3]
Qwest (US West)	$97,062,812	$4,703,502	0.886%
PNM Electric	91,937,229	4,445,076	0.840
PNM Gas Services	20,176,901	970,592	0.184
Southwest Airlines	20,191,079	945,044	0.184
Simon Property Group Ltd (Cottonwood Mall)	16,041,762	750,835	0.147
Comcast Cablevision of New Mexico	15,805,635	739,783	0.144
HUB Albuquerque LLC/HRPT Properties	14,261,640	702,398	0.130
Heitman Properties of NM (part of Coronado Shopping Mall)	14,771,490	691,380	0.135
T-Mobile Texas LP	13,881,352	649,717	0.127
Verizon Wireless (VAW) LLC	12,775,431	597,954	0.117
AHS Albuquerque Regional Medical Center	12,049,903	563,991	0.110
GEB Lobos LLC	10,904,680	559,822	0.100
Albuquerque Plaza Office Investment LLC	10,029,330	519,168	0.092
Skywest Airlines Inc.	10,780,249	504,570	0.098
Albuquerque Plaza Associates	9,407,793	486,994	0.086
	$370,077,286	$17,830,825	3.400%

(1) Major taxpayers are those taxpayers that have a tax bill on a single piece of property of at least $50,000. In figuring the total tax bills for these taxpayers, only their properties with tax bills of $50,000 or more are included except Public Service Company (PNM), which has multiple tax bills. The list is compiled once a year, usually in November, and does not reflect final net taxable values. As a result of methodology, year to year comparisons may not be meaningful.
(2) The aggregate net taxable value of the top 15 taxpayers for Tax Year 2007 represents only 3.52% of the total net taxable value of the City for 2007. See the following table entitled "City of Albuquerque History of Property (Ad Valorem) Tax Levy and Collection."
(3) The tax amounts shown include assessments by jurisdictions other than the City.

Source: Bernalillo County Treasurer's Office.

City of Albuquerque
History of Property (Ad Valorem) Tax Levy and Collection

Fiscal Year	Total Current Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	City Debt Service Collections	Percent of Total City Levy
1998	$61,648,597	$58,799,367	95.38%	$2,747,266	$61,546,632	99.83%	$47,993,016	77.8%
1999	64,226,020	60,900,748	94.82%	4,384,879	65,285,627	101.6 %	49,873,027	77.7%
2000	73,887,459	68,707,63	92.99%	1,164,751	69,872,383	94.57%	58,518,340	79.2%
2001	76,929,102	72,563,755	94.33%	4,365,348	76,929,102	100.00%	63,496,146	82.5%
2002	82,074,357	78,096,507	95.15%	800,726	78,897,233	96.13%	62,709,843	76.4%
2003	85,014,269	81,327,454	95.66%	4,084,547	85,412,001	100.46%	67,971,422	79.95%
2004	87,976,148	84,534,873	96.09%	3,674,088	88,208,961	100.26%	63,153,644 (2)	71.8%
2005	92,559,948	88,965,021	96.12%	3,234,797	92,199,818	99.61%	66,046,681	71.4%
2006	102,290,447	99,100,903	96.88%	3,189,545	102,290,447	100.00%	75,054,147	73.4%
2007	109,792,820	106,845,546	97.32%	2,374,766	109,220,312	99.48%	77,749,060	70.8%

(1) Includes both operating and debt service levies. Reported each January by the County Treasurer based on tax bills, including those under protest.
(2) Since debt service mill levy decreased from 8.976 mills in Fiscal Year 2003 to 7.976 mills in Fiscal Year 2004, City debt service collections decreased slightly.

Sources: Bernalillo County Treasurer's Office; City of Albuquerque Comprehensive Annual Financial Reports.

City of Albuquerque
Property Tax Rates
Weighted Average Residential and Non-Residential
Per $1,000 Assessed Valuation
All Overlapping Governmental

Fiscal Year	Total Tax Levy	City	Bernalillo County	State of New Mexico	Schools	Central NM Community College	Flood Control Authority	Hospital	Conservancy District
1998	48.132	11.362	9.070	1.347	11.888	2.935	1.050	4.565	5.915
1999	46.752	11.357	9.066	1.438	11.013	2.945	1.050	4.103	5.780
2000	42.499	11.080	8.270	1.482	8.505	2.578	0.939	4.016	5.629
2001	43.701	11.166	8.558	1.529	8.527	3.179	0.962	4.184	5.596
2002	45.571	11.161	8.635	1.765	8.503	2.628	0.943	6.500	5.436
2003	44.701	11.153	8.532	1.123	7.883	3.174	0.937	6.500	5.399
2004	46.668	11.154	9.549	1.520	8.497	3.175	0.936	6.500	5.337
2005	46.160	11.149	9.536	1.028	8.493	3.174	0.934	6.500	5.346
2006	44.367	11.080	8.369	1.234	8.415	3.069	0.920	6.317	4.963
2007	44.766	11.148	8.575	1.291	8.489	3.489	0.936	6.487	4.655

Source: Bernalillo County Treasurer's Office.

Gross Receipts Taxes

State Gross Receipts Taxes

Imposition of Tax. The Gross Receipts and Compensating Tax Act (Sections 7-9-1 through 7-9-91, NMSA 1978, as amended), authorizes the State to impose the State GRT which is levied by the State for the privilege of doing business in the State and is collected by the Department of Taxation and Revenue (the "Department"). The State GRT is levied at 5.00% of taxable gross receipts. Of the 5.00 cents collected per dollar of taxable gross receipts reported for a particular municipality, 1.225% is remitted monthly to each municipality based on the prior month's filings.

Until July 1, 2004, the total GRT rate (State, County and City) imposed in the City was 5.8125%. Because of various rate increases, the total GRT rate during Fiscal Year 2006 increased to 6.7500%. The County increased its GRT rate by 0.125% on July 1, 2006 increasing the rate imposed in the City to 6.875%. Although the County increased its GRT rate by another 0.125% on January 1, 2007, the City reduced its GRT by 0.125% on the same date and on January 1, 2007 the total GRT rate imposed in the City remained at 6.875%.

Taxed Activities. For the privilege of engaging in business in the State, the State GRT is imposed upon any person engaging in business in the State. "Gross Receipts" is defined in the Gross Receipts and Compensating Tax Act as the total amount of money or value of other consideration received from selling property in the State (including tangible personal property handled on consignment in the State), from leasing property employed in the State, from selling certain research and development services performed outside the State the product of which is initially used in the State and from performing services in the State. The definition excludes cash discounts allowed and taken, the State GRT payable on transactions for the reporting period and any county GRT, county fire protection excise tax, county and municipal GRT, any type of time-price differential and certain gross receipts or gross receipts taxes imposed by an Indian tribe or pueblo. Unlike most other states, the State taxes sales and services, including legal services and certain medical services. For a description of the percentages of GRT revenues that have been historically received in various other sectors, see "Gross Receipts Taxes - Historical Taxable Gross Receipts" under this caption.

Exemptions. Some activities and industries are exempt from the State GRT, many by virtue of their taxation under other laws. Exemptions include but are not limited to receipts of governmental agencies and certain organizations (some of which are taxable by the State, with no local distribution), receipts from the sale of vehicles, occasional sales of property or services, wages, certain agricultural products, dividends, receipts from the sale of prescription drugs and certain federal government paid medical expenses and interest and receipts from the sale of or leasing of natural gas, oil or mineral interests. Various deductions are also allowed, including, but not limited to, receipts from various types of sales or leases of tangible personal property or services, receipts from sales to governmental agencies or certain organizations, receipts from processing certain agricultural products, receipts from certain publication sales, certain receipts from interstate commerce transactions and receipts from the sale of certain food and certain medical services. See "State Gross Receipts Tax - Imposition of Tax" under this caption. In spite of the numerous specified exemptions and deductions from gross receipts taxation, the general presumption is that all receipts of a person engaging in business in the State are subject to the State GRT.

Administration of the Tax. The Department is responsible for administering the Gross Receipts and Compensating Tax Act and for collecting the State tax and all local option gross receipts taxes imposed by New Mexico counties and municipalities. The Department makes monthly distributions to counties and municipalities, as applicable, of State GRT revenues and of receipts from local option gross receipts taxes.

Historical Revenues. The State GRT revenues received by the City for the past five Fiscal Years are as follows:

Historical State Gross Receipts Tax Revenues
(1.225% Received by the City from State Gross Receipts Tax)

Fiscal Year	Revenues
2003	$142,840,456
2004	156,137,731
2005	162,583,140
2006	176,647,546
2007	188,323,065

Source: City of Albuquerque, Department of Finance and Administrative Services.

Certain of the revenues received from this tax are pledged to the payment of GRT bonds of the City. Some of those bonds are also secured by other revenues of the City, such as lodgers' taxes. See "FINANCIAL INFORMATION – Lodgers' Tax and Hospitality Fee."

Municipal and Other Gross Receipts Taxes

Imposition of Tax. In addition to receiving a distribution from the State, the Municipal Local Option Gross Receipts Taxes Act (Sections 7-19D-1 through 7-19D-13 NMSA 1978, as amended) authorizes the City under State law to impose up to 1.50% municipal GRT in increments of one-eighth of one percent on the gross receipts of any person engaging in business in the City. On July 1, 2006, the City imposed 1.25%. However, the Council repealed 0.125% of the general purpose tax effective January 1, 2007. One half of one percent (0.50%) is used for general purposes and the revenues are deposited into a fund pledged to secure certain outstanding municipal GRT bonds of the City. An additional 0.25% municipal GRT is imposed to provide for street maintenance, roadway improvements, an increase in the level of services provided by the public transit system, and construction of a bikeway system. A 0.25% increment of municipal GRT is imposed to provide for public safety, a variety of social-service programs and detention facility expenses. The City has also imposed a 0.0625% municipal infrastructure GRT for general purposes. The City has authority to impose, but has not imposed: a second 0.0625% municipal infrastructure GRT, without a referendum; an additional 0.125% municipal infrastructure tax for general municipal purposes, infrastructure, regional transit and/or economic development, with a positive referendum; a 0.25% municipal capital outlay GRT for municipal infrastructure and other purposes, with a positive referendum; and a 0.0625% municipal environmental services GRT. State legislation, which became effective on July 1, 2005, authorizes a municipal regional transit GRT. Effective July 1, 2007 the City was given authority to impose an additional 0.25% for general purposes without a referendum. If the City becomes a member of a regional transit district, upon request from the district, the City, after an election approving the tax, is required to impose a municipal regional transit GRT of up to 0.5% for a public transit system or public transit projects or services for the district. The tax may be imposed in increments of 0.0625%.

On December 18, 2006, the City Council formed five tax increment development districts (the "Districts") for the Mesa del Sol project in southeast Albuquerque. Pursuant to the City Council's action, 67% of the gross receipts tax generated within the Districts will be available for construction of public infrastructure within the Districts. The 33% of the gross receipts tax revenues generated within the Districts but not dedicated to Mesa del Sol will flow to the City. These tax increment revenues that the City has dedicated to the Districts will be pledged to tax increment revenue bonds that the District intends to issue.

Historical Revenues. The revenues received by the City as a result of its imposition of municipal GRT and municipal infrastructure GRT for the past five Fiscal Years are as follows:

City of Albuquerque
Historical Municipal Gross Receipts Tax Revenues

Fiscal Year	Revenues
2003	$57,569,166
2004	62,778,208
2005	63,333,003
2006	73,857,522
2007	76,032,308

Source: City of Albuquerque, Department of Finance and Administrative Services.

Taxing Authority and Payments

The following table outlines the gross receipts taxes to be paid to the State, the City and County by businesses in the City.

Fiscal Year 2007 Gross Receipts Tax (GRT) Paid in the City of Albuquerque June 30, 2007

Type of Tax & Purpose	Percentage Imposed
Municipal GRT[(1) (2)]	1.1250%
Municipal Infrastructure GRT	0.0625
Bernalillo County GRT[(3)]	0.6875
State GRT	5.0000
Total	6.8750%

(1) Municipal GRT may be imposed by the City in increments of 0.125%, and collections are assessed an administrative fee by the State of 5.0% on all local option revenues imposed above those derived from the initial 0.50% tax levied.
(2) The Council repealed 0.125% of GRT tax effective January 1, 2007.
(3) The County imposed a 0.125% of GRT tax effective July 1, 2006 and an additional 0.125% of GRT tax effective January 1, 2007.

Source: City of Albuquerque, Office of City Treasurer.

The following table describes the City's taxing authority and the percentage it currently imposes to generate GRT revenues to the City:

City of Albuquerque
Fiscal Year 2007 Taxing Authority and Gross Receipts Tax (GRT) Imposed

Type of Tax & Purpose	Total Taxing Authority	Percentage Imposed	Unused Authority
Municipal GRT[1]			
General Purposes[2]	0.5000%	0.5000%	
General Purposes[3]	0.5000%	0.1250%	0.3750%
Transportation	0.2500%	0.2500%	
Public Safety	0.2500%	0.2500%	
Total Municipal GRT	1.5000%	1.1250%	0.3750%
Municipal Infrastructure GRT[4]			
General Purpose	0.1250%	0.0625%	0.0625%
Econ. Dev. & Transit	0.1250%	0.0000%	0.1250%
Municipal Environmental GRT	0.0625%	0.0000%	0.0625%
Municipal Capital Outlay GRT[5]	0.2500%	0.0000%	0.2500%
Regional Transit GRT[6]	0.5000%	0.0000%	0.5000%
Total Other GRT	1.0625%	0.0625%	1.0000%
Total Impositions by the City		1.1875%	
State GRT		1.2250%	
Total Distribution to the City		2.4125%	

(1) Municipal GRT may be imposed by the City in increments of 0.125%, subject to a negative referendum, and collections are assessed an administrative fee by the State of 5.0% on all local option revenues imposed above those derived from the initial 0.50% tax levied.
(2) Represents the municipal GRT pledged by the City to secure certain outstanding bonds.
(3) Represents the municipal GRT not pledged by the City to secure outstanding bonds.
(4) A positive referendum is required to impose any amount of the municipal infrastructure GRT: (i) in excess of 0.1250%; or (ii) for the purpose of economic development. The tax may be imposed in increments of 0.0625%.
(5) A positive referendum is required to impose any amount of the municipal capital outlay GRT and it may be imposed only after all other local option gross receipts taxes have been imposed.
(6) A positive referendum is required to impose any amount of the regional transit GRT after the City becomes a member of a regional transit district and upon request from the district. The tax may be imposed in increments of 0.0625%.

Source: City of Albuquerque, Office of City Treasurer.

Historical Taxable Gross Receipts

The table which follows provides information about the City's taxable gross receipts by sector since 1997.

City of Albuquerque
Taxable Gross Receipts By Sector and Total Gross Receipts (l)
Fiscal Years 1998-2007 ($000,000s omitted)

Selected Sectors by Standard Industrial Classification

	1998	1999	2000	2001	2002	2003	2004[3]	2005	2006	2007	% of Total Shares by Sector 1998	% of Total Shares by Sector 2007
Construction	$1,000.80	$1,001.40	$1,098.70	$1,307.60	$1,250.60	$1,213.50	$1,354.50	$1,555.74	$1,888.23	$1,934	10.18%	12.81%
Manufacturing	320.10	324.20	319.40	308.60	283.70	233.70	275.00	265.80	282.48	319	3.26%	2.11%
Wholesale Trade	554.10	535.60	604.80	608.00	630.50	738.00	855.45	902.63	930.10	857.04	5.64%	5.68%
Retail Trade	3,882.40	3,963.10	4,158.70	4,367.60	4,345.00	4,652.60	5,036.70	4,915.43	5,510.35	5,901.94	39.49%	39.10%
Fin, Insur., & Real Estate	279.00	286.30	292.20	292.70	270.40	269.40	284.75	289.02	340.13	387	2.84%	2.56%
All Other Sectors	3,794.00	3,969.10	4,075.00	4,131.60	4,189.80	4,365.80	4,696.13	5,192.52	5,181.22	5,696.54	38.59%	37.74%
Total Taxable Gross Receipts [2]	$9,830.40	$10,079.70	$10,548.80	$11,016.10	$10,970.00	$11,473.00	$12,502.52	$13,121.14	$14,132.51	$15,095.65	100.00%	100.00%
Total Gross Receipts Reported	$17,096.80	$17,317.90	$18,294.20	$20,836.90	$20,708.30	$20,153.40	$22,406.90	$24,666.20	$27,088.36	$28,110.23		

(1) Albuquerque taxable gross receipts are according to distribution month, which lags reporting month by one month and activity month by two months. While taxable gross receipts is the reported tax base, the actual tax distributions may differ from those calculated by applying the tax and distribution rates to taxable gross receipts for any of a number of reasons (e.g., the filing taxpayer did not include a check or the check was returned; an adjustment was made for a previous over or under distribution to the City). Actual distributions average within 1-2% of computed tax due based on reported taxable gross receipts.

(2) Totals may not add due to rounding.

(3) The groupings by Standard Industrial Classification are not available after Fiscal Year 2003 with the exception of Construction and Retail Trade.

Source: New Mexico Taxation and Revenue Department.

Manner of Collection and Distribution

Businesses must make their payments of gross receipts taxes on or before the twenty-fifth day of each month for taxable events in the prior month. Collection of the State GRT and municipal gross receipts taxes is administered by the Department, pursuant to Section 7-1-6 NMSA 1978, as amended. Collections are first deposited into a suspense fund for the purpose of making disbursements for refunds, among other items. On the last day of each month, the balance of the suspense fund is transferred to the State general fund, less the above-described disbursements to the municipalities and counties in the State and less required distributions to pay debt service on certain State bonds.

Remedies for Delinquent Taxes

The Department may assess gross receipts taxes to a taxpayer who has not paid the taxes due to the State. If any taxpayer to whom gross receipts taxes have been assessed does not make payment (or protest the assessment or furnish security for payment) before 30 days after the date of assessment, the taxpayer becomes a delinquent taxpayer. A delinquent taxpayer remains delinquent until payment of all the taxes due, including interest and penalties, or until security is furnished for the payment. The Department may, under certain circumstances, enter into an agreement with a delinquent taxpayer to permit monthly installment payments for a period of not more than 60 months. Interest is due on any delinquent taxes from the first day following the day on which it is due at the rate of 15.0% per year, computed on a daily basis until paid, without regard to any installment agreement. However, if the gross receipts taxes are paid within 10 days after demand is made, no interest accrues.

The Department may levy upon all property or rights to property of a delinquent taxpayer and sell the same in order to collect the delinquent tax. The amount of delinquent state gross receipts taxes is also a lien in favor of the State upon all property and rights to property of the delinquent taxpayer which lien may be foreclosed as provided by State statutes.

Gasoline Tax

Generally

The rate of tax on gasoline is $0.17 per gallon. The gasoline tax is imposed on registered distributors of gasoline in the State at the time the gasoline is received by a registered distributor. Gasoline is generally deemed to be “received” when delivered to a registered distributor for resale to a wholesaler or retailer in the State. The registered distributor is responsible for filing gasoline tax returns with, and paying the gasoline tax due to, the Department on or before the twenty-fifth day of the month following the month in which the gasoline is received in the State. Distributors are required to include the gasoline tax in the resale price of gasoline sold to a purchaser. Delinquent taxpayers may be required to file a surety bond in favor of the State to ensure prompt filing of reports and the payment of all taxes levied by the Gasoline Tax Act. “Registered tribal distributors” are permitted to deduct the tax from gasoline sold at the wholesale level. Each registered tribe is limited to total annual sales of 30 million gallons.

The amount of the distribution of gasoline tax receipts from the State ("State Shared Gasoline Tax Receipts") is 10.38%. See the table entitled "Historical State Gasoline Tax Receipts" under this caption.

Distribution of the Gasoline Tax

Net receipts are the amount paid to the Department in any month less any refunds. Ninety percent (90%) of the amount distributed by the Department is paid to treasurers of municipalities in the proportion that the taxable motor fuel sales in each of the municipalities bears to the aggregate taxable motor fuel sales in all municipalities in the State. The remaining 10% is distributed by the Department to counties in the State.

Historical Receipts

The following table sets forth the historical distributions of State Shared Gasoline Tax Receipts for Fiscal Years 1998-2007.

City of Albuquerque
Historical State Gasoline Tax Receipts

Fiscal Year	State Gasoline Tax Receipts
1998	$4,748,965
1999	4,514,428
2000	4,604,981
2001	4,661,581
2002	4,431,007
2003	4,293,636
2004	4,476,207
2005	4,686,513
2006	4,883,012
2007(1)	5,500,512

(1) Unaudited

Sources: City of Albuquerque Comprehensive Annual Financial Reports for 1998 to 2007.

Lodgers' Tax and Hospitality Fee

Generally

The lodgers' tax is levied pursuant to the Lodgers' Tax Act (Sections 3-38-13 through 3-38-24 NMSA 1978, as amended) and is imposed, with certain limited exceptions, on all revenues derived from the furnishing of lodging within the City. The tax rate imposed by the City is 5% and is imposed on the gross taxable rent paid for lodging (but not including State shared GRT or local GRT).

Lodgers' tax revenues are pledged to the payment of the City's gross receipts/lodgers' tax bonds in an amount equal to fifty percent (50%) of the revenues produced by the City's imposition of the lodgers' tax, less certain administrative costs. Under the Lodgers' Tax Act, a municipality located in a class A county, such as the City, imposing an occupancy tax (such as the lodgers' tax) of more than two percent (2%) is required to use not less than one-half of the proceeds derived from the tax for the purposes of advertising, publicizing, and promoting the convention center and certain other tourist facilities or attractions within the City. The City uses the 50% of the lodgers' tax revenues not pledged to the payment of bonds to satisfy this requirement.

Historical Lodgers' Tax Revenues

The gross taxable rent and the lodgers' tax revenues derived from the 5% lodgers' tax and collected by the City for the last five Fiscal Years are as follows:

City of Albuquerque
Historical Lodgers' Tax Revenues

Fiscal Year	Gross Taxable Rent(1)	Lodgers' Tax Revenues
2003	$166,521,380	$8,326,069
2004	174,606,940	8,739,899
2005	180,207,820	9,019,206
2006	199,914,580	9,995,729
2007	215,953,560	10,797,678

(1) Defined by the Lodgers' Tax Act to mean "the total amount of rent paid for lodging, not including the State GRT or local sales taxes."

Source: City of Albuquerque, Department of Finance and Administrative Services.

Hospitality Fee

The State Legislature passed the Hospitality Fee Act (Sections 3-38A-1 through 3-38A-12 NMSA 1978) which became effective in June 2003. Under the Act, the City has authority to impose, without a referendum, a hospitality fee of up to 1% of the gross rent proprietors receive from tourist accommodations within the City. On April 19, 2004, the City enacted its ordinance imposing the hospitality fee. The Hospitality Fee Act includes a section which repeals the Act effective July 1, 2028. As required by the Hospitality Fee Act, twenty-five percent of the fees collected are to be used for advertising to publicize and promote tourist-related attractions, facilities and events, twenty-five percent of the fees collected are to be used to extinguish debt incurred by a municipality for a metropolitan court facility, and the remaining fifty percent is to be used to equip and furnish the City's Convention Center. Hospitality fee revenues, in an amount equal to fifty percent (50%) of the revenues produced by the City's imposition of the fee, less certain administrative costs, are pledged to the payment of the City's Hospitality Fee New Mexico Finance Authority loan dated September 9, 2004 in the principal amount of $4,270,000. Fees collected under the Hospitality Fee Act were $1,995,823 in Fiscal Year 2006 and $2,162,060 in Fiscal Year 2007.

Employee Contracts

There were 6,342 full-time employment positions funded by the City for Fiscal Year 2008. As of January 1, 2008, of the filled positions, over 80% of City employees are affected by union contracts. There are seven bargaining units within the City. The City's union contracts, which all expire on June 30, 2008, are as follows: Albuquerque Officers' Association (A.F.S.C.M.E. Local 1888, AFL-CIO); Clerical and Technical Employees (A.F.S.C.M.E. Local 2962, AFL-CIO); United Transportation Union; Blue Collar workers (A.F.S.C.M.E. Local 624, AFL-CIO); Albuquerque Area Firefighters Union; Albuquerque Police Officers' Association; and Management Union (A.F.S.C.M.E. Local 3022, AFL-CIO).

Retirement Plan

The employees of the City are members of the State Public Employees Retirement Association. The City contributes to the plan amounts which vary from 7.0% to 33.4% of eligible employees' salaries.

The last actuarial valuation attesting to the availability of funds to cover the obligations of the plan is as of June 30, 2006. A copy of the certification letter prepared by Gabriel, Roeder, Smith & Company, Actuaries and Consultants, is on file and is available from the State Public Employees Retirement Association, upon request. The City has no unfunded liabilities with respect to the availability of funds to cover the obligations of the retirement plan.

Capital Implementation Program

General

The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. However, certain improvements are financed with revenue bonds. The City's Capital Implementation Program consists of a ten-year program, with a general obligation bond election held every odd-numbered year to approve the two-year capital budget portion of the program. In July 2005, the City adopted a ten year capital plan for calendar years 2005 through 2014.

Impact Fees

The City of Albuquerque's Impact Fee Ordinances were adopted by the Council on November 15, 2004 and implemented on June 10, 2005.

An impact fee is a one-time charge imposed on new development to help fund the costs of capital improvements that are necessitated by and attributable to new development. Impact fees may not be charged retroactively and may not be used for maintenance or repair. The cost calculation formulas recognize that new development in areas where major infrastructure already exists will have lower costs.

The four types of new infrastructure that the City of Albuquerque Impact Fees support are: Public Safety Facilities, Drainage Facilities, Park, Recreation, Trails and Open Space Facilities and Roadway Facilities. Service Areas have been identified for each type of infrastructure.

The program supplements the existing Capital Implementation Program. The funds from the impact fees will be used to develop infrastructure on a pay-as-you go basis and will not affect the City's current general obligation bond program or the City's bonding capacity.

Total Impact Fees – Fiscal Year 2007

Location	Amount	Location	Amount
Academy Northwest	$20,986	Southwest Mesa	$553,057
Foothills/Southwest	99,789	I-25 Corridor	634,804
North Albuquerque	121,707	Far Northeast	214,691
North Valley/I-25	367,836	Northwest Mesa	1,423,734
Southwest Mesa	258,037	West Mesa	999,942
Northwest Mesa.Volcano	564,131	Total Roadways	$3,826,228
Trails	48,973		
Open Space	965,612	Southwest	$161,456
Total Parks, Open Space and Trails	$965,612	Tijeras	174,284
		Far Northeast	208,460
Fire/Westside	$185,306	Northwest	486,418
Fire/Eastside	350,931	Near North Valley	2,164
Police/Citywide	258,102	Total Drainage	$1,032,782
Police/Westside	49,547		
Police/Westside	60,694	Grand Total Impact Fees	$8,210,661
Total Public Safety	$904,580		

Source: City of Albuquerque, Planning Department.

Financial Statements

The audited financial statements of the City at June 30, 2007 and for the year then ended will be attached hereto in Appendix A upon the completion of the audit by Moss Adams LLP, certified public accountants, and release of the audit by the State Auditor. See Appendix A, Audited Financial Statements for Fiscal Year 2007.

ENTERPRISE OPERATIONS

Albuquerque Airport

Generally

Definitions. The following definitions are applicable to the discussion of the City's Airport System.

"ABQ Airport" is defined as the Albuquerque International Sunport which is located five miles southeast of downtown Albuquerque, about six miles from the City's center of population and is adjacent to Kirtland Air Force Base, an active United States Air Force ("USAF") installation.

"Airport" is defined as all of the City's existing and future Airport Facilities, and any interest of the City therein, including, without limitation, the Airport System, all land, buildings, structures, roadways and facilities thereof or related thereto of whatsoever character and wheresoever situated, within or without the boundaries of the City, and all enlargements, additions, substitutions, improvements, extensions and equipment appertaining thereto, including, but not limited to, any parking facility for automobiles and other motor vehicles located at any Airport Facility and any industrial or commercial property located on land constituting a part of the Airport property; but excluding any special facility or related revenues until there has been defeasance of all special facilities obligations payable from such special facility or the lessees or operators thereof.

"Airport Facilities" is defined as the property comprising the Airport, including, without limitation, runways, terminals and other aircraft parking facilities, taxiways, aprons, approach and clear zones, safety areas, infield areas, landing and navigational aids, terminal and other buildings and any other facilities and land areas used in connection with the use and operation of any such facility.

"Airport Obligations" is defined as all bonds, notes or other instruments which evidence a borrowing payable from and secured by net revenues of the Airport, now outstanding or hereafter issued or incurred, including Airport bonds designated as Senior Parity Obligations, Subordinate Parity Obligations and Junior Lien Obligations, including Third Lien Parity Obligations.

"Airport System" is defined as ABQ Airport and Double Eagle II Airport.

"Double Eagle II Airport" is defined as the general aviation reliever airport owned and operated by the City.

In General. ABQ Airport is the principal air carrier airport serving the Albuquerque Metropolitan Area and the State, and provides the only major air carrier service to the State. ABQ Airport is owned by the City and operated by the City's Aviation Department.

ABQ Airport is classified as a "medium hub" airport by the FAA. According to the Airports Council International-North America records, in 2006, ABQ Airport ranked as the 57th largest passenger airport in the United States and in 2005 ABQ Airport ranked as the 58th largest passenger airport in the United States. ABQ Airport serves primarily an "origination/destination" ("O&D") air traffic market. In Fiscal Year 2006, O&D comprised 80% of the total domestic emplaned passengers at ABQ Airport. See "Airport Service Area" under this caption. In addition to ABQ Airport, the City also owns and operates Double Eagle II Airport, a general aviation reliever airport.

ABQ Airport has three principal runways for air carrier use: Runway 8-26, the primary air carrier/military runway, is 13,793 feet long and 150 feet wide; Runway 3-21, an air carrier runway, is 10,000 feet long and 150 feet wide; and Runway 17-35, a crosswind runway, is 10,000 feet long and 150 feet wide. Runway 12-30 is a crosswind runway used by general aviation traffic and is 6,000 feet in length and 150 feet in width.

ABQ Airport is served by nine major national airlines as well as regional and commuter airlines. Southwest Airlines, American Airlines, Delta Airlines, US Airways, Continental and United Airlines, accounted for 51.6%, 12.0%, 6.3%, 6.3%, 5.6% and 4.3%, respectively, of the enplaned passengers at ABQ Airport in Fiscal Year 2007. See "Airlines Serving ABQ Airport" below.

Terminal Complex

The major carrier passenger facilities at ABQ Airport include the 543,000 square foot main terminal complex (the "Terminal Complex") with 23 air carrier aircraft gates. The air carrier gates are situated in a linear east-west concourse, parallel to the Terminal Complex and connected to it via a terminal-concourse connector. In addition, there is one commuter gate, serving three commuter airlines with six aircraft parking positions. The Terminal Complex area includes a two-level terminal loop roadway system, a 3,400 space automobile parking structure, and a 500 space surface parking lot.

The airfield, land and facilities at ABQ Airport (the "Airfield") were deeded to the City by the USAF in 1962. The USAF currently shares the use of the Airfield with the City under a lease agreement. The deed contains a reverter clause, which will be effective if the City does not continue to use the Airfield as an airport and the U.S. Government has a right of re-entry if the City does not comply with the covenants and restrictions in the deed and the lease agreement. The agreement requires that the USAF provide aircraft rescue and fire fighting services at ABQ Airport.

The present Terminal Complex was built in 1965, and was expanded in 1987 to add a new concourse, security office, passenger screening area, baggage claim area, and additional restrooms. In 2006, ABQ Airport completed the construction of a new 35,000 square foot passenger security screening checkpoint with eight screening lanes.

Airport Service Area

The ABQ Airport Service Area includes the Albuquerque MSA (Bernalillo, Sandoval and Valencia Counties), the Santa Fe MSA (Santa Fe and Los Alamos Counties), and Torrance County.

The ABQ Airport also serves a secondary area consisting of the remainder of the State. The limits of a secondary area are generally defined by the range and quality of airline service at other air carrier airports. There are seven air carrier airports in the surrounding states of Arizona, Colorado, Texas and Utah that provide airline service and together define the limits of the secondary area, including Amarillo International Airport to the east, Denver International Airport to the north, El Paso International Airport to the south, Lubbock International Airport to the southeast, Dallas/Ft. Worth International Airport to the southeast, Phoenix Sky Harbor International Airport to the southwest and Salt Lake City International Airport to the northwest. There are also seven other airports in the State that provided scheduled commuter airline service during Fiscal Year 2007.

Airlines Serving the ABQ Airport

ABQ Airport is served by the following major carriers (the "Signatory Airlines"):

American Airlines	Northwest Airlines
Continental Airlines	Southwest Airlines
Delta Airlines	United Airlines
Frontier Airlines	US Airways
Express Jet	

Each of the major carriers listed above has entered into a new five (5) year Scheduled Airline Operating Agreement and Terminal Building Lease with the City with an effective date of July 1, 2006 (the "Airline Agreements"). On April 30, 2007, Delta Airlines emerged from bankruptcy, and Northwest Airlines emerged from bankruptcy in May 2007. Collectively, these Signatory Airlines lease approximately 75% of the available exclusive and preferential use space in the Terminal Complex.

In addition to these major national airlines and their affiliate regional carriers, Mesa Airlines, Great Lakes Airlines and New Mexico Airlines provide commuter flights throughout New Mexico, West Texas and Southern Colorado. Three Air Cargo Airlines, DHL/ABX, Federal Express and UPS (the "Air Cargo Airlines") provide air cargo service at ABQ Airport. The Air Cargo Airlines have all entered into a scheduled Air Cargo Airline Operating Agreement and Air Cargo Building Lease with the City (the "Air Cargo Airline Agreements") and all operate as signatory Air Cargo Airlines. See "Agreements with the Airlines - Agreements with Air Cargo Airlines" under this caption.

Events Affecting the Air Transportation Industry and the Airport

The events of September 11, 2001 ("September 11 Events") caused substantial disruption to the airline industry. In response to the attacks, the Aviation and Transportation Security Act ("ATSA") was enacted into law on November 19, 2001, creating the Transportation Security Administration ("TSA"). The TSA took over from the airlines all contracts for security checkpoint operations at the ABQ Airport in February 2002. The security checkpoint was federalized on October 8, 2002, when all civilian contractors at the checkpoint were replaced with screeners employed by the TSA. Prior to the creation of the TSA, the FAA had implemented security measures, including, but not limited to, the elimination of curb-side luggage handling, prohibiting unticketed passengers beyond security checkpoints, requiring a thorough search and security check of passenger baggage, and restricting the parking of vehicles near terminals. Some of those measures remain in effect at the ABQ Airport and the TSA now has initiated a number of new safety measures at U.S. airports, including, without limitation, that all baggage must be screened for explosives.

Additional Baggage Screening Requirements

Under ATSA, all airline checked baggage must be screened for explosives by the TSA. At the ABQ Airport, the screening of bags is performed using a combination of explosive detection system (“EDS”) and explosive trace detection equipment.

Even though the City is in compliance with the ATSA requirements for baggage screening, it has installed an in-line EDS for Southwest Airlines, which has been the largest carrier at the ABQ Airport in terms of passengers for over fifteen fiscal years. The in-line baggage system for Southwest Airlines is necessary to (a) mitigate existing operational inefficiencies in the processing of checked baggage and (b) provide additional space and equipment to meet future needs. The other airlines at the ABQ Airport, which mostly operate from ticket counter and baggage rooms on the west side of the Terminal Complex, have checked baggage screening systems that are adequate to meet existing and future demand. The City has performed various studies on integrating an in-line EDS on the west side of the Terminal Complex which may be needed in the future, if warranted by demand and substantial funding through federal grants is received for the ABQ Airport. The in-line EDS at the ABQ Airport has been classified by the City as a demand responsive project.

Security Checkpoint Reconfiguration and Meeter/Greeter Area Addition

Due to congestion and delay resulting from heightened security at the ABQ Airport and new restrictions on public access to the concourses, a new security checkpoint was constructed as well as a new area for the “meeters and greeters” of arriving passengers. Development of the meeter/greeter area was done in conjunction with, and adjacent to, the expanded and reconfigured security checkpoint area. Construction of the project began in December of Fiscal Year 2005 and was completed in the third quarter of Fiscal Year 2006. Total cost was approximately $14 million.

Historical Airline Traffic

During Fiscal Year 2007, there were approximately 200,218 aircraft operations (landings and takeoffs) at the ABQ Airport, which is a decrease from 209,005 in Fiscal Year 2006. The decreased aircraft operations are due primarily to activity resulting from the major national carriers using larger aircraft to full passenger capacity. The following table presents the number of airline enplaned passengers for major national airlines at the ABQ Airport from Fiscal Year 1997 through Fiscal Year 2007.

Historical Airline Traffic Activity

ABQ Airport

Enplaned Passengers

Fiscal Year	Number	Percent Increase (Decrease)
1997	3,273,829	3.6
1998	3,109,915	(5.0)
1999	3,093,853	(0.5)
2000	3,160,245	2.1
2001	3,151,608	(0.3)
2002	3,043,775	(3.4)
2003	3,010,471	(1.1)
2004	3,121,162	3.7
2005	3,189,886	2.3
2006	3,299,021	3.4
2007	3,263,210	(1.1)

Source: City of Albuquerque, Department of Aviation.

The total number of enplaned passengers at the ABQ Airport increased at an average annual rate of 0.53% per year between Fiscal Years 1998 and 2007. In Fiscal Year 2002, the number of enplaned passengers at the ABQ Airport decreased 3.4%, principally as a result of the September 11 terrorist attacks, the national economic downturn, and resulting decreases in airline service. Since 2003, the ABQ Airport has experienced an upward trend.

In Fiscal Year 2007, the number of enplaned passengers decreased by 1.1% due primarily to airline passenger capacity strategy. This strategy may be a direct result in the rise of jet fuel costs. In Fiscal Year 2006, the number of enplaned passengers at the ABQ Airport increased approximately 3.4% from Fiscal Year 2005 and Fiscal Year 2005 increased 2.3% from Fiscal Year 2004. This increase is a direct result of additional regional jet air carriers as well as continued economic improvement. In 2004, the number of enplaned passengers increased by 3.7%, principally as a result of the return of travelers' confidence in air travel and improved economic conditions in New Mexico and nationally. It should be noted that the average decrease in enplaned passengers at the ABQ Airport between 2001 and 2003 (2.3% per year) was at a lesser rate than experienced nationally. The FAA reported that enplaned passengers nationally decreased 6.6% between 2001 and 2002 (the most recent year for which data is available). Low-fare airlines such as Southwest Airlines and US Airways have continued to maintain or increase service at the ABQ Airport. The ABQ Airport has recovered from the impacts of the events of September 11 at a faster rate than other United States airports.

The size of an origination/destination market, as measured by the number of originating passengers, is related to the vitality of an airport service area. Origination/destination passenger traffic in the Albuquerque area and other parts of the State consists of resident and visitor travel. The level of resident passenger travel is related to the size of the population base, overall activity and growth in the economy, companies that rely on airline travel for their business use, and disposable income levels that may affect the propensity for airline travel. The level of visitor passenger travel in the Albuquerque area and the State is related to companies located in the Albuquerque area and the State that are visited by personnel from other offices or businesses located in other parts of the United States or the world, the demand for tourist and convention facilities in the Albuquerque area and the State, and people visiting State residents.

Airline Market Shares. In Fiscal Years 2003 through 2007, Southwest Airlines and American Airlines combined, accounted for at least 63.6% of enplanements. In Fiscal Year 2007, Southwest Airlines ranked first in number of enplaned passengers at ABQ Airport (51.6%) with American Airlines, Delta Airlines, US Airways, Continental Airlines and United Airlines ranked second, third, fourth, fifth and sixth respectively, comprising 34.5%.

The market share of enplaned passengers by commuter airlines at ABQ Airport increased from 5.8% in Fiscal Year 2003 to 9.5% in Fiscal Year 2007. The number of passengers enplaned by commuter airlines increased from 228,868 in Fiscal Year 2003 to 287,671 in Fiscal Year 2005 and decreased to 279,282 in Fiscal Year 2006 and increased again to 313,256 for Fiscal Year 2007.

The following table presents the percentage shares of enplaned passengers for the airlines serving the ABQ Airport in the Fiscal Years 2003 through 2007:

ABQ Airport
Airline Market Shares

Fiscal Years 2002-2006	**FY 2002**	**FY 2003**	**FY2004**	**FY2005**	**FY2006**
	% Share Enplaned Passengers	% Share Enplaned Passengers	% Share Enplaned Passengers	% Share Enplaned Passengers	% Share Enplaned Passengers
Major/National:					
Southwest Airlines	52.9	53.1	53.2	51.6	51.4
American Airlines	9.8	11.3	11.2	11.6	12.3
Delta Airlines	8.4	7.5	7.6	8.1	7.4
America West Airlines	6.7	6.6	5.8	6.1	6.4
United Airlines	6.2	6.1	6.0	5.6	4.3
Continental Airlines	5.4	4.9	4.9	4.9	5.1
Northwest Airlines	2.7	3.0	2.8	2.8	2.6
Frontier Airlines	1.6	1.6	1.5	0.3	1.8
Trans World Airlines (1)	1.9	0.0	0.0	0.0	0.0
Subtotal	95.6	94.2	93.0	91.0	91.3
Regional and Commuter:					
Mesa Airlines	1.6	1.3	1.9	1.4	0.9
Skywest	2.0	3.0	4.1	4.5	5.5
Other	0.9	1.4	1.0	3.1	2.3
Subtotal	4.4	5.8	7.0	9.0	8.7
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

(1) TWA operations were taken over by TWA LLC, a subsidiary of American Airlines in Fiscal Year 2002.

Note: Columns may not add to totals shown because of rounding.
Source: City of Albuquerque, Department of Aviation.

Airport Administration

Mr. Nick Bakas is the Director of Aviation. Mr. Bakas was appointed to this position by Mayor Martin Chavez on August 6, 2007. He is a career civil servant, serving in Santa Fe, New Mexico as Cabinet Secretary of the Department of Public Safety for the State of New Mexico. Prior to the Aviation Director appointment, he was the Chief Public Safety Officer for the City of Albuquerque, overseeing the Police Department, Fire Department, Corrections Department, and Emergency Management.

Mr. Dennis A. Parker, A.A.E., is the Director of Planning and Development, responsible for the long-term capital planning and project implementation for the Airport and reports to the Director. Mr. Parker was appointed to the position in 1986. Prior to his appointment, Mr. Parker was Assistant Aviation Director at the Airport System; Manager of Maintenance Services at the Greensboro-High Point Airport Authority, North Carolina; Executive Director and Operations manager of the Titusville-Cocoa Airport Authority, Florida; and Airport Manager of the Chesterfield County Airport, Virginia.

Mr. N. David Norman is the Director of Operations, responsible for the Operations Division, including Airfield Operations, Airport Communications Center, Facilities Maintenance, Custodial Services, Aviation Police, Airfield Maintenance and the Double Eagle II Airport. Following retirement from the United States Air Force in 1996, Mr. Norman joined the City's Aviation Department as an Airfield Operations Duty Officer until 2005, at which time he was employed as an Airport Operations Duty Manager with Metropolitan Washington Airports Authority. Mr. Norman assumed his current position in November 2006.

Ms. Pam White is the Director of Finance and is responsible for the Finance and Administration Division, including Contract Administration, Public Relations, Landside Operations, and Business Development. Ms. White has sixteen years experience in finance, administration and government accounting. Ms. White was employed with the New Mexico Department of Transportation where she worked in accounting and finance and during her latter six years she worked for the Aviation Division as the Finance and Business Manager. She has a Bachelor of Science in Business Administration/Accounting and is pursuing an MBA.

Airport Financial Information; Airport Fund

<u>General</u>. The Airport Fund is a separately maintained enterprise fund of the City. The general policy of the City has been to impose charges for services that can be measured and that benefit specific persons, including users of the Airport System. The charges are designed to pay for the cost of the service.

<u>Historical Financial Results</u>. The following tables compare historical financial results of the Airport System.

	2002	2003	2004	2005	2006
Total operating revenues	$50,402	$51,134	$52,744	$55,759	$60,161
Non-operating revenues (expenses):					
Interest	1,919	708	237	815	1,650
Passenger Facility Charge	7,083	8,155	7,900	7,930	8,235
Other	100	182	8	35	32
Gain (loss) on disposition of Property & Equipment	(10)	(22)	185	(81)	(134)
Total adjusted revenues	$59,494	$60,157	$61,074	$64,458	$69,944
Total operating expenses (excluding interest expense)	$49,854	$49,905	$52,779	$46,049	$44,560
Less:					
Depreciation	(28,417)	(27,846)	(27,631)	(21,897)	(22,853)
Amortization	--	--	(860)	(334)	(294)
Total adjusted operating expenses	$21,437	$22,059	$24,288	$23,818	$21413
Net revenues, all funds combined	$38,057	$38,098	$36,786	$40,640	$48,531

Sources: City's Comprehensive Annual Financial Report for the years ending June 30, 2002 through June 30, 2006.

Historical Gross Airport Revenues
(Fiscal Year 2002-2006)
($000)

	2002		2003		2004		2005		2006 (1)	
	$	%	$	%	$	%	$	%	$	%
Airline revenues	24,707	42.7	25,863	43.3	26,351	43.3	28,192	43.9	29,316	43.3
Non-Airline Revenues:										
Terminal Complex	11,516	19.9	10,538	17.6	11,173	17.6	10,886	17.0	12,535	18.5
PFCs	7,083(2)	12.3	8,155	13.6	7,899	13.6	7,828	12.2	7,555	11.1
CFCs	3,360	5.8	3,651	6.1	3,795	6.1	4,100	6.4	4,115	6.1
Parking area -	6,377	11	6449	10.8	6,882	10.8	7,059	11.0	7,694	11.4
Miscellaneous	4,774	8.3	5,095	8.5	5,100	8.5	6,265	9.3	6,522	9.6
TOTAL	57,818	100.0	59,750	100.0	61,200	100.0	64,330	100.0	67,737	100.0

(1) Unaudited

(2) The Fiscal Year 2002 accrual for PFC revenue was understated by $657,383. This occurred due to the transition within accounts receivable systems at the Airport.

Source: City of Albuquerque, Department of Aviation.

Airline Revenues. Airline revenues include revenues from the Signatory Airlines, Affiliate Airlines, non-signatory passenger airlines and Air Cargo Airlines. Components of Airline revenues include Terminal Complex space rentals, loading bridge fees, baggage claim device charges, landing fees and, at the option of the City, Passenger Facility Charges ("PFCs"). Air Cargo Airlines are required to pay landing fees, ramp use fees and cargo building space rental fees, as appropriate. See "Agreements with the Airlines" under this caption.

Amounts to be paid by the Signatory/Affiliate Airlines pursuant to the Airline Agreements constitute a major source of revenues to the Airport. In the aggregate, according to estimates of the City, the Signatory Airlines represented approximately 90.4% of commercial enplaned passengers at ABQ Airport in Fiscal Year 2007. For Fiscal Year 2006, payments from Signatory Airlines represented approximately 44.1%, and is estimated to be 39.2% for Fiscal Year 2007, of the total Gross Airport Revenues.

Passenger Facility Charges (PFC). In March 1996 the FAA approved the City's application to collect a total of $49,638,000 over a period of approximately six years by imposing a $3.00 PFC on each enplaning revenue passenger at ABQ Airport. An amendment to the original amount of PFCs authorized to be collected allowed the collection of an additional $135,870. In June 2002, the City received approval from the FAA to continue to collect the $3.00 PFC at ABQ Airport for a total additional amount of $44,483,079 over a period of approximately five and a half years. The City has been approved for a third PFC in the amount of $66,066,726 to supplement the terminal expansion, terminal apron reconstruction, communication upgrades, passenger screening checkpoint reimbursement, and roadway projects. For purposes of determining Net Revenues, PFC revenues are included by the City as part of Gross Airport Revenues. PFC revenues are available to pay Airport Obligations issued to finance eligible projects, to the extent directed by a designated officer of the City, and have been and will be used to reimburse the City for investments made by the City in eligible projects.

The following table sets forth the annual collections of PFCs from Fiscal Year 2003 through Fiscal Year 2007.

City Annual Collections of PFCs
(2003 – 2007)
($000s)

Fiscal Year	PFCs Collected
2003	$8,155[(1)]
2004	7,899[(2)]
2005	7,929
2006	8,231
2007[(3)]	8,027

(1) The Fiscal Year 2002 accrual for PFC revenue was understated by $657,383. This occurred due to the transition within accounts receivable systems at the Airport. Because of this, Fiscal Year 2003 PFC revenue is overstated by the same amount.
(2) As of May 1, 2004, the airlines are retaining an additional $.03 per PFC fee collected.
(3) Unaudited

Source: City of Albuquerque Department of Aviation.

The actual amount of PFC revenues received each Fiscal Year will vary depending on the number of qualifying passenger enplanements at the ABQ Airport. Reduction in the number of enplaned passengers will cause a corresponding reduction in PFC revenues. The $0.03 increase in compensation to the airlines will also contribute to the reduction in PFC revenues to the Airport.

The FAA may terminate the City's authority to impose the PFCs under certain circumstances. Also, with respect to an airline operating at the ABQ Airport which is involved in bankruptcy proceedings, it is unclear whether the City would be afforded the status of a secured creditor with regard to PFC fees collected or accrued with respect to that airline.

For certain classes of airports, which include the ABQ Airport, Federal Airport Improvement Program (AIP) entitlement funds have been reduced by 50% following the imposition of a PFC of $3.00 or less and are to be reduced by 75% following the imposition of a PFC greater than $3.00.

<u>Non-Airline Revenues</u>. Non-airline Terminal Complex revenues include revenues from concessions, fees, and non-airline space rentals. Terminal Complex concessions include rental car companies, food and beverage concessions, news/gift stores and other concessions. The largest component of non-airline Terminal Complex revenues has historically been generated by rental car privilege fees.

<u>Rental Car Facility Revenues</u>. In connection with the March 2001 opening of the Rental Car Facility, the eight On-Airport Rental Car Companies entered into five-year lease agreements, which have been extended an additional five years, with the City for use and lease of counter space at the customer service building and parking spaces in the ready/return parking area. Pursuant to these agreements, the City receives: (a) privilege fees in the amount of 9% of gross receipts against a minimum annual guarantee; (b) a monthly fee for use of the ready/return parking space; and (c) reimbursement for any Airport operating expenses allocated to the customer service building. In addition, the City has executed 20-year leases with the On-Airport Rental Car Companies for use and lease of the service center facilities and vehicle storage areas. Under the agreements, the On-Airport Rental Car Companies are required to collect a Customer Facility Charge ("CFC") per rental car contract day to be used for the operation of the rental car shuttle bus system and to pay debt allocated to the rental car facility and associated roadways. Revenues from the CFCs and all rentals, fees and charges imposed by the City and collected from the rental car companies accounted for approximately 22.0% of Gross Airport Revenues in Fiscal Year 2006 and 23.1% in Fiscal Year 2007.

<u>Terminal Complex Concession Revenues</u>. Non-airline Terminal Complex concession revenues are generated under agreements (the "Food and Beverage Concession Agreements") with three Food and Beverage operators; Delaware North Companies Travel Hospitality Services, Inc., Fresquez Concessions, Inc., and Black Mesa Coffee Company to provide food and beverage services within the Terminal Complex, and five Retail Concession operators; Avila Retail Development & Management, El Mercado del Sol, Inc., Page Industries, Hudson-Garza, and Sweet Tooth, LLC. These five Retail Concession operators offer a variety of retail merchandise including newspapers, magazines, books, Native American art and jewelry, southwest apparel and New Mexico souvenirs. Under the terms of the agreements, each operator is required to pay the City the larger of (i) a percentage of gross revenues or (ii) a minimum annual guaranteed ("MAG") amount. The MAG amount is to be adjusted each year to equal 85% of the prior years' percentage rent payable to the City, but the MAG amount in any year will not be less than the first full contract year. The Food and Beverage Concession Agreements expired in May 2007 and all concessionaires are currently on month to month agreements and the Retail

Concession Agreements expire January 1, 2010 with two one-year options to extend, upon the mutual agreement of the operators and the City.

Parking Area Revenues. The Aviation Department operates the parking facilities at ABQ Airport. Public parking facilities include a garage with 3,400 spaces for short-term parking and a surface lot north of the parking garage with 534 spaces for long-term parking. Parking facilities at ABQ Airport also include three employee lots, which together provide approximately 600 spaces. Parking rates are as follows: $1.00 for the first half-hour (increasing to a maximum rate of $7.00 per day, $10.00 per day after 72 hours) in the short-term lot and $6.00/day ($8.00/day after 72 hours) in the long-term lot. The parking facilities generated a total of $7,693,778 in Fiscal Year 2006 and increased to $8,005,991 in Fiscal Year 2007.

The City also receives revenues from employee parking, commercial vehicle lane fees, and taxicab permits.

Double Eagle II Airport. With respect to revenues generated at Double Eagle II Airport, the City has one agreement with a fixed base operator to provide general aviation services at that airport.

The presence of Eclipse Aviation Corporation ("Eclipse") at ABQ Airport, the 2006 relocation of American Utilicraft Corporation to Double Eagle II Airport, and the expected 2009 relocation of the Eclipse manufacturing facilities to Double Eagle II Airport, represent future potential for increased revenues for the Airport System. The infrastructure development plan, business development and property management plan, and the parallel marketing efforts for an Aerospace Technology Park are intended to provide a solid foundation for future revenue generating opportunities.

Additional Airfield Revenue. In addition to the revenue sources previously discussed, the Airport also collects revenue from the Airfield use by the military (including Kirtland Air Force Base under its agreement), nonscheduled airlines and charter airlines. See "Generally" under this caption.

Revenues from Other Areas. These revenues principally include leased site and building rentals which are part of Gross Airport Revenues. Included are other governmental agency facility leases, and various other Aviation Department property leases. The major sources of leased site rental revenues are the Wyndham Albuquerque Hotel, rental car service areas, rental car ready/return lot space rentals, general aviation fixed base operators and air cargo building rentals. The Wyndham Albuquerque Hotel, located at ABQ Airport, pays a percentage of gross receipts for alcoholic beverages, room rentals and other miscellaneous categories against minimum annual guarantees. The Wyndham Albuquerque Hotel lease runs through December 18, 2023.

The Transportation Security Administration ("TSA") began leasing the refurbished, historic terminal building to the west of the main Terminal Complex in October 2002. Under the lease agreement, TSA is leasing approximately 11,000 square feet for a term of ten years.

Federal Grants. The City receives federal grant monies from the FAA each year through the Airport Improvement Program ("AIP"). These funds are not considered to be part of Gross Airport Revenues. Although the amount of funding available under the AIP on a national basis had been reduced in recent years, pursuant to the requirements of federal law, funding levels are now, once again, on the increase. There can be no assurance as to the amount of such funding the Airport will receive in future years.

FAA funding includes entitlements and discretionary moneys to be used for the AIP grants. Between Fiscal Year 1996 and Fiscal Year 2007, the City received a total of $54,237,718 in AIP grants and entitlement/discretionary funds. In 2008, the City is earmarked to receive $17,900,000 for the terminal apron phase 2 and rehabilitation for Taxi Way E. Between Fiscal Year 2005 and 2006, the City received $6,459,349 in AIP entitlement/discretionary grants, which were used primarily for the master plan, midfield development and runway 17/35 for the Double Eagle II Airport.

Since Fiscal Year 2000, the Double Eagle II Airport has received grants from various agencies such as U.S. Department of Housing and Urban Development, Corps of Engineers, Department of Energy, Economic Development Administration, Federal Highway Administration (FHWA), and New Mexico Department of Transportation. The grant funds total approximately $4.2 million.

The City's financial plan for funding its Capital Improvement Program assumes that the AIP grants and the entitlement discretionary funds will be available to fund the eligible portions of certain projects. In the event that AIP grants to the Airport System are lower than those made in recent years, the City would either elect to delay or not undertake certain projects or seek alternative sources of funding, including the possible issuance of additional debt.

Agreements with the Airlines

<u>Signatory Airline Agreements</u>. The Signatory Airlines have each entered into a Signatory Airline Agreement with the City for the use and lease of certain facilities at ABQ Airport. The following is only a brief summary of certain provisions of the Airline Agreements.

The term of the Airline Agreements extends five (5) years, from July 1, 2006 to June 30, 2011. Under the Airline Agreements, rental rates are calculated according to a commercial compensatory method, after allowing credit for a portion of the net concession revenues generated in the Terminal Complex. A portion of the profits from Terminal Complex concession revenues is credited against airline Terminal Complex rentals based on the ratio of Signatory Airline rented space to total rentable space in the Terminal Complex. Ticket counter, hold room and certain other space is leased to Signatory Airlines on a per square foot basis while the costs of passenger circulation areas are to be recovered under a joint use formula. Under the Airline Agreement, the cost of the terminal apron is included in the Airfield cost center and recovered through monthly landing fees. Through the term of the new Airline Agreement, however, the City has agreed to allocate PFC revenues to the Airfield cost center to fully mitigate the cost of the terminal apron. Loading bridge charges are a combination of a fixed charge per gate to recover debt service requirements and amortization charges on investments made from the Capital Fund and a variable charge per flight is to recover operating costs.

Signatory Airlines also pay the City monthly landing fees for use of the Airfield by multiplying the number of 1,000-pound units of total landed weight for an Airline during the month by the then-current landing fee rate. The landing fee rate under the Airline Agreements is calculated according to a "cost center residual" method, whereby the City recovers 100% of the costs associated with the Airfield.

Rentals, fees and charges are to be reviewed at least annually and recalculated as necessary, effective July 1 of each Fiscal Year. Rentals, fees and charges are determined by the City based upon its proposed annual budget for the upcoming Fiscal Year as it relates to ABQ Airport.

If at any time during a Fiscal Year, any of the components of the calculation of Terminal Complex rental fees or Airfield costs or the aggregate total landed weight of all Signatory Airlines is estimated by the City to vary 10% or more from the estimates used in setting the Terminal Complex rental rates or landing fee rates, such rates may be adjusted either up or down for the balance of that Fiscal Year. However, adjustments may not be made unless deemed necessary by the City to insure that adequate revenues will be available from such fees to cover the estimated rental requirements for the Terminal Complex or Airfield costs for the Fiscal Year.

If in any given Fiscal Year, the City decides to fund additional improvements to the ABQ Airport from the proceeds of additional Airport revenue bonds or the Capital Fund, and if the funding would cause a projected increase in airline rental rates or landing fees of more than 10%, the City is required to notify the Signatory Airlines. Within 60 days of the City's notice, the Signatory Airlines are required to meet and provide the City with concurrence or non-concurrence with respect to the proposed capital improvement. Concurrence will be deemed to have been received unless concurrence is specifically withheld by the Signatory Airlines. If concurrence is specifically withheld by Signatory Airlines representing a majority-in-interest (66.7% or more of the rents or landing fees paid to the City), then the City shall not include additional annual debt service for bonds nor include amortization for such capital improvement in the recalculation of Signatory Airline rents, fees and charges.

Each Signatory Airline will have priority in using gates assigned to it on a preferential basis to accommodate its scheduled flights as long as such airline maintains four flights per day on each gate leased from the City. However, the City may assign any preferential gate for use by others in periods when not in use by the preferred Signatory Airline, as long as the preferential gate is scheduled to be vacated to accommodate such Signatory Airline's scheduled flights. The City reserves the right to reassign one or more of each Signatory Airline's preferentially assigned gates to another Signatory Airline(s), if such Signatory Airline's scheduled average gate utilization falls below four flights per gate per day and the City determines that there is a reasonable need for the preferential use of such gate(s) by another Signatory Airline(s).

The Airline Agreements are subordinate to any revenue bond ordinances relating to the Airport Facilities.

Agreements with Affiliate Airlines. Other passenger airlines, which do not qualify as Signatory Airlines, but instead operate under an Affiliate Airline Agreement with the City, include Skywest Airlines, Horizon Airlines, Republic Airways, Trans States Airlines and Shuttle America. These Affiliate Airline Agreements are on a continuing month-to-month basis and commit the airlines to pay certain fees in connection with their use of the Airport Facilities.

Agreements with Commuter Airlines. Mesa Airlines, Great Lakes Airline, and New Mexico Airlines have agreements with the City on a continuing month-to-month basis. They provide commuter service throughout New Mexico, as well as West Texas and Southern Colorado.

Agreements with Air Cargo Airlines. The Air Cargo Airlines, which serve ABQ Airport, DHL/ABX, Federal Express and UPS, have all entered into an Air Cargo Airline Agreement with the City concerning their use of the air cargo facilities at ABQ Airport. The term of the Agreements extends five (5) years, from July 1, 2006 to June 30, 2011. Under the current Air Cargo Airline Agreements, each of the signatory Air Cargo Airlines leases exclusive-use space in ABQ Airport's air cargo building and receives preferential-use apron parking spaces at the air cargo apron.

Rental Car Facility - Customer Facility Charges

The Rental Car Facility was completed in March 2001. It consists of a customer service building, ready/return parking area, service center facilities and related roadway improvements. The Rental Car Facility Project cost approximately $46.0 million, and was primarily financed using proceeds of revenue bonds.

Customer Facility Charges ("CFC") are calculated to recover: (i) the costs of providing, operating and maintaining the common rental car shuttle bus system, which transports rental car customers to and from the Terminal Complex and Rental Car Facility; (ii) debt service requirements on bonds issued to finance the Rental Car Facility and which may be issued in the future for the Rental Car Facility; and (iii) other allocable costs associated with the customer service building, passenger pick-up and drop-off areas and canopies at the customer service building, and roadways used by the shuttle buses. The City may adjust fees and charges imposed by the agreements with the On-Airport Rental Car Companies from time to time. The City may recalculate the fee at least annually based on the projected number of rental car contract days and costs associated with the elements of the Rental Car Facility discussed above. The CFC was limited to $1.53 per rental car contract day for the first year in which the facility was open but has been increased to $2.90 per contract day to cover the increased operating costs of the shuttle bus fleet and other expenses.

In the event that the projected revenues from the CFC in any year are less than the costs associated with the common rental car shuttle bus system and the areas described above, the On-Airport Rental Car Companies will be required to pay the City additional rent equal to the shortfall in CFC revenues. Excess revenues from the CFC in any year may be used in the following year to pay shuttle bus and other costs, as well as reduce the amount of the CFC in that year.

The Rental Car Facility is located on approximately 76 acres of Airport property southwest of the Terminal Complex and is served from the primary Airport access roadway, Sunport Boulevard, via University Boulevard. All rental car companies serving the ABQ Airport are required to transport their customers between the customer service building and the Terminal Complex on a common rental car shuttle bus system.

Airport System Capital Program

The Aviation Department, as part of a City-wide effort, is in the process of developing a sustainability program for the Airport System which will put the Airport on the leading edge of the effort to make the Airport carbon neutral by the year 2030. The program will incorporate LEED certification for sites and buildings, "green" practices and policy making and pursuit of innovative technologies related to water, energy, construction and the indoor and outdoor environments. This is a long-term planning and implementation effort, which will require additional capital expenditure in the near term but will be offset by reduced operating and maintenance costs in the future.

The Capital Program for the Airport System for Fiscal Years 2007 through 2011 includes approximately $183 million of planned projects and another $107 million of demand-responsive projects. Demand-responsive projects are those which will be undertaken if predetermined thresholds of passenger activity are met and the City receives Airline support. The City at this time does not anticipate the need to provide funding for the demand-responsive projects during the period 2007 to 2011.

The City recently completed an expansion of the passenger screening checkpoint and improvements to the outbound baggage screening system in the terminal complex at ABQ Airport. Additional planned improvements to the terminal and concourses include extensive refurbishment to ABQ Airport, as well as expansion and renovation to public areas to accommodate increased passenger dwell times in the terminal. This will optimize the terminal operations in the short term (5 year period) and delay the need to build a new Terminal Complex, which is anticipated in the master plan. Demand-responsive projects include the implementation of a centralized in-line explosives detection system (EDS), screening for all checked baggage and expansion of the existing terminal to provide additional gates on Concourse B.

ABQ Airport has a planned project to reconstruct the terminal apron in Fiscal Years 2007 through 2009. The planned projects for the Airfield at ABQ Airport are the rehabilitation of the south general aviation apron and reconstruction of Taxiway E in Fiscal Year 2008; the air cargo expansion is scheduled to begin in Fiscal Year 2008. The demand-responsive project for the Airfield is the extension of Runway 3-21 and air cargo development, and construction of a new airfield maintenance complex.

Planned projects for Double Eagle II Airport are to make various infrastructure investments between Fiscal Years 2007 and 2011 to support planned commercial and industrial development at Double Eagle II Airport. Planned projects for Fiscal Year 2008 include completion of a contract control tower, completion of the reconstruction of Runway 17-35, midfield development, and the beginning of an environmental assessment for extension of the runways and reconfiguration of the roadways.

Joint Water and Sewer System

The Water/Sewer System was owned by the City and operated by its Public Works Department until December 17, 2003 and revenue bond debt relating to the Water/Sewer System continues to be outstanding. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter

437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (the "Authority") and required that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System be transferred to the Authority. The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of any holders of outstanding debts of the Water/Sewer System. The City has transferred functions, appropriations, money records, equipment and other real and personal property pertaining to the Water/Sewer system to the Authority and the policy-making functions of the Water/Sewer System have been transferred to the Authority. The Authority and the City entered into a Memorandum of Understanding dated July 1, 2007, under which the City provides certain administrative support to the Authority.

Information relating to Water/Sewer System may be found in the Annual Information Statement of the Authority dated January 25, 2007 on file with each Nationally Recognized Municipal Securities Information Repository. Financial information and information relating to the operations of the Water/Sewer System for years prior to Fiscal Year 2004 may be found in the Annual Information Statement of the City dated January 20, 2004 on file with each Nationally Recognized Municipal Securities Information Repository.

Refuse Removal and Disposal System

The City operates its Refuse Removal and Disposal System (the "Refuse System") through its Solid Waste Management Department. The City has no competitors for refuse removal and disposal services within the City limits. The City collects all residential refuse and imposes a fee on each residential unit. Commercial refuse service is provided to all commercial users at a set fee. However, businesses may haul self-generated refuse, if they obtain a City permit to do so. Although businesses may haul self-generated refuse outside of the City limits to landfills which are not operated by the City, the City does not consider that this has a material effect on the City's landfill operations.

Landfills

The City uses a landfill site, which has been registered with State and federal authorities since May 1990. The permit for the City's Cerro Colorado landfill allows only licensed commercial haulers to dispose of solid waste at the landfill site. Residents are not allowed to haul waste to the landfill and, instead, must use the convenience centers described below. If current waste disposal operations continue unchanged, the lifetime of the landfill is estimated to be 40 to 50 years. However, it is the stated goal of the City to close the landfill by 2030 and move toward an energy producing waste solution. The landfill presently meets or exceeds all federal and state regulations. To continue in compliance with federal requirements, the City installed a methane gas collection system for the first five cells of the Cerro Colorado landfill, which work was completed in June 2004. The City issued $3,385,000 in Refuse Removal and Disposal Improvement Revenue Bonds, Series 2001A to finance the methane gas collection system and other landfill remediation in May 2001.

Collection System

Historically, the residential collection system consisted of one-person crews using side-loading packer vehicles for regular household refuse and recycling. The collection of refuse and recycling occurs once a week. Residential customers receive one coupon every year typically in the month of August which can be redeemed for 30 clear bags which are used for recyclables. The monthly refuse fee includes the cost of the recycling bags. The regular work schedule for the residential and recycling collection is five eight-hour days a week. Residential refuse route equipment consists of 59 automated refuse vehicles and 13 recycling vehicles. The total residential refuse vehicles include the daily route vehicles and also the back-up fleet.

Each household is provided with a 95-gallon container on wheels. The container is wheeled to the curb by the resident on his/her weekly collection day and is serviced by a fully automated collection vehicle, which utilizes a hydraulic arm to grab, lift and empty the container. The automated collection system was fully implemented as of December 1997.

The City does not handle refuse collection for Albuquerque Public Schools or the University of New Mexico, two of the region's major employers, although those entities do use the City's landfill for a fee.

The City has a hazardous waste awareness program, a household hazardous waste collection program, and a landfill monitoring and remediation program, which are funded from Refuse System revenues. The City does not accept hazardous, toxic or asbestos waste in its landfill. Only biomedical waste that has been previously incinerated is accepted. Both City and State regulatory agencies have established policies to strictly monitor these matters.

The commercial collection system is containerized to the maximum extent possible. Containers varying in size from two cubic yards to eight cubic yards are mechanically dumped into packer trucks. Large generators of refuse use roll-off containers. Collection frequency and container size is determined by the needs of the customer. Commercial routes include two rear packers, 20 roll-offs and 34 front-loading routes.

The Solid Waste Department received approval from the New Mexico Solid Waste Bureau to operate a green waste composting site at the Cerro Colorado Landfill. The majority of materials for the green waste composting program will be collected and then transported to the Cerro Colorado Landfill composting site from the three Solid Waste Department Convenience Centers and Green Waste Curb Side Program. Primary materials include leaves, grass clippings, tree trimmings and other assorted yard trimmings. Collected manures will be used as an amendment with the primary materials for the composting process. The department is researching and working to establish markets for the compost or mulch products. Possible markets are landscapers, gardeners, City departments (golf courses, parks) and highway departments.

Convenience Centers

The City has constructed three convenience centers for public use, which accept residential haul-your-own waste and small commercial haulers with a vehicle size of less than two tons. The solid waste brought to the convenience centers is collected in large roll-off containers and 120-cubic-yard trailers and hauled to the Cerro Colorado landfill by the City as part of the convenience center's operations. The tonnage collected at the convenience centers represents approximately 12% of the total annual tonnage disposed of at the Cerro Colorado landfill. The current fee at the convenience centers is $3.47 per load for individuals and $9.08 per load for small commercial haulers, not including tax. The Convenience Centers are opened seven days a week for customer convenience.

Recycling Programs

The City provides curbside recycling service for approximately 168,000 residential households every week. Due to the varying levels of participation across the City, there are twelve routes operating Monday through Wednesday and eight routes operating on Thursday and Friday. Manual side-loader vehicles are utilized to service each household. This requires the driver to exit the vehicle at every stop, pick up the material by hand and place it into the truck.

The City collects corrugated cardboard, plastic, tin, aluminum, newspaper, mixed paper and junk mail at the curb. The City also provides 18 recycle drop-off sites conveniently located across the city in which citizens can drop-off their recyclables including glass.

In March 2007, the City implemented the new Multi-Family Dwelling Recycling Program. All apartment complexes with 25 units or more are required to provide recycling services for their residents. Any complexes with less than 25 units are eligible for recycling services upon request. Each complex is provided with 96-gallon green recycle carts based upon the level of need. The service charge for collection is $1.89 per unit.

The City kicked off its first Curbside Recycle Cart Pilot Program in November 2007. The pilot area consists of 2,500 households on the west side of Albuquerque. Participants have the option of requesting a 64 gallon blue recycle cart for household recyclables and/or a 64 gallon green recycle cart for yard waste. To date, 45% of the residents in the test area have requested carts. Data is going to be collected over the next six months and evaluated in order to plan for a city-wide curbside recycle cart program.

All of the recyclables collected through the above programs are processed and prepared for market at the City's recycling processing facility, referred to as the Intermediate Processing Facility. Materials are then sold to various vendors for recycling. The level of projected revenues from the sale of recyclables, the $1.89 per resident charge for recycling services covers approximately 25% of providing the service. The Curbside Recycle Cart Pilot Program participants are currently not being charged any additional fees for service.

Weeds, Litter and Graffiti Removal and Community Support

As part of the Solid Waste Management Department's overall mission of protecting and preserving the environment, the Department is also responsible for the removal of weeds, litter and graffiti from the City's major thoroughfares and public properties. Revenues produced from this mission are expected by the City to be at a minimal level compared to budgeted expenses for such responsibilities. To cover the expenses for this program, the City is considering a potential proposal to recoup these expenses through an additional line item on residential solid waste bills. The Community Service section of the Clean City Division encourages neighborhood associations to participate in Keep Albuquerque Beautiful. This is a program funded by moneys from the State. The Community Service section distributes funds from Keep Albuquerque Beautiful to provide supplies and hire youths and promote litter control.

Solid Waste Management Administration

Mr. Leonard E. Garcia is the Director of the Solid Waste Management Department of the City. Mr. Garcia brings to the City over 21 years of public sector service and experience. Prior to joining the Mayor's Staff, Mr. Garcia served as the Associate Director for the City's Transit Department. Mr. Garcia brings a customer service background to the position. Mr. Garcia was appointed to serve as Acting Director to the Albuquerque Convention Center from December 2001 to February 2004. Mr. Garcia also has a background in information technology. He once served as the Albuquerque Police Department's director of Management Information Systems. Mr. Garcia holds a bachelors degree in economics and has completed numerous graduate courses in public administration.

Mr. Art DeLaCruz is the Deputy Director of the Solid Waste Management Department. Before joining the Mayor's team, Mr. DeLaCruz was adjunct faculty at Central New Mexico Community College for three years teaching management classes. Prior to this he was employed for 14 years as the Director of the Parks and Recreation Department at Bernalillo County. In total Mr. DeLaCruz brings 33 years of government employment experience to the City of Albuquerque. Mr. DeLaCruz holds a bachelors degree in University Studies and a Master of Arts degree in Management and Organizational Behavior from the University of Phoenix.

Mr. Michael L. Torrez, Ed.D. is the Associate Director of the Solid Waste Management Department of the City. Mr. Torrez has 17 years with the City, coming to Solid Waste Management Department from the Department of Municipal Development where he managed the department's Parking Division. Mr. Torrez holds two Masters Degrees and a Doctorate in Training and Learning Technologies. Mr. Torrez has been a professor with the University of Phoenix for the past 17 years, teaching courses in Management, Human Resources and Employment Law. In his career, Mr. Torrez has written six publications on various subjects related to career planning and performance, including a text book "Managing Human Resources."

Mr. Stephen C. Falk, CPA, is the Fiscal Manager of the Solid Waste Management Department. Mr. Falk has over 23 years of financial accounting experience, working as an auditor in public accounting, a financial manager in private industry, and in various governmental accounting positions. Mr. Falk has been a Certified Public Accountant for 23 years, and has worked for the City for the last 13 years.

Ms. Natalie Y. Howard is the Superintendent of Administrative Services for the Solid Waste Management Department. Ms. Howard has over 18 years of private and public sector experience and has been serving the City for approximately fourteen years. Ms. Howard has a public relations, customer service, and financial background. She managed the Keep Albuquerque Beautiful Program, and served as the Communications and Billing Manager for the Solid Waste Management Department. She currently manages Safety and Training, Billing, Code Enforcement, Asset Management, Graffiti Removal Services, Keep Albuquerque Beautiful and Communications. Ms. Howard received her bachelor's degree from the University of New Mexico in Sociology and earned a Master's Degree in Public Administration.

Refuse System Financial Information

Operational Data and Tonnage History for the Refuse System. Shown below are the operational data and solid waste tonnage history for the Refuse System for Fiscal Years 1998 through 2007.

City of Albuquerque
Refuse System Operational Data
Fiscal Years 1998-2007 Collections

Fiscal Year	Residential/ Recycling Units	Routes	Commercial Units	Routes	Refuse Employees	Collection Vehicles
1998	131,357	50	14,662	51	414	128
1999	135,415	51	14,700	55	412	140
2000	138,726	52	14,710	54	410	137
2001	141,300	52	14,710	56	409	137
2002	142,445	52	14,720	56	409	137
2003	147,097	47	14,725	56	405	137
2004	156,106	49	11,674	56	414	147
2005	160,201	40	11,436	52	418	154
2006	164,491	43	12,611	55	409	160
2007	167,782	44	13,346	56	409	164

Source: City of Albuquerque, Solid Waste Management Department.

City of Albuquerque
Solid Waste Tonnage History
Fiscal Years 1998-2007

Fiscal Year	Commercial	Residential	Convenience Center, Private Haul, Other	Total Department
1998	208,551	132,687	96,297	437,535
1999	225,472	139,286	73,836	438,594
2000	212,555	170,750	112,523	495,828
2001	220,326	190,004	91,446	501,776
2002	216,549	162,254	91,006	469,809
2003	228,324	178,503	96,421	503,248
2004	224,350	179,290	104,350	527,990
2005	237,786	159,778	111,889	509,453
2006	239,670	190,527	118,661	548,858
2007	248,014	204,083	142,933	595,030

Source: City of Albuquerque, Solid Waste Management Department.

Budget, Rates and Charges. The capital and operating budgets for the Refuse System are submitted to the Council by March 1 of each year for the fiscal year, which begins July 1. The Council considers the budgets, together with the rates necessary to finance the operation and capital improvements, and adopts the budget and rates necessary for the next Fiscal Year no later than 60 days after their receipt. Biannually, decade capital plans are also prepared and adopted. These plans are modified by the annual budget process as immediate needs become clear. The current decade capital plan (2007-2016) calls for expenditures of approximately $88.7 million financed with a combination of operating cash and refuse revenue bonds.

The rates for residential collection, commercial collection and the use of the Cerro Colorado landfill are established from time to time by City ordinance and are not subject to approval by any other regulatory body. The current rate for residential collection is $10.75 per month. Commercial rates vary considerably based on the size of container and frequency of service. Current landfill fees by tonnage (not including tax) are $7.14 for up to 500 pounds, $14.28 for 501 to 1,000 pounds, $21.41 for 1,001 to 1,500 pounds, and $28.55 for 1,501 to 2,000 pounds. Other rates apply for use of the landfill for certain categories of waste such as tires and contaminated soil. The current fee at the convenience centers is $3.47 per load for individuals and $9.08 per load for small commercial haulers, not including tax. Included in the rate structure is a fuel surcharge assessed to all refuse customers when the price of diesel fuel exceeds $1.11 per gallon.

The following tables present a limited 10-year summary of the history of refuse service rate adjustments implemented by the City showing the effective date of such adjustments. See "Historical Financial Information" under this caption.

City of Albuquerque
Refuse System
Residential Collection Fee Adjustments

Month	Year	Monthly Rate	% Increase
June	1998	9.38	4.0
June	1999	9.38	0.0
June	2000	9.91	5.7
June	2001	9.94	0.0
June	2002	9.94	0.0
June	2003	10.24	3.0
June	2004	10.24	0.0
June	2005	10.24	0.0
June	2006	10.75	5.0
June	2007	10.75	0.0

Source: City of Albuquerque, Solid Waste Management Department.

Landfill Fee Adjustment

Month	Year	Rate	% Increase
June	1998	$75.00/ton (tires)	0.0
October	1998	$100.00/ton (tires)	33.3
June	1999	$100.00/ton (tires)	0.0
June	2000	$125.00/ton (tires)	25.0
June	2001	$105.65/ton (tires)	(-15.0)
June	2002	$105.65/ton (tires)	0.0
June	2003	$105.65/ton (tires)	0.0
June	2004	$105.65/ton (tires)	0.0
June	2005	$105.65/ton (tires)	0.0
June	2006	$110.93/ton (tires)	5.0
June	2007	$110.93/ton (tires)	0.0

Source: City of Albuquerque, Solid Waste Management Department.

Convenience Center Fee Adjustments

Month	Year	Rate	% Increase
June	2000	$3.15/load (residential)	5.0
		$8.28/load (commercial)	4.0
June	2001	$3.25/load (residential)	4.0
		$8.40/load (commercial)	2.0
June	2002	$3.25/load (residential)	0.0
		$8.40/load (commercial)	0.0
June	2003	$3.30/load (residential)	2.0
		$8.65/load (commercial)	3.0
June	2004	$3.30/load (residential)	0.0
		$8.65/load (commercial)	0.0
June	2005	$3.30/load (residential)	0.0
		$8.65/load (commercial)	0.0
June	2006	$3.47/load (residential)	5.0
		$9.08/load (commercial)	5.0
June	2007	$3.47/load (residential)	0.0
		$9.08/load (commercial)	

Source: City of Albuquerque, Solid Waste Management Department.

Refuse System Billing and Collections. The City's Solid Waste Management Department bills approximately 180,000 accounts on a monthly basis for commercial and residential garbage collection, recycling collection and disposal fees. The City has an active agreement with the Water Utility Authority to utilize the Customer Information System (CIS) and pay a portion of all associated expenses. The Water Utility Authority also manages collections of delinquent accounts for the Solid Waste Management Department with the exception of accounts that only incur refuse or landfill charges and are absent of water charges.

The bill indicates if the account is 30, 60 or 90 days delinquent. After 90 days, the customer receives a 15-day trial shut-off notice. If no response is received by the City from the customer, the City, for health and safety reasons, will continue to collect the customer's refuse, but has the authority to shut off the customer's water and to leave a notice on the door. The City may require the customer to provide a deposit. When partial payments are received, these payments are applied to the customer's total account balance and not prorated to the individual charges for water, sewer or refuse. The City applies a 1.5% per month penalty to all delinquent bills. Under most circumstances, at any time a bill is delinquent, a lien on the customer's property can be filed.

Historical Financial Information. The following table compares revenues and expenses over the past five Fiscal Years.

City of Albuquerque
Refuse Removal and Disposal System
Historical Financial Information
Fiscal Years 2003-2007
($000)

	2003	2004	2005	2006	2007[1]
Total operating revenues	$40,753	$43,544	$45,537	$46,541	$50,430
Non-operating revenues (expenses):					
Interest[2]	356	345	579	484	695
Other	390	156	9	(229)	303
Gain (loss) on disposition of property & equipment	34	0	(1,187)	(74)	(125)
Fuel Surcharge	-	-	-	1,332	2,041
Transfers in/(out)	(538)	(524)	(576)	700	800
Total adjusted revenues	$41,000	$43,521	$44,362	$48,754	$54,144
Total operating expenses (excluding interest expense)	$36,676	$39,109	41,129	45,763	49,414
Less:					
Payments in lieu of taxes	(524)	(535)	(676)	(986)	(1,058)
Depreciation	(4,782)	(5,113)	(6,032)	(6,378)	(6,017)
Amortization	(205)	(198)	(202)	(22)	(13)
Total adjusted operating expenses	$31,165	$33,263	$34,219	$38,377	$42,326
Net revenues available for debt service	$ 9,835	$10,258	$10,143	$10,377	$11,818

(1) Unaudited.
(2) GASB-31 Market Value Adjustment (Interest)

Source: City of Albuquerque Comprehensive Annual Financial Reports.

Capital Improvement Projects. The Council has implemented a limitation on all Solid Waste Department Capital Improvement Projects spending. The Solid Waste Department Capital Improvement Projects debt service payment cannot exceed 11% of the total operating expenses.

Golf Courses

Generally

The City currently owns and operates four municipal golf courses: Arroyo del Oso, Ladera, Los Altos and Puerto del Sol (collectively, the "Golf Courses"). Each of the Golf Courses offers a pro shop and food services to varying degrees. The Ladera and Los Altos courses also offer recently constructed banquet facilities.

The City presently has outstanding one series of special limited obligations secured by net revenues of the City's golf courses, which bonds also have a lien on the City's state shared gross receipts tax revenues. The Taxable Golf Revenue/Gross Receipts Tax Bonds, Series 2001 are currently outstanding in the principal amount of $1,175,000. In October 2007, the voters in the City approved the City's 2007 General Obligation Bond Program. As part of the Program, $1 million was identified for replacement of equipment and renovation of the Golf Courses.

All four golf courses are maintained by the City's Golf Management Division. The City has contracted with certain third parties (collectively, the "Concessionaires") to manage the pro shop operations, concessions and certain other operations at each Golf Course. New Mexico Golf, Ltd., a New Mexico corporation, has operated the pro shop and concessions at Arroyo del Oso and Puerto del Sol since their openings; the current contract expires December 31, 2013. New Mexico Golf, Ltd. also holds the concessions contract at Marty Sanchez-Links de Santa Fe, a municipal golf course located in Santa Fe, New Mexico. Los Altos Golf Course Concessions, Inc., a New Mexico corporation, has operated the pro shop and concessions at Los Altos Golf Courses since its opening in 1960; the current contract expires December 31, 2012. Westside Golf, Inc., a New Mexico corporation, has operated the pro shop and concessions at Ladera Golf Course since 1995; the initial term of the contract expired on December 31, 2005. The concessionaire opted to exercise both one-year extensions available per the Concession Agreement. The City and Westside Golf, Inc. are currently operating on a month to month arrangement and are negotiating a new agreement.

Pursuant to their respective agreements with the City, the Concessionaires are obligated to operate the pro shop and food service areas (including the provision of staff), collect greens fees on behalf of the City, and prepare daily cash reports and annual audits. In exchange for the exclusive right to such operations at the Golf Courses, Concessionaires pay to the City a percentage of all gross receipts received, exclusive of green fees, as a result of such operations (which percentage varies among the Golf Courses) and guarantee a minimum annual payment to the City. The City receives 100% of the green fees collected. The Concessionaires and the City each have the right to terminate the agreements for cause upon 30 days' notice.

Market and Usage

All four Golf Courses are open year round, only closing for Christmas Day and severely inclement weather. According to the Albuquerque Bernalillo County Water Utility Authority, the City receives an average of only 8.5 inches of precipitation each year.

The majority of rounds are played by local residents, with approximately 5% of play coming from tourism and outside tournaments. The table below sets forth the estimated number of nine and eighteen-hole rounds played at each Golf Course over the past five fiscal years.

Rounds Played at City of Albuquerque Golf Courses
Fiscal Years 2003-2007

Golf Course	2003(1)	% Change	2004(1)	% Change	2005	% Change	2006	% Change	2007(2)	% Change
Arroyo Del Oso	116,255	(6.78)%	114,896	(1.17)%	116,180	1.12%	123,766	6.53%	109,131	(11.82)%
Ladera	69,267	(11.91)%	64,964	(6.21)%	69,198	6.52%	65,766	(4.96)%	45,490	(30.83)%
Los Altos	90,569	(6.18)%	82,526	(8.89)%	76,401	(7.42)%	86,424	13.12%	79,877	(7.58)%
Puerto Del Sol	55,138	(6.40)%	51,278	(7.00)%	49,468	(3.53)%	52,481	6.09%	49,106	(6.43)%

(1) The Golf Management Division believes the reduction in rounds played in 2003 and 2004 is consistent with national and regional trends for daily fee courses and occurred, in part, because of unusually hot summer weather and general economic conditions.
(2) Rounds and revenue were less than estimated projections for Fiscal Year 2007, due to unusually heavy rains in August 2006 along with low temperatures and heavy snowfalls in December 2006 and January 2007.

Source: City of Albuquerque, Parks and Recreation Department.

The present management of the Parks and Recreation Department of the City, including the Golf Management Division, is as follows:

Jay Hart, Director, Parks & Recreation Department. Mr. Hart was appointed Parks and Recreation Director in August 2004 by Mayor Martin J. Chavez. Mr. Hart has served over 25 years with the City, all with the Parks and Recreation Department. Prior to his appointment as Department Director, Mr. Hart served as the Division Manager for the City's Open Space Division. During his time with the Open Space Division, Mr. Hart administered the City's Bosque Restoration Program, one of the largest ongoing habitat restoration efforts in the United States; and helped to establish a force of over 500 volunteers for the Division. Mr. Hart has a strong background in organizational supervision, performance based budgeting and strategic management. Mr. Hart holds a Bachelor's of Science in Agriculture from Oklahoma State University, as well as a Master's in Business Administration.

Fernando Fernandez CGCS, Division Manager, Golf Management, Parks & Recreation Department. Mr. Fernandez joined the City golf staff in 2006 and have 36-years experience in the golf course industry which includes 16 years as a Certified Superintendent. Mr. Fernandez has worked and/or managed some of the finest private golf course facilities in the country. Mr. Fernandez possesses two Associates in Applied Science degrees, one in Parks and Grounds Management and one in Horticulture with emphasis in turfgrass management. In addition, he has attained over 50 hours of continuing education credits from the Golf Course Superintendents Association of America.

Andres Garcia, Fiscal Manager, Parks & Recreation Department. Mr. Garcia has been with the City for 22 years. He was the Fiscal Analyst for the Parks and Recreation

Department for the last 13 years. In 2007, he was promoted to Fiscal Manager for the Department. Mr. Garcia received a BA in Business Administration (with a concentration of study in Accounting and Management) from the College of Santa Fe.

Golf Course Financial Information3

Historical Financial Information. The table below compares revenues, expenses, and amounts available for debt service over the past five Fiscal Years.

City of Albuquerque-Golf Course
Historical Financial Information - Fiscal Years 2003-2007

Operating Revenues	**2003**	**2004**	**2005**	**2006**	**(unaudited) 2007**	**% Increase (Decrease) Between 2003 & 2007**
Charges for Services[1]	$3,861,051	$3,718,624	$ 3,823,904	$4,122,256	$3,860,049	0.0%
Operating Expenses						
Salaries and Fringe Benefits	$1,720,826	$1,901,482	$1,936,607	$1,760,218	$1,956,318	13.7%
Professional Services	-	13,603	3,406	-	1,968	
Utilities	767,101	848,172	745,904	824,147	933,251	21.7%
Supplies	58,411	79,779	83,582	74,020	92,504	58.4%
Travel	1,518	1,971	342	902	4,829	218.1%
Fuel, Repairs and Maintenance	424,971	429,362	381,117	361,731	437,956	3.1%
Contractual Services	54,459	66,823	84,134	63,260	67,990	24.8%
Indirect Overhead	310,222	173,622	174,000	291,590	387,759	25.0%
Other Operating Expenses	98,435	79,680	90,345	108,107	117,510	19.4%
Depreciation	429,693	332,246	288,994	295,622	276,787	(35.6%)
Total Operating Expenses	3,865,636	3,926,740	3,788,431	3,779,597	4,276,872	10.6%
Operating Income	(4,585)	(208,116)	35,473	342,659	(416,823)	
Non-Operating Revenues/ Expenses						
Interest on Investments	50,739	19,599	44,627	22,977	25,279	(50.2%)
Bond Issue Costs (Amortization)	(13,581)	(31,950)	(12,749)	(10,801)	(9,056)	(33.3%)
Gain (Loss) on Sale of Property	0	423	(809)	0	0	
Interest Expense	(147,381)	(134.685)	(92,122)	(29,659)	(94,824)	(35.7%)
Other	69,366	63,434	89,161	101,069	101,479	46.3%
Total Non-Operating Revenue	(40,857)	(83,179)	28,108	83,586	22,878	(156.0%)
Income (Loss) Before Transfers	(45,442)	(291,295)	63,581	426,245	(400,817)	782.0%
Operating Transfers Out	(49,937)	(53,735)	(62,643)	(92,973)	(87,085)	74.4%
Change in Net Assets	$ (95,379)	$(345,030)	$ 938	$333,272	($487,902)	
Amount Available for Debt Service						
Net Income	$ (95,379)	$(345,030)	$ 938	$333,272	$487,902	
Add: Depreciation	429,693	332,246	288,994	295,622	276,787	(35.6%)
Interest Expense	147,381	134,685	92,122	29,337	94,824	(35.7%)
Payment in Lieu of Taxes	49,937	53,735	62,643	92,973	87,085	74.4%
Amortization	13,581	31.950	12,749	10,801	9,056	(33.3%)
Change in Market Value of Investments	5,112	17,873	(8,471)	(2,364)	(1,276)	(125.0%)

Less Gain (Loss) on Sale of Assets	0	(423)	809	0	(186)
Less contributed capital	0	0	(10,069)	(10,410)	-
Amount Available for Debt Service	$ 550,325	$ 225,036	$ 439,715	$ 749,231	$ (21,612)

(1) Charges for Services are comprised of revenues from greens fees and concessions. See "Fee Structure and Revenues."
Source: City of Albuquerque, Parks and Recreation Department.

Structure and Revenues. Golf Course revenues consist primarily of green fees and concessions. Rates at the Golf Courses are evaluated annually and were increased effective January 2008. Regular fees for 18 holes at all Golf Courses are $21.00 for weekdays, $27.50 for weekends, $23.50 for weekday tournaments and $27.50 for weekend and holiday tournaments. Reduced rates are offered for seniors, juniors and seasonal special play and annual passes are offered. The City has a five-year plan in place which calls for regular nominal rate increases at the Golf Courses to provide funds for increases in personnel and other expenses.

The table below sets forth revenues for the Golf Courses for the past five fiscal years.

City of Albuquerque Golf Course Revenues
Fiscal Years 2003-2007

	2003	**2004**	**2005**	**2006**	**(unaudited) 2007**
Greens Fees					
Los Altos	$ 851,808	$ 809,260	$754,663	$879,745	$853,651
Arroyo	1,320,922	1,267,705	1,325,678	1,431,389	1,333,197
Puerto	496,455	457,077	458,416	499,773	517,023
Ladera	743,679	678,239	761,229	711,637	619,125
Annual Passes	173,515	179,925	183,317	187,848	137,198
Total	3,586,379	3,392,206	3,483,303	3,710,392	3,460,194
Concessions					
Los Altos	53,514	70,187	39,758	78,201	99,303
Arroyo	130,567	158,444	176,772	206,619	204,119
Puerto	21,450	23,286	30,822	25,351	45,725
Ladera	69,141	74,501	93,249	101,693	50,708
Total	274,672	326,418	340,551	411,864	399,855
Total Greens Fees and Concessions	3,861,051	3,718,624	3,823,854	4,122,256	3,860,049
Other Revenues					
Interest	50,379	19,599	44,627	20,242	17,570
Rentals	46,242	36,038	44,848	51,977	56,818
Misc.	23,124	27,819	44,587	51,693	45,661
Total	119,745	83,456	134,062	123,912	120,049
Total Revenue	$3,980,796	$3,802,080	$ 3,957,916	$4,246,168	$3,980,098

Source: City of Albuquerque, Parks and Recreation Department.

For Fiscal Year 2007 total greens fees and concessions decreased by 6.80% compared to Fiscal Year 2006. Rounds and revenue were less that the estimated projections for Fiscal Year 2007, due to unusually heavy rains in August 2006 along with low temperatures and heavy snowfalls in December 2006 and January 2007. Total revenues at the Golf Courses in Fiscal Year 2007 decreased by 6.7% compared to Fiscal Year 2006, and total expenses increased by 13.15%.

Net revenues in Fiscal Year 2007 from the City's golf courses were insufficient, standing alone, to meet the 150% debt service coverage ratio required for the outstanding Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001. The bonds are also payable with state shared gross receipts taxes. Due to the lack of sufficient golf course revenues, the City used state shared gross receipts tax revenues to pay debt service on the outstanding golf course bonds.

OTHER PROJECTS OF THE CITY

Special Assessment Districts

The City first began its Special Assessment District Program (the "SAD Program") in 1919 and used available statutory procedures at that time for creation of paving programs and paving districts until 1965. The Council adopted the Albuquerque Special Assessment District Policy Ordinance (the "SAD Policy Ordinance") on October 21, 1996 which consolidates and updates policies and procedures. The SAD Policy Ordinance provides that the City may pledge certain supplemental revenues to bonds for SADs where (a) the City owns the improvements; (b) the SAD is contiguous to existing urban facilities or services; and (c) the SAD is for the benefit of the central urban or established urban areas of the City and certain developing urban areas. A minimum property value/lien ratio of 3:1 is required if an owner of property within a SAD will be responsible for 20% or more of the total proposed special assessment liens in the SAD. In addition to the City policy, Sections 3-33-1 through 3-33-43 NMSA 1978, as amended and supplemented, govern the creation of special assessment districts.

Public Improvement Districts

The Public Improvement District Act was enacted by the State Legislature in 2001 and codified in Sections 5-11-1 through 5-11-27, NMSA 1978, as amended and supplemented (the "PID Act"). The PID Act provides procedures for local governments to create public improvement districts ("PIDs") through a petition and hearing process, followed by approval through an election of property owners and qualified resident electors. PIDs are authorized to finance various infrastructure and improvements, including water and sewer systems, streets and trails, parks, electrical, gas and telecommunications systems, public buildings, libraries and cultural facilities, school facilities, equipment and related costs of operation and administration.

The PID Act provides for financing based on levying property taxes on land within a PID, imposing special levies based on benefit to property, front footage, acreage, cost of improvements (or other factors apart from assessed valuation), and by providing for use charges for improvements or revenue-producing projects or facilities. PID taxes, levies and charges may be pledged to pay debt service on bonds issued by a PID. Under the Act, PID bonds are not obligations of the State of New Mexico or the local government jurisdiction in which the PID is located, but are obligations solely of the PID issuing the bonds. The Council adopted the Albuquerque Public Improvement District Policy Ordinance (the "PID Policy Ordinance") in February 2003, which enacts policies and procedures for processing and approving applications for approval of PIDs within the City's boundaries.

The Council has approved three public improvement districts within the City; Ventana West Public Improvement District, Montecito Estates Public Improvement District and Saltillo Public Improvement District. To date, Ventana West Public Improvement District and Montecito Estates Public Improvement District have issued special levy revenue bonds to finance construction of certain public infrastructure. It is anticipated that Saltillo Public Improvement District will issue special levy revenue bonds in calendar year 2008.

Housing Projects

Beach Apartments Project

The Beach Apartments Project, acquired by the City from the Resolution Trust Corporation ("RTC") in July 1991 with proceeds of its $1,265,000 Multifamily Mortgage Revenue Bonds (Beach Apartments Project), Series 1991 (the "Series 1991 Bonds") is located at 2525 Tingley Drive, S.W., Albuquerque, New Mexico and consists of 74 units. The complex was conveyed subject to a land use restriction agreement between the City and RTC which stipulates that not less than 35% of the units in the property be made available to households with incomes less than 65% of the area median income, adjusted for family size. Monarch Properties, Inc. is currently management agent for the Project. The Series 1991 Bonds have been refunded using proceeds of other City obligations.

During the twelve (12) month period ended June 30, 2007, the Beach Apartments Project generated total revenues of $439,447 and incurred $345,920 in operating and other expenses, resulting in net income of $93,527 for that period.

Manzano Vista Apartments Project

The Manzano Vista Apartments Project, purchased by the City in January 1994 with proceeds of its $3,030,000 Multifamily Mortgage Revenue Bonds (Manzano Vista, formerly Dorado Village Apartments, Project), Series 1994 (the "Series 1994 Bonds"), is located at 300 Dorado Place, S.E., Albuquerque, New Mexico and consists of 178 units. The complex was purchased at foreclosure auction and was conveyed by foreclosure deed subject to a use agreement between the City and the U.S. Department of Housing and Urban Development ("HUD"). The use agreement stipulates specific improvements to the property and requires that the property accept rental applications from households assisted by the HUD Section 8 program. Monarch Properties, Inc. is currently management agent for the Project. The Series 1994 Bonds have been refunded.

During the twelve (12) month period ended June 30, 2007, the Manzano Vista Apartments Project generated total revenues of $1,037,454 and incurred $1,047,333 in operating and other expenses, resulting in net loss of $9,879 for that period.

Bluewater Village Apartments Project

The Bluewater Village Apartments Project is a 200-unit multi-family building and was acquired by the City with proceeds of its $11,245,000 Affordable Housing Project/Gross Receipts Tax Subordinate Lien Revenue Bonds, Series 1996 (the "Series 1996 Bonds") on a site located at 6600 Bluewater Road, N.W., Albuquerque, New Mexico. Monarch Properties, Inc. is currently management agent for the Project which will be operated as a mixed-income community, i.e., a portion of the units will be occupied by low - and moderate-income families. The Series 1996 Bonds have been refunded.

During the twelve (12) month period ended June 30, 2007 the Bluewater Village Apartments Project generated total revenues of $1,559,427 and incurred $1,250,808 in operating and other expenses, resulting in net income of $308,619 for that period.

Refunding Bonds

The Series 1991 Bonds, Series 1994 Bonds and Series 1996 Bonds have all been refunded. See "OUTSTANDING CITY OBLIGATIONS - Housing Obligations - Multifamily Revenue Bonds."

INVESTMENT POLICIES AND PROCEDURES

The City has adopted an Investment Policy (the "Investment Policy") established and maintained by the Investment Oversight Committee which guides the City's financial decisions. The Investment Oversight Committee reviews the Investment Policy annually and recommends changes as necessary. The Investment Oversight Committee is established by ordinance and consists of five voting members; the Director of Finance and Administrative Services serves as the Chair of the Investment Committee. Day-to-day management of the City's Investment Program is delegated to the Treasury Division of the Department of Finance and Administrative Services, and specifically to the Investment Manager of the Treasury Division. According to the Investment Policy, all the City's investments should be made in accordance with the "Prudent Person" rule,[*] and the City invests all its funds on the basis of competitive bids and/or offers.

The City seeks to balance three primary objectives for its cash portfolio:

- maintaining sufficient liquidity to meet financial obligations;
- earning a market rate of return (subject to permitted investment constraints); and
- diversifying investments among asset classes to ensure safety of principal.

The liquidity goal is achieved by matching investment maturities with the expected timing of obligations. Attainment of a market return is measured by benchmarking the portfolio against a relevant market index. Finally, diversification (safety) is accomplished through implementation of a strategic asset allocation, derived from modern portfolio theory concepts.

[*] The "Prudent Person" rule provides that all investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Recognizing that cash is an earning asset, the City tries to invest cash balances over amounts required to meet current financial obligations to achieve the highest rate of return consistent with the primary objectives of preservation of principal and maintenance of adequate liquidity. One of the major objectives of the City is to ensure the safety of its principal, which is accomplished by limiting credit risk and interest rate risk. The City structures its portfolio in a manner which provides the liquidity necessary to pay obligations as they become due, and seeks to optimize return within these constraints. Except for Non-Discretionary Funds, the City seeks to achieve a rate of return on investments at least equal to the average rate of return on the one year U.S. Treasury bill for the reporting period, or other appropriate performance measure as determined by the Investment Committee.

The City attempts to diversify its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The Investment Policy generally provides that, with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio can be invested in a single security type or with a single financial institution or at a single maturity. Furthermore, in an attempt to limit the City's exposure to the possibility of loss due to interest rate fluctuations, the City will commit no less than 80% of the funds in the commingled investment pool (Fund 920 Investment Clearing Fund) or other discretionary funds to maturities of no more than three (3) years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five (5) years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten (10) years from the date of purchase.

The Investment Policy permits the City to invest in (a) direct obligations or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, or in certain certificates or receipts established by the United States Government or its agencies or instrumentalities; (b) obligations of certain specified government-sponsored agencies; (c) accounts, certificates of deposit or time deposits with qualifying banks and savings and loan associations located in Bernalillo County, New Mexico; (d) certificates of deposit, time deposits and banker’s acceptances of any qualifying bank or savings and loan association located outside the City; (e) bonds or securities of the State of New Mexico, its agencies, or certain of its subdivisions; (f) certain stripped securities; (g) certain specified repurchase agreements; (h) specified short-term investment and other funds maintained by the State of New Mexico; (i) money market instruments and other securities of commercial banks, brokers-dealers and other specified financial investors; and (j) other permissible investments permitted under statutes of the State of New Mexico. Proceeds of bonds, amounts set aside to pay bonds and reserve funds relating thereto may also be invested in certain tax-exempt obligations and other investments specified in documents relating to the bonds and approved by the Council.

Conversely, because some investments are deemed unsuitable or too risky for the City, the Investment Policy prohibits the City from making investments in (a) collateralized mortgage obligations and other hybrid mortgage-backed, pass-through securities, because of their complexity and prepayment rate uncertainty; (b) inverse floaters, leveraged floaters, capped and range floaters, duel index floaters, and floating rate notes whose index is tied to a long-term interest rate or lagging index, e.g., Cost of Funds Index; (c) Government National Mortgage Association (“GNMA”) - Guaranteed mortgage-backed securities and GNMA-guaranteed participation certificates, General Services Administration participation certificates, U.S. Department of Housing and Urban Development-local authority bonds, and U.S. Export-Import Bank obligations; (d) investment purchases on margin or short sales; and (e) leveraging the portfolio and lending City-owned securities with an agreement to buy them back after a stated period of time (reverse repurchase agreements from the perspective of the City).

FORWARD-LOOKING STATEMENTS

This Annual Information Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Annual Information Statement, the words "estimate," "forecast," "intend," "expect," "project," "intend," "budget," "plan" and similar expressions identify forward-looking statements.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

LITIGATION

According to the City, there is no action, suit, proceeding, inquiry, investigation or controversy of any nature pending, or to the City's knowledge threatened, involving the City (i) in any way questioning (A) the authority of any officer of the City to exercise the duties and responsibilities of his or her office or (B) the existence, powers or authority of the City; or (ii) which, except as and to the extent disclosed below may result, either individually or in the aggregate, in final judgments against the City materially adversely affecting its financial condition.

New Mexico Tort Claims Act Limitations

The New Mexico Tort Claims Act limits liability to (i) $100,000 for damage to or destruction of property arising out of a single occurrence, (ii) $300,000 for all past and future medical and medically-related expenses arising out of a single occurrence, (iii) $400,000 to any person for any number of claims arising out of a single occurrence for all damages other than property damage and medical and medically-related expenses, as permitted under the New Mexico Tort Claims Act, and (iv) $750,000 for all claims other than medical or medically-related expenses arising out of a single occurrence. In two consolidated cases, the City had two judgments entered against it that exceeded these caps on damages under the New Mexico Tort Claims Act. In August 1998, the New Mexico Supreme Court declared the cap on damages unconstitutional as to these two cases only. However, the Court changed the standard from a "medium scrutiny" standard to a "rational basis" standard by which the constitutionality issue will be determined in future cases. Since the revised standard is less of a burden for the City to overcome, the City expects that the cap will be upheld, if challenged in the future. The City has not experienced a material adverse financial impact on claims as a result of the decision in these cases.

Risk Management

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 "incurred but not yet reported" reserves were 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 $9,746,534 during Fiscal Year 2007 and the City's Risk Management Fund is no longer in deficit. In Fiscal Year 2009, a comprehensive actuarial study will be initiated to again validate the fund's adequacy. 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. Finally, the City has reserve amounts created by the City's policy to reserve one-twelfth of the General Fund budgeted amount.

APPROVAL OF ANNUAL STATEMENT

This Annual Statement and its distribution and use for the purposes herein have been authorized and approved by the City.

Submitted for Approval by:	Approved by:
Department Of Finance and Administrative Services	Chief Administrative Officer
/s/ Tanda Meadors, Director	/s/ Bruce J. Perlman

APPENDIX A

Independent Auditors' Report,
Managements' Discussion and Analysis,
Audited Basic Financial Statement,
and Notes to Financial Statements

As of and for the Fiscal Year ended June 30, 2007

The City's financial statements for Fiscal Year 2007 are required to be audited by Moss Adams LLP, independent certified public accountants and submitted to the New Mexico State Auditor for review. The financial statements for Fiscal Year 2007 are not completed and will be provided upon their completion and approval of the State Auditor.

APPENDIX B

CUSIP Numbers for Outstanding City Bonds

Bond Issue name	D/S Month & Year	Cusip	Principal
Airport 2004 A	July 2008	013538GR8	$1,150,000.00
Airport 2004 A	July 2009	013538GS6	$1,460,000.00
Airport 2004 A	July 2010	013538GT4	$1,485,000.00
Airport 2004 A	July 2011	013538GU1	$1,575,000.00
Airport 2004 A	July 2012	013538GV9	$1,605,000.00
Airport 2004 A	July 2013	013538GW7	$1,675,000.00
Airport 2004 A	July 2014	013538GX5	$1,760,000.00
Airport 2004 A	July 2015	013538GY3	$1,840,000.00
Airport 2004 A	July 2016	013538GZ0	$1,890,000.00
Airport 2004 A	July 2017	013538HA4	$1,980,000.00
Airport 2004 A	July 2018	013538HB2	$1,790,000.00
Airport 2004 B	July 2008	013538HD8	$1,670,000.00
Airport 2004 B	July 2009	013538HE6	$1,670,000.00
Airport 2004 B	July 2010	013538HF3	$1,670,000.00
Airport 2004 B	July 2011	013538HG1	$1,670,000.00
Airport 2004 B	July 2012	013538HH9	$1,670,000.00
Airport 2004 B	July 2013	013538HJ5	$1,665,000.00
Airport 2004 B	July 2014	013538HK2	$1,665,000.00
Airport 2004 B	July 2015	013538HL0	$1,665,000.00
Airport 2004 B	July 2016	013538HM8	$1,665,000.00
Airport 2004 B	July 2017	013538HN6	$1,665,000.00
Airport 2004 B	July 2018	013538HP1	$1,665,000.00
Airport 2004 B	July 2019	013538HQ9	$1,665,000.00
Airport 2004 B	July 2020	013538HR7	$1,665,000.00
Airport 2004 B	July 2021	013538HS5	$1,665,000.00
Airport 2004 B	July 2022	013538HT3	$1,665,000.00
Airport 2004 B	July 2023	013538HU0	$1,665,000.00
Airport 2004 B	July 2024	013538HV8	$1,665,000.00
Airport Refunding 1997	July 2008	013538ET6	$1,500,000.00
Airport Refunding 1997	July 2009	013538EU3	$1,600,000.00
Airport Refunding 1997	July 2010	013538EV1	$1,700,000.00
Airport Refunding 1997	July 2011	013538EW9	$1,805,000.00
Airport Refunding 1997	July 2012	013538EX7	$1,935,000.00
Airport Refunding 1997	July 2013	013538EA6	$2,060,000.00
Airport Refunding 1997	July 2014	013538EA6	$2,195,000.00
Airport Refunding 1997	July 2015	013538EA6	$2,340,000.00
Airport Refunding 1997	July 2016	013538EB4	$2,485,000.00
Airport Refunding 1997	July 2017	013538EB4	$2,655,000.00
Airport Refunding 1997	July 2018	013538FB4	$2,830,000.00
Airport Refunding 1998	July 2008	013538FJ7	$2,040,000.00
Airport Refunding 1998	July 2009	013538FK4	$2,135,000.00
Airport Refunding 1998	July 2010	013538FL2	$2,220,000.00
Airport Refunding 1998	July 2011	013538FM0	$2,325,000.00
Airport Refunding 1998	July 2012	013538FN8	$2,430,000.00
Airport Refunding 1998	July 2013	013538FP3	$2,555,000.00

Bond Issue name	**D/S Month & Year**	**Cusip**	**Principal**
Airport Refunding 1998	July 2014	013538FQ1	$2,675,000.00
Airport Refunding 1998	July 2015	013538FR9	$2,805,000.00
Airport Refunding 1998	July 2016	013538FS7	$2,940,000.00
Airport Refunding 1998	July 2017	013538FS7	$3,085,000.00
Airport Refunding 1998	July 2018	013538FS7	$3,240,000.00
Airport Refunding 1998	July 2019	013538FS7	$3,405,000.00
Airport Refunding 2001	July 2008	013538GD9	$3,480,000.00
Airport Refunding 2001	July 2009	013538GE7	$3,480,000.00
Airport Refunding 2001	July 2010	013538GF4	$3,830,000.00
Airport Refunding 2001	July 2011	013538GG2	$2,770,000.00
Airport Refunding 2001	July 2012	013538GH0	$2,920,000.00
Airport Refunding 2001	July 2013	013538GJ6	$3,075,000.00
Airport Refunding 2001	July 2014	013538GK3	$3,240,000.00
Airport Refunding 2001	July 2015	013538GL1	$3,415,000.00
Airport Refunding 2001	July 2016	013538GM9	$3,590,000.00
Airport Sub Lien 1995	July 2008	013538EG4	$4,100,000.00
Airport Sub Lien 1995	July 2009	013538EG4	$4,400,000.00
Airport Sub Lien 1995	July 2010	013538EG4	$4,800,000.00
Airport Sub Lien 1995	July 2011	013538EG4	$5,200,000.00
Airport Sub Lien 1995	July 2012	013538EG4	$5,600,000.00
Airport Sub Lien 1995	July 2013	013538EG4	$6,100,000.00
Airport Sub Lien 1995	July 2014	013538EG4	$6,700,000.00
Airport Sub Lien 2000A	July 2008	013538FV0	$ 200,000.00
Airport Sub Lien 2000A	July 2009	013538FV0	$ 300,000.00
Airport Sub Lien 2000A	July 2010	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2011	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2012	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2013	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2014	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2015	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2016	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2017	013538FV0	$ 400,000.00
Airport Sub Lien 2000A	July 2018	013538FV0	$ 500,000.00
Airport Sub Lien 2000A	July 2019	013538FV0	$ 500,000.00
Airport Sub Lien 2000A	July 2020	013538FV0	$ 500,000.00
Airport Sub Lien 2000B	July 2008	013538FW8	$1,500,000.00
Airport Sub Lien 2000B	July 2009	013538FW8	$2,000,000.00
Airport Sub Lien 2000B	July 2010	013538FW8	$2,000,000.00
Airport Sub Lien 2000B	July 2011	013538FW8	$2,000,000.00
Airport Sub Lien 2000B	July 2012	013538FW8	$2,500,000.00
Airport Sub Lien 2000B	July 2013	013538FW8	$2,700,000.00
Airport Sub Lien 2000B	July 2014	013538FW8	$2,900,000.00
Airport Sub Lien 2000B	July 2015	013538FW8	$1,400,000.00

Bond Issue name	D/S Month & Year	Cusip	Principal
General Obligation General Purpose 1999C	July 2008	013518L78	$2,000,000.00
General Obligation General Purpose 1999C	July 2009	013518L86	$2,000,000.00
General Obligation General Purpose 2001A	July 2008	013518P25	$4,310,000.00
General Obligation General Purpose 2001A	July 2009	013518P33	$4,310,000.00
General Obligation General Purpose 2001A	July 2010	013518P41	$4,110,000.00
General Obligation General Purpose 2002B	July 2008	013518R72	$2,700,000.00
General Obligation General Purpose 2002B	July 2009	013518R80	$2,500,000.00
General Obligation General Purpose 2005 A	July 2008	013518U45	$11,355,000.00
General Obligation General Purpose 2005 A	July 2009	013518U52	$11,355,000.00
General Obligation General Purpose 2005 A	July 2010	013518U60	$11,355,000.00
General Obligation General Purpose 2005 A	July 2011	013518U78	$11,350,000.00
General Obligation General Purpose 2005 A	July 2012	013518U86	$11,350,000.00
General Obligation General Purpose 2005 A	July 2013	013518U94	$11,130,000.00
General Obligation General Purpose 2003B	July 2008	013518S97	$7,330,000.00
General Obligation General Purpose 2003B	July 2009	013518T21	$7,335,000.00
General Obligation General Purpose 2003B	July 2010	013518T39	$7,335,000.00
General Obligation General Purpose 2003B	July 2011	013518T47	$7,335,000.00
General Obligation General Purpose 2003B	July 2012	013518T54	$5,230,000.00
General Obligation Stadium 2001 C	July 2008	013818Q57	$1,000,000.00
General Obligation Stadium 2001 C	July 2009	013518Q65	$1,000,000.00
General Obligation Stadium 2001 C	July 2010	013518Q73	$1,000,000.00
General Obligation Storm Sewer 1999B	July 2008	013518K61	$2,380,000.00
General Obligation Storm Sewer 2000B	July 2008	013518M85	$1,200,000.00
General Obligation Storm Sewer 2000B	July 2009	013518M93	$1,200,000.00
General Obligation Storm Sewer 2000B	July 2010	013518N27	$1,200,000.00
General Obligation Storm Sewer 2001B	July 2010	013518P58	$ 200,000.00
General Obligation Storm Sewer 2001B	July 2011	013518P66	$4,310,000.00
General Obligation Storm Sewer 2002C	July 2009	013518R98	$ 200,000.00
General Obligation Storm Sewer 2002C	July 2010	013518S22	$2,700,000.00
General Obligation Storm Sewer 2002C	July 2011	013518S30	$2,700,000.00
General Obligation Storm Sewer 2005 B	July 2013	013518V28	$ 220,000.00
General Obligation Storm Sewer 2005 B	July 2014	013518V36	$11,355,000.00
General Obligation Storm Sewer Bonds 2003C	July 2012	013518T62	$2,105,000.00
General Obligation Storm Sewer Bonds 2003C	July 2013	013518T70	$7,335,000.00
General Obligation General Purpose 2007B	July 2008	013518V44	$5,350,000

Bond Issue name	D/S Month & Year	Cusip	Principal
General Obligation General Purpose 2007B	July 2009	013518V51	$5,350,000
General Obligation General Purpose 2007B	July 2010	013518V69	$5,350,000
General Obligation General Purpose 2007B	July 2011	013518V77	$5,350,000
General Obligation General Purpose 2007B	July 2012	013518V85	$5,345,000
General Obligation General Purpose 2007B	July 2013	013518V93	$5,345,000
General Obligation General Purpose 2007B	July 2014	013518W27	$5,345,000
General Obligation General Purpose 2007B	July 2015	013518W35	$2,805,000
General Obligation General Purpose 2007B	July 2016	013518W43	$2,805,000
General Obligation Storm Sewer 2007C	July 2015	013518W50	$2,540,000
General Obligation Storm Sewer 2007C	July 2016	013518W68	$2,540,000
Golf Course Net Revenue/GRT Series 2001	July 2008	01354T AG1	$ 265,000.00
Golf Course Net Revenue/GRT Series 2001	July 2009	01354T AH9	$ 285,000.00
Golf Course Net Revenue/GRT Series 2001	July 2010	01354T AJ5	$ 300,000.00
Golf Course Net Revenue/GRT Series 2001	July 2011	01354T AK2	$ 325,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2008	01354PBK9	$2,200,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2009	01354PBK9	$2,300,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2010	01354PBK9	$2,600,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2011	01354PBK9	$2,600,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2012	01354PBK9	$2,800,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2013	01354PBK9	$3,200,000.00
Gross Receipts Tax Improvement Bonds 2000 A	July 2014	01354PBK9	$2,500,000.00
Gross Receipts Tax Refunding 1996	July 2008	01354HEN8	$ 505,000.00
Gross Receipts Tax Refunding 1996	July 2009	01354HEP3	$ 600,000.00
Gross Receipts Tax Refunding 1996	July 2010	01354HEQ1	$ 670,000.00
Gross Receipts Tax Refunding 1996	July 2011	01354HER9	$ 775,000.00
Gross Receipts Tax Refunding 1999C	July 2014	01354PBB9	$ 500,000.00
Gross Receipts Tax Refunding 1999C	July 2015	01354PBC7	$2,625,000.00
Gross Receipts Tax Refunding 1999C	July 2016	01354PBD5	$3,340,000.00
Gross Receipts Tax Refunding 1999C	July 2017	01354PBE3	$3,520,000.00
Gross Receipts Tax Refunding 1999C	July 2018	01354PBF0	$3,700,000.00
Gross Receipts Tax Refunding 1999C	July 2019	01354PBG8	$3,945,000.00
Gross Receipts Tax Refunding 1999C	July 2020	01354BBH6	$4,155,000.00
Gross Receipts Tax Refunding 1999C	July 2021	01354PBH6	$4,290,000.00
Gross Receipts Tax Refunding 1999C	July 2022	01354PBH6	$1,055,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2030	01354MDB4	$2,300,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2031	01354MDB4	$4,280,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2032	01354MDC2	$4,575,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2033	01354MDC2	$4,900,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2034	01354MDE8	$2,800,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2035	01354MDE8	$5,605,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2036	01354MDE8	$1,130,000.00
Gross Receipts Tax/Lodger Refunding 2004 A	July 2037	01354MDE8	$6,375,000.00

Bond Issue name	D/S Month & Year	Cusip	Principal
Gross Receipts Tax/Lodger Refunding 2004 B	July 2008	01354MDJ7	$ 230,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2009	01354MDK4	$ 205,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2010	01354MDL2	$ 205,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2011	01354MDM0	$ 200,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2012	01354MDN8	$ 225,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2013	01354MDP3	$ 210,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2014	01354MDQ1	$ 235,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2015	01354MDR9	$ 245,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2016	01354MDR9	$ 325,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2017	01354MDR9	$ 350,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2018	01354MDR9	$ 370,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2019	01354MDR9	$ 405,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2020	01354MDR9	$ 425,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2021	01354MDR9	$ 450,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2022	01354MDR9	$ 465,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2023	01354MDR9	$ 545,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2024	01354MDR9	$ 530,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2025	01354MDS7	$ 630,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2026	01354MDS7	$2,905,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2027	01354MDS7	$3,155,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2028	01354MDS7	$3,415,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2029	01354MDS7	$3,695,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2030	01354MDS7	$1,685,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2034	01354MDS7	$2,435,000.00
Gross Receipts Tax/Lodger Refunding 2004 B	July 2036	01354MDS7	$4,855,000.00
Gross Receipts/Lodgers 1991B	July 2012	01354MCT6	$ 560,000.00
Gross Receipts/Lodgers 1991B	July 2013	01354MCU3	$ 590,000.00
Gross Receipts/Lodgers 1991B	July 2014	01354MCV1	$ 585,000.00
Gross Receipts/Lodgers 1991B	July 2015	01354MCW9	$ 600,000.00
Gross Receipts/Lodgers 1991B	July 2016	01354MCX7	$ 540,000.00
Gross Receipts/Lodgers 1991B	July 2017	01354MCY5	$ 545,000.00
Gross Receipts/Lodgers 1991B	July 2018	01354MCZ2	$ 550,000.00
Gross Receipts/Lodgers 1999B	July 2012	01354PBW3	$ 100,000.00
Gross Receipts/Lodgers 1999B	July 2013	01354PBX1	$ 160,000.00
Gross Receipts/Lodgers 1999B	July 2014	01354PBY9	$ 230,000.00
Gross Receipts/Lodgers 1999B	July 2015	01354PBZ6	$ 300,000.00
Gross Receipts/Lodgers 1999B	July 2016	01354PCA0	$ 380,000.00
Gross Receipts/Lodgers 1999B	July 2017	01354PCB8	$ 460,000.00
Gross Receipts/Lodgers 1999B	July 2018	01354PCC6	$ 550,000.00
Gross Receipts/Lodgers 1999B	July 2019	01354PCD4	$1,190,000.00
Gross Receipts/Lodgers 1999B	July 2020	01354PCE2	$1,325,000.00
Gross Receipts/Lodgers 1999B	July 2021	01354PCF9	$1,470,000.00
Gross Receipts/Lodgers 1999B	July 2022	01354PCF9	$1,630,000.00
Gross Receipts/Lodgers 1999B	July 2023	01354PCF9	$ 440,000.00
Gross Receipts/Lodgers 1999B	July 2024	01354PCF9	$1,945,000.00

Bond Issue name	D/S Month & Year	Cusip	Principal
Gross Receipts/Lodgers 1999B	July 2025	01354PCF9	$2,055,000.00
Joint Water and Sewer 1990 A	July 2008	013554KQ2	$3,179,472.40
Joint Water and Sewer 1997	July 2008	013554NH9	$3,435,000.00
Joint Water and Sewer 1997	July 2009	013554NJ5	$5,720,000.00
Joint Water and Sewer 1999A	July 2008	013554NU0	$10,215,000.00
Joint Water and Sewer 1999A	July 2009	013554NV8	$10,750,000.00
Joint Water and Sewer 1999A	July 2010	013554NW6	$11,320,000.00
Joint Water and Sewer 1999A	July 2011	013554NX4	$ 910,000.00
Joint Water and Sewer 2001	July 2008	013554PL8	$3,115,000.00
Joint Water and Sewer 2001	July 2009	013554PM6	$3,275,000.00
Joint Water and Sewer 2001	July 2010	013554PN4	$3,435,000.00
Joint Water and Sewer 2001	July 2011	013554PP9	$3,610,000.00
Joint Water and Sewer 2001	July 2012	013554PQ7	$3,790,000.00
Joint Water and Sewer 2001	July 2013	013554PR5	$3,980,000.00

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