

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

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Revenues:				
Taxes	\$ 86,393	\$ 93,180	\$ 99,105	\$ 105,634
Licenses and permits	7,463	7,207	7,873	7,454
Intergovernmental	108,389	117,363	124,625	129,058
Charges for services	33,301	33,970	34,920	37,294
Fines and forfeits	227	252	227	8
Interest	1,879	2,488	2,437	2,910
Miscellaneous	<u>598</u>	<u>318</u>	<u>536</u>	<u>536</u>
Total revenues	<u>238,250</u>	<u>254,778</u>	<u>269,723</u>	<u>282,894</u>
Expenditures:				
General government	35,672	38,084	41,153	40,732
Public safety	85,256	93,301	97,840	103,593
Cultural and recreation	35,562	39,406	41,766	47,582
Public works	18,319	15,989	15,232	15,641
Highways and streets	13,333	12,170	13,381	13,765
Health	5,812	6,385	6,451	6,635
Human services	<u>8,418</u>	<u>10,117</u>	<u>11,975</u>	<u>15,945</u>
Total expenditures	<u>202,372</u>	<u>215,452</u>	<u>227,798</u>	<u>243,893</u>
Excess (deficiency) of revenues over expenditures	<u>35,878</u>	<u>39,326</u>	<u>41,925</u>	<u>39,001</u>
Other financing sources (uses):				
Transfers in	2,898	2,609	2,916	2,971
Transfers out	<u>(30,921)</u>	<u>(49,819)</u>	<u>(38,568)</u>	<u>(42,842)</u>
Total other financing sources and uses	<u>(28,023)</u>	<u>(47,210)</u>	<u>(35,652)</u>	<u>(39,871)</u>
Net change in fund balance	7,855	(7,884)	6,273	(870)
Fund Balance, July 1	<u>41,466</u>	<u>49,321</u>	<u>41,437</u>	<u>47,710</u>
Fund Balance, June 30	<u>49,321</u>	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>
Reservations of fund balance:				
Reserved for Encumbrances	3,962	5,278	5,071	6,434
Reserved for assets	521	543	570	446
Reserved for Operations	11,067	12,302	17,858	12,263
Unreserved fund balance	<u>33,771</u>	<u>23,314</u>	<u>24,211</u>	<u>27,697</u>
Total ending fund balance	<u>\$ 49,321</u>	<u>\$ 41,437</u>	<u>\$ 47,710</u>	<u>\$ 46,840</u>

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$ 113,542	\$ 113,608	\$ 116,855	\$ 124,526	\$ 120,316	\$ 127,128
7,556	8,136	8,011	8,723	8,643	12,279
132,410	135,383	135,501	140,184	141,519	147,361
37,162	35,758	35,539	36,706	36,638	37,770
35	31	41	42	23	44
3,279	2,088	1,883	3,229	973	746
1,115	868	785	490	583	459
<u>295,099</u>	<u>295,872</u>	<u>298,615</u>	<u>313,900</u>	<u>308,695</u>	<u>325,787</u>
42,605	42,081	43,979	44,444	43,375	43,802
110,161	111,039	116,909	122,153	127,469	130,107
47,801	47,466	46,791	50,408	49,152	48,653
15,739	14,842	14,425	9,223	8,571	6,161
14,011	13,947	9,520	11,872	12,898	12,373
6,059	5,796	5,774	6,134	6,288	6,557
18,180	18,523	22,104	29,264	26,795	27,146
<u>254,556</u>	<u>253,694</u>	<u>259,502</u>	<u>273,498</u>	<u>274,548</u>	<u>274,799</u>
40,543	42,178	39,113	40,402	34,147	50,988
5,914	1,416	1,468	3,663	8,885	7,122
<u>(48,602)</u>	<u>(44,147)</u>	<u>(41,320)</u>	<u>(47,285)</u>	<u>(46,616)</u>	<u>(51,584)</u>
<u>(42,688)</u>	<u>(42,731)</u>	<u>(39,852)</u>	<u>(43,622)</u>	<u>(37,731)</u>	<u>(44,462)</u>
(2,145)	(553)	(739)	(3,220)	(3,584)	6,526
<u>46,840</u>	<u>44,695</u>	<u>44,142</u>	<u>43,403</u>	<u>40,183</u>	<u>36,599</u>
<u>44,695</u>	<u>44,142</u>	<u>43,403</u>	<u>40,183</u>	<u>36,599</u>	<u>43,125</u>
5,231	4,352	3,600	2,722	84	16
471	438	470	558	538	390
14,427	14,686	14,879	15,549	16,161	27,758
24,566	24,666	24,454	21,354	19,816	14,961
<u>\$ 44,695</u>	<u>\$ 44,142</u>	<u>\$ 43,403</u>	<u>\$ 40,183</u>	<u>\$ 36,599</u>	<u>\$ 43,125</u>

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Revenues

The increase in taxes for 1993 was due to a \$2.0 million one time mill levy of property taxes for the General Fund by City Council with a corresponding decrease in the Debt Service Fund. The increase was also due to an \$8.0 million increase in Governmental Gross Receipts Tax resulting from an increase in economic activity.

The increase in taxes and intergovernmental revenue in 1994 was due to increased gross receipt tax revenue caused by an increase in economic activity in fiscal year 1994. The increase in economic activity is also reflected in licenses and permits due to the increase in permits related to building and other construction activity in fiscal year 1994.

The substantial increase in taxes and intergovernmental revenues from 1993 to 1995 is due to the implementation of GASB Statement 22, which caused a change in the method of recording taxpayer assessed revenues from cash basis to a modified accrual basis. This required an accrual of July receipts thus causing a large increase in revenues. It also required restatement of prior years of which the City restated back to 1993.

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

Expenditures

The decrease in expenditures for public works in 1993 was primarily due to the one third decrease in personnel in the CIP Funded employees program from 95 positions to 65.

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The increase in expenditures for public safety in 1993 was due to a \$1.1 million increase in police which includes the cost of a new cadet class and pay increase.

The increase in general government in 1994 is due to many employees taking advantage of the new retirement plan passed in July 1994.

The increase in public safety in 1994 is due to an increase of officers and the start up costs associated with them and the fire cadet class is now being funded through this program. The increase in culture and recreation is due to major increases in the management changes to the program.

The increase in public safety in 1995 is due to an increase of seventy-five police officers and the new community based police program. There was also a major increase in the off duty police program due to the increased precaution taken by local businesses to prevent crime.

The increase in operating transfers out in 1995 was largely due to a one-time transfer of \$7.0 million dollars to the Capital Projects Fund for the community based police mini substation.

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

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.

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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.