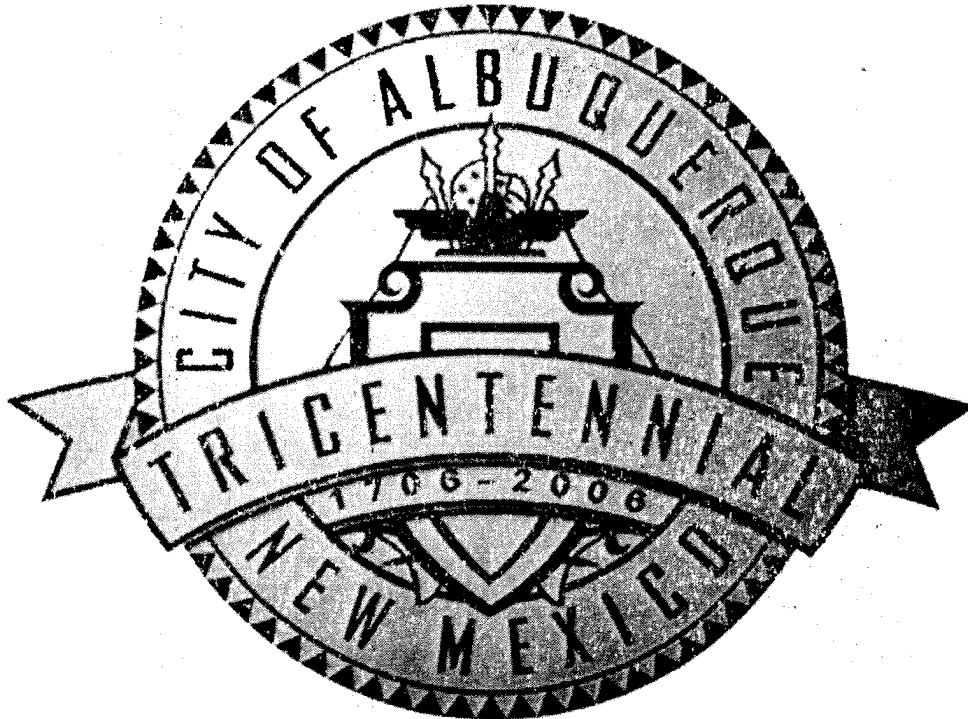


CITY OF ALBUQUERQUE



Mayor Martin J. Chávez

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JULY 1, 2005 THROUGH JUNE 30, 2006
ALBUQUERQUE, NEW MEXICO USA

The City of Albuquerque acknowledges its continuing commitment to protecting individuals rights and privileges. In accordance with this commitment, the City prohibits Discrimination in the operations of Government on the basis of race, color, religion, national origin or ancestry, physical/mental disability, age, gender, Vietnam era or disabled Veteran status, marital status, sexual orientation, pregnancy or medical condition.

CITY OF ALBUQUERQUE, NEW MEXICO

Comprehensive Annual Financial Report

Year ended June 30, 2006

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CITY OF ALBUQUERQUE, NEW MEXICO

Comprehensive Annual Financial Report

Year ended June 30, 2006

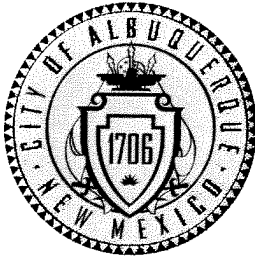
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INTRODUCTORY SECTION



June 11, 2007

Honorable Mayor and City Council
City of Albuquerque, New Mexico

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Albuquerque, New Mexico, (City), for the fiscal year ended June 30, 2006. New Mexico State Statute 12-6-3, NMSA 1978 mandates that the financial affairs of the City's records be thoroughly examined and audited each year by independent public accountants. Federal law also requires that a single audit be performed for federal grant funds in conformance with the provisions of the Single Audit Act of 1984 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in the Single Audit Section.

This report was prepared by the Department of Finance and Administrative Services with the assistance of various other City departments. The City management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Moss Adams, Certified Public Accountants, have issued an unqualified opinion on the City's comprehensive annual financial report for the year ended June 30, 2006. As indicated by the opinion of our independent auditors, the report fairly presents the financial position and results of operations of the City as measured by the financial activity of its various funds. The report has been set forth in a manner that will give the reader a broad understanding of the City's financial affairs. It includes disclosures necessary for the reader to gain an understanding of the City's financial activities. The independent auditors' report is located at the front of the financial statements.

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

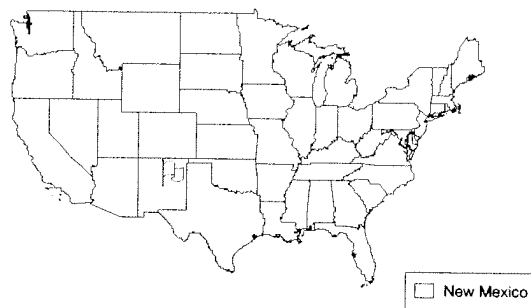
Profile of the City

The City of Albuquerque, New Mexico (City) is located in the central region of the state and is the economic and population hub of New Mexico. With an estimated population of almost 500,000 in 2006, Albuquerque ranks 33rd in population of the nation's cities and is the largest city in New Mexico with roughly one-quarter of the state's population. In 2006, *Forbes* List of "Best Places for Business and Careers," the Albuquerque MSA placed 1st out of the 200 largest metro areas in the Country. In May 2006, *Kiplinger Personal Finance* ranked Albuquerque as the 3rd smartest cities to live in with a resort-town ambience, boomtown economy, and a low cost of living.

The City was founded in 1706, chartered as a town in 1885, and organized under territorial law as a city in 1891. The City became a charter city in 1917, and the voters approved a home rule amendment to the charter in 1971. In 1974, the electorate voted to establish a mayor-council form of government; the City Council consists of nine council members elected from districts. As a governmental entity, the City is not subject to Federal or State income taxes. The City provides traditional services such as public safety, culture and recreation, public works, highways and streets, storm drainage, and refuse collection. In addition, the City operates parking facilities, a transit system, an international airport,

corrections and detention facilities, and a housing authority, as well as water and sewer services on behalf of another government agency.

The CAFR of the City includes all government activities, organizations and functions for which the City is financially accountable. The criteria used to determine financial accountability are based on, and consistent with, the pronouncements of the Governmental Accounting Standards Board, which sets criteria for defining the financial reporting entity. Effective July 1, 2003 water and sewer services that used to be provided by the City are now provided by the Albuquerque-Bernalillo County Water Utility Authority, which is operated by the City under the terms of a Memorandum of Understanding with the Authority. The City does not have relationships with any other organizations not included in this CAFR of such nature and significance that exclusion would render the City's financial statements incomplete or misleading.



Summary of Local Economy

Albuquerque is the major commercial, trade, service and financial center of the state. It is located in the central part of the state, at the intersection of two major interstate highways, and served by both rail and air. The Albuquerque Metropolitan Statistical Area (MSA) includes Bernalillo, Sandoval, Torrance and Valencia Counties. The City has a population of approximately 500,000 and the MSA approximately 800,000. The largest employers in the Albuquerque area are the University of New Mexico, Albuquerque Public Schools, Sandia National Labs (SNL), and Kirtland Air Force Base.

The Albuquerque economy has an industry composition not unlike that of the U.S. as a whole. Manufacturing, while a smaller part of the Albuquerque economy, has not declined in importance as in the U.S. where manufacturing has declined substantially since the 1960s.

Albuquerque MSA Employment in Thousands

NAICS CATEGORY	Employment FY/06	Share of FY/06 Employment	Growth FY/05 to FY/06	Compound Annual Average FY/00 to FY/06
Total Nonfarm Employment (does not include military)	382.87	100%	2.5%	1.4%
Natural Resources and Mining and Construction	29.58	8%	8.8%	4.8%
Manufacturing	23.19	6%	1.9%	-2.4%
Trade, Transportation, and Utilities	67.93	18%	2.2%	0.6%
Information	8.73	2%	-2.9%	-3.6%
Financial Activities	19.34	5%	0.8%	-0.1%
Aggregate of Services	157.27	41%	2.4%	2.2%
Professional and Business Services	61.13	16%	1.9%	1.0%
Educational and Health Services	47.16	12%	3.2%	4.1%
Leisure and Hospitality	36.93	10%	2.6%	1.9%
Other Services	12.04	3%	1.8%	1.8%
Government	76.83	20%	1.9%	1.9%
MILITARY	6.759	NA	1%	0.6%

In the near term, Albuquerque is benefiting from strong growth, increased tourism and a construction boom. Unemployment rates remain low and averaged 4.7% in FY/06. Several large manufacturing firms have recently moved to Albuquerque and/or expanded. The broadening of the industrial base to include aviation will help Albuquerque continue to grow and prosper. The City believes it is well positioned to attract new investment by suppliers, customers, and other producers. The national labs are another strength in the Albuquerque economy. Sandia National Laboratories (SNL) has devoted a great deal of research to terrorism and homeland security and the mission to protect the nuclear weapons arsenal. The micro-systems technology, or nano-technology, for which SNL is well known, may provide many novel and inexpensive answers to medical and materials sciences. The labs expertise and technology is also becoming more readily available to the private sector.

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

Long-term financial planning

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

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

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

Relevant Financial Policies

Historically, the City has been conservative in its approach to financial matters, minimizing long-term debt cycles to control interest costs and stringently monitoring and controlling the use of both recurring and non-recurring operating revenues. Department directors are held responsible for the fiscal performance of their units, as well as the programmatic performance of their units.

The City Council passed, and the Mayor signed, O-06-20, the Albuquerque Minimum Wage Ordinance, in April, 2006. The ordinance requires all employers within the municipal limits of the City, including specifically the City of Albuquerque, to pay a specified minimum wage for each hour worked by an employee within the municipal limits. The ordinance establishes two different minimum wage rates depending on whether the employer provides healthcare and or child care benefits. The minimum wage rates established by the ordinance are as follows:

Beginning	Minimum Wage if No Benefits are Provided	Minimum Wage if Benefits are Provided
January 1, 2007	\$6.75 per hour	\$5.75 per hour
January 1, 2008	\$7.15 per hour	\$6.15 per hour
January 1, 2009	\$7.50 per hour	\$6.50 per hour

Analysis indicated that it is employees who are not eligible for healthcare benefits, primarily seasonal employees and, to a far lesser degree, temporary employees, who will need to have pay adjustments to bring the City into compliance with the minimum wage ordinance over the next three years.

Major Initiatives

Operation of the Metropolitan Detention Center (MDC) will be transferred back to Bernalillo County on July 1, 2007. The City has operated the MDC under the terms of a Joint Powers Agreement (JPA) with the County since 2002, paying 50% of the operating costs of the MDC. In April, 2005, the Mayor notified the County that the JPA would be terminated pursuant to its terms effective the end of June, 2006. Because the City would no longer be incurring this

operating cost, and because the County imposed an additional one-eighth cent gross receipts tax for county corrections operations, the City repealed a one-eighth cent gross receipts tax to hold City residents "harmless".

The City has a long history of commitment to both our natural and built environment. In future years, there will be more attention and resources devoted to the creation and maintenance of a "sustainable" community. The City is in the process of converting its fleet to alternative fuels, which we expect to take a number of years. Management of the waste stream, energy efficiency, and both regular and e-waste recycling will receive attention. Estimated costs have not been determined at this time, but it is expected that both capital and operating funding will be used.

Although the Albuquerque Public School District (APS) is a totally separate governmental entity from City government, the City in FY/06 provided almost \$15 million in direct and indirect programmatic funding support to APS. For FY/07, the City will be hiring an education coordinator to help establish a more responsive partnership between APS and the City, and to focus on education-based outcomes to enhance the educational attainment of City students.

Awards and Acknowledgements

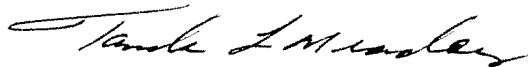
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Albuquerque for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. The City has received this prestigious award every year since 1980. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2005. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

The preparation of this report could not have been accomplished without the dedicated services of the staff of the Department of Finance and Administrative Services. We wish to express our sincere appreciation to all members of the Department who contributed to its preparation and recognize the major effort of the Accounting Division and its Financial Reporting Section in administering the City's accounting system and in preparing this report. We also wish to thank each of you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Tanda Meadors, Director
Department of Finance & Administrative Services



Gregory Stricklin, CPA
Accounting Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albuquerque
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Albuquerque
New Mexico**

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) PRESENTED A DISTINGUISHED BUDGET PRESENTATION AWARD TO **CITY OF ALBUQUERQUE, NEW MEXICO** FOR ITS ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING **JULY 1, 2005**. IN ORDER TO RECEIVE THIS AWARD, A GOVERNMENTAL UNIT MUST PUBLISH A BUDGET DOCUMENT THAT MEETS PROGRAM CRITERIA AS A POLICY DOCUMENT, AS A FINANCIAL PLAN, AS AN OPERATIONS GUIDE, AND AS COMMUNICATIONS DEVICE.

CITY OF ALBUQUERQUE

PRINCIPAL OFFICIALS

June 30, 2006

MAYOR

MARTIN J. CHÁVEZ

CITY COUNCIL

KEN SANCHEZ	District 1
DEBBIE O'MALLEY	District 2
ISAAC BENTON	District 3
BRAD WINTER,	District 4
MICHAEL J. CADIGAN	District 5
MARTIN HEINRICH, PRESIDENT	District 6
SALLY MAYER	District 7
CRAIG LOY	District 8
DON HARRIS	District 9

CHIEF ADMINISTRATIVE OFFICE

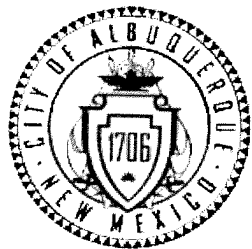
BRUCE J. PERLMAN, PhD.

DEPUTY CHIEF ADMINISTRATIVE OFFICERS

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

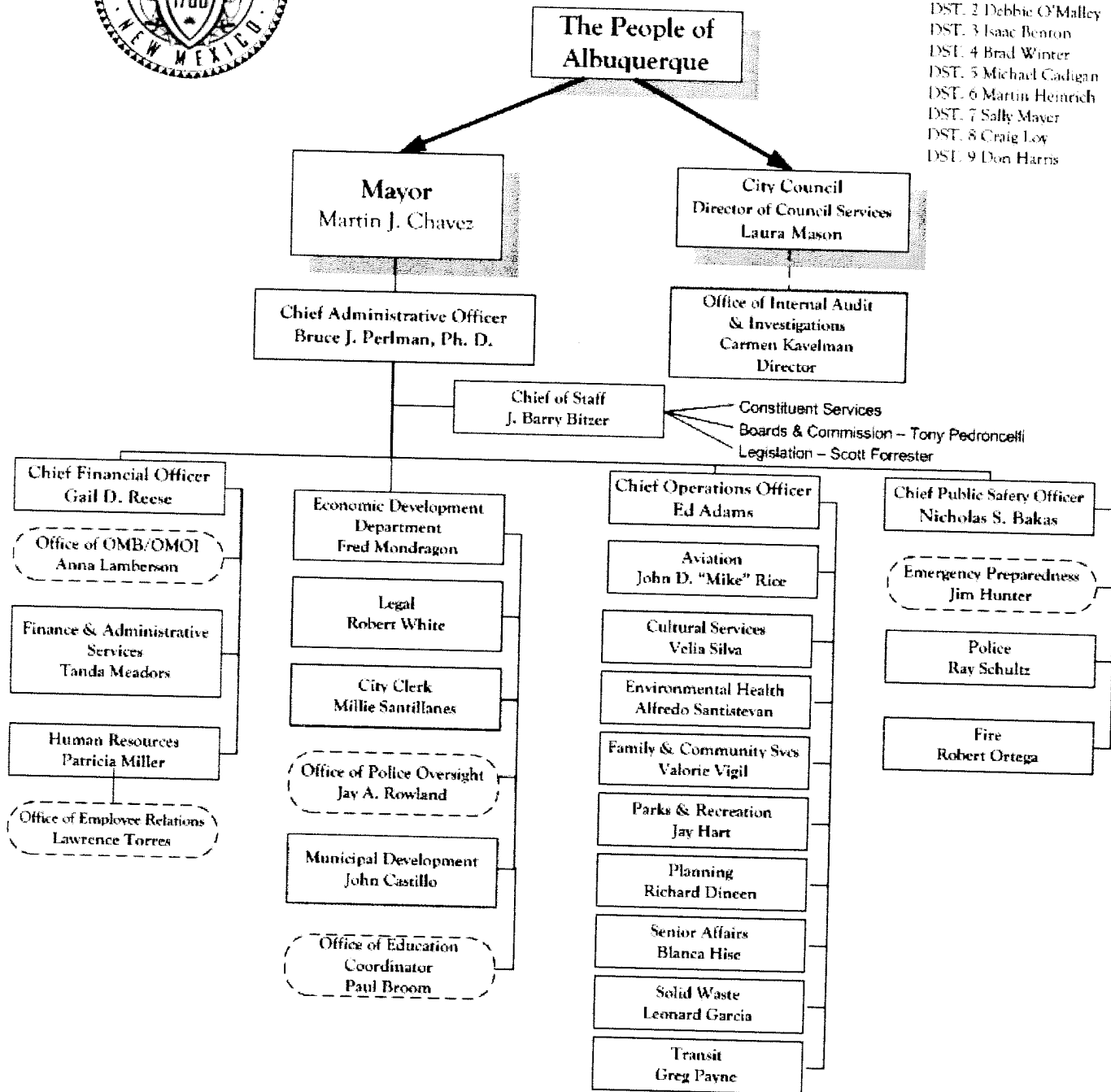
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

TANDA L. MEADORS, DIRECTOR



City of Albuquerque

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



CITY OF ALBUQUERQUE, NEW MEXICO

CONTRIBUTORS

June 30, 2006

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Chief Financial Officer

Tanda L. Meadors, Director
Department of Finance & Administrative Services

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Elizabeth Barreras, CPA
Principal Accountant
Michelle Hayden
Principal Accountant
Elaine Padilla
Principal Accountant
V. O. Shynkar, CPA
Principal Accountant

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Executive Budget Analyst
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Executive Budget Analyst
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Executive Budget Analyst
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Patricia Latter
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Aubrey Thompson, CPA
Police Department
Thomas Torres, CPA
Risk Management
Nela Wilkinson, CPA
Transit Authority
Gary Young
Parks and Recreation

Albuquerque Bernalillo County Water Authority

Stan Allred
Fiscal Manager
Cliff Wintrobe
Budget Analyst

FINANCIAL SECTION

Independent Auditors' Report

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

T 505-830-6200
F 505-830-6282

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albuquerque, New Mexico (City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons, and financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service funds, and fiduciary funds presented in the accompanying combining financial statements and information in the other supplementary schedules, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the major governmental funds, for the year ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary fund of the City, as of June 30, 2006, and the

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

respective changes in the financial position and cash flows, where applicable, and respective budgetary comparisons thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Mess Adams LLP

Albuquerque, New Mexico
July 2, 2007

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2006

This section of the City of Albuquerque's (City) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$3.2 billion (net assets). Of this amount, \$60.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in subsequent accounting periods.
- The City's total net assets increased by \$176.6 million during the year after a restatement of \$1.7 billion (net of accumulated depreciation) for infrastructure and other capital assets.
- As of June 30, 2006, the City's governmental funds reported combined ending fund balances of \$329.2 million. Approximately 79.2% of this amount, \$260.9 million, is unreserved fund balance available for spending at the government's discretion. Included in this amount is approximately \$110.5 million in the Capital Acquisition Fund.
- At the close of the current fiscal year, unreserved fund balance for the general fund was \$82.0 million or 22.0% of the total general fund expenditures of \$372.1 million. \$47.4 million or 12.7% of the total general fund expenditures is unreserved designated for subsequent years' operations.
- The City's governmental activities long-term obligations decreased by \$47.7 million during the current year. The key factors in this change were the issuance of bonds and notes payable, accompanied by additions to accrued vacation and sick leave pay and claims totaling \$64.5 million and debt reduction payments and liquidations of accrued liabilities totaling \$112.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety and protection, culture and recreation, public works, public health, human services, housing, highways and streets, and special assessments. The business-type activities of the City include an airport, apartments, a baseball stadium, refuse disposal services, golf courses, parking facilities, housing authority, and a transit system.

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The City has determined that the Albuquerque Bernalillo County Water Utility Authority (Authority), created with an effective date of July 1, 2003, is a component unit of the City. The City does however; operate the water and waste water utility serving the City and its citizens that is owned by the Albuquerque Bernalillo Water Utility Authority under the terms of a Memorandum of Understanding that will expire on June 30, 2012. The City does not have a relationship with any other government that would cause that government to be considered a component unit of the City. The Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2006 is available by contacting the Authority at the following address: Fifth floor, P.O. Box 1293, Albuquerque, NM 87103.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements – i.e. most of the City's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, General Obligations Debt Service, and the Capital Acquisition funds, all of which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is presented in the Basic Financial Statements section of this report. A budgetary comparison statement for the General Obligation Debt Service Fund, a major fund, is presented in the Supplementary Information section. In addition, the City adopts an annual appropriated budget for other nonmajor governmental funds. Budgetary comparison statements for those funds are also presented in the Supplementary Information section.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Albuquerque International Airport, Refuse Disposal, and Transit, which are considered major funds of the City. In addition the following nonmajor funds are reported: Apartments, Golf Course, Parking, Stadium, and Housing Authority.
- Internal Service funds are used to report activities that provide supplies and services for certain City programs and activities. These funds account for inventory warehousing and stock issues; workers' compensation, tort and other claims insurance coverage; vehicle maintenance and motor pool services; and communication services to City departments. In addition, these funds provide health insurance coverage to City employees. Because these services

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predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's Trust and Agency Fund is reported under the fiduciary funds. Since the resources of this fund are not available to support the City's own programs, it is not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI)

The required budgetary comparison statement for the General Fund is presented separately and in the basic financial statements. The City is not required to provide other information in the RSI and, therefore, no information is presented there.

Combining Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a comparative analysis of government-wide data for the most recently completed fiscal year and the prior fiscal year.

	NET ASSETS						Total Percent Change
	Governmental Activities		Business-type Activities		Total		
	2006	2005*	2006	2005*	2006	2005*	
Assets:							
Current and other assets	\$ 583.0	\$ 602.8	\$166.5	\$182.8	\$ 749.5	\$ 785.6	-4.6%
Capital Assets	2,830.2	2,711.1	526.3	486.0	3,356.5	3,197.1	4.9%
Total assets	<u>3,413.2</u>	<u>3,313.9</u>	<u>692.8</u>	<u>668.8</u>	<u>4,106.0</u>	<u>3,982.7</u>	3.1%
Liabilities:							
Long-term liabilities outstanding	381.2	439.7	260.1	276.5	641.3	716.2	-10.5%
Other liabilities	197.6	178.6	39.6	36.7	237.2	215.3	10.1%
Total Liabilities	<u>578.8</u>	<u>618.3</u>	<u>299.7</u>	<u>313.2</u>	<u>878.5</u>	<u>931.5</u>	-5.6%
Net assets:							
Invested in capital assets, Net of related debt	2,634.1	2,411.5	296.1	237.1	2,930.2	2,648.6	10.6%
Restricted	165.2	181.0	71.5	83.4	236.7	264.4	-10.7%
Unrestricted	35.1	103.1	25.5	35.1	60.6	138.2	-56.1%
Total net assets	<u>\$2,834.4</u>	<u>\$2,695.6</u>	<u>\$393.1</u>	<u>\$355.6</u>	<u>\$3,227.5</u>	<u>\$3,051.2</u>	5.7%

* Restated

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$3.2 billion at the close of the year. The largest portion of the City's net assets (90.6%) reflects its investment of \$2.8 billion in capital assets (e.g. land, buildings, infrastructure, and equipment less any related outstanding debt used to acquire these assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to pay this debt must come from other sources, since the capital assets cannot

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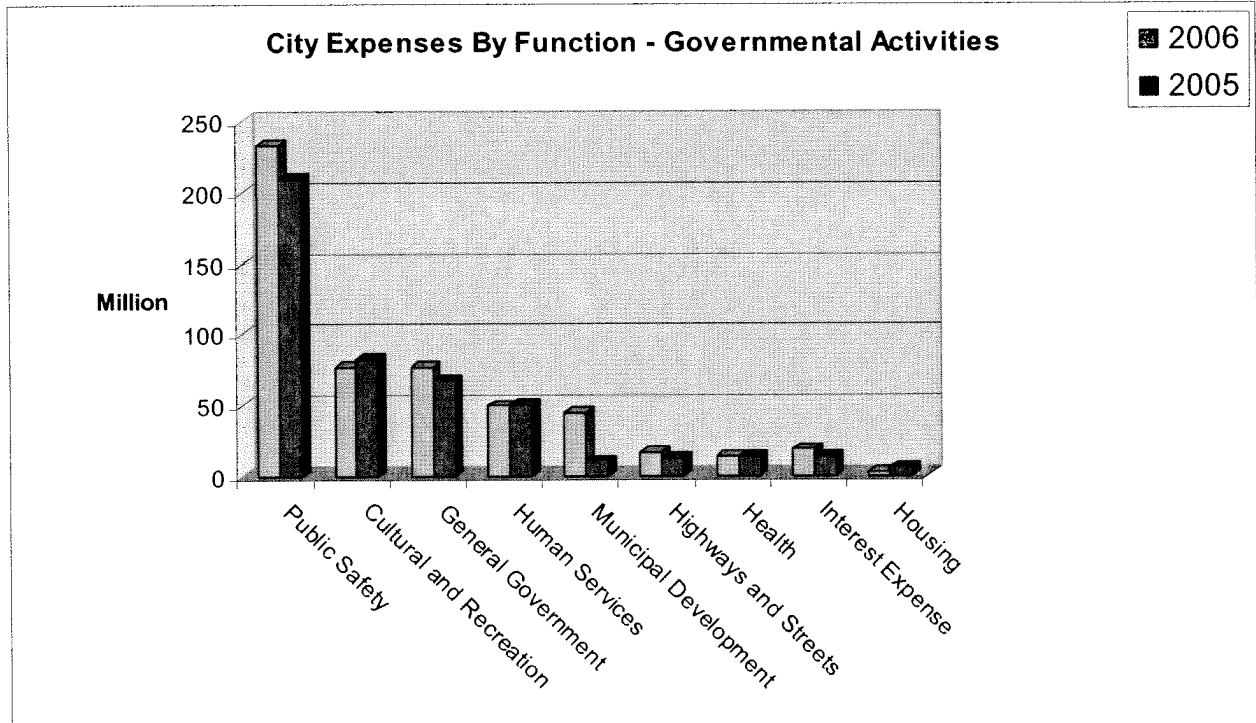
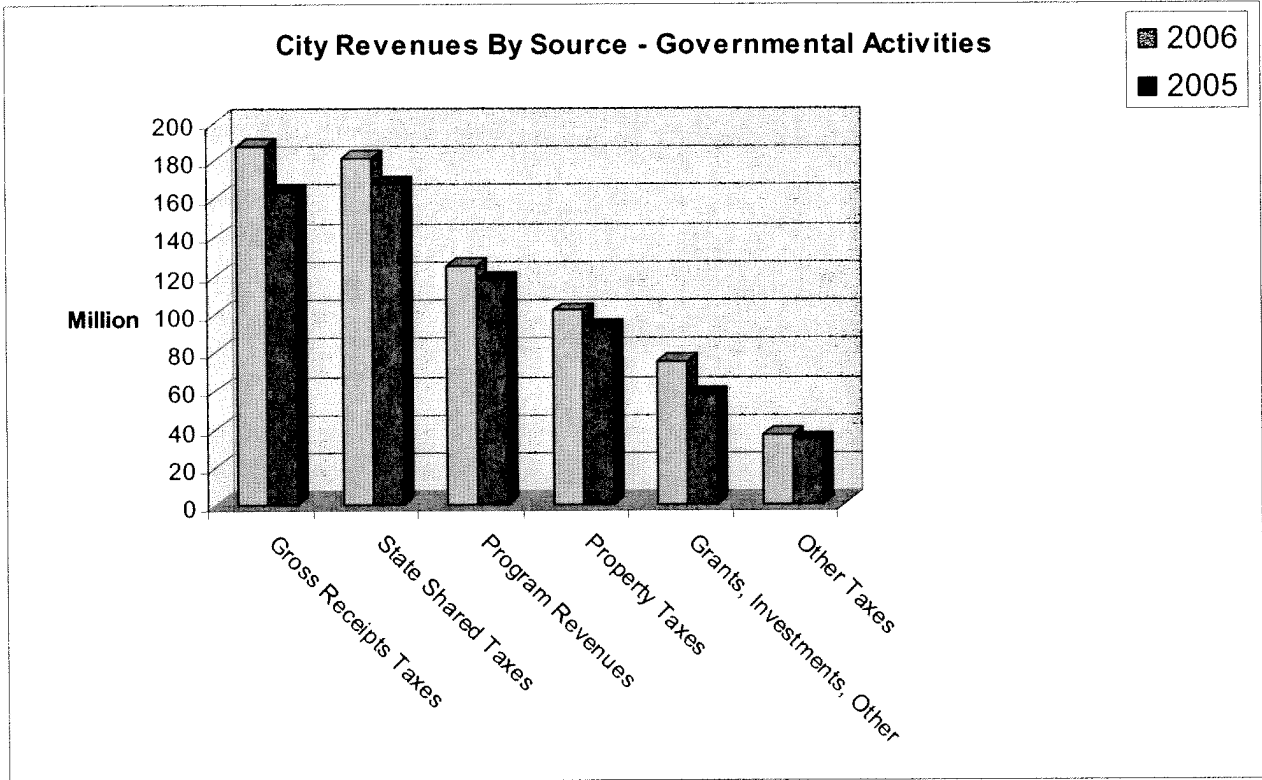
CHANGE IN NET ASSETS
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2006	2005	2006	2005	2006	2005	
Revenues:							
Program revenues:							
Charges for services	\$ 86.6	\$ 87.1	\$133.7	\$129.1	\$220.3	\$216.2	1.9%
Operating grants and contributions	37.1	29.7	24.4	24.8	61.5	54.7	12.4%
Capital grants and contributions	1.1	1.0	30.4	29.9	31.5	30.9	1.9%
General revenues:							
Gross receipts taxes	187.3	163.3	-	-	187.3	163.3	14.6%
Property taxes	101.6	92.6	-	-	101.6	92.6	9.7%
Other taxes	36.5	33.9	-	-	36.5	33.9	7.6%
State shared taxes and fees	180.9	167.9	-	-	180.9	167.9	7.7%
Grants, investment income, and other	75.2	57.5	4.8	1.7	80.0	59.2	35.1%
Total revenues	<u>706.3</u>	<u>633.2</u>	<u>193.3</u>	<u>185.5</u>	<u>899.6</u>	<u>818.7</u>	9.8%
Expenses:							
General government	77.1	70.9	-	-	77.1	70.9	8.7%
Public safety	233.4	209.9	-	-	233.4	209.9	11.1%
Cultural and recreation	77.3	82.1	-	-	77.3	82.1	-5.8%
Municipal Development (Public works)	39.1	10.4	-	-	39.1	10.4	275.9%
Health	14.2	13.4	-	-	14.2	13.4	5.9%
Human services	49.7	50.6	-	-	49.7	50.6	-0.2%
Housing	3.1	6.2	-	-	3.1	6.2	-50.0%
Highways and streets	21.5	12.0	-	-	21.5	12.0	79.1%
Interest expense	18.9	13.8	-	-	18.9	13.8	36.9%
Airport	-	-	59.9	54.6	59.9	54.6	9.7%
Refuse disposal	-	-	45.1	41.4	45.1	41.4	8.9%
Transit	-	-	41.0	37.9	41.0	37.9	8.1%
Non major enterprise funds	-	-	42.7	41.9	42.7	41.9	1.9%
Total expenses	<u>534.3</u>	<u>469.3</u>	<u>188.7</u>	<u>175.8</u>	<u>723.0</u>	<u>645.1</u>	12.1%
Excess (deficiency) before transfers	172.0	163.9	4.6	9.7	176.6	173.6	1.7%
Write off of Capital Assets	-	(45.4)	-	(1.3)	-	(46.7)	
Transfers	<u>(33.3)</u>	<u>(25.9)</u>	<u>33.3</u>	<u>25.9</u>	<u>-</u>	<u>-</u>	
Increase (decrease) in net assets	<u>\$138.7</u>	<u>\$ 92.6</u>	<u>\$37.9</u>	<u>\$34.3</u>	<u>\$176.6</u>	<u>\$126.9</u>	39.1%

be liquidated for these liabilities. Restricted net assets in the amount of \$236.7 million represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$60.6 million, may be used to meet the City's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City has positive balances in all three categories of net assets for the government as a whole, as well as for both the governmental and business-type activities.

The City's overall net assets increased by \$176.6 million during the current fiscal year. The increase in net assets is explained in the governmental and business-type activities discussion.

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Governmental activities. Governmental activities increased the City's net assets by \$138.7 million. Governmental activities revenue increased by \$73.1 million, or 11.5% from \$633.2 million in fiscal year 2005 to \$706.3 million in fiscal year 2006. Key elements in the growth of the City's governmental activities revenues are as follows:

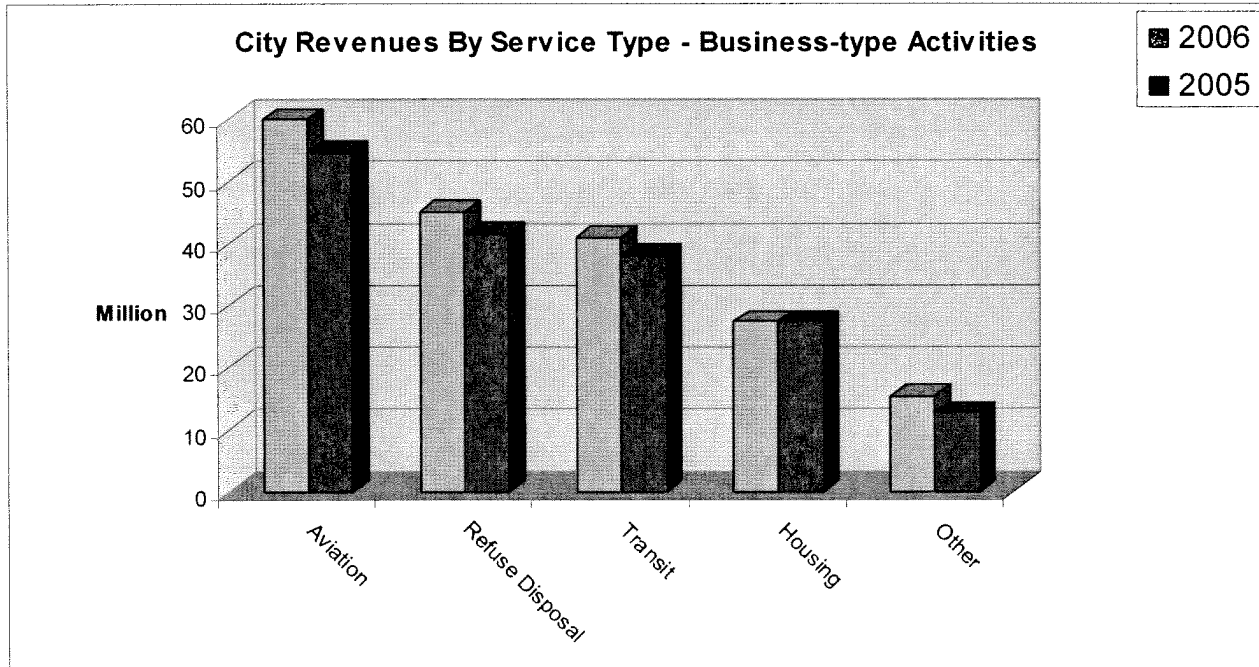
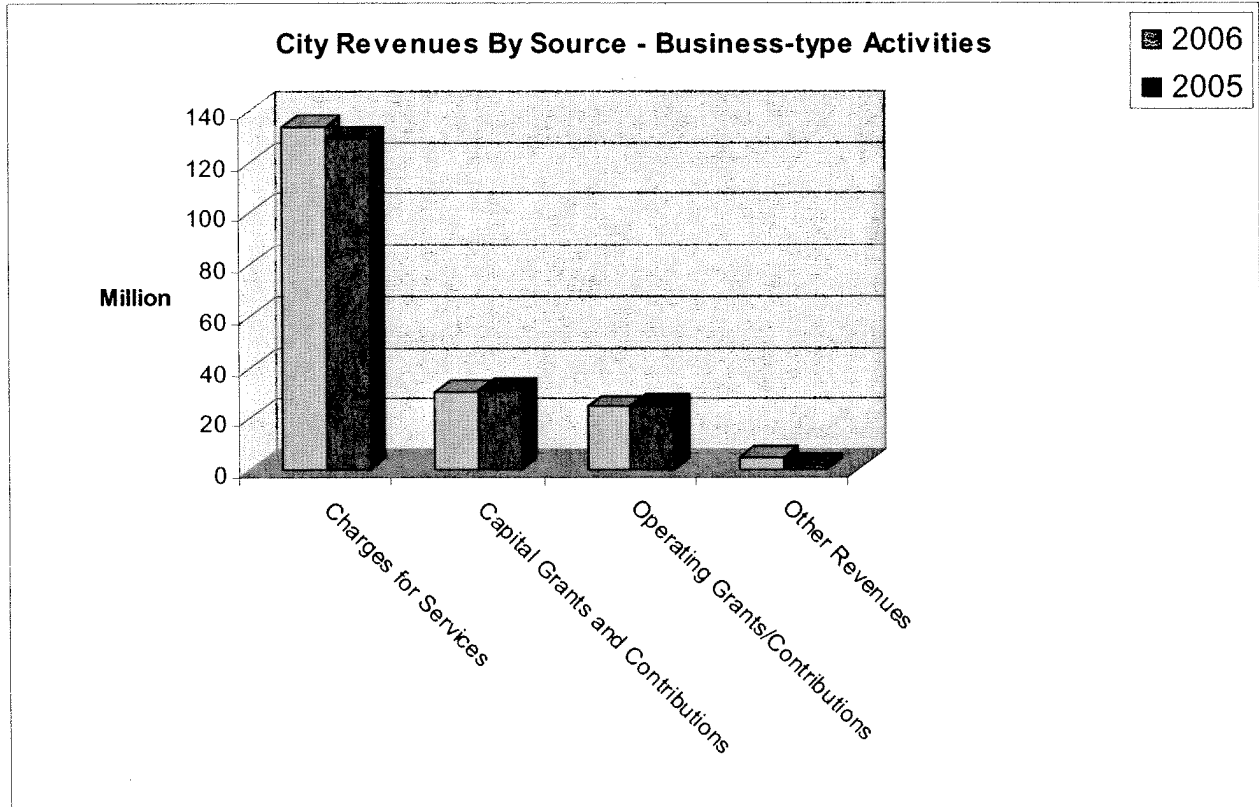
- Gross receipts tax revenue and state shared taxes and fees, which together account for approximately 52% of the City's governmental activities revenue, grew by \$37.0 million from \$331.2 million to \$368.2 million, or by

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11.2% from prior year. In the 2006 processing period, the New Mexico Department of Taxation and Revenue reported \$13.2 billion in taxable gross receipts for the City of Albuquerque as compared to \$12.7 billion in 2005, a 3.9% increase. A portion of the remaining percentage increase in the gross receipts tax revenues is attributed to a General Fund Public Safety quarter cent gross receipt tax rate increase that was implemented by the City July 1, 2004. The effect from this rate increase was not fully realized in fiscal year 2005 due to the three month time lag between the receipt, collection, and distribution of the tax revenue.

- Program revenues consisting of charges for services, operating and capital grants and contributions, which account for approximately 17.7% of the City's governmental activities revenues, were slightly higher than the previous year and increased by \$7.5 million from \$117.3 million to \$124.8 million, or by 6.3%. A significant portion of the \$7.5 million dollar increase is attributed to \$7.2 million in fiscal year 2006 grant revenues for the Trumbull Redevelopment project.
- Property taxes which account for approximately 14.3% of the City's governmental activities revenues, increased by \$9.0 million from \$92.6 million to \$101.6 million, or by 9.8%. In fiscal year 2006 (tax year 2005), property valuation within the City increased \$1.0 billion from \$8.3 billion to \$9.3 billion, or by 12.3%. The increase in property valuation was slightly offset by a decrease in the City's direct property tax mill levy rate from 11.49 in fiscal year 2005 to 11.08 in fiscal year 2006. The decrease in property tax rate was slightly offset by an increase in the current property tax collection rate from 96.31% in fiscal year 2005 to 96.53% in fiscal year 2006.
- Grants, Investments, and Other Revenues, which account for approximately 10.6% of the City's governmental activities revenues, increased by \$17.7 million from \$57.5 million in fiscal 2005 to \$75.2 million in fiscal year 2006, or by 30.7%. A significant part of the change in other revenues was attributed to an increase in development fees in the Capital Acquisition Fund which increased from \$2.6 million in fiscal year 2005 to \$10.3 million in fiscal year 2006. This is reflective of the strong construction economy that occurred in fiscal year 2006. In fiscal year 2006, the City implemented impact fee enhancements which generated an additional \$3.8 million in revenue. Investment earnings were increased from \$12.5 million in fiscal year ended June 30, 2005 to \$14.2 million in the current year.
- Other taxes such as Franchise, Hospitality, Lodgers, and Payments in lieu of taxes increased by \$2.6 from \$33.9 million in fiscal year 2005 to \$36.5 million in fiscal year 2006, or by 7.6%. More detail comparison of other taxes can be found on Schedule 3 in the Statistical Section of this report.

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Business-type activities. Business-type activities increased the City's net assets by \$37.9 million in fiscal year 2006. Business-type activities revenues increased \$7.8 million from \$185.5 in fiscal year 2005 to \$193.3 million in fiscal year 2006, or by 4.1%. Key factors for the increases in the Charges for Services category are as follows:

The Airport fund attributed to the largest growth in the business-type activities during the year and had an increase in net assets of \$24.6 million in fiscal year 2006 compared to a \$16.0 million increase in 2005. The significant portion in the

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increase in net assets was the addition of \$14.5 million in capital contributions related to the terminal expansion at the International Sunport which included \$11.3 for the reconfiguration of the security checkpoint and \$2.8 for the Double Eagle Control Tower project. The passenger facilities charges (PFCs) increased slightly from \$7.9 million to \$8.2 million in fiscal year 2006, and after four years of impacted growth, has finally reached the pre-September 11, 2001 level of \$8.2 million. For the Refuse Disposal fund, the reported change in net assets of \$2.2 million was slightly higher than the increased of \$2.0 million in fiscal year 2005. For the Transit Fund, the current year change in net assets was \$11.9 million compared to \$16.3 million for the prior year. The amount of capital assets purchased or constructed decreased from \$23.7 million in fiscal year 2005 to \$13.4 million in fiscal year 2006. The decrease in capital contribution was offset by the operating subsidy transfer from the General Fund that was increased from \$25.3 million in fiscal year 2005 to \$33.0 million in fiscal year 2006. The changes in the net assets of the other business-type activities amount to an accumulated net decrease of \$944,092.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Permanent Funds.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$329.2 million, a decrease of (\$43.0 million) in comparison with the prior year. Approximately 79.2% of this amount, \$260.9 million, is unreserved fund balance available for spending at the government's discretion of which \$213.4 million is unreserved, undesignated and \$47.4 million is unreserved, designated for subsequent years' operations. Included in unreserved fund balance is \$110.5 million in the Capital Acquisition Fund. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) \$14.5 million to pay debt service; 2) \$22.2 million for acquisition and management of open space and urban enhancement; 3) \$20.3 million to show the fund balance representing advances to other funds and other assets not available for spending; and 4) \$11.3 million for various other restricted purposes.

Revenues for governmental funds overall totaled approximately \$706.7 million in the fiscal year ended June 30, 2006, which represents an increase of \$66.8 million from the previous year total of \$639.9 million. The major causes for the increase were: 1) tax revenues increased by \$34.1 million; 2) intergovernmental revenues increased by \$20.4 million caused by an increase of state shared gross receipts tax; and 3) charges for services revenues increased by \$2.8 million.

Expenditures for governmental funds of \$753.7 million increased by \$22.1 million from the previous year total of \$731.6 million. The primary cause was increased expenditures of \$22.6 million for public safety and \$8.2 million for culture and recreation. These increases in expenditures generally reflect a rise in demand and need for public services. The increase in public safety expenditures is attributed in part to the dedication of public safety quarter cent tax revenues to the Albuquerque Police Department projects, correction and detention, emergency preparedness, and crime prevention and intervention initiatives.

General Fund. This is the City's chief operating fund. At the end of the current fiscal year, the total fund balance was \$87.3 million, of which \$82.0 million is available as an unreserved fund balance. \$47.4 million of the unreserved fund balance is designated for subsequent years' operations. The remaining fund balance is reserved to indicate that non-current financial resource assets of \$5.3 million are unavailable to spend or already are committed for spending. The net change in fund balance for the current fiscal year was an increase of \$1.9 million. The total revenues of \$444.3 million for the current fiscal year were \$33.0 million greater than for the previous fiscal year. The increase largely resulted from an increase of \$16.5 million in tax revenues, \$12.6 million in intergovernmental revenues, and \$1.4 million in interest revenues.

Total expenditures of \$372.1 million represent an increase of \$35.1 million over the previous fiscal year. A significant portion of this increase was \$17.6 million for police and fire protection programs due to an increased emphasis on public safety. Additional increases in expenditures from the previous fiscal year are \$10.1 million for culture and recreation and \$4.0 million for general government expenditures. In 2006, the City reorganized additional programs and activities into the Department of Municipal Development that was created in fiscal year 2004. The City now reports this

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functional category in lieu of the traditional Public Works category. See the General Fund budgetary highlights for an analysis with respect to budgets.

G.O. Bond Debt Service Fund. This fund is used to accumulate resources for the repayment of the City's General obligation bonds. G.O. bonds are backed by the full faith and credit of the City and may be used to finance any capital improvement approved by the voters. G.O. bonds may be redeemed by any regular City funding, but by policy, are generally redeemed by property taxes paid to the City. The City's General Obligation Debt Service fund balance decreased \$12.6 million from \$22.6 million in fiscal year 2005 to \$9.9 million in fiscal year 2006 as the result of principal and interest debt payments exceeding dedicated revenues. Property tax revenues dedicated to the repayment of GO Bonds increased by \$7.4 million from \$66.0 million in fiscal year 2005 to \$73.4 million in fiscal year 2006, or by 11.2%. The percentage increase is consistent with the overall percentage increase for the assessed taxable value of property within the City for 2006 which increased 12.3%. Interest earned in the GO Bond Debt Service Fund increase to \$1.6 million from \$1.1 million in the previous year. The City's property tax rates have remained constant for well over a decade and no tax rate increase has been required to fund the G.O. bond program of capital improvements.

Capital Acquisition Fund. This fund is used to accumulate resources for the acquisition of Capital. Capital is defined as tangible property with a life beyond a one year budget cycle. Land, infrastructure, equipment, buildings as well as the services required to build or install these assets may be classified as capital. Capital acquisition is primarily funded by bond proceeds, but recurring and non-recurring revenue may be used. Major capital improvements for the City are funded primarily with general obligation and enterprise fund revenue bonds. In many cases, these bond funds are matched with Federal and/or State contributions and private assessments. During the 2006 fiscal year, the Capital Acquisition Fund unreserved fund balance decreased by \$45.7 million from \$156.2 million in fiscal year 2005 to \$110.4 million in fiscal year 2006. The decrease in fund balance during the year is attributed to the expenditure of capital outlay in the amount of \$140.8 million exceeding new debt proceeds of \$37.0 million, intergovernmental revenues of \$33.5, net transfers in of \$9.4 million, and other revenue sources of \$10.7 million.

Proprietary funds. The City's proprietary funds provide the same type of information presented in the government-wide financial statements Business-type Activities, but in more detail.

At the end of the fiscal year, the unrestricted net assets (in millions) were as follows:

Airport Fund	\$	18.7
Refuse Disposal Fund		6.1
Transit Fund		6.6
Nonmajor enterprise funds		(6.0)
	\$	<u>25.4</u>

Internal Service Funds. Internal Service Funds are used to account for certain governmental activities, and had unrestricted net assets of \$8.3 million in fiscal 2006 as compared to a deficit unrestricted net assets of (\$3.3 million) in fiscal year 2005. In fiscal year 2005, the Risk Management fund, an internal service fund, had deficit unrestricted net assets of (\$8.7 million) resulting from unanticipated judgment awards and claims against the City in prior years. In fiscal year 2006, the Risk Management fund net asset had unrestricted fund balance of \$723,384 which increased from (\$8.6 million) in fiscal year 2005. The change in the Risk Management fund balance is due to a five-year recovery plan implemented by the City to reduce the deficit unrestricted net assets to zero. All other internal service funds had positive unrestricted net assets.

Fiduciary funds. The only fund in this category is the City's Trust and Agency fund. This fund is used by the City to account for funds held for third parties. There were no significant changes during the year.

General Fund budgetary highlights

The City's final fiscal year 2006 budget did not differ significantly from the original budget, primarily because the growth in gross receipts tax revenues and other revenue sources was equal to or greater than forecasted growth. During the year, the City's General Fund original budget of \$446.5 million increased by \$13.8 million to \$460.4 million, or by 3.1%. Significant changes between the original budget and final amended budget are summarized as follows. Appropriations for Public Safety – Police Department were increased from \$119.7 million to \$122.1 million for the following programs: \$1,224,000 for central support services, \$748,000 was for neighborhood policing, \$220,000 for prisoner transport and \$174,000 for investigative services. Appropriations for Public Safety – Fire Department were increased from \$62.9

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million to \$64.9 million to fund the following programs: \$890,000 for logistics support and \$579,000 emergency response and various other operations. Appropriations for General Government – City Support function were increased by \$852,000 for Katrina relief efforts that were provided to victims of the Hurricane. Appropriated transfers from the General Fund to the Transit fund were increased by \$1.5 to fund ongoing operating costs. Appropriations for Culture and recreation – Family and Community Services were increased from \$32.7 million to \$35.3 million to fund the following programs: \$1.5 mental health services, \$550,000 emergency shelter services, and \$400,000 for substance abuse. All General Fund departments continue to answer the call for budgetary responsibility by carefully controlling their expenses and returning funds. These actions resulted in actual expenditures being \$10.8 million less than the final budget.

Revenues continued to be difficult to predict during this fiscal year with mixed economic indicators and activities. Gross receipts tax revenues showed overall strength in virtually every sector, and construction permit revenues growth has continued. Revenues were \$24.7 million greater than anticipated in the original budget. Gross receipts tax (local option and state shared) a major component of the City's operating revenue came in at \$13.3 million more than the original budget. Property tax revenues were \$2.0 million higher expected as the result of 12.3% increase in assessed taxable property values within the City. Revenues were weaker than budgeted in indirect overhead (\$2.1 million). Revenues from licenses and permits were \$3.2 million higher than projected as a result of continued strength in the construction area as well as substantial state and federal government road construction within the City.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's capital assets for its governmental and business-type activities as of June 30, 2006, amount to \$3.4 billion (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, and equipment. The total increase in the City's capital assets for the current fiscal year was \$159.3 million or 4.9% from fiscal year 2005.

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2006	2005*	2006	2005	2006	2005*	
Land and Right of Way	\$1,281.8	\$1,274.5	\$ 61.0	\$ 59.5	\$1,342.8	\$1,334.0	0.6%
Other	1.0	1.8	0.7	0.7	1.7	2.5	-32.0%
Buildings and improvements	153.2	133.8	238.9	214.6	392.1	348.4	12.5%
Runways and improvements	-	-	89.6	97.1	89.6	97.1	-7.7%
Improvements other than buildings and runways	157.5	146.3	69.3	41.8	226.8	188.1	20.5%
Equipment	42.1	35.6	42.7	43.7	84.8	79.3	6.9%
Infrastructure	785.7	751.7	2.5	-	788.2	751.7	4.8%
Construction in progress	408.9	367.4	21.6	28.5	430.5	395.9	8.7%
Total	\$2,830.2	\$2,711.1	\$ 526.3	\$ 485.9	\$3,356.5	\$3,197.0	4.9%

* Restated

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

In *governmental activities*, a significant portion of the increase is attributed to the restatement of \$1.7 billion (net value) in infrastructure from prior year's activity which included \$455.7 million of streets, \$692.9 of storm, and \$1 billion of road Right of Way. The restatement was recorded in compliance with GASB statement 34 infrastructure reporting under a timely implementation. In Fiscal year 2006, \$50 million of street infrastructure was placed into service along with \$10.5 million of storm infrastructure, \$7.2 million for parks and recreation community centers and swimming pools, \$10.7 million for Senior Citizen Community Center buildings, \$4.5 million on law enforcement vehicles, \$2.2 million on vehicles for the fire department, and \$11 million of parks and recreation improvements. The construction work in progress balance consists of expenditures made in connection with the Capital Acquisition, Infrastructure Tax, and Quality of Life Funds which have not been completed or placed into service. The construction work in progress increased by \$41.5 million primarily due to streets and park development.

In *business-type activities*, the additions to buildings were for the Aviation Fund security checkpoint reconfiguration (\$11.4 million) and Double Eagle II Control Tower (\$2.8 million); the Golf Fund clubhouse replacement (\$1.8 million);

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2006

the Transit Fund west-side transit facility (\$13.1 million) and ATC Depot (\$5.2 million). The additions to runways were for the Aviation Fund (\$3.3 million). The additions to improvements were for the Aviation Fund for fuel farm (\$13.7 million), terminal optimization (\$12.3 million), landscape modification (\$3 million) and parking structure development (\$1 million). The additions to equipment were to the Transit Fund for buses (\$2 million), and the Refuse Fund for heavy equipment and refuse disposal vehicles (\$8 million) and a billing system (\$1 million). The construction work in progress decreased by \$7 million. The construction work in progress consists of expenditures made in connection with the Airport Fund, Golf Fund, Refuse Disposal Fund, Transit Fund, and Housing Authority Fund which have not been completed or placed into service. The major amounts are for improvements to the Sunport and Transit Fund's new West Side Facility and ATC Depot. More detailed information may be found in Section IV Note C Capital Assets of the accompanying financial statements.

Debt Administration. At the end of the current fiscal year, the City had total long-term obligations of \$785.9 million, of which \$145.9 million is due within the next fiscal year. The total bonded debt (net of unamortized discounts and deferred amounts on refunding and including unamortized premiums) is \$674.8 million. The remaining debt is for loans, accrued vacation and sick leave pay, and claims payable. During the fiscal year ended June 30, 2006 the City issued \$37.0 million in short term general obligation bonds. Bond proceeds were deposited into the Capital Acquisition Fund to finance projects relating to fire protection (\$3.2 million), citizens' centers (\$3.5 million), parks and other recreational equipment (\$8.5 million), facilities and equipment (\$2.4 million), public library (\$1.7 million), public transit facilities (\$4.2 million), zoo (\$1.5 million), storm sewer (\$3.0 million), streets (\$8.0 million) and museums (\$1.0 million).

The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators to management, citizens and investors of the City's debt position. The State's Constitution provides for a legal debt limit of 4% of taxable valuation. The percentage for the City of Albuquerque is 2.97 of the \$9.3 billion taxable value of property within the City's boundaries. The City currently may issue up to an additional \$148.5 million of general obligation bonds. It has \$223.7 million of general obligation debt outstanding subject to the legal debt limit at June 30, 2006. The net general bonded debt per capita is \$557.61. The highest per capita amount in the last five fiscal years was \$599.29 in the fiscal year ended June 30, 2005 and the lowest per capita amount was \$338.22 in the fiscal year ended June 20, 2003.

The City's ratings on uninsured general obligation bonds remained unchanged from the prior year, and as of June 30, 2006 were:

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

More detailed information may be found in Note G of the accompanying financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2007 budget. Many of the City's revenues are influenced by the economy. The gross receipts tax revenue forecast, particularly, is highly influenced by economic conditions. The budget contemplates growth in gross receipts tax revenues over the prior year, reflecting slightly weaker national economy, but a somewhat stronger local economy in terms of total employment. Construction employment in the area has remained unusually high, but is expected to slow fiscal year 2007. This slowdown is expected to decrease the Gross Receipts Tax revenue from construction projects.

Charges for entry into City venues remained unchanged in the fiscal year 2007 budget. However, the budget does include revenues from new City venues such as the opening of a new Olympic pool on the Westside, revenue from operations of the Albuquerque Golf Academy, and the opening of two animal adoption centers. A change in fee the City charges for records searches is the only fee increase in the General Fund for fiscal year 2007.

Property tax revenues continue to grow as the economy expands. One mill of taxing authority was converted from capital to operations during fiscal year 2004. A state imposed limitation on assessed value for residential properties is not expected to have a major fiscal impact in the near term. In the October 2005 general municipal election, the voters passed a bond issue of \$121.1 million. The infrastructure program is expected to have only modest impact on the City's operating budget.

CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2006

Effective July 1, 2006 the City turned over operations of the Metropolitan Detention Center to Bernalillo County. Although not included in the fiscal year 2007 budget, the City cut taxes by 0.125% effective January 1, 2007. This was to offset the same increase in taxes imposed by Bernalillo County to operate the Detention Center. The following table presents the underlying assumptions used in the budget process:

Economic Variables Underlying the Forecast by Fiscal Year			
January 2006			
	2005	2006	2007
National Variables			
Real GDP Growth	3.70%	3.60%	3.00%
Federal Funds Rate	2.20%	4.20%	4.80%
10 U.S. Bonds	4.20%	4.60%	5.20%
CPI U	3.00%	3.60%	1.80%
Unemployment Rate(U.S.)	5.30%	4.90%	4.90%
Employment(Total non-farm)	1.60%	1.50%	1.50%
Employment (Manufacturing)	0.00%	-0.30%	-1.00%
Consumer sentiment index--University of Michigan	93.4	87.8	93.2
Exchange Rates	0.82	0.84	0.78
Current Trade Account	-751.8	-866.8	-927.7
Wage	2.40%	2.50%	3.10%
Output per hour	2.50%	3.00%	2.10%
Albuquerque Variables			
Employment Growth and Unemployment in Albuquerque MSA			
Total Non-Ag ABQ	2.20%	2.10%	2.70%
Private-Non Construction	1.60%	1.70%	2.70%
Construction Employment (growth)	7.90%	6.90%	2.70%
Manufacturing(ABQ)	-0.70%	2.80%	6.70%
Unemployment Rate (Alb.)	5.20%	5.10%	5.00%
Construction Units Permitted in City of Albuquerque			
Single-Family Permits	4,953	4,271	3,591
Multi-Family Permits	466	274	408
Total Residential Permits	5,419	4,545	3,999

Source Global Insight and FOR-UNM January 2006 Baseline Forecasts

The total original General Fund appropriation for fiscal year 2007 is \$476.7 million before interfund eliminations and \$434.4 million after eliminations. Total appropriation increased by \$30.2 million, which is a 6.76% increase over the original fiscal year 2006 budget. Recurring appropriations increased by 5.1%, while non-recurring appropriations increased by 27.6%, primarily due to the use of fund balances.

The international, national, state and local economies have shown modest growth following the 2001-2002 recession, but recent increases and sustained high prices of oil and natural gas, bring concern about the effects it will have on the City's 2007 budget. Costs for items such as fleet and building operations are escalating or remain high. These increased prices also may have negative impacts on revenues as consumers spend more on gasoline and fewer dollars are available to spend on items subject to the gross receipts tax. However, the City continues to diligently monitor expenditures along with revenues so that it can respond quickly should changes be required.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director's office for the Department of Finance and Administrative Services of the City at Director's Office, DFAS, Room 11015, One Civic Plaza N.W., Albuquerque, New Mexico 87103.

FINANCIAL SECTION
BASIC FINANCIAL STATEMENTS

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash, investments, and accrued interest	\$ 287,248,732	\$ 36,874,902	\$ 324,123,634	\$ 26,766,770
Cash with fiscal agents held for debt service	89,859,792	20,378,761	110,238,553	39,461,690
Cash held by others	-	1,407,913	1,407,913	-
Taxes receivable	72,958,957	-	72,958,957	-
Accounts receivable, net of allowance for uncollectibles	3,498,895	8,345,942	11,844,837	10,226,675
Notes receivable, current portion	-	-	-	1,213,410
Due from other governments	20,492,509	4,623,295	25,115,804	1,991,554
Deposits	100,000	-	100,000	-
Internal balances	20,851,584	(20,851,584)	-	-
Inventories	2,455,668	2,391,927	4,847,595	-
Prepaid expenses	419,790	32,789	452,579	-
Total current assets	497,885,927	53,203,945	551,089,872	79,660,099
Noncurrent Assets:				
Long-term accounts and notes receivable	14,467,967	-	14,467,967	7,705,710
Restricted assets:				
Cash, investments and accrued interest	64,163,803	106,792,041	170,955,844	91,339,646
Investment with fiscal agents	-	-	-	1,337,211
Accounts receivable - developers	-	2,515,312	2,515,312	-
Accounts receivable from bond escrow agent	-	1,446,214	1,446,214	-
Escrow deposits	-	475,373	475,373	146,492
Total restricted assets:	64,163,803	111,228,940	175,392,743	92,823,349
Capital assets:				
Land and construction in progress	1,691,711,059	83,333,681	1,775,044,740	202,743,326
Capital assets being depreciated	1,895,465,707	944,803,421	2,840,269,128	1,576,186,105
Accumulated depreciation	(757,008,021)	(501,774,615)	(1,258,782,636)	(790,394,721)
Capital assets, net of depreciation	2,830,168,745	526,362,487	3,356,531,232	988,534,710
Other:				
Purchased water rights, net of accumulated amortization	-	-	-	29,073,663
Capitalized bond issue costs	-	2,053,490	2,053,490	2,457,503
Deferred charges and other assets	6,443,017	-	6,443,017	-
Total other	6,443,017	2,053,490	8,496,507	31,531,166
Total noncurrent assets	2,915,243,532	639,644,917	3,554,888,449	1,120,594,935
Total assets	3,413,129,459	692,848,862	4,105,978,321	1,200,255,034

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	19,496,462	1,074,792	20,571,254	2,125,897
Accrued employee compensation and benefits	35,008,349	5,299,499	40,307,848	2,469,592
Accrued interest payable	8,394,609	-	8,394,609	466,562
Deposits	1,215,178	623,254	1,838,432	701,627
Unearned revenue	18,739,791	2,791,688	21,531,479	-
Due to other governments	999,850	30,800	1,030,650	-
Payable from restricted assets:				
Contracts, claims, and other payable	34,421,723	8,778,835	43,200,558	23,260,967
Current portion:				
Bonds and notes payable	79,291,299	15,868,506	95,159,805	35,375,416
Water rights and loan agreements	-	-	-	502,526
Accrued interest	-	5,098,586	5,098,586	8,177,630
Total current liabilities	197,567,261	39,565,960	237,133,221	73,080,217
Noncurrent liabilities:				
Liabilities payable from restricted assets:				
Landfill closure costs	-	1,367,903	1,367,903	-
Other	-	193,213	193,213	-
Total liabilities payable from restricted assets	-	1,561,116	1,561,116	-
Long-term payable:				
Bonds and notes payable, net of current portion, discounts and premiums	346,655,574	257,168,339	603,823,913	257,608,339
Water rights contract and loan agreements	-	-	-	173,819,516
Total long-term payable	346,655,574	257,168,339	603,823,913	431,427,855
Other:				
Accrued vacation, sick leave and claims	33,438,599	1,407,148	34,845,747	653,124
Deferred credits and other liabilities	1,076,701	-	1,076,701	877,107
Total other	34,515,300	1,407,148	35,922,448	1,530,231
Total noncurrent liabilities	381,170,874	260,136,603	641,307,477	432,958,086
Total liabilities	578,738,135	299,702,563	878,440,698	506,038,303
NET ASSETS				
Invested in capital assets, net of related debt	2,634,062,347	296,141,191	2,930,203,538	609,954,619
Restricted for:				
Debt service	34,760,399	12,018,603	46,779,002	12,919,005
Construction	87,776,730	59,525,189	147,301,918	5,539,537
Housing & economic development	14,820,886	-	14,820,886	-
Federal & state funded programs	2,870,321	-	2,870,321	-
Open space and urban enhancement				
Expendable	1,338,939	-	1,338,939	-
Nonexpendable	23,608,107	-	23,608,107	-
Unrestricted	35,153,595	25,461,317	60,614,912	65,803,570
Total net assets	\$ 2,834,391,324	\$ 393,146,299	\$ 3,227,537,623	\$ 694,216,731

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 77,107,681	\$ (3,752,615)	\$ 42,539,075	\$ 1,951,947
Public safety	233,410,622	2,175,807	29,001,098	4,894,938
Culture and recreation	77,297,628	241,122	7,186,809	37,468
Public works/Municipal Development	37,768,785	577,315	-	2,060,028
Health and welfare	14,436,353	245,186	6,213,544	925,470
Human services	49,466,579	513,185	385,537	20,670,083
Housing	3,071,733	-	-	1,742,202
Highways and streets	22,803,534	-	1,254,769	4,833,012
Interest and other charges	18,970,735	-	-	-
Total governmental activities	<u>534,333,650</u>	<u>-</u>	<u>86,580,832</u>	<u>37,115,148</u>
Business-like activities:				
Airport	59,904,463	-	68,416,707	-
Refuse disposal	45,080,158	-	46,541,085	-
Transit	40,960,678	-	4,033,249	-
Golf course	3,820,060	-	4,212,915	-
Apartments	3,368,112	-	2,980,068	-
Housing authority	27,296,856	-	1,755,436	24,092,042
Parking facilities	5,769,860	-	4,038,097	256,733
Stadium	2,466,617	-	1,724,548	-
Total business-like activities	<u>188,666,804</u>	<u>-</u>	<u>133,702,105</u>	<u>24,348,775</u>
Total primary government	<u>\$ 723,000,454</u>	<u>\$ -</u>	<u>\$ 220,282,937</u>	<u>\$ 61,463,923</u>
Component Unit:				
Albuquerque Bernalillo County				
Water Utility Authority	<u>\$ 125,421,713</u>	<u>\$ -</u>	<u>\$ 155,759,008</u>	<u>\$ -</u>

General Revenues:

Taxes:
Property taxes
Franchise taxes
Hospitality taxes
Lodgers' taxes
Gross receipts taxes, local option
Payments in lieu of taxes
NM shared taxes and fees not restricted to specific programs
Grants and contributions not restricted to specific programs
Miscellaneous revenue
Unrestricted investment earnings
Transfers
Total general revenues and transfers
Change in net assets
Net assets, July 1
Retroactive reporting of GASB Statement No. 34 Infrastructure Restatement
Net assets, July 1, as restated
Net assets, June 30

The accompanying notes are an integral part of these financial statements

Program Revenues, cont.	Net (Expenses) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
\$ -	\$ (28,864,044)	\$ -	\$ (28,864,044)	
1,097,787	(200,592,606)	-	(200,592,606)	
-	(70,314,473)	-	(70,314,473)	
-	(36,286,072)	-	(36,286,072)	
-	(7,542,525)	-	(7,542,525)	
-	(28,924,144)	-	(28,924,144)	
-	(1,329,531)	-	(1,329,531)	
-	(16,715,753)	-	(16,715,753)	
-	(18,970,735)	-	(18,970,735)	
<u>1,097,787</u>	<u>(409,539,883)</u>	<u>-</u>	<u>(409,539,883)</u>	
14,524,337	-	23,036,581	23,036,581	
-	-	1,460,927	1,460,927	
15,798,789	-	(21,128,640)	(21,128,640)	
10,410	-	403,265	403,265	
-	-	(388,044)	(388,044)	
-	-	(1,449,378)	(1,449,378)	
-	-	(1,475,030)	(1,475,030)	
74,315	-	(667,754)	(667,754)	
<u>30,407,851</u>	<u>-</u>	<u>(208,073)</u>	<u>(208,073)</u>	
<u>\$ 31,505,638</u>	<u>\$ (409,539,883)</u>	<u>\$ (208,073)</u>	<u>\$ (409,747,956)</u>	
<u>\$ 16,853,909</u>				<u>\$ 47,191,204</u>
	101,600,383	-	101,600,383	-
	19,290,495	-	19,290,495	-
	1,995,823	-	1,995,823	-
	9,995,729	-	9,995,729	-
	184,643,805	-	184,643,805	-
	5,202,860	-	5,202,860	-
	180,991,062	-	180,991,062	-
	34,041,732	-	34,041,732	-
	27,167,545	1,724,197	28,891,742	-
	16,718,450	3,051,453	19,769,903	5,019,000
	<u>(33,346,329)</u>	<u>33,346,329</u>	<u>-</u>	<u>-</u>
	<u>548,301,555</u>	<u>38,121,979</u>	<u>586,423,534</u>	<u>5,019,000</u>
	<u>138,761,672</u>	<u>37,913,906</u>	<u>176,675,578</u>	<u>52,210,204</u>
	938,261,578	355,232,393	1,293,493,971	642,006,527
	1,719,741,647	-	1,719,741,647	-
	37,626,427	-	37,626,427	-
	<u>2,695,629,652</u>	<u>355,232,393</u>	<u>3,050,862,045</u>	<u>642,006,527</u>
	<u>\$ 2,834,391,324</u>	<u>\$ 393,146,299</u>	<u>\$ 3,227,537,623</u>	<u>\$ 694,216,731</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2006

	<u>General Fund</u>	<u>GO Bond Debt Service Fund</u>
ASSETS		
Cash, investments, and accrued interest	\$ 75,821,977	\$ 8,620,107
Cash with fiscal agents	-	81,722,581
Investments with fiscal agents	-	-
Taxes receivable, net of allowance for uncollectible:	61,765,981	3,575,389
Other receivables, net of allowance for uncollectible	1,607,925	-
Due from other governments	249,494	-
Due from other funds	543,681	-
Advances to other funds	-	-
Inventories of supplies	96,839	-
Prepaid items	72,856	-
Land held for sale	-	-
Total assets	<u>\$ 140,158,753</u>	<u>\$ 93,918,077</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 9,192,547	\$ 13,745
Contracts and retainage payable	-	-
Accrued employee compensation and benefits	8,452,331	-
Due to other funds	864,237	-
Due to other governments	-	-
Advances from other funds	-	-
Deferred revenue	33,318,515	2,204,639
Deposits	980,552	-
Matured bonds and interest payable	-	81,722,581
Total Liabilities	<u>52,808,182</u>	<u>83,940,965</u>
Fund Balances:		
Reserved for:		
Encumbrances	5,164,191	-
Inventories of supplies	96,839	-
Prepaid items	72,855	-
Land held for resale	-	-
Advances to other funds	-	-
Transfer to capital acquisition fund	-	-
Acquisition and management of open space land	-	-
Urban enhancement	-	-
Debt service funds	-	9,977,112
Unreserved, designated for		
Subsequent years' operations	47,411,000	-
Unreserved undesignated report in:		
General Fund	34,605,686	-
Special Revenue funds	-	-
Capital projects funds	-	-
Total fund balances	<u>87,350,571</u>	<u>9,977,112</u>
Total liabilities and fund balances	<u>\$ 140,158,753</u>	<u>\$ 93,918,077</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2006

<u>Capital Acquisition Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
\$ 112,011,002	\$ 98,780,797	\$ 295,233,883
-	6,958,411	88,680,992
717,785	461,015	1,178,800
-	7,617,587	72,958,957
1,369,663	14,989,274	17,966,862
12,888,523	7,290,215	20,428,232
-	-	543,681
-	20,300,000	20,300,000
-	191,583	288,422
-	-	72,856
-	4,470,382	4,470,382
<u>\$ 126,986,973</u>	<u>\$ 161,059,264</u>	<u>\$ 522,123,067</u>
\$ 3,687,928	\$ 4,874,979	\$ 17,769,199
9,510,852	2,994,871	12,505,723
53,098	939,887	9,445,316
-	301,179	1,165,416
-	999,850	999,850
1,299,000	-	1,299,000
1,960,389	22,278,162	59,761,705
-	234,626	1,215,178
-	7,029,785	88,752,366
<u>16,511,267</u>	<u>39,653,339</u>	<u>192,913,753</u>
-	1,187,804	6,351,995
-	-	96,839
-	-	72,855
-	4,470,382	4,470,382
-	20,300,000	20,300,000
-	353,368	353,368
-	12,798,271	12,798,271
-	9,436,067	9,436,067
-	4,483,287	14,460,399
-	-	47,411,000
-	-	34,605,686
-	26,911,919	26,911,919
110,475,706	41,464,827	151,940,533
<u>110,475,706</u>	<u>121,405,925</u>	<u>329,209,314</u>
<u>\$ 126,986,973</u>	<u>\$ 161,059,264</u>	<u>\$ 522,123,067</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

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

Total Fund Balance Governmental Funds (page 29).	\$ 329,209,314
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,830,168,745
Long-term obligations applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due. All liabilities are reported in the statement of net assets.	(374,834,096)
Internal service funds are used by the City to charge the cost of tort liability, workers compensation and employee health insurance to other individual funds. In additions, the cost of providing communications, fleet maintenance and supplies warehousing services are also charged. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	8,977,133
Other deferred and accrued charges that are not financial uses and resources and, therefore, are not reported in the funds.	478,666
Interest earned on loans receivable are not available for collections and are not included in the governmental fund financial statements. However, the accrued interest is reported in the governmental-wide financial statements.	38,110
Capital assets included in both Internal Service fund and capital asset reconciliation balances.	(630,352)
Some of the City's taxes will be collected after year-end and amounts due on real estate contracts are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenue in the funds.	40,983,804
Total net assets of governmental activities (page 25)	\$ 2,834,391,324

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	GO Bond Debt Service Fund
Revenues:		
Taxes	\$ 200,301,935	\$ 73,461,617
Licenses and permits	15,203,198	-
Intergovernmental	180,444,108	-
Charges for services	43,813,352	-
Fines and forfeits	297,621	-
Interest	3,014,166	1,592,530
Special Assessments	-	-
Collections on real estate contracts receivable	-	-
Miscellaneous	1,242,475	-
	444,316,855	75,054,147
Total revenues		
Expenditures:		
Current		
General Government	60,152,981	-
Public safety	171,032,391	-
Culture and recreation	62,450,750	-
Municipal Development/Public works	23,194,402	-
Highways and streets	-	-
Health	9,223,109	-
Human services	27,753,723	-
Housing	-	-
Debt service		
Principal	-	76,440,000
Interest	-	10,562,178
Fiscal agent fees and other fees	-	734,760
Capital Outlay	18,283,442	-
	372,090,798	87,736,938
Total expenditures		
Excess (deficiency) of revenues over expenditures	72,226,057	(12,682,791)
Other financing sources (uses):		
Transfers in	2,976,557	-
Transfers out	(73,276,058)	-
Bond issued	-	-
	(70,299,501)	-
Total other financing sources (uses)		
Net change in fund balances	1,926,556	(12,682,791)
Fund balances , July 1	85,424,015	22,659,903
Fund balances, June 30	\$ 87,350,571	\$ 9,977,112

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

Capital Acquisition Fund	Nonmajor Funds	Total
\$ 538,714	\$ 46,420,925	\$ 320,723,191
-	2,564,742	17,767,940
33,124,771	58,458,215	272,027,094
-	10,405,881	54,219,233
-	1,076,941	1,374,562
4,335,635	4,126,702	13,069,033
-	3,818,055	3,818,055
-	1,231,970	1,231,970
10,701,222	10,581,450	22,525,147
<u>48,700,342</u>	<u>138,684,881</u>	<u>706,756,225</u>
-	11,399,355	71,552,336
-	57,820,243	228,852,634
-	5,999,854	68,450,604
-	1,696,885	24,891,287
-	5,925,967	5,925,967
-	4,910,036	14,133,145
-	24,084,589	51,838,312
-	3,073,404	3,073,404
-	8,181,272	84,621,272
-	7,181,971	17,744,149
-	154,592	889,352
140,898,929	22,595,801	181,778,172
<u>140,898,929</u>	<u>153,023,969</u>	<u>753,750,634</u>
<u>(92,198,587)</u>	<u>(14,339,088)</u>	<u>(46,994,409)</u>
12,184,426	45,006,091	60,167,074
(2,760,710)	(17,207,635)	(93,244,403)
37,000,000	-	37,000,000
<u>46,423,716</u>	<u>27,798,456</u>	<u>3,922,671</u>
(45,774,871)	13,459,368	(43,071,738)
<u>156,250,577</u>	<u>107,946,557</u>	<u>372,281,052</u>
<u>\$ 110,475,706</u>	<u>\$ 121,405,925</u>	<u>\$ 329,209,314</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2006

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Net Activities:

Net change in fund balances – total governmental funds (page 32) \$ (43,071,738)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation in the current period. This is the amount by which capital outlays exceeded depreciation in the current period. 119,093,429

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 49,401,674

Internal service funds are used by the City to charge the cost of tort liability, workers compensation and employee health insurance to other individual funds. In addition, the cost of providing communications, fleet maintenance and supplies warehousing services are also charged. The net revenue of the internal service funds is reported with governmental activities. 11,567,857

Internal Service funds capital outlay additions net of depreciation which are included in the governmental capital outlay expenditure reconciliation amount. 71,789

Under the modified accrual basis of accounting used in the governmental funds, revenue is recognized when available to provide financing resources for the current period. Likewise, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, revenues and related receivable and expenses and related liabilities are reported regardless of when financial resources are available. This adjustment combines the net change of balances. 4,139,020

Interest earned on loans receivable are not available for collections and are not included in the governmental fund financial statements. However, the accrued interest is reported in the governmental-wide financial statements. 11,806

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (2,452,165)

Change in net assets of governmental activities (page 27) \$ 138,761,672

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Current property tax	\$ 25,664,000	\$ 25,664,000	\$ 27,668,726	\$ 2,004,726
Delinquent property tax	762,000	762,000	936,497	174,497
Franchise taxes:				
Telephone	4,169,000	4,169,000	3,241,614	(927,386)
Electric	5,904,000	5,904,000	5,886,870	(17,130)
Gas	4,321,000	4,321,000	5,493,835	1,172,835
Cable television	3,468,000	3,468,000	3,357,527	(110,473)
New Mexico Utility	220,000	220,000	233,055	13,055
Telecommunications	-	-	538,880	538,880
Payments in lieu of Taxes	5,141,000	5,141,000	5,202,860	61,860
Gross receipts tax-local option	141,364,000	141,364,000	147,742,071	6,378,071
Total taxes	191,013,000	191,013,000	200,301,935	9,288,935
Licenses and permits:				
Liquor licenses	214,000	214,000	208,062	(5,938)
Building permits	3,767,000	3,767,000	5,200,750	1,433,750
Plumbing/mechanical permits	1,470,000	1,470,000	1,920,850	450,850
Electrical/refrigeration permits	1,002,000	1,002,000	1,307,593	305,593
Plan checking permits	2,472,000	2,472,000	3,524,890	1,052,890
Flood plain certification	320,000	320,000	245,550	(74,450)
Reroofing permits	29,000	29,000	43,772	14,772
Restaurant inspections	746,000	746,000	605,759	(140,241)
Food retailers inspections	-	-	161,749	161,749
Swimming pool inspections	120,000	120,000	120,314	314
Animal licenses	275,000	275,000	274,115	(885)
Right of way usage permits	176,000	176,000	195,267	19,267
Loading zone permits	-	-	9,617	9,617
Solicitation permits	6,000	6,000	1,706	(4,294)
Business registration fees	1,212,000	1,212,000	1,166,904	(45,096)
Other licenses and permits	194,000	194,000	216,300	22,300
Total licenses and permits	12,003,000	12,003,000	15,203,198	3,200,198
Intergovernmental:				
State shared:				
Gross receipts tax	167,050,000	167,050,000	173,954,746	6,904,746
Cigarette tax	560,000	560,000	506,209	(53,791)
Motor vehicle license distribution	1,364,000	1,364,000	1,397,097	33,097
Municipal road - gas tax	2,300,000	2,300,000	2,571,308	271,308
DWI Fines	400,000	400,000	355,299	(44,701)
Grants:				
Other	14,000	318,000	1,097,787	779,787
Local administered grants:				
Bernalillo County-shared operations	264,000	318,000	561,662	243,662
Total intergovernmental	171,952,000	172,310,000	180,444,108	8,134,108

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued):				
Charges for services:				
General government:				
Photocopying	153,000	153,000	161,842	8,842
Engineering fees	1,600,000	1,600,000	2,731,083	1,131,083
Filing of plats and subdivisions	432,000	432,000	351,600	(80,400)
Sign fees	84,000	84,000	121,930	37,930
Zoning fence permit fees	188,000	188,000	213,207	25,207
Sale of maps and publications	5,000	5,000	9,352	4,352
Records search fees	350,000	350,000	518,085	168,085
Jury duty and witness fees	13,000	13,000	3,747	(9,253)
Planning services	32,000	32,000	31,329	(671)
Shooting range fees	220,000	220,000	228,256	8,256
Grounds maintenance	521,000	521,000	520,987	(13)
Office services	35,000	35,000	37,126	2,126
Real property services	70,000	70,000	64,018	(5,982)
Material testing lab	-	-	15,291	15,291
Engineering inspections	-	-	219,882	219,882
Engineering surveying	-	-	19,851	19,851
Legal services	2,194,000	2,194,000	2,226,704	32,704
Administrative fees	48,000	48,000	183,877	135,877
Administrative charges to other funds	24,090,000	24,090,000	22,131,742	(1,958,258)
Other	825,000	825,000	922,268	97,268
Public safety:				
Police services	2,170,000	2,170,000	4,074,339	1,904,339
Fire services	326,000	326,000	360,465	34,465
Culture and recreation:				
Community centers	32,000	32,000	27,391	(4,609)
Swimming pools	510,000	510,000	595,507	85,507
Outdoor recreation fees	-	-	290,732	290,732
Sports programs	576,000	576,000	439,987	(136,013)
Other recreation charges	251,000	251,000	1,830	(249,170)
Tournament/field rental	80,000	80,000	103,807	23,807
Latch key program	770,000	770,000	714,439	(55,561)
Museum charges	526,000	526,000	198,784	(327,216)
Zoo admissions	1,829,000	1,829,000	1,962,955	133,955
Other zoo charges	51,000	51,000	100,202	49,202
Albuquerque aquarium and gardens	986,000	986,000	1,120,432	134,432
Cultural affairs	1,390,000	1,390,000	1,097,424	(292,576)

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued):				
Charges for services:				
Highways and streets:				
Compaction tests	180,000	180,000	206,100	26,100
Excavation permits	360,000	360,000	354,104	(5,896)
Other street division charges	434,000	434,000	499,298	65,298
Health:				
Animal control charges	400,000	400,000	567,843	167,843
Human services:				
Meal programs	160,000	160,000	155,872	(4,128)
Memberships	94,000	94,000	121,523	27,523
Coffee	14,000	14,000	16,659	2,659
Dances	31,000	31,000	40,399	9,399
DSA Route #2	28,000	28,000	20,379	(7,621)
Other	19,000	19,000	30,704	11,704
Total charges for services	<u>42,077,000</u>	<u>42,077,000</u>	<u>43,813,352</u>	<u>1,736,352</u>
Fines and forfeits:				
Air quality penalties	5,000	5,000	297,621	292,621
Total fines and forfeits	<u>5,000</u>	<u>5,000</u>	<u>297,621</u>	<u>292,621</u>
Interest:				
Interest on investments	1,800,000	1,800,000	3,014,166	1,214,166
Miscellaneous:				
Rental of City property	140,000	140,000	176,987	36,987
Community center rentals	270,000	270,000	315,171	45,171
Revenue sharing agreement	-	-	255,823	255,823
Sales of real property	-	-	91,742	91,742
Contributions and donations	20,000	20,000	22,276	2,276
Cash discounts earned	-	-	38,871	38,871
Other miscellaneous	328,000	328,000	341,605	13,605
Total miscellaneous	<u>758,000</u>	<u>758,000</u>	<u>1,242,475</u>	<u>484,475</u>
Total revenues	<u>419,608,000</u>	<u>419,966,000</u>	<u>444,316,855</u>	<u>24,350,855</u>

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
General Government:				
Accounting	2,915,000	2,928,000	2,875,408	52,592
Chief Administrative Officer	1,759,000	1,916,000	1,817,632	98,368
City buildings	6,596,000	6,668,000	6,535,038	132,962
City wide financial support	667,000	667,000	625,944	41,056
City/County building rental	2,789,000	2,789,000	2,789,000	-
Community revitalization	2,135,000	2,468,000	1,683,523	784,477
Compensation in lieu of sick leave	350,000	350,000	261,430	88,570
Council services	2,105,000	2,320,000	2,106,306	213,694
DFAS - Strategic support	351,000	351,000	341,444	9,556
Dues and memberships	456,000	387,000	363,407	23,593
Early retirement	7,000,000	7,000,000	6,129,449	870,551
Economic development	50,000	50,000	50,000	-
Information systems	7,793,000	7,895,000	7,731,641	163,359
Inspector general	250,000	250,000	638	249,362
International trade	248,000	248,000	235,100	12,900
ISD CIP funded	334,000	334,000	168,346	165,654
Katrina Relief	-	852,000	843,309	8,691
Legal services	5,048,000	5,164,000	4,935,145	228,855
Legislative coordinator	224,000	224,000	245,500	(21,500)
Mayor's office	812,000	872,000	765,730	106,270
Office of city clerk	1,555,000	1,949,000	1,834,776	114,224
Office of economic development	1,152,000	1,202,000	1,098,515	103,485
Office of internal audit	953,000	953,000	781,124	171,876
Office of management and budget	1,242,000	1,257,000	1,154,835	102,165
One stop shop	6,372,000	6,372,000	6,241,582	130,418
Personnel services	2,287,000	2,312,000	2,195,699	116,301
Planning & development review	1,331,000	1,361,000	1,231,757	129,243
Planning - Strategic support	973,000	973,000	972,920	80
Plaza del Sol building	1,291,000	1,291,000	1,291,000	-
Purchasing	1,098,000	1,098,000	1,010,039	87,961
Real property	498,000	498,000	470,229	27,771
Risk five year recovery plan	1,494,000	1,494,000	1,494,000	-
Treasury	1,402,000	1,402,000	1,380,305	21,695
Safe city strike force	947,000	985,000	939,050	45,950
Total general government	<u>64,477,000</u>	<u>66,880,000</u>	<u>62,599,821</u>	<u>4,280,179</u>

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Current:				
Public safety:				
Police Department:				
Central support services	30,125,000	31,349,000	29,346,357	2,002,643
Investigative services	22,981,000	23,155,000	21,923,116	1,231,884
Neighborhood Policing	65,596,000	66,344,000	66,179,369	164,631
Off duty police overtime	1,072,000	1,072,000	1,071,047	953
Prisoner transport	-	220,000	-	220,000
Fire Department:				
AFD headquarters	4,749,000	2,721,000	2,531,243	189,757
Dispatch	2,924,000	2,927,000	2,925,522	1,478
Fire dept/CIP funded employees	-	-	-	-
Fire prevention/fire marshal's office	3,237,000	3,240,000	3,195,204	44,796
Fire emergency response	45,174,000	45,753,000	45,728,574	24,426
Fire training and safety	1,746,000	1,836,000	1,825,056	10,944
Logistics	4,756,000	5,646,000	5,628,610	17,390
Paramedic rescue	-	-	-	-
Culture and recreation:				
Biological park	11,321,000	11,463,000	11,441,759	21,241
CIP Biopark	1,993,000	1,993,000	1,769,551	223,449
CIP library	52,000	52,000	52,525	(525)
Citizen Services	3,626,000	3,626,000	3,397,409	228,591
Community events	2,939,000	3,267,000	3,047,210	219,790
Convention center	-	-	-	-
Explora Science Center	1,300,000	1,300,000	1,300,185	(185)
Museum	5,119,000	5,515,000	5,513,710	1,290
Quality parks & trails system	-	-	-	-
Strategic support - CS	1,052,000	1,052,000	1,029,994	22,006
Strategic support - Senior Affairs	1,362,000	1,370,000	1,309,149	60,851
Strategic support - PR	916,000	916,000	923,531	(7,531)
Parks land management	12,506,000	12,701,000	12,653,570	47,430
Promote safe use of firearms	295,000	295,000	273,922	21,078
Provide community recreation	6,340,000	6,424,000	6,327,511	96,489
Provide quality recreation	4,507,000	4,580,000	4,547,888	32,112
Public library	10,083,000	10,105,000	10,099,409	5,591
Tourism - convention center	1,878,000	2,021,000	1,884,754	136,246
Special events parking	19,000	19,000	18,972	28
Total culture and recreation	<u>65,308,000</u>	<u>66,699,000</u>	<u>65,591,049</u>	<u>1,107,951</u>
Municipal Development				
Code administration	2,724,000	2,724,000	2,534,073	189,927
Construction management	2,622,000	2,622,000	2,230,065	391,935
Design - municipal devlp	611,000	611,000	464,106	146,894
Design recovered - municipal devlp	1,679,000	1,679,000	1,511,780	167,220
Design recovery - Parks & CIP	3,306,000	3,306,000	2,905,399	400,601
GF street services	9,241,000	9,241,000	9,147,982	93,018
Strategic support	-	-	-	-
Street CIP trans infrastructure tx	2,652,000	2,652,000	2,395,018	256,982
Storm drainage/maintenance	2,184,000	2,225,000	2,133,920	91,080

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Current:				
Health:				
Albuq. Care & control	6,284,000	6,641,000	6,737,650	(96,650)
Bio disease management	394,000	394,000	360,553	33,447
Clean city section	-	-	-	-
Environmental services	1,402,000	1,402,000	1,253,752	148,248
Program support	538,000	538,000	528,307	9,693
Total health	<u>9,697,000</u>	<u>10,054,000</u>	<u>9,951,332</u>	<u>102,668</u>
Human services:				
Access to basic services	145,000	145,000	108,079	36,921
Develop affordable housing	74,000	74,000	73,800	200
Plan and coordinate	2,159,000	2,159,000	2,095,034	63,966
Offer health & social services	3,640,000	3,640,000	2,935,395	704,605
Partner with public education	5,263,000	5,263,000	5,060,855	202,145
Prevent and reduce youth gangs	1,221,000	1,246,000	1,234,012	11,988
Neighborhood crime reduction	142,000	142,000	142,000	-
Provide early childhood education	5,018,000	5,018,000	4,763,196	254,804
Provide emergency shelter	170,000	720,000	686,744	33,256
Provide mental health	2,689,000	4,208,000	2,106,546	2,101,454
Provide transitional housing	163,000	163,000	162,500	500
Substance abuse treatment/prevention	5,657,000	6,057,000	5,559,518	497,482
Supportive services to homeless	180,000	180,000	175,910	4,090
Train lower income persons	47,000	47,000	41,121	5,879
Well-being	3,382,000	3,382,000	3,264,387	117,613
Total human services	<u>29,950,000</u>	<u>32,444,000</u>	<u>28,409,097</u>	<u>4,034,903</u>
Total expenditures	<u>378,744,000</u>	<u>387,359,000</u>	<u>372,090,798</u>	<u>15,268,202</u>
Excess of revenues over expenditures	<u>40,864,000</u>	<u>32,607,000</u>	<u>72,226,057</u>	<u>39,619,057</u>
Other financing sources (uses):				
Transfers in	2,817,000	2,817,000	2,976,557	159,557
Transfers out	(67,763,000)	(72,985,000)	(73,276,058)	(291,058)
Total other financing sources and uses	<u>(64,946,000)</u>	<u>(70,168,000)</u>	<u>(70,299,501)</u>	<u>(131,501)</u>
Net change in fund balance	(24,082,000)	(37,561,000)	1,926,556	39,487,556
Fund balance, July 1	<u>85,424,015</u>	<u>85,424,015</u>	<u>85,424,015</u>	<u>-</u>
Fund balance, June 30	<u>\$ 61,342,015</u>	<u>\$ 47,863,015</u>	<u>\$ 87,350,571</u>	<u>\$ 39,487,556</u>

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

CITY OF ALBUQUERQUE, NEW MEXICO

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2006

ASSETS	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
Current assets:		
Cash, investments, and accrued interest	\$ 13,382,376	\$ 5,596,077
Cash with fiscal agents held for debt service	14,840,232	4,467,099
Cash held by others	-	-
Accounts receivable, net of allowance for uncollectible accounts	4,194,661	3,313,127
Due from other funds	-	-
Prepaid expenses	-	-
Due from other governments	-	-
Deposits	-	-
Inventories of supplies	584,206	658,853
Total current assets	<u>33,001,475</u>	<u>14,035,156</u>
Noncurrent assets:		
Restricted assets:		
Cash, investments, and accrued interest	88,495,528	5,873,517
Account receivable from bond escrow agent	1,446,214	-
Accounts receivable - developers	-	-
Escrow deposits	-	-
Total restricted assets	<u>89,941,742</u>	<u>5,873,517</u>
Capital assets:		
Land	34,570,170	5,165,504
Land and improvements acquired from U.S. Air Force	7,630,077	-
Buildings and improvements	162,214,330	39,806,572
Runways and other improvements	249,880,802	-
Infrastructure	-	2,508,663
Improvements other than buildings	147,306,904	-
Machinery and equipment	8,930,251	62,089,391
Other	647,096	-
Total	<u>611,179,630</u>	<u>109,570,130</u>
Less accumulated depreciation and amortization	329,526,267	49,697,628
Capital assets, net of depreciation	<u>281,653,363</u>	<u>59,872,502</u>
Construction work in progress	17,966,649	899,335
Total capital assets	<u>299,620,012</u>	<u>60,771,837</u>
Other:		
Capitalized bond issuance costs	1,343,282	52,074
Advance from other funds	-	-
Land - acquired under claim settlement	-	-
Total other assets	<u>1,343,282</u>	<u>52,074</u>
Total noncurrent assets	<u>390,905,036</u>	<u>66,697,428</u>
Total assets	<u>\$ 423,906,511</u>	<u>\$ 80,732,584</u>

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Transit Fund	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 4,862,530	\$ 13,033,919	\$ 36,874,902	\$ 56,178,652
-	1,071,430	20,378,761	-
-	1,407,913	1,407,913	-
154,159	683,995	8,345,942	-
-	-	-	864,237
-	32,789	32,789	346,934
4,562,157	61,138	4,623,295	64,277
-	-	-	100,000
1,020,844	128,024	2,391,927	2,167,246
<u>10,599,690</u>	<u>16,419,208</u>	<u>74,055,529</u>	<u>59,721,346</u>
4,776,977	7,646,019	106,792,041	-
-	-	1,446,214	-
272,936	2,242,376	2,515,312	-
-	475,373	475,373	-
<u>5,049,913</u>	<u>10,363,768</u>	<u>111,228,940</u>	<u>-</u>
4,768,660	8,875,432	53,379,766	283,842
-	-	7,630,077	-
65,065,544	140,265,457	407,351,903	406,001
-	-	249,880,802	-
-	-	2,508,663	-
-	-	147,306,904	765,388
62,148,017	4,587,490	137,755,149	1,439,459
-	100,904	748,000	-
<u>131,982,221</u>	<u>153,829,283</u>	<u>1,006,561,264</u>	<u>2,894,690</u>
<u>52,172,378</u>	<u>70,378,342</u>	<u>501,774,615</u>	<u>2,264,339</u>
<u>79,809,843</u>	<u>83,450,941</u>	<u>504,786,649</u>	<u>630,351</u>
<u>1,080,823</u>	<u>1,629,031</u>	<u>21,575,838</u>	<u>-</u>
<u>80,890,666</u>	<u>85,079,972</u>	<u>526,362,487</u>	<u>630,351</u>
-	658,134	2,053,490	-
-	-	-	1,608,082
-	-	-	417,268
<u>-</u>	<u>658,134</u>	<u>2,053,490</u>	<u>2,025,350</u>
<u>85,940,579</u>	<u>96,101,874</u>	<u>639,644,917</u>	<u>2,655,701</u>
<u>\$ 96,540,269</u>	<u>\$ 112,521,082</u>	<u>\$ 713,700,446</u>	<u>\$ 62,377,047</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

LIABILITIES	<u>Airport Fund</u>	<u>Refuse Disposal Fund</u>
Current liabilities:		
Accounts payable	\$ 3,036	\$ 692,371
Accrued payroll	260,020	435,105
Accrued vacation and sick leave pay	820,785	1,365,282
Accrued fuel cleanup costs	-	-
Fare tokens outstanding	-	-
Deposits	231,129	66,982
Due to other funds	-	-
Due to other governments	30,800	-
Current portion of claims and judgments payable	-	-
Liabilities payable from restricted assets:		
Construction contracts and miscellaneous payable	6,455,800	9,857
Deferred revenue	2,046,938	-
Current portion - revenue bonds payable	11,150,000	3,800,052
Accrued interest	3,947,191	695,494
Total current liabilities	<u>24,945,699</u>	<u>7,065,143</u>
Noncurrent liabilities:		
Liabilities payable from restricted assets:		
Accrued landfill closure costs	-	1,367,903
Other	-	-
Total	<u>-</u>	<u>1,367,903</u>
Revenue bonds, notes payable and capital leases, net of current portion and unamortized discounts	<u>201,719,180</u>	<u>26,252,500</u>
Other:		
Claims and judgments payable	-	-
Accrued vacation and sick leave pay	379,361	970,982
Advances from other funds	-	309,082
Total	<u>379,361</u>	<u>1,280,064</u>
Total noncurrent liabilities:	<u>202,098,541</u>	<u>28,900,467</u>
Total liabilities	<u>227,044,240</u>	<u>35,965,610</u>
NET ASSETS		
Invested in capital assets, net of related debt	121,434,113	36,402,691
Restricted for:		
Debt service	10,436,058	263,846
Construction	46,290,243	1,934,778
Unrestricted (deficit)	18,701,857	6,165,659
Total net assets	<u>\$ 196,862,271</u>	<u>\$ 44,766,974</u>

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
Transit Fund	Other Enterprise Funds	Totals	
\$ -	\$ 379,385	\$ 1,074,792	\$ 1,727,262
462,851	135,259	1,293,235	112,901
1,414,908	405,289	4,006,264	469,108
-	-	-	31,841
83,934	-	83,934	-
-	241,209	539,320	-
-	242,502	242,502	-
-	-	30,800	-
-	-	-	21,916,000
2,313,178	-	8,778,835	-
-	744,750	2,791,688	-
-	918,454	15,868,506	-
-	455,901	5,098,586	-
<u>4,274,871</u>	<u>3,522,749</u>	<u>39,808,462</u>	<u>24,257,112</u>
-	-	1,367,903	-
-	193,213	193,213	-
<u>-</u>	<u>193,213</u>	<u>1,561,116</u>	<u>-</u>
-	29,196,659	257,168,339	-
-	-	-	29,034,991
-	56,805	1,407,148	107,811
-	20,300,000	20,609,082	-
<u>-</u>	<u>20,356,805</u>	<u>22,016,230</u>	<u>29,142,802</u>
-	49,746,677	280,745,685	29,142,802
<u>4,274,871</u>	<u>53,269,426</u>	<u>320,554,147</u>	<u>53,399,914</u>
80,890,666	57,413,721	296,141,191	630,351
-	1,318,699	12,018,603	-
4,776,977	6,523,191	59,525,189	-
6,597,755	(6,003,954)	25,461,317	8,346,782
<u>\$ 92,265,398</u>	<u>\$ 59,251,656</u>	<u>\$ 393,146,299</u>	<u>\$ 8,977,133</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2006

	Airport Fund	Refuse Disposal Fund
Operating revenues:		
Charges for services	\$ 60,186,114	\$ 46,541,085
Operating expenses:		
Salaries and fringe benefits	13,125,972	21,579,667
Professional services	401,421	-
Utilities	2,295,674	401,719
Supplies	605,721	1,051,786
Travel	46,578	10,699
Fuels, repairs and maintenance	2,829,629	7,005,564
Contractual services	3,760,093	1,663,916
Claims and judgments	-	-
Insurance premiums	-	-
Other operating expenses	2,377,720	6,050,774
Depreciation	23,740,756	6,378,025
Bad debt expense	-	-
Total operating expenses	49,183,564	44,142,150
Operating income (loss)	11,002,550	2,398,935
Non-operating revenues (expenses):		
Interest on investments	1,650,133	357,292
Federal housing grants	-	-
Housing assistance payments	-	-
Passenger facilities charges	8,230,593	-
Gain (loss) on disposition of property and equipment	(1,883,656)	144,607
Interest and other debt service expenses	(8,117,464)	(916,498)
Bond issue costs	(61,926)	(21,510)
Other	(657,853)	1,101,447
Total non-operating revenues (expenses)	(840,173)	665,338
Income (loss) before capital contributions and transfers	10,162,377	3,064,273
Capital contributions	14,524,337	-
Transfers in	-	700,000
Transfers out	-	(1,587,010)
Change in net assets	24,686,714	2,177,263
Net assets (deficit), July 1	172,175,557	42,589,711
Net assets, June 30	\$ 196,862,271	\$ 44,766,974

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Governmental
Activities -
Internal
Service
Funds

Transit Fund	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 4,033,249	\$ 14,711,064	\$ 125,471,512	\$ 96,693,619
22,660,857	6,772,553	64,139,049	5,902,522
295,123	69,500	766,044	1,270,727
693,631	2,574,592	5,965,616	160,294
560,045	130,803	2,348,355	1,256,487
15,414	2,866	75,557	7,365
5,662,310	2,389,706	17,887,209	6,187,766
1,253,628	767,607	7,445,244	2,376,434
-	-	-	22,684,682
-	-	-	45,066,578
3,949,056	3,117,381	15,494,931	1,707,351
5,849,463	4,968,385	40,936,629	114,725
-	95,485	95,485	-
<u>40,939,527</u>	<u>20,888,878</u>	<u>155,154,119</u>	<u>86,734,931</u>
<u>(36,906,278)</u>	<u>(6,177,814)</u>	<u>(29,682,607)</u>	<u>9,958,688</u>
313,261	730,767	3,051,453	1,857,210
-	24,092,042	24,092,042	-
-	(19,086,450)	(19,086,450)	-
-	-	8,230,593	-
(21,151)	-	(1,760,200)	1,242
-	(2,249,730)	(11,283,692)	-
-	(105,628)	(189,064)	-
2,305,418	478,216	3,227,228	19,717
<u>2,597,528</u>	<u>3,859,217</u>	<u>6,281,910</u>	<u>1,878,169</u>
<u>(34,308,750)</u>	<u>(2,318,597)</u>	<u>(23,400,697)</u>	<u>11,836,857</u>
13,493,371	(49,434)	27,968,274	-
33,010,886	2,185,000	35,895,886	-
(201,486)	(761,061)	(2,549,557)	(269,000)
<u>11,994,021</u>	<u>(944,092)</u>	<u>37,913,906</u>	<u>11,567,857</u>
80,271,377	60,195,748	355,232,393	(2,590,724)
<u>\$ 92,265,398</u>	<u>\$ 59,251,656</u>	<u>\$ 393,146,299</u>	<u>\$ 8,977,133</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2006

	Airport Fund	Refuse Disposal Fund
Cash flows from operating activities:		
Cash received from customers	\$ 58,063,131	\$ 45,762,674
Cash received from other funds for goods and services	-	-
Cash payments to employees for services	(12,967,668)	(21,214,701)
Cash payments to suppliers for goods and services	(8,124,298)	(16,977,534)
Cash payments to other funds for goods and services	(2,295,674)	(401,719)
Cash payments to claimants and beneficiaries	-	-
Miscellaneous cash received	-	1,331,532
Miscellaneous cash paid	(657,853)	(230,085)
Net cash provided by (used for) operating activities	<u>34,017,638</u>	<u>8,270,167</u>
Cash flow from noncapital financing activities:		
Operating grants received	14,524,337	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	309,082
Interest paid on advance from other funds	-	-
Transfers-in from other funds	-	700,000
Transfers-out to other funds	-	(1,587,010)
Net cash provided by (used for) noncapital financing activities	<u>14,524,337</u>	<u>(577,928)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of revenue and refunding bonds	-	-
Proceeds from notes payable	-	-
Principal paid on revenue bond maturities and refunded bonds	(9,351,806)	(3,625,433)
Interest and other expenses paid on revenue bond maturities	(8,054,832)	(957,716)
Principal paid on notes payable	-	-
Interest paid on notes payable	-	-
Acquisition and construction of capital assets	(54,503,793)	(9,187,586)
Cash payments to other funds for goods and services	-	-
Capital grants received	-	-
Receipts in anticipation of future land sale	-	-
Passenger facilities charges	8,230,593	-
Proceeds from sale (retirement) of property and equipment	22,073	247,994
Net cash used for capital and related financing activities	<u>(63,657,765)</u>	<u>(13,522,741)</u>
Cash flows from investing activities:		
Interest received on investments	1,650,133	357,292
Net cash provided by investing activities	<u>1,650,133</u>	<u>357,292</u>
Net increase (decrease) in cash and cash equivalents	(13,465,657)	(5,473,210)
Cash and cash equivalents, July 1	130,183,793	21,409,903
Cash and cash equivalents, June 30	<u>\$ 116,718,136</u>	<u>\$ 15,936,693</u>

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Transit Fund	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 1,888,566	\$ 16,779,139	\$ 122,493,510	\$ 96,697,239
-	-	-	(168,835)
(22,543,593)	(6,545,139)	(63,271,101)	(5,904,775)
(7,403,503)	(7,867,460)	(40,372,795)	(17,690,593)
(4,642,687)	(2,574,592)	(9,914,672)	(160,294)
-	-	-	(65,445,490)
1,304,848	827,608	3,463,988	19,719
(51,234)	(675)	(939,847)	(2)
<u>(31,447,603)</u>	<u>618,881</u>	<u>11,459,083</u>	<u>7,346,969</u>
1,046,712	24,092,042	39,663,091	-
-	(19,086,450)	(19,086,450)	-
-	(1,900,000)	(1,590,918)	-
-	-	-	-
33,010,886	3,053,000	36,763,886	-
<u>(201,486)</u>	<u>(1,629,061)</u>	<u>(3,417,557)</u>	<u>(269,000)</u>
<u>33,856,112</u>	<u>4,529,531</u>	<u>52,332,052</u>	<u>(269,000)</u>
-	-	-	-
-	-	-	-
-	(1,185,862)	(14,163,101)	-
-	(2,237,037)	(11,249,585)	-
-	-	-	-
-	-	-	-
(17,508,541)	(1,806,725)	(83,006,645)	(42,935)
-	(176,477)	(176,477)	-
13,348,172	-	13,348,172	-
-	-	-	-
-	-	8,230,593	-
<u>430</u>	<u>-</u>	<u>270,497</u>	<u>1,313,974</u>
<u>(4,159,939)</u>	<u>(5,406,101)</u>	<u>(86,746,546)</u>	<u>1,271,039</u>
313,261	730,767	3,051,453	1,857,210
<u>313,261</u>	<u>730,767</u>	<u>3,051,453</u>	<u>1,857,210</u>
(1,438,169)	473,078	(19,903,958)	10,206,218
<u>11,077,676</u>	<u>23,161,576</u>	<u>185,832,948</u>	<u>45,972,434</u>
<u>\$ 9,639,507</u>	<u>\$ 23,634,654</u>	<u>\$ 165,928,990</u>	<u>\$ 56,178,652</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2006

	Airport Fund	Refuse Disposal Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 11,002,550	\$ 2,398,935
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	23,740,756	6,378,025
Miscellaneous cash received (paid)	(657,853)	1,101,447
Provision for claims and judgments	-	-
Fiscal agent fees	-	(13,177)
Bad debt expense	-	-
Decrease (increase) in assets:		
Receivables	(1,439,005)	(778,345)
Due from other governments	-	-
Due from other funds	-	-
Inventories of supplies	33,943	84,798
Prepaid expenses	-	-
Deposits		
Increase (decrease) in liabilities:		
Accounts payable	(267,388)	151,259
Customer deposits	(12,624)	(66)
Accrued landfill closure costs and fuels cleanup	-	(147,274)
Accrued employee compensation and benefits	158,304	364,966
Fare tokens outstanding and deposits	-	-
Due to other funds	-	-
Construction and miscellaneous accounts payable	2,112,133	(1,270,401)
Escrow liability	-	-
Deferred revenue	(683,978)	-
Due to other governments	30,800	-
Net cash provided by (used for) operating activities	\$ 34,017,638	\$ 8,270,167
Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 13,382,376	5,596,077
Cash with fiscal agents	14,840,232	4,467,099
Cash held by others	-	-
Restricted assets:		
Cash, investments, and accrued interest	88,495,528	5,873,517
Escrow deposits	-	-
Total cash and cash equivalents, June 30	\$ 116,718,136	\$ 15,936,693
Non cash transactions:		
Unrealized gains (losses) on investments	\$ 417,702	\$ 71,232
Transfer of capital assets from the Capital Projects Fund	-	-
HUD payment of third party guaranteed debt	-	-

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds

Governmental
Activities -
Internal
Service
Funds

Transit Fund	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ (36,906,278)	\$ (6,177,814)	\$ (29,682,607)	\$ 9,958,688
5,849,463	4,968,385	40,936,629	114,725
1,253,614	700,699	2,397,907	19,717
-	-	-	572,227
-	(221,085)	(234,262)	-
-	95,485	95,485	-
(229,090)	1,290,664	(1,155,776)	-
(1,933,762)	130,416	(1,803,346)	3,620
-	-	-	(168,835)
(382,591)	35,344	(228,506)	(70,758)
-	5,577	5,577	(66,224)
-	-	-	12,679
(330,652)	(1,095,017)	(1,541,798)	(2,942,226)
-	(7,968)	(20,658)	-
-	-	(147,274)	(84,391)
117,264	(14,218)	626,316	(2,253)
18,169	-	18,169	-
-	242,502	242,502	-
1,096,260	-	1,937,992	-
-	-	-	-
-	744,750	60,772	-
-	(78,839)	(48,039)	-
<u>\$ (31,447,603)</u>	<u>\$ 618,881</u>	<u>\$ 11,459,083</u>	<u>\$ 7,346,969</u>
\$ 4,862,530	\$ 13,033,919	\$ 36,874,902	\$ 56,178,652
-	1,071,430	20,378,761	-
-	1,407,913	1,407,913	-
4,776,977	7,646,019	106,792,041	-
-	475,373	475,373	-
<u>\$ 9,639,507</u>	<u>\$ 23,634,654</u>	<u>\$ 165,928,990</u>	<u>\$ 56,178,652</u>
\$ 34,917	\$ 28,247	\$ 552,098	\$ 112,390
23,565	180,325	203,890	-
-	-	-	-

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2006

	<u>Agency Funds</u>
ASSETS	
Cash, investments, and accrued interest	\$ 12,662,471
Receivables	<u>233,457</u>
Total assets	<u>\$ 12,895,928</u>
LIABILITIES	
Accounts payable	\$ 401,457
Funds held for others	<u>12,494,471</u>
Total liabilities	<u>\$ 12,895,928</u>

The accompanying notes are an integral part of these financial statements

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CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

I. Summary of significant accounting policies

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

A. Reporting entity

The City of Albuquerque, New Mexico (City), was founded in 1706, chartered as a town in 1885, and organized under territorial law as a city in 1891. The City became a charter city in 1917, and the voters approved a home rule amendment to the charter in 1971. In 1974, the electorate voted to establish a mayor-council form of government; the City Council consists of nine council members elected from districts. As a governmental entity, the City is not subject to Federal or State income taxes.

The City provides traditional services such as public safety, culture and recreation, public works, highways and streets, water and sewer services, and refuse collection. In addition, the City operates parking facilities, a transit system, an international airport, corrections and detention facilities, and a housing authority.

The City of Albuquerque (the primary government) for financial reporting purposes consists of funds, departments, and programs for which the City is financially accountable.

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

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

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

Some organizations are included as component units because of their fiscal dependency on the primary government if they are unable to adopt a budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. Based on the foregoing criteria, the City has determined that Albuquerque Bernalillo County Water Utility Authority (Authority), created with an effective date of July 1, 2003, is a component unit of the City. The Authority's governing board is composed of three members of the City Council, three members of the County of Bernalillo Commission and the Mayor of the City. See Note IV Q.

The City has determined that it does have relationships with other organizations that are considered to be component units of the City. However, those organizations, not included herein, are of such nature and significance that exclusion would not render the City's financial statements incomplete or misleading.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. The agency fund is reported on the *accrual basis of accounting* and have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts and property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collectible within the current period or within one month following the year-end. Revenues not considered available are recorded as deferred revenues.

Property taxes, gross receipts taxes, motor vehicle taxes, cigarette taxes, gasoline taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Derived gross receipts tax revenue is recognized when the underlying exchange transaction takes place. A small portion of the gross receipts tax revenue is derived from an estimate of delinquent taxes not yet collected and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Expenditures are recorded when the related fund liability is incurred, except for a) principal and interest payments on general long-term debt which are recorded when amounts have been accumulated in the debt service funds for the current debt service payments on July 1 in the following year and b) vacation and sick leave pay, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources. Indirect expense allocations that have been made in the funds are shown in a separate column and are not included in the expenses column. The allocation of indirect expenses is based on the relative usage by the function charged to all functions for services rendered by all central service activities of the general government such as Accounting, Information Services, Treasury, Budgeting, and other central services.

The City reports the following major governmental funds:

General Fund. This fund is the City's primary operating fund and is used to account for the general operations of the City and for all financial resources except those that are required to be accounted for in another fund.

General Obligations Bond Debt Service Fund. This fund accounts for the monies set aside for the payment of principal and interest of all general obligation bonds. The principal source of revenue is from property taxes.

Capital Acquisition Fund. This fund accounts for capital projects for which financing is provided by the sale of general obligation and revenue bonds, miscellaneous revenues and various grants.

The City reports the following major proprietary (enterprise) funds:

Airport Fund. This fund accounts for the operations of the Albuquerque International Sunport.

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

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

The City reports the following fund types:

Special Revenue Funds. To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds. To account for the accumulation of resources for, and the payment of, general and special assessment long-term principal, interest, and related costs.

Capital Projects Funds. To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

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

Permanent Funds. These funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.

Internal Service Funds. These funds account for inventory warehousing and issues; worker's compensation, tort and other claims insurance coverage; vehicle maintenance and motor pool services; and communication services to City departments. In addition, these funds provide health insurance coverage to City employees.

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

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues, such as charges for services, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include operating subsidies, investment earnings, interest expense, and transactions that result from non-exchange transactions or ancillary activities.

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

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

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

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

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

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

The investment policy states that the City will not commit any funds invested in the pool to maturities longer than three years from the date of purchase, except investments held to meet legal reserve requirements on bond indebtedness. The maturity date of these investments will not exceed the final maturity date of the bond issue to which they are pledged. Funds are invested on the basis of a minimum of three bids and/or offers. Certificates of deposit are based on competitive rates for specified maturities.

All investments are valued at quoted market prices except for the investment in Special Assessments District bonds and in State of New Mexico Mortgage Finance Authority bonds that are computed at amortized cost approximating market value.

The investment in the State of New Mexico local government investment pool (LGIP) are valued at fair value based on quoted market prices as of the valuation date in accordance with GASB Statement No. 31. The State Treasurer LGIP is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. This pool is subject to the standards set forth in the State Treasurer's Local Government Investment Policy document incorporated in and made a part of the State Treasurer's Investment Policy document. The Independent Auditors' Report, together with the Financial Statements, the accompanying Notes to the Financial Statements and the Independent Auditors' Report on Compliance and Internal Controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

The following categories of investments are specifically authorized by the policy:

Repurchase Agreements - secured by collateral, which is delivered to a third-party safekeeping institution, with a market value equal to or greater than the value of the agreement.

U.S. Treasury Obligations - bills, notes, and bonds.

Obligations of Federal Agencies or Instrumentalities - interest bearing or discount form.

Municipal Bonds - rated in any of the three highest major rating categories by one or more nationally recognized rating agencies.

The following categories of deposits are specifically authorized by the policy:

Checking accounts - at insured financial institutions.

Certificates of Deposit - subject to restrictions set forth in the City's Fiscal Agent Ordinance (City policy requires a minimum of 50% security consisting of insurance and/or collateral).

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year that are expected to be paid back within the year are referred to as "due to/from other funds." Lending/borrowing arrangements not expected to be paid back within the year are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles.

3. *Inventories and prepaid items*

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

4. *Land held for sale*

Land held for sale, which consists primarily of approximately 4,357 acres located throughout the State of New Mexico obtained by trade with the federal government in July 1982, as part of the Acquisition and Management of Open Space Permanent Fund. Upon sale of these properties, a portion of the gain, if any, as defined in an agreement, is payable to a third party. Other land was obtained through foreclosure proceedings required by special assessment bond ordinances. The land for sale is valued at cost, which does not exceed market value.

For the government-wide financial statements, the City recognizes income on real estate transactions by recording the entire gross profit on sales that meet the requirements for the accrual method. Transactions that do not meet the requirements for the accrual method are recorded using the deposit method or installment method until such time as the requirements for the accrual method are met. Under the deposit method, cash received is recorded as a deposit. Under the installment method, the City records the entire contract price and the related costs at the time the transaction is recognized as a sale. Concurrently, the gross profit on the sale is deferred and is subsequently recognized as revenue as payments of principal are received on the related contract receivable. In the financial statements for the governmental funds, the City recognizes income from the sale of real estate when the principal on mortgage contracts are collected. At the time of the sale, the principal on the real estate contracts are recorded as deferred revenue.

5. *Capital assets*

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. State of New Mexico Administrative Code requires state and local governmental agencies to capitalize fixed assets costing in excess of \$5,000. Currently, the City defines capital assets as assets with an initial, individual cost of more than \$1,000 and estimated useful life in excess of one year. The City expects to implement the new \$5,000 capitalization threshold in fiscal year 2007. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Works of art and historical treasures are not capitalized because those are: 1) held for public exhibition rather than for financial gain, 2) protected, kept unencumbered, cared for, and preserved, and 3) all proceeds from the sale of collection items are required to be used to acquire other items for collections. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Interest incurred during the construction phase of capital assets of the business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

Capital assets, which are financed by general obligation bonds (to be repaid solely from property tax levies) for use by a proprietary fund, are reported as construction in progress in the government-wide financial statements during construction. The asset, when placed in service, is transferred at historical cost to the proprietary fund as a capital contribution from the City.

Buildings and improvements, infrastructure, and machinery and equipment are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	15 - 50 years
Runways and other improvements	15 - 25 years
General infrastructure assets	35 - 50 years
Improvements other than buildings and runways	15 - 20 years
Machinery and equipment	3 - 13 years

6. *Deferred charges and other assets*

Land acquired in a claim settlement is recorded at the lower of cost or appraised value. The appraised value reflects the impairment of the asset, which was caused by underground contamination that seeped from an adjacent inactive landfill maintained by the City. Costs incurred in connection with the issuance of bonds are capitalized and are reported as deferred bond issuance costs. These costs are amortized over the remaining maturity period of the related bond issues under a method that approximates the level interest rate method.

7. *Claims and judgments*

Liabilities for workers' compensation, tort and other claims as of June 30, 2006, were based on a case-by-case evaluation of the probable outcome of claims filed against the City, as well as an estimate of claims incurred but not reported. The long-term portion of the liability is discounted at 5.0% at June 30, 2006, and 5.0% for 2005, over the estimated payment period. Revenues consist primarily of charges to other funds, the amounts of which approximate the cost of claims and other risk management costs arising from the activities of those funds.

8. *Compensated absences*

City employees may accumulate limited amounts of vacation pay that are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation costs become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements. For proprietary funds, vacation costs are recognized as a liability when incurred.

City employees may also accumulate limited amounts of sick leave that are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which sick leave costs become payable from available, expendable resources. A liability for vested amounts, due to employees meeting the termination or retirement requirements, but not payable from available, expendable resources is reported in the government-wide financial statements. For proprietary funds, accumulated sick leave pay is recognized when vested or taken whichever occurs first.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

9. *Deferred revenue*

The City defers revenue from non-exchange transactions. The amount deferred results from the difference between the receivable recognized on an accrual basis and the related revenue recognized on the modified accrual basis. The City also defers revenue on rehabilitation loans, construction loans, economic development loans and special assessments. Revenue is recognized as the receivables are collected. In addition, deferred revenue includes moneys collected for food service and license fees, not yet earned.

10. *Special assessments*

Special assessment receivables are recorded upon approval of the assessment roll by the City Council, and the related revenues, interest, and penalties are recognized when due. City participation revenues are recorded at the time of receipt.

11. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Long-term obligations used to finance proprietary fund capital acquisitions and payable from revenue of proprietary funds are recorded in the applicable proprietary fund. Long-term obligations of governmental funds payable from general revenues of the City and special assessment levies are reported in the government-wide financial statements.

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

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

12. *Net assets*

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

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

Restricted net assets – Restricted net assets result from constraints placed on the use of net assets when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

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

13. *Fund equity reservation and designations*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted. Designations represent tentative managerial plans that are subject to change. The City records reserves to indicate that a portion of fund balance is legally restricted for a specific future use or is not available for appropriation and/or expenditure.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

Inventories of supplies - the amount of inventories on hand not available for appropriation.

Prepaid items - the amount reserved for operating costs paid in advance not available for appropriation.

Land held for resale - the amount of fund balance representing the cost of land held for resale and not available for appropriation and/or expenditure.

Advances to other funds - the amount of advances to other funds not available for appropriation and/or expenditure.

Transfer to capital acquisition fund - the amount of unencumbered fund balance in the False Alarm and Education Fund that is available for transfer to the Capital Acquisition Fund in the ensuing fiscal year.

Acquisition and management of open space land – the fund balance of permanent funds legally restricted for this purpose.

Urban enhancement – the fund balance of permanent funds legally restricted for this purpose.

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

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

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

14. *Statement of cash flows*

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

15. *Estimated amounts reported in financial statements*

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

The Albuquerque Bernalillo County Water Utility Authority bills for City refuse services on the same invoice for water utility services. In prior fiscal years, the City estimated the refuse accounts receivable portion as a percentage of the total accounts receivable balance outstanding. In fiscal year 2006, the Water Authority implemented a new billing system and the City was able to determine that actual refuse accounts receivable balance at year end and no longer estimates this amount.

16. *Bond premiums/issuance costs*

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

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17. Unbilled revenues

Refuse services are billed on a cycle basis; therefore, amounts for services provided but unbilled as of June 30, 2006 are not included in receivables or revenue of the enterprise fund. Such unbilled amounts are not material to the financial position and results of operations of the Refuse Disposal Fund.

18. Inter-fund transactions

Transactions that would be recorded as revenues, expenditures, or expenses if they involved organizations external to the City are similarly treated when involving other funds of the City. These transactions include charges for administrative services, building rental, risk management services, vehicle maintenance and motor pool services, inventory and office services, retirees' health care, and payments in lieu of taxes. Other authorized transfers between funds are recorded as operating transfers and are included in the determination of the results of operations in the governmental, proprietary, and fiduciary funds.

19. New accounting pronouncements

The city implemented GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section* (GASB 44), for the fiscal year ended June 30, 2006. The adoption of GASB 44 requires some additional information and schedules in the statistical section of the Comprehensive Annual Financial Report (CAFR). There was no impact to the financial statements. See the Statistical Section. The City also implemented GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation- An Amendment of GASB Statement No. 34*. Enabling legislation authorizes the raising of new revenue that contains a legally enforceable law. There were no such new restrictions for the fiscal year ended June 30, 2006. In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). This Statement addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits that are commonly referred to as other postemployment benefits, or OPEB. This Statement requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitment related to OPEB in their basic financial statements. The City is currently evaluating the impact this Statement will have on the financial statements. The City will adopt this Statement for fiscal year ending June 30, 2008.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government – wide statement of net assets

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

Bonds and bond anticipation notes payable	\$ (199,765,000)
Sales tax revenue bonds and notes payable	(138,705,000)
Special assessment debt with governmental commitment	(6,608,361)
Deferred refunding costs	5,098,275
Unamortized bond premiums	1,821,301
Unamortized bond discounts	(7,430,331)
Compensated absences	<u>(29,244,980)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (374,834,096)</u>
Unamortized bond issue costs	\$ 1,555,367
Accrued rebatable arbitrage payable reported as deferred credit	<u>(1,076,701)</u>
	<u>\$ 478,666</u>

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Some of the City's taxes will be collected after year-end and amounts due on real estate contracts are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. The amounts are:

Gross receipts tax	\$ 35,727,396
Property taxes	2,899,041
Gasoline taxes	481,337
Cigarette taxes	64,293
Amounts due on real estate contracts	1,811,737
Net adjustment to increase fund balance – total governmental funds	
To arrive at net assets – governmental activities	\$ 40,983,804

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, "Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital additions depreciated and non-depreciated	\$ 242,285,496
Construction work in process and other reclassified to fixed assets	(63,172,424)
Depreciation expense	(58,354,162)
Net gain (loss) on disposition of capital assets	(1,665,481)
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of Governmental activities	\$ 119,093,429

Another element of that reconciliation states that, "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (37,000,000)
Deferred issuance costs	(205,509)
Bond premium	(144,285)
Discount	2,130,196
Principal repayments:	
General obligation bonds	76,440,000
Gross receipts tax revenue bonds	4,120,000
Gross receipts tax revenue note	631,299
Special assessment district bonds and notes	3,429,973
Net adjustment to decrease net changes in fund balances –	
Total governmental funds to arrive at changes in net assets of governmental activities	\$ 49,401,674

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

Compensated absences	\$ (2,114,931)
Rebatable arbitrage	32,512
Amortization of bond discounts	<u>304,722</u>
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of	
Governmental activities	<u>\$ (2,452,165)</u>

Under the modified accrual basis of accounting used in the governmental funds, revenue is recognized when available to provide financing resources for the current period. Likewise, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, which is presented on the accrual basis, revenues and related receivable and expenses and related liabilities are reported regardless of when financial resources are available.

Gross receipts taxes	\$ 5,528,653
Property taxes	(829,952)
Gasoline taxes	(129,841)
Cigarette taxes	(1,254)
Collections on real estate contracts, net of deferred gains	<u>(428,586)</u>
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of Governmental activities	<u>\$ 4,139,020</u>

III. Stewardship, compliance and accountability

A. Budgetary information

Budgetary information Annual budgets for the General Fund, certain Special Revenue Funds, and certain Debt Service Funds are departmental appropriations by program, the level at which expenditures may not legally exceed appropriations. The annual budget approved by the City Council also includes proprietary funds. The budgetary data is prepared consistent with the basis of accounting described in Note I. C. As required by the home rule City charter, the annual budget is formulated by the Mayor and submitted to the City Council by April 1 for the fiscal year commencing July 1. When there is a proposal for a change in rates or fees, City ordinances provide that the Mayor shall submit the operating budget for the Refuse Disposal, Golf, and Aviation enterprise funds to the City Council no later than March 1. Public hearings are conducted to obtain citizen comments on the proposed budget. By June 1, the budget is legally adopted through passage of an appropriation resolution by the City Council.

The Mayor has the authority to change individual program appropriations by the lesser of five percent of the original appropriation or \$100,000, provided that the total amount of appropriations for the fund as approved by the City Council does not change. Approved appropriations lapse at the end of the fiscal year to the extent that they have not been expended or encumbered except any appropriation continued by ordinance. During fiscal year 2006, several supplemental appropriations were necessary. An annual budget, which is not legally adopted, for the City of Albuquerque Housing Authority is prepared in accordance with the Department of Housing and Urban Development regulations on an accrual basis and includes both operating and debt service activities as a single budget. The Special Assessments Debt Service Fund spending is controlled primarily through bond indenture provisions and the Capital Projects Funds do not have annual budgets.

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B. Deficit fund equity

Capital Projects Funds

While the total unreserved fund balance is not in a deficit position, deficit unreserved fund balances for certain purposes result because capital expenditures and encumbrances are made in anticipation of additional revenues and transfers. The resulting deficit fund balance of various purposes at June 30, 2006 is as follows:

Capital Acquisition Fund	
Community Services Building	\$ 118,247
Rio Grande Zoo	317,075
Miscellaneous Capital Projects	<u>1,602,671</u>
	<u>\$ 2,037,993</u>
Quality of Life Fund	
Balloon Science Museum	\$ 35,524
Quarter Cent Storm Drain	109
Rio Grande Bosque RR	<u>260</u>
	<u>\$ 35,893</u>
Transportation Infrastructure Tax Fund	
Maintenance deficit	\$ 23,684,072
Streets	(44,264,208)
Trails	(4,485,577)
Transit	(6,277,289)
Unallocated deficit	<u>2,267,453</u>
Total unreserved fund balance	<u>\$ (28,725,546)</u>

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IV. Detailed notes on all funds

A. Cash and investments

The total cash, investments, accrued interest and cash with fiscal agents, net of cash overdrafts of the City at June 30, 2006, consist of the following:

	(In thousands of dollars)				
	Govern- mental Activities	Business- type Activities	Fiduciary Funds	Total	Component Unit
Cash, investments accrued interest and cash with fiscal agents, net of unamortized discounts and premiums:					
Repurchase agreements	\$ 307,288	\$ 119,533	\$ 10,422	\$ 437,244	\$ 110,756
Obligations of federal agencies or instrumentalities	105,492	41,035	3,578	150,105	38,022
State of New Mexico investment council	28,092	-	-	28,092	-
State of New Mexico local government investment pool	-	7,173	-	7,173	-
Held in trust by New Mexico Bank and Trust					
U.S Treasury Fund	-	209	-	209	-
Held in trust by NM FA in State of New Mexico					
local government investment pool	-	-	-	-	1,295
Held in trust by Wells Fargo Bank in U.S. Treasury					
Fund	68	2,594	-	2,661	-
Held in trust by Bank of Albuquerque in U.S.					
Treasury Fund	1,179	-	-	1,179	42
Total investments	<u>442,119</u>	<u>170,544</u>	<u>14,000</u>	<u>626,663</u>	<u>150,115</u>
Certificate of deposit	200	-	-	200	-
Bank accounts at book balances	(1,936)	(6,753)	(1,359)	(10,048)	8,568
Total bank balances	<u>(1,736)</u>	<u>(6,753)</u>	<u>(1,359)</u>	<u>(9,848)</u>	<u>8,568</u>
Accrued interest receivable	642	240	21	903	222
Imprest cash funds	247	15	-	262	-
Total other	<u>889</u>	<u>255</u>	<u>21</u>	<u>1,165</u>	<u>222</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 441,272</u>	<u>\$ 164,046</u>	<u>\$ 12,662</u>	<u>\$ 617,980</u>	<u>\$ 158,905</u>
Current cash, investments and accrued interest:					
Cash, investments and accrued interest	\$ 287,248	\$ 36,875	\$ 11,019	\$ 335,142	\$ 26,767
Cash, investments with fiscal agents	89,860	20,379	-	110,239	39,461
Total current cash, investments and accrued interest	<u>377,108</u>	<u>57,254</u>	<u>11,019</u>	<u>445,381</u>	<u>66,228</u>
Restricted noncurrent cash, investments and accrued interest:					
Cash, investments and accrued interest	64,164	106,792	1,643	172,599	91,340
Cash and investments with fiscal agents	-	-	-	-	1,337
Total noncurrent cash, investments, accrued interest	<u>64,164</u>	<u>106,792</u>	<u>1,643</u>	<u>172,599</u>	<u>92,677</u>
Total cash, investments, accrued interest and cash with fiscal agents	<u>\$ 441,272</u>	<u>\$ 164,046</u>	<u>\$ 12,662</u>	<u>\$ 617,980</u>	<u>\$ 158,905</u>

Custodial credit risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's funds may not be returned to it. The City is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2006, none of the City's bank balances of \$11,803,219 was exposed to custodial credit risk.

CITY OF ALBUQUERQUE, NEW MEXICO
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Custodial credit risk – Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment basis. The investment policy further requires that all collateral securities held by a third party custodian, designated by the City Treasurer, shall be held in the City’s name and evidenced by a safekeeping receipt or Federal Reserve book-entry reporting.

Credit risk. Credit risk is the risk that in the event an issuer or other counterparty to an investment does not fulfill its obligations, the City will not be able to recover the value of its principal. As a home rule city, the City’s general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The City’s Investment Committee annually reviews its asset allocation strategies and guidelines for the percentage of its total portfolio that may be invested in securities other than repurchase agreements, U.S. Treasury bills and notes or insured/collateralized certificates of deposit. The guidelines are reviewed considering the probability of market and default risk in various investments sectors as part of its allocation evaluation. The City’s investment policy describes permitted investments in Section 7 and describes prohibited investments in Section 8. Among permitted investments, the investment policy requires that 1) repurchase agreements have a collateralized value of 102% of the par value of the agreement 2) certificates of deposit with local banks be fully insured and 3) brokered certificates of deposit be 100% collateralized. Investments in direct obligations of the U.S. Treasury are permitted as are securities of most U.S. Government agencies with the exception of Government National Mortgage Association securities. Other prohibited investments are 1) Collateralized Mortgage Obligations 2) inverse floaters and 3) reverse repurchase agreements. At June 30, 2006 all of the City’s investments in its internal investment pool other than overnight repurchase agreements were invested with U.S. Government agencies whose debt was rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service. The City’s non-pooled investments in the State of New Mexico Investment Council Core Bond Fund and the State of New Mexico Local Government Investment Pool were not rated.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City’s investment policy states the City will develop diversification strategies to avoid incurring concentration risk. The following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution or at a single maturity. All of the City’s internal investment pool other than repurchase agreements is in debt securities issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank. These investments are 44.65%, 31.68% and 23.67% respectively of the non-repurchase agreement portfolio and 11.41%, 8.10% and 6.05% of the total portfolio.

At June 30, 2006 the City held investments issued by three Government Sponsored Entities (GSEs), as well as certificates of deposit (CDs) and overnight repurchase agreements (repos). Summarized information concerning the GSE investments is as follows:

<u>U.S. Agency Investments (summarized by GSE)</u>	<u>Wtd. Avg. Days to Maturity</u>	<u>*Weighted Average Days to Call</u>	<u>Standard & Poors Rating</u>	<u>Moody’s Rating</u>
Federal Home Loan Banks	163.8	–	AAA	Aaa
Federal National Mortgage Association	175.5	–	AAA	Aaa
Federal Home Loan Mortgage Corporation	95.7	–	AAA	Aaa

*Call provisions on all callable securities were expired at June 30, 2006.

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The two CDs were fully insured by the Federal Deposit Insurance Corporation. Repo holdings (collateral) consisted of U.S. Agency securities permitted under Section 6-10-10 N.M.S.A. 1978, and by the City's investment policy.

At June 30, 2006, the City had funds invested in the State LGIP. As a government investment pool, the LGIP is exempt from disclosing concentration risk. Summarized information regarding the pool's credit risk and interest rate risk is as follows:

New MexiGROW LGIP AAAm rated \$7,172,781 24-day WAM

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

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the City's investments. The City's investment policy limits the City's exposure to interest rate risk by requiring that no less than 80% of the funds invested in the internal investment pool or in other discretionary funds be in maturities of no more than three years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten years from the date of purchase. The weighted average maturity of the investments in the internal investment pool at June 30, 2006 was 40.21 days. The weighted average days to call of the same portfolio was 2.23 days.

Pledged Collateral by Bank. The City is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). The pledged collateral by bank (in thousands) at June 30, 2006 consists of the following:

	First Community (Water)	First Community (Housing)	Bank of America	Wells Fargo Bank	Compass Bank	Bank 1 st	Union Bank	NM Bank & Trust
Total amount on deposit	\$ 1,045	\$ 6,238	\$ 1,857	\$ 2,159	\$ 6	\$ 100	\$ 100	\$ 93
Less FDIC coverage	100	100	100	100	6	100	100	100
Total uninsured public funds	945	6,138	1,757	2,059	-	-	-	
50% collateral requirement	472	3,069	879	1,030	-	-	-	
Pledged securities, fair value	1,944	7,258	3,076	2,689	-	-	-	396
Pledged in excess of Requirement	\$ 1,472	\$ 4,189	\$ 2,197	\$ 1,659	\$ -	\$ -	\$ -	\$ 396

B. Receivables

Taxes receivable at June 30, 2006 are from the following sources:

Gross receipts tax	\$ 64,223,026
Property tax	5,008,511
Lodgers tax	906,570
Hospitality tax	364,098
Other taxes	2,456,752
Total	<u>\$ 72,958,957</u>

The property taxes above include a receivable of \$3,575,389 in the General Obligation Debt Service Fund, \$1,232,627 in the General Fund, and \$200,495 in the Metropolitan Redevelopment Fund.

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Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located in the City as of the preceding January 1. The Bernalillo County Assessor and the State of New Mexico Department of Taxation and Revenue determine the taxable valuations for the various classes of property at one-third of assessed valuation. Property in the City for the fiscal year 2006 tax levy had a taxable value of \$9,307,580,592. The State Constitution limits the rate of taxes for operating purposes for all taxing jurisdictions to 20 mills (\$20 per \$1000 assessed valuation), of which the City's portion, by state regulation, is limited to 2.225 mills. The 2006 weighted average residential and non-residential City rate for both operations and debt service was 11.080 mills. Taxes are payable in two equal installments on November 10 and April 10 and become delinquent after 30 days.

Accounts receivable and Allowance for uncollectible accounts

Included on page 24, "Statement of Net Assets", are balances of receivables which are reported net of allowances for uncollectible accounts. The amounts of these receivables and allowances as of June 30, 2006, are as follows:

Current Portion of Accounts and Notes Receivable:

	<u>Total Receivables</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivables</u>
Governmental activities:			
Major funds:			
General Fund	\$ 2,151,959	\$ 544,034	\$ 1,607,925
Capital Acquisition Fund	1,388,565	18,902	1,369,663
Nonmajor government activity funds	963,002	441,695	521,307
Total governmental activities	<u>\$ 4,503,526</u>	<u>\$ 1,004,631</u>	<u>\$ 3,498,895</u>
Business-type activities:			
Major funds:			
Airport	\$ 5,340,090	\$ 1,145,429	\$ 4,194,661
Refuse Disposal	3,842,377	529,250	3,313,127
Transit	157,943	3,784	154,159
Nonmajor enterprise funds	1,314,132	630,137	683,995
Total business-type activities	<u>\$ 10,654,542</u>	<u>\$ 2,308,600</u>	<u>\$ 8,345,942</u>

Long-term Accounts and Notes Receivable:

	<u>Total receivables</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivables</u>
Governmental activities:			
Nonmajor funds:			
Rehabilitation loans	\$ 2,307,082	\$ 763,338	\$ 1,543,744
Notes receivable	24,166	-	24,166
Developer loans	2,455,640	-	2,455,640
Special assessments debt service*	8,304,820	-	8,304,820
Real estate contracts	2,139,597	-	2,139,597
Total governmental activities	<u>\$ 15,231,305</u>	<u>\$ 763,338</u>	<u>\$ 14,467,967</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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C. Capital assets

Capital asset activity of the City for the year ended June 30, 2006, was as follows:

<u>Governmental Activities</u>	<u>Balance July 1*</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30*</u>
Assets not being depreciated:					
Land	\$ 231,794,012	\$ -	\$ 8,356,763	\$ 1,021,042	\$ 239,129,733
Construction work in progress	367,375,951	-	103,716,813	62,186,168	408,906,596
Right of way	-	1,042,691,667	-	-	1,042,691,667
Other	1,838,392	-	130,927	986,256	983,063
	<u>601,008,355</u>	<u>1,042,691,667</u>	<u>112,204,503</u>	<u>64,193,466</u>	<u>1,691,711,059</u>
Assets being depreciated:					
Buildings	174,830,372	-	24,062,256	-	198,892,628
Infrastructure	77,207,261	1,071,365,527	61,743,986	-	1,210,316,774
Improvements	329,252,362	-	22,242,895	-	351,495,257
Equipment	122,170,696	(2,188,240)	22,031,856	7,253,264	134,761,048
	<u>703,460,691</u>	<u>1,069,177,287</u>	<u>130,080,993</u>	<u>7,253,264</u>	<u>1,895,465,707</u>
Less accumulated depreciation:					
Buildings	41,070,894	-	4,669,514	-	45,740,408
Infrastructure	6,964,479	389,894,275	27,713,754	-	424,572,508
Improvements	182,963,321	44,792	11,009,479	-	194,017,592
Equipment	119,763,110	(35,438,187)	14,961,415	6,608,825	92,677,513
	<u>350,761,804</u>	<u>354,500,880</u>	<u>58,354,162</u>	<u>6,608,825</u>	<u>757,008,021</u>
Capital assets being depreciated, net	<u>352,698,887</u>	<u>714,676,407</u>	<u>71,726,831</u>	<u>644,439</u>	<u>1,138,457,686</u>
Total capital assets, net	<u>\$ 953,707,242</u>	<u>\$ 1,757,368,074</u>	<u>\$ 183,931,334</u>	<u>\$ 64,837,905</u>	<u>\$ 2,830,168,745</u>

*Includes Internal Service Funds

In 2006, a significant portion of the increase is attributed to the restatement of \$1.7 billion (net value) in infrastructure from prior year's activity which included \$214.8 million of streets, \$514.9 million of storm, and \$1 billion of Right of Way. In Fiscal year 2006, \$43 million of street infrastructure was placed into service along with \$10.5 million of storm infrastructure, \$7.2 million for parks and recreation community centers and swimming pools, \$10.7 million for Senior Citizen Community Center buildings, \$4.5 million on law enforcement vehicles, and \$2.2 million on vehicles for the fire department, and \$11 million of parks and recreation improvements. The construction work in progress consists of expenditures made in connection with the Capital Acquisition, Infrastructure Tax, and Quality of Life Funds. The construction work in progress increased by \$53.8 million primarily due to streets and park development.

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Business-type activities

	Balance July 1*	Increases	Decreases	Balance June 30
Assets not being depreciated:				
Land	\$ 51,866,896	\$ 1,512,870	\$ -	\$ 53,379,766
Land and improvements acquired from the U.S Air Force	7,630,077	-	-	7,630,077
Other	748,000	-	-	748,000
Construction work in progress	28,540,257	56,364,955	63,329,374	21,575,838
Total assets, not being depreciated	<u>88,785,230</u>	<u>57,877,825</u>	<u>63,329,374</u>	<u>83,333,681</u>
Assets being depreciated:				
Buildings and improvements	371,168,125	36,182,862	2,867	407,348,120
Runways and improvements	246,511,046	3,369,756	-	249,880,802
Infrastructure	-	2,508,663	-	2,508,663
Improvements other than buildings and runways	112,748,804	34,561,884	-	147,310,688
Equipment	141,256,492	12,112,538	15,675,799	137,755,148
Total assets, being depreciated	<u>871,684,467</u>	<u>88,735,703</u>	<u>15,678,666</u>	<u>944,803,421</u>
Less accumulated depreciation:				
Buildings and improvements	156,575,059	11,844,225	-	168,419,284
Runways and improvements	149,368,993	10,940,716	-	160,309,709
Infrastructure	-	37,630	-	37,630
Improvements other than buildings and runways	70,938,985	7,071,251	-	78,010,236
Equipment	97,534,337	11,042,807	13,641,305	94,997,756
Total accumulated depreciation	<u>474,417,374</u>	<u>40,936,629</u>	<u>13,641,305</u>	<u>501,774,615</u>
Capital assets being depreciated, net	<u>397,267,093</u>	<u>47,799,074</u>	<u>2,037,361</u>	<u>443,028,806</u>
Total capital assets, net	<u>\$ 486,052,323</u>	<u>\$ 105,676,899</u>	<u>\$ 65,366,735</u>	<u>\$ 526,362,487</u>

In 2006 the additions to buildings were for the Aviation Fund security checkpoint reconfiguration (\$11.4 million) and Double Eagle II Control Tower (\$2.8 million); the Golf Fund clubhouse replacement (\$1.8 million); and the Transit Fund west-side transit facility (\$13.1 million) and ATC Depot (\$5.2 million). The additions to runways were for the Aviation Fund (\$3.3 million). The additions to improvements were for the Aviation Fund for fuel farm (\$13.7 million), terminal optimization (\$12.3 million), landscape modification (\$3 million) and parking structure development (\$1 million). The additions to equipment were to the Transit Fund for buses (\$2 million) and the Refuse Fund for heavy equipment and refuse disposal vehicles (\$8 million) and a billing system (\$1 million).

The construction work in progress decreased by \$7 million. The construction work in progress consists of expenditures made in connection with the Airport Fund, Golf Fund, Refuse Disposal Fund, Transit Fund, and Housing Authority Fund. The major amounts are for improvements to the Sunport and Transit Fund's new West Side Facility and ATC Depot.

CITY OF ALBUQUERQUE, NEW MEXICO
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Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$	2,375,433
Public Safety:		
Corrections		213,174
Fire protection		3,118,087
Police protection		8,339,302
Culture and recreation		13,148,855
Public works		14,067,611
Highways and streets		14,335,108
Health		759,995
Human services		1,577,030
Municipal Development		304,844
Capital assets held by the City's internal service funds charged to the various functions on a prorated basis based on their usage of the assets		114,723
Total depreciation expense – governmental activities	\$	<u>58,354,162</u>

Business-type activities:

Major funds:		
Airport	\$	23,740,756
Refuse Disposal		6,378,025
Transit		5,849,463
Nonmajor funds:		4,986,385
Total depreciation expense – business-type activities	\$	<u>40,936,629</u>

Capitalized interest

Changes to the capital assets for the business-type activities for 2006 include the following amounts of capitalized interest:

	<u>Total Interest</u>	<u>Interest Related to Tax-Exempt Borrowing</u>	<u>Net</u>
Interest expense	\$ 14,927,886	\$ 4,563,422	\$ 10,364,464
Interest income	5,761,032	2,913,200	2,847,832
Capitalized interest		<u>\$ 1,650,222</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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D. Interfund receivables, payables, and transfers

The interfund receivable and payable accounts have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2006, consists of the following:

	Due from other funds	Due to other funds
Major governmental funds:		
General Fund	\$ 543,681	\$ 864,237
Nonmajor governmental funds	-	301,179
Nonmajor proprietary funds	-	242,502
Internal service funds	864,237	-
Total	\$ 1,407,918	\$ 1,407,918

Interfund advances not expected to be repaid within one year are to be repaid from revenues or proceeds from the sale of assets as follows as of June 30, 2006.

Receivable Fund	Payable Fund	Amount
Risk Management Fund	Capital Acquisition Fund	\$ 1,299,000
Risk Management Fund	Refuse Disposal Fund	309,082
Nonmajor governmental fund*	Nonmajor proprietary fund*	20,300,000
Total advances		\$ 21,908,082

*Revenue bonds payable solely from gross receipts tax revenues were issued in fiscal year 2000. The proceeds of these bonds were advanced by the Sales Tax Refunding Debt Service Fund to the Parking Facilities Fund and are being used to construct, acquire or improve capital assets.

CITY OF ALBUQUERQUE, NEW MEXICO
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Interfund transfers for the year ended June 30, 2006, were as follows:

From	To	
General Fund	Capital Acquisition Fund	\$ 11,377,000
General Fund	Refuse Disposal Fund	700,000
General Fund	Transit Fund	23,437,000
General Fund	Nonmajor Proprietary Funds	2,185,000
General Fund	Nonmajor Governmental Funds	35,577,058
Capital Acquisition Fund	Transit Fund	2,760,710
Refuse Disposal Fund	General Fund	1,587,010
Transit Fund	General Fund	201,486
Nonmajor Governmental Funds	Capital Acquisition Fund	357,426
Nonmajor Governmental Funds	Transit Fund	6,813,176
Nonmajor Governmental Funds	General Fund	642,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds	9,395,033
Nonmajor Proprietary Funds	General Fund	277,061
Nonmajor Proprietary Funds	Capital Acquisition Fund	450,000
Nonmajor Proprietary Funds	Nonmajor Governmental Funds	34,000
Internal Service Funds	General Fund	269,000
Total transfers		\$ 96,062,960

	Transfers In	Transfers Out
“Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds”	\$ 93,244,403	\$ 60,167,074
“Statement of Revenues, Expenses, and Changes in Net Assets – All Proprietary Funds”		
Enterprise funds	2,549,557	35,895,886
Internal Service funds	269,000	-
Total transfers	\$ 96,062,960	\$ 96,062,960

The transfers from the General Fund to the other funds are for the purpose of: 1) providing a subsidy for the operations of the Transit and Refuse Disposal funds, 2) providing the City's local match for operating grants from federal and state agencies, 3) funding the purchase of police and fire vehicles, and various construction projects, and 4) transferring resources to debt service funds for the retirement of General Obligations and Sales Tax Refunding bonds.

The transfers to the General Fund from the major and nonmajor enterprise funds are primarily for payments in lieu of taxes.

Other transfers relating to funds within the nonmajor governmental funds type are: 1) for debt retirement and various other purposes, and 2) from permanent funds to the related expenditures governmental special revenue funds. The transfers from the nonmajor governmental fund to the nonmajor proprietary funds are for the transfer of a portion of the Infrastructure Tax Revenues to the Transit fund to be used for improvements to the local bus service.

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E. Leases

The City has various lease commitments for real property. The lease commitments are for one to three years, with most leases being for two years. About half of the leases have renewal options; the others do not. Lease expenses of \$435,744 were incurred for the year ended June 30, 2006. Lease commitments for future years are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 494,109
2008	399,744
2009	399,744
2010	399,744
2011	90,324
Total	\$ <u>1,783,665</u>

The Housing Authority has also entered into a lease agreement as lessee for financing the acquisition of equipment and improvements. This lease agreement is treated as a capital lease for accounting purposes and, therefore, has been reported at the present value of the future minimum lease payments as of the inception date in the basic financial statements. At June 30, 2006 the outstanding balance of the capital lease is \$847,746. Amortization expense is included with depreciation expense on the Statement of Revenues, Expenses and Changes in Fund Net Assets.

The assets acquired through capital leases are as follows:

Equipment and Improvements	\$ 944,458
Less: Accumulated amortizations	<u>(175,297)</u>
Total	\$ <u>769,161</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2006 are as follows:

Year Ending June 30	<u>Principal and Interest</u>
2007	\$ 116,842
2008	116,842
2009	116,842
2010	116,842
2011	116,842
2012-2016	<u>438,162</u>
Total minimum lease payment	1,022,372
Less amount representing interest	<u>(174,626)</u>
Present value of minimum lease payments	\$ <u>847,746</u>

CITY OF ALBUQUERQUE, NEW MEXICO
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F. Restricted assets

Restricted assets arise principally from legal restrictions on expenditures of proceeds from general obligations bonds or sales tax revenue bonds in the governmental activities or on expenditures of proceeds from revenue bonds of the enterprise funds. The amount of restricted assets reported in the statement of net assets at June 30, 2006 is as follows:

<u>Governmental Activities</u>	
Capital Acquisition Fund	\$ 64,163,803
<u>Business-type activities</u>	
Airport Fund	\$ 89,941,742
Refuse Disposal Fund	5,873,517
Transit Fund	5,049,913
Nonmajor Enterprise Funds	10,363,768
Totals	<u>\$ 111,228,940</u>

G. Short-term and long-term obligations

Governmental activities

Bonded obligations of the City consist of various issues of general obligation, revenue, and special assessment bonds. Also included in long-term obligations are a water rights contract, notes payable, claims and judgments, and accrued vacation and sick leave pay. The City has complied with all revenue bond ordinance requirements for maintaining specific reserves for future debt service. All variable rate bonds are callable at 100% after 45 to 60 days notification to bondholders. The changes in the long-term obligations of the governmental activities for the year ended June 30, 2006, are as follows:

	July 1*	Increases	Decreases	June 30	Payable in one year
General Obligation Bonds	\$ 276,555,000	\$ -	\$ 37,350,000	\$ 239,205,000	\$ 39,440,000
Sales Tax Revenue Bonds	141,255,000	-	5,090,000	136,165,000	2,220,000
Sales Tax Revenue Note	5,997,116	-	605,817	5,391,299	631,299
Special Assessment Bonds and Notes With Governmental Commitment	12,655,943	-	4,981,124	7,674,819	
Accrued vacation and sick leave pay	27,724,207	41,797,429	39,699,736	29,821,900	24,852,600
Accrued claims payable	50,378,764	22,684,682	22,678,147	50,385,299	21,916,000
Less deferred amounts:					
Deferred refunding costs	(5,303,784)	-	(205,509)	(5,098,275)	-
Unamortized bond premiums	(1,965,586)	-	(144,285)	(1,821,301)	-
Unamortized bond discounts	9,560,527	-	2,130,196	7,430,331	-
	<u>516,857,187</u>	<u>64,482,111</u>	<u>112,185,226</u>	<u>469,154,072</u>	<u>89,059,899</u>
Current Portion of	<u>(78,228,083)</u>	<u>-</u>	<u>10,831,816</u>	<u>(89,059,899)</u>	
Long-term obligations	<u>\$ 438,629,104</u>	<u>\$ 64,482,111</u>	<u>\$ 123,017,042</u>	<u>\$ 380,094,173</u>	<u>\$ 89,059,899</u>

* \$20,005,917 reclassified as short-term

Total interest cost incurred for governmental activities for the year ended June 30, 2006 was \$17,744,149, all of which was charged to expense.

Short-term debt activity for governmental activities. In a regular municipal election held October 4, 2004 the issuance of \$113,045,000 general purpose general obligation bonds and \$8,080,000 storm sewer system general obligation bonds was approved. On June 30, 2006 the City issued \$34,000,000 in general purpose bonds and \$3,000,000 in storm sewer bonds. These bonds were repaid in July 2006.

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Short-term General Obligation Bonds	\$20,005,917	\$37,000,000	\$20,005,917	\$37,000,000

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General Obligation bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on property located within the City. The sick leave and vacation pay obligations are being liquidated primarily by the following funds: General, Air Quality, City/County Facilities, Gas Tax Road, Plaza Del Sol Building, and Acquisition and Management of Open Space Expenditures. Limited amounts are being liquidated by other funds. The City's Risk Management Fund (an internal service fund) liquidates all claims payable. General obligation bonds outstanding at June 30, 2006, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
January 1, 1997 Storm Sewer	\$ 4,200,000	5.00%	July 1, 2006	Not callable
February 1, 1998 Storm Sewer	6,350,000	5.00%	July 1, 2007	100% beginning July 1, 2005
February 1, 1999 General Purpose	2,000,000	3.85/3.95%	July 1, 2006	Not callable
February 1, 1999 Storm Sewer	4,760,000	4.00/4.05%	July 1, 2008	100% beginning July 1, 2006
August 1, 1999 General Purpose	8,000,000	4.50/4.75%	July 1, 2009	100% beginning July 1, 2007
July 1, 2000 Storm Sewer	6,000,000	5.00%	July 1, 2010	100% beginning July 1, 2008
September 1, 2001 General Purpose	21,350,000	4.00/5.00%	July 1, 2010	100% beginning July 1, 2009
September 1, 2001 Storm Sewer	4,510,000	4.38%	July 1, 2011	100% beginning July 1, 2009
December 1, 2001 Taxable Baseball Stadium	5,000,000	4.00/5.60%	July 1, 2010	Not callable
February 1, 2002 General Purpose	10,600,000	2.50/5.00%	July 1, 2009	Not callable
February 1, 2002 Storm Sewer	5,600,000	4.50%	July 1, 2011	100% beginning July 1, 2010
July 1, 2004 General Purpose	49,225,000	2.50/5.00%	July 1, 2012	100% beginning July 1, 2011
July 1, 2004 Storm Sewer	9,440,000	3.00/4.50%	July 1, 2013	100% beginning July 1, 2011
June 30, 2005 General Purpose	90,595,000	4.00/5.00%	July 1, 2013	Not callable
June 30, 2005 Storm Sewer	11,575,000	4.00/4.25%	July 1, 2014	100% beginning July 1, 2013
June 30, 2006 General Purpose	37,000,000	4.98%	July 1, 2007	Not callable
Total Outstanding	<u>\$ 276,205,000</u>			

The Constitution of the State of New Mexico limits the amount of general-purpose general obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2006, based on the most recent assessed taxable valuation of \$9,307,580,595, the City may issue an additional \$148,533,224 of general-purpose general obligation bonds. Included in the general obligation bonds outstanding at June 30, 2006, are Storm Sewer bonds in the amount of \$52,435,000 that are not subject to the legal debt limit.

Sales Tax Revenue Bonds and Notes of the City are secured by a pledge of gross receipts tax (sales tax) revenues. In addition, the 1996 Refunding issue is secured by limited amounts of parking and airport revenues. Sales tax revenue bonds and notes outstanding at June 30, 2006, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
November 18, 1991 B Refunding and Improvement	\$ 3,970,000	6.60/7.10%	July 1, 2019	103% beginning July 1, 2011
May 1, 1992 Refunding	2,570,000	6.00/6.30%	July 1, 2007	102% beginning July 1, 2002
March 7, 1995 Refunding	1,300,000	Adjustable	July 1, 2023	100% beginning March 7, 1995
October 15, 1996 Refunding	3,365,000	5.00%	July 1, 2011	100% beginning July 1, 2007
January 15, 1999 A Refunding	4,465,000	3.75/5.00%	July 1, 2015	100% beginning July 1, 2009
January 15, 1999 B Refunding	12,235,000	4.60/5.00%	July 1, 2025	100% beginning July 1, 2009
March 15, 1999 C Refunding	27,130,000	4.75/5.25%	July 1, 2022	100% beginning July 1, 2009
January 20, 2000 A	20,300,000	Adjustable	July 1, 2014	100% beginning January 20, 2000
October 6, 2004 A Refunding	31,965,000	4.75%	July 1, 2037	100% beginning July 1, 2014
October 6, 2004 B Refunding	28,865,000	2.39/4.90%	July 1, 2014	100% beginning October 6, 2004
April 27, 2001, Note	151,299	3.02/3.62%	July 1, 2006	None
September 9, 2004 Note	5,240,000	1.26/3.67%	July 1, 2014	None
Total Outstanding	<u>\$ 141,556,299</u>			

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At June 30, 2006, the following general obligation bonds were authorized by voters on October 4, 2005 and unissued.

Voter Authorized Purpose	Amount
Fire, Police and Emergency Management	\$ 3,365,000
Senior, Family, Community Center and Enhancement	7,463,550
Parks and Recreation	22,177,235
Public Facilities, Equipment and System Modernization	6,766,000
Library	2,153,150
Streets	31,492,515
Public Transportation (Transit)	1,910,500
Storm Sewer System	5,080,000
Zoo and Biological Park	2,489,500
Museum	1,227,050
Total	<u>\$ 84,125,000</u>

Special Assessment Debt and Notes Payable with Governmental Commitment are secured by pledges of revenues from special assessments levied. The outstanding bonds and notes of certain water and sewer improvement districts are also secured by surplus revenues of the Albuquerque Bernalillo County Water Utility Authority (a component unit), subordinate to bonds and obligations payable solely or primarily from such revenues. Outstanding bonds and notes of paving and sidewalk improvement districts are additionally secured by pledges of one-half of motor fuel tax revenues of the City, to be used only in the event that revenues from assessments and interest levied are not sufficient to meet debt service requirements. All Special Assessment debt is callable at 100% on any semi-annual interest payment date. Special Assessment debt and notes in the amount of \$7,674,819 are outstanding at June 30, 2006. Interest rates range from .94% to 7.10%, and maturities extend through January 1, 2015.

Business-type activities

The changes in the Business-type activities obligations for the year ended June 30, 2006, are as follows:

	Outstanding				
	July 1	Increases	Decreases	June 30	Payable in one year
Revenue bonds	\$ 269,615,000	\$ -	\$ 13,645,000	\$ 255,970,000	\$ 14,850,000
Loans and notes payable	20,420,080	-	919,382	19,500,698	937,233
Accrued vacation and sick leave pay	5,073,124	6,469,194	6,134,571	5,407,747	4,000,600
Landfill closure costs	1,515,176	-	147,273	1,367,903	-
Less deferred amounts:					
Deferred refunding costs	(4,938,352)	-	(734,347)	(4,204,005)	-
Unamortized bond premiums	1,426,528	-	285,409	1,141,121	-
Unamortized bond discounts	(242,493)	-	(23,779)	(218,714)	-
	<u>292,869,063</u>	<u>6,469,194</u>	<u>20,373,509</u>	<u>278,964,750</u>	<u>19,787,833</u>
Capitalized leases	919,184	-	71,438	847,746	81,273
Subtotal	<u>293,788,247</u>	<u>6,469,194</u>	<u>20,444,947</u>	<u>279,812,496</u>	<u>19,869,106</u>
Current Portion	<u>(17,503,498)</u>	<u>-</u>	<u>2,365,608</u>	<u>(19,869,106)</u>	<u>-</u>
Business-type activities					
Long-term obligations	<u>\$ 276,284,749</u>	<u>\$ 6,469,194</u>	<u>\$ 22,810,555</u>	<u>\$ 259,943,390</u>	<u>\$ 19,869,106</u>

Total interest cost incurred for business-type activities for the year ended June 30, 2006 was \$14,927,886, of which \$4,563,422 was capitalized and \$10,364,464 was charged to expense. The sick leave and vacation pay obligations are being liquidated primarily by the following funds: Airport, Refuse Disposal, Housing Authority, Golf Course, Transit, and Parking Facilities.

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Airport Revenue Bonds are secured by pledges of net revenues of the airport. Airport Revenue bonds outstanding at June 30, 2006, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
May 3, 1995 Refunding	\$ 44,200,000	a*	July 1, 2014	100% on any interest payment date
April 3, 1997 Refunding	25,825,000	6.25/6.75%	July 1, 2018	102% beginning July 1, 2007
September 1, 1998 Refunding	35,660,000	3.80/5.00%	July 1, 2019	100% beginning July 1, 2008
May 4, 2000 A	5,500,000	a	July 1, 2020	100% on any interest payment date
May 4, 2000 B	18,300,000	a	July 1, 2020	100% on any interest payment date
August 1, 2001	36,760,000	3.20/4.75%	July 1, 2016	100% beginning July 1, 2012
March 23, 2004 A	19,975,000	1.63/5.11%	July 1, 2018	100% beginning July 1, 2005
March 23, 2004 B	30,000,000	2.0/4.5%	July 1, 2024	100% beginning July 1, 2007
Total Outstanding	216,220,000			
Deferred refunding cost	(4,121,305)			
Unamortized premiums/discounts	770,485			
	<u>\$ 212,869,180</u>			

a – adjustable weekly

*In connection with the City's Subordinate Series 1995 Bonds relating to the Airport, the City entered into an Interest Rate Swap Agreement (the "Exchange Agreement") dated as of October 1, 1992, with AIG Financial Products Corporation ("AIG-FP"). Under the Exchange Agreement, the City is obligated to pay interest at the fixed interest rate of 6.685% per annum and AIG-FP is obligated to make reciprocal floating rate payments equal to the interest rate on the Subordinate Series 1995 Bonds, subject to certain conditions. Arrangements made in respect of the Exchange Agreement do not alter the City's obligation to pay principal of and interest on the Subordinate Series 1995 Bonds from net revenues of the Airport and other amounts pledged. The Exchange Agreement does not provide a source of security or other credit for the Subordinate Series 1995 Bonds. The City's obligations under the Exchange Agreement to make monthly fixed rate of payments to AIG-FP are on a parity with the City's obligations to pay principal of and interest on the Subordinate Series 1995 Bonds. Under certain limited circumstances, the Exchange Agreement may be terminated prior to maturity of the Subordinate Series 1995 Bonds. If the Exchange Agreement is terminated under certain market conditions, the City may owe a termination payment to AIG-FP payable from net revenues of the Airport. As of June 30, 2006, the estimated mark-to-market value of the Exchange Agreement is as follows:

<u>Ref No.</u>	<u>Trade Date</u>	<u>Maturity Date</u>	<u>Value**</u>	<u>Without Accruals**</u>
57927	10/30/92	07/02/14	\$4,956,739	\$4,869,807

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

The Apartments Revenue Bonds are secured by pledges of net revenues of the apartments. On July 20, 2000, the City, pursuant to a mortgage and indenture of trust, issued its Affordable Housing Projects Refunding Revenue Bonds Series 2000 (Series 2000) in the aggregate principal amount of \$15,080,000 for the purpose of refunding and defeasing three bond issues of the City; 1) its Multifamily Mortgage Revenue Bonds (Beach Apartments Project), Series 1991, 2) its Multifamily Mortgage Revenue Bonds (Manzano Vista, formerly Dorado Village Apartments Project), Series 1994, and 3) its Affordable Housing Project/Gross Receipts Tax Subordinate Lien Revenue Bonds, Series 1996. The Series 2000 bonds consist of debt issued by three City owned trusts; Beach, Bluewater Village and Manzano Vista Apartments. The debt constitutes a limited obligation of the City and is payable solely from the resources of these trusts. The respective facilities and the revenues derived from these facilities are pledged for the repayment of the bonds. The mortgage and indenture of trust contain significant requirements for annual debt service and use of project revenues and resources. Required funds include escrow and expense funds, a debt service fund, use of project reserve funds (debt service, retained earnings coverage and sinking fund installment accounts) and restricted property reserve funds (rehabilitation, renovation, repair and replacement accounts). The Series 2000 bonds mature in staggered amounts beginning July 1, 2001 with final payment due July 1, 2030 and bear a variable interest rate based upon similar tax free obligations (BMA index). At the option of the City, interest is paid on market rates for either daily, weekly, short term, during the year ended, or long-term interest rate periods. Based on interest rate periods, interest is paid no less than monthly or in the case of

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Long-term periods paid semi annually each July and January. At June 30, 2006 and 2005 interest was being paid monthly. The average interest rate on the Series 2000 bonds for the years ended June 30, 2006 and 2005 was 2.88% and 1.75% respectively. The City has executed a standby bond purchase agreement, which expires July 20, 2014, to provide a liquid facility for the potential repurchase of bonds at the option of the bond owner (at par) as allowed under the terms of the mortgage and indenture of trust. The City has contracted with a remarketing agent to resell bonds purchased pursuant to the standby bond purchase agreement. The Series 2000 bonds are subject to optional and mandatory redemptions generally at par, unless Long-term rates are in effect, as required by the mortgage and indenture of trust commencing July 1, 2001. The Apartments debt in the amount of \$13,380,000 is outstanding at June 30, 2006 and maturities extend through July 1, 2030.

Golf Course Revenue Bonds are secured by a pledge of net golf course revenues and a pledge of revenues received by the City from gross receipts tax revenues. Golf Course Revenue bonds outstanding at June 30, 2006 are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
February 1, 2001	\$ 1,660,000	5.70/6.70%	July 1, 2011	100% beginning July 1, 2007
Unamortized discounts	(2,652)			
	<u>\$ 1,657,348</u>			

Refuse Disposal Revenue Bonds are secured by a pledge of net revenues from refuse disposal operations. Refuse Disposal Revenue Bonds outstanding at June 30, 2006, are as follows:

Issue	Amount	Interest Rate	Final Maturity	Call Provision
July 1, 1995	\$ 6,260,000	4.90/5.30%	July 1, 2009	Not callable
February 1, 1998	6,240,000	4.20/5.00%	July 1, 2013	100% July 1, 2007
May 1, 2001 A	1,535,000	4.00/4.10%	July 1, 2008	Not callable
May 1, 2001 B	<u>10,675,000</u>	3.63/5.25%	July 1, 2012	Not callable
Total outstanding	24,710,000			
Deferred refunding costs	(82,701)			
Unamortized premiums	154,575			
Net outstanding	<u>\$ 24,781,874</u>			

Refuse Loans On July 9, 2004 the City entered into a tax-exempt loan agreement with New Mexico Finance Authority for \$5,800,000 with an average interest rate of 2.87%. Final payment is due on July 1, 2014. The balance due on June 30, 2006 was \$5,270,678.

Stadium Loans are secured by pledges of net revenues of the Albuquerque baseball stadium. On October 4, 2002, the City entered into a Taxable Stadium Lease loan agreement with the New Mexico Finance Authority in the amount of \$6,000,000 with an average interest rate of 5.2%. Final payment is due on July 1, 2026. The balance due on June 30, 2006 was \$5,714,934. On December 27, 2002, the City entered into a Taxable Surcharge loan agreement with the New Mexico Finance Authority in the amount of \$9,000,000 with an average interest rate of 4.2%. Final payment is due on July 1, 2026. The balance due on June 30, 2006 was \$8,515,085. Both loans were used to finance reconstruction of the existing baseball stadium.

Housing Authority Debt The U.S. Housing and Urban Development Department (HUD) guaranteed third party debt consisting of new Housing Authority (HA) revenue bonds and permanent notes, payable to the Federal Financing Bank, were issued to provide for the development and modernization of low rent housing units. These bonds and notes are payable by HUD and secured by annual contributions to the HA. HUD regulations state that the bonds and notes do not constitute a debt of the HA and, accordingly, these have not been reported in the accompanying financial statements. At June 30, 2006, the outstanding balance of the revenue bonds was \$800,000 with annual payments required through 2013 and the outstanding balance of the permanent notes was \$6,982,110 with annual payments required through 2017.

CITY OF ALBUQUERQUE, NEW MEXICO
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JUNE 30, 2006

Summary of Annual Debt Service Requirements

The annual debt service requirements on the obligations outstanding at June 30, 2006 are as follows:

Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2007	\$ 79,291,299	\$ 16,382,060	\$ 15,868,506	\$ 13,053,086
2008	40,543,366	14,509,453	19,579,216	12,203,059
2009	37,065,657	12,901,100	19,284,446	11,295,965
2010	34,830,052	11,427,559	23,509,344	10,243,951
2011	33,609,092	9,964,693	23,173,454	9,069,425
2012-2016	103,106,652	32,395,236	108,236,976	28,305,426
2017-2021	26,075,000	21,383,920	46,565,421	8,656,316
2022-2026	16,805,000	15,694,251	14,721,551	2,575,501
2027-2031	17,155,000	11,795,613	5,379,530	456,629
2032-2036	24,595,000	6,486,187	-	-
2037-2041	12,360,000	636,547	-	-
	<u>\$ 425,436,118</u>	<u>\$ 153,576,618</u>	<u>\$ 276,318,444</u>	<u>\$ 95,859,358</u>

Arbitrage

Section 148 of the Internal Revenue Code provides generally that bonds issued by a municipality will be "arbitrage bonds", if any portion of the proceeds of the bonds are reasonably expected to be invested in obligations with a yield that is "materially higher" than the yield on the bonds. While municipalities are entitled to earn a certain amount of positive arbitrage during the period the bonds are outstanding, Section 148(f) generally requires that these earnings be paid to the Internal Revenue Service (IRS) at least every five years. As of June 30, 2006, the City has set aside an amount of \$1,067,752 in arbitrage interest due the IRS in connection with future filings and payments to the IRS. This amount is reported as a deferred credit in the statement of net assets.

H. Demand bonds

Included in long-term debt obligations (Note G.) is \$104,580,000 of various demand bonds, the proceeds of which were used to (a) provide funds for certain capital improvements, (b) establish bond reserve funds in accordance with the trust agreements, (c) establish a construction period interest account, and (d) pay costs incurred to issue the bonds. The bonds are included in the summary of annual debt service requirements in Note G assuming retirement in accordance with the related mandatory sinking fund redemption requirements.

The holders of the bonds may demand payment at a price equal to principal plus accrued interest upon delivery to the City's remarketing agent. The remarketing agents are authorized to use their best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. If a remarketing agent is unable to resell any tendered bonds, the City has a non-cancelable "take out" agreement that would be exercised. The City is required to pay an annual fee for the "take out" agreements. The remarketing agent receives a fee for their services.

CITY OF ALBUQUERQUE, NEW MEXICO
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At June 30, 2006, no amounts were drawn on the "take out" agreements, which are as follows:

Sales Tax Revenue Bonds March 7, 1995

Remarketing Agent	Citigroup
Terms of "Take-Out" Agreement:	
Purchaser	Bank of America
Method of Purchase	Direct Pay Letter of Credit
Expiration Date	November 27, 2007
Annual Fee	.45% on the stated amount of the letter of credit
Stated Amount at Time of Issuance	\$2,018,220 (Principal outstanding plus 295 days of interest at 15%)
Bonds Outstanding at 6/30/2006	\$1,300,000
Annual Debt Service Requirements	\$60,000. Final payment of \$1,300,000 due July 1, 2023

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

Remarketing Agent	Citigroup
Terms of "Take-Out" Agreement:	
Purchaser	AIG Liquidity Corporation
Method of Purchase	Direct Pay Letter of Credit
Expiration Date	July 1, 2014
Annual Fee	.25% on the stated amount of the letter of credit
Stated Amount at Time of Issuance	\$67,963,699 (Principal outstanding plus 35 days of interest at 15%)
Bonds Outstanding at 6/30/2006	\$44,200,000
Annual Debt Service Requirements	Range of payment is from \$6,600,000 to \$7,200,000

Airport Subordinate Lien Adjustable Rate Revenue Bonds, Series 2000 A & B May 4, 2000

Remarketing Agent	Dain Rauscher, Inc.
Insured by	Ambac Assurance Inc.
Terms of "Take-Out" Agreement:	
Purchaser	JP Morgan Chase Bank, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	May 3, 2010
Annual Fee	.175% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$47,858,193 (Principal outstanding plus 35 days of interest at 12% for 2000A and 15% for Series 2000B)
Bonds Outstanding at 6/30/2006	\$23,800,000
Annual Debt Service Requirements	Range of payment is from \$560,000 to \$5,200,000

Variable Rate Taxable Gross Receipts Tax Improvement Bonds, Series 2000A, January 20, 2000

Remarketing Agent	Dain Rauscher, Inc.
Insured by	MBIA Insurance Corporation
Terms of "Take-Out" Agreement:	
Purchaser	Bank of America, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	January 20, 2014
Annual Fee	.14% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$27,733,333 (Principal outstanding plus 200 days of interest at 15%)
Bonds Outstanding at 6/30/2006	\$20,300,000
Annual Debt Service Requirements*	Range of payment is from \$2,800,000 to \$4,600,000

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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Affordable Housing Projects Refunding Revenue Bonds, Series 2000, July 1, 2000

Remarketing Agent	Newman & Associates, Inc.
Insured by	MBIA Insurance Corporation
Terms of "Take-Out" Agreement:	
Purchaser	Bank of America, N.A.
Method of Purchase	Liquidity Facility
Expiration Date	July 20, 2010
Annual Fee	.125% on the stated amount of the liquidity facility
Stated Amount at Time of Issuance	\$16,085,333 (Principal outstanding plus 200 days of interest at 12%)
Bonds Outstanding at 6/30/2006	\$13,080,000
Annual Debt Service Requirements*	Range of payment is from \$349,500 to \$1,021,000

* Based on interest rate in effect on June 30, 2006.

I. Refunded bonds

The City has refunded various bond issues by issuing refunding bonds, the proceeds of which have been placed in escrow and used to purchase securities of the United States Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. These assets are administered by trustees and are restricted to use for retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying general purpose financial statements as the City satisfied its obligation for payment of the refunded debt upon completion of the refunding transactions. Refunded debt outstanding at June 30, 2006, is as follows:

Sales Tax Revenue Bonds	<u>\$53,544,423</u>
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J. Conduit bonds

The City has acted from time to time as the issuer of conduit bonds, the proceeds of which have been immediately loaned to a private borrower. Such bonds are payable by the City only from amounts paid to the City by such conduit borrowers pursuant to a lease, loan or other agreement. The City has assigned its rights with respect to such bonds to various trustees that monitor amounts due by the borrowers and pay the principal and interest as due on such conduit bonds from the borrowers' payments. The City has no obligation to repay all or any portion of such bonds in the event the private borrowers fail to make their payments when due.

Industrial Revenue Bonds

In fiscal year 2006, the City issued an Industrial Revenue Bonds for Advent Solar, Inc. in the amount of \$25,000,000 and for Ktech Corporation in the amount of \$12,000,000. As of June 30, 2006, there were fifty-five series of Industrial Revenue Bonds outstanding with an original issuance cost of \$1.9 billion. The remaining principal balance outstanding as of June 30, 2006 is not available.

Metropolitan Redevelopment Bonds

As of June 30, 2006, there were ten series of Metropolitan Redevelopment Bonds outstanding with an original issuance amount issued totaled \$43.7 million. The remaining principal balance outstanding as of June 30, 2006 is not available.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

K. Segment information

Significant financial data for identifiable activities of major enterprise funds are reported in the statements for proprietary funds in the basic financial statements section. Significant financial data for identifiable activities of nonmajor enterprise funds as of and for the year ended June 30, 2006, (in thousands of dollars) is as follows:

	Golf Course Fund	Apart- ments Fund	Parking Facilities Fund	Stadium Fund	Housing Fund	Total
CONDENSED STATEMENT OF NET ASSETS						
Assets:						
Current assets	\$ 661	\$ 1,456	\$ 915	\$ 1,138	\$ 12,248	\$ 16,418
Restricted assets	134	1,985	7,826	37	383	10,365
Capital assets	6,960	14,127	25,374	20,133	18,486	85,080
Other assets	28	316	182	132	-	658
Total assets	7,783	17,884	34,297	21,440	31,117	112,521
Liabilities:						
Current liabilities	458	357	189	796	1,722	3,522
Liabilities payable from restricted assets	-	91	-	-	103	194
Bonds, notes payable, and other long-term liabilities	1,479	13,180	20,300	13,828	767	49,554
Advance from other funds	-	-	-	-	-	-
Total liabilities	1,937	13,628	20,489	14,624	2,592	53,270
Net assets:						
Invested in capital assets, net of related debt	5,672	1,263	25,556	6,437	18,486	57,414
Net assets restricted for:						
Debt service	44	-	1,238	37	-	1,319
Construction	49	-	6,474	-	-	6,638
Unrestricted net assets (deficit)	81	2,993	(19,460)	342	10,039	(6,005)
Total net assets	\$ 5,846	\$ 4,256	\$ 13,808	\$ 6,816	\$ 28,525	\$ 59,251

**CONDENSED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS**

Operating revenues	\$ 4,213	\$ 2,980	\$ 4,038	\$ 1,724	\$ 1,755	\$ 14,710
Depreciation	(296)	(616)	(1,275)	(1,057)	(1,724)	(4,968)
Other operating expenses	(3,484)	(2,184)	(3,184)	(612)	(6,457)	(15,921)
Operating income (loss)	433	180	(421)	55	(6,426)	(6,179)
Nonoperating revenues (expenses):						
Investment earnings	24	86	204	35	382	731
Interest and other debt related expenses	(40)	(568)	(1,177)	(797)	(29)	(2,611)
Federal housing grants	-	-	-	-	24,092	24,092
Housing assistance payments	-	-	-	-	(19,087)	(19,087)
Other	-	257	71	-	407	735
Capital contributions	10	-	(134)	74	-	(50)
Transfers in	-	-	2,185	-	-	2,185
Transfers out	(93)	(34)	(184)	(450)	-	(761)
Change in net assets	334	(79)	544	(1,083)	(661)	(945)
Beginning net assets	5,512	4,335	13,264	7,899	29,186	60,196
Ending net assets	\$ 5,846	\$ 4,256	\$ 13,808	\$ 6,816	\$ 28,525	\$ 59,251

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:						
Operating activities	\$ 361	\$ 972	2086	1,064	(3,864)	619
Noncapital financing activities	(93)	(34)	101	(450)	5,005	4,529
Capital and related financing activities	(465)	(1,008)	(1,548)	(1,121)	(1,264)	(5,406)
Investing activities	24	86	204	35	382	731
Net increase (decrease)	(173)	16	843	(472)	259	473
Beginning cash and cash equivalents	952	3,376	5,514	1,411	11,908	23,161
Ending cash and cash equivalents	\$ 779	\$ 3,392	\$ 6,357	\$ 939	\$ 12,167	\$ 23,634

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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The types of services provided by each individual fund are stated below:

Golf Course Fund. This fund charges a greens fee for the use of the City's golf courses.

Apartments Fund. This fund charges rental on housing for persons who meet eligibility requirements based on the level of income earned.

Parking Facilities Fund. This fund provides parking space for the City's residents in the downtown area.

Stadium Fund. This fund provides a baseball stadium that is being used by an AAA class baseball team.

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

L. Defined benefit pension plan

Substantially all of the City of Albuquerque's full-time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Association (PERA) of the State of New Mexico, a cost-sharing, multiple-employer public employee retirement plan. PERA provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. A publicly available financial report that includes financial statements and required supplementary financial information for PERA can be obtained by correspondence to Comptroller, Public Employees Retirement Association, P.O. Box 2123, Santa Fe, New Mexico, 87504-2123.

RETIREMENT ELIGIBILITY - An employee may retire when 25 or more years of service are attained at any age (20 years for Police and Fire) or under the following age options: age 60 with 20 or more years of service, age 61 with 17 or more years of service, age 62 with 14 or more years of service, age 63 with 11 or more years of service, age 64 with 8 or more years of service, or age 65 with 5 or more years of service.

RETIREMENT BENEFITS - An employee's retirement benefit is based on a formula that considers credit for years of service multiplied by a percentage factor and is then applied against the employee's average highest three-year salary. Retirement benefits are vested upon reaching five years of service. The plan also provides death and disability benefits. Benefits are established by State statute.

FUNDING POLICY - The contribution requirements of plan members and the City are established under Chapter 10, Article 11 NMSA 1978. Covered employees are required by State statute to contribute a percentage of their gross salary; the City of Albuquerque is also required by State statute to contribute a certain percent depending on the type of plan. The following are the plans covered by the City, contribution requirements, and contributions actually made (in thousands of dollars) for the year ended June 30, 2006.

Group Covered	Employee		Employer	
	Percent	Amount	Percent	Amount
General – Management, Blue Collar and White Collar	13.15%	\$ 20,365	9.15%	\$ 14,239
General – Bus Drivers	13.15%	938	9.15%	653
General – Other	7.00%	188	7.00%	220
Corrections	16.65%	1,680	16.65%	1,680
Police	16.30%	7,883	18.50%	9,038
Fire	16.30%	5,038	21.25%	6,608
		\$ <u>36,092</u>		\$ <u>32,438</u>

In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the City has elected to make a percentage of the employee's contributions. The percentage of the employee's contribution paid by the City's varies according to the specific plan type. The City's employer contribution to PERA for the years ending June 30, 2006, 2005, and 2004 were \$32,438,165, \$30,299,240 and \$27,734,993 respectively.

If a member's employment is terminated before the member is eligible for any other benefits under PERA, the member may receive a refund of the member's contribution and interest accrued based on rates established

CITY OF ALBUQUERQUE, NEW MEXICO
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biannually by the retirement board. The payroll for employees covered by PERA for the year ended June 30, 2006, \$255,938,628; the total payroll for all employees of the City of Albuquerque was \$301,785,882.

M. Post employment benefits

In addition to providing pension benefits described in Note 17, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach the normal retirement eligibility conditions while working for the City.

LIFE INSURANCE BENEFITS: Life insurance benefits authorized by the City's Merit System Ordinance and Personnel Rules and Regulations for eligible employees are reduced by 50%, not to exceed \$25,000, upon retirement. Life insurance benefits are paid through premiums to an insurance company under an indemnity plan. The insurance company has the right to adjust the premiums based on claims paid. Historically, the claims paid in any one year have not exceeded the premiums. The City recognizes the cost of providing the life insurance benefits by charging the insurance premiums to expenditures. The life insurance costs for the fiscal year ended June 30, 2006, were approximately \$204,272.85. The number of retired employees covered under the life insurance benefit was 3,316 at June 30, 2006, and the amount of life insurance coverage for these retired employees was \$67,001,900.

RETIREE HEALTH CARE ACT CONTRIBUTIONS: The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public services in New Mexico. The Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act, or the Magistrate Retirement Act.

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

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to .65 percent of the employee's annual salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRCHA effective date or is a former legislator and made no contributions to the plan.

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

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

CITY OF ALBUQUERQUE, NEW MEXICO
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The City of Albuquerque remitted \$3,233,989 in employer contributions and \$1,616,994 in employee contributions in the fiscal year ended June 30, 2006.

N. Landfill closure and postclosure care cost

Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs in the Refuse Disposal Fund (Enterprise) as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,367,903 reported as other liabilities payable from restricted assets at June 30, 2006, represents the cumulative amount reported to date based on the use of 18.7% of the estimated capacity of the Cerro Colorado and South Broadway Landfills. The City will recognize the remaining estimated cost of closure and post-closure care of \$5,600,107 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2006. The City expects to close the landfill in the year 2037. Actual cost may be higher due to inflation, change in technology, or change in regulations.

The City has set aside \$1,833,756 for future post-closure costs. This amount is reported as a restricted asset on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate, or additional post-closure care requirements are determined (due to change in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

O. Risk management

The City is exposed to various risks of loss related to torts and civil rights claims (including law enforcement and employment related exposures); theft, damage and destruction of its real and personal assets; workers compensation losses; errors and omissions of City officers and officials; and natural disasters. The City uses the Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$600,000 for each workers' compensation incident, \$1,050,000 for each tort liability claim, and \$50,000 for each City real and contents damage claim. At various periods in past years, certain risk exposures were insured and the City continues to benefit from case coverage on claims that were incurred during those claim years.

The Risk Management Fund tracks claims on a fund by fund basis and assesses charges to each fund based on historical claims experience and the need to establish a reserve for unanticipated catastrophic losses. That reserve was \$1,000,000 at June 30, 2006, and is included in the unrestricted net assets (deficit) of the Risk Management Fund. The claims liabilities reported in the Risk Management Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Based on historical data, the City believes the Risk Management Fund (an internal service fund) is adequately funded. During Fiscal Year 2005, two comprehensive actuarial reviews were done to gauge the adequacy of the reserves for both the Workers' Compensation and Tort Liability programs. The actuarial reviews validated that the \$2,900,000 added in Fiscal Year 2004 to the "incurred but not yet reported" reserves was 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 \$9,908,414 during Fiscal Year 2006 and the City is in the final year of a five year plan to address a deficit in the Risk Management Fund. In Fiscal Year 2007, 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. In addition, the City started Fiscal Year 2006 with \$42,717,703 available in the General Fund balance.

CITY OF ALBUQUERQUE, NEW MEXICO
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Finally, the City has reserve amounts created by the City's policy to reserve one-twelfth of the General Fund budgeted amount. The amounts and change in the Fund's claims liability in fiscal year 2006 and 2005 were:

	2006	2005
Claims liability at July 1	\$ 50,378,764	\$ 47,578,248
Current year claims and change in estimates	22,684,682	23,682,795
Claims liquidated	(22,678,147)	(20,882,279)
Claims liability at June 30	\$ 50,385,299	\$ 50,378,764
The components of the claims liability at June 30 are:		
Current portion	\$ 21,916,000	\$ 17,503,500
Noncurrent portion	28,385,299	32,875,264
Total claims liability	\$ 50,385,299	\$ 50,378,764

P. Changes to prior period fund balances or net assets

Implementation of GASB Statement No. 34. In fiscal year 2006, the City completed implementation of the GASB Statement No. 34. The retroactive effect of implementing GASB Statement No. 34 was an increase of \$1,719,741,647 to the City's net assets.

Errors in Prior Periods. A restatement of \$37,626,427 was made to the Governmental Activities net assets resulting from the correction of errors in prior periods. Also, during fiscal year 2005, a cash transfer of \$330,492 was made to the Acquisition and Management of Open Space Expenditures Fund from the Acquisition and Management of Open Space Permanent Fund in error. Aggregately, this restatement had a zero net affect on the Business-type Activities net asset balance.

A summary of the effect of the retroactive implementation of GASB Statement No. 34 and from the restatements resulting from the correction of errors in prior periods on the net assets of the Governmental Activities and Business-type Activities restated as of June 30, 2005 is as follows:

	Governmental Activities	Business-type Activities
Net assets as previously reported	\$ 938,261,578	\$ 355,232,393
Restatement for:		
1. Retroactive reporting of GASB Statement No. 34 Infrastructure	1,719,741,647	-
2. Equipment restatement	37,626,427	-
3. Acquisition and Management of Open Space transfer	-	-
Restated balances	\$ 2,695,629,652	\$ 355,232,393

Q. Albuquerque Bernalillo County Water Utility Authority – Component Unit

In 2003, the New Mexico Legislature adopted Senate Bill 887 (Laws 2003, Chapter 437, codified as Section 72-1-10, NMSA 1978) creating the Albuquerque Bernalillo County Water Utility Authority (Authority) and transferred all functions, appropriations, money, records, equipment and other real and personal property of the City's Joint Water and Sewer Fund (Fund) to the Authority. The Authority is comprised of a board of three City Councilors, three County of Bernalillo Commissioners, and the Mayor of the City. Under the provisions of the legislation, the Water/Wastewater System transferred to the Authority on December 17, 2003, after completion of an audit as of June 30, 2003 of the Water/Wastewater System by the New Mexico Public Regulation Commission. Accordingly, as of July 1, 2003 the Authority reports all transactions of the Water/Wastewater System. To facilitate the Water/Wastewater System transfer, the City, County of Bernalillo, and the Authority entered into a joint powers agreement governing policy matters and a memorandum of understanding governing operational matters. Both of these documents provide a framework for the Authority to operate successfully and without interruption in services provided to the community. The memorandum of understanding runs through December 31, 2006.

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In accordance with those documents, the City provides accounting and other services for the Authority as well as receiving water and wastewater services from the Authority. The City and the Authority engaged in transactions that are summarized below: The Authority paid the City for the following services:

Payment in lieu of taxes	\$ 5,202,840
Administrative indirect overhead, including accounting and other central services	2,312,680
Warehouse	2,057,584
Fleet Management Services	1,751,645
Telephone	233,646
Office services and parking	74,619
Total	<u>\$ 11,633,014</u>
The City paid the Authority for water and sewer services in the amount of	<u>\$ 6,114,567</u>

The Authority's Comprehensive Annual Financial Report as of and for the year ended June 30, 2006 is available by contacting the Authority at the following address; Fifth floor, P.O. Box 1293, Albuquerque, NM 87103.

R. Commitments and contingencies

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

Government activities:

Major Funds: General Fund	\$ 5,164,191
Nonmajor Government Funds	1,187,804
Total Governmental Funds	<u>\$ 6,351,995</u>

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

Business-type activities:

Major Funds:	
Airport Fund	\$ 46,290,243
Refuse Disposal Fund	1,934,778
Transit Operating Fund	4,776,977
Nonmajor Business-type Funds	6,523,191
Total Business-type Funds	<u>\$ 59,525,189</u>

In the normal course of business, the City is subject to certain contingent liabilities and unasserted claims. These contingencies are evaluated in light of their probability of being asserted and the estimatability of the claims. Those claims that are probable and estimable have been accrued in the accompanying financial statements. Claims that are possible and/or not estimable are disclosed herein. Remote claims are monitored until such time as they are resolved, disclosed, or accrued. Except as discussed in the following paragraphs, it is the opinion of City management that the ultimate resolution of other litigation will not have a material effect on the financial position of the City.

The City is a defendant in a legal proceeding that does not fall under the New Mexico Tort Claims Act; this legal proceeding alleges that certain time incurred by some of the City of Albuquerque's Fire Department and Transit employees is subject to overtime compensation. The ultimate outcome of these legal proceedings cannot presently be determined. Accordingly, no provision for any additional liability that may result upon the ultimate outcome has been recognized in the accompanying general-purpose financial statements and schedules.

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

S. Budget violation

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

<u>Fund/Program</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund – Legislator Coordinator	\$ 224,000	\$ 245,000	\$ (21,500)
General Fund – Explora Science Center	1,300,000	1,300,185	(185)
General Fund – Strategic Support PR	916,000	923,531	(7,531)
General Fund – CIP Library	52,000	52,525	(525)
General Fund – Albuquerque Care & Control	6,641,000	6,737,650	(96,650)
Fire Fund	1,100,000	1,140,236	(40,236)
Open Space and Acquisition and Management Fund	2,610,000	2,791,434	(181,434)
Urban Enhancement Trust Fund	588,740	672,513	(83,773)

VI. Significant effects of subsequent events

Metropolitan Detention Center

On July 1, 2006 Bernalillo County became the sole operator of the Metropolitan Detention Center (MDC). For the past thirty years, under a Joint Powers Agreement, the City of Albuquerque was responsible for the daily operations of the facility and both the City and the County shared equally in the operating costs.

Aviation

The City has authorized in October 2006 its Third Lien Airport Revenue Commercial Papers Note Series A, B and C. It is anticipated that the notes will be issued in early summer of 2007.

Transit

In August 2006 the City Transit Department entered into a lease purchase agreement for \$20,000,000 to acquire hybrid electric buses. The lease will be payable solely from amounts received from the City's share of Federal Transit Administration Section 5307 Urbanized Area Formula Funds.

FINANCIAL SECTION

**COMBINING FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL OBLIGATION BOND DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Taxes:				
Current property taxes	\$ 63,702,000	\$ 63,702,000	\$ 71,080,877	\$ 7,378,877
Delinquent property taxes	2,163,000	2,163,000	2,380,740	217,740
Interest:				
Interest on investments	<u>509,000</u>	<u>509,000</u>	<u>1,592,530</u>	<u>1,083,530</u>
Total revenues	<u>66,374,000</u>	<u>66,374,000</u>	<u>75,054,147</u>	<u>8,680,147</u>
Expenditures:				
Debt service:				
Principal	57,040,000	76,590,000	76,440,000	150,000
Interest	11,823,000	11,823,000	10,562,178	1,260,822
Commitment and other fees	<u>100,000</u>	<u>100,000</u>	<u>734,760</u>	<u>(634,760)</u>
Total expenditures	<u>68,963,000</u>	<u>88,513,000</u>	<u>87,736,938</u>	<u>776,062</u>
Excess (deficiency) of revenues over expenditures	<u>(2,589,000)</u>	<u>(22,139,000)</u>	<u>(12,682,791)</u>	<u>9,456,209</u>
Net change in fund balance	(2,589,000)	(22,139,000)	(12,682,791)	9,456,209
Fund balance, July 1	<u>22,659,903</u>	<u>22,659,903</u>	<u>22,659,903</u>	<u>-</u>
Fund balance, June 30	<u>\$ 20,070,903</u>	<u>\$ 520,903</u>	<u>\$ 9,977,112</u>	<u>\$ 9,456,209</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2006

	Police Facilities	Fire Protection	Public Libraries	Storm Sewer
Revenues:				
Taxes				
Franchise taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	(20,000)
State Department of Energy and Minerals	-	-	-	-
State Highway Department	-	-	-	-
State Agency of Aging	-	-	-	-
State NM Library	-	-	811,769	-
State Dept of Finance & Administration	-	67,382	1,087,312	-
Bernalillo County Shared Construction	-	-	-	-
EPA	-	-	-	-
NM Dept of Education	-	-	-	-
NM Dept of Public Safety	-	-	-	-
NM Arts Commission	-	-	-	-
Total intergovernmental	-	67,382	1,899,081	(20,000)
Interest on investments	96,826	31,866	87,900	208,470
Miscellaneous:				
Sales of real property	-	-	-	-
Contributions in aid of construction	-	1,643,368	-	34,340
Other	-	-	7,219	-
Total miscellaneous	-	1,643,368	7,219	34,340
Total revenues	96,826	1,742,616	1,994,200	222,810
Expenditures:				
Capital outlay	613,278	2,584,146	4,747,864	6,025,630
Total expenditures	613,278	2,584,146	4,747,864	6,025,630
Excess (deficiency) of revenues over expenditures	(516,452)	(841,530)	(2,753,664)	(5,802,820)
Other financing sources (uses):				
Transfers in from other funds	-	2,450,000	-	3,018,000
Transfers out to other funds	-	-	-	-
Internal transfers in (out)	(13,311)	644,014	(148,315)	38,150
Proceeds of notes payable and bonds issued	-	11,200,000	5,900,000	4,000,000
Total other financing sources (uses)	(13,311)	14,294,014	5,751,685	7,056,150
Net change in fund balances	(529,763)	13,452,484	2,998,021	1,253,330
Fund balances, July 1	1,981,494	1,217,939	3,019,002	5,343,004
Fund balances (deficit), June 30	\$ 1,451,731	\$ 14,670,423	\$ 6,017,023	\$ 6,596,334

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2006

<u>Street Improvements</u>	<u>Parks and Recreation</u>	<u>Open Space</u>	<u>Convention Center</u>	<u>Community Services Building</u>	<u>Rio Grande Zoo</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3,994,222)	(246,985)	-	-	-	-
-	-	-	-	-	-
-	(50,000)	-	-	-	-
9,840,666	343,452	-	-	-	90,372
-	-	-	-	29,516	6,996
-	-	-	-	-	-
482	1,617,716	-	-	2,080,025	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,846,926</u>	<u>1,664,183</u>	<u>-</u>	<u>-</u>	<u>2,109,541</u>	<u>97,368</u>
<u>1,873,684</u>	<u>957,955</u>	<u>171,590</u>	<u>(290)</u>	<u>1,609</u>	<u>15,370</u>
79,504	-	-	-	-	-
2,606,684	1,224,620	-	-	-	140,000
1,691	52,263	-	-	-	98,462
<u>2,687,879</u>	<u>1,276,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,462</u>
<u>10,408,489</u>	<u>3,899,021</u>	<u>171,590</u>	<u>(290)</u>	<u>2,111,150</u>	<u>351,200</u>
40,590,020	26,211,009	1,791,146	35,788	2,244,072	2,752,344
<u>40,590,020</u>	<u>26,211,009</u>	<u>1,791,146</u>	<u>35,788</u>	<u>2,244,072</u>	<u>2,752,344</u>
<u>(30,181,531)</u>	<u>(22,311,988)</u>	<u>(1,619,556)</u>	<u>(36,078)</u>	<u>(132,922)</u>	<u>(2,401,144)</u>
4,425,000	1,034,000	15,000	-	-	-
-	-	-	-	-	-
(783,288)	(274,123)	-	-	40,326	(42,176)
-	8,500,000	-	-	-	1,500,000
<u>3,641,712</u>	<u>9,259,877</u>	<u>15,000</u>	<u>-</u>	<u>40,326</u>	<u>1,457,824</u>
(26,539,819)	(13,052,111)	(1,604,556)	(36,078)	(92,596)	(943,320)
<u>66,336,056</u>	<u>36,007,538</u>	<u>3,223,947</u>	<u>49,381</u>	<u>(25,651)</u>	<u>626,245</u>
<u>\$ 39,796,237</u>	<u>\$ 22,955,427</u>	<u>\$ 1,619,391</u>	<u>\$ 13,303</u>	<u>\$ (118,247)</u>	<u>\$ (317,075)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2006

	Senior Citizens Facility	Museum	Transit	Miscellaneous Capital Projects
Revenues:				
Taxes				
Franchise taxes	\$ -	\$ -	\$ -	\$ 538,714
Intergovernmental:				
Grants:				
Federal Highway Administration	-	-	-	-
State Envir Imp Agency	-	-	-	-
State Department of Energy and Minerals	-	-	-	68,346
State Highway Department	-	-	-	13,723,748
State Agency of Aging	674,698	-	-	-
State NM Library	-	(32)	-	-
State Dept of Finance & Administration	2,041,455	157,112	-	4,707,135
Bernalillo County Shared Construction	-	-	-	-
EPA	-	-	-	-
NM Dept of Education	-	-	-	-
NM Dept of Public Safety	-	-	-	35,483
NM Arts Commission	-	-	-	-
Total intergovernmental	<u>2,716,153</u>	<u>157,080</u>	<u>-</u>	<u>18,534,712</u>
Interest on investments	<u>222,453</u>	<u>72,350</u>	<u>114,535</u>	<u>135,102</u>
Miscellaneous:				
Sales of real property	-	-	-	-
Contributions in aid of construction	-	1,964,600	-	2,687,530
Other	-	-	-	8
Total miscellaneous	<u>-</u>	<u>1,964,600</u>	<u>-</u>	<u>2,687,538</u>
Total revenues	<u>2,938,606</u>	<u>2,194,030</u>	<u>114,535</u>	<u>21,896,066</u>
Expenditures:				
Capital outlay	<u>11,111,343</u>	<u>4,544,444</u>	<u>269,867</u>	<u>30,442,587</u>
Total expenditures	<u>11,111,343</u>	<u>4,544,444</u>	<u>269,867</u>	<u>30,442,587</u>
Excess (deficiency) of revenues over expenditures	<u>(8,172,737)</u>	<u>(2,350,414)</u>	<u>(155,332)</u>	<u>(8,546,521)</u>
Other financing sources (uses):				
Transfers in from other funds	-	-	-	800,000
Transfers out to other funds	-	-	(776,710)	-
Internal transfers in (out)	(185,392)	(81,260)	(1,735,896)	538,708
Proceeds of notes payable and bonds issued	-	-	-	-
Total other financing sources (uses)	<u>(185,392)</u>	<u>(81,260)</u>	<u>(2,512,606)</u>	<u>1,338,708</u>
Net change in fund balances	(8,358,129)	(2,431,674)	(2,667,938)	(7,207,813)
Fund balances (deficit), July 1	<u>10,364,247</u>	<u>5,456,688</u>	<u>4,784,467</u>	<u>5,605,143</u>
Fund balances (deficit), June 30	<u>\$ 2,006,118</u>	<u>\$ 3,025,014</u>	<u>\$ 2,116,529</u>	<u>\$ (1,602,670)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
CAPITAL ACQUISITION FUND
Year Ended June 30, 2006

Environmental Improvements	Facilities and Equipment	City Building	Bosque	Total
\$ -	\$ -	\$ -	\$ -	\$ 538,714
-	-	-	-	(4,241,207)
-	-	-	-	(20,000)
-	(21,597)	-	354	(2,897)
-	(16,184)	-	-	23,982,054
-	-	-	-	711,210
-	-	-	-	811,737
89,772	-	-	-	11,848,391
-	-	-	-	-
-	-	-	-	-
-	-	-	-	35,483
-	-	-	-	-
<u>89,772</u>	<u>(37,781)</u>	<u>-</u>	<u>354</u>	<u>33,124,771</u>
<u>16,099</u>	<u>213,232</u>	<u>116,588</u>	<u>296</u>	<u>4,335,635</u>
-	-	-	-	79,504
-	-	-	-	10,301,142
<u>12,338</u>	<u>-</u>	<u>148,595</u>	<u>-</u>	<u>320,576</u>
<u>12,338</u>	<u>-</u>	<u>148,595</u>	<u>-</u>	<u>10,701,222</u>
<u>118,209</u>	<u>175,451</u>	<u>265,183</u>	<u>650</u>	<u>48,700,342</u>
<u>281,838</u>	<u>5,136,973</u>	<u>1,479,776</u>	<u>36,804</u>	<u>140,898,929</u>
<u>281,838</u>	<u>5,136,973</u>	<u>1,479,776</u>	<u>36,804</u>	<u>140,898,929</u>
<u>(163,629)</u>	<u>(4,961,522)</u>	<u>(1,214,593)</u>	<u>(36,154)</u>	<u>(92,198,587)</u>
-	442,426	-	-	12,184,426
-	(1,984,000)	-	-	(2,760,710)
(7,411)	2,013,198	(22,018)	18,794	-
-	5,900,000	-	-	37,000,000
<u>(7,411)</u>	<u>6,371,624</u>	<u>(22,018)</u>	<u>18,794</u>	<u>46,423,716</u>
(171,040)	1,410,102	(1,236,611)	(17,360)	(45,774,871)
<u>514,211</u>	<u>7,026,318</u>	<u>4,650,159</u>	<u>70,389</u>	<u>156,250,577</u>
<u>\$ 343,171</u>	<u>\$ 8,436,420</u>	<u>\$ 3,413,548</u>	<u>\$ 53,029</u>	<u>\$ 110,475,706</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE -
CAPITAL ACQUISITION FUND
Year Ended June 30, 2006

	Total Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2005	Current Year Actual	Project Budget Remaining June 30, 2006
<u>Capital Acquisition Fund</u>					
Capital Outlay and Other:					
Bosque	\$ 1,069,799	\$ 980,168	\$ 89,631	\$ 36,803	\$ 52,828
City building	3,923,668	1,665,924	2,257,744	1,479,776	777,968
Community services building	4,133,281	2,026,891	2,106,390	2,244,072	(137,682)
Convention Center	7,050,079	7,011,901	38,178	35,788	2,390
Environmental improvements	3,484,892	2,197,738	1,287,154	281,838	1,005,316
Facilities and Equipment	71,038,363	43,401,718	27,636,645	5,136,973	22,499,672
Fire protection	54,801,746	3,812,400	50,989,346	2,584,146	48,405,200
Libraries	20,072,206	8,837,817	11,234,389	4,747,864	6,486,525
Miscellaneous capital projects	62,442,270	10,145,351	52,296,919	30,442,588	21,854,331
Museum	33,127,929	28,088,717	5,039,212	4,544,444	494,768
Open Space	6,224,000	2,463,432	3,760,568	1,791,146	1,969,422
Parks and recreation	188,694,804	149,971,262	38,723,542	26,211,009	12,512,533
Police facilities	28,227,011	22,158,369	6,068,642	613,278	5,455,364
Rio Grande Zoo	12,162,645	7,435,151	4,727,494	2,752,344	1,975,150
Senior citizens facility	34,173,782	26,310,775	7,863,007	11,111,343	(3,248,336)
Storm Sewer	63,438,939	55,985,277	7,453,662	6,025,630	1,428,032
Street improvements	242,733,778	152,710,456	90,023,322	40,590,020	49,433,302
Transit	11,286,086	8,274,737	3,011,349	269,867	2,741,482
	<u>11,286,086</u>	<u>8,274,737</u>	<u>3,011,349</u>	<u>269,867</u>	<u>2,741,482</u>
 Total Capital Acquisition Fund	 <u>\$ 848,085,278</u>	 <u>\$ 533,478,084</u>	 <u>\$ 314,607,194</u>	 <u>\$ 140,898,929</u>	 <u>\$ 173,708,265</u>

CITY OF ALBUQUERQUE, NEW MEXICO

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

FIRE FUND—To account for the proceeds of the City's share of taxes on fire insurance premiums collected by the state, which are required to be used for equipment, maintenance of equipment, or training (59A-53-5 NMSA 1978).

RECREATION FUND—To account for the proceeds from the City's share of the state cigarette tax which is required to be used for juvenile recreation purposes. (7-12-15 NMSA 1978).

LODGERS' TAX FUND—To account for the proceeds of the Lodger's Tax which are required to be used for promotional activities and the acquisition or construction of certain facilities. (3-38-21 NMSA 1978)

HOSPITALITY TAX FUND—To account for the proceeds of the Hospitality Tax of which fifty percent are required to be used for the purpose of purchasing advertising to publicize and promote tourist-related attractions, facilities and events. The other fifty percent are required to be used to equip and furnish the City of Albuquerque Convention Center.

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

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

CITY HOUSING FUND—To account for the revenues and expenditures incurred for the repair and replacement of the City operated subsidized housing. (Enactment No. 110-1984)

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

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

OPERATING GRANTS FUND—To account for various grants from federal and state agencies and other sources which are restricted by the granting agency to expenditures for specified purposes. (Enactment No. 51-1979)

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

HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND—To account for the use of proceeds from repayment of Urban Development Action Grant loans. The proceeds will be used for housing and economic development in poverty regions within the City (4-2-2 RO 1994).

LAW ENFORCEMENT PROTECTION FUND—To account for certain state taxes and fees which are required to be used for law enforcement services. (29-13-6 NMSA 1978)

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

CITY/COUNTY PROJECTS FUND—To account for revenues received from the County for services provided by the City. (1984 Joint Powers Agreement)

FALSE ALARM ENFORCEMENT AND EDUCATION FUND—To account for the income and expenditures associated with enforcement of the False Alarm ordinance. (Enactment No. 8-2003)

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

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

CITY OF ALBUQUERQUE, NEW MEXICO

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES FUND—To account for the investment earnings of the Acquisition and Management of Open Space Permanent Fund that is transferred to this fund and the related expenditures. (Enactment NO. 41-1982)

URBAN ENHANCEMENT EXPENDITURES FUND—To account for the investment earnings of the Urban Enhancement Permanent Fund that is transferred to this fund and the related expenditures. (Enactment No. 69-1983)

CAPITAL PROJECTS FUNDS

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

QUALITY OF LIFE FUND—To account for capital projects for which financing is provided by the Quality of Life gross receipts tax, grants and other miscellaneous revenues.

INFRASTRUCTURE TAX FUND—To account for capital projects for which financing is provided by the municipal infrastructure gross receipts tax, grants and other miscellaneous revenues.

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

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

DEBT SERVICE FUNDS

SALES TAX REFUNDING DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of revenue bonds secured by pledges of gross receipts tax (sales tax) and certain lodgers tax revenues.

CITY/COUNTY BUILDING DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of revenue bonds issued to finance construction of the joint City/County office building and secured by City gross receipts tax revenues.

SPECIAL ASSESSMENTS DEBT SERVICE FUND—To accumulate monies for payment of principal and interest of bonds secured by pledges of revenues from assessments levied against benefited properties.

PERMANENT FUNDS

ACQUISITION AND MANAGEMENT OF OPEN SPACE PERMANENT FUND—To account for proceeds from the sale of certain properties. The principal of this fund is to be retained intact. The investment earnings are to be used for the acquisition and management of open space land.

URBAN ENHANCEMENT PERMANENT FUND—To account for the principal of the Urban Enhancement Fund. The principal of the fund is to remain intact and the investment earnings used to enhance or enrich the appearance and culture of the City.

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2006

	Special Revenue									
	COMMUNITY DEVELOPMENT	FIRE	RECREATION	LODGERS TAX	HOSPITALITY TAX	CULTURE AND RECREATION PROJECTS	ALBUQUERQUE BIOLOGICAL PARKS PROJECTS	CITY HOUSING	AIR QUALITY	
ASSETS										
Cash, investments and accrued interest	\$ -	\$ 320,239	\$ -	\$ 1,848,397	\$ 437,736	\$ 1,868,443	\$ 477,435	\$ 1,576,462	\$ 1,729,639	
Cash with fiscal agents	-	-	-	-	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:										
Taxes	-	-	-	906,570	364,098	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-
Rehabilitation loans	965,657	-	-	-	-	-	6,277	-	49,224	-
Notes	-	-	-	-	-	-	-	-	-	-
Developer loans	-	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-
Real estate contracts receivable	-	-	-	-	-	-	-	-	-	-
Due from other governments	623,103	-	41,190	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Inventories of supplies	-	-	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,588,760	\$ 320,239	\$ 41,190	\$ 2,754,967	\$ 801,834	\$ 1,868,443	\$ 483,712	\$ 1,576,462	\$ 1,778,863	
LIABILITIES										
Accounts payable	\$ 207,420	\$ 218,991	\$ -	\$ -	\$ 93,999	\$ 61,956	\$ 250,680	\$ 677	\$ 31,437	
Contracts payable	-	-	-	-	-	-	-	-	-	-
Accrued employee compensation and benefits	19,815	-	-	-	-	-	-	289	40,720	
Due to other funds	299,098	-	2,081	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	-	
Deferred revenues	965,657	-	21,431	13,825	188,072	-	-	-	-	
Deposits	-	-	-	-	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	-	-	
Total liabilities	\$ 1,491,990	\$ 218,991	\$ 23,512	\$ 13,825	\$ 282,071	\$ 61,956	\$ 250,680	\$ 966	\$ 72,157	
FUND BALANCES										
Reserved for:										
Encumbrances	1,187,804	-	-	-	-	-	-	-	-	
Acquisition and management of open space land	-	-	-	-	-	-	-	-	-	
Urban enhancement	-	-	-	-	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	-	-	-	
Transfer to capital acquisition fund	-	-	-	-	-	-	-	-	-	
Advances to other funds	-	-	-	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	-	-	
Unreserved	(1,091,034)	101,248	17,678	2,741,142	519,763	1,806,487	233,032	1,575,496	1,706,706	
Total fund balances (restated)	96,770	101,248	17,678	2,741,142	519,763	1,806,487	233,032	1,575,496	1,706,706	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,588,760	\$ 320,239	\$ 41,190	\$ 2,754,967	\$ 801,834	\$ 1,868,443	\$ 483,712	\$ 1,576,462	\$ 1,778,863	

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2006

	Special Revenue								
	CORRECTIONS AND DETENTION	OPERATING GRANTS	METROPOLITAN REDEVELOPMENT	HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT	LAW ENFORCEMENT PROTECTION	GAS TAX ROAD	CITY COUNTY PROJECTS	FALSE ALARM ENFORCEMENT AND EDUCATION	CITY/COUNTY FACILITIES
ASSETS									
Cash, investments and accrued interest	\$ 2,802,195	4,586,828	\$ 3,766,879	\$ 7,616,112	\$ 1,542,289	\$ 445,607	\$ 231,285	\$ 460,494	\$ 658,618
Cash with fiscal agents	-	-	-	-	-	-	-	-	-
Investments with fiscal agents	-	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible:									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	200,495	-	-	-	-	-	-
Rehabilitation loans	-	578,087	100	-	-	-	16,834	128,691	-
Notes	-	-	-	24,166	-	-	-	-	-
Developer loans	-	315,594	1,192,326	1,166,494	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-
Real estate contracts receivable	-	-	-	-	-	-	-	-	-
Due from other governments	-	5,855,159	-	-	-	770,763	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Inventories of supplies	191,583	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,993,778	\$ 11,335,668	\$ 5,159,800	\$ 8,806,772	\$ 1,542,289	\$ 1,216,370	\$ 248,119	\$ 589,185	\$ 658,618
LIABILITIES									
Accounts payable	\$ 1,052,862	\$ 2,134,600	\$ 6,247	\$ 16,288	\$ 124,320	\$ 109,991	\$ 12,939	\$ 11,956	\$ 207,985
Contracts payable	-	-	-	-	-	-	-	-	-
Accrued employee compensation and benefits	508,280	242,313	-	1,070	2,551	62,539	-	4,513	18,530
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	999,850	-	-	-	-	-	-	-	-
Deferred revenues	-	4,698,376	1,192,326	1,190,660	-	323,535	-	-	-
Deposits	98,626	-	-	-	-	-	-	-	-
Matured bonds payable	-	-	-	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-	-	-	-
Total liabilities	2,659,618	7,075,289	1,198,573	1,208,018	126,871	496,065	12,939	16,469	226,515
FUND BALANCES									
Reserved for:									
Encumbrances	-	-	-	-	-	-	-	-	-
Acquisition and management of open space land	-	-	-	-	-	-	-	-	-
Urban enhancement	-	-	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-	-	-
Transfer to capital acquisition fund	-	-	-	-	-	-	-	353,368	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Unreserved	334,160	4,260,379	3,961,227	7,598,754	1,415,418	720,305	235,180	219,348	432,103
Total fund balances (restated)	334,160	4,260,379	3,961,227	7,598,754	1,415,418	720,305	235,180	572,716	432,103
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,993,778	\$ 11,335,668	\$ 5,159,800	\$ 8,806,772	\$ 1,542,289	\$ 1,216,370	\$ 248,119	\$ 589,185	\$ 658,618

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

	Special Revenue					Capital Projects				
	ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES	URBAN ENHANCEMENT EXPENDITURES	PLAZA DEL SOL BUILDING	SPECIAL REVENUE TOTAL	SPECIAL ASSESSMENTS CAPITAL	QUALITY OF LIFE	INFRASTRUCTURE TAX	IMPACT FEES	VEHICLE AND EQUIPMENT REPLACEMENT	
ASSETS										
Cash, investments and accrued interest	\$ 1,601,689	\$ 1,819,388	\$ 181,303	\$ 33,971,038	\$ 7,022,018	\$ 103,117	\$ 28,662,333	\$ 3,818,216	\$ 1,851,915	
Cash with fiscal agents	-	-	-	-	-	-	-	-	-	
Investments with fiscal agents	-	-	-	-	272,434	-	-	-	-	
Receivables, net of allowance for uncollectible:										
Taxes	-	-	-	1,471,163	-	-	-	-	-	
Accounts	-	-	-	201,126	-	-	-	-	-	
Rehabilitation loans	-	-	-	1,543,744	-	-	6,146,424	-	-	
Notes	-	-	-	24,166	-	-	-	-	-	
Developer loans	-	-	-	2,674,414	-	-	-	-	-	
Special Assessments	-	-	-	-	-	-	-	-	-	
Real estate contracts receivable	-	-	-	-	-	-	-	-	-	
Due from other governments	-	-	-	7,290,215	-	-	-	-	-	
Advances to other funds	-	-	-	-	-	-	-	-	-	
Inventories of supplies	-	-	-	191,583	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	-	-	-	
Total assets	\$ 1,601,689	\$ 1,819,388	\$ 181,303	\$ 47,367,449	\$ 7,294,452	\$ 103,117	\$ 34,808,757	\$ 3,818,216	\$ 1,851,915	
LIABILITIES										
Accounts payable	\$ 220,785	\$ 61,714	\$ 49,837	\$ 4,874,684	\$ -	\$ -	\$ -	\$ -	\$ -	
Contracts payable	-	-	-	-	-	-	-	-	-	
Accrued employee compensation and benefits	32,328	-	6,939	939,887	-	-	2,666,452	-	328,419	
Due to other funds	-	-	-	301,179	-	-	-	-	-	
Due to other governments	-	-	-	999,850	-	-	-	-	-	
Deferred revenues	9,637	-	-	8,603,519	-	-	3,416,759	-	-	
Deposits	-	-	-	98,626	-	-	-	-	-	
Matured bonds payable	-	-	-	-	-	-	-	-	-	
Matured interest payable	-	-	-	-	-	-	-	-	-	
Total liabilities	262,750	61,714	56,776	15,817,745	-	-	6,083,211	-	328,419	
FUND BALANCES										
Reserved for:										
Encumbrances	-	-	-	1,187,804	-	-	-	-	-	
Acquisition and management of open space land	1,338,939	-	-	1,338,939	-	-	-	-	-	
Urban enhancement	-	1,757,674	-	1,757,674	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	-	-	-	
Transfer to capital acquisition fund	-	-	-	353,368	-	-	-	-	-	
Advances to other funds	-	-	-	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	-	-	-	
Unreserved	-	-	124,527	26,911,919	7,294,452	103,117	28,723,546	3,818,216	1,523,496	
Total fund balances (restated)	1,338,939	1,757,674	124,527	31,549,704	7,294,452	103,117	28,723,546	3,818,216	1,523,496	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,601,689	\$ 1,819,388	\$ 181,303	\$ 47,367,449	\$ 7,294,452	\$ 103,117	\$ 34,808,757	\$ 3,818,216	\$ 1,851,915	

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

	Capital Projects		Debt Service				Permanent Fund			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CAPITAL PROJECTS TOTAL	SALES TAX REFUNDING	CITY COUNTY BUILDING	SPECIAL ASSESSMENT	DEBT SERVICE TOTAL	ACQUISITION AND MANAGEMENT OF OPEN SPACE	URBAN ENHANCEMENT	PERMANENT FUND TOTAL		
ASSETS										
Cash, investments and accrued interest	\$ 41,457,599	\$ 1,279,802	287,314	2,511,320	\$ 4,078,436	11,595,331	7,678,393	\$ 19,273,724	\$ 98,780,797	
Cash with fiscal agents	-	4,427,757	1,325,644	1,205,010	6,958,411	-	-	-	6,958,411	
Investments with fiscal agents	272,434	188,581	-	-	188,581	-	-	-	461,015	
Receivables, net of allowance for uncollectible:										
Taxes	6,146,424	-	-	-	-	-	-	-	7,617,587	
Accounts	-	-	-	-	-	-	-	-	201,126	
Rehabilitation loans	-	-	-	-	-	-	-	-	1,543,744	
Notes	-	-	-	-	-	-	-	-	24,166	
Developer loans	-	-	-	-	-	-	-	-	2,674,414	
Special Assessments	-	-	-	8,398,043	8,398,043	-	-	-	8,398,043	
Real estate contracts receivable	-	-	-	-	-	2,147,781	-	2,147,781	2,147,781	
Due from other governments	-	-	-	-	-	-	-	-	7,290,215	
Advances to other funds	-	20,300,000	-	-	20,300,000	-	-	-	20,300,000	
Advances of supplies	-	-	-	-	-	-	-	-	191,583	
Land held for resale	-	-	-	-	-	4,470,382	-	4,470,382	4,470,382	
Total assets	\$ 47,876,457	\$ 26,196,140	\$ 1,612,958	\$ 12,114,373	\$ 39,923,471	\$ 18,213,494	\$ 7,678,393	\$ 25,891,887	\$ 161,059,264	
LIABILITIES										
Accounts payable	\$ -	\$ 295	-	-	\$ 295	-	-	\$ -	\$ 4,874,979	
Contracts payable	2,994,871	-	-	-	-	-	-	-	2,994,871	
Accrued employee compensation and benefits	-	-	-	-	-	-	-	-	939,887	
Due to other funds	-	-	-	-	-	-	-	-	301,179	
Due to other governments	-	-	-	-	-	-	-	-	998,850	
Deferred revenues	3,416,759	-	-	8,110,104	8,110,104	2,147,780	-	2,147,780	22,278,162	
Deposits	-	-	-	-	-	136,000	-	136,000	234,626	
Matured bonds payable	-	1,606,299	1,245,000	1,066,458	3,917,757	-	-	-	3,917,757	
Matured interest payable	-	2,892,832	80,644	138,552	3,112,028	-	-	-	3,112,028	
Total liabilities	6,411,630	4,499,426	1,325,644	9,315,114	15,140,184	2,283,780	-	2,283,780	39,653,339	
FUND BALANCES										
Reserved for:										
Encumbrances	-	-	-	-	-	-	-	-	1,187,804	
Acquisition and management of open space land	-	-	-	-	-	11,459,332	-	11,459,332	12,798,271	
Urban enhancement	-	-	-	-	-	-	7,678,393	7,678,393	9,436,067	
Land held for resale	-	-	-	-	-	4,470,382	-	4,470,382	4,470,382	
Transfer to capital acquisition fund	-	-	-	-	-	-	-	-	353,368	
Advances to other funds	-	20,300,000	-	-	20,300,000	-	-	-	20,300,000	
Debt service	-	1,396,714	287,314	2,799,259	4,483,287	-	-	-	4,483,287	
Unreserved	41,464,827	-	-	-	-	-	-	-	68,376,746	
Total fund balances (restated)	41,464,827	21,696,714	287,314	2,799,259	24,783,287	15,929,714	7,678,393	23,608,107	121,405,925	
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,876,457	\$ 26,196,140	\$ 1,612,958	\$ 12,114,373	\$ 39,923,471	\$ 18,213,494	\$ 7,678,393	\$ 25,891,887	\$ 161,059,264	

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2006

	Special Revenue								
	COMMUNITY DEVELOPMENT	FIRE	RECREATION	LODGERS TAX	HOSPITALITY TAX	CULTURE AND RECREATION PROJECTS	ALBUQUERQUE BIOLOGICAL PARKS PROJECTS	CITY HOUSING	AIR QUALITY
Revenues:									
Taxes:									
Licenses and permits	-	-	\$	\$	\$	\$	\$	\$	\$
Intergovernmental	4,380,640	1,050,086	253,105	-	-	-	-	-	2,564,742
Charges for services	-	2,509	-	-	-	340,940	192,380	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest on investments	-	29,741	334	52,177	9,479	65,199	8,049	43,633	71,694
Special assessments	-	-	-	-	-	-	-	-	-
Collections on real estate contracts receivable:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	609,834	-	-	-	-	684,507	1,660,066	874,120	8,126
Total revenues	4,990,474	1,082,336	253,439	10,047,906	2,005,302	1,090,646	1,860,495	917,753	2,644,562
Expenditures:									
Current:									
General government	-	-	-	4,158,488	858,847	-	-	-	-
Public safety	-	1,140,236	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	830,980	1,538,237	-	-
Public works	1,696,885	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	2,535,907
Human services	1,442,121	-	-	-	-	-	-	-	-
Housing	1,742,202	-	-	-	-	-	-	77,434	-
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	58,537
Total expenditures	4,881,208	1,140,236	-	4,158,488	858,847	830,980	1,538,237	77,434	2,594,444
Excess (deficiency) of revenues over (under) expenditures	109,266	(57,900)	253,439	5,889,418	1,146,455	259,666	322,258	840,319	50,118
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	34,000	-
Transfers out	-	-	(290,000)	(4,722,000)	(856,000)	-	-	(413,997)	-
Total other financing sources and (uses)	-	-	(290,000)	(4,722,000)	(856,000)	-	-	(379,997)	-
Net change in fund balance	109,266	(57,900)	(36,561)	1,167,418	290,455	259,666	322,258	460,322	50,118
Fund balance (deficit), July 1	(12,496)	159,148	54,239	1,573,724	229,308	1,546,821	(89,226)	1,115,174	1,656,588
Restatement	-	-	-	-	-	-	-	-	-
Fund balance June 30 (restated)	96,770	101,248	17,678	2,741,142	519,763	1,806,487	233,032	1,575,496	1,706,706

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

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2006

	Special Revenue									
	CORRECTIONS AND DETENTION	OPERATING GRANTS	METROPOLITAN REDEVELOPMENT	HOUSING AND NEIGHBORHOOD ECONOMIC DEVELOPMENT	LAW ENFORCEMENT PROTECTION	GAS TAX ROAD	CITY COUNTY PROJECTS	FALSE ALARM ENFORCEMENT AND EDUCATION	CITY/COUNTY FACILITIES	
Revenues:										
Taxes		\$ -	\$ 363,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-	-	-	-	-	-
Intergovernmental	21,343,067	25,978,705	-	-	619,600	4,833,012	-	-	-	-
Charges for services	1,338,815	2,015,830	-	-	125,353	-	679,609	4,128,309	-	-
Fines and forfeitures	-	-	-	-	1,076,941	-	-	-	-	-
Interest on investments	124,666	70,233	123,535	288,375	59,217	3,825	18,160	32,410	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Collections on real estate contracts receivable:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	349,325	653,153	271,756	555,747	614,973	-	-	-	102	-
Total revenues	23,155,873	28,717,921	758,786	844,122	2,496,084	4,836,837	697,769	4,160,821	-	-
Expenditures:										
Current:										
General government	-	1,050,235	168,652	-	-	-	6,060	3,132,318	-	-
Public safety	48,217,860	5,659,655	-	-	2,370,678	-	345,814	86,000	-	-
Culture and recreation	-	83,028	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	827,031	-	-	-	5,098,936	-	-	-	-
Health	-	2,374,129	-	-	-	-	-	-	-	-
Human services	-	22,642,468	-	1,253,768	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-	-	-	-	-
Capital outlays	296,575	273,277	-	-	-	50,686	-	-	-	-
Total expenditures	48,514,435	32,949,823	168,652	1,253,768	2,370,678	5,149,622	351,874	3,218,318	-	-
Excess (deficiency) of revenues over (under) expenditures	(25,358,562)	(4,191,902)	590,134	(409,646)	125,406	(312,785)	105,883	345,895	942,503	-
Other financing sources (uses):										
Transfers in	23,138,150	5,124,120	-	-	-	541,000	-	-	-	-
Transfers out	(19,215)	-	-	-	(138,000)	-	(82,000)	(342,426)	(1,200,000)	-
Total other financing sources and (uses)	23,118,935	5,124,120	-	-	(138,000)	541,000	(82,000)	(342,426)	(1,200,000)	-
Net change in fund balance	(2,239,627)	932,218	590,134	(409,646)	(12,594)	228,215	23,883	3,469	(257,497)	-
Fund balance (deficit), July 1	2,573,787	3,328,161	3,371,093	8,008,400	1,428,012	492,090	211,297	569,247	689,600	-
Restatement	-	-	-	-	-	-	-	-	-	-
Fund balance June 30 (restated)	334,160	4,260,379	3,961,227	7,598,754	1,415,418	720,305	235,180	572,716	432,103	-

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

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2006

	Special Revenue				Capital Projects				VEHICLE AND EQUIPMENT REPLACEMENT
	PLAZA DEL SOL BUILDING	ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES	URBAN ENHANCEMENT EXPENDITURES	SPECIAL REVENUE TOTAL	SPECIAL ASSESSMENTS CAPITAL	QUALITY OF LIFE	INFRASTRUCTURE TAX	IMPACT FEES	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ 12,355,047	\$ -	\$ -	\$ 34,065,878	\$ -	\$ -
Licenses and permits	-	-	-	2,564,742	-	-	-	-	-
Intergovernmental	-	-	-	58,458,215	-	-	-	-	-
Charges for services	1,306,500	71,944	-	10,405,881	-	-	-	-	-
Fines and forfeitures	-	-	-	1,076,941	-	-	-	-	-
Interest on investments	5,221	44,489	71,786	1,130,758	276,955	4,038	883,489	26,268	84,420
Special assessments	-	-	-	-	-	-	-	-	-
Collections on real estate contracts receivable:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	1,311,721	116,433	71,786	92,273,293	3	4,038	35,076,163	3,791,948	382,365
Expenditures:									
Current:									
General government	755,747	-	-	10,236,691	-	-	-	-	-
Public safety	-	-	-	57,820,243	-	-	-	-	-
Culture and recreation	-	2,766,091	672,513	5,890,849	-	-	-	-	-
Public works	-	-	-	1,696,885	-	-	-	-	-
Highways and streets	-	-	-	5,925,967	-	-	-	-	-
Health	-	-	-	4,910,036	-	-	-	-	-
Human services	-	-	-	24,084,589	-	-	-	-	-
Housing	-	-	-	3,073,404	-	-	-	-	-
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fiscal agent fees and other fees	-	-	-	-	-	-	-	-	-
Capital outlays	-	25,343	-	704,418	819,107	2,105	16,425,075	-	4,645,096
Total expenditures	755,747	2,791,434	672,513	114,343,082	819,107	2,105	16,425,075	-	4,645,096
Excess (deficiency) of revenues over (under) expenditures	555,974	(2,675,001)	(600,727)	(22,069,789)	(542,149)	1,933	18,651,088	3,818,216	(4,178,311)
Other financing sources (uses):									
Transfers in	-	3,343,696	180,125	32,361,091	-	-	-	-	3,778,000
Transfers out	(570,000)	-	-	(8,633,638)	-	-	(6,813,176)	-	-
Total other financing sources and (uses)	(570,000)	3,343,696	180,125	23,727,453	-	-	(6,813,176)	-	3,778,000
Net change in fund balance	(14,026)	668,695	(420,602)	1,657,664	(542,149)	1,933	11,837,912	3,818,216	(400,311)
Fund balance (deficit), July 1	138,553	1,000,736	2,178,276	30,222,532	7,836,601	101,184	16,887,634	-	1,923,807
Restatement	-	(330,492)	-	(330,492)	-	-	-	-	-
Fund balance June 30 (restated)	\$ 124,527	\$ 1,338,939	\$ 1,757,674	\$ 31,549,704	\$ 7,294,452	\$ 103,117	\$ 28,725,546	\$ 3,818,216	\$ 1,523,496

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

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2006

	Debt Service						Permanent			NON-MAJOR GOVERNMENTAL FUNDS
	CAPITAL PROJECTS TOTAL	SALES TAX REFUNDING	CITY COUNTY BUILDING	SPECIAL ASSESSMENT	DEBT SERVICE TOTAL	ACQUISITION AND MANAGEMENT OF OPEN SPACE	URBAN ENHANCEMENT	PERMANENT FUND TOTAL		
Revenues:	\$ 34,065,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,420,925
Taxes	-	-	-	-	-	-	-	-	-	2,564,742
Licenses and permits	-	-	-	-	-	-	-	-	-	58,458,215
Intergovernmental	-	-	-	-	-	-	-	-	-	10,405,881
Charges for services	-	-	-	-	-	-	-	-	-	1,076,941
Fines and forfeitures	-	-	-	-	-	-	-	-	-	4,126,702
Interest on investments	1,277,170	1,284,799	35,903	102,882	1,423,584	120,399	174,791	295,190	-	3,818,055
Special assessments	-	-	-	3,818,055	3,818,055	-	-	-	-	-
Collections on real estate contracts receivable:										
Principal	-	-	-	-	-	1,019,362	-	1,019,362	-	1,019,362
Interest	-	-	-	-	-	212,608	-	212,608	-	212,608
Miscellaneous	4,299,112	-	-	-	-	629	-	629	-	10,581,450
Total revenues	39,642,160	1,284,799	35,903	3,920,937	5,241,639	1,352,998	174,791	1,527,789	-	138,684,881
Expenditures:										
Current:										
General government	-	-	-	-	-	1,162,664	-	1,162,664	-	11,399,355
Public safety	-	-	-	-	-	-	-	-	-	57,820,243
Culture and recreation	-	-	-	-	-	109,005	-	109,005	-	5,999,854
Public works	-	-	-	-	-	-	-	-	-	1,696,885
Highways and streets	-	-	-	-	-	-	-	-	-	5,925,967
Health	-	-	-	-	-	-	-	-	-	4,910,036
Human services	-	-	-	-	-	-	-	-	-	24,084,589
Housing	-	-	-	-	-	-	-	-	-	3,073,404
Debt service:										
Principal retirement	-	3,506,299	1,245,000	3,429,973	8,181,272	-	-	-	-	8,181,272
Interest	-	6,721,720	161,287	298,964	7,181,971	-	-	-	-	7,181,971
Fiscal agent fees and other fees	-	129,625	-	24,967	154,592	-	-	-	-	154,592
Capital outlays	21,891,383	-	-	-	-	-	-	-	-	22,595,801
Total expenditures	21,891,383	10,357,644	1,406,287	3,753,904	15,517,835	1,271,669	-	1,271,669	-	153,023,969
Excess (deficiency) of revenues over (under) expenditures	17,750,777	(9,072,845)	(1,370,384)	167,033	(10,276,196)	81,329	174,791	256,120	(14,339,088)	
Other financing sources (uses):										
Transfers in	3,778,000	7,572,000	1,295,000	-	8,867,000	-	-	-	-	45,006,091
Transfers out	(6,813,176)	-	-	-	-	(1,580,696)	(180,125)	(1,760,821)	-	(17,207,635)
Total other financing sources and (uses)	(3,035,176)	7,572,000	1,295,000	-	8,867,000	(1,580,696)	(180,125)	(1,760,821)	-	27,798,456
Net change in fund balance	14,715,601	(1,500,845)	(75,384)	167,033	(1,409,196)	(1,499,367)	(5,334)	(1,504,701)	-	13,459,368
Fund balance (deficit), July 1	26,749,226	23,197,559	362,698	2,632,226	26,192,483	17,098,589	7,683,727	24,782,316	-	107,946,557
Restatement	-	-	-	-	-	330,492	-	330,492	-	-
Fund balance June 30 (restated)	\$ 41,464,827	\$ 21,696,714	\$ 287,314	\$ 2,799,259	\$ 24,783,287	\$ 15,929,714	\$ 7,678,393	\$ 23,608,107	\$ -	\$ 121,405,925

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

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND
Year ended June 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Intergovernmental:					
Grants:					
U.S. Dept. of Housing and Urban Development	\$ 37,654,494	\$ 23,349,491	\$ 14,305,003	\$ 4,380,640	\$ 9,924,363
Miscellaneous:					
Rehabilitation loan repayments	2,374,593	1,256,815	1,117,778	609,834	507,944
Other miscellaneous	3,035,873	3,615,630	(579,757)	-	(579,757)
Total miscellaneous	<u>5,410,466</u>	<u>4,872,445</u>	<u>538,021</u>	<u>609,834</u>	<u>(71,813)</u>
Total revenues	<u>43,064,960</u>	<u>28,221,936</u>	<u>14,843,024</u>	<u>4,990,474</u>	<u>9,852,550</u>
Expenditures:					
Current:					
Public Works	18,414,962	4,691,233	13,723,729	1,696,885	12,026,844
Human services:					
Mayor's office for senior citizens	939,000	769,046	169,954	260,517	(90,563)
Community development administration	5,174,678	6,329,799	(1,155,121)	659,050	(1,814,171)
Outside operating agencies	6,331,766	6,495,762	(163,996)	522,554	(686,550)
Total human services	<u>12,445,444</u>	<u>13,594,607</u>	<u>(1,149,163)</u>	<u>1,442,121</u>	<u>(2,591,284)</u>
Housing	12,379,952	10,116,622	2,263,330	1,742,202	521,128
Total expenditures	<u>43,240,358</u>	<u>28,402,462</u>	<u>14,837,896</u>	<u>4,881,208</u>	<u>9,956,688</u>
Excess (deficiency) of revenues over expenditures	(175,398)	(180,526)	5,128	109,266	104,138
Other financing sources:					
Operating transfers in	75,868	75,868	-	-	-
Net change in fund balance	<u>\$ (99,530)</u>	<u>\$ (104,658)</u>	<u>\$ 5,128</u>	<u>\$ 109,266</u>	<u>\$ 104,138</u>
Fund balance, July 1				<u>(12,496)</u>	
Fund balance, June 30				<u>\$ 96,770</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,041,000	\$ 1,041,000	\$ 1,050,086	\$ 9,086
Charges for services	-	-	2,509	2,509
Interest:				
Interest on investments	-	-	29,741	29,741
Total revenues	<u>1,041,000</u>	<u>1,041,000</u>	<u>1,082,336</u>	<u>41,336</u>
Expenditures:				
Current:				
Public safety:				
Fire special improvements	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,140,236</u>	<u>(40,236)</u>
Total expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,140,236</u>	<u>(40,236)</u>
Net change in fund balance	(59,000)	(59,000)	(57,900)	1,100
Fund balance, July 1	<u>159,148</u>	<u>159,148</u>	<u>159,148</u>	-
Fund balance, June 30	<u><u>\$ 100,148</u></u>	<u><u>\$ 100,148</u></u>	<u><u>\$ 101,248</u></u>	<u><u>\$ 1,100</u></u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State cigarette tax	\$ 290,000	\$ 290,000	\$ 253,105	\$ (36,895)
Interest:				
Interest on investments	-	-	334	334
Total revenues	290,000	290,000	253,439	(36,561)
Other financing uses:				
Transfers out	(290,000)	(290,000)	(290,000)	-
Net change in fund balance	-	-	(36,561)	(36,561)
Fund balance, July 1	54,239	54,239	54,239	-
Fund balance, June 30	<u>\$ 54,239</u>	<u>\$ 54,239</u>	<u>\$ 17,678</u>	<u>\$ (36,561)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LODGERS' TAX FUND
Year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Lodgers' tax	\$ 8,611,000	\$ 8,611,000	\$ 9,995,729	\$ 1,384,729
Interest:				
Interest on investments	9,000	9,000	52,177	43,177
Total revenues	<u>8,620,000</u>	<u>8,620,000</u>	<u>10,047,906</u>	<u>1,427,906</u>
Expenditures:				
Current:				
General Government:				
Lodger's promotion	4,178,000	4,178,000	4,158,488	19,512
Excess (deficiency) of revenues over expenditures	<u>4,442,000</u>	<u>4,442,000</u>	<u>5,889,418</u>	<u>1,447,418</u>
Other financing uses:				
Transfer to Sales Tax Debt Service Fund	(4,460,000)	(4,590,000)	(4,590,000)	-
Transfer to the General Fund	(132,000)	(132,000)	(132,000)	-
Total other financing uses:	<u>(4,592,000)</u>	<u>(4,722,000)</u>	<u>(4,722,000)</u>	<u>-</u>
Net change in fund balance	(150,000)	(280,000)	1,167,418	1,447,418
Fund balance, July 1	<u>1,573,724</u>	<u>1,573,724</u>	<u>1,573,724</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,423,724</u>	<u>\$ 1,293,724</u>	<u>\$ 2,741,142</u>	<u>\$ 1,447,418</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOSPITALITY TAX FUND
Year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Hospitality tax	\$ 1,722,000	\$ 1,722,000	\$ 1,995,823	\$ 273,823
Interest:				
Interest on investments	-	-	9,479	9,479
Total revenues	<u>1,722,000</u>	<u>1,722,000</u>	<u>2,005,302</u>	<u>283,302</u>
Expenditures:				
Current:				
General government:				
Lodger's promotion	856,000	859,000	858,847	153
Total expenditures	<u>856,000</u>	<u>859,000</u>	<u>858,847</u>	<u>153</u>
Excess of revenues over expenditures	866,000	863,000	1,146,455	283,455
Other financing uses:				
Operating transfers out	(856,000)	(856,000)	(856,000)	-
Net change in fund balance	10,000	7,000	290,455	283,455
Fund balance, July 1	<u>229,308</u>	<u>229,308</u>	<u>229,308</u>	-
Fund balance, June 30	<u><u>\$ 239,308</u></u>	<u><u>\$ 236,308</u></u>	<u><u>\$ 519,763</u></u>	<u><u>\$ 283,455</u></u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CULTURE AND RECREATION PROJECTS FUND
YEAR ENDED JUNE 30, 2006

	Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2005	Current Year Actual	Project Budget Remaining June 30, 2006
Revenues:					
Charges for services:					
Culture and recreation:					
Library charges	\$ 190,000	\$ 322,142	\$ (132,142)	\$ 132,488	\$ (264,630)
Museum charges	462,000	386,188	75,812	208,452	(132,640)
Other	-	2,248	(2,248)	-	(2,248)
Total charges for services	<u>652,000</u>	<u>710,578</u>	<u>(58,578)</u>	<u>340,940</u>	<u>(399,518)</u>
Interest on investments	<u>84,950</u>	<u>160,927</u>	<u>(75,977)</u>	<u>65,199</u>	<u>(141,176)</u>
Other:					
Miscellaneous revenue	2,764,800	1,662,318	1,102,482	591,483	510,999
Contributions and donations	<u>1,047,000</u>	<u>1,464,511</u>	<u>(417,511)</u>	<u>93,024</u>	<u>(510,535)</u>
Total other revenues	<u>3,811,800</u>	<u>3,126,829</u>	<u>684,971</u>	<u>684,507</u>	<u>464</u>
Total revenues	<u>4,548,750</u>	<u>3,998,334</u>	<u>550,416</u>	<u>1,090,646</u>	<u>(540,230)</u>
Expenditures:					
Current:					
Culture and recreation	<u>4,903,750</u>	<u>2,451,513</u>	<u>2,452,237</u>	<u>830,980</u>	<u>1,621,257</u>
Excess (deficiency) of revenues over expenditures	(355,000)	1,546,821	(1,901,821)	259,666	(2,161,487)
Other financing sources:					
Transfers in	<u>355,000</u>	<u>-</u>	<u>355,000</u>	<u>-</u>	<u>355,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,546,821</u>	<u>\$ (1,546,821)</u>	259,666	<u>\$ (1,806,487)</u>
Fund balance, July 1				<u>1,546,821</u>	
Fund balance, June 30				<u>\$ 1,806,487</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND
YEAR ENDED JUNE 30, 2006

	Project Budget	Prior Years' Actual	Project Budget Remaining June 30, 2005	Current Year Actual	Project Budget Remaining June 30, 2006
Revenues:					
Charges for services:					
Zoo and park admissions	\$ -	\$ 7,462	\$ (7,462)	\$ 192,380	\$ (199,842)
Collecting trips	50,000	7,602	42,398	-	42,398
Total charges for services	<u>50,000</u>	<u>15,064</u>	<u>34,936</u>	<u>192,380</u>	<u>(157,444)</u>
Interest on investments	<u>57,000</u>	<u>64,833</u>	<u>(7,833)</u>	<u>8,049</u>	<u>(15,882)</u>
Other:					
Miscellaneous revenue	2,562,000	46,640	2,515,360	-	2,515,360
Contributions and donations	5,045,000	4,848,147	196,853	1,630,441	(1,433,588)
Sales of other property	100,000	133,073	(33,073)	29,625	(62,698)
Total other	<u>7,707,000</u>	<u>5,027,860</u>	<u>2,679,140</u>	<u>1,660,066</u>	<u>1,019,074</u>
Total revenues	<u>7,814,000</u>	<u>5,107,757</u>	<u>2,706,243</u>	<u>1,860,495</u>	<u>845,748</u>
Expenditures:					
Current:					
Culture and recreation	<u>6,958,000</u>	<u>5,196,983</u>	<u>1,761,017</u>	<u>1,538,237</u>	<u>222,780</u>
Net change in fund balance	<u>\$ 856,000</u>	<u>\$ (89,226)</u>	<u>\$ 945,226</u>	322,258	<u>\$ 622,968</u>
Fund balance, July 1				<u>(89,226)</u>	
Fund balance, June 30				<u>\$ 233,032</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY HOUSING FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Interest:					
Interest on investments	\$ 1,546,639	\$ 446,454	\$ 1,100,185	\$ 43,633	\$ 1,056,552
Miscellaneous:					
Refund of excess of mortgage holders payments over CMO bond debt service	1,894,064	1,090,137	803,927	-	803,927
Affordable Housing Trust Fund	1,000,000	1,427,691	(427,691)	-	(427,691)
FCSD Property Management Trust - NM Bank & Trust	-	47,117	(47,117)	-	(47,117)
CMO bonds project reimbursement	2,759,026	4,045,829	(1,286,803)	874,120	(2,160,923)
 Total revenues	 <u>7,199,729</u>	 <u>7,057,228</u>	 <u>142,501</u>	 <u>917,753</u>	 <u>(775,252)</u>
 Expenditures:					
Current:					
Housing	6,434,032	5,711,134	722,898	77,434	645,464
 Excess (deficiency) of revenues over expenditures	 <u>765,697</u>	 <u>1,346,094</u>	 <u>(580,397)</u>	 <u>840,319</u>	 <u>(1,420,716)</u>
 Other financing sources (uses):					
Operating transfers in (out)	(765,697)	582,126	(1,347,823)	(379,997)	(967,826)
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ 1,928,220</u>	 <u>\$ (1,928,220)</u>	 460,322	 <u>\$ (2,388,542)</u>
 Fund balance, July 1				 <u>1,115,174</u>	
 Fund balance, June 30				 <u>\$ 1,575,496</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIR QUALITY FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Licenses and permits:				
Authorized vehicle inspection fees	\$ 25,000	\$ 25,000	\$ 26,850	\$ 1,850
Certified vehicle inspection fees	10,000	10,000	12,156	2,156
Certified vehicle paper sales	1,200,000	1,200,000	1,204,885	4,885
Dust permits	335,000	335,000	428,131	93,131
Title V operating permits	875,000	875,000	850,892	(24,108)
Asbestos notification	30,000	30,000	41,828	11,828
Total licenses and permits	<u>2,475,000</u>	<u>2,475,000</u>	<u>2,564,742</u>	<u>89,742</u>
Interest:				
Interest on investments	-	-	71,694	71,694
Miscellaneous	-	-	8,126	8,126
Total revenues	<u>2,475,000</u>	<u>2,475,000</u>	<u>2,644,562</u>	<u>169,562</u>
Expenditures:				
Environmental Health:				
Title V operating permits	1,429,000	1,429,000	1,288,230	140,770
Vehicle inspections	1,423,000	1,423,000	1,176,215	246,785
Indirect overhead	130,000	130,000	130,000	-
Total expenditures	<u>2,982,000</u>	<u>2,982,000</u>	<u>2,594,445</u>	<u>387,555</u>
Net change in fund balance	(507,000)	(507,000)	50,117	557,117
Fund balance, July 1	<u>1,656,589</u>	<u>1,656,589</u>	<u>1,656,589</u>	-
Fund balance, June 30	<u>\$ 1,149,589</u>	<u>\$ 1,149,589</u>	<u>\$ 1,706,706</u>	<u>\$ 557,117</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CORRECTIONS AND DETENTION FUND
Year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
County-shared operations	\$ 24,138,000	\$ 22,952,000	\$ 21,343,067	\$ (1,608,933)
Charges for services:				
Care of prisoners-state	100,000	100,000	306,358	206,358
Community custody program fees	170,000	170,000	219,291	49,291
CCP reimbursement	435,000	521,000	521,202	202
Medical Co-pay inmates	25,000	25,000	26,964	1,964
Recycling services	265,000	265,000	265,000	-
Total charges for services	<u>995,000</u>	<u>1,081,000</u>	<u>1,338,815</u>	<u>257,815</u>
Interest :				
Interest on investments	-	-	124,666	124,666
Miscellaneous:				
Other	45,000	45,000	349,325	304,325
Total revenues	<u>25,178,000</u>	<u>24,078,000</u>	<u>23,155,873</u>	<u>(922,127)</u>
Expenditures:				
Current:				
Public safety:				
Administrative support	4,054,000	4,054,000	3,541,144	512,856
Community custody	1,742,000	1,828,000	1,543,187	284,813
Correction and detention	41,542,000	42,217,000	41,556,103	660,897
Water supply contract	538,000	538,000	537,444	556
Indirect overhead charge	1,421,000	1,421,000	1,336,557	84,443
Total expenditures	<u>49,297,000</u>	<u>50,058,000</u>	<u>48,514,435</u>	<u>1,543,565</u>
Excess (deficiency) of revenues over expenditures	<u>(24,119,000)</u>	<u>(25,980,000)</u>	<u>(25,358,562)</u>	<u>621,438</u>
Other financing sources (uses):				
Transfers in	24,138,000	22,952,000	23,138,150	186,150
Transfers out	(19,000)	(19,000)	(19,215)	(215)
Total other financing sources (uses)	<u>24,119,000</u>	<u>22,933,000</u>	<u>23,118,935</u>	<u>185,935</u>
Net change in fund balance	-	(3,047,000)	(2,239,627)	807,373
Fund balance, July 1	<u>2,573,787</u>	<u>2,573,787</u>	<u>2,573,787</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,573,787</u>	<u>\$ (473,213)</u>	<u>\$ 334,160</u>	<u>\$ 807,373</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Intergovernmental:					
Grants:					
Corporation for National and Community Services	\$ 2,475,552	\$ 2,030,699	\$ 444,853	\$ 422,864	\$ 21,989
U.S. Department of Housing and Urban development	46,837,946	27,770,888	19,067,058	7,177,824	11,889,234
U.S. Department of Labor	3,888,864	3,395,005	493,859	-	493,859
U.S. Environmental Protection Agency	8,326,420	6,359,830	1,966,590	672,365	1,294,225
Federal Aviation Administration	440,000	440,000	-	-	-
U.S. Department of Energy	395,122	387,106	8,016	-	8,016
U.S. Department of energy - UCETC	143,500	110,198	33,302	-	33,302
U.S. Dept. of Health and Human Services	22,243,549	16,823,504	5,420,045	4,834,440	585,605
U.S. Department of the Treasury	409,169	385,994	23,175	-	23,175
U.S. Department of Justice	27,488,828	21,209,659	6,279,169	2,047,076	4,232,093
U.S. Department of Education	-	106,805	(106,805)	-	(106,805)
Federal Emergency Management Agency	2,255,765	1,340,174	915,591	573,343	342,248
N.M. Dept. of Health - Social Services	907,631	797,844	109,787	(312,829)	422,616
N.M. Department of Public Safety	4,564,239	1,928,143	2,636,096	604,833	2,031,263
N.M. Arts Commission		(3,867)	3,867	3,867	-
N.M. State Library	333,293	299,692	33,601	33,601	-
N.M. State Highway Department	12,018,457	8,330,008	3,688,449	2,060,028	1,628,421
N.M. Department of Transportation	2,399,394	1,642,094	757,300	847,085	(89,785)
N.M. State Office on Aging	33,872,710	28,103,941	5,768,769	4,053,732	1,715,037
N.M. Board of Finance	124,869	84,346	40,523	-	40,523
N.M. Dept. of Economic Development	2,950,000	2,903,754	46,246	-	46,246
N.M. Energy and Minerals Dept.	24,649	-	24,649	24,630	19
N.M. Local government Division	18,904,928	16,930,724	1,974,204	546,671	1,427,533
N.M. Office Cultural Office	63,272	67,441	(4,169)	-	(4,169)
N.M. Dept. of Health - Public Health	6,000	6,000	-	-	-
N.M. Children, Youth & Families Dept.	18,099,195	12,516,263	5,582,932	2,097,399	3,485,533
N.M. Youth Conservation Corp. Comm.	681,591	576,389	105,202	-	105,202
City of Rio Rancho	60,000	33,436	26,564	-	26,564
County Other	2,277,531	677,490	1,600,041	110,697	1,489,344
N.M. Dept. of Health - Substance Abuse	6,000	6,000	-	-	-
County Aging	2,967,200	2,786,121	181,079	181,079	-
Total intergovernmental	<u>215,165,674</u>	<u>158,045,681</u>	<u>57,119,993</u>	<u>25,978,705</u>	<u>31,141,288</u>
Interest:					
Interest - Police Block Grant	423,138	461,430	(38,292)	70,233	(108,525)
Miscellaneous:					
Other miscellaneous	14,010,261	11,799,482	2,210,779	2,435,150	(224,371)
Rehabilitation loan repayments	226,458	458,248	(231,790)	220,444	(452,234)
Contributions and donations	120,730	78,111	42,619	13,389	29,230
Total miscellaneous	<u>14,357,449</u>	<u>12,335,841</u>	<u>2,021,608</u>	<u>2,668,983</u>	<u>(647,375)</u>
Total revenues	<u>229,946,261</u>	<u>170,842,952</u>	<u>59,103,309</u>	<u>28,717,921</u>	<u>30,385,388</u>

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPERATING GRANTS FUND
YEAR ENDED JUNE 30, 2006

	Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2005	Current Year Actual	Project Budget Remaining June 30, 2006
Expenditures:					
General government:					
Aviation	440,000	440,000	-	(473)	473
Planning-redevelopment	1,189,194	717,739	471,455	47,420	424,035
Planning-Mayor	350,000	341,984	8,016	-	8,016
Planning-Chief Administrative Officer	2,277,159	396,727	1,880,432	340,765	1,539,667
General Services	-	-	-	2	(2)
Finance and Administrative Services	105,000	81,556	23,444	-	23,444
Legal	36,851	37,404	(553)	-	(553)
Solid waste	3,031,350	2,402,259	629,091	662,521	(33,430)
Total general government	<u>7,429,554</u>	<u>4,417,669</u>	<u>3,011,885</u>	<u>1,050,235</u>	<u>1,961,650</u>
Public Safety:					
Fire	2,961,901	1,972,512	989,389	622,230	367,159
Correctitons	5,568,680	4,399,385	1,169,295	1,007,578	161,717
Police	39,151,445	28,086,512	11,064,933	4,029,847	7,035,086
Total public safety	<u>47,682,026</u>	<u>34,458,409</u>	<u>13,223,617</u>	<u>5,659,655</u>	<u>7,563,962</u>
Culture and recreation:					
Library	367,317	502,320	(135,003)	34,844	(169,847)
Parks and Recreation	1,236,879	986,141	250,738	48,184	202,554
Total culture and recreation	<u>1,604,196</u>	<u>1,488,461</u>	<u>115,735</u>	<u>83,028</u>	<u>32,707</u>
Highways and streets	<u>5,797,180</u>	<u>4,292,992</u>	<u>1,504,188</u>	<u>827,031</u>	<u>677,157</u>
Environmental health	<u>15,813,583</u>	<u>12,779,009</u>	<u>3,034,574</u>	<u>2,374,129</u>	<u>660,445</u>
Human services:	<u>186,935,300</u>	<u>140,630,362</u>	<u>46,304,938</u>	<u>22,915,745</u>	<u>23,389,193</u>
Total expenditures	<u>265,261,839</u>	<u>198,066,902</u>	<u>67,194,937</u>	<u>32,909,823</u>	<u>34,285,114</u>
Excess (deficiency) of revenues over expenditures	<u>(35,315,578)</u>	<u>(27,223,950)</u>	<u>(8,091,628)</u>	<u>(4,191,902)</u>	<u>(3,899,726)</u>
Other financing sources (uses):					
Transfers in	35,515,730	30,105,924	5,409,806	5,124,120	285,686
Transfers out	(450,000)	(450,000)	-	-	-
Total other financing sources (uses)	<u>35,065,730</u>	<u>29,655,924</u>	<u>5,409,806</u>	<u>5,124,120</u>	<u>285,686</u>
Net change in fund balances	<u>\$ (249,848)</u>	<u>\$ 2,431,974</u>	<u>\$ (2,681,822)</u>	932,218	<u>\$ (3,614,040)</u>
Fund balances, July 1				3,328,161	
Fund balances, June 30				<u>\$ 4,260,379</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - METROPOLITAN REDEVELOPMENT FUND
Year ended June 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Taxes:					
Current property tax	\$ 4,979,411	\$ 5,633,457	\$ (654,046)	\$ 363,495	\$ (1,017,541)
Intergovernmental:					
Grants:					
US Economic Development Administration	1,000,000	1,000,000	-	-	-
NM Local Government Division	-	250,000	(250,000)	-	(250,000)
Total intergovernmental	<u>1,000,000</u>	<u>1,250,000</u>	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Interest:					
Interest on investments	<u>1,980,742</u>	<u>2,865,096</u>	<u>(884,354)</u>	<u>123,535</u>	<u>(1,007,889)</u>
Miscellaneous:					
Rental of city property	551,331	655,407	(104,076)	25,674	(129,750)
Sale of real property	2,163,800	2,325,533	(161,733)	-	(161,733)
Miscellaneous parking revenue	30,328	31,898	(1,570)	-	(1,570)
Transfer from General Fund	425,000	425,000	-	-	-
Other miscellaneous	<u>1,184,466</u>	<u>253,805</u>	<u>930,661</u>	<u>246,082</u>	<u>684,579</u>
Total miscellaneous	<u>4,354,925</u>	<u>3,691,643</u>	<u>663,282</u>	<u>271,756</u>	<u>391,526</u>
Total revenues	<u>12,315,078</u>	<u>13,440,196</u>	<u>(1,125,118)</u>	<u>758,786</u>	<u>(1,883,904)</u>
Expenditures:					
Current:					
General Government	<u>12,645,052</u>	<u>10,581,053</u>	<u>2,063,999</u>	<u>168,652</u>	<u>1,895,347</u>
Total expenditures	<u>12,645,052</u>	<u>10,581,053</u>	<u>2,063,999</u>	<u>168,652</u>	<u>1,895,347</u>
Net change in fund balance	<u>\$ (329,974)</u>	<u>\$ 2,859,143</u>	<u>\$ (3,189,117)</u>	590,134	<u>\$ (3,779,251)</u>
Fund balance, July 1				<u>3,371,093</u>	
Fund balance, June 30				<u>\$ 3,961,227</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOUSING & NEIGHBORHOOD ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Interest:					
Interest	\$ -	\$ 4,585,241	\$ (4,585,241)	\$ 288,375	\$ (4,873,616)
Miscellaneous:					
Housing and development	<u>11,546,152</u>	<u>8,659,858</u>	<u>2,886,294</u>	<u>555,747</u>	<u>2,330,547</u>
Total revenues	11,546,152	13,245,099	(1,698,947)	844,122	(2,543,069)
Expenditures:					
Current:					
Housing and development	<u>11,546,152</u>	<u>5,236,699</u>	<u>6,309,453</u>	<u>1,253,768</u>	<u>5,055,685</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,008,400</u>	<u>\$ (8,008,400)</u>	(409,646)	<u>\$ (7,598,754)</u>
Fund balance, July 1				<u>8,008,400</u>	
Fund balance, June 30				<u>\$ 7,598,754</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LAW ENFORCEMENT PROTECTION FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Intergovernmental:					
Insurance debt collections	\$ 2,962,000	\$ 2,078,547	\$ 883,453	\$ 619,600	\$ 263,853
Charges for services:					
Crime laboratory-Controlled substances and DWI tests	840,000	833,562	6,438	125,353	(118,915)
Fines and forfeits:					
Police-forfeited funds	4,225,316	2,832,377	1,392,939	1,076,941	315,998
Interest:					
Interest on Investments	-	469,411	(469,411)	59,217	(528,628)
Other:					
Miscellaneous	2,300,000	1,953,093	346,907	614,973	(268,066)
Total revenues	<u>10,327,316</u>	<u>8,166,990</u>	<u>2,160,326</u>	<u>2,496,084</u>	<u>(335,758)</u>
Expenditures:					
Current:					
Public safety:					
Law enforcement protection funds act	2,962,000	1,912,537	1,049,463	537,465	511,998
Federal forfeitures program	3,842,795	2,616,452	1,226,343	951,719	274,624
State forfeitures program	18,852	17,852	1,000	153	847
Crime lab program	645,000	512,020	132,980	82,228	50,752
DWI forfeitures program	2,490,669	1,450,117	1,040,552	799,113	241,439
Total expenditures	<u>9,959,316</u>	<u>6,508,978</u>	<u>3,450,338</u>	<u>2,370,678</u>	<u>1,079,660</u>
Excess (deficiency) of revenues over expenditures	368,000	1,658,012	(1,290,012)	125,406	(1,415,418)
Other financing uses:					
Operating transfers out	(368,000)	(230,000)	(138,000)	(138,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,428,012</u>	<u>\$ (1,428,012)</u>	<u>(12,594)</u>	<u>\$ (1,415,418)</u>
Fund balance, July 1				<u>1,428,012</u>	
Fund balance, June 30				<u>\$ 1,415,418</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAS TAX ROAD FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
State gasoline tax	\$ 4,512,000	\$ 4,512,000	\$ 4,833,012	\$ 321,012
Interest on investments:				
Interest	<u>1,000</u>	<u>1,000</u>	<u>3,825</u>	<u>2,825</u>
Total revenues	<u>4,513,000</u>	<u>4,513,000</u>	<u>4,836,837</u>	<u>323,837</u>
Expenditures:				
Current:				
Highways and streets	4,941,000	4,941,000	4,933,261	7,739
Payments to General Fund for services	<u>230,000</u>	<u>230,000</u>	<u>216,361</u>	<u>13,639</u>
Total expenditures	<u>5,171,000</u>	<u>5,171,000</u>	<u>5,149,622</u>	<u>21,378</u>
Excess (deficiency) of revenues over expenditures	(658,000)	(658,000)	(312,785)	345,215
Other financing sources:				
Transfers in	<u>541,000</u>	<u>541,000</u>	<u>541,000</u>	<u>-</u>
Net change in fund balance	(117,000)	(117,000)	228,215	345,215
Fund balance, July 1	<u>492,090</u>	<u>492,090</u>	<u>492,090</u>	<u>-</u>
Fund balance, June 30	<u>\$ 375,090</u>	<u>\$ 375,090</u>	<u>\$ 720,305</u>	<u>\$ 345,215</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY PROJECTS FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Charges for services:					
Information System Services	\$ 743,000	\$ 364,246	\$ 378,754	\$ 203,692	\$ 175,062
Interest:					
Interest on investments	-	11,639	(11,639)	8,535	(20,174)
Total revenues	<u>743,000</u>	<u>375,885</u>	<u>367,115</u>	<u>212,227</u>	<u>154,888</u>
Expenditures:					
Current					
General Government	<u>397,000</u>	<u>105,337</u>	<u>291,663</u>	<u>106,344</u>	<u>185,319</u>
Excess (deficiency) of revenues over expenditures	346,000	270,548	75,452	105,883	(30,431)
Other financing (uses):					
Transfers (out)	<u>(346,000)</u>	<u>(264,000)</u>	<u>(82,000)</u>	<u>(82,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,548</u>	<u>\$ (6,548)</u>	23,883	<u>\$ (30,431)</u>
Fund balance, July 1				<u>211,297</u>	
Fund balance, June 30				<u>\$ 235,180</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FALSE ALARM ENFORCEMENT AND EDUCATION FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Licenses and permits:				
Alarm permit fees	\$ 907,000	\$ 907,000	\$ 679,609	\$ (227,391)
Interest on investments:				
Interest	10,000	10,000	18,160	8,160
Total revenues	<u>917,000</u>	<u>917,000</u>	<u>697,769</u>	<u>(219,231)</u>
Expenditures:				
Current:				
General government	507,000	507,000	345,814	161,186
Indirect overhead	7,000	7,000	6,060	940
Total expenditures	<u>514,000</u>	<u>514,000</u>	<u>351,874</u>	<u>162,126</u>
Excess (deficiency) of revenues over expenditures	<u>403,000</u>	<u>403,000</u>	<u>345,895</u>	<u>(57,105)</u>
Other financing uses:				
Transfers out	<u>(250,000)</u>	<u>(350,000)</u>	<u>(342,426)</u>	<u>7,574</u>
Net change in fund balance	153,000	53,000	3,469	(49,531)
Fund balance, July 1	<u>569,247</u>	<u>569,247</u>	<u>569,247</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 722,247</u></u>	<u><u>\$ 622,247</u></u>	<u><u>\$ 572,716</u></u>	<u><u>\$ (49,531)</u></u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY FACILITIES FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services:				
Charges for building rental	\$ 4,124,000	\$ 4,124,000	\$ 4,128,309	\$ 4,309
Interest	-	-	32,410	32,410
Miscellaneous	-	-	102	102
Total revenues	4,124,000	4,124,000	4,160,821	36,821
Expenditures:				
Current:				
General Government:				
City/County building	3,153,000	3,217,000	3,132,318	84,682
Indirect overhead	86,000	86,000	86,000	-
Total expenditures	3,239,000	3,303,000	3,218,318	84,682
Excess (deficiency) of revenues over expenditures	885,000	821,000	942,503	121,503
Other financing uses:				
Transfers out	(1,200,000)	(1,200,000)	(1,200,000)	-
Net change in fund balance	(315,000)	(379,000)	(257,497)	121,503
Fund balance, July 1	689,600	689,600	689,600	-
Fund balance, June 30	\$ 374,600	\$ 310,600	\$ 432,103	\$ 121,503

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PLAZA DEL SOL BUILDING FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services:				
Charges for building rental	\$ 1,291,000	\$ 1,291,000	\$ 1,306,500	\$ 15,500
Interest:				
Interest on investments	-	-	5,221	5,221
 Total revenues	1,291,000	1,291,000	1,311,721	20,721
 Expenditures:				
Current:				
General Government				
Building operations	768,000	768,000	755,747	12,253
 Total expenditures	768,000	768,000	755,747	12,253
 Excess of revenues over expenditures	523,000	523,000	555,974	32,974
 Other financing uses:				
Operating transfers out	(570,000)	(570,000)	(570,000)	-
 Net change in fund balance	(47,000)	(47,000)	(14,026)	32,974
 Fund balance, July 1	138,553	138,553	138,553	-
 Fund balance, June 30	\$ 91,553	\$ 91,553	\$ 124,527	\$ 32,974

CITY OF ALBUQUERQUE, NEW MEXICO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ACQUISITION AND MANAGEMENT OF OPEN SPACE EXPENDITURES FUND
 Year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 55,000	\$ 55,000	\$ 71,944	\$ 16,944
Miscellaneous income	15,000	15,000	44,489	29,489
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>116,433</u>	<u>46,433</u>
Expenditures:				
Culture and recreation	<u>2,610,000</u>	<u>2,610,000</u>	<u>2,791,434</u>	<u>(181,434)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,540,000)</u>	<u>(2,540,000)</u>	<u>(2,675,001)</u>	<u>(135,001)</u>
Other financing sources:				
Operating transfers in	<u>2,413,000</u>	<u>2,413,000</u>	<u>3,343,696</u>	<u>930,696</u>
Net change in fund balance	<u>(127,000)</u>	<u>(127,000)</u>	<u>668,695</u>	<u>795,695</u>
Fund balance, July 1	127,000	127,000	1,000,736	873,736
Restatement	<u>-</u>	<u>-</u>	<u>(330,492)</u>	<u>(330,492)</u>
Fund balance, July 1 restated	<u>127,000</u>	<u>127,000</u>	<u>670,244</u>	<u>543,244</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,338,939</u>	<u>\$ 1,338,939</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - URBAN ENHANCEMENT EXPENDITURES FUND
YEAR ENDED JUNE 30, 2006

	<u>Project Budget</u>	<u>Prior Years' Actual</u>	<u>Project Budget Remaining July 1, 2005</u>	<u>Current Year Actual</u>	<u>Project Budget Remaining June 30, 2006</u>
Revenues:					
Interest on investments	\$ 536,656	\$ 636,399	\$ (99,743)	\$ 71,786	\$ (171,529)
Miscellaneous:					
Other miscellaneous revenue	-	2,591	(2,591)	-	(2,591)
Total revenues	<u>536,656</u>	<u>638,990</u>	<u>(102,334)</u>	<u>71,786</u>	<u>(174,120)</u>
Expenditures:					
Culture and recreation	<u>2,013,282</u>	<u>1,424,542</u>	<u>588,740</u>	<u>672,513</u>	<u>(83,773)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,476,626)</u>	<u>(785,552)</u>	<u>(691,074)</u>	<u>(600,727)</u>	<u>(90,347)</u>
Other financing sources:					
Operating transfers in	<u>1,476,626</u>	<u>2,295,828</u>	<u>(819,202)</u>	<u>180,125</u>	<u>(999,327)</u>
Total other financing sources (uses)	<u>1,476,626</u>	<u>2,295,828</u>	<u>(819,202)</u>	<u>180,125</u>	<u>(999,327)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,510,276</u>	<u>\$ (1,510,276)</u>	<u>\$ (420,602)</u>	<u>\$ (1,089,674)</u>
Fund balance, July 1				<u>2,178,276</u>	
Fund balance, June 30				<u>\$ 1,757,674</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SALES TAX REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Interest:				
Interest on investments	\$ -	\$ -	\$ 143,989	\$ 143,989
Interest on advance	-	-	1,140,810	1,140,810
Total revenues	-	-	1,284,799	1,284,799
Expenditures:				
Debt service:				
Principal	3,521,299	3,521,299	3,506,299	15,000
Interest	7,034,198	7,034,198	6,721,720	312,478
Bond issuance costs and other fees	399,503	399,503	129,625	269,878
Total expenditures	10,955,000	10,955,000	10,357,644	597,356
Excess (deficiency) of revenues over expenditures	(10,955,000)	(10,955,000)	(9,072,845)	1,882,155
Other financing sources:				
Operating transfers in	10,765,000	10,880,000	7,572,000	(3,308,000)
Net change in fund balance	(190,000)	(75,000)	(1,500,845)	(1,425,845)
Fund balance, July 1	23,197,559	23,197,559	23,197,559	-
Fund balance, June 30	<u>\$ 23,007,559</u>	<u>\$ 23,122,559</u>	<u>\$ 21,696,714</u>	<u>\$ (1,425,845)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CITY/COUNTY BUILDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 35,903	\$ 35,903
Expenditures:				
Debt service:				
Principal	1,245,000	1,245,000	1,245,000	-
Interest	162,000	162,000	161,287	713
Total expenditures	1,407,000	1,407,000	1,406,287	713
Excess (deficiency) of revenues over expenditures	(1,407,000)	(1,407,000)	(1,370,384)	36,616
Other financing sources:				
Transfers in	1,295,000	1,295,000	1,295,000	-
Net change in fund balance	(112,000)	(112,000)	(75,384)	36,616
Fund balance, July 1	362,698	362,698	362,698	-
Fund balance, June 30	\$ 250,698	\$ 250,698	\$ 287,314	\$ 36,616

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN PROJECT FUND BALANCES BY PURPOSE
QUALITY OF LIFE FUND
Year ended June 30, 2006

	<u>Balloon Science Museum</u>	<u>Tingley Aqua Park Botanical</u>	<u>Sworn Police Personnel Program</u>	<u>Quarter-Cent Streets</u>
Revenues:				
Interest:				
Interest on investments	\$ -	\$ -	\$ -	\$ -
Miscellaneous:				
Contributions in aid of construction	-	-	-	-
Other	-	-	-	-
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	<u>64,221</u>	<u>214</u>	<u>-</u>	<u>(62,327)</u>
Other financing uses:				
Intra-Fund transfers out	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing uses	<u>64,221</u>	<u>214</u>	<u>-</u>	<u>(62,327)</u>
Net change in fund balances	(64,221)	(214)	-	62,327
Fund balances (deficit), July 1	<u>28,697</u>	<u>24,754</u>	<u>786</u>	<u>(52,222)</u>
Fund balances (deficit), June 30	<u>\$ (35,524)</u>	<u>\$ 24,540</u>	<u>\$ 786</u>	<u>\$ 10,105</u>

<u>Quarter Cent Storm Drain</u>	<u>Rio Grande Bosque RR</u>	<u>Miscellaneous</u>	<u>Intra-Fund Eliminations</u>	<u>Total</u>
\$ -	\$ -	\$ 4,038	\$ -	\$ 4,038
-	-	-	-	-
-	-	-	-	-
-	-	4,038	-	4,038
(2)	-	-	-	2,106
-	-	-	-	-
-	-	-	-	-
(2)	-	-	-	2,106
2	-	4,038	-	1,932
(111)	(260)	99,541	-	101,185
<u>\$ (109)</u>	<u>\$ (260)</u>	<u>\$ 103,579</u>	<u>\$ -</u>	<u>\$ 103,117</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN PROJECT FUND BALANCE BY PURPOSE
BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2006

	Final Budget	Prior Years' Actual	Project Budget Remaining July 1, 2005	Current Year Actual	Project Budget Remaining June 31, 2006
Revenues:					
Interest on investments	\$ 784,744	\$ 764,224	\$ 20,520	\$ 84,420	\$ (63,900)
Other:					
Sales of property and equipment	399,500	399,500	-	273,240	(273,240)
Recoveries on damaged vehicles	285,582	285,582	-	31,587	(31,587)
Miscellaneous revenues	30,174	30,174	-	77,538	(77,538)
Total other revenues	715,256	715,256	-	382,365	(382,365)
Total revenues	1,500,000	1,479,480	20,520	466,785	(446,265)
Expenditures:					
Capital outlay:					
Vehicles and equipment	5,006,000	1,792,389	3,213,611	2,752,873	460,738
Computers	4,200,000	1,691,284	2,508,716	1,892,223	616,493
Total expenditures	9,206,000	3,483,673	5,722,327	4,645,096	1,077,231
Deficiency of revenues over expenditures	(7,706,000)	(2,004,193)	(5,701,807)	(4,178,311)	(1,523,496)
Other financing sources:					
Operating transfers in	7,706,000	3,928,000	3,778,000	3,778,000	-
Net change in fund balance	\$ -	\$ 1,923,807	\$ (1,923,807)	(400,311)	\$ (1,523,496)
Fund balance, July 1				1,923,807	
Fund balance, June 30				\$ 1,523,496	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PURPOSE
CERTAIN CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2006

	Total Project Budget	Prior Years' Actual	Project Budget Remaining July 1, 2005	Current Year Actual	Project Budget Remaining June 30, 2006
<u>Quality of Life Fund</u>					
Capital Outlay and Other:					
Balloon/Science Museum	\$ 25,005,700	\$ 24,877,000	\$ 128,700	\$ 64,221	\$ 64,479
Tingley Aqua Park /Botanical	36,620,000	36,595,246	24,754	213	24,541
Quarter cent - streets	22,398,863	22,456,879	(58,016)	(62,327)	4,311
Quarter cent - storm drain	1,528,790	1,528,901	(111)	(2)	(109)
Rio Grande Bosque RR	10,000	10,260	(260)	-	(260)
Total Quality of Life Fund	<u>\$ 85,563,353</u>	<u>\$ 85,468,286</u>	<u>\$ 95,067</u>	<u>\$ 2,105</u>	<u>\$ 92,962</u>
<u>Transportation Infrastructure Tax Fund</u>					
Capital Outlay and Other:					
Streets	\$ 36,387,299	\$ 23,892,169	\$ 12,495,130	\$ 2,354,089	\$ 10,141,041
Maintenance	110,500,000	80,210,481	30,289,519	13,430,750	16,858,769
Trails	6,531,155	3,130,091	3,401,064	640,236	2,760,828
Transit	40,683,949	29,548,927	11,135,022	6,813,176	4,321,846
Total Transportation					
Infrastructure Tax Fund	<u>\$ 194,102,403</u>	<u>\$ 136,781,668</u>	<u>\$ 57,320,735</u>	<u>\$ 23,238,251</u>	<u>\$ 34,082,484</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - AIRPORT FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	\$ 54,065,000	\$ 54,065,000	\$ 60,186,114	\$ 6,121,114
Passenger Facility Charge	7,800,000	7,800,000	8,230,593	430,593
Interest on investments	545,000	545,000	1,178,646	633,646
restricted for debt service	19,600,000	19,600,000	19,600,000	-
Total revenues	82,010,000	82,010,000	89,195,353	7,185,353
Expenses:				
Aviation operations	25,644,000	25,644,000	24,546,466	1,097,534
Airport capital and deferred maintenance	18,300,000	18,300,000	18,300,000	-
Economic Development	30,000	30,000	31,931	(1,931)
Payments for General Fund services	1,084,000	1,084,000	1,022,117	61,883
Transfer from non-restricted cash to cash				
restricted for debt service	19,600,000	19,600,000	19,600,000	-
Debt service	23,454,000	23,454,000	22,641,799	812,201
Total expenses	88,112,000	88,112,000	86,142,313	1,969,687
 Excess of revenues over (under) expenses	 \$ (6,102,000)	 \$ (6,102,000)	 3,053,040	 \$ 9,155,040
 Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			53,785	
Depreciation			(23,740,756)	
Amortization			(752,246)	
Loss on disposition of property and equipment			(1,883,656)	
Unrealized gain on investments			417,702	
Miscellaneous revenue			24,000	
Miscellaneous expense			(681,853)	
Capital fund non-capitalized items			157,706	
Charges to conform to generally accepted accounting principles:				
Principal payment on bonds			11,150,000	
Transfer from non-restricted cash to cash restricted				
for acquisition of property and equipment			18,300,000	
Capital contributions			14,524,337	
Capitalized interest on long-term debt			4,064,655	
 Change in net assets			 \$ 24,686,714	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - REFUSE DISPOSAL FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services	\$ 45,833,321	\$ 45,833,300	\$ 46,541,085	\$ 707,785
Interest on investments	175,205	175,205	269,264	94,059
Miscellaneous revenue	762,509	1,361,509	1,101,448	(260,061)
Transfer from General Fund	700,000	700,000	700,000	-
Transfer from non-restricted cash to cash restricted for debt service	4,934,000	4,934,000	4,934,000	-
Total revenues	52,405,035	53,004,014	53,545,797	541,783
Expenses:				
Administrative services	8,542,000	8,542,000	8,543,751	(1,751)
Collections	14,711,000	15,546,000	15,728,112	(182,112)
Disposal	4,804,000	4,804,000	4,618,607	185,393
Recycling	2,771,000	2,771,000	2,748,973	22,027
Clean City	4,150,000	4,150,000	3,667,257	482,743
Transfer from non-restricted cash to cash:				
restricted for debt service	4,934,000	4,934,000	4,934,000	-
restricted for capital acquisition	4,325,000	4,325,000	4,325,000	-
Payment for General Fund services	3,270,000	3,270,000	3,214,732	55,268
Billings expense-Albuquerque Bernalillo County				
Water Utility Authority	576,000	576,000	576,000	-
Recycling expenses- Corrections & Detention Fund	265,000	265,000	265,000	-
Debt service	5,137,000	5,137,000	5,134,858	2,142
Total expenses	53,485,000	54,320,000	53,756,290	563,710
Excess of revenues over (under) expenses	\$ (1,079,965)	\$ (1,315,986)	(210,493)	\$ 1,105,493
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			214,415	
Gain/loss on disposition of property and equipment			144,607	
Capital contributions			-	
Depreciation			(6,378,025)	
Amortization			(21,510)	
Bad Debt			-	
Unrealized gain/loss on investments			72,752	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			3,800,052	
Transfer from non-restricted cash to cash restricted for capital acquisition			4,325,000	
Capitalized interest on long-term debt			219,170	
Capital outlay			11,295	
Change in net assets			\$ 2,177,263	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - TRANSIT FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Passenger revenues	\$ 3,227,000	\$ 3,227,000	\$ 4,033,249	\$ 806,249
Interest on investments	50,000	50,000	100,724	50,724
General operating assistance	21,931,000	23,437,000	23,437,000	-
Transfer from Transportation Infrastructure Tax Fund	5,917,000	5,917,000	6,813,176	896,176
State of New Mexico- Department of Transportation	-	214,332	214,332	-
County- shared operations	890,000	890,000	1,089,916	199,916
	<u>32,015,000</u>	<u>33,735,332</u>	<u>35,688,397</u>	<u>1,953,065</u>
Total revenues				
Expenses:				
Operations	24,937,000	27,412,332	27,123,394	288,938
Sun Van	4,656,000	4,819,000	5,034,418	(215,418)
Special events	292,000	292,000	137,187	154,813
Transfer from non-restricted cash to cash restricted for operating grants	406,000	406,000	406,000	-
Payment for General Fund services	1,459,000	1,459,000	1,445,196	13,804
	<u>31,750,000</u>	<u>34,388,332</u>	<u>34,146,195</u>	<u>242,137</u>
Total expenses				
Excess of revenues over (under) expenses	<u>\$ 265,000</u>	<u>\$ (653,000)</u>	1,542,202	<u>\$ 2,195,202</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			177,620	
Depreciation			(5,849,463)	
Bad debt expense			5,092	
Miscellaneous income/ (Cash over and short)			(1,843)	
Operating grant revenue			1,046,712	
Operating grant expenses			(1,551,355)	
Gains (losses) on disposition of capital assets			(21,151)	
Transfer from Capital Acquisition Fund			2,760,710	
Unrealized gains on investments			34,917	
Changes to conform to generally accepted accounting principles:				
Capital Contributions			13,493,371	
Transfer from non-restricted cash to cash restricted for operating grants			406,000	
Capital Outlay			<u>(48,791)</u>	
Change in net assets			<u>\$ 11,994,021</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
AIRPORT FUND
June 30, 2006

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u>
Revenue Bonds			
2007	\$ 11,150,000	\$ 10,594,126	\$ 21,744,126
2008	14,770,000	9,951,279	24,721,279
2009	15,840,000	9,223,886	25,063,886
2010	17,145,000	8,443,619	25,588,619
2011	18,105,000	7,589,426	25,694,426
2012 - 2016	92,435,000	23,323,437	115,758,437
2017 - 2021	40,115,000	5,152,258	45,267,258
2022 - 2026	<u>6,660,000</u>	<u>591,076</u>	<u>7,251,076</u>
	<u>216,220,000</u>	<u>74,869,107</u>	<u>291,089,107</u>
Total bonds	<u>\$ 216,220,000</u>	<u>\$ 74,869,107</u>	<u>\$ 291,089,107</u>

* including interest on variable rate bonds at 2.75 percent

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
REFUSE DISPOSAL FUND
June 30, 2006

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds			
2007	\$ 3,265,000	\$ 1,055,284	\$ 4,320,284
2008	3,415,000	896,376	4,311,376
2009	1,905,000	773,891	2,678,891
2010	4,770,000	565,021	5,335,021
2011	3,320,000	312,863	3,632,863
2012 - 2014	<u>8,035,000</u>	<u>155,762</u>	<u>8,190,762</u>
Total bonds	<u>\$ 24,710,000</u>	<u>\$ 3,759,197</u>	<u>\$ 28,469,197</u>
Notes Payable			
2007	\$ 535,052	\$ 138,674	\$ 673,726
2008	542,991	129,801	672,792
2009	552,844	118,862	671,706
2010	564,926	105,859	670,785
2011	578,914	90,834	669,748
2012-2015	<u>2,495,952</u>	<u>174,288</u>	<u>2,670,240</u>
Total notes payable	<u>\$ 5,270,679</u>	<u>\$ 758,318</u>	<u>\$ 6,028,997</u>

CITY OF ALBUQUERQUE, NEW MEXICO

NONMAJOR ENTERPRISE FUNDS

GOLF COURSE FUND—To account for the operations of City-owned golf courses.

APARTMENTS FUND—To account for the operations of the City-owned apartments for low income persons.

HOUSING AUTHORITY FUND—To account for the operations of the City-owned houses for low income persons.

PARKING FACILITIES FUND—To account for the operations of the parking facilities owned by the city.

STADIUM FUND—To account for the operations of the City-owned baseball stadium.

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2006

	<u>Golf Course Fund</u>	<u>Apartment Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 355,757	\$ -
Cash with fiscal agents held for debt service	289,444	-
Cash held by others	-	1,407,913
Accounts receivable, net of allowance for uncollectible accounts	16,294	15,451
Due from other governments	-	-
Prepaid expenses	-	32,789
Inventories of supplies	-	-
	<hr/>	<hr/>
Total current assets	661,495	1,456,153
Noncurrent assets:		
Restricted assets:		
Cash, investments, and accrued interest restricted for construction and debt service	133,744	1,891,617
Accounts receivable-developers	-	-
Escrow deposits	-	92,966
	<hr/>	<hr/>
Total restricted assets	133,744	1,984,583
Capital Assets		
Land	828,330	2,042,705
Buildings and improvements	8,336,832	17,590,204
Machinery and equipment	2,166,415	475,059
Other	-	-
Total capital assets before depreciation	<hr/> 11,331,577	<hr/> 20,107,968
Less accumulated depreciation and amortization	4,371,971	5,980,750
Capital assets, net of depreciation	<hr/> 6,959,606	<hr/> 14,127,218
Construction work in progress	-	-
	<hr/>	<hr/>
Total capital assets	6,959,606	14,127,218
Deferred Charges		
Capitalized bond issuance costs	27,944	315,670
Total deferred charges	<hr/> 27,944	<hr/> 315,670
Total noncurrent assets	<hr/> 7,121,294	<hr/> 16,427,471
Total assets	<hr/> \$ 7,782,789 <hr/>	<hr/> \$ 17,883,624 <hr/>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 11,784,472	\$ 773,250	\$ 120,440	\$ 13,033,919
-	-	781,986	1,071,430
-	-	-	1,407,913
274,704	141,479	236,067	683,995
61,138	-	-	61,138
-	-	-	32,789
128,024	-	-	128,024
<u>12,248,338</u>	<u>914,729</u>	<u>1,138,493</u>	<u>16,419,208</u>
-	5,583,906	36,752	7,646,019
-	2,242,376	-	2,242,376
382,407	-	-	475,373
<u>382,407</u>	<u>7,826,282</u>	<u>36,752</u>	<u>10,363,768</u>
3,767,389	2,237,008	-	8,875,432
50,950,459	39,701,373	23,686,589	140,265,457
1,051,489	884,309	10,218	4,587,490
-	-	100,904	100,904
<u>55,769,337</u>	<u>42,822,690</u>	<u>23,797,711</u>	<u>153,829,283</u>
38,912,330	17,448,779	3,664,512	70,378,342
<u>16,857,007</u>	<u>25,373,911</u>	<u>20,133,199</u>	<u>83,450,941</u>
1,629,031	-	-	1,629,031
<u>18,486,038</u>	<u>25,373,911</u>	<u>20,133,199</u>	<u>85,079,972</u>
-	182,403	132,117	658,134
-	182,403	132,117	658,134
<u>18,868,445</u>	<u>33,382,596</u>	<u>20,302,068</u>	<u>96,101,874</u>
<u>\$ 31,116,783</u>	<u>\$ 34,297,325</u>	<u>\$ 21,440,561</u>	<u>\$ 112,521,082</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF ALBUQUERQUE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS-ENTERPRISE FUNDS
JUNE 30, 2006

	<u>Golf Course Fund</u>	<u>Apartment Fund</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 21,120	\$ 86,980
Accrued payroll	34,228	-
Accrued vacation and sick leave pay	113,203	-
Deposits and prepaid rents	-	30,770
Unearned revenue	-	-
Due to other funds	-	-
Payable out of restricted assets:		
Current portion of bonds, notes payable and capital leases	235,000	200,000
Accrued interest	54,444	39,440
	<u>457,995</u>	<u>357,190</u>
Total current liabilities		
Noncurrent liabilities		
Liabilities payable from restricted assets:		
Tenant security deposits	-	90,390
	<u>-</u>	<u>90,390</u>
Total liabilities payable from restricted assets		
Long-term debt excluding current portion:		
Revenue bonds (net of unamortized discounts), notes payable, and capital leases	1,422,348	13,180,000
	<u>1,422,348</u>	<u>13,180,000</u>
Total long-term debt		
Other:		
Accrued vacation and sick leave pay	56,805	-
Advances from other funds	-	-
	<u>56,805</u>	<u>-</u>
Total other liabilities		
Total noncurrent liabilities	<u>1,479,153</u>	<u>13,270,390</u>
Total liabilities	<u>1,937,148</u>	<u>13,627,580</u>
NET ASSETS		
Invested in capital assets, net of related debt	5,671,002	1,262,888
Restricted:		
Debt Service	44,210	-
Construction	49,208	-
Unrestricted (deficit)	81,221	2,993,156
	<u>5,845,641</u>	<u>4,256,044</u>
Total net assets	<u>\$ 5,845,641</u>	<u>\$ 4,256,044</u>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 212,841	\$ 28,765	\$ 29,679	\$ 379,385
66,458	33,522	1,051	135,259
164,171	126,553	1,362	405,289
210,439	-	-	241,209
744,750	-	-	744,750
242,502	-	-	242,502
81,272	-	402,182	918,454
-	-	362,017	455,901
<u>1,722,433</u>	<u>188,840</u>	<u>796,291</u>	<u>3,522,749</u>
<u>102,823</u>	<u>-</u>	<u>-</u>	<u>193,213</u>
<u>102,823</u>	<u>-</u>	<u>-</u>	<u>193,213</u>
<u>766,474</u>	<u>-</u>	<u>13,827,837</u>	<u>29,196,659</u>
<u>766,474</u>	<u>-</u>	<u>13,827,837</u>	<u>29,196,659</u>
-	-	-	56,805
<u>-</u>	<u>20,300,000</u>	<u>-</u>	<u>20,300,000</u>
<u>-</u>	<u>20,300,000</u>	<u>-</u>	<u>20,356,805</u>
<u>869,297</u>	<u>20,300,000</u>	<u>13,827,837</u>	<u>49,746,677</u>
<u>2,591,730</u>	<u>20,488,840</u>	<u>14,624,128</u>	<u>53,269,426</u>
18,486,038	25,556,314	6,437,479	57,413,721
-	1,237,737	36,752	1,318,699
-	6,473,983	-	6,523,191
<u>10,039,015</u>	<u>(19,459,549)</u>	<u>342,202</u>	<u>(6,003,954)</u>
<u>\$ 28,525,053</u>	<u>\$ 13,808,485</u>	<u>\$ 6,816,433</u>	<u>\$ 59,251,656</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2006

	Golf Course Fund	Apartment Fund
	<u> </u>	<u> </u>
Operating revenues:		
Charges for services	\$ 4,212,915	\$ 2,980,068
Operating Expenses		
Salaries and fringe benefits	1,760,218	-
Professional services	-	-
Utilities	824,147	422,635
Supplies	74,020	-
Travel	902	-
Fuels, repairs and maintenance	361,731	369,379
Contractual services	63,377	307,190
Other operating expenses	399,700	1,044,148
Depreciation	295,622	616,270
Bad Debt expense	-	40,412
	<u> </u>	<u> </u>
Total operating expenses	3,779,717	2,800,034
Operating income (loss)	<u> </u>	<u> </u>
	433,198	180,034
Non-operating revenues (expenses):		
Interest on investments	23,656	86,041
Federal housing grants	-	-
Housing payments	-	-
Interest expense	(29,066)	(424,774)
Bond issue costs	(10,801)	(21,096)
Fiscal agent fees	(476)	(122,208)
Other	-	256,733
	<u> </u>	<u> </u>
Total non-operating revenues (expenses)	(16,687)	(225,304)
Income (loss) before capital contributions and transfers	416,511	(45,270)
Capital contributions	10,410	-
Transfers in	-	-
Transfers out	(92,973)	(34,000)
	<u> </u>	<u> </u>
Change in net assets	333,948	(79,270)
Net assets, July 1	<u> </u>	<u> </u>
	5,511,693	4,335,314
Net assets, June 30	<u> </u>	<u> </u>
	\$ 5,845,641	\$ 4,256,044

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Total
\$ 1,755,436	\$ 4,038,097	\$ 1,724,548	\$ 14,711,064
3,198,360	1,758,764	55,211	6,772,553
17,500	-	52,000	69,500
680,456	316,167	331,187	2,574,592
-	55,896	887	130,803
-	1,964	-	2,866
1,217,840	360,010	80,746	2,389,706
-	340,951	56,089	767,607
1,287,437	349,470	36,626	3,117,381
1,724,293	1,275,490	1,056,710	4,968,385
55,073	-	-	95,485
<u>8,180,959</u>	<u>4,458,712</u>	<u>1,669,456</u>	<u>20,888,878</u>
<u>(6,425,523)</u>	<u>(420,615)</u>	<u>55,092</u>	<u>(6,177,814)</u>
381,872	204,316	34,882	730,767
24,092,042	-	-	24,092,042
(19,086,450)	-	-	(19,086,450)
(29,447)	(1,042,409)	(724,034)	(2,249,730)
-	(36,179)	(37,552)	(105,628)
-	(98,401)	(35,575)	(256,660)
406,928	71,215	-	734,876
<u>5,764,945</u>	<u>(901,458)</u>	<u>(762,279)</u>	<u>3,859,217</u>
<u>(660,578)</u>	<u>(1,322,073)</u>	<u>(707,187)</u>	<u>(2,318,597)</u>
-	(134,159)	74,315	(49,434)
-	2,185,000	-	2,185,000
-	(184,088)	(450,000)	(761,061)
<u>(660,578)</u>	<u>544,680</u>	<u>(1,082,872)</u>	<u>(944,092)</u>
<u>29,185,631</u>	<u>13,263,805</u>	<u>7,899,305</u>	<u>60,195,748</u>
<u>\$ 28,525,053</u>	<u>\$ 13,808,485</u>	<u>\$ 6,816,433</u>	<u>\$ 59,251,656</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year ended June 30, 2006

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 4,105,962	\$ 2,945,799
Cash payments to employees for services	(1,798,294)	-
Cash payments to suppliers for goods and services	(1,213,019)	(1,807,742)
Cash payments to other funds for goods and services	(824,147)	(422,635)
Miscellaneous cash received	91,334	256,733
Miscellaneous cash paid	(675)	-
Net cash provided by (used for) operating activities	<u>361,161</u>	<u>972,155</u>
Cash flow from noncapital financing activities:		
Operating grants received	-	-
Housing assistance payments	-	-
Principal paid on advance from other funds	-	-
Transfers-in from other funds	-	868,000
Transfers-out to other funds	(92,973)	(902,000)
Net cash provided by (used for) noncapital financing activities	<u>(92,973)</u>	<u>(34,000)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities and refunded bonds	(224,364)	(500,000)
Interest and other expenses paid on revenue bond maturities	(35,956)	(399,633)
Acquisition and construction of capital assets	(204,713)	(108,255)
Cash payments to other funds for goods and services	-	-
Net cash used for capital and related financing activities	<u>(465,033)</u>	<u>(1,007,888)</u>
Cash flows from investing activities:		
Interest received on investments	<u>23,656</u>	<u>86,041</u>
Net cash provided by investing activities	<u>23,656</u>	<u>86,041</u>
Net increase (decrease) in cash and cash equivalents	(173,189)	16,308
Cash and cash equivalents, July 1	<u>952,134</u>	<u>3,376,188</u>
Cash and cash equivalents, June 30	<u>\$ 778,945</u>	<u>\$ 3,392,496</u>

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Totals
\$ 2,660,801	\$ 5,337,901	\$ 1,728,676	\$ 16,779,139
(2,934,108)	(1,756,656)	(56,081)	(6,545,139)
(3,317,286)	(1,251,767)	(277,646)	(7,867,460)
(680,456)	(316,167)	(331,187)	(2,574,592)
406,928	72,613	-	827,608
-	-	-	(675)
<u>(3,864,121)</u>	<u>2,085,924</u>	<u>1,063,762</u>	<u>618,881</u>
24,092,042	-	-	24,092,042
(19,086,450)	-	-	(19,086,450)
-	(1,900,000)	-	(1,900,000)
-	2,185,000	-	3,053,000
-	(184,088)	(450,000)	(1,629,061)
<u>5,005,592</u>	<u>100,912</u>	<u>(450,000)</u>	<u>4,529,531</u>
(71,437)	-	(390,061)	(1,185,862)
(29,447)	(1,042,409)	(729,592)	(2,237,037)
(1,163,548)	(328,937)	(1,272)	(1,806,725)
-	(176,477)	-	(176,477)
<u>(1,264,432)</u>	<u>(1,547,823)</u>	<u>(1,120,925)</u>	<u>(5,406,101)</u>
<u>381,872</u>	<u>204,316</u>	<u>34,882</u>	<u>730,767</u>
<u>381,872</u>	<u>204,316</u>	<u>34,882</u>	<u>730,767</u>
258,911	843,329	(472,281)	473,078
<u>11,907,968</u>	<u>5,513,827</u>	<u>1,411,459</u>	<u>23,161,576</u>
<u>\$ 12,166,879</u>	<u>\$ 6,357,156</u>	<u>\$ 939,178</u>	<u>\$ 23,634,654</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS
 Year ended June 30, 2006

	<u>Golf Course Fund</u>	<u>Apartments Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 433,198	\$ 180,034
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	295,622	616,270
Miscellaneous cash income (expense)	-	256,733
Fiscal agent fees	(476)	(122,208)
Bad debt expense	-	40,412
Decrease (increase) in assets:		
Receivables	(16,294)	(43,257)
Due from other governments	-	-
Inventories of supplies	-	-
Prepaid expenses	-	5,577
Increase (decrease) in liabilities:		
Accounts payable	(312,813)	29,607
Accrued employee compensation and benefits	(38,076)	-
Deposits and prepaid rents	-	8,987
Due to other governments	-	-
Due to other funds	-	-
Deferred revenue	-	-
Net cash provided by (used for) operating activities	<u>\$ 361,161</u>	<u>\$ 972,155</u>
 Cash and cash equivalents at June 30 consist of:		
Current assets:		
Cash, investments, and accrued interest	\$ 355,757	\$ -
Cash and investments with fiscal agents	289,444	-
Cash held by others	-	1,407,913
Restricted assets:		
Cash, investments, and accrued interest	133,744	1,891,617
Escrow deposits	-	92,966
Total cash and cash equivalents, June 30	<u>\$ 778,945</u>	<u>\$ 3,392,496</u>
 Non cash transactions:		
Unrealized gains (losses) on investments	\$ 2,364	\$ -
Transfer of fixed assets from the Capital Acquisition Fund	10,410	-
HUD payment of third party guaranteed debt	-	-

The accompanying notes are an integral part of these financial statements

Housing Authority Fund	Parking Facilities Fund	Stadium Fund	Totals
\$ (6,425,523)	\$ (420,615)	\$ 55,092	\$ (6,177,814)
1,724,293	1,275,490	1,056,710	4,968,385
406,928	72,613	(35,575)	700,699
-	(98,401)	-	(221,085)
55,073	-	-	95,485
46,283	1,299,804	4,128	1,290,664
130,416	-	-	130,416
35,344	-	-	35,344
-	-	-	5,577
(751,014)	(45,075)	(15,722)	(1,095,017)
21,750	2,108	-	(14,218)
(16,084)	-	(871)	(7,968)
(78,839)	-	-	(78,839)
242,502	-	-	242,502
744,750	-	-	744,750
<u>\$ (3,864,121)</u>	<u>\$ 2,085,924</u>	<u>\$ 1,063,762</u>	<u>\$ 618,881</u>
\$ 11,784,472	\$ 773,250	\$ 120,440	\$ 13,033,919
-	-	781,986	1,071,430
-	-	-	1,407,913
-	5,583,906	36,752	7,646,019
382,407	-	-	475,373
<u>\$ 12,166,879</u>	<u>\$ 6,357,156</u>	<u>\$ 939,178</u>	<u>\$ 23,634,654</u>
\$ 2,120	\$ 20,194	\$ 3,569	\$ 28,247
-	95,600	74,315	180,325
-	-	-	-

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - GOLF COURSE FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 3,975,000	\$ 3,975,000	\$ 4,122,256	\$ 147,256
Interest on investments	-	-	14,758	14,758
Transfer from non-restricted cash to cash restricted for debt service	345,000	345,000	345,000	-
Miscellaneous	<u>59,000</u>	<u>59,000</u>	<u>90,659</u>	<u>31,659</u>
Total revenues	<u>4,379,000</u>	<u>4,379,000</u>	<u>4,572,673</u>	<u>193,673</u>
Expenses:				
Affordable and quality golf	3,199,000	3,199,000	3,192,505	6,495
Debt service	345,000	345,000	345,000	-
Payment for General Fund services	392,000	392,000	384,563	7,437
Transfer from non-restricted cash to cash restricted for debt service	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>-</u>
Total Expenses	<u>4,281,000</u>	<u>4,281,000</u>	<u>4,267,068</u>	<u>13,932</u>
Excess of revenues over (under) expenses	<u>\$ 98,000</u>	<u>\$ 98,000</u>	305,605	<u>\$ 207,605</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			5,855	
Depreciation			(295,622)	
Amortization of bond issue costs and discounts			(10,801)	
Unrealized gain (loss) on investments			3,043	
Changes to conform to generally accepted accounting principles:				
Principal payments on bonds			235,000	
Capitalized interest on long-term debt			80,458	
Capital contributions			<u>10,410</u>	
Change in net assets			<u>\$ 333,948</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - APARTMENTS FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services:				
Apartment rents and fees	\$ 3,187,000	\$ 3,187,000	\$ 3,236,801	\$ 49,801
Interest on investments	5,000	5,000	86,041	81,041
Transfer from non-restricted cash to cash restricted for debt service	<u>868,000</u>	<u>868,000</u>	<u>868,000</u>	<u>-</u>
Total revenues	<u>4,060,000</u>	<u>4,060,000</u>	<u>4,190,842</u>	<u>130,842</u>
Expenses:				
Apartment operations	2,494,000	2,494,000	2,143,352	350,648
Transfer from non-restricted cash to cash restricted for debt service	868,000	868,000	868,000	-
Transfer to City Housing Fund	34,000	34,000	34,000	-
Debt Service	811,000	950,000	924,774	25,226
Fiscal agent fees	<u>58,000</u>	<u>58,000</u>	<u>122,208</u>	<u>(64,208)</u>
Total expenses	<u>4,265,000</u>	<u>4,404,000</u>	<u>4,092,334</u>	<u>311,666</u>
Excess of revenues over (under) expenses	<u>\$ (205,000)</u>	<u>\$ (344,000)</u>	98,508	<u>\$ 442,508</u>
Revenues (expenses) not budgeted:				
Amortized bond issue costs			(21,096)	
Depreciation expense			(616,270)	
Bad debt expense			(40,412)	
Principal payment on bonds not reported			<u>500,000</u>	
Change in net assets			<u>\$ (79,270)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - PARKING FACILITIES FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services:				
Parking facilities	\$ 2,440,000	\$ 2,447,000	\$ 2,690,219	\$ 243,219
Parking meter collection	664,000	697,000	701,537	4,537
Parking fines	429,000	472,000	600,049	128,049
Rental of city property	40,000	40,000	46,292	6,292
Interest on investments	-	-	69,548	69,548
Miscellaneous revenue	-	-	64,921	64,921
Transfer from General Fund	2,200,000	2,185,000	2,185,000	-
Transfers from non-restricted cash to cash restricted for debt service	3,100,000	3,100,000	3,100,000	-
 Total revenues	 8,873,000	 8,941,000	 9,457,566	 516,566
Expenses:				
Parking services	3,357,000	3,357,000	3,293,142	63,858
Transfer from non-restricted cash to cash restricted for debt service	3,100,000	3,100,000	3,100,000	-
Transfer to General Fund	430,000	430,000	403,106	26,894
Transfer to Sales Tax Refunding Debt Service Fund	3,308,000	3,308,000	3,040,810	267,190
 Total expenses	 10,195,000	 10,195,000	 9,837,058	 357,942
 Excess of revenues over (under) expenses	 \$ (1,322,000)	 \$ (1,254,000)	 (379,492)	 \$ 874,508
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			114,574	
Depreciation			(1,275,490)	
Debt service			(36,179)	
Gain/Loss on disposition of property and equipment			6,294	
Unrealized gain (loss) on investments			20,194	
Changes to conform to generally accepted accounting principles:				
Capital contributions			(134,159)	
Capital outlay			328,938	
Principal payment on advance			1,900,000	
 Change in net assets			 \$ 544,680	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - STADIUM FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Charges for services:				
Surcharge revenues	890,000	890,000	1,057,003	\$ 167,003
Stadium lease revenues	934,000	934,000	651,945	(282,055)
Rental of city property	7,000	7,000	15,600	8,600
Interest on Investments	-	15,000	16,249	1,249
Transfers from non-restricted cash to cash restricted for debt service	1,162,000	1,162,000	1,162,000	-
	<u>2,993,000</u>	<u>3,008,000</u>	<u>2,902,797</u>	<u>(105,203)</u>
Total Revenues				
Expenses:				
Stadium services	646,000	646,000	609,638	36,362
Payment for General Fund services	6,000	6,000	4,380	1,620
Transfer from non-restricted cash to cash restricted for debt service	1,162,000	1,162,000	1,162,000	-
Transfer to Capital Fund 305	-	450,000	450,000	-
Debt service	1,162,000	1,162,000	1,161,791	209
	<u>2,976,000</u>	<u>3,426,000</u>	<u>3,387,809</u>	<u>38,191</u>
Total Expenses				
Excess of revenues over (under) expenses	<u>\$ 17,000</u>	<u>\$ (418,000)</u>	<u>(485,012)</u>	<u>\$ (67,012)</u>
Revenues (expenses) not budgeted:				
Interest on investments of restricted assets			15,085	
Depreciation			(1,056,710)	
Amortization of bond issuance costs			(37,552)	
Unrealized gain (loss) on investments			3,548	
Changes to conform to generally accepted accounting principles:				
Capital contributions			74,315	
Capital outlay			1,272	
Principal paid on long term debt			402,182	
Change in net assets			<u>\$ (1,082,872)</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
June 30, 2006

<u>Year ending June 30</u>	<u>Golf</u>		<u>Apartments</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Revenue bonds, loans, advances, and capital lease				
2007	\$ 235,000	\$ 101,544	\$ 200,000	\$ 410,400
2008	250,000	86,075	300,000	404,400
2009	265,000	69,205	300,000	395,400
2010	285,000	51,055	300,000	386,400
2011	300,000	31,713	300,000	377,400
2012-2016	325,000	10,888	2,100,000	1,743,000
2017-2021	-	-	2,800,000	1,434,000
2022-2026	-	-	3,900,000	1,008,000
2027-2031	-	-	3,180,000	426,000
Total bonds, loans, advances and capital lease	<u>\$ 1,660,000</u>	<u>\$ 350,480</u>	<u>\$ 13,380,000</u>	<u>\$ 6,585,000</u>

<u>Housing Authority</u>		<u>Parking</u>		<u>Stadium</u>		<u>Combined</u>		
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 81,273	\$ 35,570	\$ 2,100,000	\$ 1,029,875	\$ 402,182	\$ 717,488	\$ 3,018,455	\$ 2,294,877	\$ 5,313,332
84,911	31,932	2,200,000	914,850	416,314	703,196	3,251,225	2,140,453	5,391,678
88,712	28,131	2,300,000	794,475	432,890	686,591	3,386,602	1,973,802	5,360,404
92,831	24,160	2,600,000	663,400	451,735	667,837	3,729,566	1,792,852	5,522,418
96,831	20,011	2,600,000	524,300	472,709	647,168	3,769,540	1,600,592	5,370,132
403,337	34,822	8,500,000	666,075	2,742,687	2,863,228	14,071,024	5,318,013	19,389,037
-	-	-	-	3,550,421	2,070,058	6,350,421	3,504,058	9,854,479
-	-	-	-	4,661,551	976,426	8,561,551	1,984,426	10,545,977
-	-	-	-	1,099,530	30,629	4,279,530	456,629	4,736,159
<u>\$ 847,895</u>	<u>\$ 174,626</u>	<u>\$ 20,300,000</u>	<u>\$ 4,592,975</u>	<u>\$ 14,230,019</u>	<u>\$ 9,362,621</u>	<u>\$ 50,417,914</u>	<u>\$ 21,065,702</u>	<u>\$ 71,483,616</u>

CITY OF ALBUQUERQUE, NEW MEXICO

INTERNAL SERVICE FUNDS

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

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

RISK MANAGEMENT FUND—To account for the costs of providing worker's compensation, tort and other claims insurance coverage to City departments.

SUPPLIES INVENTORY MANAGEMENT FUND—To account for the costs of providing supplies, warehousing and inventory issuance services to City departments.

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

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2006

	<u>Communications Fund</u>	<u>Employee Insurance Fund</u>
ASSETS		
Current assets:		
Cash, investments, and accrued interest	\$ 901,740	\$ 1,985,460
Prepaid expenses	346,934	-
Deposits	-	100,000
Due from other funds	-	864,237
Due from other governments	64,277	-
Inventories of supplies	30,684	-
	<u>1,343,635</u>	<u>2,949,697</u>
Capital Assets		
Land	-	-
Buildings	-	-
Improvements	-	-
Equipment	184,462	45,297
Total capital assets before depreciation	<u>184,462</u>	<u>45,297</u>
Less accumulated depreciation	122,037	31,263
Net property and equipment	<u>62,425</u>	<u>14,034</u>
Other assets:		
Land - acquired under claim settlement	-	-
Advance to other funds	-	-
Total other assets	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,406,060</u>	<u>\$ 2,963,731</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 59,680	\$ 87,370
Accrued employee compensation	13,429	11,002
Accrued vacation and sick leave pay	63,984	43,460
Accrued fuel cleanup costs	-	-
Current portion of claims and judgements payable	-	-
	<u>137,093</u>	<u>141,832</u>
Long-term obligations:		
Claims and judgements payable excluding current portion	-	-
Accrued vacation and sick leave pay	29,181	11,849
	<u>29,181</u>	<u>11,849</u>
Total long-term obligations	<u>29,181</u>	<u>11,849</u>
Total liabilities	<u>166,274</u>	<u>153,681</u>
NET ASSETS		
Invested in capital assets, net of related debt	62,425	14,034
Unrestricted	1,177,361	2,796,016
Total net assets	<u>\$ 1,239,786</u>	<u>\$ 2,810,050</u>

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Total
\$ 2,107,828	\$ 50,334,613	\$ 849,011	\$ 56,178,652
-	-	-	346,934
-	-	-	100,000
-	-	-	864,237
-	-	-	64,277
<u>386,270</u>	<u>-</u>	<u>1,750,292</u>	<u>2,167,246</u>
<u>2,494,098</u>	<u>50,334,613</u>	<u>2,599,303</u>	<u>59,721,346</u>
255,472	-	28,370	283,842
-	-	406,001	406,001
718,923	46,465	-	765,388
853,631	118,185	237,884	1,439,459
<u>1,828,026</u>	<u>164,650</u>	<u>672,255</u>	<u>2,894,690</u>
<u>1,453,867</u>	<u>154,150</u>	<u>503,022</u>	<u>2,264,339</u>
<u>374,159</u>	<u>10,500</u>	<u>169,233</u>	<u>630,351</u>
-	417,268	-	417,268
-	1,608,082	-	1,608,082
-	2,025,350	-	2,025,350
<u>\$ 2,868,257</u>	<u>\$ 52,370,463</u>	<u>\$ 2,768,536</u>	<u>\$ 62,377,047</u>
\$ 679,958	\$ 456,660	\$ 443,594	\$ 1,727,262
37,299	41,824	9,347	112,901
192,110	148,519	21,035	469,108
31,841	-	-	31,841
<u>-</u>	<u>21,916,000</u>	<u>-</u>	<u>21,916,000</u>
<u>941,208</u>	<u>22,563,003</u>	<u>473,976</u>	<u>24,257,112</u>
-	29,034,991	-	29,034,991
28,196	38,585	-	107,811
<u>28,196</u>	<u>29,073,576</u>	<u>-</u>	<u>29,142,802</u>
<u>969,404</u>	<u>51,636,579</u>	<u>473,976</u>	<u>53,399,914</u>
374,159	10,500	169,233	630,351
<u>1,524,694</u>	<u>723,384</u>	<u>2,125,327</u>	<u>8,346,782</u>
<u>\$ 1,898,853</u>	<u>\$ 733,884</u>	<u>\$ 2,294,560</u>	<u>\$ 8,977,133</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2006

	Communications Fund	Employee Insurance Fund
	<u> </u>	<u> </u>
Operating revenues:		
Charges for services	\$ 1,709,511	\$ 45,047,113
Operating Expenses		
Salaries and fringe benefits	711,290	473,516
Professional services	-	-
Utilities	44,377	5,262
Supplies	154,684	12,266
Travel	1,647	1,056
Fuels, repairs and maintenance	107,205	7,318
Contractual services	29,266	118,638
Claims and judgements	-	-
Insurance premiums	-	43,333,035
Other operating expenses	127,493	125,533
Depreciation	25,581	2,590
	<u>1,201,543</u>	<u>44,079,214</u>
Total operating expenses		
Operating income (loss)	<u>507,968</u>	<u>967,899</u>
Non-operating revenues (expenses):		
Interest on investments	21,153	72,753
Gain (loss) on disposition of equipment	-	-
Other	4,256	8,047
	<u>25,409</u>	<u>80,800</u>
Total non-operating revenues (expenses)		
Income (loss) before transfers	533,377	1,048,699
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Change in net assets	533,377	1,048,699
Net assets (deficit), July 1	706,409	1,761,351
Net assets, June 30	<u>\$ 1,239,786</u>	<u>\$ 2,810,050</u>

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Total
\$ 12,425,779	\$ 36,655,144	\$ 856,072	\$ 96,693,619
2,191,444	2,077,205	449,067	5,902,522
927	1,269,800	-	1,270,727
84,592	22,108	3,955	160,294
992,342	90,982	6,213	1,256,487
-	4,662	-	7,365
5,957,945	95,548	19,750	6,187,766
2,143,539	62,364	22,627	2,376,434
-	22,684,682	-	22,684,682
-	1,733,543	-	45,066,578
685,395	570,679	198,251	1,707,351
56,029	8,482	22,043	114,725
<u>12,112,213</u>	<u>28,620,055</u>	<u>721,906</u>	<u>86,734,931</u>
<u>313,566</u>	<u>8,035,089</u>	<u>134,166</u>	<u>9,958,688</u>
78,551	1,657,585	27,168	1,857,210
946	-	296	1,242
7,329	(2)	87	19,717
<u>86,826</u>	<u>1,657,583</u>	<u>27,551</u>	<u>1,878,169</u>
400,392	9,692,672	161,717	11,836,857
-	-	-	-
<u>-</u>	<u>(269,000)</u>	<u>-</u>	<u>(269,000)</u>
400,392	9,423,672	161,717	11,567,857
1,498,461	(8,689,788)	2,132,843	(2,590,724)
<u>\$ 1,898,853</u>	<u>\$ 733,884</u>	<u>\$ 2,294,560</u>	<u>\$ 8,977,133</u>

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Year Ended June 30, 2006

	Communications Fund	Employee Insurance Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,690,066	\$ 45,068,263
Cash received from other funds for goods and services	-	1,439,247
Cash payments to employees for services	(704,027)	(473,381)
Cash payments to suppliers for goods and services	(670,455)	(3,490,415)
Cash payments to other funds for goods and services	(44,377)	(5,262)
Cash payments to claimants and beneficiaries	-	(43,333,035)
Miscellaneous cash received	4,256	8,047
Miscellaneous cash paid	-	-
Net cash provided by (used for) operating activities	275,463	(786,536)
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	-	-
Net cash provided by (used for) noncapital financing activities	-	-
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	-	(15,243)
Proceeds from sale of property and equipment	-	-
Net cash provided by (used for) capital financing	-	(15,243)
Cash flows from investing activities:		
Interest on investments	21,153	72,753
Net increase (decrease) in cash and cash equivalents	296,616	(729,026)
Cash and cash equivalents, July 1	605,124	2,714,486
Cash and cash equivalents, June 30	\$ 901,740	\$ 1,985,460
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 507,968	\$ 967,899
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	25,581	2,590
Miscellaneous income (expense)	4,256	8,047
Adjustment of liability for claims and judgments	-	-
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Due from other governments	(19,445)	21,150
Due from other funds	-	1,439,247
Inventories of supplies	10,571	-
Prepaid expenses	(66,224)	-
Deposits	-	12,679
Increase (decrease) in liabilities:		
Accounts payable	(194,507)	(3,238,283)
Accrued employee comp. and benefits	7,263	135
Accrued fuel cleanup costs	-	-
Net cash provided by (used for) operating activities	\$ 275,463	\$ (786,536)
Cash, investments, and accrued interest	\$ 901,740	\$ 1,985,460
Non cash transactions:		
Unrealized gains (losses) on investments	\$ 906	\$ 10,805

The accompanying notes are an integral part of these financial statements

Fleet Management Fund	Risk Management Fund	Supplies Inventory Management Fund	Totals
\$ 12,427,694	\$ 36,655,144	\$ 856,072	\$ 96,697,239
-	(1,608,082)	-	(168,835)
(2,269,837)	(2,019,330)	(438,200)	(5,904,775)
(9,617,124)	(3,682,854)	(229,745)	(17,690,593)
(84,592)	(22,108)	(3,955)	(160,294)
-	(22,112,455)	-	(65,445,490)
7,329	-	87	19,719
-	(2)	-	(2)
<u>463,470</u>	<u>7,210,313</u>	<u>184,259</u>	<u>7,346,969</u>
-	(269,000)	-	(269,000)
-	(269,000)	-	(269,000)
(24,476)	(3,216)	-	(42,935)
946	1,312,732	296	1,313,974
<u>(23,530)</u>	<u>1,309,516</u>	<u>296</u>	<u>1,271,039</u>
78,551	1,657,585	27,168	1,857,210
518,491	9,908,414	211,723	10,206,218
1,589,337	40,426,199	637,288	45,972,434
<u>\$ 2,107,828</u>	<u>\$ 50,334,613</u>	<u>\$ 849,011</u>	<u>\$ 56,178,652</u>
\$ 313,566	\$ 8,035,089	\$ 134,166	\$ 9,958,688
56,029	8,482	22,043	114,725
7,329	(2)	87	19,717
-	572,227	-	572,227
1,915	-	-	3,620
-	(1,608,082)	-	(168,835)
(52,934)	-	(28,395)	(70,758)
-	-	-	(66,224)
-	-	-	12,679
300,349	144,724	45,491	(2,942,226)
(78,393)	57,875	10,867	(2,253)
(84,391)	-	-	(84,391)
<u>\$ 463,470</u>	<u>\$ 7,210,313</u>	<u>\$ 184,259</u>	<u>\$ 7,346,969</u>
<u>\$ 2,107,828</u>	<u>\$ 50,334,613</u>	<u>\$ 849,011</u>	<u>\$ 56,178,652</u>
\$ 3,707	\$ 95,829	\$ 1,143	\$ 112,390

The accompanying notes are an integral part of these financial statements

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - COMMUNICATIONS FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,123,000	\$ 1,123,000	\$ 1,709,511	\$ 586,511
Interest on investments	-	-	21,153	21,153
Total revenues	1,123,000	1,123,000	1,730,664	607,664
Expenses:				
City Communications	1,122,000	1,122,000	1,055,506	66,494
Payment for General Fund Services	137,000	137,000	120,456	16,544
Total expenses	1,259,000	1,259,000	1,175,962	83,038
Excess of revenues over (under) expenses	\$ (136,000)	\$ (136,000)	554,702	\$ 690,702
Revenues (expenses) not budgeted:				
Depreciation expense			(25,581)	
Miscellaneous income			4,256	
Change in net assets			\$ 533,377	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - EMPLOYEE INSURANCE FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services	\$ 43,002,000	\$ 44,406,000	\$ 44,892,878	\$ 486,878
Miscellaneous	128,000	128,000	162,282	34,282
Interest on investments	32,000	32,000	72,753	40,753
Total revenues	<u>43,162,000</u>	<u>44,566,000</u>	<u>45,127,913</u>	<u>561,913</u>
Expenses:				
Insurances and Administration	42,789,000	44,193,000	43,978,199	214,801
Payment for General Fund Services	147,000	147,000	113,667	33,333
Total expenses	<u>42,936,000</u>	<u>44,340,000</u>	<u>44,091,866</u>	<u>248,134</u>
Excess of revenues over (under) expenses	<u>\$ 226,000</u>	<u>\$ 226,000</u>	1,036,047	<u>\$ 810,047</u>
Expenses not budgeted:				
Depreciation			(2,590)	
Change to conform to generally accepted accounting principles:				
Capital outlay			<u>15,242</u>	
Change in net assets			<u>\$ 1,048,699</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - FLEET MANAGEMENT FUND
YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 10,776,000	\$ 12,416,000	\$ 12,315,779	\$ (100,221)
Interest on investments	10,000	10,000	78,551	68,551
Miscellaneous revenue			7,329	7,329
Environmental issues revenue	110,000	110,000	110,000	-
	<u>10,896,000</u>	<u>12,536,000</u>	<u>12,511,659</u>	<u>(24,341)</u>
Total revenues				
Expenses:				
Fleet management	10,299,000	11,939,000	11,608,029	330,971
Payments for general fund services	666,000	666,000	472,631	193,369
	<u>10,965,000</u>	<u>12,605,000</u>	<u>12,080,660</u>	<u>524,340</u>
Total expenses				
Excess of revenues over (under) expenses	<u>\$ (69,000)</u>	<u>\$ (69,000)</u>	430,999	<u>\$ 499,999</u>
Revenues (expenses) not budgeted:				
Depreciation			(56,029)	
Gain (loss) on diposition of other property			946	
Change to conform to generally accepted accounting principles:				
Capital outlay			24,476	
Change in net assets			<u>\$ 400,392</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - RISK MANAGEMENT FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 36,327,000	\$ 36,327,000	\$ 36,655,144	\$ 328,144
Interest on investments	500,000	500,000	1,657,585	1,157,585
Total revenues	<u>36,827,000</u>	<u>36,827,000</u>	<u>38,312,729</u>	<u>1,485,729</u>
Expenses:				
Safety office	1,416,000	1,416,000	1,365,905	50,095
Tort and other claims	17,694,000	17,694,000	17,318,212	375,788
Workers' compensation claims	9,492,000	9,492,000	8,401,137	1,090,863
Transfer to general fund	740,000	740,000	728,247	11,753
Unemployment compensation	558,000	558,000	455,836	102,164
Employee equity	78,000	78,000	42,227	35,773
Total expenses	<u>29,978,000</u>	<u>29,978,000</u>	<u>28,311,564</u>	<u>1,666,436</u>
Excess of revenues over expenses	<u>\$ 6,849,000</u>	<u>\$ 6,849,000</u>	10,001,165	<u>\$ 3,152,165</u>
Revenues (expenses) not budgeted:				
Depreciation			(8,482)	
Other revenue				
Tort and other claims - reserve adjustment			674,658	
Worker's compensation claims - reserve adjustment			(1,246,885)	
Change to conform to generally accepted accounting principles:				
Capital outlay			<u>3,216</u>	
Change in net assets			<u>\$ 9,423,672</u>	

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL - SUPPLIES INVENTORY MANAGEMENT FUND
YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Charges for services	\$ 570,000	\$ 570,000	\$ 856,072	\$ 286,072
Interest on investments	18,000	18,000	27,168	9,168
Miscellaneous	1,000	1,000	87	(913)
Total revenues	<u>589,000</u>	<u>589,000</u>	<u>883,327</u>	<u>294,327</u>
Expenses:				
Materials management	552,000	552,000	518,357	33,643
Payment for General Fund Services	194,000	194,000	181,506	12,494
Total expenses	<u>746,000</u>	<u>746,000</u>	<u>699,863</u>	<u>46,137</u>
Excess of revenues over (under) expenses	<u>\$ (157,000)</u>	<u>\$ (157,000)</u>	183,464	<u>\$ 340,464</u>
Revenues (expenses) not budgeted:				
Depreciation expense			(22,043)	
Unrealized loss (gain) on investments			<u>296</u>	
Change in net assets			<u>\$ 161,717</u>	

CITY OF ALBUQUERQUE, NEW MEXICO AGENCY FUND

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

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

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

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

NCDA Region VI Conference – to account for monies received to sponsor the Region VI National Community Development Association Meeting.

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

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

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

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

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

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

Contributions – Special DFAS – to account for monies received to fund transportation costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2006

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
ASSETS				
Cash, investments, and accrued interest	\$ 13,460,158	\$ 3,158,691	\$ 3,956,379	\$ 12,662,471
Receivables	237,069	1,078,931	1,082,543	233,457
Total assets	\$ 13,697,227	\$ 4,237,622	\$ 5,038,922	\$ 12,895,928
LIABILITIES				
Accounts payable	\$ 349,254	\$ 2,061,423	\$ 2,009,220	\$ 401,457
Funds held for others	13,347,973	1,707,802	2,561,304	12,494,471
Total liabilities	\$ 13,697,227	\$ 3,769,225	\$ 4,570,524	\$ 12,895,928

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

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN FUNDS HELD FOR OTHERS
AGENCY FUND- FUND BALANCES
Year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Summer Arts Institute	\$ 2,896	\$ -	\$ -	\$ 2,896
Summer Hire Program	3,124	2,000	98	5,026
ABEC-Phillips Clawback	1,657,174	47,761	-	1,704,935
NCDA Region VI Conference	-	14,669	14,669	-
Otter Exhibit	41,182	1,187	-	42,369
Adopt-A-Park	52,629	6,078	-	58,707
Bear Canyon Senior Center	26,035	31,603	28,916	28,722
Museum	2,236	19,592	6,500	15,328
D.A.R.E.	7,118	-	-	7,118
Business Improvement District	2,027	702,439	693,920	10,546
Contributions - Special DFAS	52	-	-	52
Trees and Shrubs	22,728	13,730	12,295	24,163
Community Centers	6,973	-	-	6,973
Police Evidence Unit	1,659,051	28	15,333	1,643,746
Senior Multi-service Center	10,526	4,984	2,696	12,814
Palo Duro Senior Center	7,688	9,428	10,656	6,460
North Valley Senior Ccenter	8,815	2,333	2,248	8,900
Highland Senior Center	5,970	10,871	16,812	29
Los Volcanes Senior Center	2,357	5,614	5,706	2,265
Q13 Fire Fund	10,282	500	-	10,782
Basic Life	9,291,943	87,488	1,277,323	8,102,108
Unemployment Deduction	400,538	630,479	390,460	640,557
Recycle Coupons	1,707	-	-	1,707
Outdoor Recreation	44,172	9,500	117	53,555
New Mexico Games	379	-	-	379
DSA Advisory Council/Adult Fitness	43,230	23,734	30,101	36,863
ABQ Conf on Aging Trust	-	10,572	-	10,572
Manzano Mesa Senior Center	-	20,832	10,010	10,822
Transit Department	16,266	18,600	1,572	33,294
Veterans Advisory Memorials	7,529	1,599	10,879	(1,751)
Veterans Advisory Mayor	-	738	-	738
Special Events - Mayor	6,099	-	-	6,099
Bosque Restoration	283	-	-	283
Energy Conference	-	31,443	30,993	450
Miscellaneous	6,964	-	-	6,964
Total agency fund	<u>\$ 13,347,973</u>	<u>\$ 1,707,802</u>	<u>\$ 2,561,304</u>	<u>\$ 12,494,471</u>

The accompanying notes are an integral part of these financial statements

FINANCIAL SECTION

OTHER SUPPLEMENTARY SCHEDULES

Capital Assets Used in the Operation of Governmental Funds

Schedule of Transfers between Funds

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUND
June 30, 2006

	2006
General Fixed Assets:	
Land--Restated	\$ 238,845,891
Right of Way	1,042,691,667
Buildings	198,486,627
InfraStructure	1,210,316,774
Improvements other than buildings	350,729,869
Equipment--Restated	133,321,588
Other	983,063
Construction work in progress	408,906,596
Total General Fixed Assets	\$ 3,584,282,075
Investment in General Fixed Assets from:	
Acquisitions prior to July 1, 1978	\$ 59,288,948
Acquisitions after July 1, 1978:	
General Fund	(28,135,077)
Special Revenue Funds--Restated	98,695,394
Acquisition and Management of	
Open Space Nonexpendable Trust Fund	7,146,278
Investments from earnings of the	
Urban Enhancement Expendable Trust Fund	76,049
Capital Projects Funds	3,446,416,618
Net transfers from Enterprise Funds	1,660,512
Net transfers to Internal Service Funds	(866,647)
Total investment in General Fixed Assets	\$ 3,584,282,075

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
June 30, 2006

Function and Activity	Land	Right of Way	Infra- Structure	Buildings	Improvements Other Than Buildings	Equipment	Total
Acquisitions prior to July 1, 1985	\$ 48,694,532	\$ 642,294,313	\$ 343,942,123	\$ 30,104,221	\$ 92,799,538	\$ 6,844,213	\$ 1,164,678,940
Total unidentified purposes	-	-	-	-	-	(13,421,467)	(13,421,467)
Acquisitions after June 30, 1985:							
General government:							
City clerk/records	-	-	-	-	-	24,415	24,415
City council	-	-	-	-	3,950	160,749	164,699
Finance and management	-	-	-	-	2,318,073	6,351,629	8,669,702
Legal services	2,886	-	-	-	-	266,960	269,846
Mayor/CAO	-	-	-	-	2,233	964,026	966,259
Internal audit	-	-	-	-	-	89,471	89,471
Personnel	-	-	-	-	-	27,632	27,632
Labor management	-	-	-	-	-	36,729	36,729
Open space	881,926	-	-	-	-	80,517	962,443
Planning	586,238	-	-	-	-	2,191,382	2,777,620
General services	4,153,038	-	-	4,183,113	13,197,915	13,722,658	35,256,724
City/county building	-	-	-	8,181,705	4,219,825	167,679	12,569,209
Central telephone system	-	-	-	-	-	1,273,881	1,273,881
Total general government	5,624,088	-	-	12,364,818	19,741,996	25,357,728	63,088,630
Public safety:							
Fire	833,265	-	-	9,313,348	4,916,545	20,259,947	35,323,105
Police	4,318,253	-	-	18,807,666	13,222,536	44,112,061	80,460,516
Corrections	-	-	-	2,670,006	175,602	2,037,208	4,882,816
Police/Fire	-	-	-	36,639	168,696	1,220,564	1,425,899
Total public safety	5,151,518	-	-	30,827,659	18,483,379	67,629,780	122,092,336
Culture and recreation:							
Library	225,246	-	-	9,548,487	27,172,017	3,448,948	40,394,698
Museum	7,356,588	-	7,444,404	12,862,521	8,790,367	1,350,680	37,804,560
Parks and recreation	82,235,996	-	-	59,420,552	88,312,307	12,309,989	242,278,844
Open space	32,438,057	-	-	-	3,006,109	1,719,137	37,163,303
Zoo	1,006,059	-	-	2,074,974	26,245,267	2,176,420	31,502,720
Convention center	5,029,268	-	-	13,035,910	49,521,098	823,564	68,409,840
Total culture and recreation	128,291,214	-	7,444,404	96,942,444	203,047,165	21,828,738	457,553,965
Public works:							
Housing code administration	-	-	-	-	-	4,040	4,040
Redevelopment	335,324	-	-	-	-	4,918	340,242
Municipal development	-	-	-	-	2,199	661,938	664,137
Engineering	1,192,212	-	-	-	-	120,602	1,312,814
Planning	-	-	-	-	-	140,040	140,040
Storm drainage/maintenance	5,187,159	95,279,003	548,371,988	1,908,227	910,113	560,114	652,216,604
Geographic information system	-	-	-	-	173,441	34,300	207,741
Total public works	6,714,695	95,279,003	548,371,988	1,908,227	1,085,753	1,525,952	654,885,618

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
June 30, 2006

Function and Activity	Land	Right of Way	Infra- Structure	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
Highways and streets:							
Transportation/Street maint.	36,087,188	305,118,351	310,558,259	1,123,501	6,378,415	9,494,486	668,760,200
Traffic engineering	260,000	-	-	-	136,231	952,543	1,348,774
Total highways and streets	<u>36,347,188</u>	<u>305,118,351</u>	<u>310,558,259</u>	<u>1,123,501</u>	<u>6,514,646</u>	<u>10,447,029</u>	<u>670,108,974</u>
Health:							
Consumer protection	-	-	-	-	-	68,503	68,503
Environmental services	-	-	-	1,630,578	265,906	3,007,278	4,903,762
Animal control services	96,243	-	-	1,374,241	440,866	618,421	2,529,771
Environmental health admin.	-	-	-	6,820	2,480	1,596,595	1,605,895
Resources management	-	-	-	-	-	16,404	16,404
Total health	<u>96,243</u>	<u>-</u>	<u>-</u>	<u>3,011,639</u>	<u>709,252</u>	<u>5,307,201</u>	<u>9,124,335</u>
Human services:							
Human rights	-	-	-	40,370	1,000	(718)	40,652
Human services	557,374	-	-	2,575,047	1,434,760	3,490,863	8,058,044
Office of senior affairs	1,481,779	-	-	16,013,006	4,077,637	3,348,323	24,920,745
Housing/community development--Restated	5,887,260	-	-	3,575,695	2,834,743	963,946	13,261,644
Total human services	<u>7,926,413</u>	<u>-</u>	<u>-</u>	<u>22,204,118</u>	<u>8,348,140</u>	<u>7,802,414</u>	<u>46,281,085</u>
Total general fixed assets allocated to functions	<u>190,151,359</u>	<u>400,397,354</u>	<u>866,374,651</u>	<u>168,382,406</u>	<u>257,930,331</u>	<u>139,898,842</u>	<u>2,023,134,943</u>
Total general fixed assets in service	<u>\$ 238,845,891</u>	<u>\$ 1,042,691,667</u>	<u>\$ 1,210,316,774</u>	<u>\$ 198,486,627</u>	<u>\$ 350,729,869</u>	<u>\$ 133,321,588</u>	3,174,392,416
Construction work in progress							408,906,596
Other							<u>983,063</u>
Total general fixed assets							<u>\$ 3,584,282,075</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
Year ended June 30, 2006

Function and Activity	Balance July 1, 2005	Restated	Additions	Deductions	Balance June 30, 2006
Acquisitions prior to July 1, 1985	\$ 178,870,653	\$ 986,236,436	\$ -	\$ 428,149	\$ 1,164,678,940
Total unidentified purposes	(11,244,413)	(2,215,248)	47,712	9,518	(13,421,467)
Acquisitions after June 30, 1985:					
General government:					
City clerk/records	37,323	-	11,214	24,122	24,415
City council	174,165	-	1,249	10,715	164,699
Finance and management	9,641,433	-	1,386,255	2,357,986	8,669,702
Legal services	265,644	-	4,202	-	269,846
Mayor/CAO	864,351	-	109,205	7,297	966,259
Internal audit	63,306	-	28,485	2,320	89,471
Personnel	28,469	-	6,600	7,437	27,632
Labor management	36,729	-	-	-	36,729
Open space	374,991	-	1,183,000	595,548	962,443
Planning	2,231,142	-	824,222	277,744	2,777,620
General services	34,444,530	-	812,194	-	35,256,724
City/county building	11,078,459	-	1,499,890	9,140	12,569,209
Central telephone system	1,273,881	-	-	-	1,273,881
Total general government	<u>60,514,423</u>	<u>-</u>	<u>5,866,516</u>	<u>3,292,309</u>	<u>63,088,630</u>
Public safety:					
Fire	32,202,962	-	3,901,270	781,127	35,323,105
Police	72,783,529	-	8,965,411	1,288,424	80,460,516
Corrections	4,717,040	-	296,575	130,799	4,882,816
Police/Fire	1,016,971	-	408,928	-	1,425,899
Total public safety	<u>110,720,502</u>	<u>-</u>	<u>13,572,184</u>	<u>2,200,350</u>	<u>122,092,336</u>
Culture and recreation:					
Library	37,739,785	-	2,660,514	5,601	40,394,698
Museum	26,941,894	-	10,885,667	23,001	37,804,560
Parks and recreation	217,687,126	(1,312,378)	26,394,542	490,446	242,278,844
Open space	37,938,604	(946,815)	405,711	234,197	37,163,303
Zoo	30,535,514	-	971,634	4,428	31,502,720
Convention center	68,397,020	-	239,565	226,745	68,409,840
Total culture and recreation	<u>419,239,943</u>	<u>(2,259,193)</u>	<u>41,557,633</u>	<u>984,418</u>	<u>457,553,965</u>
Public works:					
Housing code administration	4,040	-	-	-	4,040
Redevelopment	340,242	-	-	-	340,242
Municipal development	489,959	-	219,667	45,489	664,137
Engineering	1,328,890	-	-	16,076	1,312,814
Planning	140,040	-	-	-	140,040
Storm drainage/maintenance	31,147,447	610,214,750	10,879,111	24,704	652,216,604
Geographic information system	34,300	-	173,441	-	207,741
Total public works	<u>33,484,918</u>	<u>610,214,750</u>	<u>11,272,219</u>	<u>86,269</u>	<u>654,885,618</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF CHANGES IN CAPITAL ASSETS AT COST - BY FUNCTION AND ACTIVITY
Year ended June 30, 2006

Function and Activity	Balance June 30, 2006	Restated	Additions	Deductions	Balance June 30, 2006
Highways and streets:					
Transportation/Street maintenance	102,001,895	519,865,201	47,176,988	283,884	668,760,200
Traffic engineering	<u>675,025</u>	<u>-</u>	<u>833,841</u>	<u>160,092</u>	<u>1,348,774</u>
Total highways and streets	<u>102,676,920</u>	<u>519,865,201</u>	<u>48,010,829</u>	<u>443,976</u>	<u>670,108,974</u>
Health:					
Consumer protection	68,503	-	-	-	68,503
Environmental services	4,069,825	-	926,246	92,309	4,903,762
Animal control services	2,129,914	-	431,627	31,770	2,529,771
Environmental health and administration	1,605,895	-	-	-	1,605,895
Resources management	<u>16,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,404</u>
Total health	<u>7,890,541</u>	<u>-</u>	<u>1,357,873</u>	<u>124,079</u>	<u>9,124,335</u>
Human services:					
Human rights	36,880	-	3,772	-	40,652
Human services	7,026,974	-	1,213,942	182,872	8,058,044
Office of senior affairs	13,387,302	-	11,577,525	44,082	24,920,745
Housing/community development--Restated	<u>9,772,521</u>	<u>-</u>	<u>3,914,617</u>	<u>425,494</u>	<u>13,261,644</u>
Total human services	<u>30,223,677</u>	<u>-</u>	<u>16,709,856</u>	<u>652,448</u>	<u>46,281,085</u>
Construction work in progress	367,375,951	-	103,716,813	62,186,168	408,906,596
Other	<u>1,838,392</u>	<u>-</u>	<u>130,927</u>	<u>986,256</u>	<u>983,063</u>
Total general fixed assets	<u>\$ 1,301,591,507</u>	<u>\$ 2,111,841,946</u>	<u>\$ 242,242,562</u>	<u>\$ 71,393,940</u>	<u>\$ 3,584,282,075</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF TRANSFERS BETWEEN FUNDS
For the year ended June 30, 2006

Interfund transfers were as follows:

From	To	
General Fund *	Corrections and Detention Fund	\$ 23,138,150
General Fund *	Gas Tax Fund	541,000
General Fund *	Operating Grants Fund	4,690,908
General Fund *	City/County Building Debt Service Fund	95,000
General Fund *	Sales Tax Refunding Debt Service Fund	1,571,000
General Fund *	Capital Acquisition Fund *	11,377,000
General Fund *	Parking Facilities Fund	2,185,000
General Fund *	Refuse Disposal Fund	700,000
General Fund *	Transit Fund *	23,437,000
General Fund *	Vehicle/Equipment Replacement Fund	3,778,000
General Fund *	Open Space Expenditures Fund	1,763,000
Hospitality Tax Fund	Capital Acquisition Fund	15,000
City Housing Fund	Operating Grants Fund	413,997
Corrections Fund	Operating Grants Fund	19,215
City/County Facilities Fund	City/County Building Debt Service Fund	1,200,000
City/County Projects Fund	General Fund *	82,000
Lodgers Tax Fund	General Fund *	132,000
Hospitality Tax Fund	Sales Tax Refunding Debt Service Fund	841,000
Lodgers Tax Fund	Sales Tax Refunding Debt Service Fund	4,590,000
Law Enforcement Protection Fund	General Fund *	138,000
False Alarm Enforcement	Capital Acquisition Fund*	342,426
Plaza del Sol Building Fund	Sales Tax Refunding Debt Service Fund	570,000
Recreation Fund	General Fund *	290,000
Acquisition and Management of Open Space Permanent Fund	Acquisition and Management of Open Space Expenditures Fund	1,580,696
Urban Enhancement Permanent Fund	Urban Enhancement Expenditures Fund	180,125
Capital Acquisition Fund *	Transit Fund *	2,760,710
Infrastructure Tax Fund	Transit Fund*	6,813,176
Apartments Fund	City Housing Fund	34,000
Golf Course Fund	General Fund *	92,973
Parking Facilities Fund	General Fund *	184,088
Refuse Disposal Fund *	General Fund *	1,587,010
Transit Fund*	General Fund *	201,486
Stadium Fund	Capital Acquisition Fund*	450,000
Risk Management Fund	General Fund *	269,000
Total transfers		<u>\$ 96,062,960</u>

* Major fund, all others are nonmajor funds

	Transfers In	Transfers Out
Exhibit A-4, "Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Funds"	\$ 93,244,403	\$ 60,167,074
Exhibit A-8, "Statement of Revenues, Expenses, and Changes in Net Assets All Proprietary Funds"		
Enterprise funds	2,549,557	35,895,886
Internal Service funds	269,000	-
Total transfers	<u>\$ 96,062,960</u>	<u>\$ 96,062,960</u>

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

Parking Facilities Fund	\$ 184,088
Refuse Disposal Fund	986,010
Transit Fund	201,486
Golf Course Fund	92,973
Total PILOT	<u>\$ 1,464,557</u>

STATISTICAL INFORMATION

CITY OF ALBUQUERQUE, NEW MEXICO
STATISTICAL SECTION

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

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Financial Trends – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
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Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

Schedule 1

	Fiscal Years				
	2002	2003	2004	2005*	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 439,612,859	\$ 504,054,856	\$ 557,927,627	\$ 2,411,458,952	\$ 2,634,062,347
Restricted	174,750,447	192,032,124	211,593,171	181,042,023	166,750,878
Unrestricted	34,321,393	50,236,928	76,175,065	103,128,677	33,578,099
Total governmental activities net assets	<u>\$ 648,684,699</u>	<u>\$ 746,323,908</u>	<u>\$ 845,695,863</u>	<u>\$ 2,695,629,652</u>	<u>\$ 2,834,391,324</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 601,222,334	\$ 651,138,659	\$ 197,589,791	\$ 237,142,685	\$ 296,141,191
Restricted	75,008,694	76,854,521	77,463,968	82,966,714	71,543,791
Unrestricted	74,205,270	87,987,411	36,600,635	35,122,994	25,461,317
Total business-type activities net assets	<u>\$ 750,436,298</u>	<u>\$ 815,980,591</u>	<u>\$ 311,654,394</u>	<u>\$ 355,232,393</u>	<u>\$ 393,146,299</u>
Primary government					
Invested in capital assets, net of related debt	\$ 1,040,835,193	\$ 1,155,193,515	\$ 755,517,418	\$ 2,648,601,637	\$ 2,930,203,538
Restricted	249,759,141	268,886,645	289,057,139	264,008,737	238,294,669
Unrestricted	108,526,663	138,224,339	112,775,700	138,251,671	59,039,416
Total primary government net assets	<u>\$ 1,399,120,997</u>	<u>\$ 1,562,304,499</u>	<u>\$ 1,157,350,257</u>	<u>\$ 3,050,862,045</u>	<u>\$ 3,227,537,623</u>

* Restated

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

Schedule 2

	Fiscal Years				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	\$ 52,802,606	\$ 53,021,966	\$ 65,199,614	\$ 67,551,970	\$ 77,107,323
Public Safety	180,520,033	186,205,866	196,502,048	209,967,573	233,410,622
Culture and recreation	64,806,137	71,782,754	66,765,905	82,108,879	77,297,628
Public works/Municipal Development	27,869,181	9,857,177	15,949,001	13,680,172	39,042,319
Health and human services	62,055,477	61,943,139	59,675,888	63,942,585	63,903,290
Housing and community development	29,395,412	26,192,160	21,646,994	18,183,809	24,601,733
Interest on long-term debt	16,796,249	15,275,693	15,949,492	13,815,019	18,970,735
Total governmental activities expenses	434,245,095	424,278,755	441,688,942	469,250,007	534,333,650
Business-type activities:					
Airport	60,524,079	60,643,039	60,846,366	54,644,728	59,904,463
Refuse disposal	35,836,803	37,131,656	39,444,987	41,369,980	45,080,158
Housing Authority	-	25,796,567	-	-	-
Transit	30,622,700	-	31,401,160	37,958,533	40,960,678
Joint water and sewer (1)	106,949,587	109,545,515	-	-	-
Other non-major business-type activities	32,389,529	44,107,381	40,724,540	41,878,871	42,721,505
Total business-type activities expenses	266,322,698	277,224,158	172,417,053	175,852,112	188,666,804
Total primary government expenses	\$ 700,567,793	\$ 701,502,913	\$ 614,105,995	\$ 645,102,119	\$ 723,000,454
Program Revenues					
Governmental activities:					
Charges for services:	\$ 62,710,960	\$ 75,781,538	\$ 83,861,694	\$ 87,110,501	\$ 86,580,832
Operating grants and contributions	47,497,821	28,728,252	32,925,778	29,915,795	37,115,148
Capital grants and contributions	5,392,337	9,930,175	2,381,212	1,026,552	1,097,787
Total governmental activities program revenues	115,601,118	114,439,965	119,168,684	118,052,848	124,793,767
Business-type activities:					
Charges for services:	236,735,592	255,205,493	124,997,850	129,096,501	133,702,105
Operating grants and contributions	21,969,722	24,770,592	25,249,911	24,750,772	24,348,775
Capital grants and contributions	24,539,129	38,909,321	12,802,142	29,891,981	30,407,851
Total business-type activities program revenues	283,244,443	318,885,406	163,049,903	183,739,254	188,458,731
Total primary government program revenues	\$ 398,845,561	\$ 433,325,371	\$ 282,218,587	\$ 301,792,102	\$ 313,252,498

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

	Fiscal Years				
	2002	2003	2004	2005	2006
Net (Expense)/Revenue					
Governmental activities	\$ (318,643,977)	\$ (309,838,790)	\$ (322,520,258)	\$ (351,197,159)	\$ (409,539,883)
Business-type activities	16,921,745	41,661,248	(9,367,150)	7,887,142	(208,073)
	<u>\$ (301,722,232)</u>	<u>\$ (268,177,542)</u>	<u>\$ (331,887,408)</u>	<u>\$ (343,310,017)</u>	<u>\$ (409,747,956)</u>
Total primary government net (expense)/revenue					
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 72,151,496	\$ 86,393,546	\$ 88,253,706	\$ 92,546,664	\$ 101,600,383
Franchise taxes	15,368,751	18,119,767	18,449,049	20,138,467	19,290,495
Sales taxes	116,252,287	121,984,293	132,257,178	163,250,264	187,323,240
Other taxes	8,319,032	8,326,069	8,730,347	9,019,206	11,991,553
Unrestricted NM shared taxes and fees	146,338,236	152,505,829	161,755,908	167,875,410	180,991,062
Unrestricted grants and contributions	12,346,808	11,471,037	15,281,939	29,230,347	34,041,732
Payments in lieu of taxes	-	-	5,110,928	4,769,764	5,202,860
Investment earnings	11,324,332	8,594,542	4,253,858	12,469,788	14,039,015
Miscellaneous	5,179,315	15,559,876	13,917,869	15,759,659	27,167,544
Transfers between gov't and business type	(21,184,079)	(15,943,671)	(25,625,107)	(25,933,600)	(33,346,329)
Gain(loss) on disposition of capital assets	-	-	-	(45,363,094)	-
Total governmental activities	<u>366,096,178</u>	<u>407,011,288</u>	<u>422,385,675</u>	<u>443,762,875</u>	<u>548,301,555</u>
Business-type activities:					
Investment earnings	4,531,263	2,506,826	124,945	1,697,541	3,051,453
Miscellaneous	-	-	-	-	1,724,197
Transfers between gov't and business type	21,184,079	15,943,671	25,625,107	25,933,600	33,346,329
Gain(loss) on disposition of capital assets	-	-	(538,744,820)	(1,267,740)	-
Total business-type activities	<u>25,715,342</u>	<u>18,450,497</u>	<u>(512,994,768)</u>	<u>26,363,401</u>	<u>38,121,979</u>
Total primary government	<u>\$ 391,811,520</u>	<u>\$ 425,461,785</u>	<u>\$ (90,609,093)</u>	<u>\$ 470,126,276</u>	<u>\$ 586,423,534</u>
Changes in Net Assets					
Governmental activities	47,452,201	97,172,498	99,865,417	92,565,716	138,761,672
Business-type activities	42,637,087	60,111,745	(522,361,918)	34,250,543	37,913,906
Total primary government	<u>\$ 90,089,288</u>	<u>\$ 157,284,243</u>	<u>\$ (422,496,501)</u>	<u>\$ 126,816,259</u>	<u>\$ 176,675,578</u>

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

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

Fiscal Year	State Shared Gross Receipt Tax	State Shared Gasoline Tax	State Shared Cigarette Tax	State Shared Motor Vehicle Tax	Local Option Gross Receipt Tax	Property Tax	Franchise Tax	Hospitality Tax	Lodgers' Tax	Total
2006	176,647,546	2,441,467	504,955	1,397,094	184,643,805	101,600,383	19,290,495	1,995,823	9,995,729	498,517,297
2005	162,685,510	2,383,737	542,098	1,426,523	163,250,264	92,546,664	18,353,990	1,784,477	9,019,206	451,992,469
2004	156,188,748	2,285,781	604,817	1,267,037	132,257,178	88,253,706	18,449,049	-	8,730,347	408,036,663
2003	143,950,677	2,450,943	587,209	1,106,151	121,984,293	86,393,546	18,119,767	-	8,326,069	382,918,655
2002	137,885,362	2,502,808	590,261	1,371,390	116,252,287	72,151,496	15,368,751	-	8,319,032	354,441,387

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

	Fiscal Years				
	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 16,781,809	\$ 28,163,764	\$ 30,741,358	\$ 42,706,312	\$ 5,644,988
Unreserved	19,817,655	14,961,437	33,737,288	42,717,703	81,705,583
Total general fund	<u>\$ 36,599,464</u>	<u>\$ 43,125,201</u>	<u>\$ 64,478,646</u>	<u>\$ 85,424,015</u>	<u>\$ 87,350,571</u>
All Other Governmental Funds					
Reserved	\$ 64,982,499	\$ 62,655,779	\$ 55,841,404	\$ 54,530,026	\$ 63,006,291
Unreserved reported in:					
Special revenue funds	\$ 19,120,526	\$ 21,466,100	\$ 25,522,271	\$ 22,674,822	\$ 26,911,919
Debt service funds	5,013,003	4,042,465	3,406,977	3,992,483	-
Capital projects funds	16,991,567	27,703,336	32,575,154	26,749,226	151,940,533
Total all other governmental funds	<u>\$ 106,107,595</u>	<u>\$ 115,867,680</u>	<u>\$ 117,345,806</u>	<u>\$ 107,946,557</u>	<u>\$ 241,858,743</u>

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

	Fiscal Years				
	2002	2003	2004	2005	2006
Revenues					
Taxes	\$ 218,302,615	\$ 232,317,291	\$ 252,643,973	\$ 289,569,808	\$ 323,402,626
Licenses, fees and permits	10,396,159	14,435,570	16,026,312	17,801,131	17,767,940
Fines and penalties	668,770	714,555	900,743	1,157,236	1,374,562
Charges for services	43,744,938	45,683,270	51,427,907	51,414,506	54,219,233
Municipal development	10,277,392	7,163,086	5,870,746	5,147,531	3,818,055
Intergovernmental	209,421,505	216,174,282	229,798,771	251,325,985	272,027,094
Interest earnings	10,411,158	7,946,059	4,081,720	12,297,345	10,389,598
Other revenues	11,520,503	15,709,172	15,056,417	11,262,651	23,757,117
Total revenues	514,743,040	540,143,285	575,806,589	639,976,193	706,756,225
Expenditures					
General government	53,055,398	54,193,490	67,987,458	68,849,491	73,999,176
Public safety	172,367,606	178,933,203	191,485,948	216,212,373	238,855,905
Cultural and recreation	53,316,181	52,891,324	8,207,491	63,385,295	71,616,246
Public works/Municipal development	11,276,687	6,384,636	54,925,312	9,189,833	26,497,297
Housing and community development	21,463,440	22,074,489	17,291,930	21,765,484	9,050,057
Health and human services	60,942,914	61,229,690	59,236,705	65,939,663	67,686,868
Capital outlay	110,037,978	112,737,783	132,615,397	174,569,005	162,790,312
Debt service					
Principal	60,058,006	44,763,499	67,896,244	95,491,882	84,621,272
Interest	14,828,580	13,582,027	14,781,177	13,906,964	17,744,149
Fees and other charges	2,764,198	1,427,379	2,085,109	2,305,650	889,352
Total expenditures	560,110,988	548,217,520	616,512,771	731,615,640	753,750,634
Excess of revenues over/(under) expenditures	(45,367,948)	(8,074,235)	(40,706,182)	(91,639,447)	(46,994,409)

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

	Fiscal Years				
	2002	2003	2004	2005	2006
Other Financing Sources/(Uses)					
Proceeds from borrowing	99,102,902	16,522,445	149,719,206	133,350,023	37,000,000
Proceeds from refunding	-	-	-	61,147,085	-
Payments to escrow agent	-	-	-	(61,023,204)	-
Transfers in	47,096,358	51,176,289	48,712,568	54,088,255	60,167,074
Transfers out	(68,011,437)	(66,850,960)	(74,142,675)	(79,752,855)	(93,244,403)
Total other financing sources/(uses)	<u>78,187,823</u>	<u>847,774</u>	<u>124,289,099</u>	<u>107,809,304</u>	<u>3,922,671</u>
Net change in fund balances	<u>\$ 32,819,875</u>	<u>\$ (7,226,461)</u>	<u>\$ 83,582,917</u>	<u>\$ 16,169,857</u>	<u>\$ (43,071,738)</u>
Debt service as a percentage of noncapital expenditures	17.25%	13.73%	17.52%	20.05%	17.47%

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

Fiscal Year Ended June 30,	Real Property		Other Property		Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Centrally Assessed	Personal/ Livestock	Residential Property	Commercial Property				
1997	3,691,657,249	1,852,736,772	269,111,763	278,858,765	(213,939,951)	(693,729,374)	5,184,695,224	11.257	18,295,389,036	28.34%
1998	3,848,866,893	1,980,843,889	241,257,015	368,481,681	(218,255,034)	(751,577,132)	5,469,617,312	11.362	19,337,686,120	28.28%
1999	3,935,196,924	2,036,146,299	263,165,055	394,438,139	(222,877,796)	(749,174,066)	5,656,894,555	11.357	19,906,745,997	28.42%
2000	4,770,611,719	2,777,089,571	281,059,652	392,176,789	(230,337,445)	(1,134,317,568)	6,856,282,718	11.080	24,687,500,694	27.77%
2001	4,889,334,382	2,656,130,415	310,904,220	403,869,906	(232,987,561)	(1,126,355,395)	6,900,895,967	11.166	24,805,522,291	27.82%
2002	5,268,673,417	2,732,952,651	347,857,674	413,820,240	(241,603,430)	(1,102,570,602)	7,419,129,950	11.161	26,316,228,174	28.19%
2003	5,527,990,929	2,679,078,770	361,189,032	378,159,626	(249,209,374)	(1,077,788,203)	7,619,420,780	11.153	26,866,121,192	28.36%
2004	5,779,478,341	2,764,775,655	332,740,564	419,066,231	(290,547,121)	(1,121,680,068)	7,883,833,602	11.154	27,916,098,471	28.24%
2005	6,182,702,442	2,883,665,171	314,998,373	387,884,498	(324,693,906)	(1,159,063,422)	8,285,493,156	11.149	29,337,088,541	28.24%
2006	6,645,055,388	3,490,233,530	324,655,661	380,585,156	(354,473,556)	(1,178,475,587)	9,307,580,592	11.080	32,554,143,348	28.59%

Source: Bernalillo County Abstract of Property Reported For Taxation

Note: Bernalillo County assesses property at 33 and 1/3% of assessed valuation in accordance with Sections 7-37-7 and 7-37-7.1 NMSA 1978. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

(1) Weighted average of residential rate and non-residential (commercial) rate based on percentage of each type to total assessed value.

(2) Residential exemptions are Head of Household (\$2,000) and Veteran (\$4,000) and low income age (65 years old with less than \$18,500 in income).

(3) Non-residential exemptions are granted for agriculture property and for Industrial and Municipal Revenue Bonds.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (1)
1997	58,414,008	55,266,156	94.61%	(2)	(2)	(2)
1998	61,648,597	57,085,189	92.60%	(2)	(2)	(2)
1999	64,063,064	59,698,737	93.19%	(2)	(2)	(2)
2000	73,991,401	59,460,369	80.36%	14,405,844	73,866,213	99.83%
2001	76,698,781	70,662,827	91.70%	5,766,474	76,429,301	99.65%
2002	81,970,773	78,096,507	95.15%	3,575,227	81,671,734	99.64%
2003	85,059,627	81,327,454	95.66%	3,378,905	84,706,359	99.58%
2004	87,872,587	84,534,872	96.09%	2,910,509	87,445,381	99.51%
2005	92,507,491	89,148,702	96.31%	2,340,605	91,489,307	98.90%
2006	102,297,443	98,749,603	96.53%	NA	98,749,603	96.53%

Source: Bernalillo County Treasurer's Reports for the Year ended June 30 and Bernalillo County 2006 Property Tax Schedule.

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

(2) In fiscal year 2000, Bernalillo County implemented a new property tax assessment and collection software system. Current total collections to date information is not available by tax year for fiscal years 1997, 1998, and 1999.

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

Tax Remitter	2006			1997		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Retail Trade	4,583,108,687	1	33.49%	3,083,524,372	1	32.94%
Other services (except Public Administration)	1,532,027,734	2	11.20%	1,113,066,633	2	11.89%
Construction	1,750,432,845	3	12.79%	1,068,111,941	3	11.41%
Professional, Scientific and Technical Services	1,335,788,133	4	9.76%	1,028,543,100	4	10.99%
Accommodations and Food Services	1,032,368,089	5	7.54%	730,730,850	5	7.81%
Health Care and Social Assistance	873,864,221	6	6.39%	557,138,547	6	5.95%
Wholesale Trade	923,494,648	7	6.75%	510,612,892	7	5.45%
Utilities	443,381,356	8	3.24%	329,337,246	8	3.52%
Manufacturing	275,355,687	9	2.01%	275,964,667	9	2.95%
Information and Cultural Industries	261,040,317	10	1.91%	233,996,740	10	2.50%
Finances and Insurance	115,902,980	11	0.85%	122,458,025	11	1.31%
Real Estate and Rental and Leasing	213,002,447	12	1.56%	119,478,147	12	1.28%
Transportation and Warehousing	101,554,085	13	0.74%	90,741,780	13	0.97%
Administration and Support, Waste Management	83,086,309	14	0.61%	na	na	na
Educational Services	66,199,793	15	0.48%	33,986,012	14	0.36%
Arts, Entertainment and Recreation	45,892,725	16	0.34%	27,840,928	15	0.30%
Management of Companies and Enterprises	17,326,818	17	0.13%	16,167,613	16	0.17%
Agriculture, Forestry, Fishing and Hunting	12,345,435	18	0.09%	10,943,022	17	0.12%
Unclassified Establishments	10,906,458	19	0.08%	6,292,749	18	0.07%
Public Administration	6,784,021	20	0.05%	1,944,599	19	0.02%
Mining and Oil and Gas Extraction	636,376	21	0.005%	287,092	20	0.003%
Total	13,684,499,164		100%	\$ 9,361,166,955		100%

Source: New Mexico Taxation and Revenue Department

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

Fiscal Year	Total Tax Levy(1)	Bernalillo County		State of New Mexico	Schools	Technical Vocational Education	Flood Control Authority	Hospital	Conservancy District
		City	County						
1997	43.814	11.257	8.279	1.556	9.020	2.783	1.006	4.497	5.416
1998	48.132	11.362	9.070	1.347	11.888	2.935	1.050	4.565	5.915
1999	46.752	11.357	9.066	1.438	11.013	2.945	1.050	4.103	5.780
2000	42.499	11.080	8.270	1.482	8.505	2.578	0.939	4.016	5.629
2001	43.701	11.166	8.558	1.529	8.527	3.179	0.962	4.184	5.596
2002	45.571	11.161	8.635	1.765	8.503	2.628	0.943	6.500	5.436
2003	44.701	11.153	8.532	1.123	7.883	3.174	0.937	6.500	5.399
2004	46.668	11.154	9.549	1.520	8.497	3.175	0.936	6.500	5.337
2005	46.160	11.149	9.536	1.028	8.493	3.174	0.934	6.500	5.346
2006	44.367	11.080	8.369	1.234	8.415	3.069	0.920	6.317	4.963

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

Source: Bernalillo County Treasurer's Office

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

Schedule 10

Fiscal Year	Tax Rate Imposed on City Residents by:				Total Rate in City	Effective City Rate ³
	State	Less: State Credit	City	County		
1997						
1/1/97-6/30/97	5.0000	(0.5000)	0.8125	0.2500	5.5625	2.0375
7/1/97-12/31/97	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1998						
1/1/98-6/30/98	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/98-12/31/98	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
1999						
1/1/99-6/30/99	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/99-12/31/99	5.0000	(0.5000)	0.8125	0.2500	5.5625	2.0375
2000						
1/1/00-6/30/00	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/00-12/31/00	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2001						
1/1/01-6/30/01	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/01-12/31/01	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2002						
1/1/02-6/30/02	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/02-12/31/02	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2003						
1/1/03-6/30/03	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/03-12/31/03	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
2004						
1/1/04-6/30/04	5.0000	(0.5000)	1.0625	0.2500	5.8125	2.2875
7/1/04-12/31/04	5.0000	(0.5000)	1.3125	0.2500	6.0625	2.5375
2005						
1/1/05-6/30/05	5.0000	--	1.3125	0.4375	6.7500	2.5375
7/1/05-12/31/05	5.0000	--	1.3125	0.4375	6.7500	2.5375
2006						
1/1/06-6/30/06	5.0000	--	1.3125	0.4375	6.7500	2.5375
7/1/06-12/31/06	5.0000	--	1.3125	0.5625	6.8750	2.5375

Source: New Mexico Taxation & Revenue Department

Notes:

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

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

Schedule 11

Taxpayer	2006			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Public Service Company of New Mexico	97,108,294	1	1.04%	65,419,389	2	0.90%
Qwest	96,234,524	2	1.03%	92,792,984	1	1.27%
Southwest Airlines	20,079,667	3	0.22%	20,125,475	5	0.28%
Crescent Real Estate	18,726,794	4	0.20%	20,904,443	8	0.29%
Comcast Cablevision of New Mexico	17,554,859	5	0.19%	-	-	-
Heitman Properties of NM (Coronado Mall)	16,866,414	6	0.18%	18,497,917	6	0.25%
Simon Property Group, Ltd. (Cottonwood Mall)	16,684,032	7	0.18%	17,689,498	4	0.24%
Verizon Wireless	16,585,876	8	0.18%	-	-	-
Voice Stream T-Mobile	13,534,419	9	0.15%	-	-	-
ALLTEL Communications	11,000,035	10	0.12%	-	-	-
Public Service Company of New Mexico- Gas	-	-	-	20,081,828	3	0.28%
Winrock Property	-	-	-	12,406,360	10	0.17%
AT&T Communications	-	-	-	15,518,310	7	0.21%
Southwestco Wireless	-	-	-	12,808,309	9	0.18%
Total	324,374,914		3.49%	296,244,513		4.06%

Total taxable valuation

9,307,580,592

6,900,667,082

4.06%

Sources: Bernalillo County Treasurer's Office

Note: Public Service Company Gas and Electric services were combined for presentation purposes in 2006.

City of Albuquerque, New Mexico
Ratios of Outstanding Debt by Type
Last Five Fiscal Years

Fiscal Year	<u>Governmental Activities</u>				<u>Business Type Activities</u>			
	General Obligation Bonds	Sales Tax Bonds	Special Assessment Bonds	Airport Revenue Bonds	Refuse Revenue Bonds	Golf Revenue Bonds		
2002	\$ 209,865,000	\$ 145,101,661	\$ 22,407,475	\$ 230,310,000	\$ 36,285,000	\$ -		
2003	160,055,000	156,775,349	13,421,511	211,750,000	33,635,000	-		
2004	262,605,000	146,145,493	16,680,463	233,660,000	30,795,000	-		
2005	296,555,000	161,723,116	12,655,943	226,030,000	27,820,000	1,885,000		
2006	276,205,000	136,165,000	5,391,299	216,220,000	24,710,000	1,660,000		

Fiscal Year	Water (1) Revenue Bonds	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)	Population (3)	Personal Income (4)
2002	\$ 271,903,400	\$ 915,872,536	5.49%	\$ 1,974	463,995	\$16,687,844,000
2003	243,479,772	819,116,632	4.69%	1,731	473,221	17,457,940,000
2004	218,025,705	689,885,956	3.74%	1,426	483,844	18,463,279,000
2005	310,594,677	726,669,059	3.73%	1,468	494,844	19,478,759,345
2006	415,102,899	660,351,299	3.19%	1,321	499,792	20,725,399,943

(1) Albuquerque Bernalillo County Water Authority was created in 2004 with all assets and liabilities transferred from the City.
(2) Population and personal income data used to calculate Per Capita and % of Personal Income are from Bureau of Business & Economic Research, UNM (BBER).
(3) 2006 Population is an estimate based on a BBER projected annual growth rate of 1%.
(4) FY 2005 and FY 2006 personal income amount is imputed from BBER personal income growth rates of 5.5% in FY 2005 and 6.4% in FY 2006 for the Albuquerque MSA.

City of Albuquerque, New Mexico
Ratios of General Bonded Debt Outstanding
Last Five Fiscal Years

Schedule 13

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Actual Taxable Value	Percentage of Actual Taxable Value of Property	Per Capita	Population (1)
2002	\$ 209,865,000	\$ 7,419,129,910	2.83%	\$ 452.30	463,995
2003	160,055,000	7,619,420,780	2.10%	338.22	473,221
2004	262,605,000	7,883,833,602	3.33%	542.75	483,844
2005	296,555,000	8,285,493,156	3.58%	599.29	494,844
2006	276,205,000	9,307,580,592	2.97%	557.61	495,339

(1) Population data used to calculate Per Capita is from Bureau of Business & Economic Research, UNM (BBER).
FY 2006 population is estimated base on a BBER projected populations growth rate of 1%.

City of Albuquerque, New Mexico
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006

<u>Governmental Agency</u>	<u>G.O. Debt</u>	<u>Tax Year 2005 Assessed Valuation</u>	<u>Percent Applicable to City</u>	<u>Net Overlapping</u>
City of Albuquerque	\$266,227,888	\$9,307,580,592	100.00%	\$266,227,888
Albuquerque Public Schools	127,690,000	11,193,299,206	83.15%	106,178,254
Albuquerque Metropolitan Arroyo Flood Control Authority	32,000,000	10,814,430,353	86.07%	27,541,218
Central New Mexico Community College	11,700,000	11,203,726,789	83.08%	9,719,863
Bernalillo County	83,475,000	11,260,432,703	82.66%	68,998,262
State of New Mexico	255,805,000	32,194,252,218	28.91%	73,954,992
Total Direct & Overlapping General Obligation (G.O.) Bond Debt				<u><u>\$552,620,477</u></u>
Gross G.O. Bonded Debt (includes general purpose and water, sewer and storm sewer)				<u>\$276,205,000</u>
Less G.O. Sinking Fund June 30, 2006 Balance				<u>(9,977,112)</u>
Net G.O. Bonded Debt				<u><u>\$266,227,888</u></u>

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

	Fiscal Years				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt Limit	\$ 207,387,732	\$ 218,785,000	\$ 226,276,000	\$ 274,251,000	\$ 276,026,000
Total net debt applicable to limit	98,657,732	103,885,000	123,476,000	179,481,000	205,241,000
Legal Debt Margin	\$ 108,730,000	\$ 114,900,000	\$ 102,800,000	\$ 94,770,000	\$ 70,785,000

Total net debt applicable to the
limite as a percentage of debt limit

	48%	47%	55%	65%	74%
--	-----	-----	-----	-----	-----

	Fiscal Years				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 296,765,196	\$ 304,953,000	\$ 315,502,000	\$ 331,571,000	\$ 372,303,224
Total net debt applicable to limit	127,140,000	112,885,000	214,995,000	238,375,917	223,770,000
Legal Debt Margin	\$ 169,625,196	\$ 192,068,000	\$ 100,507,000	\$ 93,195,083	\$ 148,533,224

Total net debt applicable to the
limite as a percentage of debt limit

	43%	37%	68%	72%	60%
--	-----	-----	-----	-----	-----

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed Value	\$ 9,307,580,595
Debt Limit (1)	372,303,224
Debt applicable to limit: General Obligation Bonds - General Purpose Only	223,770,000
Legal debt margin	<u>\$ 148,533,224</u>

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

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

Fiscal Year	<u>Airport Bonds</u>				<u>Refuse Bonds</u>			
	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service Coverage</u>	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service Coverage</u>
2002	\$ 59,494	\$ 21,437	\$ 38,057	\$ 14,840	\$ 39,191	\$ 29,638	\$ 9,553	\$ 4,496
2003	60,157	22,059	38,098	13,711	41,001	31,166	9,835	4,326
2004	61,410	24,288	37,122	16,100	43,521	33,263	10,258	4,390
2005	64,943	24,616	40,327	20,915	44,888	34,227	10,661	5,122
2006	70,066	25,600	44,466	22,134	48,144	28,805	19,339	5,134

Fiscal Year	<u>Sales Tax Revenue bonds</u>				<u>Golf Course Revenue Bonds</u>			
	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service Coverage</u>	<u>Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service Coverage</u>
2002	\$ 169,909	\$ 169,909	\$ 8,920	19.05	\$ 4,111	\$ 3,621	\$ 490	\$ 343
2003	177,634	177,634	9,802	18.12	3,980	3,435	545	347
2004	193,783	193,783	9,549	20.29	3,820	3,594	226	345
2005	201,610	201,610	10,658	18.92	3,938	3,499	439	348
2006	216,205	216,205	11,764	18.38	4,234	3,485	749	348

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

Schedule 17

	2006			1997			
	Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank
University of New Mexico	14,050	1	18.21%	Albuquerque Public Schools	11,000	1	18.96%
Albuquerque Public Schools	11,700	2	15.17%	University of New Mexico	7,186	2	12.39%
Kirtland Air Force Base (Civilian)	8,640	3	11.20%	Sandia National Laboratories	6,575	3	11.33%
Sandia National Laboratories	7,720	4	10.01%	City of Albuquerque	5,763	4	9.93%
Presbyterian Health Care Services	6,900	5	8.94%	Kirtland Air Force Base (Military)	5,600	5	9.65%
City of Albuquerque	6,680	6	8.66%	Intel	5,600	6	9.65%
State of New Mexico	5,660	7	7.34%	Kirtland Air Force Base (Civilian)	5,405	7	9.32%
Intel	5,500	8	7.13%	Presbyterian Health Care Services	4,000	8	6.89%
Lovelace Medical Center	5,200	9	6.74%	State of New Mexico	3,600	9	6.21%
Kirtland Air Force Base (Active Duty)	5,090	10	6.60%	Lovelace Medical Center	3,287	10	5.67%
Total	77,140		100%		58,016		100%

Source:

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

Year	City of Albuquerque Population	Metropolitan Statistical Area							Unemployment Rate*
		MSA Population	Personal Income (\$000s)	Personal Income	Per Capita Personal Income	Civilian Labor Force	Civilian Employment	Average Wage/Salary Per Job	
1997	420,907	673,182	16,273,068	22,931	363,907	347,303	26,541	4.6%	
1998	421,384	676,530	17,141,766	23,894	369,579	352,489	27,660	4.6%	
1999	420,578	678,820	17,642,295	24,412	373,258	358,687	28,432	3.9%	
2000	448,607	712,738	18,910,334	25,848	370,857	355,580	29,836	4.1%	
2001	454,500	723,296	20,693,319	27,984	376,382	360,240	31,088	4.3%	
2002	463,874	737,324	20,983,664	27,852	378,031	358,841	31,989	5.1%	
2003	471,856	748,067	21,730,698	28,339	382,397	361,686	33,017	5.4%	
2004	480,976	781,447	23,013,827	29,453	391,190	370,654	34,162	5.2%	
2005	484,246	782,228	(1) 23,313,007	29,803	(2) 399,956	380,354	NA	4.9%	
2006	484,730	(1) 792,397	(1) 23,616,076	29,803	(2) 410,120	392,484	NA	4.3%	

Source: Bureau of Business and Economic Research University of New Mexico, BBER.

* Albuquerque Metropolitan Statistical Area. Includes Bernalillo, Sandoval, and Valencia counties prior to 2004. As of 2004, it also includes Torrance County.

(1) Based on a BBER projected 1.3% yearly population growth for New Mexico in 2005 and 2006.

(2) Calculated: Personal income divided by MSA population.

NA - Not Available

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

Schedule 19

	<u>Number</u>	<u>Percent</u>
<u>Education (1)</u>		
Persons age 25 and over	382,155	100.00%
Less than 9th Grade	22,779	5.96%
9th-12th Grade, no diploma	32,712	8.56%
High School graduate	91,242	23.88%
Some college, no degree	98,223	25.70%
Associate degree	24,730	6.47%
Bachelor degree	63,148	16.52%
Graduate or Professional degree	49,321	12.91%
Percent completed High School	326,664	85.48%
Percent completed 4-year college	112,469	29.43%

School Enrollment (1)

Person enrolled in school	154,363	100.00%
Elementary schools (including Kindergarten)	44,123	28.58%
Mid-high schools	21,386	13.85%
High schools	27,902	18.08%
Private and parochial schools	11,788	7.64%
Technical Vocational schools	22,927	14.86%
University of New Mexico	26,237	16.99%

Household by Type (3)

Total households	183,236	100.00%
Family households	112,623	61.50%
with children under 18 years	55,400	30.20%
Married-couple family	79,915	43.60%
with children under 18 years	35,480	19.40%
Female householder, no husband present	23,626	12.90%
with children under 18 years	14,709	8.00%
Nonfamily households	70,613	38.50%
Average household size	2.40	
Average family size	3.02	

Medians (2)

Population age	34.9
Family income	\$51,552
Monthly housing cost - mortgage	\$1,077
Monthly housing cost - renting	\$598

National Comparison of Selected Characteristics (2)

National Rank

Population living below the poverty level	57	12.50%
Children living below the poverty level	44	22.10%
Population 5 years and older who speak other language at home	32	26.50%
Population is foreign born	41	10.60%
Population is 65 years and older	31	10.80%
Civilian population 18 years and older who are veterans	10	13.70%
Population 25 years and older who have completed high school	16	86.30%
Population is Native American	2	4.90%
Population 16 years and older who travel to work by public transportation	46	2.40%
Renters spending more than 30% of income on rent or utilities	60	42.30%
Home owners spending more than 30% of income on home costs	33	36.90%
Households with one or more people under 18	27	34.40%
Housing units that are owner-occupied	20	58.90%

(1) New Mexico Department of Education

(2) American Community Survey Profile 2004 (U.S. Census Bureau) of the 70 most populous municipalities in the United States

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

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

Schedule 20

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

(1) Twenty-nine Capital Implementation Program FTEs, 62 Buildings FTEs, and 20 City/County Building FTEs were transferred to the Municipal Development Category.

(2) Effective February 1, 2004 management of the Convention Center was awarded to an individual firm and the oversight of the management contract was transferred to the Department of Finance and Administrative Services.

(3) The New Mexico Legislature adopted legislation creating the Albuquerque Bernalillo County Water Utility Authority (ABWUA). In FY 2005 the City transferred all functions, appropriations, money, records, equipment, property, and personnel to the ABWUA.

(4) Twenty-nine FTEs were added for the new City 311 call center and 54 Fleet management FTEs were transferred from Public Works to DFAS.

(5) The Department of Municipal Development was created by the passage of R-03-304 to assure that capital projects would be completed efficiently and in a timely manner.

(6) The remaining functions of the Public Works Department was transferred to the Municipal Development Department. Public Works is no longer a City Department.

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

Schedule 21

Function/Program	Fiscal Years				
	2002	2003	2004	2005	2006
Aviation					
Passengers enplaned/deplaned	6,311,000	6,007,000	6,228,000	6,466,435	6,791,660
Number of flights	122,096	130,475	121,511	124,465	197,793
Cultural and Recreation					
Library materials in collection	1,326,008	1,378,532	1,304,108	1,326,486	1,341,547
Library materials borrowed	3,150,628	3,404,772	3,620,494	4,178,204	4,326,904
Library visits	1,587,510	1,767,502	1,705,622	2,089,730	2,154,040
BioPark annual attendance	953,585	957,321	973,407	1,039,513	1,111,893
Explora annual attendance	47,000	60,820	219,378	214,977	190,485
Albuquerque Museum attendance	102,460	104,595	170,072	99,473	133,170
Park acres maintained	2,359	2,408	2,468	2,514	2,661
Open space acres	30,515	26,786	27,513	28,056	28,223
Municipal Development					
Street miles maintained	4,058	4,141	4,102	4,118	4,264
Street miles resurfaced/crack-seal	300	297	248	303	340
Potholes repaired	3,000	1,280	2,741	3,528	5,889
Curb miles swept	36,000	51,925	19,764	58,471	49,616
Facility maintained	128	130	133	145	145
Facility sq. ft. area maintained (mil.)	1.90	1.94	1.98	2.00	2.00
Planning					
Inspections -code compliance	31,165	37,758	35,973	60,393	64,665
Inspections - permits	164,079	192,020	201,932	236,052	245,397
Business registrations	6,831	6,501	6,683	7,495	5,612
Plans reviewed	10,220	11,492	11,803	9,370	8,055
Public Safety - Fire					
Emergency responses	65,387	69,170	68,271	69,877	69,877
Fires extinguished (residential)	*	*	201	99	137
Fires extinguished (non-residential)	*	*	191	114	127
Fires extinguished (wildland)	*	*	36	11	20
Hazardous materials incidents	863	1,496	1,002	884	942
Rescue calls	*	68	43	46	69
Code enforcement inspections	10,837	11,027	11,135	11,200	11,500
Public Safety - Police					
Offense reports processed	124,040	79,009	94,406	111,796	120,565
Accident reports processed	31,270	25,736	29,330	33,892	32,556
Calls received	*	1,284,531	1,176,022	1,156,696	1,130,949
Felony arrests	*	*	8,216	10,451	10,508
Misdemeanor arrests	*	*	12,195	24,379	19,782
Solid Waste					
Refuse collected (tons)	381,548	406,827	423,640	408,241	416,406
Recyclables collected (tons)	7,348	12,392	7,046	7,367	18,322
Miles litter/weeds cleaned	16,718	17,665	20,014	72,507	84,017
Graffiti sites cleaned	19,142	33,367	30,939	33,424	38,234
Transit - Bus					
Passenger miles		19,621,375	19,631,700	25,046,000	28,300,000
ABQRide ridership	7,435,000	6,834,508	6,863,216	7,249,621	8,450,000
Water Authority					
Water mains breaks	299	347	379	336	255
Average daily consumption (gal.)	97,945,205	95,232,877	95,161,644	89,315,068	89,860,274
Peak daily consumption (gal.)	163,600,000	160,140,000	163,500,000	151,000,000	153,500,000
Average daily sewage treatment	52,900,000	52,100,000	57,900,000	56,000,000	54,600,000

Source: City of Albuquerque Annual Performance Plan.

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

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

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

Schedule 22

Function/Program	Fiscal Years				
	2002	2003	2004	2005	2006
General Government:					
Bus Lines-minibuses	140	140	151	151	144
Landfill	1	1	1	1	1
Refuse Convenience Centers	3	3	3	3	3
Water mains (miles)	2,520	2,520	2,520	2,520	2,520
Fire hydrants	12,175	12,413	12,771	13,062	13,435
Storage capacity (thousands- of gallons)	211,000,000	211,000,000	211,000,000	211,000,000	211,000,000
Sanitary sewers (miles)	1,820	1,820	1,820	1,820	1,820
Storm sewers (miles)	555	580	610	611	611
Treatment capacity (thousands- of gallons)	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000
Public Safety:					
Law Enforcement Center	1	1	1	1	1
Police Area Command Centers	5	5	5	5	5
Police Substations	11	12	12	12	12
Fire Stations	23	23	23	23	23
Higways and Streets:					
Streets maintained (miles)	3,890	4,141	4,102	4,118	4,264
ROW acres	*	*	*	*	7,383
Bridges (railroad, river, roads)	31	31	31	31	31
Urban trails (miles)	54	55	59	60	66
Traffic signals	533	557	565	571	573
School flashing beacons	112	112	112	112	117
Storm lift stations	13	14	14	14	14
Storm drainage bridges	182	192	193	193	193
Dams/Dentention basin	14	14	14	14	14
Cultural and Recreation:					
Open space acreage	*	26,786	27,513	28,056	28,223
Park acres	*	2,408	2,468	2,514	2,661
Playgrounds	*	138	140	143	145
Baseball/softball parks	7	7	7	7	6
Golf courses	4	4	4	4	4
Swimming pools	12	12	12	12	12
Tennis courts	32	32	32	32	32
Community centers	24	24	24	24	24
Museums/Zoos/Cultural Centers	10	10	10	10	10
Libraries	17	17	17	17	17

Source: City of Albuquerque Annual Performance Plan, Albuquerque Water Utility Water Authority records, and Infrastructure records.

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

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

SINGLE AUDIT INFORMATION

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

**Reconciliation of Schedule of Expenditures of Federal Awards to
Financial Statements**

Financial Data Schedule – Albuquerque Public Housing Authority

**Report on Internal Control over Financial Reporting And on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Governmental
Auditing Standards***

**Report on Compliance with Requirements Applicable to each
Major Program and Internal Control over Compliance in
Accordance with OMB Circular A-133**

Schedule of Findings and Questioned Costs

Status of Prior Year Audit Recommendations

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures/ Adjustments
			From	To	
<u>U.S. Department of Agriculture</u>					
Pass Through - New Mexico Children and Youth					
Child and Adult Care Food Program	0278	10.558	10/1/2005	9/30/2006	\$ 287,888
Child and Adult Care Food Program	0278	10.558	10/1/2004	9/30/2005	72,959
					<u>360,847</u>
National School Lunch Program					
Pass Through - New Mexico Children and Youth					
Summer Food Service Program FY06/07	3037	10.559	10/1/2005	9/30/2006	641,334
Summer Food Service Program FY05/06	3037	10.559	10/1/2004	9/30/2005	566,142
					<u>1,207,476</u>
Total U.S. Department of Agriculture					<u>\$ 1,568,323</u>
<u>U.S. Department of Commerce</u>					
Direct					
Double Eagle II Infrastruct Improvement	08-01-03787	11.300	12/30/2002	Completion	82,494
Double Eagle II Water & Wastewater	N/A	11.300	9/16/2002	Completion	-
Total U.S. Department of Commerce					<u>\$ 82,494</u>
<u>U.S. Department of Housing and Urban Development</u>					
Direct					
Property Improvement Loan Insurance For					
Improving Existing Structures					
Double Eagle II Power and Gas	B-03-SP-NM-0491	14.142	6/1/2003	Completion	201,184
					<u>201,184</u>
Community Development Block Grants/Entitlement Grants					
Direct					
Community Develop. Blk Grant 2005	B-06-MC-35-0001	14.218	1/1/2006	Completion	1,339,018
Community Develop. Blk Grant 2005	B-05-MC-35-0001	14.218	1/1/2005	Completion	2,081,626
Community Develop. Blk Grant 2004	B-04-MC-35-0001	14.218	1/1/2004	Completion	317,979
Community Develop. Blk Grant 2003	B-03-MC-35-0001	14.218	1/1/2003	Completion	173,957
Community Develop. Blk Grant 2002	B-02-MC-35-0001	14.218	1/1/2002	Completion	253,503
Community Develop. Blk Grant 2001	B-01-MC-35-0001	14.218	1/1/2001	Completion	110,489
Community Develop. Blk Grant 2000	B-00-MC-35-0001	14.218	1/1/2000	Completion	(46,311)
					<u>4,230,261</u>
Emergency Shelter Grants Program					
Direct					
Emergency Shelter Grant Program	S-04-MC-35-5001	14.231	1/1/2004	Completion	33,986
Emergency Shelter Grant Program	S-05-MC-35-5001	14.231	1/1/2005	Completion	191,940
Emergency Shelter Grant Program	S-06-MC-35-5001	14.231	1/1/2006	Completion	-
					<u>225,926</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Housing and Urban Development, continued</u>					
Supportive Housing Program					
Direct					
Supportive Housing Program	Admin. Component	14.235	5/1/2006	4/30/2007	4,306
Supportive Housing Program	Admin. Component	14.235	5/1/2005	4/30/2006	44,844
Supportive Housing Program	NM02B400007	14.235	5/1/2005	4/30/2006	171,372
Supportive Housing Program	NM02B400011	14.235	5/1/2005	4/30/2006	599,457
Supportive Housing Program	NM02B500010	14.235	5/1/2006	4/30/2007	22,660
Supportive Housing Program	NM02B500012	14.235	5/1/2006	4/30/2007	131,766
					974,405
Shelter Plus Care					
Direct					
Shelter Plus Care	NM02C400016	14.238	5/1/2005	4/30/2006	148,503
Shelter Plus Care	NM02C400015	14.238	5/1/2005	4/30/2006	491,877
Shelter Plus Care	NM02C500016	14.238	4/1/2006	3/31/2007	50,662
Shelter Plus Care	NM02C500017	14.238	4/1/2006	3/31/2007	177,312
					868,354
HOME Investment Partnerships Program					
Direct					
Home	M-06-MC-35-0209	14.239	1/1/2006	Completion	22,471
Home	M-05-MC-35-0209	14.239	1/1/2005	Completion	311,718
Home	M-04-MC-35-0209	14.239	1/1/2004	Completion	2,839,506
Home	M-03-MC-35-0209	14.239	1/1/2003	Completion	39,177
Home	M-02-MC-35-0209	14.239	1/1/2002	Completion	64,640
Home	M-01-MC-35-0209	14.239	1/1/2001	Completion	50,584
					3,328,096
Section 8 Moderate Rehabilitation					
Direct					
Single Room Occupancy					
Section 8 Moderate Rehabilitation	NM001SR-0004	14.249	7/1/2005	6/30/2006	36,515
					36,515
Public and Indian Housing					
Direct					
Low Rent Operating Subsidy	NM00100406J	14.850	7/1/2005	12/31/2005	699,463
Low Rent Operating Subsidy	NM00100406D	14.850	1/1/2006	12/30/2006	727,956
					1,427,419

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Housing and Urban Development, continued</u>					
Lower Income Housing Assistance Program					
Direct					
Section 8 Moderate Rehabilitation	NM001MR-0002	14.856	7/1/2005	6/30/2006	22,459
Section 8 Moderate Rehabilitation	NM001MR-0003	14.856	7/1/2005	6/30/2006	22,224
					44,683
Resident Opportunity and Supportive Services					
Direct					
Resident OPRT & Self Sufficiency	NM001RFS128A005	14.870	4/21/2006	4/18/2007	7,772
Resident OPRT & Self Sufficiency	NM001REF0057A005	14.870	4/12/2006	4/10/2009	-
Resident OPRT & Self Sufficiency	NM001RFS096A004	14.870	5/18/2005	6/13/2006	45,580
					53,352
Section 8 Housing Choice Vouchers					
Direct					
Section 8-Housing Choice Voucher	NM001VO	14.871	7/1/2005	6/30/2006	20,803,353
Section 8-Housing Choice Voucher	NM001DV0001	14.871	7/1/2005	6/30/2006	204,173
					21,007,526
Public Housing Capital Fund					
Direct					
Public Housing Capital Fund Program	NM02P00150103	14.872	8/9/2003	9/16/2007	389,624
Public Housing Capital Fund Program	NM02P00150104	14.872	8/19/2004	9/13/2008	513,543
Public Housing Capital Fund Program	NM02P00150105	14.872	7/22/2005	8/17/2009	487,984
Public Housing Capital Fund Program	NM02P00150203	14.872	12/23/2003	2/12/2008	5,823
					1,396,974
Total U.S. Department of Housing and Urban Development					\$ 33,794,695
<u>U.S. Department of the Interior</u>					
Water Reclamation and Reuse Program					
Direct					
Albuquerque Metro Area Water Reclamation	99-FC-40-1050	15.504	6/1/1999	7/31/2006	94,419
					94,419
Fish and Wildlife Management Assistance					
Direct					
Bosque Restoration	1448-20181-01-G925	15.608	8/1/2003	6/1/2008	18,252
					18,252
Historic Preservation Fund Grants-in-Aid					
Pass Through - New Mexico Arts Commission					
Historic Preservation Grant	35-03-18231.11	15.904	11/18/2003	07/31/2004	3,867
					3,867
Total U.S. Department of the Interior					\$ 116,538

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Justice</u>					
Direct					
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies		16.0000	7/1/2005	6/30/2006	105,448 <u>105,448</u>
DEA State and Local Task Force Agreement		16.001	7/1/2004	Completion	68,573 <u>68,573</u>
FBI Cost Reimbursement Agreement		16.300	7/1/2004	Completion	14,777 <u>14,777</u>
Pass through - New Mexico Children and Youth Juvenile Accountability Block Grant	2002-JV-VX-0035	16.523	7/1/2005	6/30/2006	186,189 <u>186,189</u>
National Criminal History Improvement Grants					
Pass Through - New Mexico Dept. of Public Safety National Criminal History Improvement Program	2001-RG-CX-K001	16.554	10/1/2003	9/30/2005	55,000 <u>55,000</u>
National Institute of Justice Research					
Evaluation and Development					
Direct					
Indian Country Crime Lab Services	2004-RC-CX-K075	16.560	5/1/2004	4/30/2007	487,312
DNA Capacity Enhancement	2004-DN-BX-K023	16.560	7/1/2004	12/31/2005	21,174
Computer Forensic Training Grant	2003-DN-BX-0035	16.560	5/1/2003	7/31/2005	793
Crime Laboratory Training Grant	2004-DN-BX-0221	16.560	9/1/2004	3/31/2006	18,275
Paul Coverdell Forensic Science Improvement Gr	2005-DN-BX-0100	16.560	9/1/2005	8/30/2006	5,589
DNA Backlog Reduction	2004-DN-BX-K098	16.560	7/1/2004	9/30/2006	115,613
Forensic Casework DNA Backlog Reduction	2005-DA-BX-K015	16.560	10/1/2005	9/30/2006	-
Solving Cold Cases with DNA	2005-DN-BX-K014	16.560	6/1/2005	5/31/2007	29,520
Pass through - New Mexico Dept. of Transportation TraCS Evaluation Grant	05-AL-64-P21	16.560	10/1/2004	9/30/2005	83,336 <u>761,612</u>
Byrne Formula Grant Program					
Pass through - New Mexico Dept. of Public Safety					
NM Gang Task Force	04-DCSI-PPA24-NMGTF	16.579	8/12/2004	6/30/2006	274 <u>274</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Justice, continued</u>					
Local Law Enforcement Block Grants Program					
Direct					
Local Law Enforcement Block Grant 9	2004-LB-BX-1257	16.592	1/13/2005	1/12/2007	121,357
Local Law Enforcement Block Grant 8	2003-LB-BX-1966	16.592	4/6/2004	4/5/2006	387,210
					508,567
Executive Office for Weed and Seed					
Direct					
Weed and Seed Program (Eastside)	2005-WS-Q5-0059	16.595	1/1/2005	6/30/2006	188,596
Weed and Seed Program (Eastside)	2004-WS-Q4-016	16.595	10/1/2003	9/30/2005	35,090
Weed and Seed Program (Westside)	2005-WS-Q5-0060	16.595	1/1/2005	6/30/2006	208,767
Weed and Seed Program (Westside)	2004-WS-Q4-017	16.595	10/1/2003	9/30/2005	57,236
					489,689
Community Prosecution and Project Safe					
Neighborhoods					
Pass Through - New Mexico Dept. of Public Safety					
Project Safe Neighborhood	03-PSN-APD	16.609	2/1/2004	9/30/2006	31,847
					31,847
Office of Juvenile Justice and Delinquency Prevention					
Pass Through - New Mexico Dept of Children and Youth					
Enforcing Underage Drinking Laws	06-690-7000-7009	16.727	7/1/2005	5/31/2006	54,921
					54,921
Gang Resistance Education and Training					
Direct					
Gang Resistance Education/Training	2004-JV-FX-0046	16.737	7/1/2005	9/30/2006	147,249
Edward Byrne Memorial Justice Assistance	2005-DJ-BX-0380	16.737	10/1/2004	9/30/2008	200,000
NM Gang & Terrorism Task Force	05-JAG-PPA24NMGTTF	16.737	1/2/2006	9/30/2006	-
					347,249
Total U.S. Department of Justice					\$ 2,624,145
<u>U.S. Department of Transportation</u>					
Airport Improvement Program					
Direct					
Terminal Apron	3-35-0003-030-2005	20.106	7/6/2005	Completion	162,965
Security Checkpoint	3-35-0003-29	20.106	8/6/2003	Completion	3,866,238
Security Checkpoint	3-35-0003-28	20.106	8/6/2003	Completion	5,896,227
DE II Contract Control Tower	OTA	20.106	6/1/2003	Completion	345,099
DE II Midfield Development Phase I	3-35-0002-010-2004	20.106	2004	Completion	358,418
DE II Runway 17/35 Rehabilitation	3-35-0002-009-2004	20.106	7/19/2004	Completion	3,178,899
DE II Runway Assessment	3-35-0002-011-2005	20.106	8/1/2005	Completion	172,104
					13,979,950

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Transportation, continued</u>					
Federal Highway Administration					
Direct					
TCSP - Commuter Rail	TCSE-0012-Q69/92D	20.205	10/1/2001	Completion	8,705
TCSP - Downtown Wayfinding	TCSE-001-Q69	20.205	9/1/2001	Completion	-
TCSP Uptown	TCSE-015-Q69/92D	20.205	8/15/2001	Completion	-
Dennison-Trujillo-Townsend	ST-GA-7601(243)	20.205	11/13/2000	6/30/2009	25,554
Westside/McMahon	CAQ-HPP-TPU-7601(07)	20.205	4/2/1997	6/30/2009	598,154
Fourth Street NW Improvements	SP-GA-ST-5089(204)	20.205	10/22/2004	6/30/2008	6,778
Downtown Core Area	TPU-CAQ-7601-(10)	20.205	3/14/2000	6/30/2006	77,673
Jefferson/Ellison Intersection	TPU-5037(1)02	20.205	3/14/2000	6/30/2006	(179)
Signal Control	CAQ-TPU-7601(9)	20.205	3/14/2000	9/30/2010	(181,869)
Bicycle Travel Demand Mgmt	CAQ-7701(43)	20.205	6/12/2002	6/30/2008	29,756
Golf Course Irving-County Line	HPP-4079-6(3)	20.205	6/12/2002	6/30/2006	1,861,347
Irving Widening	HPP-5036-1	20.205	8/3/2001	6/30/2006	(1,426,785)
PDN & Unser Blvd Extension	ST-4054-210	20.205	8/23/2002	6/30/2008	82,148
Journal Center Trail/Bikeway Connection	CAQ-TPE-7701(38)	20.205	2/25/2000	6/30/2008	(118)
I-40 Trail from Rio Grande to 6th	TPE-040-3(112)157	20.205	4/4/2001	6/30/2007	117,913
Gibson Reconstruction	TPU-4078-(5)00	20.205	3/5/2003	6/30/2007	285,833
2nd Street Improvements	TPU-TPE-4035(1)	20.205	7/27/1999	9/30/2006	125,738
2nd Street/Montano Rd Improve	TPU-4035(7)07	20.205	2/4/2004	6/30/2008	23,449
Atrisco Road Improvements	ST-5004(201)	20.205	12/3/2003	6/30/2008	(60,000)
North Diversion Channel	CAQ-TPE-7701(39)	20.205	2/1/2000	6/30/2008	(6,326)
I-40 Louisiana Boulevard	IM-TPU-CAQ-040-3(90)163	20.205	12/20/2000	6/30/2006	19,792
Bicycle Trail/Pedestrian Landscape Improvement:	ST-4018(203)	20.205	12/28/2003	6/30/2008	90,000
University/Rio Bravo/Mesa Del Sol	SP-GA-ST-5260(269)	20.205	7/30/2004	6/30/2009	12,599,810
Silver Hills Streetscape Improvements	SP-GA-7601(269)	20.205	6/28/2004	6/30/2009	-
Unser Boulevard Extension	SP-GA-ST-4003(201)03	20.205	1/6/2005	6/30/2009	2,050,000
Unser /McMahon Intersection	HPP-4003(1)	20.205	1/1/2004	6/30/2008	17,660
Speed Humps on Alamogordo Street	SP-GA-7501(325)	20.205	1/17/2005	6/30/2008	-
Wells Park Neighborhood Street Improvements	SP-GA-7601(224)	20.205	7/6/2004	6/30/2006	91,310
Tea21 Bicycle/Pedestrian Safety	CAQ-771(12) Contr No. 9819	20.205	6/20/1998	Completion	19,844
					16,456,187
Federal Transit Capital Investment Grants					
Direct					
URICA II (Solar)	NM-03-0020	20.507	9/30/1997	Completion	144,489
Construction-Uptown Transfer Center	NM-03-0021	20.507	2/16/1999	Completion	-
High Capacity/Rapid Transit Project	NM-03-0025	20.507	11/23/1999	Completion	285,125
Bus-Purchase & Facilities Construction	NM-03-0027	20.507	9/1/2000	Completion	15,852
Bus-Purchase & Facilities Const. SOLAR	NM-03-0029	20.507	7/1/2001	Completion	3,239,757
Bus-Purchase & Facilities Construction	NM-03-0033	20.507	3/1/2002	Completion	6,761,967
					10,447,190

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Transportation, continued</u>					
Federal Highway Admin. Planning Construction					
Pass Through - New Mexico Highway Dept. Rideshare/TDM FY06	MOO464	20.505	7/1/2005	6/30/2006	716,835
					<u>716,835</u>
Federal Transit Formula Grants					
Direct					
Operating Assistance FY94/Capital	NM-90-X041	20.507	7/1/1993	Completion	2,306
Operating Assistance FY96/Capital	NM-90-X045	20.507	7/1/1995	Completion	51,328
Uptown Facility Adding CMAQ	NM-90-X049	20.507	7/1/1996	Completion	3,300
Capital Bus Planning	NM-90-X051	20.507	9/17/1998	Completion	-
Bus-Facilities Construction and Improvement	NM-90-X060	20.507	7/1/2000	Completion	477,294
Bus Replacement	NM-90-X065	20.507	3/1/2002	Completion	2,872,797
Real Estate, Design, Constr. TE	NM-90-X054	20.507	9/1/2000	Completion	58
ATC Depot, SW Mesa, PNR	NM-90-X073	20.507	7/12/2005	Completion	-
					<u>3,407,083</u>
Job Access Reverse Commute					
Direct					
Job Access	NM-37-X004	20.507	10/1/2001	Completion	172,561
					<u>172,561</u>
State and Community Highway Safety					
Pass Through - New Mexico Dept. of Transportation					
Underage Drinking Enforcement	05-J8-07-P02	20.600	1/1/2005	9/30/2005	118,269
Click It or Ticket	06-OP-05-002	20.600	5/22/2006	6/4/2006	9,459
Pedestrian Safety	MOU	20.600	10/1/2003	1/31/2006	3,045
Operation DWI Grant	06-ID-63-002	20.600	10/1/2005	11/30/2005	3,231
					<u>134,004</u>
Safety Incentives to Prevent Operation of Motor Vehicles by					
Intoxicated Persons					
Pass Through					
Selective Traffic Enforcement	06-PT-63-002	20.605	10/1/2005	9/30/2006	46,786
Selective Traffic Enforcement	05-PT-63-002	20.605	10/1/2004	9/30/2005	17,547
					<u>64,333</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Transportation, continued</u>					
Minimum Penalties for repeat Offenders for Driving While Intoxicated					
Pass Through - New Mexico Dept. of Transportation					
Drug Recognition Expert	05-AL-64-P09	20.608	10/01/2004	9/30/2005	25,053
Drug Recognition Expert	06-AL-64-P07	20.608	04/20/2006	9/30/2006	57,458
Operation DWI	05-AL-64-002	20.608	10/01/2004	9/30/2005	131,737
Operation DWI	06-AL-64-002	20.608	10/01/2005	9/30/2006	79,867
Underage Drinking	06-AL-64-P2A	20.608	10/01/2005	9/30/2006	75,454
					369,569
Total U.S. Department of Transportation					\$ 45,747,712
<u>U.S. Department of Treasury</u>					
Bureau of Alcohol, Tobacco, Firearms and Explosives					
Direct					
ATF Project EXILE	06-pho-208-aff	21.053	7/1/2004	Completion	15,721
Total U.S. Department of Treasury					\$ 15,721
<u>U.S. Environmental Protection Agency</u>					
Air Pollution Control Program Support					
Direct					
FY05 Air Pollution	A-006158-05	66.001	10/1/2004	4/14/2006	636,504
FY06 Air Pollution	A-00615806-1	66.001	10/1/2005	9/30/2006	248,908
					885,412
Surveys, Studies, Investigations and Special Purpose Grants					
Direct					
PM Fine Monitoring	PM-97650901-0	66.034	10/1/2003	2/14/2006	58,660
PM 2.5 Ambient Air Monitoring	PM-96603901-0	66.034	10/1/2005	9/30/2006	54,771
					113,431
Brownfields Assessment and Cleanup					
Cooperative Agreements					
Direct					
Brownfields Cleanup Revolving Loan Fund	BL-98667301-2	66.818	10/1/2000	9/30/2006	43,554
					43,554
Total U.S. Environmental Protection Agency					\$ 1,042,397
<u>U.S. Department of Health and Human Services</u>					
Special Programs for the Aging Title III, Part D					
Disease Prevention and Health Promotion Services					
Pass Through - New Mexico Agency on Aging					
2006 Older American Program/ Title III, Part D	2006-001	93.043	7/1/2005	06/30/2006	30,218
					30,218

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Health and Human Services. continued</u>					
Special Programs for the Aging Title III, Part B					
Grants for Supportive Services and Senior Centers					
Pass Through - New Mexico Agency on Aging 2006 Older American Program/ Title III, Part B	2006-001	93.044	7/1/2005	06/30/2006	377,410
					<u>377,410</u>
Special Programs for the Aging Title III, Part C					
Nutrition Services					
Pass Through - New Mexico Agency on Aging 2006 Older American Program/ Title III, Part C	2006-001	93.045	7/1/2005	6/30/2006	357,595
Federal Alzheimer's Disease Demonstration	2006-132	93.045	7/1/2005	6/30/2006	31,564
					<u>389,159</u>
Special Programs for the Aging Title III, Part E					
National Family Caregiver Support					
Pass Through - New Mexico Agency on Aging 2006 Older American Program/ Title III, Part E	2006-001	93.052	7/1/2005	6/30/2006	214,871
					<u>214,871</u>
Nutrition Services Incentive Program					
Pass Through - New Mexico Agency on Aging Cash in Lieu of Commodities	2006-006	93.053	7/1/2005	6/30/2006	211,788
					<u>211,788</u>
Substance Abuse and Mental Health Services					
Direct					
Access to Recovery	city is subrecipient	93.243	8/2/2004	8/2/2008	1,858,002
Enhancement of City's Assesment/Treat	4H79 T112750-03-2	93.243	9/30/2003	9/29/2005	147,327
					<u>2,005,329</u>
Community-Based Child Abuse Prevention					
Pass Through - New Mexico Children and Youth					
Teen Parent Residency Prog.	04-7690-7000-7029-03	93.590	7/1/2005	6/30/2006	150,300
					<u>150,300</u>
Head Start					
Direct					
Early Head Start FY 05	06CH7016/03	93.600	7/1/2004	6/30/2005	5,216
Early Head Start FY 06	06CH7016/04	93.600	7/1/2005	6/30/2006	2,639,293
					<u>2,644,509</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		Expenditures / Adjustments
			From	To	
<u>U.S. Department of Health and Human Services, continued</u>					
Centers for Medicare and Medicaid Services					
Research, Demonstrations and Evaluations					
Pass Through - New Mexico Agency on Aging Health Insurance and Benefits Assistance	06-624-2000-0163	93.779	7/1/2005	6/30/2006	80,000
					<u>80,000</u>
Total U.S. Department of Health and Human Services					<u>\$ 6,103,584</u>
<u>Corporation for National and Community Services</u>					
Retired and Senior Volunteer Program					
Pass Through - New Mexico Agency on Aging Retired Senior Volunteer Prog.	05SRWNM016	94.002	7/1/2005	6/30/2008	53,895
					<u>53,895</u>
Foster Grandparent Program					
Foster Grandparent	05SFWNM008	94.011	7/1/2005	6/30/2008	168,610
					<u>168,610</u>
Senior Companion Program					
Senior Companion Program	05SCWNM005	94.016	7/1/2005	6/30/2008	102,670
					<u>102,670</u>
Total Corporation for National and Community Services					<u>\$ 325,175</u>
<u>Department of Homeland Security</u>					
Public Assistance Grants					
Direct					
Public Assistance Grants	FEMA-1514-DR-NM	97.036	4/29/2004	10/29/2006	808,992
Pass Through - New Mexico Dept. of Public Safety Public Assistance Grants	06-3229-201	97.036	9/7/2005	9/7/2007	843,309
					<u>1,652,301</u>
Emergency Performance Grants					
Pass Through - New Mexico Dept. of Public Safety					
06 Emergency Mgmt Performance	2006-EM-E6-0015-ALBQ	97.042	1/1/2006	12/31/2006	71,881
05 Emergency Mgmt Performance	2005-GE-T5-0012-ABQ	97.042	10/1/2004	12/31/2005	65,601
					<u>137,482</u>
Firefighters Assistance					
Direct					
2004 Firefighters Assistance	EMW-2004-FG-19414	97.044	2/10/2005	5/10/2006	425,185
					<u>425,185</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2005 through June 30, 2006

Grantor Agency and Grant Title	Grant Number- Federal or State	Federal CFDA Number	Grant Period		
			From	To	
<u>Department of Homeland Security, continued</u>					
Citizen Corps					
Direct					
Albuquerque Citizen Corps	2005-GE-T5-0012-ABQCC	97.053	10/31/2005	2/28/2007	-
Albuquerque Citizen Corps	2004-GE-T4-0005-ABQCC	97.053	11/14/2005	4/15/2006	40,318
					<u>40,318</u>
Homeland Security Grant Program					
Pass Through - New Mexico Dept. of Public Safety					
Homeland Security Grant	2005-GE-T5-0012-ALB	97.067	11/1/2005	3/31/2007	53,497
					<u>53,497</u>
Metropolitan Medical Response System					
Direct					
MMRS Fiscal Year Program Support	EMW-2004-GR-0792	97.071	10/1/2004	6/30/2006	148,158
					<u>148,158</u>
National Explosives Detection Canine Team Program					
Direct					
TSA National Explosives Detection Canine Team	DTSA20-03-H-00973	97.072	2/15/2002	2/15/2007	150,000
					<u>150,000</u>
Total Department of Homeland Security					<u>\$ 2,606,941</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 94,027,725</u>

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2006

NOTE A SIGNIFICANT ACCOUNTING POLICY

The accompanying schedule of federal awards is prepared on the accrual basis of accounting.

NOTE B SUBRECIPIENTS OF GRANT AWARDS

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants			
2006 calendar year grant			
Alb Health Care Homeless-Residential Program	B-06-MC-35-0001	14.218	94,000
Law Access NM	B-06-MC-35-0001	14.218	16,457
Greater Alb Housing Partnership	B-06-MC-35-0001	14.218	78,405
Sawmill Comm Land Trust	B-06-MC-35-0001	14.218	66,293
American Red Cross	B-06-MC-35-0001	14.218	229,127
SW Creations Collaborative	B-06-MC-35-0001	14.218	20,500
Women's Comm. Assoc.	B-06-MC-35-0001	14.218	64,100
Alb Health Care Homeless/Dental	B-06-MC-35-0001	14.218	59,200
Alb Health Care Homeless/Hotel Voucher	B-06-MC-35-0001	14.218	13,987
United South Broadway Corp.	B-06-MC-35-0001	14.218	73,038
Alb. Rape Crisis Center	B-06-MC-35-0001	14.218	55,565
All Faith's Receiving Home	B-06-MC-35-0001	14.218	47,450
Barrett House Shelter	B-06-MC-35-0001	14.218	11,750
Cuidano Los Ninos Day Care	B-06-MC-35-0001	14.218	9,441
Comm Dental	B-06-MC-35-0001	14.218	119,850
			<u>959,163</u>
2005 calendar year grant			
Metropolitan Homelessness Project	B-05-MC-35-0001	14.218	500,000
Law Access NM	B-05-MC-35-0001	14.218	33,760
Greater Alb Housing Partnership	B-05-MC-35-0001	14.218	65,730
Sawmill Comm Land Trust	B-05-MC-35-0001	14.218	64,076
Mid Rio Grande Amer Red Cross	B-05-MC-35-0001	14.218	243,946
SW Creations Collaborative	B-05-MC-35-0001	14.218	11,348
United South Broadway Corp.	B-05-MC-35-0001	14.218	91,807
Cuidano Los Ninos	B-05-MC-35-0001	14.218	2,800
			<u>1,013,467</u>
2004 calendar year grant			
Greater Abq. Housing Partnership	B-04-MC-35-0001	14.218	229,000
Cuidano Los Ninos	B-04-MC-35-0001	14.218	100,613
			<u>329,613</u>
2003 calendar year grant			
Cuidano Los Ninos	B-03-MC-35-0001	14.218	100,000
			<u>100,000</u>
2002 calendar year grant			
United South Broadway Corp.	B-02-MC-35-0001	14.218	45,328
VSA Arts of NM	B-02-MC-35-0001	14.218	166,101
			<u>211,429</u>
2001 calendar year grant			
VSA Arts of NM	B-01-MC-35-0001	14.218	99,500

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2006

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
Emergency Shelter Grant Program			
2005 calendar year grant			
Barrett Foundation	S-05-MC-35-0001	14.231	20,000
St. Martin's Hospitality Center	S-05-MC-35-0001	14.231	145,868
Good Shepherd Center	S-05-MC-35-0001	14.231	63,000
Albuquerque Rescue Mission	S-05-MC-35-0001	14.231	<u>130,693</u>
			359,561
2004 calendar year grant			
Albuquerque Rescue Mission	S-04-MC-35-0001	14.231	<u>33,986</u>
Supportive Housing Program			
Ciudando Los Ninos	NM02B400007	14.235	171,372
Barrett Foundation	NM02B400011	14.235	71,311
Catholic Charities	NM02B400011	14.235	134,882
St. Martin's Hospitality	NM02B400011	14.235	208,382
Women's Community Association	NM02B400011	14.235	184,882
Cuidano Los Ninos	NM02B500010	14.235	22,660
Barrett Foundation	NM02B500012	14.235	11,975
Catholic Charities	NM02B500012	14.235	35,478
St. Martin's Hospitality	NM02B500012	14.235	45,302
Women's Community Association	NM02B500012	14.235	<u>39,011</u>
			925,255
Shelter Plus Care			
Transitional Living Services	NM-02-C400016	14.238	148,503
Albuquerque Healthcare for the Homeless	NM-02-C400015	14.238	246,502
St. Martin's Hospitality Center	NM-02-C400015	14.238	245,375
Transitional Living Services	NM-02-C500016	14.238	50,662
Albuquerque Healthcare for the Homeless	NM-02-C500017	14.238	93,147
St. Martin's Hospitality Center	NM-02-C500017	14.238	<u>84,165</u>
			868,354
HOME Investment Partnerships Program			
Transitional Living Services	M-05-MC-35-0209	14.239	213,000
Albq Mental Health	M-05-MC-35-0209	14.239	311,718
ABQ Housing	M-04-MC-35-0209	14.239	888,695
Trumbull Village	M-04-MC-35-0209	14.239	3,124,600
Greater ABQ Housing	M-03-MC-35-0209	14.239	59,472
Sawmill Community Landtrust	M-02-MC-35-0209	14.239	64,640
Independent Living Resource Center	M-01-MC-35-0209	14.239	<u>38,464</u>
			4,700,589
Total U.S. Department of Housing and Urban Development			<u>\$ 9,600,917</u>

CITY OF ALBUQUERQUE, NEW MEXICO
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2006

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

Grantor Agency / Grant Title and Subrecipients	Grant Number- Federal or State	Federal CFDA Number	Pass-through Grant Amount
U.S. Department of Justice			
Edward Bryne Memorial State & Local Law Enforcement Discretionary Grants			
Local Law Enforcement Block Grant Program			
District Attorney's Office	2003-LB-BX-1966	16.592	19,327
Executive Office for Weed and Seed			
Westside Weed and Seed			
APD-3160642	2005-WS-Q5-0060	16.595	31,573
District Attorney's Office-3160643	2005-WS-Q5-0060	16.595	7,443
Nancy Sanchez-3160644	2005-WS-Q5-0060	16.595	10,000
UNM Institute of Social Research - 3160645	2005-WS-Q5-0060	16.595	6,610
Bernalillo County Sheriff's Office -3160646	2005-WS-Q5-0060	16.595	46,099
Bernalillo County Sheriff's Office -3160646	2004-WS-Q4-0017	16.595	28,691
APD, Memorandum of Understanding	2004-WS-Q4-0017	16.595	28,672
Nancy Sanchez	2004-WS-Q4-0017	16.595	9,996
			169,084
Eastside Weed & Seed			
APD-3160632	2005-WS-Q5-0059	16.595	76,720
District Attorney's Office-3160633	2005-WS-Q5-0059	16.595	7,443
Nancy Sanchez-3160634	2005-WS-Q5-0059	16.595	10,000
UNM Institute of Social Research - 3160635	2005-WS-Q5-0059	16.595	6,610
APD, Memorandum of Understanding	2004-WS-Q4-0016	16.595	52,985
Nancy Sanchez	2004-WS-Q4-0016	16.595	9,996
			163,754
Total U.S. Department of Justice			\$ 352,165
U.S. Department of Health and Human Services			
Special Program for the Aging Title III, Part D			
Older American Program/Title III, Part D			
Curtis Graff	2006-01	93.043	46,996
Share Your Care-Adult Day Care	2006-01	93.043	629,904
Share Your Care-Ponderosa	2006-01	93.043	88,830
UNM College of Nursing-GEHM Clinic	2006-01	93.043	31,281
Senior Citizens Law Office	2006-01	93.043	337,668
Professional Home Health Care	2006-01	93.043	125,364
Heritage Home Healthcare	2006-01	93.043	176,008
Premier Home Healthcare	2006-01	93.043	108,518
			1,544,569
Special Program for the Aging Title III, Part D			
Disease Prevention and Health Promotion Services			
UNM College of Nursing-GEHM Clinic	2005-01	93.043	29,722

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2006

NOTE B SUBRECIPIENTS OF GRANT AWARDS, continued

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging Title III, Part E			
Senior Citizens Law Office	2005-01	93.044	118,000
Professional Home Health Care	2005-01	93.044	10,969
Heritage Home Health Care	2005-01	93.044	14,740
Premier Home Health Care	2005-01	93.044	9,495
Share Your Care - Adult Day Care	2005-01	93.044	47,650
Total			200,854
Special Programs for the Aging Title III, Part E			
Curtis Graff	2005-01	93.052	46,996
Professional Home Health Care	2005-01	93.052	2,834
Heritage Home Healthcare	2005-01	93.052	4,314
Premier Home Healthcare	2005-01	94.052	2,453
Share Your Care-Adult Day Care	2005-01	93.052	19,667
Share Your Care-Ponderosa	2005-01	93.052	41,661
Total			117,925
Centers for Medicare and Medicaid Services			
Research, Demonstrations and Evaluations			
Health Insurance and Benefits Assistance			
Senior Citizens Law Office	06-624-2000-0163	93.779	80,000
Substance Abuse and Mental Health Services			
Enhancement of City's Assesment/Treatment Svcs.			
UNM Health Science Center /TCE Medical	4 H79 TI12750-03-2	93.243	257,668
Eligio R. Padilla	4 H79 TI12750-03-2	93.243	31,052
UNM Office of Research Services			11,512
			300,232
Head Start			
Early Head Start FY 06			
Cuidando Los Ninos Day Care	06CH7016/04	93.600	130,000
Youth Development Inc.	06CH7016/04	93.600	269,067
Catholic Charities	06CH7016/04	93.600	148,000
			547,067
Total U.S. Department of Health and Human Services			\$ 2,820,369
TOTAL ALL PROGRAMS			\$ 12,773,451

CITY OF ALBUQUERQUE, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2006

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

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

Total expenditures per Schedule of Expenditures of Federal Awards		\$ 94,027,725
Loans and loan guarantees:		
Community Development Block Grant	14.218	1,820,078
HOME program	14.239	<u>643,184</u>
Adjusted total expenditures per Schedule of Expenditures of Federal Awards		<u>\$ 96,490,987</u>

CITY OF ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2006

	Expenditures		
	Federal	Non-Federal	Total
General Fund	\$ 926,659	\$ 371,164,139	\$ 372,090,798
Special Revenue Funds:			
Community Development	4,230,261	650,947	4,881,208
Operating Grants Fund	18,984,699	13,925,124	32,909,823
Metropolitan Redevelopment Fund	-	168,652	168,652
Law Enforcement Protection	121,169	2,249,509	2,370,678
Culture and Recreation Projects	-	830,980	830,980
Total Special Revenue Funds	<u>23,336,129</u>	<u>17,825,212</u>	<u>41,161,341</u>
Capital Projects Funds:			
Capital Acquisition Fund	16,445,890	124,453,039	140,898,929
Transportation Infrastructure Tax Fund	-	16,425,075	16,425,075
Total Capital Projects Funds	<u>16,445,890</u>	<u>140,878,114</u>	<u>157,324,004</u>
Enterprise Funds:			
Airport Fund	14,413,628	41,299,193	55,712,821
Transit Fund	14,035,539	26,903,988	40,939,527
Housing Authority Fund	23,966,469	3,330,387	27,296,856
Total Enterprise Funds	<u>52,415,636</u>	<u>71,533,568</u>	<u>123,949,204</u>
Component Unit:			
Water Utility	<u>903,411</u>	<u>124,518,302</u>	<u>125,421,713</u>
TOTAL	<u>\$ 94,027,725</u>	<u>\$ 725,919,335</u>	<u>\$ 819,947,060</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2006

FDS Line Item No.	N/C S/R Section 8 SR0004	Low Rent Public Housing	Section 8 Moderate Rehabilitation MR0002
ASSETS			
Current assets:			
111	\$ 1,053	\$ 9,481,827	\$ 618
115	-	-	-
113	-	281,198	-
100	<u>1,053</u>	<u>9,763,025</u>	<u>618</u>
Accounts Receivable:			
121	-	-	-
122	19,068	-	-
124	-	112,776	-
125	-	3,150	-
126	-	246,722	-
Allowance for Doubtful Accounts:			
126.1	-	(107,058)	-
126.2	(471)	-	-
120	<u>18,597</u>	<u>255,590</u>	<u>-</u>
132	-	-	-
142	-	-	-
143	-	134,762	-
143.1	-	(6,738)	-
144	<u>41,907</u>	<u>2,089,809</u>	<u>38,413</u>
150	<u>61,557</u>	<u>12,236,448</u>	<u>39,031</u>
Property and equipment:			
161	-	3,767,389	-
162	-	50,950,459	-
163	-	-	-
164	21,209	691,091	12,449
166	(21,209)	(39,924,051)	(12,449)
167	-	-	-
160	<u>-</u>	<u>15,484,888</u>	<u>-</u>
174	-	-	-
180	<u>-</u>	<u>15,484,888</u>	<u>-</u>
190	<u>\$ 61,557</u>	<u>\$ 27,721,336</u>	<u>\$ 39,031</u>

<u>Section 8 Moderate Rehabilitation MR0003</u>	<u>Residential Opportunity and Supportive Services</u>	<u>Section 8 Housing Choice Vouchers</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ 618	\$ -	\$ 3,079,727	\$ -	\$ 12,563,843
-	-	-	-	-
-	-	102,280	-	383,478
<u>618</u>	<u>-</u>	<u>3,182,007</u>	<u>-</u>	<u>12,947,321</u>
-	-	2,925	-	2,925
-	5,123	-	36,947	61,138
-	-	-	-	112,776
890	-	192,113	-	196,153
-	-	-	-	246,722
-	-	-	-	-
-	-	-	-	(107,058)
<u>(419)</u>	<u>-</u>	<u>(192,113)</u>	<u>-</u>	<u>(193,003)</u>
<u>471</u>	<u>5,123</u>	<u>2,925</u>	<u>36,947</u>	<u>319,653</u>
-	-	-	-	-
-	2,121	-	13,267	15,388
-	-	-	-	134,762
-	-	-	-	(6,738)
<u>46,582</u>	<u>-</u>	<u>10,751,228</u>	<u>39,541</u>	<u>13,007,480</u>
<u>47,671</u>	<u>7,244</u>	<u>13,936,160</u>	<u>89,755</u>	<u>26,417,866</u>
-	-	-	-	3,767,389
-	-	-	-	50,950,459
-	-	-	-	-
12,449	-	163,171	151,120	1,051,489
(12,449)	-	(98,772)	(41,239)	(40,110,169)
-	-	-	1,629,031	1,629,031
<u>-</u>	<u>-</u>	<u>64,399</u>	<u>1,738,912</u>	<u>17,288,199</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>64,399</u>	<u>1,738,912</u>	<u>17,288,199</u>
<u>\$ 47,671</u>	<u>\$ 7,244</u>	<u>\$ 14,000,559</u>	<u>\$ 1,828,667</u>	<u>\$ 43,706,065</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2006

FDS Line Item <u>No.</u>	<u>N/C S/R Section 8 SR0004</u>	<u>Low Rent Public Housing</u>	<u>Section 8 Moderate Rehabilitation MR0002</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current liabilities:			
311	\$ -	\$ -	\$ -
312	-	166,982	-
321	-	294,936	-
322	189	83,172	111
Accounts payable:			
341	-	169,483	-
342	-	-	4,624
348	-	87,910	-
345	-	49,996	-
346	28	-	17
347	47,363	1,467,602	27,800
310	<u>47,580</u>	<u>2,320,081</u>	<u>32,552</u>
351	Long-term Debt, Net of Current - Capital Projects/ Mortgage Revenue Bonds		
	-	759,836	-
353	Noncurrent liabilities - other		
	-	543	-
350	Total Noncurrent Liabilities		
	<u>-</u>	<u>760,379</u>	<u>-</u>
300	Total Liabilities		
	<u>47,580</u>	<u>3,080,460</u>	<u>32,552</u>
Fund Equity:			
Contributed capital:			
508.1	Invested in Capital Asset, Net of Related Debt		
	-	14,637,142	-
512.1	Unrestricted Net Assets		
	<u>13,977</u>	<u>10,003,734</u>	<u>6,479</u>
513	Total fund equity		
	<u>13,977</u>	<u>24,640,876</u>	<u>6,479</u>
600	TOTAL LIABILITIES AND FUND EQUITY		
	<u>\$ 61,557</u>	<u>\$ 27,721,336</u>	<u>\$ 39,031</u>

<u>Section 8 Moderate Rehabilitation MR0003</u>	<u>Residential Opportunity and Supportive Services</u>	<u>Section 8 Housing Choice Vouchers</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 39,541	\$ 39,541
-	-	-	28,046	195,028
-	5,123	-	8,901	308,960
111	2,121	61,506	13,267	160,477
-	-	-	-	169,483
4,812	-	735,314	-	744,750
-	-	-	-	87,910
-	-	-	-	49,996
17	-	8,689	-	8,751
27,800	-	11,436,938	-	13,007,503
<u>32,740</u>	<u>7,244</u>	<u>12,242,447</u>	<u>89,755</u>	<u>14,772,399</u>
-	-	-	-	759,836
-	-	102,280	-	102,823
-	-	102,280	-	862,659
<u>32,740</u>	<u>7,244</u>	<u>12,344,727</u>	<u>89,755</u>	<u>15,635,058</u>
-	-	-	1,738,912	16,376,054
14,931	-	1,655,832	-	11,694,953
14,931	-	1,655,832	1,738,912	28,071,007
<u>\$ 47,671</u>	<u>\$ 7,244</u>	<u>\$ 14,000,559</u>	<u>\$ 1,828,667</u>	<u>\$ 43,706,065</u>

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2006

FDS Line Item No.	N/C S/R Section 8 SR0004	Low Rent Public Housing	Section 8 Moderate Rehabilitation MR0002
Operating revenues:			
703	\$ -	\$ 1,755,436	\$ -
705	-	1,755,436	-
706	36,515	1,427,419	22,459
706.1	-	-	-
711	195	312,945	130
714	90	-	-
715	90	189,376	-
700	36,890	3,685,176	22,589
Operating expenses:			
911	3,306	222,596	2,204
912	26	8,750	18
914	(14)	3,284	(9)
915	1,408	94,590	939
916	759	161,340	589
921	-	279,703	-
923	-	116,597	-
924	-	-	-
931	-	312,853	-
932	-	176,215	-
933	-	191,388	-
938	-	146,711	-
Ordinary Maintenance and Operations:			
941	-	526,254	-
942	-	298,171	-
943	-	693,990	-
945	-	220,909	-
952	-	-	-
961	181	189,856	125
962	-	1,569	-
964	-	124,675	-
966	-	-	-
967	-	29,396	-
969	5,666	3,798,847	3,866
970	31,224	(113,671)	18,723
Non operating expenses:			
973	29,533	-	18,968
974	-	1,653,417	-
Total non operating expenses:			
	29,533	1,653,417	18,968
900	35,199	5,452,264	22,834
1010	-	-	-
Excess (Deficiency) of			
1000	\$ 1,691	\$ (1,767,088)	\$ (245)

Section 8 Moderate Rehabilitation MR0003	Residential Opportunity and Supportive Services	Section 8 Housing Choice Vouchers	Public Housing Capital Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,755,436
-	-	-	-	1,755,436
22,224	53,352	21,007,526	341,936	22,911,431
-	-	-	1,055,038	1,055,038
130	-	63,998	-	377,398
20	-	46,736	-	46,846
20	-	48,308	-	237,794
22,394	53,352	21,166,568	1,396,974	26,383,943
2,204	37,483	1,094,191	78,234	1,440,218
18	-	8,689	-	17,501
(9)	-	(4,662)	-	(1,410)
939	15,869	466,079	33,615	613,439
589	-	302,964	158,260	624,501
-	-	-	-	279,703
-	-	-	-	116,597
-	-	-	37,782	37,782
-	-	-	-	312,853
-	-	-	-	176,215
-	-	-	-	191,388
-	-	-	-	146,711
-	-	-	-	526,254
-	-	-	-	298,171
-	-	-	-	693,990
-	-	-	-	220,909
-	-	-	34,045	34,045
125	-	60,434	-	250,721
-	-	(1)	-	1,568
-	-	-	-	124,675
-	-	2,843	-	2,843
-	-	50	-	29,446
3,866	53,352	1,930,587	341,936	6,138,120
18,528	-	19,235,981	1,055,038	20,245,823
18,390	-	19,019,559	-	19,086,450
-	-	41,391	29,485	1,724,293
18,390	-	19,060,950	29,485	20,810,743
22,256	53,352	20,991,537	371,421	26,948,863
-	-	-	-	-
\$ 138	\$ -	\$ 175,031	\$ 1,025,553	\$ (564,920)

CITY OF ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
ALBUQUERQUE PUBLIC HOUSING AUTHORITY
Year Ended June 30, 2006

FDS Line Item No.	N/C S/R Section 8 SR0004	Low Rent Public Housing	Section 8 Moderate Rehabilitation MR0002
1102	Debt Principal Payments - Enterprise Funds	-	-
1103	Beginning Equity	12,474	22,959,149
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	(188)	3,448,815
1113	Maximum Annual Contributions Commitment (Per ACC)	17,447	-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-
1115	Contingency Reserve, ACC Program Reserve	232,844	683,950
1116	Total Annual Contributions Available	250,291	711,033
1120	Unit Months Available	144	11,424
1121	Number of Unit Months Leased	142	11,206

<u>Section 8 Moderate Rehabilitation MR0003</u>	<u>Residential Opportunity and Supportive Services</u>	<u>Section 8 Housing Choice Vouchers</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
-	-	-	-	-
14,505	-	1,546,757	3,343,647	27,888,241
288	-	(65,956)	(2,630,288)	747,686
27,036	-	21,744,470	-	21,816,036
-	-	-	-	-
139,143	-	393,888	-	1,449,825
<u>166,179</u>	<u>-</u>	<u>22,138,358</u>	<u>-</u>	<u>23,265,861</u>
<u>84</u>	<u>-</u>	<u>46,812</u>	<u>-</u>	<u>58,548</u>
<u>78</u>	<u>-</u>	<u>46,812</u>	<u>-</u>	<u>58,309</u>

MOSS ADAMS LLP

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

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial
Statements Performed in Accordance With
*Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Albuquerque, New Mexico (City), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated July 2, 2007. We have also audited the budgetary comparisons, and financial statements for each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds as supplementary information as of and for the year ended June 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 02-21, 05-10, 06-01, 06-02, 06-03, 06-05, 06-06, 06-08, 06-09, 06-10, 06-11, 06-12, 06-13, 06-16 and 06-17.

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 01-17, 05-01, 05-13, 05-12, 06-04, 06-07, and 06-15.

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

This report is intended solely for the information and use of management, the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Mess Adams LLP

Albuquerque, New Mexico
July 2, 2007

MOSS ADAMS LLP

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

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

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

Compliance

We have audited the compliance of the City of Albuquerque, New Mexico (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of

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

noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 01-18, 06-14, and 06-15.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants, caused by error or fraud, that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Mess Adams LLP

Albuquerque, New Mexico
July 2, 2007

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? _____ Yes x No
- Reportable condition(s) identified that are not considered to be material weakness(es)? x Yes _____ None Reported

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Reportable condition(s) identified that are not considered to be material weakness(es) x Yes _____ None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133? x Yes _____ No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
66.001	Air Pollution
93.600	Early Head Start
14.218	CDBG
14.239	Home
14.871	Section 8
97.036	State of NM

Dollar threshold used to distinguish between type A and type B programs \$ \$2,820,832
 Auditee qualified as low-risk auditee? x Yes _____ No

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

01-17 Budget Overspending

Condition. The budget was overspent at the program level in several departments. We have been informed that this overspending was viewed as a means to improve the long-term budgeting process. The following funds were overspent:

General Fund– (Legislator Coordinator)	\$ 21,500
General Fund– (Explora Science Center)	185
General Fund– (Strategic Support PR)	7,531
General Fund– (CIP Library)	525
General Fund- (Albuq. Care & Control)	96,650
Fire Fund	40,236
Open Space Fund	181,434
Urban Enhancement Fund	83,773

Criteria. Per ordinances Section 2-11-12 ROA 1994 expenditures are to be within budgeted amounts.

Cause. Several programs in various funds were overspent as budget adjustments were not approved prior to spending.

Effect. Overspending of the budget occurred which violates City ordinances.

Recommendation. Overspending of the budget is not to occur. We recommend that all budget adjustments be approved prior to spending and budget to actual reviews be made timely.

Management Response. The City has made a conscious decision to report actual program expenditures. In order to minimize and monitor overspending, the City produces quarterly expenditure reports and provides the information to the Departments and the Office of Internal Audit and Investigation. The Office of Internal Audit and Investigation uses the information to produce quarterly expenditure reports to the City Council. This process has shown a successful track record of reducing the number of programs overspent at the end of the year. In Fiscal Year 2000, 79 programs were overspent. In 2006, the number was reduced to 8. The OMB will continue to use the information on overspending to budget correctly and the quarterly projections to convince the departments to alter their behavior to avoid an over expenditure.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

02-21 Capital Assets Inventory

Condition. The City performed a physical inventory of buildings in 2003 and a physical inventory of equipment and other assets in 2006 in order to comply with GASB 34. Based on the physical inventory, the City recorded \$20,000,000 in deletions during 2006. The physical inventory noted several departments in which deletions may not be accurate. For example, during our capital assets testwork for the Aviation Department, we noted that supporting documentation for \$817,845 of the \$1,145,968 in deletions could not be provided.

Criteria. As of June 30, 2002, GASB 34 was required to be implemented for the City, which requires that capital assets be reported in the basic financial statements. The physical inventory revealed some additional steps and verification of assets remaining.

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

Cause. The completion of a physical inventory the size of the City is a large project and is dependent on proper information provided by the departments.

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

Management Response. We concur with this finding. The City will provide the necessary resources to complete and verify inventory balances. The City will ensure that Departments retain supporting documentation related to inventory adjustments.

CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

05-01 Travel Procedures

Condition. One of ten T-Card transactions tested was for a meal, which is specifically disallowed in the T-Card policy and for one of ten T-Card transaction tested, the T-01 was not located.

Criteria. City travel policies specifically states that T-Cards are used only for the purchase of hotel/rental car reservations and airfare and must be accompanied by all required supporting documentation.

Cause. The policies and procedures were not followed and are being inconsistently applied.

Effect. This transaction is in violation of the City's travel regulations and is a misuse of T-Cards.

Recommendation. We recommend that the City implement procedures to help ensure that all T-Card purchases are strictly for hotel/rental car reservations and airfare and there be consequences when there is a clear violation of the policy. Further, the review procedures should include a specific step to ensure all required support is attached.

Management Response. We concur with this finding. The departments involved will be instructed as to the City's travel rules and regulations and the requirement to follow them.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

05-10 False Alarm Service Fees

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

- Approximately 77% of receivables are greater than 120 days past due and only minimal, if any, collection efforts have been made.
- Reconciliations of the accounts receivable detail listing and general ledger are not being completed on a regular basis.

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

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

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

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

Management Response. The false alarm unit has improved collection procedures according to Administrative Instruction No. 2-2. The level of collection efforts increased in FY06 and the unit expects to continue improvements in FY07. The false alarm unit reconciles bank information to the false alarm software information and to the general ledger source data on a daily basis. The Department agrees that the information should also be reconciled to the City general ledger when the month end information is available and is implementing procedures to do so. The false alarm revenues not belonging to the Police Department Vehicle/Equipment fund continued to be moved to the general fund consistently and on a timely basis. The false alarm software system does not interface with the City general ledger system, so the adjustments are made manually each quarter.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

05-12 Debt Service Coverage for Golf Bond

Condition. The debt service coverage has not been met for the Golf Series 2001 Bond as of June 30, 2006.

Criteria. According to the covenants of the bond, the debt service coverage requirement is a ratio of 1.50. The debt service coverage as of June 30, 2006 is 1.29.

Cause. Insufficient revenue to comply with coverage requirement.

Effect. The City is not maintaining the debt covenant requirements, which could cause the City to have to repay the bond or bond ratings to be affected.

Recommendation. The City should ensure that the debt covenant requirements are being met.

Management Response. We concur with this finding. The City will review expenditures relative to revenues and make appropriate adjustments to ensure compliance with debt service coverage.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

05-13 Audit Report Due Date

Condition. The report was submitted on July 15, 2007 to the Office of the State Auditor.

Criteria. Per section 2.2.2.9A (1) (d) NMAC Audit Rule 2006, Requirements for Contracting and Conducting Audits of Agencies, annual audit reports are to be received in the Office of the State Auditor on or before December 1st.

Cause. Staff changes.

Effect. The annual audit report was not submitted to the Office of the State Auditor by the due date.

Recommendation. We recommend that the required approval be obtained in advance of the Office of the State Auditor's due date in order to submit the annual report by the due date.

Management Response. We concur with this finding and are taking actions to prevent this situation in the future. The City did notify the State Auditor's Office in writing that staff changes would delay preparation of the report.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-01 Knowledge of Accounting System

Condition. During the current audit, on several occasions, information provided to the auditors was inaccurate. We requested sample ranges to test cash disbursements and journal vouchers and the ranges were either incomplete or unreliable. In both cases, the auditors were informed that the items provided were correct and in both cases, the samples had to be redone to get testwork that would be representative of the whole. Also, since the accounting staff was unable to reconcile all the funds, a contractor had to be used to reconcile funds that are normally maintained by City employees. The City was also behind in the preparation of the monthly bank reconciliations.

Criteria. As part of the audit, expectations are that information provided be reliable. Furthermore, with the size and complexity of the City, reconciling matters should be completed by employees of the City.

Cause. The above situations are a direct result of significant turnover in key positions.

Effect. Information provided yielded false test results since the sample ranges were not representative of the whole population. Tests were required to be completed twice to obtain meaningful results.

Recommendation. All accounting personnel should be required to attend periodic training. This training should specifically address how to use and the various features of the accounting system. In addition, the creation of a “desk guide” that documents how to use and the different features of the accounting system should be considered.

Management Response. The City concurs with this finding, but believes the issues were anomalies and, once identified, were promptly corrected and are not representative of the Accounting Division’s understanding of the City’s accounting systems. Information queries into the City’s financial accounting system can be made with either Cognos or decision support query tools. Accounting personnel throughout the City are proficient in the use of the City’s financial accounting system and with the query and report writing tools that are utilized to obtain data, samples, or other detail financial information. Manuals or desk guides have been and are currently available on how to utilize the various accounting system applications and query tools. The City’s Accounting Division staff has the expertise to reconcile all City funds. Due to staff turnover at fiscal year-end, the City contracted with a former City employee to assist in the reconciliation of one fund under the direct guidance and supervision of City staff.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-02 – Citation Revenues

Condition. During 2006, the police department contracted with a third party vendor to perform functions related to processing fines for red light violations. This contractor provides equipment, processes citations, and collects and submits revenues associated to the citations. However, controls and procedures to help ensure the accuracy and completeness of these revenues are not in place.

Criteria. Sound accounting requires that controls be in place to ensure the accuracy and completeness of revenue transactions.

Cause. There is an over reliance on the contractor for these transactions.

Effect. Due to the lack of controls in this area, the City is unable to determine what revenues should be and if all amounts are submitted to the City.

Recommendation. We recommend that the City design and implement polices and procedures which will help ensure the completeness of revenues and cash collections for red light violations.

Management Response. The City concurs with this finding and will continue to work with the contractor. Controls exist to help ensure the completeness of revenues and cash collection for the photo enforcement program. City APD personnel determine which potential traffic and red light violations cases are submitted to the contractor for billing. All violation fines are remitted by the citizen via the mail to a lockbox account and tests are made to track transfers out of the lockbox account to the City ledger information. Other tests of reasonableness are also conducted. The City will work with the contractor to ensure that the proper billing reports are submitted to the City in a format that can be reconciled by City personnel. Additional fiscal personnel have been hired to track this program.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-03 Pet Licensing Revenues

Condition. The City has contracted with a third party vendor to perform functions related to processing licenses for pet owners. The vendor, in addition to providing licenses, collects and submits revenues to the City. Although the City has access to the vendor's database, we noted that deposit reports do not agree to the database due to the vendor not capturing all information. Therefore, the burden is on the individual purchasing the license to inform the City when a tag is not received. Thus, there are no controls in place allowing the City to ensure that all revenues received by the vendor are submitted to the City or that all licenses purchased are processed properly.

Criteria. Sound accounting requires that controls should be in place to ensure all activity is properly recorded and all collections are made.

Cause. There are no controls in place ensuring that all revenues are properly submitted to the City or that all licenses are processed properly.

Effect. It is possible that the third party vendor could withhold revenues and that individuals purchasing licenses could not receive corresponding tags.

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

Management Response. The City concurs with this finding. The City currently reconciles the revenues as reported to the City's bank account each month. However, the City is working with the Contractor to establish a process that allows the City to more easily reconcile the licenses sold each month between the Contractor report and the ACC's licensing software. There are 'suspense' items (license transactions) that don't post for a variety of reasons, and these now must be manually identified in order to reconcile. The City is planning to write a report which captures the 'suspense' items and use this report to facilitate the reconciliation process.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-04 Travel and Per Diem

Condition. Out of ten travel and per diem transactions tested, there were two instances where the T-01 Travel Authorization Form and one instance where the T-07 Request for Exemption form were not approved before travel took place. This violates the City of Albuquerque policies and procedures. In two out of ten cases tested the T-01 form was not submitted for approval in the appropriate time period. The T-07 form, that allows exemptions from standard hotel rates, was approved after the travel had taken place.

Criteria. City travel regulations policies state that requests (the T-01 form) must be submitted 10 days before the travel date if an advance is required or requested. In addition, the T-07 form for authorization to stay in a hotel with a rate above standard hotel rates must be approved prior to travel.

Cause. The following of the travel policies and procedures is not being enforced at all levels.

Effect. The three items tested above are in violation of the City's travel regulations.

Recommendation. We recommend that additional review procedures be implemented before travel plans are finalized to help ensure compliance to the City's travel policies and procedures and there be consequences with there is a clear violation to the policy.

Management Response. The department involved will be instructed as to the City's travel regulation and the requirement to complete the proper documentation and obtain the proper approval in advance of the travel; however, in certain instances, not all travel is known ten days in advance.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-05 Inventory Accountability

Condition. As part of our physical observation of the transit inventory, we located 6 windshields, yet were unable to find them on the final inventory listing. Upon further review, it was noted that the inventory ID# was incorrect. Once the correct inventory ID# was determined, there was supposed to be 8 windshields on hand. Because of this, we observed a different inventory ID for windshields. This time, the final report listed 0 windshields on hand and we counted 5.

Criteria. Since the City utilizes a perpetual inventory system, the amount of inventory on hand should always match the inventory reports.

Cause. When repairs and maintenance are performed at transit, not all items are checked out of inventory when they are put into use.

Effect. Inventory on hand may be over or under stated. In addition, because of these errors, it makes it difficult to determine reorder points and how many items should be carried in inventory.

Recommendation. Procedures should be in place where it is mandatory to “check out” items before they are able to be taken out of the inventory warehouse.

Management Response. The City concurs with this finding. Transit will implement measures to improve their inventory control processes.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-06 Cash

Condition. We noted about \$680,000 of stale dated checks that should have been either voided or escheated to the State of New Mexico.

Criteria. Sound accounting requires that stale dated checks be voided and eliminated from the reconciliation process. Further, the Public Monies Act requires certain types of checks be escheated to the State of New Mexico.

Cause. Procedures and reviews are not in place that address the outstanding check listing, specifically stale dated checks.

Effect. The City may be understating cash.

Recommendation. Procedures should be implemented and reviews put in place that specifically address items on outstanding check listing

Management Response. The City concurs with this finding. In fiscal year 2006, the City did a review of stale dated checks to determine whether the checks were legal obligations of the City. The City will continue to review stale dated checks as part of the monthly bank reconciliation process.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-07 State Auditor Approval

Condition. The City entered into two professional services contracts with independent public accountants. One contract was for \$17,613.75 and the second for \$5,039. The purpose of the first contract was to assist the accounting department with the new software obtained to compile the CAFR. The second was to review invoices for allowable costs compliance related to the FEMA-Katrina grant. However, both contracts were entered into without the prior written approval of the State Auditor.

Criteria. Section 2.2.2.8.I (3) of NMAC, Requirements for Contracting and Conducting Audits of Agencies, states that “In accordance with Section 12-6-12, NMSA 1978, the agency and independent public accountant shall not enter into any financial, special audit or any other nonaudit service contract without the prior written approval of the State Auditor.”

Cause. The contracts provided to the City had a signature space for the required State Auditor approval. City personnel were under the impression that the independent public accountants were going to obtain the necessary approval from the Office of the State Auditor.

Effect. The City is not in compliance with Section 2.2.2.8.I (3) of NMAC.

Recommendation. The City should obtain prior written approval from the State Auditor before entering into a professional services contract with an independent public accountant.

Management Response. The City will comply with this requirement.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-08 Accounts Receivable

Condition. In several departments, there are accounts receivable balances that are uncollectible. In the General Fund, there are accounts receivable clearing accounts with prior balances from prior years.

Criteria. Good accounting practice and the City's Administrative Instruction No. 2-2 relating to accounts receivable require timely handling of accounts receivable at all stages of the process.

Cause. The City has not been reviewing delinquent accounts receivable on a regular basis nor reconciling accounts receivable clearing accounts in a timely manner.

Effect. The City may be overstating accounts receivable.

Recommendation. The City should review delinquent accounts receivable on a regular basis and reconcile accounts receivable clearing accounts in a timely manner. Accounts receivable that are uncollectible should be written-off in a timely manner.

Management Response. The City is allocating additional staffing resources to assist Departments in researching and resolving aged account receivables balances.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-09 General Fund Cash Imprest Account Reconciliation

Condition. During our cash testwork, we noted that the General Fund Cash Imprest Account has not been properly reconciled.

Criteria. The State Auditor Rule 2.2.2.10 J, Section 12-6-5, NMSA 1978 states that any violation of good accounting practices be included in the annual audit report. Good accounting practices include reconciling cash accounts soon after month-end in order to detect errors or irregularities in a timely manner.

Cause. The General Fund Cash Imprest Account is a petty cash account. The account is also used for the War on Weeds Program. The program is funded through transfers from the General Fund Cash Imprest Account to the Solid Waste Department. The program is reconciled through journal vouchers that record the expenses in the Solid Waste Department and reduce the General Fund Cash Imprest Account for the transfers. Per discussion with the City staff, it appears that the reconciling journal vouchers in prior fiscal years were either not completed or were completed incorrectly. The City has been unsuccessful in obtaining records for the program for prior fiscal years.

Effect. The City may be overstating cash by as much as \$189,951 for the General Fund.

Recommendation. In order to properly reconcile the General Fund Cash Imprest Account, the City should conduct further research on the War on Weeds Program.

Management Response. We concur with this finding. The City will research the cause of the incorrect and missing journal vouchers and complete the reconciliation of the Cash Imprest Account.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-10 Capital Assets Reconciliation

Condition. During our capital asset testwork for several departments, we noted that the listing of capital assets provided by the department does not agree to the citywide capital asset system. We could not determine which listing contained the accurate information.

Criteria. Proper capital asset management requires that departments account for capital asset purchases. This includes supporting retirements of fixed assets with proper documentation and tracking the location and usage of fixed assets. Items that are impaired, salvaged, or transferred should be adjusted out of accounts and records.

Cause. General ledger accounts are not being reconciled to the individual listing of capital assets in the system.

Effect. Capital asset balances may be over or understated. Capital assets may be listed that are not in use or present in the departments. Construction in progress amounts may be capitalized in the funds and not in the fixed asset system.

Recommendation. Items should be identified and reconciled to the City wide capital asset system by the departments. Capital assets should be reconciled to the trial balance.

Management Response. We concur with this finding. The City will ensure that the fiscal year 2007 physical fixed asset inventory reports are properly reconciled to the trial balance.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-11 Donated Infrastructure

Condition. Many of the infrastructure assets, such as streets, storm drains, easements and related right of ways, are constructed by developers and then transferred to the City when completed. The City does not record these assets upon date of acquisition.

Criteria. According to GASB 34, paragraph 18, “donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.

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

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

Recommendation. Policies and procedures should be developed and implemented to ensure that assets transferred to the City from private developers are properly recorded upon the date of donation.

Management Response. We concur with this finding. The City will develop policies and procedures to ensure that donated infrastructure from developers are properly recorded.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-12 Gross Receipts Tax Accrual in Refuse and Joint Water Sewer

Condition. There is an unreconciled difference between what the City reported and paid to the State for June gross receipts tax and the accrual recorded in the general ledger for Refuse and Joint Water Sewer (JWS). At June 30, 2006, Refuse recorded \$125,872 more in gross receipts tax payable in the general ledger than what was reported and paid to the State; and for JWS, \$77,694 more was recorded in the general ledger than what was reported and paid to the State.

Criteria. Good accounting practice and strong internal controls include a reconciliation of general ledger accounts to supporting schedules.

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

Effect. Gross receipts tax in the general ledger may be over stated.

Recommendation. The variance in gross receipts tax should be investigated and resolved. Additionally, account balances should be reconciled to subsidiary ledgers and/or supporting schedules and variances identified investigated and resolved in a timely manner.

Management Response. The City will reconcile the variance between the gross receipt tax accrual and the amount subsequently paid. Based upon the result of the reconciliation, the City will take the necessary corrective action.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-13 Infrastructure Capital Assets Variances

Condition. The City implemented retroactive reporting of its infrastructure capital assets. The reporting of the arroyo easements, detention basins, and the storm lift stations requires additional research and possible adjustment. The arroyo differences that need additional research include approximately \$10,200,000 in unnamed arroyos and costs that need to be determined. The basins include potential additional costs of approximately \$1,600,000. Also a pump station at Alameda was included that is actually maintained by Bernalillo County. In addition, the estimated costs of the storm lift stations will be reviewed in 2007.

Criteria. Good accounting practice requires that capital assets are reconciled, and that proper costs and ownership be determined.

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

Effect. The City may be understating infrastructure capital assets.

Recommendation. The City should reconcile all infrastructure capital assets and determine ownership and estimated costs.

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

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-16 Operating grants fund balance

Condition. There is a remaining fund balance (\$4,260,379) in the Operating Grants fund and the City has not identified the cause and/or source of the fund balance. The Operating Grants Fund is used to account for various grants from federal and state agencies and other sources which are restricted by the granting agency to expenditures for specified purposes (Enactment No. 51-1979).

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

Cause. There has been turnover in the accounting department. Plus, an additional detail review of this fund and other revenue/expense sources is not being performed by management.

Effect. Costs may not be properly recorded. Grantors may subsequently disallow costs if a proper accounting of matching funds, or identification of other sources, is not done.

Recommendation. The source and cause of the fund balance should be identified and procedures put into place that ensures that these funds tracked. An additional review of this fund should be performed by an appropriate member of management.

Management Response. The City Accounting Department will evaluate the methodology utilized for grant accounting to ensure that available fund balances within the grant fund are identified by grant or program.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-17 Capital Asset and Accumulated Depreciation Reconciliation

Condition. There were adjustments and corrections resulting from the Housing Department's reconciliation to correct accumulated depreciation that were not posted by the Department. The City determined in 2006 that the reconciliation likely contained errors. We could not determine if the listing contained accurate information.

Criteria. Proper capital asset management requires that departments account for all purchases, lives, depreciation, location and usage of capital assets.

Cause. General ledger accounts are not being reconciled to the detail listing of capital assets.

Effect. Accumulated depreciation balances may be in error. Additionally, the Financial Data Schedule required by HUD does not agree to the general ledger.

Recommendation. A complete review of each class of capital assets and depreciation and accumulated depreciation be recalculated. Capital asset balances should be reconciled to the trial balance and reported properly on the HUD FDS schedule.

Management Response. The City concurs with this finding. The City Accounting Division will work with the Housing Authority to ensure that the capital assets schedules are properly reconciled to the general ledger account balances.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

**C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD
PROGRAM AUDIT**

**01-18 Federal Claim- U. S. Department of Justice
CFDA#16.710
Universal Hiring Grant**

Condition. The federal government may assess a claim against the City of Albuquerque to recover federal funds that might have been spent for purposes other than adding personnel.

Criteria. When applying for a grant, the applicant should submit accurate information and once the award has been received, the recipient is required to spend the money as directed in the grant document.

Cause. The Department of Justice, who issued the federal grant to the City, is questioning how the grant money was spent. The City of Albuquerque has received the report from the Department of Justice and disagrees with a large portion of the amount the federal agency is questioning.

Effect. It is possible that the City may be disqualified for future Department of Justice grant awards.

Questioned Costs. The original amount in question was \$4,152,447. In response to the federal agency and after a thorough review of the City's records by City personnel, the City has reimbursed the Department of Justice the sum of \$151,636 in the current year and is not anticipating further reimbursement. The City is awaiting final determination from the Department of Justice.

Recommendation. We recommend that the City review information submitted in applications to the Department of Justice and examine procedures for monitoring the COPS grants to ensure that compliance requirements are being adhered to.

Management Response. The City concurs with this finding. The Office of Inspector General and the COPS Office Audit Liaison Division came to an agreement with City APD on an additional six outstanding issues and closed out those items in FY07. The three agencies are actively working to resolve the final eight recommendations.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

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

**06-14 Eligibility – Early Head Start – U. S. Department of Health and Human Services
CFDA#93.600
Grant #06CH7016/04** **Questioned Costs \$2,427**

Condition. As part of our testing of 22 files for eligibility requirements of the Early Head Start Program, the following was noted:

- Five lacked documentation of income verification.
- Income was not recalculated by Program Manager for six participants.
- One file lacked the child's immunization record.
- Five files lacked proof of birth.
- Segregation of duties was not present when determining eligibility in six participant files.
- Two files lacked the Individual Family Partnership Agreement Checklist.
- Three files could not be located for review.

The Early Head Start Program has specific requirements concerning that Federal and Program policies regarding eligibility are not consistently followed.

Criteria. The Early Head Start Program has specific requirements regarding eligibility. The above are instances of non-compliance with those requirements.

Cause. The program's file review and/or approval process is inadequate.

Effect. The program may be granting federal assistance to non-eligible individuals.

Recommendation. It is recommended that the program update the policies for reviewing participant eligibility. The program can also develop a "tickler list" that must be completed for all participants to help ensure all participants are eligible.

Management Response. We concur with the condition that existed for the files that the auditor examined. To remedy these conditions, the Department instituted procedures to track the eligibility requirements mandated under the Early Head Start Performance Standards. There are now three trained individuals who are responsible for insuring the enrollment process is completed in compliance with Head Start performance standards. As a final step, the Early Head Start Director now reviews all applications for accuracy and to ensure that participants are eligible and that the files are complete. Families are then sent a welcome letter if they are accepted into the program.

**CITY OF ALBUQUERQUE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

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

06-15 Late Submission of Required Federal Reports

Condition. The City did not submit a data collection form and reporting package to the United States Office of Management and Budget's (OMB) federal clearinghouse by the required due date of March 30, 2007. In addition, the Public Housing Authority (PHA) did not submit the annual Management Operations Certification (MASS) to the Department of Housing and Urban Development (HUD) in a timely manner.

Criteria. OMB Circular A-133 Section 320 requires that a data collection form and reporting package be submitted to the federal clearinghouse within 30 days after the receipt of the auditor's report, or nine months after the end of the audit period. In addition, Code of Federal Regulations Title 24, Part 902 states that PHAs must submit the annual MASS within 60 days after fiscal year-end.

Cause. The City's audit report was not completed by the required due date as a result of staff changes.

Effect. Non-compliance with the requirements of OMB Circular A-133 and HUD has designated the PHA as "troubled".

Recommendation. It is recommended that the City make every effort to complete the audit report in advance of the OMB data collection form submission deadline. The PHA should submit the annual MASS in a timely manner.

Management Response. We concur with this finding and are taking actions to prevent this situation in the future.

CITY OF ALBUQUERQUE
Status of Prior Year Audit Recommendations
Year Ended June 30, 2006

Reportable Conditions

01-17 Budget Overspending	Revised
02-21 Capital Asset Inventory	Revised
05-01 Travel Procedures	Repeated
05-02 Purchase Cards	Resolved
05-03 Metropolitan Detention Center	Resolved
05-04 Controls Over Purchase Cards (P-Cards)	Resolved
05-05 Solid Waste Inventory	Resolved
05-06 Cash Handling – Albuquerque Bio Park Division (Cultural Services Department)	Resolved
05-07 Payroll Audit – Legal Department	Resolved
05-08 Transit Department Revenue	Resolved
05-09 State Auditor Notification	Resolved
05-10 False Alarms Service Fees (Fund 287)	Revised
05-11 Fixed Assets – Albuquerque Bernalillo County Water Utility Authority	Resolved
05-12 Debt Service Coverage for Golf Bond	Repeated
05-13 Audit Report Due Date	Repeated
01-18 Federal Claim Department of Justice – CFDA #16.710	Repeated
03-18 Reporting Federal Grants	Resolved
05-14 Late Filing on Status Reports Community Development Block Grant – CFDA #14.218	Resolved
05-15 Period of Availability Public Assistance Grant – CFDA #97.036	Resolved
05-16 Grant Expenditures EPA Grant – CFDA #66.001 and 66.034	Resolved

STATE COMPLIANCE

Schedule of Deposits And Investments By Financial Institutions

Schedule of Pledged Collateral By Financial Institutions

Joint Powers Agreements

Exit Conference

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTION
June 30, 2006

Financial Institution: Account name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
Deposits:				
Wells Fargo Bank				
APD Evidence	Checking	\$ 1,643,968	\$ (248)	\$ 1,643,720
APD SID	Checking	80,015	-	80,015
APD SID	Checking	392,279	(41,572)	350,707
APD SID	Checking	-	-	-
Las Cruces Land	Savings	43,117	-	43,117
		<u>2,159,379</u>	<u>(41,820)</u>	<u>2,117,559</u>
Bank of America				
Common Fund	Checking	1,433,572	(719,357)	714,215
Payroll	Checking	-	(570,436)	(570,436)
Accounts Payable	Checking	-	(10,695,093)	(10,695,093)
Water Clearing	Checking	-	(214,211)	(214,211)
Real Property	Checking	363	(363)	-
Employee Health Services	Checking	1,444	-	1,444
Corrections	Checking	275,783	(177,157)	98,626
Water Utility Escrow Deposits	Checking	146,492	-	146,492
		<u>1,857,654</u>	<u>(12,376,617)</u>	<u>(10,518,963)</u>
New Mexico Bank & Trust (all related to The Apartments Fund)				
Candelaria Gardens - Tenant security deposits	Checking	2,312	(1)	2,311
Santa Barbara - Tenant security deposits	Checking	1,171	(1)	1,170
Tucson - Tenant security deposits	Checking	1,201	(1)	1,200
Manzano Vista-Tenant security deposits	Checking	28,234		28,234
Glorieta-Tenant security deposits	Checking	3,006		3,006
Beach-Tenant security deposits	Checking	14,801		14,801
Bluewater-Tenant security deposits	Checking	42,244	-	42,244
		<u>92,969</u>	<u>(3)</u>	<u>92,966</u>
Compass Bank				
Attorney's Cost Advance	Checking	5,944	(5,944)	-
First Community Bank				
Common Fund	Checking	36,824	-	36,824
Water Clearing	Checking	1,007,843	219,626	1,227,469
Housing Authority - Public Housing	Checking	2,992,546	(471,025)	2,521,521
Housing Authority - Section 8	Checking	173,880	(24,890)	148,990
Housing Authority - Section 8	Checking	2,967,765	(34,149)	2,933,616
Housing Authority - Modernization	Checking	-	(39,541)	(39,541)
Housing Authority - Public Housing FSS Escrow	Checking	2,005	(2,005)	-
Housing Authority - Section 8 FSS Escrow	Checking	102,280	(102,280)	-
		<u>7,283,143</u>	<u>(454,264)</u>	<u>6,828,879</u>
Total bank accounts book balance		<u>11,399,089</u>	<u>(12,878,648)</u>	<u>(1,479,559)</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSITS AND INVESTMENTS BY FINANCIAL INSTITUTION
June 30, 2006

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Bank 1st				
Certificate of Deposit	Investment	100,000	-	100,000
Union Savings Bank				
Certificate of Deposit	Investment	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total certificate of deposit balance		<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total bank balances		<u>\$ 11,599,089</u>	<u>\$ (12,878,648)</u>	<u>\$ (1,279,559)</u>
Investments:				
Bank of America				
Short-Term Investment Account	Investment	\$ 548,000,000	\$ -	\$ 548,000,000
Working Capital Account	Investment	188,161,300	(33,923)	188,127,377
State of New Mexico				
Investment Council				
Core Bond Fund	Investment	21,888,798	-	21,888,798
Core Bond Fund	Investment	6,203,235	-	6,203,235
State of New Mexico				
Local Government Investment Pool				
LGIP Fund Pool-4101	Investment	7,172,781	-	7,172,781
New Mexico Bank and Trust				
U.S. Treasury Money Market Fund	Investment	76,086	-	76,086
U.S. Treasury Money Market Fund	Investment	33,625	-	33,625
U.S. Treasury Money Market Fund	Investment	48,683	-	48,683
U.S. Treasury Money Market Fund	Investment	50,182	-	50,182
New Mexico Finance Authority				
New Mexico Local Government Investment Pool	Investment	7,149,242	(5,854,008)	1,295,234
Bank of Albuquerque				
U.S. Treasury Money Market Fund	Investment	715,016	2,769	717,785
U.S. Treasury Money Market Fund	Investment	-	-	-
U.S. Treasury Money Market Fund	Investment	271,383	1,051	272,434
U.S. Treasury Money Market Fund	Investment	188,581	-	188,581
U.S. Treasury Money Market Fund	Investment	473,916	(431,938)	41,978
Wells Fargo Trust in Denver, Colorado				
U.S. Treasury Money Market Fund	Investment	34,353	-	34,353
U.S. Treasury Money Market Fund	Investment	33,150	-	33,150
U.S. Treasury Money Market Fund	Investment	<u>2,595,273</u>	<u>208,575</u>	<u>2,803,848</u>
Subtotal		<u>783,095,604</u>	<u>(6,107,474)</u>	<u>776,988,130</u>
Total investments		<u>\$ 783,095,604</u>	<u>\$ (6,107,474)</u>	<u>\$ 776,988,130</u>

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION
June 30, 2006

Financial Institution Collateral Description	Original Face	Current Face	Current Market	Maturity Date	Coupon Rate
Wells Fargo Bank					
FNCL 867437	\$ 650,000	\$ 648,260	\$ 638,151	05/01/2036	6.00%
FNCL 895631	1,450,000	1,448,572	1,425,983	05/01/2036	6.00%
GNSF 781215	<u>8,515,000</u>	<u>614,899</u>	<u>624,383</u>	09/15/2029	6.50%
		<u>\$ 2,711,731</u>	<u>\$ 2,688,517</u>		
Location of collateral:	Wells Fargo Bank Safekeeping/Custodial Services, San Francisco, CA				
New Mexico Bank & Trust					
Sandoval Cnty NM FSA Insured	\$ 400,000	\$ 400,000	\$ 396,063	08/15/2010	3.60%
Location of collateral:	Commerce Bank, St. Louis, MO				
Bank of America					
U.S. Treasury Note	\$ 67,000	not stated	\$ 64,953	06/15/2009	4.00%
U.S. Treasury Bond	1,795,000	not stated	2,325,389	05/15/2021	8.13%
U.S. Treasury Note	<u>706,000</u>	not stated	<u>686,126</u>	05/15/2008	3.85%
			<u>\$ 3,076,468</u>		
Location of collateral:	Federal Reserve Bank, Richmond VA				
First Community Bank					
FNMA	\$ 75,663	not stated	\$ 75,887	12/01/2007	7.00%
Federal Home Loan Bank	110,000	not stated	106,391	04/01/2008	3.50%
Federal Home Loan Bank	80,000	not stated	77,375	04/01/2008	3.50%
Federal Farm Credit Bank	195,000	not stated	187,567	06/12/2008	3.38%
Federal Home Loan Bank	60,000	not stated	57,075	06/30/2008	2.88%
Federal Home Loan Bank	160,000	not stated	153,600	07/21/2008	3.38%
Federal Home Loan Bank	150,000	not stated	143,859	11/14/2008	3.63%
FNMA	95,000	not stated	97,375	06/15/2009	6.38%
FHLMC	180,000	not stated	174,218	08/15/2014	4.00%
MBS FNMA	251,336	not stated	247,176	10/01/2017	5.50%
FHR 2812 OB	180,000	not stated	177,507	12/15/2023	5.00%
FHR 2857 AH	125,000	not stated	123,170	12/15/2023	5.00%
FHR 2857 AH	125,000	not stated	123,170	12/15/2023	5.00%
GNMA	200,534	not stated	199,686	04/15/2028	6.00%
Federal Home Loan Bank	400,000	not stated	389,500	11/15/2007	3.50%
Federal Home Loan Bank	1,000,000	not stated	973,750	11/15/2007	3.50%
Federal Home Loan Bank	300,000	not stated	292,125	11/15/2007	3.50%
Federal Home Loan Bank	225,000	not stated	219,094	11/15/2007	3.50%
Federal Home Loan Bank	25,000	not stated	24,180	04/01/2008	3.50%
Federal Home Loan Bank	500,000	not stated	484,065	04/23/2008	3.63%
Federal Farm Credit Bank	340,000	not stated	327,039	06/12/2008	3.38%
Federal Farm Credit Bank	825,000	not stated	793,551	06/12/2008	3.38%
Federal Home Loan Bank	400,000	not stated	384,000	07/21/2008	3.38%
Federal Home Loan Bank	235,000	not stated	225,600	07/21/2008	3.38%
Federal Home Loan Bank	500,000	not stated	483,125	08/15/2008	3.75%
Federal Home Loan Bank	360,000	not stated	340,088	12/30/2008	3.05%
Federal Home Loan Bank	1,500,000	not stated	1,430,160	02/13/2009	3.50%
MBS FNMA 10-YR	58,018	not stated	55,699	10/01/2013	4.50%
Clovis NM Mun SD 1	700,000	not stated	668,528	08/01/2017	3.80%
FHR 2857 AH	<u>170,000</u>	not stated	<u>167,511</u>	12/15/2023	5.00%
	<u>\$ 9,525,551</u>		<u>\$ 9,202,071</u>		
Location of collateral:	Federal Home Loan Bank, Dallas TX				
Total all banks			<u>\$ 15,363,119</u>		

CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL BY FINANCIAL INSTITUTION
June 30, 2006

The collateral for the repurchase agreements is as follows:

Financial Institution Collateral Description	Original Face	Current Face	Current Market	Maturity Date	Coupon Rate
Bank of America					
City of Albuquerque Common Fund					
FHLB Discount Note	\$ 50,000,000	\$ 48,407,000	\$ 49,375,000	09/22/2006	5.10%
FHLB Discount Note	50,000,000	48,407,000	49,375,000	09/22/2006	5.10%
FHLB Discount Note	50,000,000	48,407,000	49,375,000	09/22/2006	5.10%
FHLB Discount Note	50,000,000	48,407,000	49,375,000	09/22/2006	5.10%
FHLB Discount Note	50,000,000	48,407,000	49,375,000	09/22/2006	5.10%
FHLB Discount Note	50,000,000	48,407,000	49,375,000	09/22/2006	5.10%
Fannie Mae Discount Note	50,000,000	49,020,000	50,000,000	07/16/2007	5.10%
Fannie Mae Discount Note	50,000,000	49,020,000	50,000,000	07/16/2007	5.10%
Fannie Mae Discount Note	50,000,000	49,020,000	50,000,000	07/16/2007	5.10%
Fannie Mae Discount Note	50,000,000	49,019,000	50,000,000	07/16/2007	5.10%
Fannie Mae Discount Note	50,000,000	48,712,000	49,750,000	10/06/2008	5.10%
Fannie Mae Discount Note	13,105,000	12,767,000	13,039,475	10/06/2008	5.10%
	<u>563,105,000</u>	<u>548,000,000</u>	<u>559,039,475</u>		
102% collateral requirement			<u>558,960,000</u>		
Collateral in excess (deficit) of requirement			<u>\$ 79,475</u>		

Location of collateral: Federal Reserve Bank, Richmond, VA

The market value shown of the pledged collateral for the common fund repurchase agreement is as of the time of purchase on 6/30/2006

The market value at the close of business on 6/30/2006 was \$ 558,277,773

All pledged collateral is held in the city's name at each financial institution

Directed trades (portfolio investment purchases) are held at the Federal Reserve Bank, Richmond, Virginia in an account separate from the account where the collateral for the common fund repurchase agreement is held

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2006

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
AMAFCA	City of Albuquerque/DFA/ and AMAFCA	Albuquerque and AMAFCA	Provides a wide range of direct and indirect billable services
Area Agency on Aging	City of Albuquerque and the County of Bernalillo	City of Albuquerque	Provide services for older persons as outlined in the Older Americans Act
Benefits Consulting	City of Albuquerque/ Human Resources/ Benefits/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	City and County have entered into an agreement to engage Aon consulting Inc., to perform specified serves regarding health and dental
Bernalillo County Detention	City of Albuquerque/and the County of Bernalillo	City of Albuquerque	Creation of the Metropolitan Detention Center
Bus Services	City of Albuquerque/ Transit/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Performing fixed route bus services
Bus Services/Sun Van	City of Albuquerque/ Transit/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Performing Para transit services to residents in the unincorporated areas of the County
City County Building	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Construct an administrative office building to be used jointly by the City and County
Law Enforcement Center	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Construct an administrative office building for use of additional Police and Sheriff functions
COG	City of Albuquerque/DFA/ and COG	City of Albuquerque and COG	Provides a wide range of direct and indirect billable services
High School Drop out Program	City of Albuquerque and Bernalillo County	City of Albuquerque and the County of Bernalillo	Drop out prevention and associated support services
County of Sandoval	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee dental benefits program for eligible employees

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
September 6, 2001	Ongoing	\$6214 Administrative charges plus payroll processing	\$6214 Administrative	N/A
July 1, 1984	June 30, 2007	\$345,900	\$345,900	City of Albuquerque
August 1, 2003	June 30, 2007	\$115,000	\$123,646	N/A
September 4, 2002	June 30, 2006	Varies	\$24,690,417	N/A
July 1, 2003	June 30, 2007	\$888,372	\$888,372	N/A
July 1, 2003	June 30, 2007	Not to exceed \$244,980	\$201,544	N/A
October 12, 1989	Indefinite	Not specified	\$1,335,409	City of Albuquerque/and the County of Bernalillo
August 5, 1986	Ongoing until terminated by a 6-month notice	Not specified	Total included in the \$1,335,409 above	City of Albuquerque/and the County of Bernalillo
September 6, 2001	Ongoing until terminated by either party	\$34,279 Administrative charges plus payroll	\$34,279 Administrative charges plus payroll	N/A
July 1, 2005	June 30, 2007	\$40,000	\$40,000	City of Albuquerque
July 1, 2003	June 30, 2007	\$18,368	\$18,368	N/A

CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS
June 30, 2006

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
Dental Care Insurance	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee dental benefits program for eligible employees
Environmental Health/Vehicle Pollution Management	City of Albuquerque/and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Household hazardous waste agreement
Environmental Health/Vehicle Pollution Management	City of Albuquerque/and the County of Bernalillo	City of Albuquerque/ and the County of Bernalillo	Biodisease program
GOV TV 16	City of Albuquerque/ Cultural Services/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Use of the government access cable television channel facility
Healthcare Insurance	City of Albuquerque/ Human Resources/ Insurance/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Employee health benefits program for eligible employees
Joint Metropolitan Forensic	City of Albuquerque/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Maintain and manage a joint crime laboratory for the processing, analysis and secured storage of evidence
Metropolitan Forensic Science Center (MFSC)	City of Albuquerque/ Police/and the County of Bernalillo	City of Albuquerque and the County of Bernalillo	Provides police services and certain temporary evidence storage, custody and control services
Middle Rio Grande Conservation	City of Albuquerque/ Human Resources/ Insurance/and the MRGCD	City of Albuquerque and the MRGCD	Employee health benefits program for eligible employees
Municipal Development	City of Albuquerque/and the NM State Highway and Transportation Department	City of Albuquerque	Construction of a trail from the Rio Grande to 6th Street along I-40

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
July 1, 2003	June 30, 2007	\$16,400	\$16,400	N/A
July 1, 2004	June 30, 2007	\$483,000	\$483,000	City of Albuquerque
July 1, 2004	June 30, 2007	\$94,000	\$94,000	City of Albuquerque
July 1, 2003	June 30, 2007	Annual limit \$50,000	\$18,322	N/A
July 1, 2003	June 30, 2007	\$49,200	\$49,200	N/A
October 14, 1999	June 30, 2008	\$12,000,000	\$640,513.00	City of Albuquerque
July 1, 2003	June 30, 2007	\$25,000	\$25,000	N/A
July 1, 2003	June 30, 2007	\$3,673	\$3,673	N/A
March 6, 2000	June 30, 2004	\$400,000	\$100,000	City of Albuquerque

CITY OF ALBUQUERQUE, NEW MEXICO

JOINT POWERS AGREEMENTS

June 30, 2006

<u>Joint Powers Agreement</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>
Municipal Development	City of Albuquerque/and the NM State Highway and Transportation Department	City of Albuquerque	Bicycle Travel Demand Management Program
Town of Bernalillo Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and the Town of Bernalillo	City of Albuquerque and the Town of Bernalillo	Employee health benefits program for eligible employees
Unified Library System	City of Albuquerque/City of Rio Rancho/Village of Tijeras/Village of Los Ranchos/and the County of Bernalillo	City of Albuquerque/ City of Rio Rancho/ Village of Tijeras/ Village of Los Ranchos/ and the County of Bernalillo	Provide well-balanced collections of books and other media for residents
Valley Storm Drainage	City of Albuquerque/ AMAFCA/MRGCD/and the County of Bernalillo	City of Albuquerque/ AMAFCA/MRGCD/ and the County of Bernalillo	Planning, design, construction and maintenance of flood control and drainage projects
Village of Corrales Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and the Village of Corrales	City of Albuquerque and the Village of Corrales	Employee health benefits program for eligible employees
Village of Cuba Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and the Village of Cuba	City of Albuquerque and the Village of Cuba	Employee health benefits program for eligible employees
Village of Los Ranchos Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and the Village of Los Ranchos	City of Albuquerque and the Village of Los Ranchos	Employee health benefits program for eligible employees
Village of Tijeras Health and Dental	City of Albuquerque/ Human Resources/ Insurance/and Village of Tijeras	City of Albuquerque and the Village of Tijeras	Employee health benefits program for eligible employees
Youth Development Inc.	City of Albuquerque/Bernalillo County/Youth Development Inc.	City of Albuquerque and Bernalillo County	Provides GED preparation and instruction

<u>Beginning Date</u>	<u>Ending Date</u>	<u>Project Amount</u>	<u>Current Year Contributions</u>	<u>Audit Responsibility</u>
April 20, 2000	June 30,2008	\$848,682	\$632,002	City of Albuquerque
July 1, 2003	June 30, 2007	\$1,837	\$1,837	N/A
October 19,1993	Ongoing until terminated by 60-day notice	Not specified	\$1,138,925	City of Albuquerque/ City of Rio Rancho/ Village of Tijeras/ Village of Los Ranchos/ and the County of Bernalillo
February 11, 1999	November 11, 2004	Not specified	Unknown	City of Albuquerque/ AMAFCA/ MRGCD/and the County of Bernalillo
July 1, 2003	June 30, 2007	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2007	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2007	\$1,837	\$1,837	N/A
July 1, 2003	June 30, 2007	\$1,837	\$1,837	N/A
July 1, 2005	June 30, 2006	\$25,000	\$25,000	City of Albuquerque

CITY OF ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
June 30, 2006

An exit conference was held on May 24, 2007, and attended by the following:

CITY Personnel:

Sally Mayer
City Council Member

Gail Reese
Chief Finance Officer

Tanda Meadors
Director of Finance and Administrative Services

Gregory Stricklin
Accounting Officer

Debbie Dombroski
Accounting Manager, Financial Reporting

Stephanie Yara
Assistant Accounting Officer

Moss and Adams Personnel:

Wayne Brown
Partner

Valerie Allen
Partner

Amy Carter
Audit Senior Manager