

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

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

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

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Revenues

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

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

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

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

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

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

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

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

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

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

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

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

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

Expenditures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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