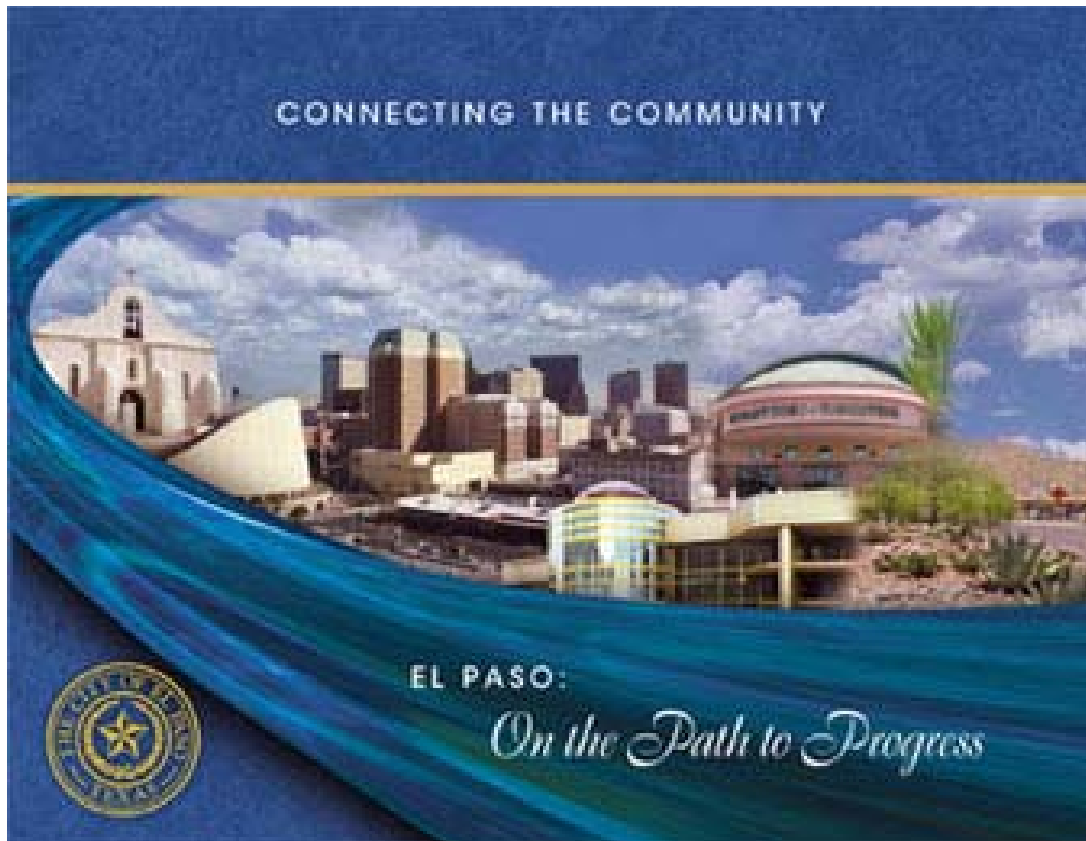


Comprehensive Annual Financial Report



City of El Paso, Texas
For the Fiscal Year Ended
August 31, 2006

City of El Paso, Texas

Comprehensive Annual Financial Report For the Fiscal Year Ended August 31, 2006

Prepared by Financial Services Department

CITY OF EL PASO, TEXAS
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 YEAR ENDED AUGUST 31, 2006
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INTRODUCTORY SECTION



JOHN COOK
MAYOR

Joyce Wilson
CITY MANAGER



CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
J. ALEXANDRO LOZANO, DISTRICT 3
MELINA CASTRO, DISTRICT 4
PRESI ORTEGA, JR., DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

OFFICE OF THE CITY MANAGER

July 5, 2007

Mayor John Cook
City Council Members and
Citizens of the City of El Paso

We submit the City of El Paso, Texas (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2006. This report was prepared by the City's staff and audited by the firm of KPMG LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

Section 7.21 of the City Charter requires an annual audit by an independent certified accountant of all City accounts. The CAFR is the summary of the City's activities for the past fiscal year. We believe this CAFR is accurate in all material aspects; that it presents fairly the financial position and results of operations of the City measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

This report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organization chart and a list of principal officials. The financial section includes the auditors' report on the financial statements and schedules, Management's Discussion and Analysis (MD&A), Government-wide and Major Fund presentations, Notes to the Financial Statements, Required Supplementary Information and combining and individual fund statements and schedules. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A can be found immediately following the report of the independent auditors on page xvii. The statistical section includes selected unaudited financial and demographic information generally presented on a multi-year basis.

The City's management is responsible for establishing and maintaining internal controls designed to provide reasonable assurance that the assets of the government are protected from loss, theft or misuse, and that reliable accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. A goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatements.

Additionally, because the City receives federal and state assistance, it is responsible for ensuring adequate internal control is in place to comply with applicable laws, regulations, contracts and grants related to those programs. A separate report, including a schedule of expenditures of federal and state financial assistance, findings and questioned costs and the independent auditors' report on compliance and on internal control over financial reporting is issued.

The City's Internal Auditor's Office reports directly to the City Manager. The internal auditor's primary responsibility is measuring and evaluating the effectiveness of the accounting and administrative controls. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by Federal depository insurance or collateralized. All collateral on deposits is held either by the City's agent or by the depository's safekeeping department, as pledged to the City, while awaiting transfer to joint custodial account at the Federal Reserve Bank. The City's investment policy follows the provisions outlined in Texas statutes.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Debt Service Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund, activity, and object (a summarization of specific categories of expenditure type). The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriation and encumbrance balances lapse at year end. However, these commitments are generally re-appropriated and honored during the subsequent year through a budget revision.

GENERAL INFORMATION

Location

El Paso is located in far west Texas on the international boundary between the United States and the Republic of Mexico. Situated on the Rio Grande River, the City straddles the lowest altitude all-weather pass through the Rocky Mountains. It is approximately equidistant from the cities of Houston, Texas; Denver, Colorado; and Los Angeles, California. The area comprising the City of El Paso (estimated population – 624,365), the remainder of El Paso County (estimated population – 130,720) and Ciudad Juarez, Mexico (estimated population - 1,563,973) has a population in excess of 2.3 million. El Paso is the fifth largest city in Texas and the largest American city on the border with Mexico. The City’s corporate limits encompass approximately 247.4 square miles. The City of El Paso, Texas, incorporated in 1873, operates under a Home Rule Charter with a Council-Manager form of government.

The City provides a full range of services to the general public. These services include police and fire protection; emergency medical and health services; sanitation services; public transportation; construction and maintenance of streets and infrastructure; recreational activities; and cultural events.

Financial Reporting Entity

The financial statements presented in this report conform to the reporting requirements of the Governmental Accounting Standards Board (GASB), which establishes combined statements as the required reporting level for governmental entities that present financial statements in accordance with GAAP.

The basic criterion for determining whether another governmental organization should be included in a primary governmental unit’s reporting entity is accountability. Accountability includes the appointment of a voting majority of the organization’s governing body and the ability of the primary government to impose its will on the organization or the existence of a financial benefit/burden relationship (an organization which is fiscally dependent on the primary government should be included as part of the reporting entity).

These financial statements present the City of El Paso (the primary government and its component unit). The following component units, although legally separate from the City, are reported as part of the primary government:

El Paso Water Utilities

The component unit column in the entity wide financial statements (pages 1 and 2) includes the financial data of the City’s component unit, El Paso Water Utilities (EPWU). City Council appoints the majority of the Public Service Board and is accountable for its operation. EPWU is reported discretely in a separate column as “Component Unit – El Paso Water Utilities”.

City Employees’ Pension Fund

The City contributes to the City Employees’ Pension Fund which is a single-employer defined benefit retirement system established under legal authority of the City Charter and administered by the City. Although not under the direct control of the City, the City Employees’ Retirement Fund serves only City and Public Service Board employees and, because of the scope of service, is included in the City’s financial statements as a Pension Trust Fund.

Firemen and Policemen’s Pension Fund (FPPF)

Uniformed fire fighters and police officers participate in the FPPF, which is divided into two divisions: the firemen division and policemen division. The plan is a single-employer defined benefit retirement plan established under legal authority of State Statutes and the City Charter and is administered by a Board of Trustees (FPPF Board). Although not under the direct control of the City, the FPPF serves only City employees and, because of the scope of service, is included in the City’s financial statements as a Pension Trust Fund.

Debt Administration

During the fiscal year, the City issued \$56,350,000 in general obligation bonds and \$20,000,000 in commercial paper. At August 31, 2006, the City had \$478,855,000 of debt issues outstanding for which property taxes may be levied for principal and interest payments. These issues include \$303,150,000 of general obligation bonds, \$99,500,000 of commercial paper and \$76,205,000 of certificates of obligation. Additionally, the City has \$40,103,689 in revenue bonds and notes payable for which airport, bridge system and solid waste disposal system revenues are pledged to make principal and interest payments. For more detailed information about the City's general long-term debt see Note 8 to the financial statements.

As voted by the citizens, there remained \$196,655,000 of bonds authorized but not issued available for sale as of August 31, 2006. City Council approved the issuance of \$100,000,000 in commercial paper notes to serve as interim financing until general obligation refunding bonds are issued. The City has issued commercial paper notes in the principal amount of \$100,000,000 as of August 31, 2006.

The debt service property tax rate during the report period was \$0.188306 per \$100 of assessed value. In 2006, the total rate remained the same as the 2005 rate of \$0.696677. The total tax rate for fiscal years 2002 through 2004 had remained constant at \$0.719833. The 2006 operating tax rate of \$.508371 remains well within the \$1.85 tax rate limit established by the City Charter.

The City has obtained, through purchase of insurance, an "AAA" rating from Standard and Poor's and "Aaa" rating from Moody's Investors Service in its last two bond issuances.

Pension Trust Funds Operations

Two pension and retirement funds exist for the employees of the City. They are the City Employees' Retirement Plan (CEPF) and the Firemen and Policemen's Pension Funds (FPPF), which is comprised of two divisions - Firemen Division and Policemen Division. Mellon Trust Company is the custodian for all pension plan assets. An independent audit of each of the pension funds has been completed and separate reports have been issued.

The CEPF's most recent actuarial study is dated September 1, 2006 and indicates the actuarially computed value of benefits exceed fund assets by \$97,370,000. The City has increased both the employee and City contributions in order to correct this under-funding.

The FPPF's most recent actuarial study is dated January 1, 2006 and indicates the actuarially computed value of benefits exceed fund assets by \$317,987,000. The City will issue Pension Obligation Bonds in order to correct this under-funding.

More detailed pension information is available in Note 14 to the financial statements and pension schedules in the Required Supplementary Information other than MD&A.

Risk Management

The City retains the risk for its general liability, police officers' liability, workers' compensation, unemployment compensation, group health, and auto liability. The City's liability for causes of action based on tort is limited by the Texas Tort Claims Act to \$250,000 per person injured or \$500,000 per incident and \$100,000 for property damage. Generally, however, there is no liability limit for causes of action based on claims for Civil Rights violations or claims arising from a breach of contract. Excluded from self-insurance are Mass Transit vehicles, liability insurance for the Airport, police auto liability and certain other catastrophic liability occurrences. Property, casualty, boiler and machinery insurance is provided by a commercial carrier.

FINANCIAL CONDITION

The City of El Paso is positioned to take advantage of tremendous growth as a result of the Military Base Realignment and Closure (BRAC) process completed in late 2005. Over 20,000 new troops and 30,000 accompanying family members are projected to become part of the City population during the next four years. The resulting seven percent increase in population will be in addition to an already healthy normal growth projection. The increase in population will spur substantial demand driven growth in all portions of the service and retail sectors of the economy.

The maquiladora industry in Ciudad Juarez and the surrounding Mexican states have achieved renewed interest and growth. As a result, greater numbers of Mexican workers are being employed and thus higher levels of expendable income are being generated. In addition, the opportunities for international trade are increased as greater demand for “just in time” manufacturing materials and components are generated on both sides of the border.

El Paso-Juarez border crossings by passenger vehicle are the highest anywhere on the U.S./Mexican Border. In excess of 13 million individuals cross into the U.S. at El Paso from Mexico each year, many of which come to El Paso for retail, recreation and entertainment purposes. As the employment and wages grow on the Mexican side of the border, so do the opportunities for greater sales revenues in El Paso.

As of August 2006, 272,488 persons were employed within the El Paso Metropolitan Statistical Area out of a total labor force of 292,658 persons. The resulting unemployment rate was 6.9 percent, a decline of .1 percent from August 2005. Notable gains in employment took place in the professional and business services, retail and education/health services sectors.

Strategic planning efforts are underway within the City and the region in an effort to appropriately focus economic development and workforce efforts to attract new businesses, while expanding and retaining the current business base. The City of El Paso launched the Business First! Program in 2005 to connect existing businesses with a network of over 25 business service providers.

The Mayor and Council have established and prioritized long-term strategic policy goals and City staff is in the process of formulating feasible action plans in order to achieve these goals. Both community resources and improvement in the City’s internal operation and culture have been incorporated in these goals. Goals identified include:

- Fiscal Policies – To ensure long-term financial stability and sustainability of the City Government
- Customer Service – To be a high-performing, customer-focused organization
- Community Development – To become the most livable city in the United States and to be recognized as an “international city”
- Economic Development – To become the city with the lowest unemployment rate and highest per capita wages in the United States
- Citizen Involvement – To facilitate opportunities for citizens to be involved in local government
- Transportation – To establish a comprehensive transportation system

Given the population growth attributable to the BRAC Process, continued steady normal population growth patterns and focused business attraction and expansion efforts, the economic outlook for El Paso’s future is extremely bright. Through effective strategic planning and management of resources, the City will be positioned to meet its growing service demands while maintaining a solid financial foundation and achieving its vision of “establishing El Paso as the premier community of the Southwest”.

AWARDS AND ACKNOWLEDGEMENTS

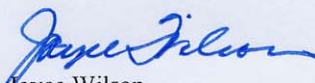
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Paso for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2005. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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.

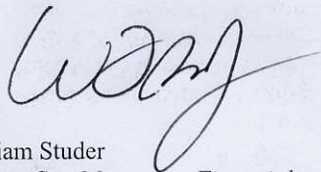
The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the employees of the Department of the Comptroller. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Additionally, the effort of the City's component unit (El Paso Water Utilities) and their external auditors is appreciated.

We would also like to thank the Mayor, City Council and City Department Directors for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

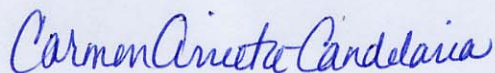
Respectfully submitted,



Joyce Wilson
City Manager



William Studer
Deputy City Manager – Financial and Administrative Services



Carmen Arrieta-Candelaria
Chief Financial Officer/Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Paso
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 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.



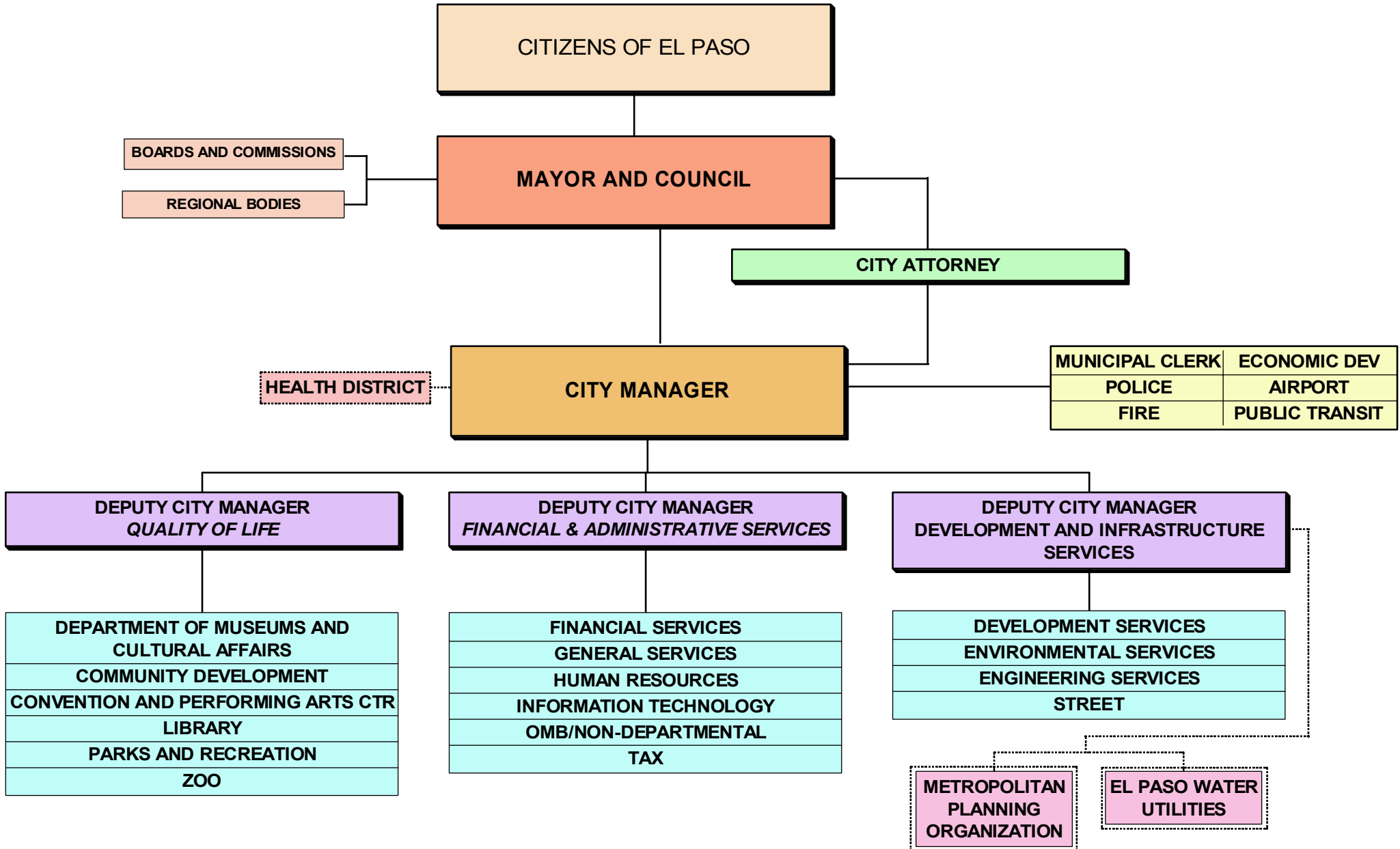
A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF EL PASO



LIST OF PRINCIPAL OFFICIALS

JOHN COOK

MAYOR

ANN MORGAN LILLY

DISTRICT NO. 1

PRESI ORTEGA, JR.

DISTRICT NO. 5

SUSANNAH M. BYRD

DISTRICT NO. 2

EDDIE HOLGUIN, JR.

DISTRICT NO. 6

J. ALEXANDRO LOZANO

DISTRICT NO. 3

STEVE ORTEGA

DISTRICT NO. 7

MELINA CASTRO

DISTRICT NO. 4

BETO O'ROURKE

DISTRICT NO. 8

JOYCE WILSON

CITY MANAGER

PAT ADAUTO

DEPUTY CITY MANAGER - DEVELOPMENT AND INFRASTRUCTURE SERVICES

DEBORAH HAMLYN

DEPUTY CITY MANAGER - QUALITY OF LIFE

WILLIAM STUDER

DEPUTY CITY MANAGER - FINANCIAL AND ADMINISTRATIVE SERVICES

DEPARTMENT DIRECTORS

Patrick Abeln

El Paso International Airport

Yolanda Alameda

Museums and Cultural Affairs

Charles McNabb

City Attorney

Robert Galvan, M.D.

El Paso City/County Health Dept.

Alan R. Shubert

Development Services

William Lilly

Community Development

Carmen Arrieta-Candelaria

Financial Services

Kathy Dodson

Economic Development

vacant

Engineering Services

Roberto Rivera

El Paso Fire Department

Jeffrey Belles

General Services

Linda Thomas

Human Resources

Gerald Gordier

Information Technology

Carol Brey-Casiano

El Paso Public Library System

Richarda Duffy-Momsen

Municipal Clerk

Ed Achuleta

El Paso Water Utilities

Roy Gilyard

Metropolitan Planning Organization

David R. Almonte

Office of Management and Budget

Norman C. Merrifield

Parks and Recreation

Steve Marshall

El Paso Zoo

Richard Wiles

El Paso Police Department

Juan Sandoval

Tax

Ellen A. Smyth

Environmental Services

Daryl Cole

Streets

Tim Omick

Sun Metro-Public Transit

FINANCIAL SECTION





KPMG LLP
Suite 700
Two Park Square
6565 Americas Parkway NE
PO Box 3990
Albuquerque, NM 87190

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
City of El Paso, Texas:

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 El Paso, Texas (the City), as of and for the year ended August 31, 2006, which collectively comprise the City's basic financial statements 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 did not audit the financial statements of the Public Service Board – City of El Paso (El Paso Water Utilities), which represents 100% of the assets and revenues of the discretely presented component unit in the accompanying statement of net assets and statement of activities. We did not audit the financial statements of the Firemen and Policemen's Pension Fund (FPPF), a component unit, which represents 51.3% of the assets of the aggregate remaining fund information. The financial statements of El Paso Water Utilities and of FPPF were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for El Paso Water Utilities and FPPF, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the City Employees' Pension Fund and FPPF were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of August 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 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 Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages xii through xxx, the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on page 68, and the Schedule of Funding Progress on page 69 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors 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 statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

June 26, 2007

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2006

As management of the City of El Paso (City), we offer readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2006. This document is designed to:

- Provide a concise overview of the City's financial activity, comparing current year to prior year and identifying specific economic factors contributing to changes;
- Help users of the financial statements understand the relationship of the results reported in the government-wide financial statements related to governmental activities and the results reported in the major governmental funds financial statements;
- Help the reader focus on the City's financial condition as a whole, describing currently known facts, decisions or conditions expected to impact the City's financial condition and the availability of fund resources for future years; and
- Identify significant variances between the adopted budget, final budget and actual expenditures, discussing the impact of these variances on future liquidity.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities and resulting changes, it should be considered in conjunction with the letter of transmittal and the City's financial statements. The information contained in these three sections of this Comprehensive Annual Financial Report (CAFR) complements each other.

FINANCIAL HIGHLIGHTS

- ◆ On a government-wide basis, the Primary Government total assets exceeded its liabilities at August 31, 2006 by \$403.2 million. There is a \$50 million unrestricted net asset deficit.
- ◆ The Primary Government's total net assets decreased by \$17,594. Governmental activities decreased net assets by \$10.2 million and increases from business-type activities totaled \$10.2 million. The Primary Government's total expenses were \$17,594 more than the \$532.8 million generated in charges for services, grants, taxes and other revenues. The Primary Government's Net Pension Obligation increased \$15.3 million to \$76.5 million in fiscal 2006.
- ◆ The cost of the Primary Government's governmental activities was \$415.8 million for the 2006 fiscal year.
- ◆ As of August 31, 2006, the City's governmental funds reported combined ending fund balances of \$74.6 million, an increase of \$8.2 million compared with the prior year. Approximately 68.3% of the combined fund balances or \$51 million is unreserved, undesignated and available for the discrete purposes for which these funds are collected.
- ◆ The unreserved, undesignated fund balance in the General Fund was \$14.8 million or 5.8% of total General Fund current year expenditures.
- ◆ The activities of the Health District, previously reported in the General Fund, are reported as Special Revenue Fund – Health District in 2006.
- ◆ In fiscal year 2006, the City issued \$76.4 million in debt to finance projects. There was a net increase of \$61.7 million in long-term liabilities from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR includes introductory, financial and statistical sections. The financial section of the CAFR consists of three components: this discussion and analysis, the basic “liftable” financial statements and related notes to the financial statements, and the unaudited required supplementary information.

These components of the Comprehensive Annual Financial Report are graphically illustrated below:

CAFR	Introductory Section	Letter of Transmittal, Organization Chart, Other Introductory Information			
	Financial Section	Management's Discussion and Analysis			
		Government-Wide Financial Statements	Fund Financial Statements		
		Statement of Net Assets	Governmental Funds	Proprietary Funds	Fiduciary Funds
			Balance Sheet	Statement of Net Assets	Statement of Fiduciary Net Assets
		Statement of Activities	Statement of Revenues	Statement of Revenues, Expenses and Changes in Fund Net Assets	Statement of Changes in Fiduciary Net Assets
	Expenditures and Changes in Fund Balances		Statement of Cash Flows		
Notes to the Financial Statements					
Required Supplementary Information Other Than MD&A					
Statistical Section	Other Statistical Information				

The basic financial statements include both government-wide and fund financial statements. These statements differ in scope, measurement focus and basis of accounting, as well as in the information provided. The following chart illustrates these differences:

	Government-Wide Statement	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services	The day-to-day operating activities of the City for business-type enterprises	Instances in which the City administers resources on behalf of others, such as property tax and pension
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus; except agency funds do not have measurement focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial statements are designed to resemble those of private-sector entities in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The *Statement of Net Assets* is designed to provide asset and liability information with the difference between the two presented as Net Assets. This statement combines governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

Component Units, which are other governmental units over which City Council, acting as a group, can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as individual activities in the Fund Financial Statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Units.

The *Statement of Activities* is focused on both the gross and net cost of various functions (including governmental, business-type and component unit) supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the costs of various governmental services and/or subsidies to various business-type activities and/or component units.

Governmental Activities reflect the City's basic services, including police, fire, public works and community services. Property and sales taxes finance the majority of these services.

Business-type Activities reflect private sector type operations (Solid Waste, Airport, International Bridges and Mass Transit), where fees for services typically cover all or most of the cost of operations, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is based upon compliance with finance-related legal requirements underlying each fund. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how cash and other financial assets can readily be converted as available resources, as well as on the balances at the end of the fiscal year 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 operations.

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 Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous governmental funds, as needed, to insure proper accountability. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Development

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Block Grants Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the remaining Special Revenue funds are combined into a single column, titled Other Governmental Funds. Individual fund data for each of these non-major governmental funds is provided following the required supplementary information in the form of combining financial statements and schedules. These fund financial statements follow the basic financial statements in this CAFR.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers—either outside customers or internal cost centers of the City. Proprietary funds provide a more detailed report of the same type of information as shown in the government-wide financial statements. The City maintains 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 its airport, mass transit, sanitation and international bridge operations.
- Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal services funds to account for its employee health benefits and welfare programs, risk management, fleet services, printing and mail services. As these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide separate information for the enterprise funds (i.e., El Paso International Airport, Solid Waste Management and Sun Metro (Mass Transit)) since they are considered major funds of the City. Because the International Bridges fund is the only remaining enterprise fund, it is being presented separately even though it does not meet the criteria of a major fund established in GASB Statement No. 34. All internal service funds are combined into a single aggregated presentation on the proprietary fund financial statements. Individual fund data for the internal services funds is provided in the form of combining statements and schedules.

While the total column on the business-type fund financial statements for enterprise funds is the same as the business-type column on the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the City, individuals, private organizations or other governmental entities. Fiduciary funds include both trust and agency type funds. Trust fund statements allow the City to present its blended component unit, the City employee's pension trust fund, as well as other private purpose trusts. Agency funds include tax office collections on behalf of the other taxing entities. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent discretionary resources of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

Notes to the Financial Statements

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

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Required Supplementary Information

In addition to the basic financial statements and accompanying notes, the CAFR also presents certain required supplementary information. These schedules include the budgetary comparison and information concerning the City's funding of its pension benefit's obligation.

Other Information

Following the required supplementary information are additional schedules such as the combining statements referred to above in connection with non-major governmental funds, internal service funds and fiduciary funds and schedules of expenditures for capital projects.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Comparative information for the current and preceding year is presented below:

Condensed Schedule of Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 184,919	182,915	94,618	85,011	279,537	267,926
Capital assets	593,676	542,830	254,537	256,474	848,213	799,304
Total assets	<u>778,595</u>	<u>725,745</u>	<u>349,155</u>	<u>341,485</u>	<u>1,127,750</u>	<u>1,067,230</u>
Other liabilities	28,156	30,292	8,178	7,197	36,334	37,489
Long-term liabilities	607,962	542,753	80,210	83,727	688,172	626,480
Total liabilities	<u>636,118</u>	<u>573,045</u>	<u>88,388</u>	<u>90,924</u>	<u>724,506</u>	<u>663,969</u>
Net assets:						
Invested in capital assets, net of related debt	140,935	130,003	217,502	215,570	358,437	345,573
Restricted	68,733	59,197	26,038	23,722	94,771	82,919
Unrestricted	(67,192)	(36,500)	17,227	11,269	(49,965)	(25,231)
Total net assets	<u>\$ 142,476</u>	<u>152,700</u>	<u>260,767</u>	<u>250,561</u>	<u>403,243</u>	<u>403,261</u>

Analysis of the City's Net Assets

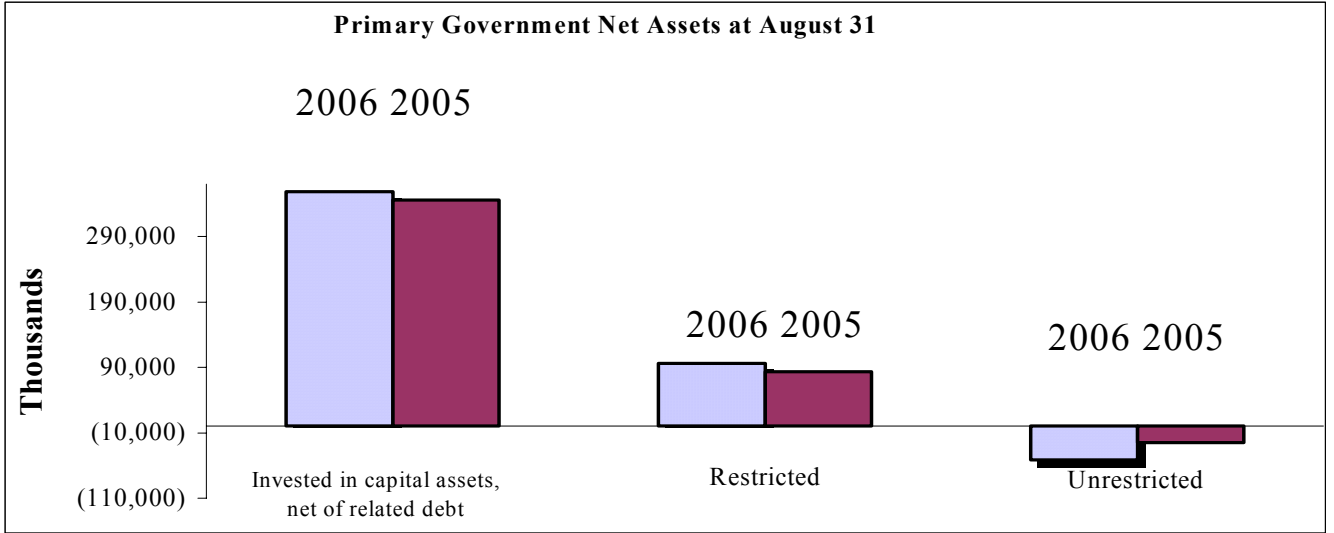
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of El Paso, assets exceeded liabilities by \$403.2 million at August 31, 2006.

The largest portion of the City's net assets, 88.9%, reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those 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 the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets, 23.8%, represents resources that are subject to external restrictions on how they may be used. These restricted net assets include reserves for debt service, reserves for amounts restricted by other funding agencies, as well as a \$16 million cash reserve required by the City Charter. Restricted net assets increased 15.7% over the prior year.

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Generally, all net assets generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net assets showed a \$67.1 million deficit at the end of this year. This deficit indicates that the City has long-term commitments that exceed its net capital assets.



Unrestricted net assets in business-type activities totaled \$17.2 million, increasing \$6 million from 2005.

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Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended August 31, 2006. Governmental activities decreased the City of El Paso's net assets by \$10.2 million offset by an increase in the business-type activities of the City of \$10.2 million resulting in a net asset decrease of \$17,5945.

Condensed Schedule of Changes in Net Assets
August 31
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 55,258	54,337	87,912	80,046	143,170	134,383
Operating grants and contributions	53,903	43,995	15,956	9,864	69,859	53,859
Capital grants and contributions	14,749	10,189	10,994	22,081	25,743	32,270
General revenues:						
Property taxes	149,201	139,461			149,201	139,461
Sales tax	68,074	61,122	29,710	26,680	97,784	87,802
Franchise taxes	37,626	32,868			37,626	32,868
Investment earnings	4,331	2,791	3,326	1,970	7,657	4,761
Gain on disposal of capital assets	1,475		290		1,765	
Total revenues	<u>384,617</u>	<u>344,763</u>	<u>148,188</u>	<u>140,641</u>	<u>532,805</u>	<u>485,404</u>
Expenses:						
Governmental activities:						
General government	32,237	37,971			32,237	37,971
Public safety	202,416	211,656			202,416	211,656
Public works	64,770	62,590			64,770	62,590
Public health	26,017	22,917			26,017	22,917
Parks	18,962	17,325			18,962	17,325
Library	7,156	7,582			7,156	7,582
Culture and recreation	13,084	10,843			13,084	10,843
Community and economic development	31,901	23,449			31,901	23,449
Interest on long-term debt	19,256	15,750			19,256	15,750
Business-type activities:						
El Paso International Airport			33,821	32,203	33,821	32,203
International Bridges			3,921	3,550	3,921	3,550
Solid Waste Management			32,011	15,498	32,011	15,498
Mass Transit			47,271	45,854	47,271	45,854
Total expenses	<u>415,799</u>	<u>410,083</u>	<u>117,024</u>	<u>97,105</u>	<u>532,823</u>	<u>507,188</u>
Excess (deficiency) before transfers	(31,182)	(65,320)	31,164	43,536	(18)	(21,784)
Transfers	<u>20,958</u>	<u>20,540</u>	<u>(20,958)</u>	<u>(20,540)</u>		
Increase (decrease) in net assets	(10,224)	(44,780)	10,206	22,996	(18)	(21,784)
Net assets - September 1	<u>152,700</u>	<u>197,480</u>	<u>250,561</u>	<u>227,565</u>	<u>403,261</u>	<u>425,045</u>
Net assets - August 31	<u>\$ 142,476</u>	<u>152,700</u>	<u>260,767</u>	<u>250,561</u>	<u>403,243</u>	<u>403,261</u>

Program Revenues and Expenses – Governmental Activities

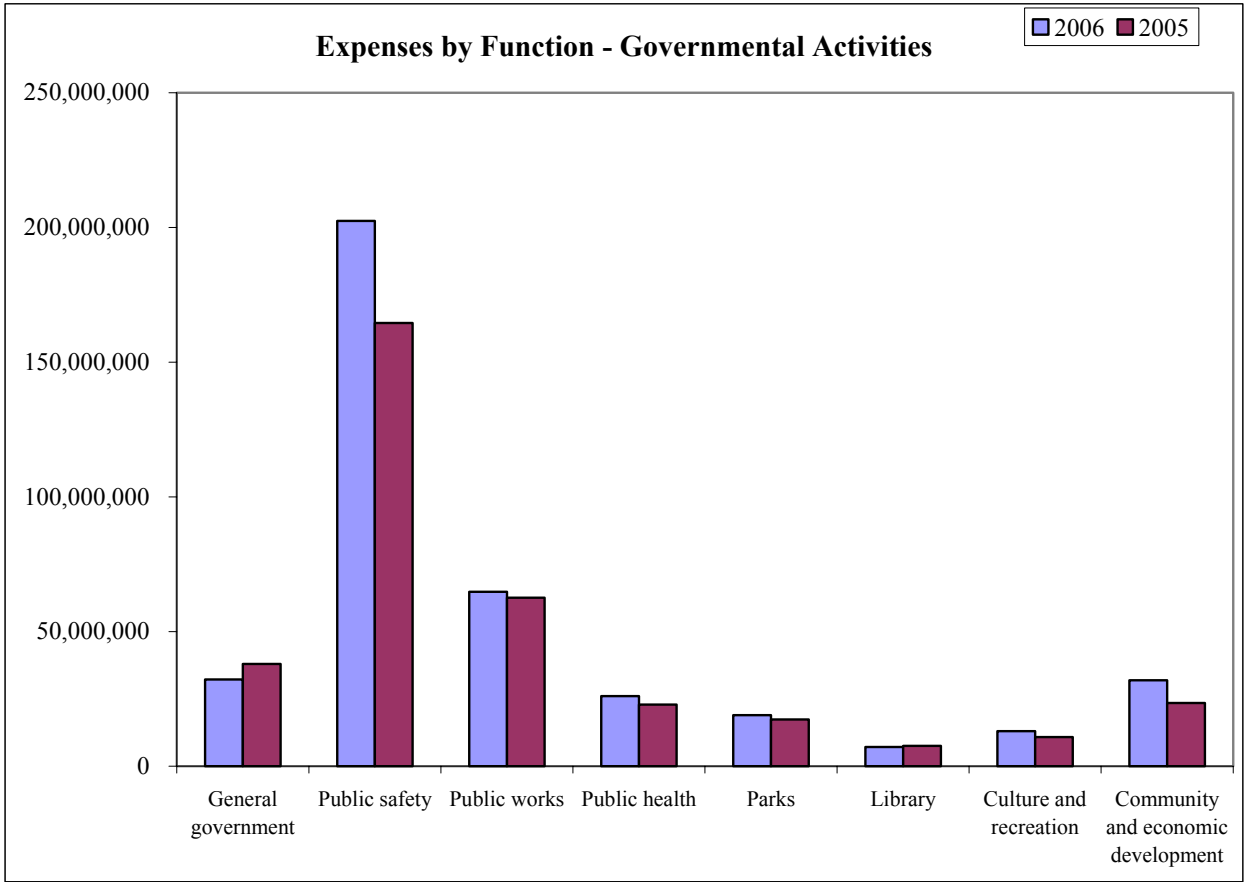
Revenues for governmental activities totaled \$384.6 million, an increase of \$39.8 million or 11.6% from 2005. Taxes, in the form of property, sales and franchise taxes, represent 66.3% of the City's governmental activities revenues and charges for services make up another 14.4% with the remaining funds coming from state and federal aid, interest earnings and other miscellaneous revenues.

The ad valorem tax rate did not change from the 2005 rate of \$.696677 per \$100. Ad valorem taxes increased \$9 million, approximating the increase in the taxable valuation of 6.5%, while associated penalties, interest and collection fee revenues on delinquent taxes increased \$.7 million. Sales taxes increased \$6.9 million or 11.4% because of an increase in taxable sales over 2005. Franchise taxes increased \$4.8 million or 14.5%. The City increased the franchise tax rate on electricity sales to 3.25% in 2006. Operating and capital grants and contributions increased \$14.5 million, including FEMA reimbursements of \$4,643,185 (Hurricanes Katrina and Rita) and Plaza Theatre donations of \$6,752,604.

The cost of programs and services was \$415.8 million, an increase of \$52.8 million or 14.6% from 2005. Personnel expenses increased 2.8% or \$8.4 million. Expenses, restricted by grants and contributions, increased \$10.8 million. The net pension obligation expense increased \$15.3 million. Interest on long-term debt increased \$3.5. Governmental activities cover a range of typical City services and are directly supported by charges for these services, grants and contributions. As illustrated in the following chart, without exception, these revenues are inadequate to support the cost of the services with public safety creating the greatest burden on the taxpayer. Consequently, general revenues cover any net expense after program-specific revenues are applied. These general revenues include taxes, investment earnings and gains on sales of capital assets.

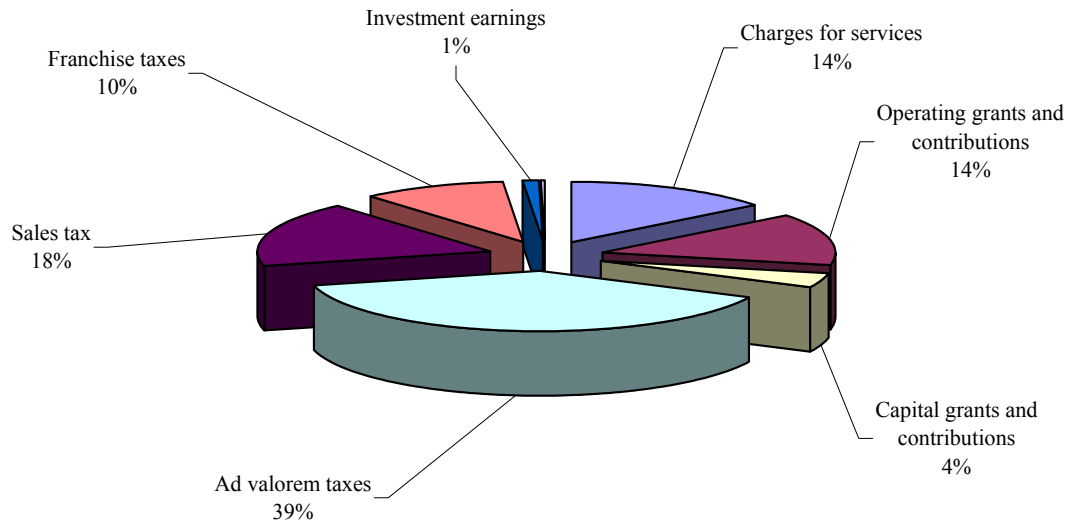
The following chart compares the City's governmental activities expenses to the prior year.

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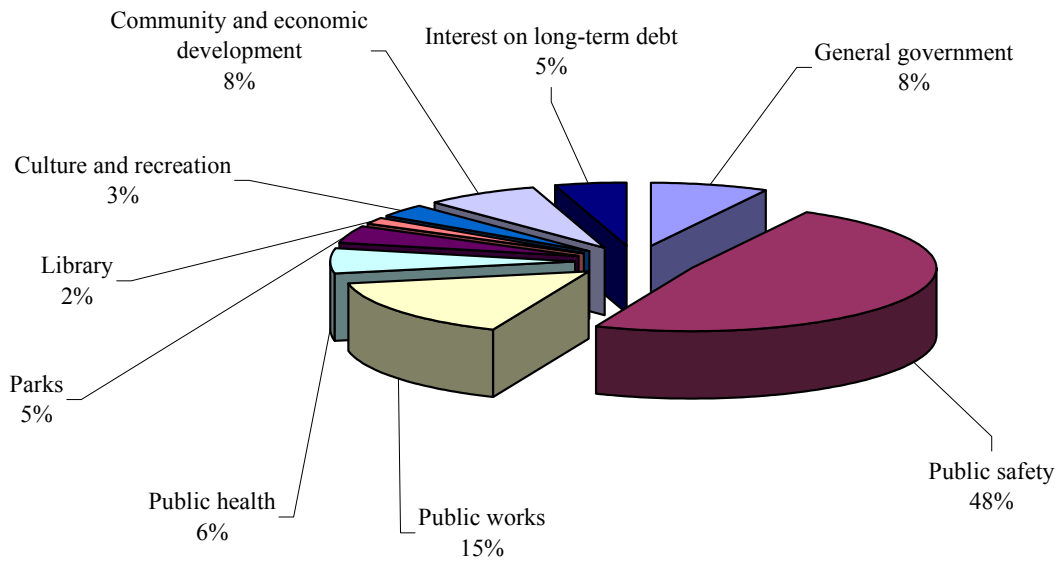


The following charts break down the City's governmental activities revenues by source and expenses by function for the current fiscal year. General revenues such as taxes and investment earnings are not reflected in program revenues but are included in the governmental activities revenues chart to illustrate their significance.

Revenues by Source - Governmental Activities

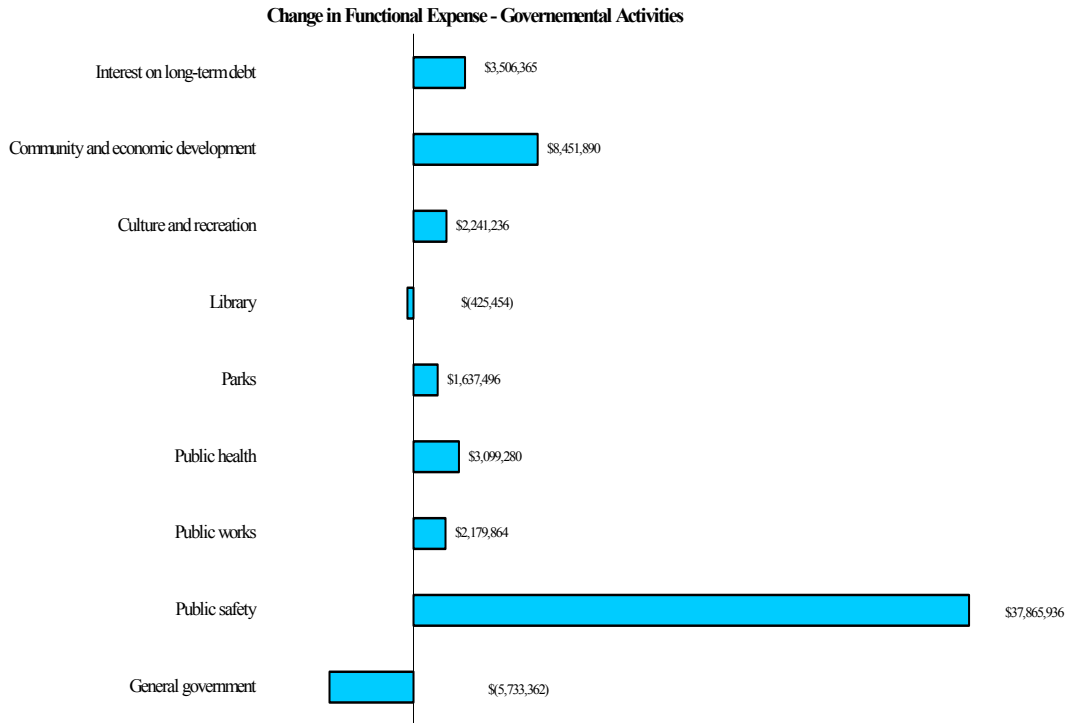


Expenses by Function - Governmental Activities



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The following chart shows the change in functional expenses from the prior year.



Program Revenues and Expenses – Business-type Activities

Program revenues increased \$7.9 million to \$88 million while total expenses for business-type activities increased \$20.2 million to \$117.3 million.

El Paso International Airport

International airport operations

Program revenues increased \$.2 million or .8%. Parking lot revenue increased \$.8 million due to a rate increase and expansion of the overflow parking area. Other operating revenues decreased \$.6 million.

Expenses, excluding depreciation and general and administrative expenses, increased \$.4 million or 2.3%.

Industrial park operations and other operations

Program revenues increased \$.8 million or 13.8%.

Expenses decreased \$.4 million.

Depreciation increased \$.9 million due to the capitalization of major projects in 2006.

General and administrative expenses increased \$.8 million.

Non-operating revenues increased \$.9 million. Investment interest increased \$.8 and passenger facility charge revenue increased \$.1 million.

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Non-operating expenses decreased \$.1 million attributable to interest expense.

Capital contributions decreased \$4.7 million.

Transfers out decreased \$87,000.

International bridges

Bridge revenue increased \$.4 million.

Expenses increased \$.4 million.

Environmental services

Revenues increased \$6.3 million or 21.9%. Refuse collection fees were increased and generated an additional \$4.4 million in revenues. A new environmental fee increased revenues by \$1.8 million.

Expenses increased \$15.7 million. Approximately \$13.3 million of this increase was because of a change in the estimate of landfill closure and post-closure costs in 2005. Fuel costs increased \$.7 million. Personnel expenses increased \$.7 million.

Mass transit

Revenues increased \$.4 million.

Expenses increased \$1.4 million. Fuel only increased \$.3 million because of long-term fuel contracts. Personnel costs increased \$.7 million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

Governmental funds

At the end of the current fiscal year, the City of El Paso's governmental funds reported combined ending fund balances of \$74.6 million, an increase of \$8.2 million from 2005. Approximately 69.9% of this total amount or \$52.1 million constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (i.e., \$16 million to provide a cash reserve, \$3.1 million to provide for inventory and \$1 million to pay for subsequent years expenditures and contingencies).

General Fund

The General Fund is the general operating fund of the City. The fund balance for the General Fund totaled \$34.9 million, decreasing \$1.5 million from the prior year. The unreserved and undesignated portion of fund balance increased by \$1.9 million, to \$14.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 5.8% of total fund expenditures while total fund balance represents 13.7%.

As previously stated, the activities of the Health District were previously reported as a General Fund activity. The following analysis does not include the activities of the Health District in 2005.

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General Fund revenues increased \$11.9 million or 5.2%.

- Property taxes increased \$4.3 million.
- Sales taxes increased \$6.2 million.
- Franchise taxes increased \$1.8 million.
- Fines and forfeits decreased \$1.3 million.
- Charges for services increased \$4 million.
- Investment interest increased \$.2 million.
- Licenses and permits increase \$.5 million.

Expenditures increased \$10.1 million or 4.1%.

- Personnel expenditures increased \$8.5 million but overtime decreased \$1.2 million.
- Utilities increased \$2 million due to both increases in utility rates and an increase in the number of City facilities.
- Fuel increased \$1 million.
- Professional services decreased \$1.2 million primarily due to outside legal counsel.

Transfers in increased \$.5 million.

Transfers out increased \$3.8 million.

Community Development Block Grants

The Community Development Block Grants Fund is the only Special Revenue Fund designated as a major fund for reporting purposes. These grant-related activities generated \$28.4 million in revenues for the year ended August 31, 2006 with \$34 million in unearned revenues related to \$41.4 million in low-income housing notes receivable.

Debt Service Fund

Fund balance for debt service decreased \$.3 million from 2005. The City's debt management policy requires the fund balance remain in excess of the debt service portion of the largest taxpayer's tax levy for the year. This policy requires that fund balance should exceed \$604,491. The policy also requires that a plan, without causing large variances in the tax rate, should be adopted to reduce the fund balance should it exceed 25% of the current years expenditure budget.

Capital Projects Fund

Capital Projects Fund expenditures totaled \$87.4 million for the 2006 fiscal year. \$20 million in commercial paper was issued, taking advantage of the low interest rates available for these short-term arrangements along with \$56.35 million in combination tax and revenue bonds. Revenues generated amounted to \$10 million resulting in a fund balance increase of \$6.2 million from the prior year.

Other Governmental Funds

As previously stated, the activities of the Health District were previously reported as a General Fund activity. The following analysis includes the activities of the Health District:

- Revenues increased \$9.6 million or 21%.
- Expenditures increased \$8.1 million or 16.6%.
- Transfers in increased \$1.4 million.
- Transfers out increased \$.6 million.

Federal Grants

Expenditures increased \$4.8 million.

- The City incurred \$3,165,461 in costs to care for evacuees resulting from Hurricanes Katrina and Rita. FEMA reimbursed the City 100% of these costs.
- Communications equipment was purchased for \$2,137,296.
- Wage reimbursement for police officers hired under Community Oriented Policing Service grants decreased \$1,435,698. Approximately 20% of the compensation of officers hired under these grants are transferred to the General Fund each year.
- Under a variety of initiatives, reimbursement to the City for overtime increased \$367,747.
- Emergency response costs from Storm 2006 were \$1,477,490.

State Grants

Expenditures decreased \$1 million because of decrease in public safety capital expenditures.

Other Grants

Expenditures increased \$.1 million. Outside contracts increased \$.06 million and capital expenditures increased \$.04 million.

Health District

- Expenditures increased \$3.6 million.
- Personnel expenditures increased \$.8 million.
- Other operating expenditures increased \$1.2 million.
- Supplies expenditures increased \$.5 million.
- Capital expenditures increased \$.6 million.

Non-Grants

- Revenues increased \$1.7 million.
- Expenditures increased \$.8 million.
- Transfers in increased \$.3 million.
- Transfers out increased \$.1 million.

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Proprietary funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the respective proprietary funds are shown on the Balance Sheet for these funds. These funds had a net asset increase in 2006 and 2005 as follows:

	<u>2006</u>	<u>2005</u>
El Paso International Airport	\$ 5,412,833	9,974,320
International Bridges	289,243	537,080
Environmental Services	(1,174,561)	8,715,938
Mass Transit	<u>5,441,583</u>	<u>3,768,889</u>
Net asset increase	<u>\$ 9,969,098</u>	<u>22,996,227</u>

Factors that contributed to the increase in net assets are discussed in the business-type activities section of the government-wide section.

GENERAL FUND BUDGETARY HIGHLIGHTS

The activities of the Health District were reported as a special revenue fund in 2006.

The City originally budgeted for no change in the fund balance. During the year, the City Council increased appropriations by approximately \$5.7 million. The majority of these revisions were to fund urgent capital asset needs. Actual revenues and transfers were \$2.5 million more than estimated while actual expenditures were \$4.4 million less than anticipated, resulting in a net increase of \$1.2 million in fund balance at the end of 2006.

The City's property tax rate remained at \$.696677 per \$100 in taxable value. However, City Council reduced the General Fund property tax rate by \$.016291 (3.11% decrease) and increased the debt service property tax rate by \$.016291 (9.5% increase) for 2006. The taxable assessed valuation increased approximately 6.3% from 2005.

CAPITAL ASSETS

The City of El Paso's investment in capital assets for its governmental and business-type activities as of August 31, 2006, amounts to \$848.2 million (net of accumulated depreciation).

Infrastructure Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure and all other tangible assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 5). The City has capitalized all purchased assets with a cost of \$5,000 or more.

Historically, a government's largest group of assets (infrastructure – roads, bridges, traffic signals) have not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City chooses to depreciate infrastructure assets over their estimated useful lives.

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CAPITAL ASSETS AT YEAR-END
(NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 138,091,079	10,336,285	148,427,364
Buildings	178,869,623	95,752,830	274,622,453
Equipment	28,439,106	31,667,324	60,106,430
Improvements	2,431,681	81,839,033	84,270,714
Infrastructure	158,895,078		158,895,078
Construction in Progress	86,948,952	34,941,204	121,890,156
Total	<u>\$ 593,675,519</u>	<u>254,536,676</u>	<u>848,212,195</u>

This year's major capital expenditures included:

Land	\$ 877,232
Vehicles, Equipment, Other	5,227,760
Buildings	5,258,092
Drainage	20,284
Flood Control	1,762
Health District	1,612,775
History Museum	2,254,950
Infrastructure	18,408,111
Libraries	3,155,837
Parks	4,445,094
Plaza Theatre	13,941,309
Quality of Life - Parks	9,760,027
Quality of Life - Zoo	1,166,367
Streets	7,034,329
Zoo	309,207

DEBT ADMINISTRATION

At the end of the fiscal year, the City of El Paso had total debt and notes payable of \$518,958,689. Of this amount, \$478,855,000 is comprised of bonded debt backed by the full faith and credit of the government. Bonds of \$32,010,000 and Notes Payable of \$8,093,689 are secured solely by fees for services rendered. The Notes Payable pertain to financing agreements between the City of El Paso and the State Infrastructure Bank, as well as the Federal Highway Administration to provide funding for design, construction and improvement of the International Bridges.

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**OUTSTANDING DEBT AT YEAR-END
BONDS AND NOTES PAYABLE**

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 303,150,000		303,150,000
Revenue Bonds Payable		32,010,000	32,010,000
Certificate of Obligations	61,045,936	15,159,064	76,205,000
Commercial Paper	99,500,000		99,500,000
Notes Payable		8,093,689	8,093,689
Unamortized (Discount) premium	13,745,675	(526,599)	13,219,076
Deferred Amount on Refunding	(5,150,754)		(5,150,754)
Total	<u>\$ 472,290,857</u>	<u>54,736,154</u>	<u>527,027,011</u>

During the fiscal year, the City issued \$56,350,000 in general obligation bonds and \$20,000,000 in commercial paper. Commercial paper proceeds are used to pay costs of land acquisition and improvements, construction and building improvements.

The City's General Obligation, Revenue Bonds, Certificate of Obligations, and Contractual Obligations ratings are listed below:

	Moody's Investors Service	Standard & Poor's	Fitch Ratings
General Obligations	Aa3	AA	AA-
Revenue Bonds Payable	A	A-	
Certificate of Obligations	Aa3	AA	AA-
Contractual Obligations	Aa3	AA	
Commercial Paper	P-1	A-1+	

Several of the City's Bonds are insured, thus holding a AAA credit rating. The City's rating on commercial paper is the highest rating given.

Additional information on the City of El Paso's long-term debt can be found in Note 8 of this CAFR.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic Factors

The Texas Comptroller of Public Accounts, in presenting her revenue estimate for the remainder of the State's fiscal year 2007 and the fiscal 2008-09 biennium, indicated the State gross state product will increase "...to a more sustainable 3.3 percent in 2008-09" and that state sales tax revenues are "...expected to rise 10.1 percent...in 2008-09, with fiscal 2008 growing somewhat faster than fiscal 2009." The City estimates that sales tax revenue will increase 4.15% in 2007.

The City is positioned to take advantage of tremendous growth as a result of the Military Base Realignment and Closure (BRAC) process completed in late 2005. Over 20,000 new troops and 30,000 accompanying family members are projected to become part of the City population during the next four years. The resulting seven percent increase in population will be in addition to an already healthy normal growth projection. The increase in population will spur substantial demand-driven growth in all portions of the service and retail sectors of the economy.

General Fund Budget

Fiscal year 2007 appropriations increased \$16.6 million or 6.2% to \$282 million from 2006 actual expenditures and transfers. Appropriations for personnel expenditures increased \$10.8 million or 5.3% from 2006. Appropriations, by activity, were increased as follows (in millions):

• Police Department	\$3.2	
• Fire Department	2.4	
• Municipal Court	.4	
• Information Technology	2.9	
• Other General Government	.8	
• Public Works	1.8	
• Parks	1.9	
• Library	1.4	
• Museums	.3	
• Zoo	.3	
• Community and Economic Development		.5
• Non-departmental	.7	

Estimated revenue and transfers increased \$16.6 from 2006 actual revenues and transfers. Revenues and transfers were increased as follows (in millions):

• Property taxes	\$6.3
• Sales taxes	1.1
• Franchise taxes	3.5
• Investment interest	.6
• Charges for services	1.9
• Transfer from International Bridges	1.6
• Rents, Licenses, Fines and other	1.6

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2006

The City's taxable assessed value for real and personal property increased 11.9% for the fiscal year 2007 tax levy. City Council decreased the General Fund rate 5.3% to \$.48142 per \$100 of taxable value and increased the debt service rate 1.4% to \$.190906 per \$100 of taxable value. This results in an overall tax rate decrease of 3.5% to \$.672326 per \$100 of taxable value.

REQUEST FOR INFORMATION

The City of El Paso's Comprehensive Annual Financial Report is designed to provide citizens, customers, investors and creditors with a general overview of the City's finances. It is available at the following website: http://www.elpasotexas.gov/financial_services/financial_afr.aspx. If you have questions about this report or need any additional information, contact:

Financial Services
Attention: Financial Accounting and Reporting Division
2 Civic Center Plaza – 7th Floor
El Paso, Texas 79901-1196
(915) 541-4436
e-mail: ketonfw@ci.el-paso.tx.us

CITY OF EL PASO, TEXAS

STATEMENT OF NET ASSETS

August 31, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities - February 28, 2006
ASSETS				
Cash and Cash Equivalents (Note 2)	\$ 5,544,073	6,545,869	12,089,942	8,436,754
Investments (Note 2)	59,684,377	28,668,682	88,353,059	
Receivables, net of allowances (Note 4)	113,731,037	10,554,365	124,285,402	13,831,741
Prepaid Items		141,567	141,567	1,956,698
Internal Balances (Note 6)	(504,560)	504,560		
Due from Component Unit	919,315	2,873,846	3,793,161	
Inventory	3,867,225	2,604,352	6,471,577	2,786,015
Restricted Cash and Cash Equivalents (Note 2)				83,666,023
Restricted Investments (Note 2)		42,224,742	42,224,742	76,218,838
Restricted Trade and Other Receivables		500,779	500,779	4,326,876
Unamortized Bond Issue Expense	1,677,687		1,677,687	5,835,027
Capital Assets, not being depreciated (Note 5)	225,040,031	45,277,489	270,317,520	216,445,399
Capital Assets being depreciated, Net (Note 5)	368,635,488	209,259,187	577,894,675	698,655,493
Total assets	778,594,673	349,155,438	1,127,750,111	1,112,158,864
LIABILITIES				
Liabilities:				
Accounts Payable	6,867,208	3,920,987	10,788,195	18,619,439
Accrued Payroll	8,720,626	1,779,408	10,500,034	
Due to Primary Government				3,389,563
Taxes and Fees Payable	1,190,509	260,757	1,451,266	
Accrued Interest Payable	1,731,428	386,994	2,118,422	14,025,602
Unearned Revenue	2,259,651	853,133	3,112,784	
Other Current Liabilities		262,940	262,940	7,189,319
Construction Contracts and Retainage Payable	7,387,110	713,695	8,100,805	2,759,333
Long-term Liabilities-Current (Note 8)	196,960,901	12,235,839	209,196,740	16,841,073
Long-term Liabilities-Non-current (Note 8)	411,000,943	67,974,630	478,975,573	446,863,480
Total liabilities	636,118,376	88,388,383	724,506,759	509,687,809
NET ASSETS				
Invested in Capital Assets, net of related debt	140,935,012	217,502,256	358,437,268	525,103,564
Restricted for:				
Debt Service	3,658,401	7,796,601	11,455,002	38,949,859
Cash Reserve	16,000,000		16,000,000	
Passenger Facilities		5,398,039	5,398,039	
Airport Operations		12,843,624	12,843,624	
Public Safety	5,669,650		5,669,650	
Public Works	179,886		179,886	
Public Health	63,620		63,620	
Parks	3,658,752		3,658,752	
Library	13,657		13,657	
Culture and Recreation	1,604,238		1,604,238	
Community and Economic Development	34,224,871		34,224,871	
Municipal Courts	3,660,551		3,660,551	
Capital Projects				27,948,414
Unrestricted	(67,192,341)	17,226,535	(49,965,806)	10,469,218
Total net assets	\$ 142,476,297	260,767,055	403,243,352	602,471,055

CITY OF EL PASO, TEXAS
STATEMENT OF ACTIVITIES
For the year ended August 31, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units El Paso Water Utilities - February 28, 2006
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General government	\$ 32,236,865	4,305,508	2,044,726	29,796	(25,856,835)		(25,856,835)	
Public safety	202,415,512	18,447,269	8,673,844	3,858,354	(171,436,045)		(171,436,045)	
Public works	64,770,369	15,896,953	1,328,502	1,346,645	(46,198,269)		(46,198,269)	
Public health	26,016,660	4,523,753	16,526,785	1,618,075	(3,348,047)		(3,348,047)	
Parks	18,962,330	4,804,378	117,068	827,406	(13,213,478)		(13,213,478)	
Library	7,156,480	258,451	329,002	274,977	(6,294,050)		(6,294,050)	
Culture and recreation	13,083,810	1,044,959	43,802	6,769,873	(5,225,176)		(5,225,176)	
Community and economic development	31,901,231	5,976,060	24,839,548	23,962	(1,061,661)		(1,061,661)	
Interest on long-term debt	19,256,304				(19,256,304)		(19,256,304)	
Total governmental activities	<u>415,799,561</u>	<u>55,257,331</u>	<u>53,903,277</u>	<u>14,749,088</u>	<u>(291,889,865)</u>		<u>(291,889,865)</u>	
Business-type Activities:								
International airport operations	31,495,679	24,408,554	4,398,121	3,377,619		688,615	688,615	
Industrial park and other operations	2,325,816	6,471,173				4,145,357	4,145,357	
International bridges operations	3,920,870	14,613,388				10,692,518	10,692,518	
Solid waste disposal operations	32,011,444	34,867,563				2,856,119	2,856,119	
Mass transit operations	47,270,617	7,551,341	11,558,300	7,616,873		(20,544,103)	(20,544,103)	
Total business-type activities	<u>117,024,426</u>	<u>87,912,019</u>	<u>15,956,421</u>	<u>10,994,492</u>		<u>(2,161,494)</u>	<u>(2,161,494)</u>	
Total Primary Government	<u>\$ 532,823,987</u>	<u>143,169,350</u>	<u>69,859,698</u>	<u>25,743,580</u>	<u>(291,889,865)</u>	<u>(2,161,494)</u>	<u>(294,051,359)</u>	
Component Units:								
Water	\$ 77,465,130	94,898,841		7,842,131				25,275,842
Wastewater and reclaimed water	49,467,958	45,149,674		6,919,726				2,601,442
Total Component Units	<u>\$ 126,933,088</u>	<u>140,048,515</u>		<u>14,761,857</u>				<u>27,877,284</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					109,424,716		109,424,716	
Property taxes, levied for debt service					39,776,687		39,776,687	
Franchise taxes					37,626,413		37,626,413	
Sales taxes					68,074,321	29,710,436	97,784,757	
Investment earnings					4,330,894	3,325,583	7,656,477	5,219,293
Gain on disposal of capital assets					1,474,788	289,927	1,764,715	17,491,873
Transfers					20,958,294	(20,958,294)		
Total general revenues and transfers					<u>281,666,113</u>	<u>12,367,652</u>	<u>294,033,765</u>	<u>22,711,166</u>
Change in net assets					(10,223,752)	10,206,158	(17,594)	50,588,450
Net assets - beginning, as previously reported					152,700,049	250,560,897	403,260,946	553,814,116
Prior period adjustment								(1,931,511)
Net assets - beginning, restated					<u>152,700,049</u>	<u>250,560,897</u>	<u>403,260,946</u>	<u>551,882,605</u>
Net assets - ending					<u>\$ 142,476,297</u>	<u>260,767,055</u>	<u>403,243,352</u>	<u>602,471,055</u>

CITY OF EL PASO, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

August 31, 2006

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,024,762		175,672	2,199,091	1,144,548	5,544,073
Investments	21,526,327		1,905,373	23,851,727	12,400,950	59,684,377
Receivables - Net of Allowances						
Taxes	16,858,770		2,432,389			19,291,159
Interest	818,652	390,070				1,208,722
Trade	7,560,137				239,366	7,799,503
Notes		31,342,585				31,342,585
Other	40,171,965			1,146,761		41,318,726
Due from Other Government Agencies	108,235	4,481,274		53,000	8,121,606	12,764,115
Due from Other Funds	3,796,446				4,618,812	8,415,258
Due from Component Unit	753,927	165,388				919,315
Inventory	3,087,141				51,538	3,138,679
Total Assets	<u>\$ 96,706,362</u>	<u>36,379,317</u>	<u>4,513,434</u>	<u>27,250,579</u>	<u>26,576,820</u>	<u>191,426,512</u>
LIABILITIES						
Accounts Payable	\$ 3,956,060	959,169	12,992		1,178,668	6,106,889
Accrued Payroll	7,284,181	108,852		5,379	1,140,793	8,539,205
Due to Other Funds	640,720	1,288,712		508,091	3,978,092	6,415,615
Taxes Payable	1,190,508				1	1,190,509
Unearned Revenue	42,121,552	33,996,594			2,259,651	78,377,797
Unearned Ad Valorem Taxes	6,628,869		2,183,066			8,811,935
Construction Contracts and Retainage Payable	7,121	25,990		7,353,999		7,387,110
Total Liabilities	<u>61,829,011</u>	<u>36,379,317</u>	<u>2,196,058</u>	<u>7,867,469</u>	<u>8,557,205</u>	<u>116,829,060</u>
FUND BALANCES						
Reserved for:						
Debt Service			1,475,335			1,475,335
Cash Reserve	16,000,000					16,000,000
Inventory	3,087,141				51,538	3,138,679
Unreserved:						
Designated for Subsequent Years			842,041			842,041
Designated for Contingencies	1,000,000					1,000,000
Undesignated-Special Revenue Funds					17,968,077	17,968,077
Undesignated	14,790,210			19,383,110		34,173,320
Total Fund Balances	<u>34,877,351</u>	<u></u>	<u>2,317,376</u>	<u>19,383,110</u>	<u>18,019,615</u>	<u>74,597,452</u>
Total Liabilities and Fund Balances	<u>\$ 96,706,362</u>	<u>36,379,317</u>	<u>4,513,434</u>	<u>27,250,579</u>	<u>26,576,820</u>	<u>191,426,512</u>

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
August 31, 2006

Fund balances - total governmental funds balance sheet \$ 74,597,452

Amounts reported for governmental activities in the statement of assets
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Governmental capital assets	1,236,830,652	
Accumulated depreciation	(643,432,296)	
	593,398,356	

Other long-term assets are not available to pay for current period
expenditures and therefore are deferred in the funds.

Unamortized bond issuance expense	1,677,687	
Deferred revenue	4,129,149	
Property taxes	8,811,935	
Deferred revenue from low income housing loans	33,996,594	
Deferred revenue from fines and forfeits	37,992,403	
	86,607,768	

Internal service funds are used to charge the costs of certain activities,
such as health insurance, workers' compensation, unemployment,
postage, copy center and equipment maintenance to individual funds.
The assets and liabilities of the internal service funds are included in
governmental activities in the statement of net assets. (19,876,058)

Long-term liabilities, including bonds payable, are not due and payable in
the current period and therefore are not reported in the funds.

Accrued interest payable	(1,731,428)	
Arbitrage rebate payable	(30,227)	
Claims and judgements	(1,500,000)	
Compensated absences	(40,244,949)	
Net pension obligation	(76,514,606)	
Deferred amount on refunding	5,150,754	
Unamortized bond issuance premium	(13,745,675)	
Bonds, notes and commercial paper payable	(463,635,090)	
	(592,251,221)	

Net assets of governmental activities		\$ 142,476,297
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CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended August 31, 2006

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 108,555,669		39,477,155			148,032,824
Penalties and Interest-Delinquent Taxes	1,408,524		477,854			1,886,378
Sales Taxes	60,918,071			2,538,380	4,617,870	68,074,321
Franchise Fees	34,683,663					34,683,663
Charges for Services	12,319,214	3,779,789	1,097,610	6,633,313	7,627,351	31,457,277
Fines and Forfeits	12,947,396				875,635	13,823,031
Licenses and Permits	8,684,994				1,937,698	10,622,692
Intergovernmental Revenues	108,252	24,335,295		273,768	35,099,266	59,816,581
County Participation					2,083,180	2,083,180
Interest	1,679,678	243,051	1,417,073	494,397	26,795	3,860,994
Rents and Other	1,380,897			15,000	3,071,962	4,467,859
Net Decrease in the Fair Value of Investments	(276,034)					(276,034)
Total revenues	242,410,324	28,358,135	42,469,692	9,954,858	55,339,757	378,532,766
EXPENDITURES						
Current:						
General Government	26,041,471	275,614		132,331	303,510	26,752,926
Public Safety	165,519,150				11,142,786	176,661,936
Public Works	36,015,371			840,990	883,550	37,739,911
Public Health					24,906,214	24,906,214
Parks Department	12,979,149	144,972			3,394,964	16,519,085
Library	6,056,651				327,544	6,384,195
Non-Departmental	1,485,256					1,485,256
Culture and Recreation	4,766,913			41,935	4,604,741	9,413,589
Economic Development	916,846				1,628,679	2,545,525
Solid Waste					195,848	195,848
Mass Transportation					33,675	33,675
Community and Human Development	407,586	15,061,512			1,085,340	16,554,438
Debt Service:						
Principal			25,390,920			25,390,920
Interest Expense			17,105,175			17,105,175
Interest Expense - Commercial Paper			2,172,070			2,172,070
Fiscal Fees			(31,642)	710,249		678,607
Capital Outlay	338,397	12,876,037		85,689,227	8,077,814	106,981,475
Total Expenditures	254,526,790	28,358,135	44,636,523	87,414,732	56,584,665	471,520,845
Excess (Deficiency) of Revenues over Expenditures	\$ (12,116,466)		(2,166,831)	(77,459,874)	(1,244,908)	(92,988,079)
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	21,420,544		1,774,170	5,308,135	5,613,686	34,116,535
Transfers Out	(10,764,426)			(1,785,723)	(608,092)	(13,158,241)
Face Amount of Bonds Issued				56,350,000		56,350,000
Face Amount of Commercial Paper Issued				20,000,000		20,000,000
Premium on Issuance of Bonds				2,190,648		2,190,648
Proceeds from Sale of Capital Assets			85,049	1,631,936		1,716,985
Total other Financing Sources (Uses)	10,656,118		1,859,219	83,694,996	5,005,594	101,215,927
Net Change in Fund Balances	(1,460,348)		(307,612)	6,235,122	3,760,686	8,227,848
Fund Balances - Beginning of Year	36,337,699		2,624,988	13,147,988	14,258,929	66,369,604
Fund Balances - End of Year	\$ 34,877,351		2,317,376	19,383,110	18,019,615	74,597,452

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the year ended August 31, 2006

Change in net assets reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 8,227,848

Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital acquisitions	79,663,717	
Depreciation	<u>(28,524,618)</u>	51,139,099

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals) is to decrease net assets.

Cost of disposed assets	(1,429,592)	
Accumulated depreciation on disposed assets	<u>1,146,806</u>	(282,786)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Deferred revenue	3,711,796	
Deferred revenue from fines and forfeits	(7,126,354)	
Deferred revenue from low income housing loans	1,989,714	
Property taxes	<u>(717,799)</u>	(2,142,643)

The issuance of long-term debt (e.g., bonds) 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.

Issuance of long-term debt and commercial paper	(76,350,000)	
Repayments	25,390,920	
Amount deferred on refunding	(566,716)	
Unamortized bond issuance costs	(209,454)	
Premium on issuance of bonded debt	<u>(2,190,648)</u>	(53,925,898)

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.

Decrease in compensated absences	814,114	
Decrease in claims and judgements	15,948	
Increase in accrued interest expense	(981,441)	
Increase in net pension obligation	(15,312,914)	
Amortization of premiums on bonds issued	<u>1,778,552</u>	(13,685,741)

Internal service funds are used by management to charge the costs of health insurance, worker's compensation, unemployment benefits, postage, copy center and equipment maintenance to individual funds. The net expense of the internal service funds is reported by function within governmental activities.

446,369

Change in net assets of governmental activities	<u><u>\$ (10,223,752)</u></u>
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STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 August 31, 2006

	Business Type Activities - Enterprise Funds					Governmental Activities - Interna Service Funds
	El Paso International Airport	International Bridges	Department of Environmental Services	Mass Transit	Totals	
ASSETS						
Cash and Cash Equivalents	\$ 4,197,962	518,771	1,643,399	185,737	6,545,869	
Investments	20,418,005	551,110	5,693,169	2,006,398	28,668,682	
Receivables - Net of Allowances:						
Taxes				4,700,097	4,700,097	
Trade	1,292,859		384,394	76,333	1,753,586	6,227
Due From Component Unit			2,873,846		2,873,846	
Due From Other Government Agencies	1,209,029			2,891,653	4,100,682	
Prepaid Items	81,793			27,449	141,567	
Due From Other Funds		150,000	354,560		504,560	3,531
Inventory	899,835		55,884	1,488,217	2,443,936	659,305
Fuel Inventory	11,249			149,167	160,416	69,241
Total current assets	<u>28,110,732</u>	<u>1,219,881</u>	<u>11,037,577</u>	<u>11,525,051</u>	<u>51,893,241</u>	<u>738,304</u>
Restricted Investments	25,097,568	5,118,308	12,008,866		42,224,742	
Restricted Trade Receivables	500,779				500,779	
Capital Assets:						
Land	1,382,217	850,007		8,104,061	10,336,285	
Buildings, Improvements & Equipment, Net	143,054,660	5,653,629	11,739,810	48,811,088	209,259,187	277,163
Construction in Progress	20,345,258	441,878	7,005,686	7,148,382	34,941,204	
Total non-current assets	<u>190,380,482</u>	<u>12,063,822</u>	<u>30,754,362</u>	<u>64,063,531</u>	<u>297,262,197</u>	<u>277,163</u>
TOTAL ASSETS	<u>\$ 218,491,214</u>	<u>13,283,703</u>	<u>41,791,939</u>	<u>75,588,582</u>	<u>349,155,438</u>	<u>1,015,467</u>
LIABILITIES						
Current liabilities:						
Accounts Payable	\$ 1,455,107	55,285	509,625	1,900,970	3,920,987	760,319
Accrued Payroll	416,358	67,181	476,178	819,691	1,779,408	181,421
Current Portion - Bonds and Notes Payable	475,525	1,051,969	3,751,658		5,279,152	
Due to Other Funds						2,507,734
Hydrocarbon Clean Up - Current				216,390	216,390	
Taxes Payable	36,692		222,277	1,788	260,757	
Interest Payable on Bonds and Notes	18,340	292,736	75,918		386,994	
Unearned Revenue	514,600		2,047	336,486	853,133	
Other Payables			262,940		262,940	
Construction Contracts and Retainage Payable	701,483			12,212	713,695	
Compensated Absences - Current	1,291,927	70,461	506,039	952,344	2,820,771	132,880
Landfill Closure Costs - Current			3,701,422		3,701,422	
Claims and Judgments - Current				218,104	218,104	
Total current liabilities	<u>4,910,032</u>	<u>1,537,632</u>	<u>9,508,104</u>	<u>4,457,985</u>	<u>20,413,753</u>	<u>3,582,354</u>
Long-term liabilities:						
Certificates of Obligation Bonds		32,494	12,477,210		12,509,704	60,846
Revenue Bonds	9,174,723	1,020,000	19,369,659		29,564,382	
Notes Payable		7,382,916			7,382,916	
Hydrocarbon Clean Up				865,559	865,559	
Compensated Absences	364,390	19,873	142,729	268,610	795,602	37,479
Landfill Closure Costs			16,752,810		16,752,810	
Delta Transfer Station Closure Costs			103,657		103,657	
Claims and Judgments						17,210,846
Total non-current liabilities	<u>9,539,113</u>	<u>8,455,283</u>	<u>48,846,065</u>	<u>1,134,169</u>	<u>67,974,630</u>	<u>17,309,171</u>
TOTAL LIABILITIES	<u>14,449,145</u>	<u>9,992,915</u>	<u>58,354,169</u>	<u>5,592,154</u>	<u>88,388,383</u>	<u>20,891,525</u>
NET ASSETS						
Invested in capital assets, net of related debt	155,131,887	2,796,443	(4,489,605)	64,063,531	217,502,256	219,848
Restricted for:						
Debt Service	7,377,256	419,345			7,796,601	
Airport Operations	12,843,624				12,843,624	
Passenger Facilities	5,398,039				5,398,039	
Unrestricted	23,291,263	75,000	(12,072,625)	5,932,897	17,226,535	(20,095,906)
Total net assets (deficit)	<u>204,042,069</u>	<u>3,290,788</u>	<u>(16,562,230)</u>	<u>69,996,428</u>	<u>260,767,055</u>	<u>(19,876,058)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 218,491,214</u>	<u>13,283,703</u>	<u>41,791,939</u>	<u>75,588,582</u>	<u>349,155,438</u>	<u>1,015,467</u>

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)
PROPRIETARY FUNDS
For the year ended August 31, 2006

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	International Bridges	Department of Environmental Services	Mass Transit	Total	
OPERATING REVENUES:						
Charges of Rentals and Fees	\$ 30,879,727		34,838,682		65,718,409	
Charges of Tolls		14,262,134			14,262,134	
Charges of Fares and Fees				7,551,341	7,551,341	
Sales to Departments						14,330,081
Premium Contributions						41,754,227
General Revenues		351,254	28,881		380,135	1,085,896
Total Operating Revenues	30,879,727	14,613,388	34,867,563	7,551,341	87,912,019	57,170,204
OPERATING EXPENSES:						
Personnel Services	13,354,937	1,446,523	10,527,274	28,486,897	53,815,631	3,693,183
Contractual Services	154,885		121,073	5,880	281,838	
Professional Services	719,638	3,500	292,872	157,374	1,173,384	122,655
Outside Contracts	1,634,210	510,392	752,386	2,699,328	5,596,316	2,862,594
Fuel and Lubricants	234,951		2,013,904	4,893,586	7,142,441	6,126,204
Materials and Supplies	770,914	29,571	3,770,526	2,705,786	7,276,797	3,699,176
Communications	158,187	12,187	58,827	99,122	328,323	14,000
Utilities	2,113,656	37,707	35,808	557,538	2,744,709	18,296
Operating Leases	15,284	341,650	6,680	439,948	803,562	76,129
Travel and Entertainment	112,218	6,781	40,047	12,630	171,676	21,097
Benefits Provided						39,156,010
Maintenance and Repairs	686,206	88,464	(36,624)	162,374	900,420	820,646
Landfill and Transfer Station Utilization			4,399,139		4,399,139	
Other Operating Expenses	944,399	4,270	2,879,238	537,451	4,365,358	39,805
Depreciation	12,384,640	804,835	4,812,038	6,512,703	24,514,216	62,304
Total Operating Expenses	33,284,125	3,285,880	29,673,188	47,270,617	113,513,810	56,712,099
Operating Income (Loss)	(2,404,398)	11,327,508	5,194,375	(39,719,276)	(25,601,791)	458,105
NON-OPERATING REVENUES (EXPENSES):						
Interest Revenue	1,974,077	262,480	1,089,026		3,325,583	
Interest Expense	(537,370)	(634,990)	(2,338,256)		(3,510,616)	(11,757)
Gain(Loss) on Sale of Equipment and Land	4,784		259,893	25,250	289,927	21
Passenger Facility Charge	4,398,121				4,398,121	
Sales Tax				29,710,436	29,710,436	
FTA Subsidy				11,558,300	11,558,300	
Total Non-Operating Revenues (Expenses)	5,839,612	(372,510)	(989,337)	41,293,986	45,771,751	(11,736)
Income (Loss) Before Capital Contributions and Transfers	3,435,214	10,954,998	4,205,038	1,574,710	20,169,960	446,369
Capital Contributions	3,377,619			7,616,873	10,994,492	
Transfers Out	(1,400,000)	(10,665,755)	(5,142,539)	(3,750,000)	(20,958,294)	
Change in net assets	5,412,833	289,243	(937,501)	5,441,583	10,206,158	446,369
Total Net Assets(Deficit)-beginning	198,629,236	3,001,545	(15,624,729)	64,554,845	250,560,897	(20,322,427)
Total Net Assets(Deficit)-ending	\$ 204,042,069	3,290,788	(16,562,230)	69,996,428	260,767,055	(19,876,058)

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2006

Business Type Activities - Enterprise Funds

	El Paso International Airport	International Bridges	Department of Environmental Services	Mass Transit	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 32,244,523	14,613,388	34,392,204	7,522,627	88,772,742	57,187,850
Payments to Suppliers	(7,854,186)	(1,011,493)	(11,731,397)	(13,011,859)	(33,608,935)	(54,003,679)
Payments to Employees	(12,824,598)	(1,419,069)	(10,331,027)	(28,189,771)	(52,764,465)	(3,658,440)
Net cash provided (used) by operating activities	11,565,739	12,182,826	12,329,780	(33,679,003)	2,399,342	(474,269)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	(1,400,000)	(10,665,755)	(5,142,539)	(3,750,000)	(20,958,294)	
Proceeds from Other Funds						630,895
Sales Tax				29,120,266	29,120,266	
FTA Subsidy				11,558,300	11,558,300	
Passenger Facility Charge	4,398,121				4,398,121	
Net cash provided (used) by noncapital financing activities	2,998,121	(10,665,755)	(5,142,539)	36,928,566	24,118,393	630,895
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Contributions from Other Governments	6,663,917			5,330,867	11,994,784	
Purchases of Capital Assets	(11,517,266)	(217,728)	(3,781,778)	(6,528,870)	(22,045,642)	(39,651)
Principal Paid on Capital Debt	(560,000)	(821,350)	(4,348,891)		(5,730,241)	(105,239)
Interest Paid on Capital Debt	(438,626)	(655,242)	(2,386,093)		(3,479,961)	(11,757)
Proceeds from Disposal of Capital Assets	9,176		542,756	66,742	618,674	21
Net cash (used) by capital and related financing activities	(5,842,799)	(1,694,320)	(9,974,006)	(1,131,261)	(18,642,386)	(156,626)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	5,986,000	774,000	2,712,000	308,000	9,780,000	
Purchases of Investments	(51,501,573)	(6,443,418)	(20,414,035)	(2,314,398)	(80,673,424)	
Interest	1,974,077	262,480	1,089,026		3,325,583	
Net cash provided by investing activities	(43,541,496)	(5,406,938)	(16,613,009)	(2,006,398)	(67,567,841)	
Net increase (decrease) in cash and cash equivalents	(34,820,435)	(5,584,187)	(19,399,774)	111,904	(59,692,492)	
Cash and Cash Equivalents - beginning of the year	39,018,397	6,102,958	21,043,173	73,833	66,238,361	
Cash and Cash Equivalents - end of the year	\$ 4,197,962	518,771	1,643,399	185,737	6,545,869	

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2006

Business Type Activities - Enterprise Funds

	El Paso International Airport	International Bridges	Department of Environmental Services	Mass Transit	Totals	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (2,404,398)	11,327,508	5,194,375	(39,719,276)	(25,601,791)	458,105
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	12,384,640	804,835	4,812,038	6,512,703	24,514,216	62,304
Change in Assets and Liabilities:						
Receivables, Net	1,253,258		(519,396)	(29,538)	704,324	17,646
Inventories	(181,643)		5,087		(176,556)	(96,065)
Other Assets	22,725		(32,325)	(209,260)	(218,860)	
Accounts and other payables	(39,182)	23,029	487,904	400,850	872,601	170,940
Accrued Expenses	530,339	27,454	2,382,097	(634,482)	2,305,408	(1,087,199)
Net cash provided by operating activities	<u>11,565,739</u>	<u>12,182,826</u>	<u>12,329,780</u>	<u>(33,679,003)</u>	<u>2,399,342</u>	<u>(474,269)</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Capital Assets Purchased by Other Fund	\$ <u>-</u>		<u>906,380</u>		<u>906,380</u>	<u>12,200</u>

CITY OF EL PASO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
August 31, 2006

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trusts</u>	<u>Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,648,887	849,763	3,311,950
Investments:			
United States Government Securities	40,095,236	9,216,684	
Corporate Bonds	20,285,355		
Corporate Stocks	255,800,294		
Bank Collective Investment Funds	167,562,884		
Fixed Income Securities	197,370,568		
Domestic Equities	225,012,206		
International Equities	189,283,843		
Receivables - Net of Allowances			
Commission Credits Receivable	40,418		
Due from Brokers For Securities Sold	2,416,173		
Employer Contributions	1,035,603		
Employee Contributions	708,494		
Accrued Interest and Dividends	752,665		
Delinquent Property Taxes			47,245,209
Prepaid Items	17,151		
Due from Other Funds			5,662,096
Capital Assets:			
Buildings, Improvements & Equipment, Net	823,334		
Total Assets	<u>1,119,853,111</u>	<u>10,066,447</u>	<u>56,219,255</u>
LIABILITIES			
Accounts Payable	2,809,497	12,880	1,993,739
Taxes Payable		33	
Accrued Payroll		7,438	
Due to Other Funds		5,662,096	
Prepaid Property Taxes			1,297,039
Deferred Revenue - Commission Credits	40,418		
Property Taxes Subject to Refund			5,683,268
Uncollected Property Taxes			47,245,209
Total Liabilities	<u>2,849,915</u>	<u>5,682,447</u>	<u>56,219,255</u>
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,117,003,196</u>	<u>4,384,000</u>	

CITY OF EL PASO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the year ended August 31, 2006

	Pension Trust Funds	Private- Purpose Trusts
ADDITIONS (REDUCTIONS)		
Contributions:		
Employer	\$ 32,117,095	
Employee	22,269,146	
Total contributions	54,386,241	
Rental vehicle sales tax		2,556,898
Miscellaneous		209,242
Investment earnings (loss):		
Net increase in fair value of investments	88,634,467	
Interest	3,574,613	194,473
Dividends	2,515,490	
Securities lending income	3,113,765	
Securities lending fees	(2,904,645)	
Increase in commission credits receivable	30,455	
Investment advisor fees	(4,645,892)	
Net investment (loss)	90,318,253	194,473
Total additions (reductions)	144,704,494	2,960,613
DEDUCTIONS		
Benefits paid to participants	60,307,115	
Refunds of contributions	3,614,002	
Administrative expenses	1,790,436	
Benefits paid for other purposes		3,326,937
Total deductions	65,711,553	3,326,937
Change in net assets	78,992,941	(366,324)
Net assets - beginning of the year	1,038,010,255	4,750,324
Net assets - end of the year	\$ 1,117,003,196	4,384,000

NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2006
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CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

The City of El Paso, Texas (City) was incorporated in 1873. The government of the City is operated by authority of its charter exercising all powers conferred upon constitutional home rule cities in the State of Texas and exercises these powers as a municipal corporation, subject to the Constitution and the laws of the State of Texas. The city charter was amended in February 2004 to adopt a Council/City Manager form of government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies of the City.

A. Reporting Entity

The accompanying financial statements include the City and its component unit, collectively referred to as “the financial reporting entity.” In accordance with GASB Statement Number 14, as amended by GASB Statement Number 39, the component units discussed below have been included in the City’s reporting entity because of the significance of their operational or financial relationship with the City.

Effective September 1, 2005, the City implemented the provision of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which establishes guidance for accounting and reporting for the impairment of assets and for insurance recoveries. There was no material financial statement impact upon adoption of this standard.

Effective September 1, 2005 the activities of the City-County Health District, a legally separate entity, is reported as a Special Revenue fund (Health District) in these financial statements. These activities were previously reported in the General Fund and the Special Revenue fund (Federal Grants, State Grants and Non Grants). Operating transfers of \$140,026 (Special Revenue Fund-County Food Safety) and \$47,639 (General Fund-Inventory) were made to transfer the Health District’s net assets at August 31, 2005 to the Health District.

City Employees' Pension Fund (CEPF)

Substantially all full-time employees of the City are eligible to participate in the CEPF, except for uniformed fire fighters and police officers who are covered under separate plans. The plan is a single-employer defined benefit retirement plan established under legal authority of the City Charter and administered by a Board of Trustees (CEPF Board). The CEPF Board is comprised of the Mayor, two citizens designated by the Mayor who are not officers or employees of the City, four elected City employees, a retiree and two City district representatives. Employees contribute 6.75% of their covered compensation and the City contributes 10.25% of covered compensation to the CEPF. The CEPF is included in the accompanying financial statements under Pension Trust Funds.

Firemen and Policemen’s Pension Fund (FPPF)

Uniformed fire fighters and police officers participate in the FPPF, which is divided into two divisions: the firemen division and policemen division. The plan is a single-employer defined benefit retirement plan established under legal authority of State Statutes and the City Charter and is administered by a Board of Trustees (FPPF Board). The FPPF Board is comprised of the Mayor, two citizens designated by the Mayor, the Chief of Police (or his designee), the Fire Chief (or his designee), three policemen and three firemen elected by the membership of their respective divisions. Firemen contribute 15.28% and policemen contribute 11.89% of their covered compensation while the City contributes 18% of covered compensation to the FPPF. The FPPF is included in the accompanying financial statements under Pension Trust Funds.

El Paso Water Utilities (EPWU)

As specified by City Ordinance No. 752, adopted May 22, 1952, complete management and control of EPWU is vested in a five-member board of trustees known as the Public Service Board (PSB). The PSB consists of the Mayor and four residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council. EPWU is reported discretely as a component unit in the accompanying financial statements and the financial information included in these statements is as of EPWU’s latest fiscal year end, February 28, 2006.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

El Paso Water Utilities (EPWU) (Continued)

EPWU reported a prior period adjustment to properly present amortization of bond premiums. This adjustment decreased net assets by \$1,931,511 from the amount previously reported as of August 31, 2005.

Financial statements for CEPF, FPPF or EPWU may be requested from the respective entity's administrative offices:

CEPF - City Employees' Pension Fund	City of El Paso Employees' Pension Fund Two Civic Center Plaza El Paso, Texas 79901
FPPF - Firemen and Policemen's Pension Fund	El Paso Firemen & Policemen's Pension Fund 1155 Westmoreland, Suite 223 El Paso, Texas 79925
EPWU - El Paso Water Utilities	El Paso Water Utilities P. O. Box 511 El Paso, Texas 79961

Related Organizations

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore, not component units of the City, even though the City Council may appoint a voting majority of an organization's board. Consequently, financial information for the following entities is not included in these financial statements:

El Paso Housing Authority

The El Paso Housing Authority (Authority) is an independent organization that has a scope of public service within the geographic boundaries of the City of El Paso. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board. The Authority is dependent on Federal funds from the Department of Housing and Urban Development and, as a result, is not financially dependent on the City of El Paso. In addition, the City is not responsible for any deficits incurred and has no fiscal management control.

El Paso County 911 District

The El Paso County 911 District (District) is a special communications district authorized by the 911 Emergency Act of 1983. The responsibility for the administration and operation of the District is vested solely with the District's Board of Managers. The City appoints two of the six board members. The District is not a component unit because the City has no significant influence over the management, budget or policies of the District. The District is dependent on service fees levied by the District on telephone customers within the participating jurisdictions.

Not-for-Profit Corporations

The directors of each corporation are appointed by the City Council and all activity must be approved from time to time by ordinance or resolution duly adopted by the City Council. Approval is solely for the purpose of satisfying the conditions and requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. Certain of the corporations have issued bonds for projects authorized by these corporations, of which \$251.6 million remain outstanding. There is no financial benefit/obligation to the City resulting from these projects and no amounts related to these bonds have been accrued in these financial statements. The bonds specifically provide they are not a debt of the City and the City is not responsible for payment of these bonds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. Reporting Entity (Continued)****Not-for-Profit Corporations (Continued)*****El Paso Health Facilities Development Corporation***

Incorporated September 2, 1981, under Chapter 221 of the Texas Health and Safety Code, for the purpose of acquiring, constructing, providing, improving, financing and refinancing health facilities in order to assist the maintenance of public health and public welfare. Its board consists of six directors who serve six-year terms of office.

El Paso Property Finance Authority, Inc.

Incorporated March 12, 1987, pursuant to the Texas Non-Profit Corporation Act, for the purpose of establishing a Permanent Public Improvements Program. Its board consists of six directors who serve two-year terms or until a successor is appointed. This corporation had no assets or liabilities and had no financial transactions during fiscal year 2006.

El Paso Housing Finance Corporation

Incorporated September 10, 1979, under Chapter 394 of the Texas Local Government Code, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe, affordable and sanitary housing for persons of low and moderate income. Its board consists of seven directors who serve six-year terms of office.

City of El Paso Industrial Development Authority

Incorporated October 10, 1979, under Article 5190.6 of the Texas Revised Civil Statutes, for the purpose of promoting and developing commercial, industrial, manufacturing and medical research enterprises to promote and encourage employment, public health and public welfare. Its board consists of nine directors who serve six-year terms of office.

B. Basic Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the City and its component unit as a whole, excluding fiduciary activities. 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are made when the elimination would distort the measurement of the cost of individual functional activities. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

Services performed by one function for another are credited as operating revenue to the performing department and an operating charge to the receiving department to reflect the accurate costs of programs. The rates used are intended to reflect full costs.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. Basic Financial Statements (Continued)**

The government-wide Statement of Net Assets reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted. Invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation reduced by the outstanding balance of any bonds, notes or other borrowings (excluding unspent proceeds) that are attributable to the acquisition, construction or improvements of capital assets. Restricted net assets are those with external constraints placed on their use by either: 1) creditors (such as through debt covenants), grantors, contributors or law or regulations of other governments or 2) by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as invested in capital assets, net of related debt or restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Reservations or designations of net assets imposed by the reporting government, whether by administrative policy or legislative actions of the reporting government, are not shown as restricted net assets on the government-wide financial statements.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are easily identifiable with a specific function or segment. Interest on long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or segment such as licenses, permits, park user fees, etc. and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement Number 34. Although the new model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues or expenditures/expenses of the fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. The City has opted to add the International Bridges Fund as a major fund. Other non-major funds are combined in a single column on the fund financial statements.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance; 2) demonstrate the sources and uses of liquid resources; and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary (enterprise and internal service) funds and fiduciary fund financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements, but be included in the fund columns in the proprietary fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**C. Fund Accounting**

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund balances, revenues and expenditures.

The City uses the following fund categories:

Governmental Funds

Governmental funds are those through which most of the governmental functions of the City are financed. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

The City reports the following major governmental funds:

General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund in the basic financial statements.

Community Development Block Grant Fund

This fund accounts for the proceeds of Federal grants approved by the Department of Housing and Urban Development (HUD) for community development projects.

Debt Service Fund

This fund accounts for the resources accumulated for and the payment of long-term debt principal, interest and related costs of governmental funds.

Capital Projects Fund

This fund accounts for the proceeds of debt issuances, private donations and internal funding for the completion of capital construction projects and equipment purchases outside the scope of general operations.

The City reports the following non-major governmental fund:

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those found in the private sector and where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net assets, financial position and cash flows.

Enterprise Funds

Enterprise funds are used to account for operations that provide services to the general public for a fee. Under GASB Statement Number 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**C. Fund Accounting**

The City reports on the following major enterprise funds:

El Paso International Airport (Airport)

This fund accounts for the activities of the Airport including aviation operations and leasing activities on Airport properties.

International Bridges

This fund accounts for the operations and maintenance activities of the three international bridges it controls.

Solid Waste Management

This fund accounts for the activities of the City-operated refuse collection, transfer and storage operations.

Mass Transit

This fund accounts for the activities of the City-operated bus and para-transit operations (Sun Metro).

Internal Service Funds

These funds account for photocopying, postage and fleet management services provided to other departments of the City and to other governments and organizations on a cost reimbursement basis and for the risk management activities of the self-insured health, workers' compensation and unemployment compensation programs.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governmental units. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they do not represent assets of the City to support City programs.

Pension Trust Fund

Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans or other employee benefit plans. The City has two pension trust funds to account for the activities of the CEPF and FPPF.

Private Purpose Trust Fund

This fund is used to account for resources of various trusts, the most significant of which is the car rental tax collections used for supporting the funding of the Sun Bowl Association. All resources of this fund, including any earnings on invested resources, may be used to support activities. There is no requirement that any portion of these resources be preserved as capital.

Agency Funds

Agency funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations and other governmental units. Agency funds accounted for include property taxes collected for other taxing entities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D. Measurement Focus and Basis of Accounting**

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year they are levied. Other taxes and fees are recognized as revenue in the year they are earned. Revenue from most grants and similar items are recognized in the fiscal year the qualifying expenditure is made, if applicable, and all other eligibility requirements are satisfied.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheet. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers grant revenues to be available if they are collected within one year after year-end and all other revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage liabilities are recorded only when the liability has matured.

Revenues susceptible to accrual include property taxes, sales taxes, franchise taxes, fines and forfeits and interest earned on investments. Charges for services, licenses and permits and miscellaneous revenues are recorded when received in cash since they are generally not measurable until actually received which is the same as the date the services are rendered or the license or permits are issued.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The reported fund balance for each fund is considered a measure of "current financial resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "current financial resources" during the period.

Special reporting treatments are applied to governmental fund inventories and prepaid expenditures to indicate that they do not represent "current financial resources," since they do not represent net expendable current assets. Such amounts are offset by fund balance reserve accounts.

Proprietary and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred. These funds are accounted for on a flow of economic resources measurement focus whereby all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating items.

GASB Statement Number 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D. Measurement Focus and Basis of Accounting (Continued)**

are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The City has elected not to implement FASB Statements and Interpretations issued after November 30, 1989. However, EPWU has elected to implement such pronouncements.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

E. Cash, Cash Equivalents and Investments

Cash balances of City funds, except for all Component Units, Pension Trust Funds, a portion of the Airport relating to passenger facility charge revenue and certain agency funds, are pooled and invested. Earnings from pooled investments are allocated to funds based upon their share of pooled cash. Each fund's equity in the pooled cash and investments is proportionately presented as "Cash and Cash Equivalents" and "Investments." Negative balances have been reclassified to due to/from other funds. The City reports cash in demand deposit accounts and investment pools as "Cash and Cash Equivalents."

Capital projects funded through bonds with future debt service requirements transfer all investment interest earned during the year to the Debt Service Fund if the debt covenants require the transfer. When projects are completed, any remaining cash is transferred to the debt service fund as prescribed by the debt covenants.

For both the general government and the component units, all investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end. Investments with an original maturity of less than one year are reported at amortized cost. Premiums and discounts on investments are amortized or accreted using the straight-line method, which approximates the interest method, over the terms of the related securities. Investments in external investment pools are reported at cost.

F. Inventories and Prepaid Items

Inventories of materials and supplies consist primarily of expendable items held for consumption. They are stated at the lower of cost, based on a first-in, first-out method or market for all governmental and proprietary funds and on the statement of net assets for governmental activity and business-type activity. Inventories of the Component Unit - El Paso Water Utilities are stated at the lower of average cost or market. The "consumption" method is used to account for inventories. Under the consumption method, inventory acquisitions are recorded in inventory accounts and charged as expenditures (governmental fund types) or expenses (proprietary fund types and Component Unit - El Paso Water Utilities) when used. On the government-wide statement of activities consumption of inventory is recorded as an expense.

Prepaid items, recorded in both government-wide (including Component Unit - El Paso Water Utilities) and fund financial statements are goods or services that are paid for in advance and are applicable to future accounting periods. Using the consumption method, prepaid items are recorded as expenditures (governmental fund types) or expenses (proprietary fund types) as the goods or services are used. On the government-wide statement of activities consumption of prepaid items is recorded as an expense.

G. Capital Assets

GASB Statement Number 34 requires that all capital assets, whether owned by governmental activities or business-type activities, be recorded and depreciated in the government-wide financial statements. In the governmental fund statements capital assets are not reported as they do not fit in the current financial resources measurement focus.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost (if purchased or constructed) or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for the enterprise funds. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the estimated remaining useful lives of the related capital assets.

Capital assets of the primary government (including Airport, International Bridges, Department of Environmental Services and Mass Transit funds) are depreciated or amortized using the straight-line method and the following estimated useful lives:

Land improvements	15 to 20 years
Building and improvements	5 to 50 years
Vehicles and major equipment	3 to 12 years
Data processing	3 to 5 years
Infrastructure	12 to 100 years
Other fixed assets	5 to 15 years

When fixed assets are retired from service or otherwise disposed of, a gain or loss, if any, on disposal of assets is recognized. Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation) or net realizable value, if lower, as of the date of the transfer.

Component Unit – EPWU

EPWU utility plant in service is recorded on the basis of cost. Assets acquired through contributions are capitalized and recorded in the plant accounts at estimated fair value at date of donation. Maintenance, repairs and minor renewals are charged to operating expense, while major plant replacements are capitalized. It is the policy of EPWU to capitalize infrastructure fixed assets.

EPWU provides for depreciation of the utility plant on the straight-line method applied to individual assets. The following estimated average useful lives are used in providing for depreciation of EPWU utility plant:

Building and shops	25 to 33 years
Vehicles and heavy equipment	5 years
Equipment and tools	3 to 33 years
Water plant	10 to 50 years
Sewer plant	5 to 50 years

H. Insurance

Activity for certain self-insurance programs is recorded in the City's Internal Service Self-Insurance Fund. Assets and obligations related to employee health benefits, workers' compensation and unemployment compensation are included in the Self-Insurance Fund.

The City is self-insured for general liability (excluding the Mass Transit Department's fleet of vehicles, liability insurance for the Airport and certain other catastrophic liability insurance). Expenditures for these liabilities are accounted for in the General Fund, which will pay any liabilities incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**H. Insurance (Continued)**

Additionally, the City maintains insurance policies acquired from independent insurance carriers covering all structural property.

The City provides employee health and workers' compensation benefits under its self-insurance programs. Employee health and workers' compensation benefit liabilities are accrued in the Internal Service Funds based upon actuarially determined estimates of the aggregate liability for unpaid benefits. The City records all health and workers' compensation claims liabilities, including an estimate for claims incurred but not reported. In addition, the City has a stop loss policy for health claims.

The City is subject to the State of Texas Employment Commission Act. Under this act, the City's method for providing unemployment compensation is to reimburse the State of Texas (State) for claims paid by the State.

I. Unearned Revenue and Uncollectible Loans

Unearned revenue represents amounts that have been collected or billed in advance of revenue recognition criteria. It consists primarily of \$37,992,402 in fines and forfeits in the General Fund and \$33,996,594 in low-income housing loans in the Community Development Block Grants Fund. Cash of \$2,461,743, accrued interest receivable of \$390,070, amounts payable of \$197,805, notes receivable of \$41,428,980 less an allowance for estimated uncollectible notes receivable in the amount of \$10,086,394 and unearned revenue of \$33,996,594 is reported for these low-income housing loans in the Governmental Funds Balance Sheet.

J. Interfund Transactions**1. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

2. Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. All other transfers are included in the results of operations of both Governmental and Proprietary Funds.

K. Federal and State Grants

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Revenues are recognized when the expenditures of Federal and State grant funds are made and all eligibility requirements have been met. Amounts owed to the City at August 31, 2006 for grants and entitlements are reflected as "Due From Other Government Agencies." The City expects to collect these balances during the subsequent fiscal year.

Grants received by Proprietary Funds are reported in the applicable Proprietary Fund.

L. Compensated Absences

City employees, excluding uniformed Police Department and Fire Department employees, earn vacation leave, which may either be taken or accumulated (up to a maximum of 400 hours) until paid upon termination or retirement. For uniformed Police Department and Fire Department employees only, all unused leave and holiday hours are accumulated and paid upon termination, retirement or death.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**L. Compensated Absences (Continued)**

Leave benefits are accrued as a liability as the benefits are earned by employees, but only to the extent that it is probable that the City will compensate the employees through paid time off or cash payments conditioned on the employee's termination or retirement. For governmental funds, a liability for these amounts is reported only if they have matured as a result of termination or retirement. For the government-wide financial statements and enterprise fund financial statements, all of the outstanding compensated absences are recorded as a liability.

M. Long-Term Obligations, Bond Premiums, Discounts and Issuance Costs

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. In these 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.

N. Restrictions and Designations of Fund Balances/Net Assets

Restricted net assets (proprietary and fiduciary funds) are legally segregated for a specific use. Designated portions of fund balance (governmental funds) indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these restrictions and designations are explained below:

Restrictions

Restricted net assets of the Airport Fund were \$25,618,919 and relate to funds restricted by the FAA for future airport maintenance and for debt service requirements.

Restricted net assets of the International Bridges Fund were \$419,345 and relate to bond requirements that certain amounts be set aside for future debt service, repairs and maintenance of the Zaragoza Bridge.

Restricted for Employee Retirement

Pension trust fund balances are restricted for future payments to beneficiaries of the City Employees' Pension Fund and Firemen and Policemen's Pension Fund.

Restricted for Debt Service

The majority of fund balance has been restricted in the Debt Service Fund for future payment of debt service.

Restricted for Cash Reserve

In compliance with the City charter, the General Fund has restricted \$16,000,000 of its fund balance to be used at the discretion of the City Council, in lieu of short-term borrowing. If utilized, this cash reserve must be replenished annually.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Restrictions and Designations of Fund Balances/Net Assets (Continued)

Designations

Designated for Subsequent Year's Expenditures

The unreserved portion of fund balance designated for subsequent year's expenditures is the amount that has been authorized by City Council to be used in the following year's budget.

Designated for Contingencies

The City Council has designated \$1,000,000 for the payment of contingent claims in addition to amounts already accrued in the Enterprise and Internal Service Funds.

O. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be currency on hand, cash held by trustee, demand deposits with banks and all amounts included in pooled cash and investment pools. The City considers all highly liquid investments with an original maturity of approximately ninety days or less to be cash equivalents.

P. Claims and Judgments

Claims and judgments are accrued as expenditures in governmental funds for the amount expected to be liquidated with expendable available financial resources to the extent they mature each period. The entire liability for claims and judgments is reported in the government-wide financial statements and in the enterprise fund financial statements when it is probable that a liability has been incurred.

Q. Solid Waste Landfill Closure and Post-closure Cost

Solid waste landfill closure and post-closure costs are accounted for in accordance with guidelines recommended by GASB Statement Number 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. The liability, based upon landfill capacity used to date, is recorded in the Department of Environmental Services Enterprise Fund. An explanation of the liability and its calculation is in Note 8.

R. Fiscal-year Inconsistencies

The City's component unit, EPWU, operates on a fiscal year ending on the last day of February. Therefore, the following amounts reported by the primary government are inconsistent with amounts reported by EPWU:

Primary Government - Due From Component Unit	
Governmental funds:	
General Fund	\$ 753,927
Community Development Block Grants	165,388
Proprietary funds:	
Department of Solid Waste Management	2,873,846
Due From Component Unit at August 31, 2006	<u>\$ 3,793,161</u>
Component unit - EPWU - Due To Primary Government - at February 28, 2006	<u>\$ 3,389,563</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH, DEPOSITS AND INVESTMENTS

A summary of cash and cash equivalents and investments is presented below:

	Primary Government	Private Purpose Trusts	Agency Funds	Subtotal - City Treasury	Component Unit - EPWU	Pension Trust Funds
Cash and Cash Equivalents	\$ 12,089,942	849,763	3,311,950	16,251,655	8,436,754	(1) 18,648,887
Restricted Cash and Cash Equivalents					83,666,023	
Cash and Cash Equivalents	12,089,942	849,763	3,311,950	16,251,655	92,102,777	18,648,887
Investments	88,353,059	9,216,684		97,569,743		1,095,410,386
Restricted Investments	42,224,742			42,224,742	76,218,838	
Investments	130,577,801	9,216,684		139,794,485	76,218,838	1,095,410,386
	\$ 142,667,743	10,066,447	3,311,950	156,046,140	168,321,615	1,114,059,273

(1) Carrying amount of cash at February 28, 2006 was \$1,406,712. The bank balance totalled \$4,934,627 secured by \$100,00 FDIC Insurance and surety bond of \$30,000,000.

Pooled Cash and Investments

The City maintains a cash and investment pool (Pool) that is available for use by the Primary Government and Private Purpose Trusts. Each fund's portion of the Pool is proportionately reported in these statements as "Cash and cash equivalents" and "Investments." Participation in the Pool is restricted and does not include cash on hand (petty cash and change funds) and other funds that are restricted because of statutory or contractual considerations. A fund may overdraw its account in the Pool, with the overdraft reported as a liability (Due to other funds) on the balance sheet. Earnings from the Pool are allocated to the funds based upon each fund's daily balance in the Pool in accordance with the City's investment policy. Cash and Cash Equivalents and Investments of the City Treasury at August 31, 2006 were:

	Cash and Cash Equivalents	Investments	City Treasury	Non-Pool	Pool
Governmental Funds:					
General	\$ 2,024,762	21,526,327	23,551,089	40,169	23,510,920
Debt Service	175,672	1,905,373	2,081,045		2,081,045
Capital Projects	2,199,091	23,851,727	26,050,818	1,556,368	24,494,450
Other Governmental Funds	1,144,548	12,400,950	13,545,498	63,751	13,481,747
Enterprise Funds:					
El Paso International Airport	4,197,962	45,515,573	49,713,535	4,676,163	45,037,372
International Bridges	518,771	5,669,418	6,188,189	667,214	5,520,975
Department of Environmental Services	1,643,399	17,702,035	19,345,434	750	19,344,684
Mass Transit	185,737	2,006,398	2,192,135	11,300	2,180,835
Fiduciary Funds:					
Private Purpose Trusts	849,763	9,216,684	10,066,447		10,066,447
Agency Funds	3,311,950		3,311,950	3,311,950	
	\$ 16,251,655	139,794,485	156,046,140	10,327,665	145,718,475

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Pooled Cash and Investments (Continued)

Cash and cash equivalents and investments of the City Treasury at August 31, 2006:

	Pool	Non-Pool	Carrying/Market Value	Bank Balance	
Cash in bank (1)	\$ (4,982,429)	3,404,623	(1,577,806)	1,862,271	
Cash on hand		105,423	105,423		
External investment pools:					
TexPool	716,595		716,595	716,595	
LOGIC	286,871		286,871	286,871	
MBIA	531,754		531,754	531,754	
TexSTAR	1,048,351		1,048,351	1,048,351	
Wells Fargo Government Investment Fund	7,292,129	6,226,009	13,518,138	13,518,138	
Repurchase agreement	1,622,329		1,622,329		
Cash and cash equivalents	6,515,600	9,736,055	16,251,655		
Mutual Fund		591,610	591,610		
\$5,000,000 par value Federal Home Loan Note - 3.03% coupon, maturing 11/09/06	4,977,500		4,977,500		3.16%
\$15,000,000 par value Federal Home Loan Bank Note - 4.50% coupon, maturing 11/09/06	14,973,000		14,973,000		9.51%
\$50,285,000 par value Federal National Mortgage Note - 2.625% coupon, maturing 11/15/06	49,998,375		49,998,375	Held by City's agent in City's name.	31.74%
\$10,000,000 par value Federal National Mortgage Discount Note - maturing 12/27/06	9,832,000		9,832,000		6.24%
\$40,000,000 par value Federal Home Loan Bank Note - 4.00% coupon, maturing 02/28/07	39,732,000		39,732,000		25.22%
\$20,000,000 par value Federal Home Loan Bank Note - 3.28% coupon, maturing 06/11/07	19,690,000		19,690,000		12.50%
	<u>\$ 145,718,475</u>	<u>10,327,665</u>	<u>156,046,140</u>		

(1) Held by financial institution. Insured by FDIC \$100,000. Remainder secured by a pledge of \$23,692,887 of U.S. Government securities held by the City's agent in the City's name.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – City Treasury

The City follows GASB Statement Number 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. This statement requires that governmental entities report investments at fair value and that all investment income, including changes in the fair value of investments, be reported as revenue in the operating statement. The City reports the change in fair value as “Net Increase (Decrease) in Fair Value of Investments.”

The City has adopted an investment policy to minimize the inherent risks associated with deposits and investments. The primary objective of the City’s investment policy is to invest funds to provide for the maximum safety of principal. After consideration of the City’s safety and liquidity requirements, this policy seeks the highest possible investment return. The policy defines:

- The requirements for authorized financial institutions, depositories and broker/dealers.
- Investments authorized and prohibited.
- The maximum maturity for any single investment as three years.
- The maximum dollar-weighted average maturity for investment pools as two years.

The City’s investment policy requires that financial institutions, broker/dealers, intermediaries and advisers must meet certain conditions and provide certain information prior to entering into investment activities with the City.

The City participates in TEXPOOL, LOGIC, MBIA, TexSTAR and Wells Fargo Government Investment Fund, which are external investment pools. The State Comptroller of Public Accounts maintains oversight responsibility for TEXPOOL. This responsibility includes the ability to influence operations, designation of management and accountability for fiscal matters. LOGIC, MBIA and TexSTAR are public funds investment pools organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and are privately managed. Although TEXPOOL, LOGIC, MBIA, TexSTAR and Wells Fargo Government are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC’s Rule 2(a)7 of the Investment Company Act of 1940. GASB Statement 31 allows 2(a)7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than fair value to report net assets to compute share price. The fair value of the City’s position in TEXPOOL, LOGIC, MBIA, TexSTAR and Wells Fargo Government is the same as the value of TEXPOOL, LOGIC, MBIA, TexSTAR and Wells Fargo Government shares.

The City has adopted an investment policy to minimize the inherent risks associated with deposits and investments. The primary objective of the City’s investment policy is to invest funds to provide for the maximum safety of principal. After consideration of the City’s safety and liquidity requirements, this policy seeks the highest possible investment return. The policy defines:

- The requirements for authorized financial institutions, depositories and broker/dealers.
- Investments authorized and prohibited.
- The maximum maturity for any single investment as three years.
- The maximum dollar-weighted average maturity for investment pools as two years.

Custodial Credit Risk (Deposits) - Collateralization is required for deposits in demand deposit accounts, certificates of deposit and repurchase agreements. The collateralization level is 105% of principal and accrued interest. Collateral is held in the City’s name by an independent third party with whom the City has a current custodial agreement and collateral instruments are limited to those instruments authorized by the City’s investment policy.

Custodial Credit Risk (Investments) - Securities are held by the City’s agent in the City’s name.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – City Treasury (Continued)

Credit Risk – The investment policy authorizes the following securities:

- obligations of the United States or its agencies and instrumentalities
- direct obligations of the State of Texas or its agencies and instrumentalities
- collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by the agency or instrumentality of the United States
- other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities
- obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent
- certificates of deposit and share certificates
- repurchase agreements
- mutual funds
- investment pools

Concentration of Credit Risk – While the investment policy does not limit the percentage of authorized investment in the portfolio, investment diversification is required.

Interest Rate Risk – The City will minimize interest rate risk, which is the risk that the market value of securities will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature in a manner consistent with projected cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity.

At August 31, 2006, investments of the City Treasury are as follows:

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity in years</u>		<u>Rating / Agency</u>
		<u>Less than 1</u>	<u>1 - 5</u>	
U.S. agencies	\$ 139,202,875	139,202,875		AAA / S&P
External investment pools	16,693,319	16,191,557	501,762	AAA / S&P
Repurchase agreements	1,622,329	1,622,329		Unrated
	<u>\$ 157,518,523</u>	<u>157,016,761</u>	<u>501,762</u>	

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Component Unit - EPWU

EPWU has adopted an investment policy to minimize the inherent risks associated with deposits and investments.

The Public Funds Investment Act (Texas Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires EPWU to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Texas statutes and ordinances of the City of El Paso authorize EPWU to expend funds for the operation of EPWU, including the purchase of investments. EPWU is permitted to invest available funds in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market mutual funds, (5) investment pools, (6) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; obligations of states, agencies, counties, cities, and other political subdivisions of any state having a rating of not less than A or its equivalent, and (7) fully collateralized repurchase agreements having a defined termination date and secured by obligations of the United States or its agencies and instrumentalities. The Act also requires EPWU to have independent auditors perform test procedures related to investment practices as provided by the Act. EPWU is in substantial compliance with the requirements of the Act and with local policies.

EPWU participates in TEXPOOL, which is a government investment pool in the State of Texas. The State Comptroller of Public Accounts maintains oversight responsibility for TEXPOOL. This responsibility includes the ability to influence operations, designation of management and accountability for fiscal matters. Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. Although TEXPOOL is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2(a) of the Investment Company Act of 1940. GASB Statement 31 allows 2(a)7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than fair value to report net assets to compute share price. The fair value of EPWU's position in TEXPOOL is the same as the value of TEXPOOL shares. EPWU also participates in TexSTAR, which is an investment service created by local governments for local governments. TexSTAR was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These acts provide for the creation of public funds investment pools such as TexSTAR and authorize eligible governmental entities to invest their public funds in investment pools.

State statutes permit EPWU to enter into certain repurchase agreements. That is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. All sales of investments under reverse repurchase agreements must be for fixed terms. In investing the proceeds of reverse repurchase agreements, the term to maturity of the investments is the same as the term of reverse repurchase agreement. During fiscal year 2006, EPWU did not enter into any reverse repurchase agreements.

Credit risk is the risk of loss due to failure of an issuer not fulfilling its obligations. EPWU minimizes credit risk by limiting investments to the safest types of securities as authorized by its investment policy and by pre-qualifying the financial institutions and broker/dealers with which the EPWU will do business.

EPWU minimizes concentration of credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized. In addition, they also invest in securities with varying maturities, and are continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) and money market funds. Diversification by investment type shall be established by the following maximum percentages of investment type to the total EPWU portfolio:

U.S. Government Securities	100%
State, Agencies, Counties, Cities and other	50%
Certificates of Deposit	50%
Money Market Mutual Funds	80%
Eligible Investment Pools	100%

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Component Unit – EPWU (Continued)

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, EPWU will not be able to recover deposits or collateral securities that are in the possession of an outside party. For investments, the custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, EPWU will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

EPWU minimizes depository custodial credit risk by depositing and investing under the terms of a contract, contents of which are set out in the depository contract. The depository bank places approved pledged securities for safekeeping and trust with EPWU's agent bank in an amount sufficient to protect EPWU funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. Effective January 14, 2004, EPWU approved the use of surety bonds as collateral for deposits; currently, the surety bond amounts to \$30,000,000.

EPWU minimizes investment custodial credit risk by requiring that all collateral securities be held by a third party institution. The EPWU requires full collateralization of all EPWU investments, other than investments which are obligations of the U.S. government and its agencies and instrumentalities, or by the Federal Reserve Bank, except the collateral for certificates of deposits in banks. The collateral for certificates of deposits in banks will be registered in EPWU's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in EPWU's name.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of investments. EPWU minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. It is also minimized by investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. The operating funds portfolio should have a weighted average maturity less than 270 days with a maximum of two years for any investment.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. EPWU does not directly invest in foreign securities; however, the escrow accounts money market fund might invest a minimal amount of the fund's portfolio in foreign securities.

At February 28, 2006 investments of EPWU are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. Treasuries	\$ 879,356		879,356	
U.S. agencies	65,339,482	63,347,607	1,991,875	AAA / S&P
Investment pools	40,007,552	40,007,552		AAA / S&P
Mutual bond funds	29,782,544	29,782,544		AAA / S&P
Mutual bond funds	20,905,969	20,905,969		Unrated
Certificates of deposit (1)	10,000,000	10,000,000		Unrated
	<u>\$ 166,914,903</u>	<u>164,043,672</u>	<u>2,871,231</u>	

(1) Secured by pledged securities at Southwest Corporate Federal Credit Union.

The following table presents the fair value of investments that represents 5% or more of EPWU's investment portfolio at February 28, 2006. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are not included.

Certificates of Deposit	\$ 10,000,000
Federal Agency Discount Notes:	
Federal Home Loan Bank	8,841,137
Federal Home Loan Mortgage Corp.	42,735,522

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds - CEPF

The CEPF's investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the Board, under contracts with the CEPF. Investments are held by the CEPF's custodian in the CEPF's name. The investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, and domestic and foreign corporate debt and equity securities. Certain investment managers have invested in certain bank collective investment funds which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures, and temporary collective investment funds and may enter into collateralized securities lending transactions.

Through adherence to the CEPF's Investment Rules and Regulations, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below.

Bonds – The CEPF's current policies only allow for investment grade bonds. In the corporate bond portfolio, the CEPF has a minimum rating of BBB or Baa2 as minimum ratings for 80% of the bond portfolio. There is a provision for an immediate sale should the quality of the bonds dip below BBB or Baa2 for 80% of the portfolio. The remainder of the bond portfolio may be invested in BBB- or Baa3 bonds. Should these bonds fall below this grade, it triggers an immediate sale.

Mortgage-backed securities – The CEPF has adopted special investment rules with regard to mortgage-backed securities. These rules limit the duration of the purchased mortgage-related securities. Each security must satisfy a FLUX score of 15 or lower. This test must be satisfied at the time of purchase and quarterly thereafter. The average FLUX score for the portfolio's aggregate Collateralized Mortgage Obligation position shall not exceed the FLUX score of the current coupon mortgage pass-through or exceed seven years in duration. Mortgage-backed derivatives are prohibited.

Fixed income portfolios – The annual standard deviation of returns for the CEPF's domestic fixed income portfolio shall not exceed 1.33% of the annual standard deviation of the Lehman Brothers Aggregate Bond Index.

Index bond portfolios – The index must maintain a risk level, as measured by the standard deviation of quarterly returns that equals the risk of the Lehman Brothers Government Index Fund or the Lehman Aggregate Bond index if longer duration bonds are included in the portfolio.

Laddered bond portfolios – These investments are laddered in six-month increments. These instruments will be held until maturity.

Equity managers – Under current policies, equity managers cannot invest in Bank and/or insurance companies rated less than A- by S&P, cannot invest in the stock in non-public corporations, cannot invest in short sales of any type, cannot invest in letter or restricted stock, cannot invest in the use of margin, cannot invest in the entity in which the manager is employed, cannot invest more than 25% in any one industry, cannot hold more than 10% of the portfolio in any one company, and cannot hold more than 20% of the managed portfolio in American Depository Receipts.

At August 31, 2006, investments of CEPF are as follows:

Investment type	Fair Value	Maturity in years				Rating / Agency
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasuries	\$ 24,436,907	249,219	19,388,568	1,001,334	3,797,786	
U.S. agencies	15,658,329	11,015,478			4,642,851	Unrated
Corporate bonds	20,285,355	361,404	3,187,444	3,627,609	13,108,898	A, BAA or better / Moody's
Mutual bond funds	90,137,208	90,137,208				Unrated
	<u>\$ 150,517,799</u>	<u>101,763,309</u>	<u>22,576,012</u>	<u>4,628,943</u>	<u>21,549,535</u>	

CEPF held corporate bonds in the aggregate fair value of \$20,285,355. At August 31, 2006, \$5,616,786 in corporate bonds had Moody's Investment Services ratings of A or better. The remaining \$14,668,569 had ratings of BAA or better. All corporate bonds held at August 31, 2006 were rated as investment grade by Moody's Investment Services.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – CEPF (Continued)

The following table presents the fair value of investments that represents 5% or more of the CEPF's net assets available for benefits at August 31, 2006. These investments are in bank collective investment funds, which consist of diversified portfolios of investments as described above.

	<u>Shares/ par value</u>	<u>Fair value</u>
EB Stock Index Fund – Mellon Capital Management Corporation	53,399	\$ 77,046,783
EB MCM Government Bond Index Fund – Mellon Capital Management Corporation	167,818	52,649,050
FMTC International Growth Fund – Fidelity Investments	2,341,995	66,255,043

CEPF's exposure to foreign currency risk at August 31, 2006 was as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair value</u>
Cash and equivalents	(1)	\$ 405,888
Corporate stocks	Australian dollar	1,457,441
Corporate stocks	British pound	8,615,845
Corporate stocks	European euro	12,042,630
Corporate stocks	Japanese yen	8,660,686
Corporate stocks	Swiss franc	2,319,348
Corporate stocks	Swedish krona	829,071
Corporate stocks	(2)	1,332,009
Total		<u>\$ 35,662,918</u>

(1) Investments in cash and cash equivalents ranging from \$3,000 to \$192,000 were held in Australian dollars, British pounds, Danish kroner, European euros, Hong Kong dollars, Japanese yen, Norwegian kroner, Singapore dollars and Swiss francs.

(2) Investments in corporate stocks ranging from \$270,000 to \$471,000 were held in Danish kroner, Hong Kong dollars, Norwegian kroner and Singapore dollars.

Security Lending Transactions

State statutes and board of trustees policies permit the CEPF to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The CEPF's custodian lends securities of the type on loan at year-end for collateral in the form of U.S. Treasury securities at 102 percent.

At year-end, the CEPF has no credit risk exposure to borrowers because the amounts the CEPF owes the borrowers exceed the amounts the borrowers owe the CEPF. The contract with the CEPF's custodian requires it to indemnify the CEPF if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities lent or fail to pay the CEPF for income distributions by the securities' issuers while the securities are on loan.

All securities loans can be terminated on demand by either the CEPF or the borrower, although the average term of the loans is one week. The relationship between the maturities of the investment pool and the system's loans is affected by the maturities of the securities loans made by other entities that can use the agent's pool, which the CEPF cannot determine. The CEPF cannot pledge or sell collateral securities received unless the borrower defaults.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – CEPF (Continued)

Fair value of securities loaned by type of investment at August 31, 2006 was as follows:

U.S. government securities	\$ 20,551,553
Corporate bonds	645,381
Corporate stocks	23,079,792
Agency securities	<u>11,090,797</u>
Total	<u>\$ 55,367,523</u>

Investments – Pension Trust Funds – FPPF

The FPPF's investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the FPPF Board. The investments are held by the FPPF's custodian in the FPPF's name. The investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities and domestic and foreign corporate debt and equity securities. Certain investment managers have invested in certain bank collective investment funds which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures, temporary collective investment funds and may enter into collateralized securities lending agreements.

Through adherence to the FPPF's Investment Policy, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below.

Large Cap Value Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.25 times the annualized deviation of the Russell 1000 Value Index.

Large Cap Growth Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.25 times the annualized deviation of the Russell 1000 Growth Index.

Small Cap Value Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.5 times the annualized deviation of the Russell 2000 Value Stock Index.

Small Cap Growth Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.5 times the annualized deviation of the Russell 2000 Growth Stock Index.

International Growth Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.25 times the annualized deviation of the S&P/Citicorp EPAC BMI Growth Index.

International Value Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.25 times the annualized deviation of the S&P/Citicorp EPAC BMI Value Index.

Emerging Markets Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.25 times the annualized deviation of the S&P/Citicorp Emerging Markets BMI Index.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – FPPF (Continued)

Domestic Core Fixed Income Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.2 times the annualized deviation of the Lehman Brothers Aggregate Bond Index.

Domestic Core Real Estate Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.5 times the annualized deviation of the its Benchmark Index.

Credit Risk, Concentration of Credit Risk, and Interest Rate Risk

At December 31, 2005, the Fund held bond mutual funds in the aggregate fair value of \$197,370,568. These investments are unrated.

As of December 31, 2005, the Fund had the following investments and maturities.

Investment type	Maturities by Years	
	Fair value	Less than 1
Bond mutual fund	\$ 197,370,568	197,370,568

At December 31, 2005, the Fund held cash and short-term investments in the amount of \$9,223,699. The balances are uninsured and uncollateralized.

Foreign Currency Risk

The Fund's exposure to foreign currency risk at December 31, 2005, was as follows:

Investment	Currency	Fair Value
Cash and equivalents	(1)	\$ 1,451,777
Corporate stocks	Australian dollar	2,374,374
Corporate stocks	British pound	23,228,492
Corporate stocks	Canadian dollar	2,188,555
Corporate stocks	European euro	25,887,268
Corporate stocks	Hong Kong dollar	3,051,763
Corporate stocks	Japanese yen	10,500,877
Corporate stocks	New Zealand dollar	1,246,917
Corporate stocks	Norwegian krone	2,255,283
Corporate stocks	Singapore dollar	711,210
Corporate stocks	South Korean won	4,801,070
Corporate stocks	Swiss franc	6,046,601
Corporate stocks	(2)	107,123,018
Total		<u>\$ 190,867,205</u>

(1) Investments in cash and cash equivalents were held in Australian dollars, British pounds, European euros and Swiss francs

(2) Investments in incorporated stocks were held in Brazilian cruzeiro, Hong Kong dollars, Hungarian forint, Indonesian rupiah, Korean won, Mexican pesos, New Turkish lira, Polish zloty, South African rand, Taiwan dollars and Thai bhats.

NOTE 2. CASH AND INVESTMENTS (Continued)**Investments – Pension Trust Funds – FPPF (Continued)**

Securities Lending

The Fund has entered into an agreement with its custodian bank, Mellon Bank, N.A. (the Lending Agent), under which Fund-owned investments are lent to one or more borrowers for a fee. The types of securities that governments lend include U.S. government and agency securities, domestic and foreign corporate equity and fixed income securities, and foreign government fixed-income securities. Parameters are established by the Fund's investment guidelines for securities lending transaction along with the Securities Lending Authorization Agreement. The Lending Agent is responsible for collecting all required collateral in the form of U.S. dollar cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities, or irrevocable letters of credit issued by banks independent of the borrowers. The Lending Agent may invest on behalf of the Fund any and all cash collateral as agreed upon by both parties. The Fund's policy is to match the maturities of the collateral investments and the securities loans and at year-end all securities loans could be terminated on demand by either the entity or the borrower and substantially all cash collateral is invested in overnight or on-demand investments. There were no losses from securities lending transactions during the period resulting from a default of a borrower or the lending agent.

Concurrently with the delivery of the Fund's securities to a borrower, the Lending Agent shall obtain from such borrower collateral in an amount equal, as of such date, to the required percentage, of the market value of any securities loaned, including any accrued interest. The required percentage is 102% with respect to U.S. securities and 105% with respect to foreign securities except in the case of loans of foreign securities which are denominated and payable in U.S. dollars, in which event the required percentage is 102%. If at the close of trading on any business day, the market value of the Collateral delivered by the Borrower is less than the minimum percentage (100%) of the market value of such loaned securities, the Lending Agent shall require that the Borrower deliver an amount of additional collateral by the close of the next business day. Because of this, the Fund believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the Fund by the investment managers or broker/ dealers.

As of December 31, 2005, \$20,205,402 of Fund owned investments were loaned to borrowers.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 3. PROPERTY TAXES

Levy, Assessment and Collection

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. A receivable for property taxes is recognized and recorded at the levy date. The adjusted assessed value for the roll as of January 1, 2005, upon which the 2006 levy was based, was \$21,049,729,593.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 97.72% of the current tax levy (October 2005) was collected. The statutory lien date is January 1.

The methods of property assessment and tax collection are determined by Texas statute. The statutes provide for a property tax code, countywide appraisal districts and certain exemptions from taxation, such as intangible personal property, household goods and family-owned automobiles.

The appraisal of property within the City is the responsibility of the El Paso Central Appraisal District. The El Paso Central Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may require more frequent reviews of appraised values at its own expense. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City is authorized to set tax rates on property within the City limits. However, if the adopted tax rate for operations exceeds the effective operating rate as calculated pursuant to the property tax code for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than 8%.

Through a contractual arrangement, the City of El Paso bills and collects property taxes for several other governmental entities as well as the City. The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. Under the City Charter, a limit on taxes levied for general governmental services, exclusive of payments of principal and interest on general obligation long-term debt, has been established at \$1.85 per \$100 assessed valuation.

The tax rate to finance general governmental purposes, other than the payment of principal and interest on general obligation long-term debt, for the year ended August 31, 2006, was \$.508371 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.341629 per \$100 assessed valuation and could levy \$282,409,277 in additional taxes from the assessed valuation of \$21,049,729,593 before the legislative limit is reached.

Property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as unearned revenues in the year of levy. Such unearned revenues are recognized as revenue in the fiscal year in which they become available.

The balance of delinquent property taxes receivable and property tax assessments included in unearned revenues at August 31, 2006 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property taxes receivable	\$ 7,460,544	2,456,959
Less allowance for uncollectibles	74,606	24,570
Net property taxes receivable	<u>\$ 7,385,938</u>	<u>2,432,389</u>
Unearned ad valorem taxes	<u>\$ 6,628,869</u>	<u>2,183,066</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 4. RECEIVABLES

Receivables are summarized below:

Governmental activities							
	General Fund	Community Development Block Grants Fund	Debt Service	Capital Projects	Other Governmental Funds	Internal Service Funds	Total
Property taxes	\$ 7,460,544		2,456,959				9,917,503
Sales taxes	9,472,832						9,472,832
Trade	8,695,338					24,193	8,719,531
Interest	818,652	390,070					1,208,722
Other	59,981			1,146,761	239,366		1,446,108
Bond proceeds receivable							0
Fines and forfeits	71,899,840						71,899,840
Due from other government agencies	108,235	4,481,274		53,000	8,121,606		12,764,115
Notes receivable - low income housing loans		41,428,979					41,428,979
Allowance for doubtful accounts	(32,997,663)	(10,086,394)	(24,570)			(17,966)	(43,126,593)
Receivables, net of allowances	<u>\$ 65,517,759</u>	<u>36,213,929</u>	<u>2,432,389</u>	<u>1,199,761</u>	<u>8,360,972</u>	<u>6,227</u>	<u>113,731,037</u>

Business-type activities				
	El Paso International Airport	Department of Environmental Services	Mass Transit	Total
Unrestricted:				
Sales taxes	\$ -		4,700,097	4,700,097
Trade	2,126,211	549,944	76,333	2,752,488
Due from other government agencies	1,209,029		2,891,653	4,100,682
Allowance for doubtful accounts	(833,352)	(165,550)		(998,902)
Receivables, net of allowances	<u>2,501,888</u>	<u>384,394</u>	<u>7,668,083</u>	<u>10,554,365</u>
Restricted:				
Trade	500,779			500,779
Receivables, net of allowances	<u>\$ 3,002,667</u>	<u>384,394</u>	<u>7,668,083</u>	<u>11,055,144</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 5. CAPITAL ASSETS

Capital asset activity for the government-wide financial statements was as follows:

	<u>Balances September 1, 2005</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances August 31, 2006</u>
Governmental Activities: ¹					
Capital assets not being depreciated					
Land	\$ 137,449,695		877,232	(235,848)	138,091,079
Construction in progress	97,025,945	(76,885,114)	66,808,121	-	86,948,952
Total capital assets not being depreciated	<u>234,475,640</u>	<u>(76,885,114)</u>	<u>67,685,353</u>	<u>(235,848)</u>	<u>225,040,031</u>
Capital assets being depreciated					
Buildings	206,279,262	59,615,457	6,036,565		271,931,284
Improvements other than buildings	19,462,513		716,039		20,178,552
Vehicles and major equipment	86,947,333		5,198,425	(1,193,744)	90,952,014
Data processing equipment and software	11,581,986		79,186		11,661,172
Other capital assets	2,845,308				2,845,308
Infrastructure	598,741,581	17,269,657			616,011,238
Total capital assets, being depreciated	<u>925,857,983</u>	<u>76,885,114</u>	<u>12,030,215</u>	<u>(1,193,744)</u>	<u>1,013,579,568</u>
Less accumulated depreciation for:					
Buildings	86,804,102		6,257,559		93,061,661
Improvements other than buildings	17,384,114		362,757		17,746,871
Vehicles and major equipment	57,391,654		9,442,071	(1,146,806)	65,686,919
Data processing equipment and software	5,208,247		3,278,914		8,487,161
Other capital assets	2,845,308		-		2,845,308
Infrastructure	447,870,539		9,245,621		457,116,160
Total accumulated depreciation	<u>617,503,964</u>	<u>-</u>	<u>28,586,922</u>	<u>(1,146,806)</u>	<u>644,944,080</u>
Total capital assets, being depreciated, net	<u>308,354,019</u>	<u>76,885,114</u>	<u>(16,556,707)</u>	<u>(46,938)</u>	<u>368,635,488</u>
Governmental activities capital assets, net	<u>\$ 542,829,659</u>	<u>-</u>	<u>51,128,646</u>	<u>(282,786)</u>	<u>593,675,519</u>

Depreciation expense was charged to governmental functions/programs in the government-wide financial statements as follows:

Governmental Activities¹	
General government	\$ 1,721,518
Public safety	8,095,013
Public Works	12,261,978
Public health	648,030
Parks	1,819,134
Library	329,010
Culture and recreation	3,622,421
Community and economic development	27,514
Total depreciation expense - governmental activities	<u>28,524,618</u>
Internal service funds	62,304
Depreciation Expense	<u>\$ 28,586,922</u>

¹ The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2006, Internal Service Funds capital asset additions were \$51,851 resulting in an ending balance of \$1,788,947. Depreciation expense of \$62,304 resulted in an ending accumulated depreciation balance of \$1,511,784 to arrive at a net book value of \$277,163.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 5. CAPITAL ASSETS (Continued)

	Balance September 1, 2005	Transfers	Increases	Decreases	Balance August 31, 2006
Business-type activities:					
El Paso International Airport					
Capital assets not being depreciated:					
Land	\$ 1,382,217				1,382,217
Construction in progress	19,473,662	(10,641,278)	11,512,874		20,345,258
Total capital assets not being depreciated	20,855,879	(10,641,278)	11,512,874	-	21,727,475
Capital assets being depreciated:					
Buildings	114,150,487	-			114,150,487
Improvements other than buildings	142,084,606	9,820,659		108,395	151,796,870
Vehicles and major equipment	10,445,277	820,619			11,265,896
Total capital assets being depreciated	266,680,370	10,641,278	-	108,395	277,213,253
Less accumulated depreciation for:					
Buildings	37,765,344		3,804,696		41,570,040
Improvements other than buildings	75,806,173		7,961,755	104,003	83,663,925
Vehicles and major equipment	8,306,439		618,189		8,924,628
Total accumulated depreciation	121,877,956	-	12,384,640	104,003	134,158,593
Total capital assets, being depreciated, net	144,802,414	10,641,278	(12,384,640)	4,392	143,054,660
El Paso International Airport capital assets, net	\$ 165,658,293	-	(871,766)	4,392	164,782,135
International Bridges					
Capital assets not being depreciated:					
Land	\$ 850,007				850,007
Construction in progress	224,150		217,728		441,878
Total capital assets not being depreciated	1,074,157	-	217,728	-	1,291,885
Capital assets being depreciated:					
Buildings	11,130,730	(1)			11,130,729
Vehicles and major equipment	2,955,859				2,955,859
Total capital assets being depreciated	14,086,589	(1)	-	-	14,086,588
Less accumulated depreciation for:					
Buildings	5,227,369	(1)	549,853		5,777,221
Improvements other than buildings	2,400,756		254,982		2,655,738
Vehicles and major equipment					-
Total accumulated depreciation	7,628,125	(1)	804,835	-	8,432,959
Total capital assets, being depreciated, net	6,458,464	-	(804,835)	-	5,653,629
International Bridges capital assets, net	\$ 7,532,621	-	(587,107)	-	6,945,514
Department of Environmental Services					
Capital assets not being depreciated:					
Construction in progress	\$ 7,090,710	(4,773,182)	4,688,158		7,005,686
Total capital assets not being depreciated	7,090,710	(4,773,182)	4,688,158	-	7,005,686
Capital assets being depreciated:					
Buildings	512,100				512,100
Improvements other than buildings	487,780	6,591,985			7,079,765
Vehicles and major equipment	37,336,077	1,362,973		7,549,662	31,149,388
Total capital assets being depreciated	38,335,957	7,954,958	-	7,549,662	38,741,253
Less accumulated depreciation for:					
Buildings	336,078	(11,949)	10,242		334,371
Improvements other than buildings	497,334	5,114,556	1,345,671		6,957,561
Vehicles and major equipment	25,441,016	(1,920,831)	3,456,125	7,266,799	19,709,511
Total accumulated depreciation	26,274,428	3,181,776	4,812,038	7,266,799	27,001,443
Total capital assets, being depreciated, net	12,061,529	4,773,182	(4,812,038)	282,863	11,739,810
Department of Environmental Services capital assets, net	\$ 19,152,239	-	(123,880)	282,863	18,745,496

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 5. CAPITAL ASSETS (Continued)

Business-type activities (continued):	Balance September 1, 2005	Transfers	Increases	Decreases	Balance August 31, 2006
Mass Transit					
Capital assets not being depreciated:					
Land	\$ 6,745,194	1,358,867			8,104,061
Construction in progress	7,477,700	(6,816,696)	6,487,378		7,148,382
Total capital assets not being depreciated	<u>14,222,894</u>	<u>(5,457,829)</u>	<u>6,487,378</u>	<u>-</u>	<u>15,252,443</u>
Capital assets being depreciated:					
Buildings	25,601,630	(1)			25,601,629
Improvements other than buildings	25,096,759	1,048,831			26,145,590
Vehicles and major equipment	60,565,434	4,408,999		2,434,253	62,540,180
Total capital assets being depreciated	<u>111,263,823</u>	<u>5,457,829</u>	<u>-</u>	<u>2,434,253</u>	<u>114,287,399</u>
Less accumulated depreciation for:					
Buildings	7,108,551		851,932		7,960,483
Improvements other than buildings	8,592,351		1,313,617		9,905,968
Vehicles and major equipment	45,655,467		4,347,154	2,392,761	47,609,860
Total accumulated depreciation	<u>61,356,369</u>	<u>-</u>	<u>6,512,703</u>	<u>2,392,761</u>	<u>65,476,311</u>
Total capital assets, being depreciated, net	<u>49,907,454</u>	<u>5,457,829</u>	<u>(6,512,703)</u>	<u>41,492</u>	<u>48,811,088</u>
Mass transit capital assets, net	<u>\$ 64,130,348</u>	<u>-</u>	<u>(25,325)</u>	<u>41,492</u>	<u>64,063,531</u>
All business-type activities:					
Capital assets not being depreciated:					
Land	\$ 8,977,418	1,358,867	-	-	10,336,285
Construction in progress	34,266,222	(22,231,156)	22,906,138	-	34,941,204
Total capital assets not being depreciated	<u>43,243,640</u>	<u>(20,872,289)</u>	<u>22,906,138</u>	<u>-</u>	<u>45,277,489</u>
Capital assets being depreciated:					
Buildings	151,394,947	(2)	-	-	151,394,945
Improvements other than buildings	167,669,145	17,461,475	-	108,395	185,022,225
Vehicles and major equipment	111,302,647	6,592,591	-	9,983,915	107,911,323
Total capital assets being depreciated	<u>430,366,739</u>	<u>24,054,064</u>	<u>-</u>	<u>10,092,310</u>	<u>444,328,493</u>
Less accumulated depreciation for:					
Buildings	50,437,342	(11,950)	5,216,723	-	55,642,115
Improvements other than buildings	87,296,614	5,114,556	10,876,025	104,003	103,183,192
Vehicles and major equipment	79,402,922	(1,920,831)	8,421,468	9,659,560	76,243,999
Total accumulated depreciation	<u>217,136,878</u>	<u>3,181,775</u>	<u>24,514,216</u>	<u>9,763,563</u>	<u>235,069,306</u>
Total capital assets, being depreciated, net	<u>213,229,861</u>	<u>20,872,289</u>	<u>(24,514,216)</u>	<u>328,747</u>	<u>209,259,187</u>
All business-type activities capital assets, net	<u>\$ 256,473,501</u>	<u>-</u>	<u>(1,608,078)</u>	<u>328,747</u>	<u>254,536,676</u>

Depreciation expense was charged to business-type activities as follows:

International airport operations	\$ 12,384,640
International bridges operations	804,835
Solid waste operations	4,812,038
Mass transit operations	6,512,703
	<u>\$ 24,514,216</u>

Interest expense in 2006 is \$3,510,616. Interest cost as a component of the cost of construction in progress, is reported in accordance with Statements of Financial Accounting Standards Number 34 and Number 62.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 5. CAPITAL ASSETS (Continued)

Construction Commitments

As of August 31, 2006	Fund Equity Available	Remaining Commitment
Governmental funds	\$ 36,859,066	38,415,199
Proprietary funds	22,312,514	22,013,175
Total	<u>\$ 59,171,580</u>	<u>60,428,374</u>

Component Unit – EPWU

Capital asset activity for EPWU was as follows:

	Balance March 1, 2005	Additions	Deletions	Balance February 28, 2006
Capital assets, not being depreciated:				
Land and right-of-way	\$ 5,845,841	1,047,767		6,893,608
Land not in service	55,484,888	1,113,416	252,414	56,345,890
Construction work in progress	143,762,480	110,395,386	100,951,965	153,205,901
Total capital assets, not being depreciated	<u>205,093,209</u>	<u>112,556,569</u>	<u>101,204,379</u>	<u>216,445,399</u>
Capital assets, being depreciated				
Wastewater plant	499,493,640	21,893,655	100,099	521,287,196
Water plant	505,860,293	85,341,521	426,637	590,775,177
Equipment and tools	24,004,685	1,483,225	286,720	25,201,190
Vehicles	11,060,855	1,096,875	665,659	11,492,071
Buildings and shops	8,345,880	879,926		9,225,806
Total capital assets, being depreciated	<u>1,048,765,353</u>	<u>110,695,202</u>	<u>1,479,115</u>	<u>1,157,981,440</u>
Less accumulated depreciation for:				
Wastewater plant	193,432,441	14,947,756	100,099	208,280,098
Water plant	196,236,683	15,552,870	426,637	211,362,916
Equipment and tools	22,050,927	2,155,996	286,720	23,920,203
Vehicles	11,060,853	1,096,875	665,659	11,492,069
Buildings and shops	3,934,980	335,681		4,270,661
Total accumulated depreciation	<u>426,715,884</u>	<u>34,089,178</u>	<u>1,479,115</u>	<u>459,325,947</u>
Total capital assets, being depreciated, net	<u>622,049,469</u>	<u>76,606,024</u>	<u>-</u>	<u>698,655,493</u>
Utility Plant	<u>\$ 827,142,678</u>	<u>189,162,593</u>	<u>101,204,379</u>	<u>915,100,892</u>

Land not in service is essentially unimproved land that EPWU has purchased for its surface and ground water rights. EPWU owns a total of 102,322.78 acres of land which includes 28,172.45 acres in El Paso County, 73,281.88 acres in Hudspeth, Presidio, Jeff Davis and Culberson counties and 868.45 acres in New Mexico.

EPWU unit was committed to open contracts relating to construction projects totaling \$183,075,932 as of February 28, 2006.

Interest expense totaled \$18,769,759 of which \$2,232,196 was capitalized as a component of the cost of construction in progress in 2006.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

Interfund receivable and payable balances at August 31, 2006 were as follows:

Due To:	Due From:					Total
	Governmental Activities:					
	General Fund	Community Development Block Grants	Capital Projects	Other Governmental Funds	Internal Service Funds	
Governmental Activities:						
General Fund	\$ -	1,288,712 (1)	-		2,507,734 (1)	3,796,446
Other Governmental Funds	640,720 (3)			3,978,092 (1)		4,618,812
Internal Service Funds			3,531 (2)			3,531
Total Governmental Activities	<u>640,720</u>	<u>1,288,712</u>	<u>3,531</u>	<u>3,978,092</u>	<u>2,507,734</u>	<u>8,418,789</u>
Business-type Activities:						
International Bridges			150,000 (2)			150,000
Department of Environmental Services			354,560 (2)			354,560
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>504,560</u>	<u>-</u>	<u>-</u>	<u>504,560</u>
Total	<u>\$ 640,720</u>	<u>1,288,712</u>	<u>508,091</u>	<u>3,978,092</u>	<u>2,507,734</u>	<u>8,923,349</u>

All amounts are expected to be repaid within one year.

- (1) Overdraft in Pooled Cash and Investments
- (2) Unspent debt proceeds - for capital expenditures
- (3) General Fund share of Health District deficit

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

B. Transfers

Transfers are made as required by the annual budget resolution or subsequent City Council action. Interfund transfers made during the year were as follows:

Transfers Out:	Transfers from Other Funds:				Total
	General Fund	Debt Service	Capital Projects	Other Governmental Funds	
Governmental Activities:					
General Fund	\$ -		5,308,135 (7)	5,456,291 (4)	10,764,426
Capital Projects		1,774,170 (5)		11,553 (8)	1,785,723
Other Governmental Funds	462,250 (8)			145,842 (6)	608,092
Total Governmental Activities	462,250	1,774,170	5,308,135	5,613,686	13,158,241
Business-type Activities:					
El Paso International Airport	1,400,000 (1)				1,400,000
International Bridges	10,665,755 (2)				10,665,755
Department of Environmental Services	5,142,539 (3)				5,142,539
Mass Transit	3,750,000 (1)				3,750,000
Total Business-type Activities	20,958,294	-	-	-	20,958,294
Total	\$ 21,420,544	1,774,170	5,308,135	5,613,686	34,116,535

(1) Transfer indirect costs

(2) Transfer of unrestricted net assets to General Fund

(3) Cost recovery for street usage
 Transfer funding for graffiti clean up
 Transfer indirect costs for code enforcement

\$ 4,500,000
465,480
177,059
<u>\$ 5,142,539</u>

(4) Transfer to Health District
 To fund State lobbyist fund
 To fund projects authorized by City Council
 Transfer Inventory from General Fund

\$ 4,938,459
219,000
251,193
47,639
<u>\$ 5,456,291</u>

(5) Convention and Visitors Bureau - repayment of debt
 Transfer unexpended funds from
 Capital Projects to Debt Service

\$ 1,677,348
96,822
<u>\$ 1,774,170</u>

(6) Transfer of net assets - County Food Safety
 To fund projects authorized by City Council

\$ 140,026
5,816
<u>\$ 145,842</u>

(7) Interest earnings on \$16mm cash reserve
 Vehicle inventory tax
 Taxes not subject to refund
 To fund projects authorized by City Council

\$ 682,640
55,611
154,884
4,415,000
<u>\$ 5,308,135</u>

(8) To fund projects authorized by City Council

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 7. OPERATING LEASES

A. Primary Government

The City, as lessee, leases buildings, office space and equipment under various lease agreements. Generally, these lease agreements provide for cancellation in the event the City Council does not appropriate funding in subsequent fiscal years. Therefore, the City is not obligated beyond each fiscal year. Management expects the leases to continue. These leases are treated as operating leases for accounting purposes. Operating lease expenditures for the year ended August 31, 2006 amounted to \$2,830,795.

Additionally, the City, as lessor, leases certain buildings and equipment under various monthly lease agreements, which are cancelable.

A substantial portion of the airport terminal building and other areas are leased to third parties through operating leases. The majority of these include certified passenger airline leases, commercial and noncommercial aviation ground leases, industrial site leases, auto rental concession leases and food and beverage concession leases. These leases are for varying periods and require the payment of minimum annual rentals. Leases with concessionaires also require payment of percentage rents based on sales in excess of stipulated amounts. Rental income in connection with these operating leases and various other monthly rental agreements for the year ended August 31, 2006, was \$16,561,616 including percentage contingent rents of \$3,149,110.

The following is a schedule of airport revenue from future minimum rentals on non-cancelable operating leases as of August 31, 2006:

<u>YEAR ENDING</u>	
2007	\$ 13,850,617
2008	11,950,804
2009	11,721,581
2010	9,196,047
2011	6,157,480
2012 - 2016	30,363,538
2017 - 2021	28,754,151
2022 - 2026	20,559,716
2027 - 2031	13,510,892
2032 - 2036	6,544,760
2037 - 2041	1,763,598
2042 - 2047	670,324
TOTAL	<u>\$155,043,508</u>

Historical costs of these leased assets and related accumulated depreciation were \$108,654,053 and \$40,816,227, respectively, as of August 31, 2006.

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2006****NOTE 7. OPERATING LEASES (Continued)****B. Component Unit - EPWU****1. Leasing Arrangements with EPWU as Lessor**

EPWU, as lessor, leases real properties under various long-term lease agreements under the operating method of accounting for leases. Minimum future rentals to be received on non-cancelable leases as of February 28, 2006 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2007	\$ 1,313,024
2008	1,206,546
2009	1,185,837
2010	1,163,188
2011	912,425
2012 - 2016	3,441,879
2017 - 2021	2,460,550
2022 - 2026	743,462
2027 - 2031	340,063
2032 - 2036	313,430
2037 - 2038	23,876
Total Minimum Future Rentals	<u>\$ 13,104,280</u>

2. Leasing Arrangements with EPWU as Lessee

EPWU leases computer equipment and copiers under various long-term lease agreements under the operating method of accounting for leases. Rental expense for the year ended February 28, 2006 was \$324,840. Minimum future payments as of February 28, 2006 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2007	\$321,697
2008	113,931
2009	71,808
2010	49,046
2011	2,894
	<u>\$559,376</u>

NOTE 8. LONG-TERM OBLIGATIONS**A. Primary Government****1. General Obligation Debt - Capital Projects Funding**

The Capital Projects Fund is used to account for the acquisition and construction of general government capital assets. Capital projects are funded primarily by the issuance of general obligation debt, other tax supported debt and intergovernmental revenues.

General obligation debt, which includes general obligation bonds, certificates of obligation and contractual obligations, is collateralized by the full faith and credit of the City and is reported as an obligation in the Statements of Net Assets, Governmental and Business-type Activities. The City intends to retire its general obligation debt, plus interest, from future ad valorem tax levies and is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. The tax rate to finance the payment of principal and interest on general obligation long-term debt for the year ended August 31, 2006 was \$.188256 per \$100 assessed valuation.

The City Charter states that all indebtedness of the City that is supported by property tax shall not exceed ten percent of the total assessed valuation of the City's tax rolls. Ten percent of the fiscal year 2006 total assessed valuation base equals approximately \$1,983,249,286. The City's legal debt margin was \$1,549,304,299. General obligation debt sold to fund fixed assets of proprietary funds is reported as an obligation of these proprietary funds, although they are not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding general obligation debt. However, the City intends for the proprietary funds to meet the debt service requirements.

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

2. Revenue Bonds

The City issues revenue bonds for which income derived from the assets acquired or constructed with the debt proceeds are pledged to repay the principal and interest on bonds. The bond ordinances for the Zaragoza Bridge revenue bonds contain limitations and restrictions, including but not limited to the establishment of a sinking fund equal to 1.25 times the average annual debt service on the bonds. A reserve of net assets in the amount of \$419,345 in the International Bridges Fund has been established to comply with that requirement. The bond ordinance for the Plaza Theatre combination tax and revenue certificates of obligation bonds pledges revenues of the International Bridges Fund. The City believes it is in compliance with all significant limitations and restrictions of its revenue bond ordinances

3. Notes Payable

The City has received loans in the International Bridges Fund for which income derived from the assets acquired or constructed with the loan proceeds are pledged to repay the principal and interest on loans. These loans are repayable from bridge tolls collected by the City and are not repayable from general revenues of the City.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

4. Long-Term Debt

The following summarizes significant facts about general obligation bonds, certificates of obligation, revenue bonds and notes payable:

	Interest Rates		Amount
	at Issue date	August 31, 2006	
Governmental activities	2.50 - 8.00%	3.25 - 7.00%	\$ 463,695,936
Business-type activities	3.00 - 6.00%	3.00 - 5.50%	55,262,753
			<u>\$ 518,958,689</u>

5. Bonded and Other Indebtedness Issued during Fiscal Year Ended August 31, 2006

In fiscal year 2006, the City issued \$20,000,000 of commercial paper for projects approved by the 2000 election that authorized the issuance of general obligation bonds. Ultimately, the City will issue general obligation bonds to liquidate the commercial paper debt, \$99,500,000 as of August 31, 2006. The commercial paper bears interest at rates from 2.40% to 3.75%.

On April 15, 2006, the City issued \$56,350,000 in general obligation bonds. These bonds were issued at a premium of \$2,190,648 with issuance costs of \$708,750 at interest rates between 3.625% and 5.00% with a final maturity of August 15, 2027. The first principal and interest payment is due August 15, 2007. Proceeds from the bonds are to be used to purchase equipment and for park, library, zoo and street improvements.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

6. Bonds Authorized and Unissued

Authorized and unissued bonds consisted of general obligation bonds of \$196,655,000. The following is a schedule of authorized but unissued bonds at August 31, 2006.

Purpose	Authorized May 6, 2000		Authorized February 7, 2004		Authorized August 31, 2006	Approved by City Council for Issuance as Commercial Paper		Commercial Paper	
	Amount	Decrease for FY 2006 Issuance	Amount	Decrease for FY 2006 Issuance		Projects Authorized		Amount Issued FY 2006	Cumulative Amount Issued
						May 6, 2000	February 7, 2004		
Parks Improvements	\$ 75,000,000	13,368,231	4,560,000	3,469,533	62,722,236	31,313,000	995,000		32,308,000
Library Facilities	26,095,000	15,236,899	535,000		11,393,101	8,052,000	345,000	78	8,397,000
Zoo Improvements	33,360,000	4,835,235	150,000		28,674,765	7,985,000	150,000		8,135,000
Museum Facilities	6,650,000	2,067,823			4,582,177	2,650,000			2,650,000
Flood Control Improvements			1,380,000	1,119,866	260,134		145,000		145,000
Street Improvements			79,620,000	6,349,473	73,270,527		34,650,000	18,196,846	34,650,000
Fire Department Facilities			11,595,000	5,655,435	5,939,565		4,325,000	1,703,502	4,325,000
Health Facilities			950,000	342,761	607,239		440,000	99,574	440,000
Municipal Facilities			200,000	134,115	65,885		25,000		25,000
Police Facilities			7,355,000	3,010,957	4,344,043		4,260,000		4,260,000
Equipment Purchases			7,205,000	2,409,672	4,795,328		4,665,000		4,665,000
Total	\$ 141,105,000	35,508,188	113,550,000	22,491,812	196,655,000	50,000,000	50,000,000	20,000,000	100,000,000

The authorization dated May 6, 2000 to issue debt in the amount of \$141,105,000 contained provisions to reduce the authorization based upon the par amount of debt issued and related premium, if any. The authorization of these bonds was reduced by \$1,650,000 to comply with this provision.

7. Debt Service Requirements

Bonded Debt Requirements (General Obligation Bonds, Certificate of Obligation Bonds and Commercial Paper)

Year Ending August 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 126,710,641	18,612,497	2,649,359	726,686	\$ 129,360,000	19,339,183
2008	28,237,187	16,363,042	1,442,813	580,087	29,680,000	16,943,129
2009	27,340,715	15,089,308	1,454,285	517,771	28,795,000	15,607,079
2010	27,529,775	13,842,364	1,500,225	462,657	29,030,000	14,305,021
2011	25,981,774	12,581,274	1,548,226	400,557	27,530,000	12,981,831
2012-2016	93,824,609	45,984,262	4,015,391	1,210,914	97,840,000	47,195,176
2017-2021	58,881,717	27,151,910	1,743,283	421,919	60,625,000	27,573,829
2022-2026	53,724,518	12,905,255	805,482	62,120	54,530,000	12,967,375
2027-2031	21,465,000	2,998,663			21,465,000	2,998,663
Total	\$ 463,695,936	165,528,575	15,159,064	4,382,711	478,855,000	169,911,286

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS**

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)**A. Primary Government (Continued)****7. Debt Service Requirements (Continued)****Revenue Bond Debt Service Requirements**

Year Ending August 31	Business-type Activities	
	Principal	Interest
2007	\$ 1,980,000	1,485,205
2008	2,465,000	1,398,713
2009	2,540,000	1,295,948
2010	1,925,000	1,186,643
2011	1,630,000	1,113,688
2012-2016	9,305,000	4,410,613
2017-2021	4,220,000	2,670,438
2022-2026	5,390,000	1,502,525
2027-2028	2,555,000	198,081
Total	\$ 32,010,000	15,261,851

Notes Payable

Year Ending August 31,	Business-type Activities	
	Principal	Interest
2007	\$ 710,773	357,629
2008	737,037	326,365
2009	764,429	293,973
2010	793,000	260,402
2011	822,799	225,603
2012-2016	3,715,651	559,206
2017-2021	500,000	81,250
2022	50,000	1,250
	\$ 8,093,689	2,105,678

8. Advanced Refundings and Defeased Debt

In prior years, the City legally defeased certain outstanding general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts and the legally defeased bonds are not included in the City's financial statements.

At August 31, 2006, the remaining outstanding balance of legally defeased bonds is \$137,200,000.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

9. Long-Term Obligations and Amounts Due Within One Year

	Balance September 1, 2005	Additions	Reductions	Balance August 31, 2006	Due Within One Year
Governmental Activities:					
Bonds/Commercial Paper Payable:					
General Obligation Bonds	\$ 262,955,000	56,350,000	16,155,000	303,150,000	19,165,000.00
Certificates of Obligation	70,387,095		9,341,159	61,045,936	8,045,641.00
Commercial Paper - Short Term Obligation	79,500,000	20,000,000		99,500,000	99,500,000.00
Less: Unamortized Premium	13,333,579	2,190,648	1,778,552	13,745,675	1,792,524.00
Deferred Amount on Refunding	(5,717,470)		(566,716)	(5,150,754)	(566,716.00)
Total Bonds/Commercial Paper Payable (1)	420,458,204	78,540,648	26,707,995	472,290,857	127,936,449
Compensated Absences (5)	41,213,697	31,348,295	32,146,684	40,415,308	31,523,940
Arbitrage Rebate Liability (2)	30,227			30,227	30,227
Accrued Health Claims (3)	18,332,788	39,156,010	40,277,952	17,210,846	17,210,846
Net Pension Obligation (4)	61,201,692	34,108,486	18,795,572	76,514,606	19,359,439
Claims and Judgments (4)	1,515,948	1,256,011	1,271,959	1,500,000	900,000
Governmental Activities Long-Term Liabilities	\$ 542,752,556	184,409,450	119,200,162	607,961,844	196,960,901

The City estimates payment of long-term liabilities from funds as follows:

- (1) Debt Service Fund \$472,230,011 and Supply and Support Fund \$60,846
- (2) Debt Service Fund
- (3) Self Insurance Fund
- (4) General Fund

(5) General Fund \$38,141,838, Community Development Block Grant \$113,830, Capital Projects \$6,798, Federal Grants \$771,220, State Grants \$227,864, Other Grants \$757, Health District \$889,890, Non-Grants \$92,752, Supply and Support Fund \$143,096 and Self Insurance Fund \$27,263.

	Balance September 1, 2005	Additions	Reductions	Balance August 31, 2006	Due Within One Year
Business-type Activities:					
El Paso International Airport:					
Bonds Payable:					
Revenue Bonds	\$ 11,205,000		560,000	10,645,000	575,000
Less: Unamortized Discount	(1,094,227)		(99,475)	(994,752)	(99,475)
Total Bonds Payable	10,110,773		460,525	9,650,248	475,525
Compensated Absences	1,222,809	1,387,299	953,791	1,656,317	1,291,927
Total El Paso International Airport	11,333,582	1,387,299	1,414,316	11,306,565	1,767,452
International Bridges:					
Bonds/Notes Payable:					
Certificates of Obligation	93,640		29,950	63,690	31,196
Revenue Bonds	1,630,000		300,000	1,330,000	310,000
Notes Payable	8,585,089		491,400	8,093,689	710,773
Total Bonds/Notes Payable	10,308,729		821,350	9,487,379	1,051,969
Compensated Absences	71,303	74,647	55,616	90,334	70,461
Total International Bridges	10,380,032	74,647	876,966	9,577,713	1,122,430
Department of Environmental Services:					
Certificates of Obligation	18,384,265		3,288,891	15,095,374	2,618,163
Revenue Bonds	21,095,000		1,060,000	20,035,000	1,095,000
Less: Unamortized Premium	507,863		39,710	468,153	38,495
Total Bonds/Notes Payable	39,987,128		4,388,601	35,598,527	3,751,658
Landfill Closure and Post-Closure	18,270,613	2,396,908	213,289	20,454,232	3,701,422
Delta Transfer Station Post-Closure	101,426	2,231		103,657	
Compensated Absences	556,492	526,340	434,064	648,768	506,039
Total Department of Environmental Services	58,915,659	2,925,479	5,035,954	56,805,184	7,959,119
Mass Transit:					
Compensated Absences	1,026,727	995,074	800,847	1,220,954	952,344
Claims and Judgments	1,149,712		931,608	218,104	218,104
Hydrocarbon Clean-up	921,754	502,826	342,631	1,081,949	216,390
Total Mass Transit	3,098,193	1,497,900	2,075,086	2,521,007	1,386,838
Business-Type Activities Long-Term Liabilities	\$ 83,727,466	5,885,325	9,402,322	80,210,469	12,235,839

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

10. Long-Term-Debt Outstanding

	Date Issued	Amount Issued	Interest Rate Range	August 31, 2005	Issued	Reduction	August 31, 2006
Certificates of Obligation Bonds:							
SERIES 1995-A	12/01/95	\$ 10,975,000	5.000 to 7.000%	\$ 1,000,000		500,000	500,000
SERIES 1997-A	03/15/97	7,200,000	4.950 to 6.875%	300,000			300,000
SERIES 1998-A	03/01/98	21,090,000	4.250 to 5.500%	4,370,000		1,920,000	2,450,000
SERIES 1998	03/01/98	18,250,000	4.250 to 5.500%	860,000			860,000
SERIES 1998-B	11/17/98	31,350,000	4.250 to 5.000%	2,815,000		895,000	1,920,000
SERIES 2000	04/01/00	39,235,000	5.100 to 5.875%	2,220,000		1,080,000	1,140,000
SERIES 2001	01/15/01	26,850,000	4.500 to 5.500%	3,915,000		720,000	3,195,000
SERIES 2001-A	12/01/02	33,970,000	3.250 to 5.250%	17,565,000		4,350,000	13,215,000
SERIES 2003	04/03/03	44,010,000	3.000 to 5.000%	38,505,000		3,195,000	35,310,000
SERIES 2005 Combination Tax and Revenue Bonds (Plaza Theatre)	08/15/05	17,315,000	2.950 to 4.970%	17,315,000			17,315,000
Total Certificate of Obligation Bonds				88,865,000		12,660,000	76,205,000
General Obligation Bonds:							
SERIES 1995	12/01/95	19,105,000	5.000 to 6.000%	660,000			660,000
SERIES 1995-B	12/01/95	9,245,000	6.000 to 6.550%	370,000		180,000	190,000
SERIES 1997	03/15/97	22,375,000	5.000 to 7.000%	2,200,000		1,000,000	1,200,000
SERIES 1998	03/01/98	9,740,000	4.250 to 5.500%	1,310,000		415,000	895,000
SERIES 1998-A	10/15/98	8,805,000	4.250 to 5.000%	735,000		170,000	565,000
SERIES 1999	01/15/99	27,275,000	3.500 to 5.000%	26,285,000		2,270,000	24,015,000
SERIES 2000	02/15/00	10,325,000	5.100 to 5.300%	6,925,000		1,255,000	5,670,000
SERIES 2002 Refunding bonds	05/15/02	55,090,000	3.500 to 5.750%	47,090,000		9,900,000	37,190,000
SERIES 2003	08/15/03	29,265,000	2.500 to 5.000%	25,340,000		965,000	24,375,000
SERIES 2005 Refunding bonds	04/01/05	152,190,000	3.500 to 5.250%	152,040,000			152,040,000
SERIES 2006	04/15/06	56,350,000	3.625 to 5.000%		56,350,000		56,350,000
Total General Obligation Bonds				262,955,000	56,350,000	16,155,000	303,150,000
Commercial Paper			variable	79,500,000	20,000,000		99,500,000
Total tax supported debt				\$ 431,320,000	76,350,000	28,815,000	478,855,000
Notes payable:							
Federal Loan (International Bridge Revenues)	12/01/91	3,000,000	variable	\$ 1,650,000		100,000	1,550,000
SIB Loan (International Bridge Revenues)	10/04/99	3,634,000	4.30%	6,935,089		391,400	6,543,689
Total Notes payable				\$ 8,585,089		491,400	8,093,689
Revenue bonds:							
1997 (International Bridge revenues)	05/01/98	3,010,000	3.950 to 4.850%	\$ 1,630,000		300,000	1,330,000
2003 (Airport Revenues)	09/15/03	18,000,000	3.000 to 4.625%	11,205,000		560,000	10,645,000
2004 (Solid Waste Disposal System Revenues)	07/14/04	22,120,000	3.000 To 5.125%	21,095,000		1,060,000	20,035,000
Total Revenue Bonds				\$ 33,930,000		1,920,000	32,010,000

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU

1. Revenue Bonds

Water and Sewer Revenue Bonds, in the amount of \$402,017,000 at February 28, 2006, are equally and ratably secured by and payable from an irrevocable first lien on and pledge of the net revenue of EPWU.

2. Changes in Long-Term-Debt

Revenue Bonds changes during the year and balances, excluding deferred gains and losses, include the following individual issues:

	Dated	Original Amount	Interest Rates	Balance Outstanding Mar. 1, 2005	Additions	Reductions	Balance Outstanding Feb. 28, 2006	Due Within One Year
Revenue Bonds:								
1990-B	12/01/90	\$ 8,000,000	no interest	\$ 8,000,000			8,000,000	-
1995	12/01/95	22,880,000	3.60 to 5.10%	15,855,000		660,000	15,195,000	910,000
1997	03/04/97	22,000,000	2.85 to 4.55%	16,880,000		915,000	15,965,000	965,000
1997-A	07/24/97	10,000,000	3.00 to 4.75%	7,385,000		430,000	6,955,000	450,000
1997-B Jr Lien	07/24/97	602,000	4.92 to 6.25%	140,000		25,000	115,000	25,000
1998	05/20/98	15,455,000	5.35%	10,615,000		975,000	9,640,000	1,180,000
1998-A	08/18/98	16,125,000	4.00 to 5.00%	11,320,000		1,390,000	9,930,000	1,455,000
1999-A	09/23/99	211,000	4.84 to 5.89%	182,000		8,000	174,000	8,000
1999-B	09/23/99	106,000	4.84 to 5.89%	92,000		4,000	88,000	4,000
1999-C	12/02/99	15,480,000	4.30 to 5.75%	13,350,000		9,865,000	3,485,000	630,000
1999-D	12/20/99	15,190,000	3.20%	13,525,000		595,000	12,930,000	615,000
2000	12/19/00	13,210,000	4.875 to 5.750%	12,020,000		7,450,000	4,570,000	470,000
2001	08/01/01	16,265,000	2.45 to 4.50%	15,130,000		595,000	14,535,000	620,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	78,925,000		23,510,000	55,415,000	2,230,000
2002	01/01/02	7,520,000	0.15 to 3.35%	6,910,000		310,000	6,600,000	315,000
2003 Refunding	08/15/03	89,745,000	4.99%	87,960,000		2,205,000	85,755,000	4,300,000
2003-A	08/15/03	1,000,000	no interest	1,000,000		50,000	950,000	50,000
2003-B	12/01/03	10,000,000	0 to 4.19%	10,000,000		-	10,000,000	5,000
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%	36,070,000		890,000	35,180,000	550,000
2004-A	11/15/04	14,360,000	2.50 to 5.25%	14,360,000			14,360,000	465,000
2005-A	03/01/05	45,660,000	3.00 to 5.00%		45,660,000		45,660,000	
2005-B Refunding	04/01/05	36,515,000	4.00 to 5.25%		36,515,000		36,515,000	
2005-C	04/01/05	10,000,000	1.95 to 3.80%		10,000,000		10,000,000	-
Total Revenue Bonds				359,719,000	92,175,000	49,877,000	402,017,000	15,247,000
Deferred Gain on Refunding Bond Issues				7,612,013	1,973,284	222,193	9,363,104	222,193
Commercial Paper Payable				15,000,000	25,000,000		40,000,000	
Self Insurance Claims				1,330,569	991,622	1,007,326	1,314,865	
Land Notes Payable		12,355,828	3.95 to 5.00%	12,355,828		1,346,244	11,009,584	1,371,880
Total Long-Term Liabilities Component Unit - EPWU				\$ 396,017,410	120,139,906	52,452,763	463,704,553	16,841,073

Interest costs incurred on revenue bonds totaled \$18,796,759 of which \$2,232,196 was capitalized.

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU (Continued)

3. Annual Revenue Bond and Land Notes Payable Debt Service Requirements

Year Ending last day of February	Principal		Interest		Total	
	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes
2007	\$ 15,247,000	1,371,880	22,874,545	546,980	38,121,545	1,918,860
2008	19,483,000	1,398,784	17,921,202	478,766	37,404,202	1,877,550
2009	19,899,000	600,827	17,010,402	409,222	36,909,402	1,010,049
2010	20,180,000	630,457	16,071,329	379,592	36,251,329	1,010,049
2011	21,166,000	661,552	15,082,025	348,497	36,248,025	1,010,049
2012 - 2016	92,099,000	3,730,017	61,768,546	1,221,427	153,867,546	4,951,444
2017 - 2021	93,458,000	2,616,067	40,795,489	265,859	134,253,489	2,881,926
2022 - 2026	77,950,000		19,527,116		97,477,116	-
2027 - 2031	38,500,000		4,583,493		43,083,493	-
2032	4,035,000		90,788		4,125,788	
Totals	\$ 402,017,000	11,009,584	215,724,935	3,650,343	617,741,935	14,659,927

4. Land Notes Payable

During the fiscal year ended February 28, 2006, EPWU purchased one parcels of land totaling 3,004.33 acres in order to obtain the water rights attached to the land. A note was issued for \$2,478,574 with an interest rate of 5.00%. The note is for a period of three years and payable in annual installments of \$826,191 with payments due in May.

5. Debt Covenants

The bond ordinances require EPWU to maintain revenues in each fiscal year, after deduction for maintenance and operation expenses, in the amount of at least 1.5 times the debt service requirements in such year. EPWU believes it is in compliance with this covenant.

6. Commercial Paper

In August 1997, the PSB-City of El Paso approved a Commercial Paper Program in the amount of \$50,000,000. The purpose of the Commercial Paper Program is to provide funds for the interim financing of a portion of the costs of capital improvements to the system.

The borrowings under the Commercial Paper Program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the Commercial Paper Program and (ii) borrowing under and pursuant to the revolving credit agreement.

EPWU and JP Morgan Chase Bank (Bank) have entered into a revolving credit agreement (Credit Agreement) pursuant to which the Bank is obligated under the Credit Agreement to loan to the City amounts not to exceed \$50,000,000 as amended, for the purpose of paying amounts due on the Commercial Paper Program. Any borrowing under the Credit Agreement is equally and ratably secured by and payable from the above-described sources pledged for payment of the Commercial Paper Program and from a pledge of the net revenues of the system, such pledge being subordinate to the pledge of net revenues securing all senior lien obligations. Management intends to continue the remarketing of the tax-exempt commercial paper notes as it intends to maintain a portion of its debt in variable rates.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU (Continued)

6. Commercial Paper (Continued)

Since the commercial paper represents activity that is the result of EPWU's long-term financing plan, the amounts outstanding are presented as long term. The commercial paper can be sold in \$100,000 increments and matures from one to 270 days. As of February 28, 2006, the following amounts were outstanding:

<u>February 28, 2006</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$ 5,000,000	March 2, 2006	3.10%
2,000,000	March 7, 2006	3.07%
3,825,000	March 8, 2006	3.30%
5,000,000	July 25, 2006	3.45%
10,000,000	May 25, 2006	3.43%
14,175,000	May 25, 2006	3.45%
<u>\$ 40,000,000</u>		

C. Solid Waste Landfill Closure And Post-Closure Care Cost

The City owns and operates two landfills located in the East (Clint) and Northeast (McCombs) areas of the City of El Paso. Closure and post-closure care of the landfills are subject to the requirements of Subtitle D of the Resource Conservation and Recovery Act (P.L. 94/580) and Sections 330.250-256 of Title 30 of the *Texas Administrative Code* administered by the Texas Commission on Environmental Quality (TCEQ), formerly the Texas Natural Resource Conservation Commission (TNRCC). These regulations require the City to place a final cover on each landfill when it ceases to accept waste and to perform certain maintenance and monitoring functions for thirty years after the closure of each landfill.

During fiscal year 2004, the City hired independent consultants to prepare a revised estimate of the total closure and post-closure costs for the landfills. The estimated total closure and post-closure costs, adjusted by an inflation factor specified by the TCEQ, is \$64.6 million at August 31, 2006. The recognized portion of the total liability, \$20.5 million, is computed based on the percentage of landfill capacity used, approximately 28%, as of August 31, 2006. The remaining estimated total current cost of closure and post-closure care remaining to be recognized is \$44.1 million.

Clint Landfill (TCEQ Permit 1482) – This landfill is currently accepting solid waste and capacity used is 98% at August 31, 2006. The estimated closure and post-closure cost liability of \$11.9 million is included in the recorded liability. Approximately \$213,289 of closure cost were paid during the fiscal year.

Clint Landfill (TCEQ Permit 2284) – This landfill is currently accepting solid waste and capacity used is 5.12% at August 31, 2006. The estimated closure and post-closure cost liability of \$1.3 million is included in the recorded liability.

McCombs Landfill (TCEQ Permit 729A) – This landfill is currently accepting solid waste and capacity used is 26.6% at August 31, 2006. The estimated closure and post-closure cost liability of \$7.3 million is included in the recorded liability. Estimated remaining useful life is 35 years.

TCEQ review of the revised closure/post-closure cost estimate is pending. Management believes TCEQ will accept the new estimate. At August 31, 2006, the estimated total liability is \$64.6 million, reflecting an inflation factor applied to the previous liability as prescribed by TCEQ.

Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Department of Environmental Services, an enterprise fund and part of the City will meet closure and post-closure care financial requirements.

Sections 330.280-286 of Title 30 of the *Texas Administrative Code* requires landfill owners to demonstrate financial assurance that they will have sufficient financial resources to satisfy closure and post-closure care expenses at such time as these become payable. The regulations provide various means by which a municipality may demonstrate financial assurance. For the year ended August 31, 2005, the City met all of the financial tests required by the TCEQ and will

NOTE 8. LONG-TERM OBLIGATIONS (Continued)**C. Solid Waste Landfill Closure And Post-Closure Care Cost (Continued)**

demonstrate financial assurance to the TCEQ by way of the City's most recent bond rating and/or financial ratios computed using the audited financial statements of this Comprehensive Annual Financial Report.

D. Solid Waste Transfer Station

The City owns and operates a transfer process facility for solid waste near Delta Street in El Paso (Delta Transfer Station – TCEQ Permit 728). Beginning in March 2000, Section 330.282 of Title 30, the *Texas Administrative Code*, administered by the TCEQ, required “a detailed written cost estimate, in current dollars, showing the cost of hiring a third party to close the process facility by cleaning up the litter and debris from the site and the equipment, hauling the litter and debris to an approved landfill and to render the facility closed by dismantling vital operational parts and locking up the facility.” At August 31, 2006, the estimated total cost of closure of the Delta Transfer Station is \$103,657 and is recognized as a liability in these financial statements. The TCEQ, pending review and acceptance of this estimate, utilizes the previous estimate of \$275,705.

E. Arbitrage Rebate Payable

The City's financial advisor has determined that the City may have earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations that may have to be rebated to the Federal government. This estimated amount, \$30,227 at August 31, 2006, is recorded as a liability in the Basic Financial Statements.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 9. RESTRICTED NET ASSETS

Airport

The Airport has various assets that are restricted for specific use in accordance with an agreement with the United States Government entered into in 1950 whereby 1,907 acres of land were donated to the Airport. Any revenues derived from the sale, lease or other use of this land must be utilized for the development, improvement, operation and maintenance of the Airport subject to the approval of the Federal Aviation Administration. Earnings from invested funds may be used for the purposes previously described. Under this agreement, advances to other Airport funds for development and improvement of Airport facilities are permitted, subject to approval from the Federal Aviation Administration.

International Bridges

The International Bridges Fund is required by bond debt requirements to restrict certain amounts for future debt service, repairs and maintenance of the Zaragoza Bridge.

Component Unit - EPWU

Based upon certain bond covenants and other requirements, EPWU is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and other activities specifically restricted (construction, improvements and customer deposits).

Business-type Activities

The balances of the restricted net assets accounts in the enterprise funds are as follows:

Restricted for debt service:		
El Paso International Airport	\$	7,377,256
International Bridges		419,345
Restricted by Federal Aviation Administration:		
El Paso International Airport		12,843,624
Restricted for passenger facilities:		
El Paso International Airport		5,398,039
Total restricted net assets	\$	<u>26,038,264</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors, including the effects of specific, incremental claim adjustment expense, salvage and subrogation.

A. Internal Service Funds

Provisions under various types of risk are presented below:

Internal Service Funds account for certain self-insured activities. These include Workers' Compensation, Group Health and Unemployment Compensation. The premiums are recognized as revenues in the Internal Service Funds and as expenditures or expenses in the Governmental and Proprietary fund types, as appropriate. Accruals for unpaid claims and claims incurred but not reported are reflected in the accompanying Basic Financial Statements as Claims and Judgments. This provision is based upon City experience, including recoveries, since the inception of the insurance programs and represents the loss and an allocated loss expense. The total estimated claims payable at August 31, 2006 is \$17,210,846 of which \$12,880,447 represents workers' compensation claims reserve losses. Employees of EPWU (the proprietary component unit) also participate in the group health plan that is managed by the City. The total claims liability reported in the Internal Service Funds at August 31, 2006, is based on the requirements of GASB Statement Number 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. No settlements in excess of insurance coverage were made in any of the prior three fiscal years.

Changes in the Funds' claims liability amount in fiscal 2005 and 2006 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2004	\$ 13,378,454	4,221,119	-	17,599,573
Incurred claims	8,755,629	31,529,874	266,890	40,552,393
Payment on claims	(8,789,752)	(30,762,536)	(266,890)	(39,819,178)
Claims liability at August 31, 2005	13,344,331	4,988,457	-	18,332,788
Incurred claims	7,106,357	31,804,121	245,532	39,156,010
Payment on claims	(7,570,241)	(32,462,179)	(245,532)	(40,277,952)
Claims liability at August 31, 2006	\$ 12,880,447	4,330,399	-	17,210,846

B. General Liability Insurance

The City is self-insured for general, police officers and certain automobile liability, with the exception of the Mass Transit Department's fleet of vehicles, liability for the Airport, certain automobile liability and certain other catastrophic liability for which the City is insured. Expenditures for self-insured liabilities are accounted for in the General Fund, which will pay any liabilities incurred.

The City has joined together with other governments in the Texas Municipal League Intergovernmental Risk Pool (TML). The City pays an annual premium to TML for auto vehicle insurance coverage. The agreement with TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 to \$1,000,000 for each insurance event. The City anticipates no contingent losses.

TML has published its own financial report that can be obtained from the Texas Municipal League Intergovernmental Risk Pool, Austin, Texas.

The City continues to carry commercial fidelity bonds for elected officials and for management.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 10. RISK MANAGEMENT (Continued)

C. Property and Casualty Insurance

Property, casualty, boiler and machinery insurance is provided by a commercial carrier.

D. Workers' Compensation Insurance

The City self-insures against workers' compensation claims.

E. Group Health and Life Insurance

The City maintains a group health insurance plan for active and retired employees and their eligible dependents through a self-insured plan of benefits. Access HealthSource, Inc administers the plan. Reinsurance coverage limits the annual liability. Contributions to the fund are provided by both the City and participating employees. A commercial carrier provides the group life insurance plan. Costs are recorded in the fund from which the employees' compensation is paid.

F. Unemployment Compensation Insurance

The City self-insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC). Under the agreement, TWC administers all claims and is reimbursed by the City for claims incurred plus administrative charges.

G. Component Unit - EPWU

EPWU is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. EPWU, through the City, maintains insurance policies acquired from independent insurance carriers covering all structural property.

EPWU provides health benefits, life insurance and worker's compensation benefits under the City's self-insurance plan. Contributions to the plans are provided by both EPWU and participating employees. A commercial carrier provides the group life insurance plan.

At February 28, 2006, accrued liabilities for these claims follow:

Health Insurance - current liability	\$ 262,040	
Workers' Compensation - long-term liability	1,314,865	
	<u>\$ 1,576,905</u>	

Changes in accrued liabilities for these claims follow:

Claims liability at February 29, 2004	\$ 1,624,022	
Incurred claims	4,034,974	
Payment on claims	(4,165,175)	
Claims liability at February 28, 2005	1,493,821	
Incurred claims	3,887,756	
Payment on claims	(3,804,672)	
Claims liability at February 28, 2006	<u>\$ 1,576,905</u>	

NOTE 11. COMMITMENTS AND CONTINGENCIES**A. Litigation and Claims**

Various claims and lawsuits are pending against the City in addition to those accrued at August 31, 2006. Accruals have not been made for these lawsuits because of the remote possibility the plaintiff's will prevail. The City estimates this exposure to be between \$982,000 and \$1,502,000 but believes that resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Environmental

In May 1991, diesel fuel was discovered to be leaking from underground storage tanks at the City's bus maintenance facility. City management believes the leak began during 1990, with over 875,000 gallons of diesel fuel leaking into and contaminating the soil and water table surrounding and underneath the maintenance facility. The TCEQ was notified of the leak and clean-up procedures began. The TCEQ is monitoring the clean-up process, which involves five phases, including the assessment phase and four product recovery and soil remediation phases.

The estimated total clean-up cost for the entire project is \$7,782,935. The City has expended approximately \$4,703,486 to date, net of reimbursement from the TCEQ Petroleum Storage Tank Remediation Fund of approximately \$1,997,500. The City paid \$342,631 during the current fiscal year. The City anticipates the clean-up process will be completed in fiscal year 2008. As of August 31, 2006, the City has a liability recorded in the Mass Transit Fund of \$1,081,949 for the remaining liability.

Due to the uncertainties surrounding this type of clean-up project, it is possible that actual clean-up costs may be higher than estimated.

C. Grants

The City has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of City management, such disallowances, if any, will not be significant.

D. Other Bond Issues

The City has, in prior years, participated in several issues of Industrial Revenue Bonds and International Airport Special Facilities Revenue and Refunding Bonds, issued for the purposes of constructing privately owned manufacturing, commercial and other related facilities within the City. These bonds are neither direct nor contingent liabilities of the City, as the revenue from the lease agreements and property purchased with the bond proceeds are pledged for the total payment of the principal and interest on the bonds and the bondholders can look only to these sources for repayment.

At August 31, 2006, no Industrial Revenue Bonds issued by the City were outstanding.

On November 19, 1991, the City issued \$13,975,000 in City of El Paso International Airport Special Facilities Revenue Refunding Bonds (Marriott Corporation Project). These bonds refunded a 1981 issue and extended principal payments to March 1, 2016 with interest at 7.75% per annum. At August 31, 2006, all of these bonds remained outstanding (the first principal payment is not scheduled until March 1, 2012).

E. Unfunded Pension Liabilities

In February 2004, the voters of the City authorized the City to contract with the FPPF to make a one-time contribution to the FPPF solely for the purpose of addressing the unfunded liabilities of the FPPF, subject to receipt of certain agreements between the City and the FPPF. As of January 1, 2006, the latest actuarial valuation reflected unfunded liabilities of \$159,448,332 for the FPPF-Firemen Division and \$158,538,969 for the FPPF-Policemen Division.

In September 2003, the voters of Texas ratified an amendment to the Texas Constitution, Article 16, Sec. 66 which provides: "The political subdivision or subdivisions and the retirement system that finance benefits under the retirement system are jointly responsible for ensuring that benefits under this section are not reduced or otherwise impaired." In the event of a conflict between a City Charter provision and a provision of the Constitution, the Constitution provision would likely prevail, in which case the City could be obligated to make additional contributions to the FPPF. The nature and amount of underfunding of the FPPF and the amount the City may be required to contribute is unknown at this time.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 11. COMMITMENTS AND CONTINGENCIES

F. Component Unit - EPWU

Through the ordinary course of its operations, EPWU becomes subject to various claims and litigation. As of February 28, 2006, EPWU was named in a number of legal actions with aggregate estimated possible damages ranging from \$5,000 to \$150,000, which have not been accrued. Management and legal counsel are of the opinion that settlement of these claims and pending litigation will not have a materially adverse effect on the financial condition of EPWU.

EPWU has received federal and state financial assistance for specific purposes that are subject to review and audit by the grantor agencies. Although management believes compliance with grant guidelines is adhered to, grantor audits could result in requests for reimbursement of expenditures determined to be disallowed. Management believes such disallowances, if any, will be immaterial.

NOTE 12. COST SHARING ARRANGEMENTS

Health District

The City participates with the County of El Paso, Texas (County) in an agreement for the operation of the City-County Health District (Health District). As lead agency, the City is responsible for the planning, budgeting and operation of the Health District. The City provides personnel, financing and accepts Federal and State grants on behalf of the Health District. The City holds title to the Health District's assets and all activities of the Health District are recorded as a Special Revenue Fund of the City.

The agreement requires the City to fund 70% and the County to fund 30% of the Health District's expenditures after deducting revenues. For fiscal year 2006, the City's share is \$4,903,720, which is reported as a Transfer from Other Funds by the Health District and Transfer to Other Funds by the City's General Fund while the County's share is \$2,082,774, which is reported as revenue, County Participation by the Health District. At August 31, 2006, the Health District reported \$640,720 Due from Other Funds and \$274,594 as Due from Other Governmental Agencies for funding due from the City and County, respectively, under this agreement.

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Retirees pay premiums ranging from \$151.08 per month to \$1,100.58 per month depending on the coverage elected. The City's adopted budget policy is that retirees must pay 50% of the cost of coverage. The cost of retiree health care benefits is recognized as an expense in the Internal Service Self-Insurance Fund as liabilities are incurred. Of 2,066 retirees eligible, there were 856 retirees covered under this plan at August 31, 2006. Dependent coverage was provided for 365 of the retirees. Total benefits paid for retirees during fiscal year 2006 were \$5,514,352.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 14. PENSION PLANS

The employees of City of El Paso and EPWU participate in one of two single-employer defined benefit pension plans: the City Employees' Pension Fund (CEPF) and the Firemen and Policemen's Pension Funds (FPPF), which consists of separate divisions for firemen (FPPF-Firemen Division) and policemen (FPPF-Policemen Division). Separate boards of trustees administer these pension plans as described in Note 1. The CEPF was established in accordance with authority granted by Chapter 2.64 of the El Paso City Code and is reported as a blended component unit of the City. The FPPF was established in accordance with authority granted by Article 6243b of *Vernon's Annotated Texas Statutes* and is not a component unit of the City. Each pension plan issues stand-alone financial statements that may be obtained from the respective funds' administrative offices.

Firemen and Policemen's Pension Funds

8201 Lockheed Drive
Suite 229
El Paso, TX 79925

City Employees' Pension Fund

City of El Paso
Two Civic Center Plaza
El Paso, TX 79901

A. Membership

Membership of each plan consisted of the following:

	August 31, 2006	December 31, 2005	
		FPPF- Firemen Division	FPPF- Policemen Division
Retirees and beneficiaries receiving benefits	1,809	516	678
Terminated plan members entitled to but not yet receiving benefits	82	1	9
Active plan members	3,869	795	1,078
Total	5,760	1,312	1,765

B. City Employees' Pension Fund

1. Plan Description

The CEPF covers substantially all full-time employees of the City except for uniformed fire fighters and police officers who are covered under the FPPF. Non-employer contributions are limited to participating employees of the City. The designated purpose of the CEPF is to provide retirement, death and disability benefits to participants or their beneficiaries.

Membership is mandatory for classified employees (except permanent part-time employees). For non-classified employees, membership is mandatory after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the CEPF.

Participants who leave the plan before completion of five years of service receive a refund of their contributions. Participants leaving the plan with more than five years of service receive their contributions plus interest at 5.5%, compounded annually, provided they are not eligible for normal retirement. Participants become vested after ten years of service. Normal retirement is the earlier of (i) fifty-five years of age with ten years of service or (ii) thirty years of service regardless of age. Participants who have both completed ten years of service and attained age forty may retire but defer receiving pension payments until they reach normal retirement age.

Alternatively, such vested participants may elect an early retirement that will provide an actuarially reduced pension benefit payment upon termination.

NOTE 14. PENSION PLANS (Continued)**B. City Employees' Pension Fund (Continued)****1. Plan Description (Continued)**

Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement or 2.5% of the average monthly base salary and longevity pay received by the employee during the year immediately prior to retirement or 2.5% of the monthly base salary and longevity pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus .2083 of 1% of such average for each additional completed or fractional part of a month of service. A reduced pension benefit is available to surviving spouses and dependents.

2. Basis of Accounting

The CEPF financial statements are prepared using the accrual basis of accounting. Employer and plan members' contributions are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when paid in accordance with the terms of each plan.

3. Method Used to Value Investments

Investments are reported at fair value. The fair value of investments is determined by the latest bid price or by the closing exchange price at balance sheet dates. The fair value of investments in bank collective investment funds is determined by the third-party investment managers based on the market values of the underlying securities in the funds. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

4. Concentration of Investments

The following table presents the fair value of investments that represent 5% or more of the CEPF's net assets available for benefits at August 31, 2006. These investments are in bank collective investment funds that consist of diversified portfolios of investments.

	<u>Shares</u>	<u>Fair Value</u>
EB Stock Index Fund		
Mellon Capital Management Corporation	53,399	\$ 77,046,783
EB MCM Intermediate Government Bond Index Fund		
Mellon Capital Management Corporation	167,818	52,649,050
FMTC International Growth Fund		
Fidelity Investments	2,341,995	66,255,043

5. Contributions

Contribution rates for the CEPF are based upon local statutes and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over thirty years. The City contributes 10.25% and employees contribute 6.75% of covered payroll.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 14. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

6. Securities Lending

The CEPF entered into securities lending transactions during fiscal 2006 with brokers/dealers for which fees were paid to the CEPF. The CEPF Board may legally and contractually authorize the use of CEPF's securities for lending transactions. Parameters are set with CEPF's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and securities be collateralized using U.S. Treasuries at 102% of the fair value of the securities. U.S. Treasuries used as collateral are marked to market on a daily basis to ensure that 102% collateralization of the fair value of investments is always maintained. The CEPF may not pledge or sell the collateral securities except on default of the borrower. Because of this, CEPF administration believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to CEPF by the investment managers or broker/dealers. There is no cost associated with securities lending. As of August 31, 2006, securities loaned to others, at fair value, consisted of:

United States government securities	\$	20,551,553
Corporate bonds		645,381
Corporate stocks		23,079,792
Agency securities		11,090,797
Total	\$	<u>55,367,523</u>

7. Employer Contributions and Actuarial Information

Contributions were made as follows:

Year ended:	Amount	Stated % of Covered Payroll	Percentage of Annual Required Contribution
<u>August 31, 2006</u>			
Employer contributions	\$ 13,239,686	10.25%	100%
Employee contributions	8,872,231	6.75%	
Total contributions	<u>\$ 22,111,917</u>		
<u>August 31, 2005</u>			
Employer contributions	\$ 12,707,913	10.25%	100%
Employee contributions	8,492,888	6.75%	
Total contributions	<u>\$ 21,200,801</u>		
<u>August 31, 2004</u>			
Employer contributions	\$ 12,987,074	10.25%	100%
Employee contributions	8,578,958	6.75%	
Total contributions	<u>\$ 21,566,032</u>		

The latest actuarial valuation date was September 1, 2006.

NOTE 14. PENSION PLANS (Continued)**C. Firemen and Policemen's Pension Fund****1. Plan Description**

The designated purpose of the FPPF is to provide retirement, death and disability benefits to participants or their beneficiaries.

The FPPF is a defined benefit pension plan covering uniformed firefighters and police officers employed by the City of El Paso. Non-employer contributions are limited to participating employees. The City of El Paso is the only participating employer. The City's contributions to the FPPF are limited to 18% of compensation as provided by the City Charter.

The FPPF – Firemen Division is a defined benefit, contributory retirement plan covering uniformed employees of the Fire Department. Participants are required to contribute 15.28% of their compensation to the FPPF.

The FPPF – Policemen Division is a defined benefit, contributory retirement plan covering uniformed employees of the Police Department. Participants are required to contribute 11.89% of their compensation to the FPPF.

Under both divisions, membership is mandatory and effective upon commencement of the probationary period. Participant contributions are not refunded if a participant terminates with less than five years of service and all benefits under the FPPF are terminated. Participant contributions (without interest) are refunded upon request if a participant terminates with five or more years of service but less than twenty years of service. All benefits under the FPPF are terminated if contributions are refunded.

Upon completion of ten or more years of service, a participant may terminate his service for reasons other than disability or death and receive a pension commencing at age fifty or immediately upon date of termination of service if at least fifty years of age at the time of termination. The pension benefit is equal to 2.75% times final compensation, times the number of years of service, not to exceed 28 years. Normal retirement occurs when employees reach age forty-five and have twenty years of service. Retirement benefits are computed based upon 2.75% of the participant's final compensation times the number of years of service, not to exceed 77% of a participant's final compensation. A reduced pension benefit is permitted with twenty years of service and before age forty-five. The pension benefit is equal to 2.75% times final compensation times the number of years of service, not to exceed twenty-eight, multiplied by the appropriate actuarial reduction factor.

Final compensation is based upon the participant's highest wages in any calendar month within the 12 months preceding retirement excluding overtime pay. Except for disability pensions, a participant's final rank must have been held for at least six months in order to use the monthly pay at the higher rank. A surviving spouse receives 100% of the retiree's pension subject to certain provisions. A participant may receive disability benefits resulting from a total and permanent disability from an injury in the line of duty or any injury not due to the member's own fault. The disability benefit is equal to 2.75% of final compensation times the number of years of service, not to exceed twenty-eight years, with a minimum benefit of 50% of final compensation. Cost-of-living adjustments are granted to individuals retiring after March 23, 1980, subject to applicable waiting periods, except for deferred retirees. Participants who are fifty years old and have twenty and one-half years of service may elect the Back Deferred Retirement Option Program (Back DROP). The Back DROP benefit is a lump sum payment and a reduced monthly benefit. The Back DROP period must be at least months and not more than 36 months.

2. Basis of Accounting

The FPPF is maintained under the provisions of Article 6243b of *Vernon's Annotated Texas Statutes*. All current FPPF provisions are set forth in a resolution entitled "City of El Paso, Texas Firemen and Policemen's Pension Fund" effective October 16, 1996 and amended July 17, 2002, as well as state statute. Benefit provisions, contribution obligations and funding policy of the FPPF are established and amended in accordance with authority granted by Article 6243b of *Vernon's Annotated Texas Statutes*. The costs of administering the FPPF are paid out of the Fund's assets.

The FPPF financial statements are prepared using the accrual basis of accounting. Employer and participant contributions are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when paid in accordance with the terms of each plan.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2006

NOTE 14. PENSION PLANS (Continued)

C. Firemen and Policemen's Pension Fund (Continued)

3. Method Used to Value Investments

Investments are reported at fair value. The fair value of investments is determined by the latest bid price or by the closing exchange price at balance sheet dates (market value). Purchases and sales of securities are recorded on trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

4. Contributions Required and Contributions Made

Funding policies provide for periodic employer and participant contributions as established by the City Charter, the Board of Trustees and a vote of active participants in accordance with Article 6243b of *Vernon's Annotated Texas Statutes*. Actuarial valuations are prepared biennially for the FPPF. The FPPF's actuary has indicated that, under the current contribution rate, the FPPF will never accumulate sufficient assets to cover the Unfunded Actuarial Accrued Liability (UAAL). Based upon the results of the actuarial evaluations, if present contribution requirements are insufficient to accumulate sufficient assets to amortize the unfunded actuarial accrued liability, the FPPF's Board of Trustees, after approval by secret ballot of the rank and file policemen or firemen, could increase participant contributions or decrease participant benefits to maintain the actuarial integrity of the system. The City's contribution is determined by a formula set forth in the City Charter.

5. Securities Lending

The FPPF entered into securities lending transactions with its custodian bank, Mellon Bank, N.A. (the Lending Agent), under which FPPF-owned investments are loaned to one or more borrowers for a fee. The Lending Agent is responsible for collecting all required collateral in the form of U.S. dollar cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities, or irrevocable letters of credit issued by banks independent of the borrowers.

Concurrent with the delivery of the FPPF's securities to a borrower, the Lending Agent obtains from the borrower collateral in an amount equal, as of such date, to the required percentage, of the market value of any security loaned, including accrued interest. The required percentage is 102% with respect to U.S. securities and 105% with respect to foreign securities except in the case of loans of foreign securities which are denominated and payable in U.S. dollars, in which event the required percentage is 102%.

At December 31, 2005, \$20,205,402 of FPPF owned investments were loaned to others.

6. Employer Contributions and Actuarial Information

Contributions were made as follows:

	Firemen Division		Policemen Division		Total
<u>Year ended December 31, 2005</u>					
Employer contribution	\$ 7,794,328	18.00%	\$ 11,083,081	18.00%	\$ 18,877,409
Employee contribution	6,309,061	15.28%	7,087,854	11.89%	13,396,915
Total contribution	<u>\$ 14,103,389</u>		<u>\$ 18,170,935</u>		<u>\$ 32,274,324</u>
<u>Year ended December 31, 2004</u>					
Employer contribution	\$ 7,133,709	18.00%	\$ 10,655,294	18.00%	\$ 17,789,003
Employee contribution	5,853,139	15.28%	6,855,723	11.89%	12,708,862
Other	225				225
Total contribution	<u>\$ 12,987,073</u>		<u>\$ 17,511,017</u>		<u>\$ 30,498,090</u>
<u>Eighteen months ended December 31, 2003</u>					
Employer contribution	\$ 9,158,073	18.00%	\$ 15,403,553	18.00%	\$ 24,561,626
Employee contribution	7,721,290	15.28%	10,050,533	11.89%	17,771,823
Total contribution	<u>\$ 16,879,363</u>		<u>\$ 25,454,086</u>		<u>\$ 42,333,449</u>

The latest actuarial valuation date was January 31, 2006.

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2006****NOTE 15. FUND DEFICITS**

The following funds of the City had deficit net assets as follows:

	Supply and Support Funds	Self- Insurance Funds	Department of Environmental Services
Net asset deficit	<u>\$ (490,856)</u>	<u>(19,385,202)</u>	<u>(16,799,290)</u>

The deficits result primarily from the recognition of certain future liabilities and will be funded through increased rates in future periods.

NOTE 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

A summary, by department, of expenditures exceeding appropriations at the legal level of budgetary control is as follows:

<u>General Fund</u>	
Department:	
General government:	
Mayor and Council	\$ (388)
Information Technology	(66,484)
City Attorney	(38,817)
Tax Office	(55,611)
Public safety:	
Police Department	(542,448)
Fire Department	(297,801)
Municipal Court	(145,644)
Public works:	
Administration	(1,489,004)
Streets	(49,973)
Parks Department	(203,235)
Community and human development	(1,068)
Nondepartmental:	
Operating contingency, salary reserve and transfers to other funds	(1,655,990)

Expenditures exceeding appropriations were funded through revenue sources in excess of the budget or unexpended appropriations within the same department or function.

NOTE 17. SUBSEQUENT EVENTS

On November 3, 2006, the City entered into an agreement with a financial institution to finance \$10,000,000 of the acquisition costs of thirty-five transit buses for its Mass Transit activities (Sun Metro). This agreement, authorized by City Council under the State of Texas Public Property Finance Act, Texas Local Government Code §271, requires the City to complete these acquisitions within eighteen months. The interest rate is 3.6795%. Payments of \$816,732 are due on May 3 and November 3 beginning May 3, 2007 with the final payment due November 3, 2013. Approximately \$3,124,522 of these acquisitions have been completed.

On March 28, 2007, the City issued \$95,190,000 in General Obligation Refunding Bonds to advance refund \$99,500,000 of the City's commercial paper notes. The bonds were issued at a premium of \$4,363,746 with issuance costs of \$1,249,957 and bear interest at rates from 4% to 5%. The first interest payment is due February 15, 2008 and the first principal payment is due August 15, 2013 with the final payment due August 15, 2032.

On May 24, 2007, the City issued \$400,000 in Public Improvement District Special Assessment Revenue Bonds to reimburse the City for costs incurred to purchase Thunder Canyon. The bonds were issued at a cost of \$25,000 and bear interest at 4.79%. The first interest payment is due February 15, 2008 and the first principal payment is due August 15, 2008 with final payment due August 15, 2020. The City is not liable for repayment but is only acting as agent for the property owners in collecting the assessments, forwarding the collections to the bond paying agent and initiating foreclosure proceedings, if appropriate.

On May 8, 2007, the City issued \$40,000,000 in General Obligation Bonds to purchase equipment, make improvements to the library, zoo, history museum, streets, fire station facilities and pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$644,477 with issuance costs of \$779,477 and bear interest at rates from 4% to 5%. The first interest payment is due February 15, 2008 and the first principal payment is due August 15, 2009 with the final payment due August 15, 2025.

On May 8, 2007, the City issued \$35,000,000 in Combination Tax and Revenue Certificates of Obligation Bonds for street improvements, flood control, storm water and drainage improvements, traffic control improvements, traffic management information system improvements and pay costs associated with the issuance of the bonds. The bonds were issued at a premium of \$699,028 with issuance costs of \$846,849 and bear interest at rates from 4% to 5%. The first interest payment is due February 15, 2008 and the first principal payment is due August 15, 2009 with the final payment due August 15, 2025.

EPWU – Component Unit

Due to regional water and wastewater planning efforts, the Homestead Municipal Utility District (Homestead MUD) requested EPWU to take over the management and control of their system. On May 1, 2006, the Board of Directors of Homestead MUD transferred all assets and liabilities of their system to EPWU. Starting on March 1, 2006, Homestead customers were billed as outside city water retail customers.

On March 31, 2006, as part of the City's Northeast Master Plan and Watershed Management Plan, EPWU purchased Painted Dunes Golf Course and all its assets and entered into an agreement with Touchstone Golf LLC to manage the complete operation of the golf course. Management believes this acquisition will significantly enhance the value of surrounding EPWU property.

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN
MD&A**



CITY OF EL PASO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the year ended August 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Property taxes	\$ 111,462,487	111,462,487	108,555,669	(2,906,818)
Penalties and interest-delinquent taxes	1,120,701	1,120,701	1,408,524	287,823
Sales taxes	56,550,087	56,550,087	60,918,071	4,367,984
Franchise fees	37,126,797	37,126,797	34,683,663	(2,443,134)
Licenses and permits	8,185,540	8,185,540	8,684,994	499,454
Fines and forfeits	15,528,398	15,528,398	12,947,396	(2,581,002)
Charges for services	11,380,065	11,726,065	12,319,214	593,149
County participation			108,252	108,252
Rents and other	1,268,766	1,268,766	1,380,897	112,131
Interest	480,000	480,000	1,403,644	923,644
Transfers from other funds	20,549,476	20,552,726	21,420,544	867,818
Amounts available for appropriation from current year resources	<u>263,652,317</u>	<u>264,001,567</u>	<u>263,830,868</u>	<u>(170,699)</u>
Charges to appropriations (outflows):				
General government:				
Mayor and Council	1,157,744	1,129,578	1,069,429	60,149
City Manager	1,452,614	1,574,283	1,555,349	18,934
Municipal Clerk	593,687	557,625	517,389	40,236
Financial Services	2,865,565	2,698,367	2,649,574	48,793
Information Technology	7,339,032	7,279,870	6,883,506	396,364
City Attorney	4,020,439	4,835,569	4,846,446	(10,877)
Office of Management and Budget	1,069,025	1,008,311	948,831	59,480
Planning	1,911,122	1,863,611	1,850,805	12,806
Personnel	1,866,147	1,861,119	1,825,922	35,197
Tax Office	7,493,825	7,514,655	4,057,193	3,457,462
Public safety:				
Police Department	96,347,486	99,105,621	98,099,842	1,005,779
Fire Department	61,123,920	63,802,399	63,693,086	109,313
Municipal Court	3,728,805	3,792,262	3,832,516	(40,254)
Public works:				
Administration	13,540,566	13,801,365	14,907,380	(1,106,015)
Engineering	3,491,935	3,604,144	3,244,591	359,553
Building Services	3,232,134	3,082,137	2,985,351	96,786
Streets	15,207,252	15,487,013	14,925,295	561,718
Parks Department	12,951,955	12,910,042	12,979,149	(69,107)
Library	6,492,220	6,470,775	6,056,651	414,124
Culture and recreation:				
Art Museum	1,015,037	1,148,910	1,143,678	5,232
Arts Resources	441,549	397,763	357,763	40,000
History Museum	273,296	244,619	236,428	8,191
Wilderness Park Museum	205,568	198,094	197,392	702
Zoo	2,792,584	2,882,286	2,831,652	50,634
Economic development	1,199,717	1,066,439	927,156	139,283
Community and human development	439,141	436,192	422,400	13,792
Nondepartmental:				
Operating contingency	1,500,000	1,450,500	56,985	1,393,515
Salary reserve	4,163,752	(1,214,506)		(1,214,506)
Non Departmental	1,254,200	1,337,832	1,428,271	(90,439)
Transfers to other funds	4,482,000	9,402,827	10,761,186	(1,358,359)
Total charges to appropriations	<u>263,652,317</u>	<u>269,729,702</u>	<u>265,291,216</u>	<u>4,438,486</u>
Increase (decrease) in fund balance		(5,728,135)	(1,460,348)	4,267,787
Budgetary fund balance, September 1	36,337,699	36,337,699	36,337,699	
Budgetary fund balance, August 31	<u>\$ 36,337,699</u>	<u>30,609,564</u>	<u>34,877,351</u>	<u>4,267,787</u>

This budget and this schedule are prepared on a basis consistent with accounting principles generally accepted in the United States.

CITY OF EL PASO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2006

SCHEDULES OF FUNDING PROGRESS (UNAUDITED):

	Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) entry age	Unfunded AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
(dollars expressed in thousands)							
City Employees Pension Plan (CEPF)	9/1/2006	\$ 471,232	\$ 568,602	\$ 97,370	82.9%	\$ 123,982	78.5%
	9/1/2004	429,153	512,168	83,014	83.8%	121,111	68.5%
	9/1/2002	406,923	455,860	48,937	89.3%	113,682	43.0%
Firemen and Policemen's Pension Fund (FPPF):							
Firemen Division	1/1/2006	215,036	374,484	159,448	57.4%	38,326	416.0%
	1/1/2004	194,959	330,727	135,768	58.9%	31,486	431.2%
	7/1/2002	189,078	297,165	108,087	63.6%	27,775	389.1%
Policemen Division	1/1/2006	388,533	547,072	158,539	71.0%	53,275	297.6%
	1/1/2004	350,347	472,812	122,465	74.1%	49,935	245.2%
	7/1/2002	332,873	426,306	93,433	78.1%	46,881	199.3%

SCHEDULES OF EMPLOYER CONTRIBUTIONS AND NET PENSION OBLIGATION (NPO)

Year	Annual Required Contribution (ARC)	Interest on NPO	Adjustment to ARC	Annual Pension Cost	Contributions Made	Increase (Decrease) in NPO
City Employees Pension Plan (CEPF)						
8/31/2006	\$ 13,239,686	\$ (24,577)	\$ 16,315	\$ 13,231,424	\$ 13,239,686	\$ (8,262)
8/31/2005	12,707,913	(23,933)	15,887	12,699,868	12,707,913	(8,045)
8/31/2004	12,987,074	(24,042)	25,403	12,988,436	12,987,074	1,362
Firemen and Policemen's Pension Fund (FPPF):						
Firemen Division						
12/31/2005	13,807,421	2,696,112	(1,664,266)	14,839,267	7,770,878	7,068,389
12/31/2004	13,019,605	2,345,635	(837,727)	14,527,513	7,133,709	7,393,804
12/31/2003	5,491,475	1,048,310	(374,396)	6,165,389	3,052,691	3,112,698
Policemen Division						
12/31/2005	18,427,235	2,200,023	(1,358,039)	19,269,219	11,024,694	8,244,525
12/31/2004	17,422,817	1,765,461	(630,522)	18,557,756	10,655,294	7,902,462
12/31/2003	7,564,377	765,843	(273,515)	8,056,705	5,134,518	2,922,187

NOTES TO SCHEDULES OF FUNDING PROGRESS

	City Employees Pension Plan (CEPF)	Firemen and Policemen's Pension Fund (FPPF)
Actuarial Valuation Date	September 1, 2006	January 1, 2006
Actuarial Cost Method	Entry age	Entry age
Method Used to Value Assets	Five-year smoothed market	Five-year smoothed market
Assumed Inflation Rate	4.00%	4.00%
Assumed Investment Return	8.00%	8.00%
Assumed Projected Salary Increases	4.50% - 7.75%	5.50% - 10.00%
Assumed Postretirement Benefit Increases	None	3.00%
Amortization Method	Level percent open	Level percent open
Remaining Amortization Period	30 years	30 years

Factors that significantly affect the identification of trends in the amounts reported in required schedules:

Change Mortality, Retirement, Withdrawal, Inflation and Salary Increase Assumptions

GENERAL FUND



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 64,862	54,153	54,153	
Employee Benefits	13,020	13,020	13,004	16
Outside Contracts	5,276	4,907	4,907	
Other Operating Expenditures	10,000	6,007	5,601	406
Transfers Out	-	3,862	3,862	
COUNCIL DISTRICT 01	93,158	81,949	81,527	422
Salaries and Wages	64,862	61,811	61,811	
Employee Benefits	13,020	13,020	13,004	16
Outside Contracts	5,276	4,776	4,225	551
Other Operating Expenditures	10,000	3,275	3,274	1
Transfers Out	-	6,726	6,726	
COUNCIL DISTRICT 02	93,158	89,608	89,040	568
Salaries and Wages	64,862	57,267	57,267	
Employee Benefits	13,020	13,004	13,004	
Contractual Services	-	16,223	16,223	
Outside Contracts	5,276	5,792	6,147	(355)
Other Operating Expenditures	10,000	8,314	8,314	
Transfers Out	-	686	686	
COUNCIL DISTRICT 03	93,158	101,286	101,641	(355)
Salaries and Wages	64,862	68,386	68,386	
Employee Benefits	13,020	13,020	13,004	16
Contractual Services	-	4,447	4,447	
Outside Contracts	5,276	4,776	4,581	195
Other Operating Expenditures	10,000	(6,053)	(6,303)	250
Transfers Out	-	8,526	8,526	
COUNCIL DISTRICT 04	93,158	93,102	92,641	461
Salaries and Wages	64,862	62,330	62,330	
Employee Benefits	13,020	13,020	13,004	16
Contractual Services	-	857	857	
Outside Contracts	5,276	4,776	3,776	1,000
Other Operating Expenditures	10,000	9,053	9,053	
Transfers Out	-	447	447	
COUNCIL DISTRICT 05	93,158	90,483	89,467	1,016
Salaries and Wages	64,862	52,378	52,378	
Employee Benefits	13,020	13,020	13,013	7
Contractual Services	-	10,659	10,659	
Outside Contracts	5,276	4,776	4,551	225
Other Operating Expenditures	10,000	4,214	4,214	
Transfers Out	-	5,786	5,786	
COUNCIL DISTRICT 06	\$ 93,158	90,833	90,601	232

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 64,862	71,051	71,051	
Employee Benefits	13,020	13,020	13,004	16
Contractual Services	-	344	344	
Outside Contracts	5,276	4,776	4,809	(33)
Other Operating Expenditures	10,000	(5,719)	(5,719)	
Transfers Out	-	7,792	7,792	
COUNCIL DISTRICT 07	93,158	91,264	91,281	(17)
Salaries and Wages	64,862	72,612	72,612	
Employee Benefits	13,020	13,020	13,004	16
Outside Contracts	5,276	4,776	2,955	1,821
Other Operating Expenditures	10,000	6,327	6,077	250
Transfers Out	-	2,107	2,107	
COUNCIL DISTRICT 08	93,158	98,842	96,755	2,087
Salaries and Wages	44,836	45,892	45,892	
Employee Benefits	4,437	4,437	4,437	
Interfund Services	300	300		300
Operating Leases	500	500		500
Supplies and Materials	1,500	1,500		1,500
MAYOR PRO TEM	51,573	52,629	50,329	2,300
Salaries and Wages	259,583	236,270	236,270	
Employee Benefits	24,148	24,148	24,120	28
Outside Contracts	1,800	6,271	6,224	47
Interfund Services	8,300	7,585	5,626	1,959
Operating Leases	3,600	3,600	2,078	1,522
Fuel and Lubricants	1,176	2,831	2,831	
Supplies and Materials	18,800	22,843	19,917	2,926
Communications	5,500	7,257	5,715	1,542
Travel	29,000	25,402	11,740	13,662
Other Operating Expenditures	9,000	4,318	4,318	
OFFICE OF THE MAYOR	360,907	340,525	318,839	21,686
Salaries and Wages	858,657	926,189	926,189	
Employee Benefits	63,654	70,439	70,439	
Outside Contracts	21,000	21,000	16,537	4,463
Interfund Services	2,750	2,750	1,524	1,226
Operating Leases	5,000	9,000	7,901	1,099
Fuel and Lubricants	-	40	40	
Supplies and Materials	16,500	21,960	20,310	1,650
Communications	6,500	16,000	14,574	1,426
Travel	21,500	13,176	13,176	
Other Operating Expenditures	12,600	5,924	5,743	181
CITY MANAGER	\$ 1,008,161	1,086,478	1,076,433	10,045

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 135,728	164,805	164,805	
Employee Benefits	8,061	11,453	11,453	
Outside Contracts	15,000	15,000	8,445	6,555
Interfund Services	1,750	2,750	1,377	1,373
Supplies and Materials	500	500		500
Communications	1,000	-		
PUBLIC INFORMATION OFFICE	162,039	194,508	186,080	8,428
Salaries and Wages	258,575	267,503	267,503	
Employee Benefits	13,339	13,339	13,339	
Outside Contracts	400	150	135	15
Interfund Services	700	240	223	17
Supplies and Materials	4,400	2,480	2,383	97
Travel	3,000	4,660	4,334	326
Other Operating Expenditures	2,000	4,925	4,919	6
INTERNAL AUDIT	282,414	293,297	292,836	461
Salaries and Wages	350,524	334,462	334,462	
Employee Benefits	22,780	22,780	22,780	
Contractual Services	16,000	16,000	15,616	384
Outside Contracts	160,158	106,158	82,927	23,231
Interfund Services	5,500	5,500	3,753	1,747
Operating Leases	18,750	18,750	6,027	12,723
Supplies and Materials	10,575	9,729	8,262	1,467
Travel	1,900	1,900	1,314	586
Other Operating Expenditures	7,500	14,346	14,346	
Capital Expenditures	-	28,000	27,902	98
MUNICIPAL CLERK-CITY CLERK	593,687	557,625	517,389	40,236
Operating Leases	-	-	(5)	5
COMPTROLLER ACCOUNTING	-	-	(5)	5
Salaries and Wages	230,408	168,863	168,863	
Employee Benefits	14,540	14,540	14,540	
Capital Expenditures	-	17,743	7,420	10,323
FINANCIAL ACCT & REPORTING	244,948	201,146	190,823	10,323
Salaries and Wages	65,433	62,283	62,283	
Employee Benefits	5,330	5,330	5,330	
Professional Services	115,000	115,000	115,000	
Interfund Services	-	30	29	1
Supplies and Materials	2,478	2,478	600	1,878
Travel	1,300	1,300	766	534
Other Operating Expenditures	240	255	60	195
GRANT ACCOUNTING	189,781	186,676	184,068	2,608
Salaries and Wages	191,415	135,607	135,607	
Employee Benefits	12,720	12,720	12,720	
TREASURY SERVICES	204,135	148,327	148,327	
Salaries and Wages	147,037	164,795	164,795	
Employee Benefits	15,140	15,140	15,140	
FISCAL OPERATIONS	\$ 162,177	179,935	179,935	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 184,553	144,237	144,237	
Employee Benefits	10,741	10,741	10,741	
Professional Services	-	8,500		8,500
Outside Contracts	2,600	2,815	1,152	1,663
Interfund Services	7,760	6,460	2,872	3,588
Operating Leases	8,700	8,700	7,438	1,262
Supplies and Materials	7,940	9,240	8,192	1,048
Communications	1,150	1,150	638	512
Travel	2,400	-		
Other Operating Expenditures	2,900	2,900	2,790	110
PURCHASING ADMINISTRATION	228,744	194,743	178,060	16,683
Salaries and Wages	142,060	118,220	118,220	
Employee Benefits	12,407	12,407	12,407	
Other Operating Expenditures	-	400	368	32
PAYROLL	154,467	131,027	130,995	32
Salaries and Wages	178,041	163,769	163,769	
Employee Benefits	16,806	16,806	16,806	
ACCOUNTS PAYABLE & RECEIVABLE	194,847	180,575	180,575	
Salaries and Wages	-	(2,593)	(2,593)	
Employee Benefits	-	3,480	3,480	
Outside Contracts	-	8,300	7,806	494
Interfund Services	-	900	30	870
Supplies and Materials	-	2,400	148	2,252
Communications	-	285		285
Travel	-	200		200
GRANTS ADMINISTRATION	-	12,972	8,871	4,101
Salaries and Wages	441,709	444,680	444,680	
Employee Benefits	35,736	35,736	35,736	
CONTRACTING	477,445	480,416	480,416	
Salaries and Wages	220,241	214,279	214,279	
Employee Benefits	21,472	21,472	21,472	
Professional Services	34,000	34,515	34,515	
Outside Contracts	-	1,000	185	815
Interfund Services	6,300	3,111	2,955	156
Operating Leases	550	550	429	121
Fuel and Lubricants	2,500	2,500	1,799	701
Supplies and Materials	5,095	5,535	4,921	614
Maintenance and Repairs	1,000	1,000	873	127
Communications	2,000	2,000	1,690	310
Other Operating Expenditures	800	800	701	99
CAPITAL ASSETS MANAGEMENT	\$ 293,958	286,762	283,819	2,943

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 225,869	177,054	177,054	
Employee Benefits	21,322	15,037	15,037	
Interfund Services	5,200	1,449	701	748
Operating Leases	3,200	2,985	2,288	697
Supplies and Materials	5,900	3,618	2,770	848
Communications	1,350	1,100	200	900
Capital Expenditures	-	5,314	2,020	3,294
CONSTRUCTION BIDDING	262,841	206,557	200,070	6,487
Salaries and Wages	-	(10,981)	(10,981)	
FINANCIAL & ADMIN SERVICES DEPT	-	(10,981)	(10,981)	
Salaries and Wages	213,377	214,686	214,686	
Employee Benefits	18,505	21,897	21,897	
Contractual Services	3,000	20,000	19,535	465
Professional Services	107,789	138,903	138,903	
Outside Contracts	38,500	38,500	36,511	1,989
Interfund Services	26,751	22,422	22,422	
Operating Leases	5,500	5,630	4,772	858
Supplies and Materials	26,600	25,133	23,960	1,173
Communications	1,000	2,004	1,712	292
Travel	5,000	3,537	3,152	385
Other Operating Expenditures	6,200	7,500	7,051	449
FINANCIAL SVCS CFO	452,222	500,212	494,601	5,611
Salaries and Wages	281,565	208,964	208,964	
Employee Benefits	18,375	20,637	20,637	
Outside Contracts	-	20,000	6,100	13,900
Interfund Services	700	-		
Operating Leases	1,000	-		
Supplies and Materials	1,500	3,200	2,898	302
Travel	4,000	4,000	3,810	190
Other Operating Expenditures	2,400	2,400	1,995	405
INFORMATION TECHNOLOGY ADMIN	309,540	259,201	244,404	14,797
Salaries and Wages	256,785	195,730	195,730	
Employee Benefits	17,171	17,171	17,171	
Professional Services	7,500	7,350	3,000	4,350
Outside Contracts	135,000	159,000	133,460	25,540
Interfund Services	2,500	2,650	2,634	16
Supplies and Materials	5,000	5,000	4,332	668
Communications	250	250	58	192
Travel	2,500	2,500	2,309	191
Other Operating Expenditures	3,000	3,000	1,837	1,163
GEOGRAPHIC INFORMATION SYSTEMS	\$ 429,706	392,651	360,531	32,120

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 249,871	141,991	141,991	
Employee Benefits	21,935	21,935	21,935	
Outside Contracts	6,000	6,000	5,000	1,000
Supplies and Materials	3,750	3,750	3,258	492
Travel	3,000	3,000	2,640	360
Other Operating Expenditures	4,500	4,500	4,449	51
E-COMMERCE GROUP	289,056	181,176	179,273	1,903
Salaries and Wages	1,317,398	1,382,696	1,382,696	
Employee Benefits	84,938	84,938	84,938	
Professional Services	5,015	5,015	2,939	2,076
Outside Contracts	1,284,242	1,304,242	1,370,502	(66,260)
Interfund Services	8,280	9,480	5,248	4,232
Operating Leases	279,915	279,915	274,482	5,433
Fuel and Lubricants	1,500	2,700	2,924	(224)
Supplies and Materials	25,000	25,000	21,542	3,458
Communications	8,500	10,800	10,741	59
Travel	4,000	4,000	2,814	1,186
Other Operating Expenditures	5,000	5,000	4,899	101
Capital Expenditures	-	32,141	32,141	
INFORMATION SERVICES	3,023,788	3,145,927	3,195,866	(49,939)
Salaries and Wages	393,523	407,496	407,496	
Employee Benefits	35,704	35,704	35,704	
Outside Contracts	1,233,965	1,233,965	1,008,727	225,238
Interfund Services	2,500	2,500	1,699	801
Operating Leases	29,750	27,750	22,712	5,038
Fuel and Lubricants	2,100	4,302	4,302	
Supplies and Materials	13,850	15,148	14,630	518
Maintenance and Repairs	2,000	3,500	2,545	955
Communications	1,570,050	1,567,050	1,404,245	162,805
Travel	3,000	3,000	1,289	1,711
Other Operating Expenditures	500	500	83	417
PUBLIC SAFETY TECHNOLOGY	3,286,942	3,300,915	2,903,432	397,483
Salaries and Wages	2,408,569	1,695,288	1,695,288	
Employee Benefits	113,459	114,394	114,340	54
Other Operating Expenditures	-	10,000	10,000	
Capital Expenditures	-	(54)	(938)	884
ATTORNEYS AND PARALEGALS	2,522,028	1,819,628	1,818,690	938
Salaries and Wages	281,487	918,551	918,551	
Employee Benefits	28,360	28,360	28,360	
LEGAL SECRETARIAL STAFF	\$ 309,847	946,911	946,911	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 105,578	78,745	78,745	
Employee Benefits	12,236	12,236	12,236	
Contractual Services	2,750	2,750	1,821	929
Outside Contracts	-	-	(38)	38
Interfund Services	-	4,343	4,343	
Operating Leases	-	-	(20)	20
Supplies and Materials	-	-	(1,193)	1,193
Capital Expenditures	-	2,435		2,435
LEGAL SUPPORT STAFF	120,564	100,509	95,894	4,615
Salaries and Wages	-	(39,488)	(39,488)	
Outside Contracts	3,500	500	11	489
Interfund Services	7,800	9,140	9,140	
Operating Leases	23,000	12,597	11,892	705
Supplies and Materials	39,000	29,400	28,997	403
Travel	12,000	12,432	12,432	
Other Operating Expenditures	12,000	18,200	18,016	184
LEGAL OPERATING EXPENSE	97,300	42,781	41,000	1,781
Salaries and Wages	-	(560)	(560)	
Professional Services	72,000	94,600	89,610	4,990
Operating Leases	10,000	3,500	2,631	869
Other Non-Operating Expenditures	450,000	1,231,600	1,270,417	(38,817)
TRIAL OPER EXP & DAMAGES SETT	532,000	1,329,140	1,362,098	(32,958)
Professional Services	433,700	592,100	577,708	14,392
Outside Contracts	5,000	4,500	4,145	355
Transfers Out	219,000	219,000	219,000	
OUTSIDE COUNSEL SERVICES	657,700	815,600	800,853	14,747
Salaries and Wages	894,287	830,181	830,181	
Employee Benefits	67,688	71,080	71,080	
Outside Contracts	63,000	63,000	14,444	48,556
Interfund Services	11,700	11,700	3,537	8,163
Operating Leases	7,500	7,000	4,919	2,081
Supplies and Materials	10,050	11,450	10,980	470
Communications	1,000	400	255	145
Travel	10,500	10,500	10,452	48
Other Operating Expenditures	3,300	3,000	2,983	17
Grant Match	-	-		
OFFICE OF MGMT & BUDGET	\$ 1,069,025	1,008,311	948,831	59,480

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 228,485	166,840	166,840	
Employee Benefits	11,385	11,385	11,385	
Outside Contracts	7,800	7,800	5,912	1,888
Interfund Services	27,500	29,756	29,756	
Operating Leases	8,250	7,897	5,022	2,875
Supplies and Materials	4,304	3,768	3,308	460
Communications	775	775	750	25
Travel	7,100	11,300	11,285	15
Other Operating Expenditures	7,460	5,460	4,502	958
PLANNING ADMINISTRATION	303,059	244,981	238,760	6,221
Salaries and Wages	-	(26,288)	(26,288)	
LAND DEVELOPMENT	-	(26,288)	(26,288)	
Salaries and Wages	415,541	363,485	363,485	
Employee Benefits	37,176	37,176	37,176	
Outside Contracts	11,000	11,000	6,648	4,352
Supplies and Materials	5,112	5,112	4,843	269
ZONING ZBA HISTORIC	468,829	416,773	412,152	4,621
Salaries and Wages	441,179	397,419	397,419	
Employee Benefits	29,029	25,850	25,850	
Supplies and Materials	4,553	4,052	3,888	164
PLANNING-LONG RANGE	474,761	427,321	427,157	164
Salaries and Wages	151,708	258,834	258,834	
Employee Benefits	9,852	9,852	9,852	
Professional Services	5,000	5,000	4,999	1
Supplies and Materials	2,181	2,181	1,970	211
PLANNING SUBDIVISIONS	168,741	275,867	275,655	212
Salaries and Wages	439,321	483,561	483,561	
Employee Benefits	41,897	41,897	41,888	9
Outside Contracts	1,500	-		
Interfund Services	1,200	24	23	1
Supplies and Materials	2,400	574	574	
Communications	1,200	1,200	751	449
Travel	6,364	7,778	6,649	1,129
Other Operating Expenditures	1,850	1,371	1,371	
PLAN REVIEW	495,732	536,405	534,817	1,588
Salaries and Wages	-	(11,448)	(11,448)	
PLANNING DATA MGMNT_SUPPORT	\$ -	(11,448)	(11,448)	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 356,502	263,317	263,317	
Employee Benefits	21,810	25,202	25,202	
Outside Contracts	30,300	54,800	52,383	2,417
Interfund Services	9,000	9,512	9,512	
Supplies and Materials	1,250	1,228	1,228	
Communications	2,700	2,691	2,691	
Travel	100	-		
Other Operating Expenditures	3,850	3,832	3,832	
Capital Expenditures	-	11,637		11,637
HUMAN RESOURCES ADMIN	425,512	372,219	358,165	14,054
Salaries and Wages	46,182	47,867	47,867	
Employee Benefits	1,852	1,852	1,852	
Other Operating Expenditures	100	100	100	
CLASSIFICATION & COMPENSATION	48,134	49,819	49,819	
Salaries and Wages	375,759	380,938	380,938	
Employee Benefits	36,301	36,301	36,301	
Professional Services	30,000	30,423	30,423	
Outside Contracts	9,300	9,300	9,300	
Interfund Services	4,300	8,877	7,628	1,249
Operating Leases	13,500	15,500	14,795	705
Supplies and Materials	6,350	6,350	6,350	
Other Operating Expenditures	3,300	3,300	3,252	48
RECRUITMENT & EXAMINATIONS	478,810	490,989	488,987	2,002
Salaries and Wages	226,693	234,376	234,376	
Employee Benefits	14,434	14,434	14,434	
Interfund Services	1,000	1,000	1,000	
Supplies and Materials	1,850	1,850	1,634	216
Travel	100	100	25	75
Other Operating Expenditures	215,610	200,610	181,806	18,804
ORGANIZATIONAL DEVELOPMENT	459,687	452,370	433,275	19,095
Salaries and Wages	197,866	244,717	244,717	
Employee Benefits	21,134	21,134	21,134	
Interfund Services	1,000	1,000	1,000	
Supplies and Materials	1,700	1,700	1,663	37
HRIS AND CERTIFICATION	221,700	268,551	268,514	37
Salaries and Wages	213,299	208,166	208,166	
Employee Benefits	17,655	17,655	17,655	
Outside Contracts	350	350	350	
Supplies and Materials	1,000	1,000	991	9
PAYROLL AND RECORDS	\$ 232,304	227,171	227,162	9

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 855,878	905,816	905,816	
Employee Benefits	66,909	70,301	70,301	
Contractual Services	32,500	-		
Professional Services	2,236,890	2,207,998	1,987,255	220,743
Outside Contracts	4,128,476	4,066,776	831,967	3,234,809
Interfund Services	125,925	126,718	126,718	
Operating Leases	3,300	2,786	876	1,910
Supplies and Materials	32,261	30,971	30,971	
Communications	-	786	786	
Travel	10,250	9,315	9,315	
Other Operating Expenditures	1,436	956	956	
Other Non-Operating Expenditures	-	1,044	1,044	
Transfers Out	-	-	55,611	(55,611)
Capital Expenditures	-	91,188	91,188	
TAX OFFICE COLLECTIONS	7,493,825	7,514,655	4,112,804	3,401,851
Salaries and Wages	66,346,535	69,465,936	69,465,936	
Employee Benefits	7,564,664	7,574,141	7,574,132	9
Professional Services	7,000	7,000	6,433	567
Outside Contracts	444,585	444,585	372,340	72,245
Interfund Services	3,000	5,000	5,000	
Supplies and Materials	16,600	27,783	27,783	
Maintenance and Repairs	300	57,117	54,333	2,784
Other Operating Expenditures	349,243	249,243	211,066	38,177
Grant Match	517,677	525,816	337,807	188,009
Capital Expenditures	-	100,000	99,767	233
CHIEF'S OFFICE	75,249,604	78,456,621	78,154,597	302,024
Salaries and Wages	27,840	28,998	28,998	
Employee Benefits	1,769	1,769	1,769	
Interfund Services	250	250	128	122
Operating Leases	76,323	76,323	76,323	
Supplies and Materials	7,475	7,475	7,475	
INTERNAL AFFAIRS	113,657	114,815	114,693	122
Salaries and Wages	979,210	1,095,950	1,095,950	
Employee Benefits	78,802	80,740	80,740	
Professional Services	86,500	54,000	41,009	12,991
Outside Contracts	1,600	13,100	3,452	9,648
Interfund Services	8,500	8,500	7,901	599
Supplies and Materials	291,200	312,200	307,246	4,954
TRAINING	1,445,812	1,564,490	1,536,298	28,192
Salaries and Wages	406,355	455,063	455,063	
Employee Benefits	33,861	34,061	34,061	
Outside Contracts	7,000	2,882	2,882	
Interfund Services	200	196	196	
Supplies and Materials	6,200	10,322	10,439	(117)
PLANNING AND RESEARCH	\$ 453,616	502,524	502,641	(117)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Outside Contracts	\$ 65,000	70,000	66,637	3,363
Interfund Services	1,600,000	1,595,000	1,666,508	(71,508)
Fuel and Lubricants	1,095,365	1,095,365	1,564,523	(469,158)
Supplies and Materials	200	200	175	25
Maintenance and Repairs	30,400	30,400	15,788	14,612
VEHICLE OPERATIONS	2,790,965	2,790,965	3,313,631	(522,666)
Salaries and Wages	4,358,779	4,204,699	4,204,699	
Employee Benefits	353,814	356,560	356,560	
Professional Services	500	500	475	25
Interfund Services	1,200	1,700	1,700	
Supplies and Materials	79,000	78,500	79,969	(1,469)
Other Operating Expenditures	200	200	153	47
COMMUNICATIONS	4,793,493	4,642,159	4,643,556	(1,397)
Salaries and Wages	1,836,937	1,780,030	1,780,030	
Employee Benefits	199,328	199,328	199,328	
Outside Contracts	16,887	16,887	14,248	2,639
Interfund Services	50,500	50,500	47,647	2,853
Supplies and Materials	31,087	31,087	30,011	1,076
Communications	7,600	7,600	7,143	457
RECORDS	2,142,339	2,085,432	2,078,407	7,025
Interfund Services	9,500	31,500	29,774	1,726
Supplies and Materials	557,300	527,161	396,250	130,911
POLICE SUPPLY	566,800	558,661	426,024	132,637
Salaries and Wages	559,803	496,978	496,978	
Employee Benefits	63,189	63,189	63,189	
Outside Contracts	135,000	267,200	228,096	39,104
Interfund Services	400	400	283	117
Operating Leases	102,880	102,880	77,399	25,481
Supplies and Materials	3,750	3,750	3,459	291
Communications	82,000	82,000	58,434	23,566
Other Operating Expenditures	2,909,500	2,777,300	1,967,058	810,242
FINANCIAL SERVICES	3,856,522	3,793,697	2,894,896	898,801
Salaries and Wages	91,416	140,181	140,181	
Employee Benefits	13,144	13,952	13,952	
Outside Contracts	74,577	74,577	72,989	1,588
Interfund Services	4,500	4,500	3,310	1,190
Operating Leases	28,800	28,800	21,356	7,444
Supplies and Materials	96,378	96,378	94,769	1,609
Other Operating Expenditures	200	200	167	33
SPECIAL SERVICES	309,015	358,588	346,724	11,864
Salaries and Wages	548,765	476,575	476,575	
Employee Benefits	63,657	63,657	63,657	
Outside Contracts	42,355	39,355	5,810	33,545
Interfund Services	8,500	8,500	6,760	1,740
Supplies and Materials	33,600	36,600	33,660	2,940
CENTRAL REGIONAL COMMAND	\$ 696,877	624,687	586,462	38,225

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 246,344	229,694	229,694	
Employee Benefits	25,608	25,608	25,608	
Outside Contracts	1,200	1,350	1,348	2
Interfund Services	4,000	1,978	1,925	53
Supplies and Materials	19,300	21,172	21,172	
MISSION VALLEY REGIONAL COMMAND	296,452	279,802	279,747	55
Salaries and Wages	260,462	203,557	203,557	
Employee Benefits	28,853	28,853	28,853	
Outside Contracts	750	645	645	
Interfund Services	4,500	4,004	4,004	
Supplies and Materials	18,400	19,024	19,024	
Other Operating Expenditures	200	177	177	
NORTHEAST REGIONAL COMMAND	313,165	256,260	256,260	
Salaries and Wages	259,431	276,528	276,528	
Employee Benefits	24,713	24,713	24,713	
Outside Contracts	2,426	2,408	2,408	
Interfund Services	7,200	7,101	7,101	
Supplies and Materials	32,660	32,827	33,023	(196)
Other Operating Expenditures	350	300	300	
PEBBLE HILLS REGIONAL COMMAND	326,780	343,877	344,073	(196)
Salaries and Wages	200,718	183,831	183,831	
Employee Benefits	21,157	21,157	21,157	
Outside Contracts	300	792	268	524
Interfund Services	3,600	3,600	3,600	
Supplies and Materials	20,725	20,233	20,058	175
Other Operating Expenditures	300	300	295	5
WESTSIDE REGIONAL COMMAND	246,800	229,913	229,209	704
Salaries and Wages	1,036,144	541,967	541,967	
Employee Benefits	125,758	125,758	125,758	
Professional Services	10,000	10,000	9,286	714
Outside Contracts	28,500	12,885	11,991	894
Interfund Services	3,000	2,700	2,535	165
Operating Leases	2,640	1,280	1,280	
Supplies and Materials	60,000	77,275	67,286	9,989
OPERATIONAL SUPPORT	1,266,042	771,865	760,103	11,762
Salaries and Wages	637,042	587,510	587,510	
Employee Benefits	61,867	61,867	61,867	
Professional Services	1,200	1,200	1,040	160
Outside Contracts	25,520	25,520	11,937	13,583
Interfund Services	1,300	1,300	939	361
Operating Leases	124,201	116,494	75,404	41,090
Supplies and Materials	25,050	25,150	25,150	
Travel	3,450	3,450	665	2,785
Other Operating Expenditures	40,500	40,400	24,892	15,508
Capital Expenditures	-	7,707	7,707	
DIRECTED INVESTIGATIONS	\$ 920,130	870,598	797,111	73,487

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 264,553	565,803	565,803	
Employee Benefits	32,454	32,454	32,454	
Professional Services	130,000	127,500	104,276	23,224
Outside Contracts	42,300	42,300	41,927	373
Interfund Services	3,000	1,900	1,749	151
Operating Leases	42,210	47,010	47,010	
Supplies and Materials	41,400	41,400	40,103	1,297
Other Operating Expenditures	3,500	2,300	2,088	212
CRIMINAL INVESTIGATIONS	559,417	860,667	835,410	25,257
Salaries and Wages	906,746	916,200	916,200	
Employee Benefits	65,032	65,032	65,032	
Professional Services	150,000	150,000	136,897	13,103
Outside Contracts	1,176,000	1,790,798	1,606,830	183,968
Interfund Services	31,000	31,000	31,264	(264)
Operating Leases	22,500	19,000	18,728	272
Supplies and Materials	27,750	31,250	28,551	2,699
Communications	9,000	9,000	8,561	439
Travel	25,000	25,000	19,171	5,829
Other Operating Expenditures	24,000	17,800	17,265	535
Grant Match	100,000	100,000	100,000	
Capital Expenditures	-	-	(1,180)	1,180
FIRE DEPARTMENT ADMINISTRATION	2,537,028	3,155,080	2,947,319	207,761
Salaries and Wages	1,079,803	1,046,229	1,046,229	
Employee Benefits	86,326	86,326	86,326	
Professional Services	755,000	755,000	683,732	71,268
Outside Contracts	17,800	17,800	17,800	
Operating Leases	9,800	9,800	9,793	7
Fuel and Lubricants	5,000	5,000	5,000	
Supplies and Materials	45,000	45,000	44,126	874
FIRE FIGHTING TRAINING	1,998,729	1,965,155	1,893,006	72,149
Salaries and Wages	42,117,188	44,304,802	44,304,802	
Employee Benefits	3,936,579	3,936,579	3,936,579	
Professional Services	250,000	270,628	270,628	
Outside Contracts	21,000	21,080	21,080	
Operating Leases	475,000	475,000	474,973	27
Supplies and Materials	289,500	268,872	268,004	868
Travel	6,500	6,500	5,844	656
Other Operating Expenditures	52,000	51,920	50,700	1,220
FD EMERGENCY OPERATIONS	47,147,767	49,335,381	49,332,610	2,771
Salaries and Wages	226,315	218,039	218,039	
Employee Benefits	18,242	18,242	18,242	
Outside Contracts	5,000	2,300	2,300	
Supplies and Materials	18,600	18,600	16,773	1,827
Travel	-	2,700	2,700	
SPECIAL OPERATIONS	\$ 268,157	259,881	258,054	1,827

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 2,593,782	2,558,211	2,558,211	
Employee Benefits	229,716	229,716	229,716	
Professional Services	3,000	3,000	3,000	
Outside Contracts	4,500	4,500	4,500	
Supplies and Materials	12,300	12,300	12,300	
Other Operating Expenditures	2,000	2,000	2,000	
FIRE PREVENTION	2,845,298	2,809,727	2,809,727	
Salaries and Wages	479,643	545,794	545,794	
Employee Benefits	42,201	42,201	42,201	
Supplies and Materials	9,000	9,000	8,323	677
Maintenance and Repairs	2,500	2,500	2,434	66
Communications	18,800	18,800	18,043	757
FIRE COMMUNICATIONS	552,144	618,295	616,795	1,500
Outside Contracts	84,000	79,000	71,614	7,386
Supplies and Materials	904,500	909,500	851,845	57,655
Maintenance and Repairs	47,000	47,000	39,701	7,299
SCBA AND LOGISTIC	1,035,500	1,035,500	963,160	72,340
Salaries and Wages	495,924	446,575	446,575	
Employee Benefits	38,044	38,044	38,044	
Outside Contracts	180,000	180,000	171,861	8,139
Interfund Services	90,000	90,000	99,925	(9,925)
Fuel and Lubricants	540,258	540,258	827,870	(287,612)
Supplies and Materials	338,050	338,050	299,842	38,208
Maintenance and Repairs	12,500	8,189	6,101	2,088
Communications	3,000	3,311	3,311	
Other Operating Expenditures	10,000	14,000	13,933	67
MAINTENANCE	1,707,776	1,658,427	1,907,462	(249,035)
Salaries and Wages	-	(574)	(574)	
AIRPORT FIREFIGHTERS	-	(574)	(574)	
Salaries and Wages	2,743,747	2,678,653	2,678,653	
Employee Benefits	287,774	286,874	286,874	
FIRE SUPPORT PERSONNEL	\$ 3,031,521	2,965,527	2,965,527	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 2,298,531	2,321,114	2,321,114	
Employee Benefits	205,448	208,840	208,840	
Contractual Services	25,000	25,000	17,165	7,835
Professional Services	40,000	14,500	13,336	1,164
Outside Contracts	222,000	224,000	158,092	65,908
Interfund Services	160,000	175,300	189,995	(14,695)
Operating Leases	68,500	74,900	58,376	16,524
Fuel and Lubricants	400	668	668	
Supplies and Materials	27,000	33,250	31,160	2,090
Communications	1,000	1,300	1,297	3
Utilities	27,300	39,550	34,316	5,234
Travel	2,000	2,000	1,885	115
Other Operating Expenditures	5,075	6,817	6,507	310
Other Non-Operating Expenditures	-	990	990	
MUNICIPAL CLERK ADMIN	3,082,254	3,128,229	3,043,741	84,488
Other Non-Operating Expenditures	-	-	130,949	(130,949)
MUNI CLERK TRAFFIC VIOLATIONS	-	-	130,949	(130,949)
Salaries and Wages	562,265	579,811	579,811	
Employee Benefits	53,546	53,482	53,482	
Outside Contracts	18,000	18,000	18,000	
Interfund Services	-	178	178	
Supplies and Materials	4,340	3,541	2,095	1,446
Travel	8,400	8,400	3,639	4,761
Other Operating Expenditures	-	621	621	
MUNICIPAL CLERK JUDICIARY	646,551	664,033	657,826	6,207
Outside Contracts	75,000	75,000	74,994	6
PLAZA THEATRE OPERATING	75,000	75,000	74,994	6
Salaries and Wages	-	(10,230)	(10,230)	
QOL DEPARTMENT	-	(10,230)	(10,230)	
Salaries and Wages	-	(1,343)	(1,343)	
MUNICIPAL SERVICES ADMIN	-	(1,343)	(1,343)	
Outside Contracts	487,000	486,294	474,385	11,909
Supplies and Materials	10,000	10,000	9,965	35
Maintenance and Repairs	58,000	58,706	58,706	
BLDG MAINT POLICE FACILITIES	\$ 555,000	555,000	543,056	11,944

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 1,401,678	1,367,223	1,367,223	
Employee Benefits	223,358	223,358	223,358	
Outside Contracts	899,600	1,009,600	867,099	142,501
Interfund Services	39,150	39,150	26,538	12,612
Operating Leases	2,500	2,500	561	1,939
Fuel and Lubricants	35,200	35,200	44,707	(9,507)
Supplies and Materials	56,200	56,200	55,532	668
Maintenance and Repairs	140,000	180,000	137,363	42,637
Communications	4,000	4,000	4,408	(408)
Utilities	8,718,153	8,718,153	10,197,242	(1,479,089)
Travel	2,400	2,400	1,869	531
Other Operating Expenditures	3,900	3,900	2,937	963
CITY WIDE BLDG MAINT NOC	11,526,139	11,641,684	12,928,837	(1,287,153)
Outside Contracts	174,500	174,500	174,258	242
Maintenance and Repairs	60,000	60,000	56,033	3,967
BUILDING MAINT FIRE FACILITIES	234,500	234,500	230,291	4,209
Outside Contracts	65,000	64,272	53,627	10,645
Supplies and Materials	7,500	7,500	7,490	10
Maintenance and Repairs	40,000	40,728	40,728	
LIBRARY MAINTENANCE COSTS	112,500	112,500	101,845	10,655
Salaries and Wages	891,571	895,006	895,006	
Employee Benefits	88,806	92,198	92,198	
Outside Contracts	3,000	3,000		3,000
Interfund Services	15,000	20,790	20,790	
Operating Leases	18,800	13,030	12,461	569
Supplies and Materials	20,250	20,230	20,230	
Capital Expenditures	-	150,000		150,000
DEVELOPMENT SERVICES ADMIN	1,037,427	1,194,254	1,040,685	153,569
Salaries and Wages	485,907	1,181,338	1,181,338	
Employee Benefits	32,958	36,911	36,911	
Outside Contracts	400	400	65	335
Interfund Services	3,300	3,300	3,197	103
Operating Leases	5,200	7,195	4,746	2,449
Supplies and Materials	6,842	9,483	8,232	1,251
Communications	225	225	83	142
Travel	8,000	8,000	6,666	1,334
Other Operating Expenditures	14,900	10,264	5,031	5,233
Capital Expenditures	-	300,000	25,081	274,919
ENGINEERING ADMIN	557,732	1,557,116	1,271,350	285,766
Salaries and Wages	-	(1,775)	(1,775)	
ENGINEERING DESIGN	\$ -	(1,775)	(1,775)	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 632,539	199,873	199,873	
Employee Benefits	58,211	64,496	63,467	1,029
Outside Contracts	400	400	215	185
Interfund Services	40,400	40,887	21,787	19,100
Operating Leases	2,500	2,715	1,085	1,630
Fuel and Lubricants	35,000	35,000	29,715	5,285
Supplies and Materials	11,450	16,996	13,160	3,836
Communications	8,000	8,250	6,736	1,514
Travel	5,000	5,000	3,014	1,986
Other Operating Expenditures	4,500	4,500	1,005	3,495
ENGINEERING CONSTRUCTION	798,000	378,117	340,057	38,060
Salaries and Wages	-	(3,774)	(3,774)	
ENGINEERING PROGRAM MANAGEMENT	-	(3,774)	(3,774)	
Salaries and Wages	759,875	582,935	582,935	
Employee Benefits	66,346	66,346	66,346	
Professional Services	20,000	20,000	11,864	8,136
Outside Contracts	5,550	4,150	2,234	1,916
Interfund Services	1,500	900	635	265
Supplies and Materials	7,650	11,650	11,348	302
Communications	4,200	4,200	2,725	1,475
Travel	6,500	4,500	3,226	1,274
Other Operating Expenditures	4,300	4,300	2,974	1,326
ENGINEERING TRAFFIC	875,921	698,981	684,287	14,694
Salaries and Wages	314,508	352,958	352,958	
Employee Benefits	20,295	20,295	20,295	
ENGINEERING CIP	334,803	373,253	373,253	
Salaries and Wages	803,533	493,093	493,093	
Employee Benefits	64,766	64,766	64,766	
Professional Services	5,000	5,975	5,975	
Outside Contracts	670	670	215	455
Interfund Services	1,230	1,282	1,282	
Operating Leases	7,500	7,500	6,804	696
Supplies and Materials	28,880	27,253	16,767	10,486
Communications	150	750	493	257
Travel	5,500	5,500	644	4,856
Other Operating Expenditures	8,250	8,250	3,967	4,283
ENGINEERING DESIGN & PROGRAM M	925,479	615,039	594,006	21,033
Salaries and Wages	-	(12,813)	(12,813)	
SUBDIVISION INSPECTIONS	-	(12,813)	(12,813)	
Salaries and Wages	-	(24,360)	(24,360)	
BUILDING & PLANNING SERVICES DEPT	\$ -	(24,360)	(24,360)	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 680,314	605,791	605,791	
Employee Benefits	54,581	54,581	54,581	
Outside Contracts	650	250		250
Interfund Services	9,800	10,201	10,201	
Supplies and Materials	19,400	17,799	12,137	5,662
Communications	200	200	65	135
Other Operating Expenditures	-	1,600		1,600
PLAN REVIEW	764,945	690,422	682,775	7,647
Salaries and Wages	917,464	936,696	936,696	
Employee Benefits	145,135	145,135	145,135	
Professional Services	-	11,180	11,180	
Outside Contracts	20,000	8,820	8,132	688
Interfund Services	24,300	26,300	20,954	5,346
Fuel and Lubricants	15,400	13,400	7,162	6,238
Supplies and Materials	8,600	8,600	7,583	1,017
Other Operating Expenditures	7,500	7,500	352	7,148
COMMERCIAL INSPECTIONS	1,138,399	1,157,631	1,137,194	20,437
Salaries and Wages	604,474	560,368	560,368	
Employee Benefits	85,513	85,513	85,513	
Interfund Services	27,000	27,000	7,167	19,833
Fuel and Lubricants	21,817	21,817	14,073	7,744
Supplies and Materials	29,000	29,000	12,847	16,153
RESIDENTIAL INSPECTIONS	767,804	723,698	679,968	43,730
Salaries and Wages	-	(24,964)	(24,964)	
PERMITS & LICENSES	-	(24,964)	(24,964)	
Salaries and Wages	-	(3,824)	(3,824)	
HOUSING COMPLIANCE	-	(3,824)	(3,824)	
Salaries and Wages	113,553	124,928	124,928	
Employee Benefits	6,526	6,526	6,526	
Professional Services	-	19,636	15,043	4,593
Outside Contracts	11,300	11,300	11,198	102
Interfund Services	75,000	65,664	48,925	16,739
Operating Leases	4,100	4,100	3,975	125
Fuel and Lubricants	47,000	41,326	41,326	
Supplies and Materials	18,700	26,298	26,298	
Communications	32,000	32,000	31,999	1
Travel	10,350	7,591	7,062	529
Other Operating Expenditures	14,980	15,650	15,650	
Capital Expenditures	-	165	165	
BLDG INSPECTION & PERMIT ADMIN	\$ 333,509	355,184	333,095	22,089

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 200,036	213,428	213,428	
Employee Benefits	16,591	16,591	16,591	
Interfund Services	1,600	1,600		1,600
Fuel and Lubricants	5,000	1,000		1,000
Supplies and Materials	1,850	1,850	1,568	282
Communications	2,400	6,400	6,399	1
SUBDIVISION INSPECTION	227,477	240,869	237,986	2,883
Salaries and Wages	-	(32,519)	(32,519)	
CODE COMPLIANCE (ENVIRO)	-	(32,519)	(32,519)	
Salaries and Wages	148,427	191,572	191,572	
Employee Benefits	31,775	31,775	31,775	
Interfund Services	940,000	1,103,343	1,103,343	
Fuel and Lubricants	392,000	723,820	723,820	
Maintenance and Repairs	-	(465,527)	(536,633)	71,106
STREETS EQUIPMENT SUPPORT	1,512,202	1,584,983	1,513,877	71,106
Salaries and Wages	613,624	577,450	577,450	
Employee Benefits	89,870	89,870	89,870	
STREETS CONTRACT MANAGEMENT	703,494	667,320	667,320	
Salaries and Wages	157,248	112,950	112,950	
Employee Benefits	30,359	30,359	30,359	
Outside Contracts	465,800	390,800	156,622	234,178
STREETS MEDIANS	653,407	534,109	299,931	234,178
Salaries and Wages	680,133	710,070	710,070	
Employee Benefits	52,986	52,986	52,986	
Outside Contracts	2,000	2,000	1,596	404
Interfund Services	7,150	7,150	7,412	(262)
Supplies and Materials	108,100	108,100	111,013	(2,913)
Communications	17,000	17,000	18,825	(1,825)
Travel	10,600	10,600	10,600	
Other Operating Expenditures	12,500	12,500	12,430	70
Grant Match	40,254	40,254	40,254	
ADMIN SUPPORT AND DATA MGMT	930,723	960,660	965,186	(4,526)
Salaries and Wages	1,102,432	967,398	967,398	
Employee Benefits	242,580	242,580	242,580	
Outside Contracts	157,000	91,486	90,441	1,045
Operating Leases	33,560	32,338	32,337	1
Supplies and Materials	22,500	21,805	21,532	273
Maintenance and Repairs	84,000	238,864	238,864	
Capital Expenditures	-	175,000		175,000
STREETS STORM WATER FLOOD MGMT	\$ 1,642,072	1,769,471	1,593,152	176,319

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 2,702,387	3,174,696	3,174,696	
Employee Benefits	653,676	653,676	653,676	
Contractual Services	-	2,000		2,000
Outside Contracts	1,016,300	1,069,300	1,039,709	29,591
Operating Leases	72,800	61,611	59,802	1,809
Supplies and Materials	169,300	147,763	147,763	
Maintenance and Repairs	463,000	496,654	496,654	
Travel	7,000	12,232	12,232	
Other Operating Expenditures	25,500	20,103	20,103	
STREETS & FACILITIES MAINT	5,109,963	5,638,035	5,604,635	33,400
Salaries and Wages	-	(755)	(755)	
BRIDGE OPERATIONS	-	(755)	(755)	
Salaries and Wages	749,255	767,630	767,630	
Employee Benefits	138,189	138,189	138,189	
Supplies and Materials	165,950	145,950	144,771	1,179
Maintenance and Repairs	150,400	150,400	130,446	19,954
Transfers Out	-	20,000	20,000	
SIGNS AND MARKINGS	1,203,794	1,222,169	1,201,036	21,133
Salaries and Wages	1,133,134	972,125	972,125	
Employee Benefits	189,076	189,076	189,076	
Outside Contracts	5,500	5,500	5,233	267
Supplies and Materials	4,000	4,000	3,823	177
Maintenance and Repairs	148,000	126,000	70,018	55,982
Communications	200	200	200	
Capital Expenditures	-	22,000	22,000	
TRAFFIC SIGNALS	1,479,910	1,318,901	1,262,475	56,426
Salaries and Wages	107,708	68,901	68,901	
Employee Benefits	10,068	10,068	10,068	
Interfund Services	250	250		250
Operating Leases	200	200	94	106
Supplies and Materials	4,150	4,150	2,620	1,530
Maintenance and Repairs	25,000	25,000	24,170	830
PARKING METER OPERATIONS	147,376	108,569	105,853	2,716
Salaries and Wages	317,933	287,245	287,245	
Employee Benefits	55,549	55,549	55,549	
Professional Services	12,700	12,700	9,447	3,253
Interfund Services	300	300		300
Supplies and Materials	16,000	16,000	11,419	4,581
Maintenance and Repairs	63,000	63,000	54,653	8,347
STREET GRAFFITI PROGRAM	465,482	434,794	418,313	16,481
Salaries and Wages	710,734	615,094	615,094	
Employee Benefits	173,595	173,595	173,595	
Interfund Services	370,000	375,568	386,494	(10,926)
Fuel and Lubricants	99,500	99,500	133,547	(34,047)
Supplies and Materials	5,000	5,000	4,787	213
STREET SWEEPING OPERATIONS	\$ 1,358,829	1,268,757	1,313,517	(44,760)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 479,777	541,875	541,875	
Employee Benefits	38,138	38,609	38,609	
Outside Contracts	155,000	136,336	136,597	(261)
Interfund Services	1,600	1,600	1,209	391
PARKS ADMINISTRATION	674,515	718,420	718,290	130
Salaries and Wages	2,125,348	2,245,054	2,245,054	
Employee Benefits	258,963	258,963	258,963	
Operating Leases	72,000	65,978	65,978	
Supplies and Materials	8,000	12,319	9,275	3,044
Other Operating Expenditures	15,000	16,600	10,575	6,025
RECREATION CTR ADMINISTRATION	2,479,311	2,598,914	2,589,845	9,069
Salaries and Wages	235,006	245,511	245,511	
Employee Benefits	26,403	26,403	26,403	
ACQUATICS ADMINISTRATION	261,409	271,914	271,914	
Salaries and Wages	-	6,317	6,317	
YOUTH OUTREACH PROGRAM	-	6,317	6,317	
Salaries and Wages	1,691,722	1,541,167	1,541,167	
Employee Benefits	272,094	272,094	272,094	
Outside Contracts	508,200	445,707	441,205	4,502
Interfund Services	201,000	286,661	312,464	(25,803)
Operating Leases	3,300	2,300	1,982	318
Fuel and Lubricants	169,253	169,253	331,247	(161,994)
Supplies and Materials	133,500	148,135	147,779	356
Maintenance and Repairs	324,900	343,351	343,351	
Travel	4,100	3,759	3,759	
Other Operating Expenditures	6,500	3,739	3,739	
FACILITIES MAINTENANCE	3,314,569	3,216,166	3,398,787	(182,621)
Salaries and Wages	2,639,882	2,549,427	2,549,427	
Employee Benefits	425,580	425,580	425,580	
Outside Contracts	1,111,984	1,078,234	958,780	119,454
Interfund Services	300	25	25	
Operating Leases	300	175	175	
Supplies and Materials	298,037	301,473	301,473	
Maintenance and Repairs	165,600	166,812	166,812	
Communications	21,000	24,990	24,952	38
Utilities	1,542,818	1,542,818	1,557,995	(15,177)
Travel	8,000	5,867	5,867	
Other Operating Expenditures	8,650	2,910	2,910	
LAND MANAGEMENT	\$ 6,222,151	6,098,311	5,993,996	104,315

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 1,000,716	1,016,398	1,016,398	
Employee Benefits	77,387	80,941	80,941	
Contractual Services	-	2,250	1,250	1,000
Professional Services	1,000	750	750	
Outside Contracts	271,485	274,585	213,583	61,002
Interfund Services	15,860	15,860	14,004	1,856
Operating Leases	5,955	5,955	3,983	1,972
Fuel and Lubricants	8,760	12,367	12,367	
Supplies and Materials	20,900	25,943	23,115	2,828
Communications	25,700	11,900	3,730	8,170
Travel	5,592	6,242	5,764	478
Other Operating Expenditures	9,510	9,110	5,890	3,220
Capital Expenditures	-	298,000		298,000
LIBRARY ADMINISTRATION	1,442,865	1,760,301	1,381,775	378,526
Salaries and Wages	473,192	438,883	438,883	
Employee Benefits	47,363	47,363	47,363	
Professional Services	36,000	36,000	36,000	
Outside Contracts	425	425	225	200
Interfund Services	400	400	274	126
Operating Leases	450	450	184	266
Supplies and Materials	66,109	66,109	65,580	529
Communications	200	200	40	160
Travel	200	200	90	110
CATALOGING ORDERING & PROCESS	624,339	590,030	588,639	1,391
Salaries and Wages	101,182	141,691	141,691	
Employee Benefits	13,289	13,289	13,289	
Outside Contracts	708	708	708	
Operating Leases	600	600	577	23
Supplies and Materials	4,350	4,350	4,299	51
Travel	225	225	30	195
MEMORIAL BRANCH OPERATIONS	120,354	160,863	160,594	269
Salaries and Wages	140,161	178,716	178,716	
Employee Benefits	12,562	12,562	12,562	
Outside Contracts	300	150	150	
Operating Leases	500	500	489	11
Supplies and Materials	2,923	3,923	3,851	72
Travel	262	412	360	52
ARMIJO BRANCH OPERATIONS	156,708	196,263	196,128	135
Salaries and Wages	313,646	286,725	286,725	
Employee Benefits	21,102	21,102	21,102	
Outside Contracts	5,346	5,482	1,731	3,751
Operating Leases	2,247	2,247	2,049	198
Supplies and Materials	7,750	7,614	7,584	30
Travel	1,125	1,125	1,125	
RICHARD BURGESS BRANCH OPER	\$ 351,216	324,295	320,316	3,979

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 151,026	122,254	122,254	
Employee Benefits	22,056	22,056	22,056	
Outside Contracts	150	150	150	
Operating Leases	650	650	558	92
Supplies and Materials	3,325	3,175	3,174	1
Travel	900	1,050	815	235
CIELO VISTA BRANCH OPER	178,107	149,335	149,007	328
Salaries and Wages	178,446	176,079	176,079	
Employee Benefits	18,663	18,663	18,663	
Outside Contracts	1,119	1,119	1,119	
Operating Leases	700	700	686	14
Supplies and Materials	3,050	3,585	3,534	51
Travel	543	8	7	1
CLARDY FOX BRANCH OPER	202,521	200,154	200,088	66
Salaries and Wages	236,276	236,302	236,302	
Employee Benefits	16,406	16,406	16,406	
Outside Contracts	4,697	4,697	871	3,826
Operating Leases	1,400	1,400	928	472
Supplies and Materials	5,740	5,515	5,466	49
Travel	750	1,475	1,122	353
IRVING SCHWARTZ BRANCH OPER	265,269	265,795	261,095	4,700
Salaries and Wages	313,460	268,006	268,006	
Employee Benefits	32,171	32,171	32,171	
Contractual Services	1,000	3,750		3,750
Outside Contracts	225	225	225	
Operating Leases	935	935	644	291
Supplies and Materials	11,074	10,774	10,182	592
Travel	1,200	1,500	1,438	62
LOWER VALLEY BRANCH OPER	360,065	317,361	312,666	4,695
Salaries and Wages	227,586	249,214	249,214	
Employee Benefits	14,734	14,734	14,734	
Outside Contracts	150	150	150	
Operating Leases	900	900	666	234
Supplies and Materials	6,250	5,550	5,499	51
Travel	787	1,487	1,027	460
WESTSIDE BRANCH OPERATIONS	250,407	272,035	271,290	745
Salaries and Wages	173,616	208,310	208,310	
Employee Benefits	16,993	16,993	16,993	
Outside Contracts	1,195	1,044	1,044	
Interfund Services	-	2	2	
Operating Leases	1,350	1,350	949	401
Supplies and Materials	5,641	5,639	5,595	44
Travel	1,500	1,651	1,606	45
YSLETA BRANCH OPERATIONS	\$ 200,295	234,989	234,499	490

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 280,892	73,196	73,196	
Employee Benefits	32,376	32,376	32,376	
Contractual Services	1,000	1,000		1,000
Operating Leases	2,000	200	38	162
Supplies and Materials	9,135	10,735	7,905	2,830
Travel	1,000	700	453	247
EASTSIDE REGIONAL BRANCH	326,403	118,207	113,968	4,239
Salaries and Wages	1,446,867	1,373,546	1,373,546	
Employee Benefits	129,292	129,292	129,292	
Outside Contracts	11,423	11,123	9,673	1,450
Interfund Services	300	11	11	
Operating Leases	4,246	2,726	865	1,861
Supplies and Materials	15,227	15,747	11,323	4,424
Communications	5,500	5,500	5,500	
Travel	187	776	664	112
MAIN LIBRARY	1,613,042	1,538,721	1,530,874	7,847
Salaries and Wages	353,193	294,990	294,990	
Employee Benefits	31,515	31,515	31,515	
Outside Contracts	5,046	5,046		5,046
Operating Leases	2,200	1,600	717	883
Supplies and Materials	7,550	8,150	8,097	53
Travel	1,125	1,125	393	732
WESTSIDE REGIONAL LIBRARY	400,629	342,426	335,712	6,714
Salaries and Wages	435,438	531,487	531,487	
Employee Benefits	76,394	78,171	78,171	
Professional Services	1,250	-		
Outside Contracts	72,960	79,214	74,667	4,547
Interfund Services	9,950	7,147	7,147	
Operating Leases	2,500	2,194	2,194	
Fuel and Lubricants	1,500	1,483	1,483	
Supplies and Materials	8,750	11,812	11,812	
Maintenance and Repairs	10,400	10,433	10,433	
Communications	1,760	1,559	1,559	
Other Operating Expenditures	47,873	43,101	43,101	
ART MUSEUM ADMINISTRATION	668,775	766,601	762,054	4,547
Salaries and Wages	116,903	131,315	131,315	
Employee Benefits	5,557	8,788	8,788	
Outside Contracts	2,500	2,500	2,465	35
Interfund Services	600	600	573	27
Supplies and Materials	1,500	1,500	1,483	17
Travel	350	350	255	95
ART MUSEUM EDUCATION	\$ 127,410	145,053	144,879	174

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 159,400	177,804	177,804	
Employee Benefits	17,352	17,352	17,352	
Outside Contracts	16,000	16,000	15,514	486
Interfund Services	1,000	-		
Supplies and Materials	6,900	6,311	6,286	25
Maintenance and Repairs	6,200	3,789	3,789	
Communications	12,000	16,000	16,000	
ART MUSEUM CURATORIAL	218,852	237,256	236,745	511
Salaries and Wages	352,897	263,042	263,042	
Employee Benefits	40,291	46,360	46,360	
Community Service Projects	48,361	48,361	48,361	
Capital Expenditures	-	40,000		40,000
ACR ADMIN	441,549	397,763	357,763	40,000
Salaries and Wages	213,843	185,166	185,166	
Employee Benefits	29,843	29,843	29,843	
Professional Services	625	625		625
Outside Contracts	9,000	7,402	5,988	1,414
Interfund Services	1,400	1,047	231	816
Operating Leases	675	325	277	48
Supplies and Materials	7,435	9,931	7,489	2,442
Maintenance and Repairs	450	450	179	271
Communications	6,650	7,003	4,813	2,190
Travel	2,575	2,304	1,919	385
Other Operating Expenditures	800	523	523	
HISTORY MUSEUM ADMINISTRATION	273,296	244,619	236,428	8,191
Salaries and Wages	172,007	162,532	162,532	
Employee Benefits	17,391	17,391	17,391	
Outside Contracts	5,000	4,993	4,684	309
Interfund Services	395	171	171	
Operating Leases	115	111	111	
Supplies and Materials	2,560	2,807	2,721	86
Maintenance and Repairs	2,600	1,590	1,590	
Communications	200	199	58	141
Utilities	4,300	6,210	6,210	
Travel	1,000	2,090	1,924	166
MUSEUM_OF_ARCHAEOLOGY	205,568	198,094	197,392	702
Salaries and Wages	2,297,704	2,315,222	2,315,222	
Employee Benefits	494,880	499,230	499,230	
Outside Contracts	-	18,334	17,200	1,134
Capital Expenditures	-	49,500		49,500
ZOO GENERAL OPERATIONS	\$ 2,792,584	2,882,286	2,831,652	50,634

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 130,273	129,095	129,095	
Employee Benefits	10,686	10,686	10,686	
Professional Services	667	667		667
Outside Contracts	1,002	1,002	521	481
Interfund Services	750	750	494	256
Operating Leases	4,968	4,968	2,606	2,362
Fuel and Lubricants	500	534	534	
Supplies and Materials	4,375	4,257	3,775	482
Communications	754	838	838	
Travel	2,050	2,050	1,722	328
Other Operating Expenditures	6,350	6,350	6,300	50
FOREIGN TRADE ZONE	162,375	161,197	156,571	4,626
Salaries and Wages	553,626	381,326	381,326	
Employee Benefits	40,666	43,866	43,866	
Outside Contracts	394,650	408,994	279,414	129,580
Interfund Services	1,700	5,074	5,074	
Operating Leases	5,000	6,000	3,061	2,939
Supplies and Materials	9,950	12,147	11,678	469
Communications	6,150	4,674	4,100	574
Travel	21,600	29,600	28,505	1,095
Other Operating Expenditures	4,000	3,251	3,251	
Capital Expenditures	-	10,310	10,310	
ECONOMIC DEV ADMINISTRATION	1,037,342	905,242	770,585	134,657
Salaries and Wages	43,940	38,124	38,124	
Employee Benefits	2,181	2,181	2,181	
Other Operating Expenditures	665	665		665
Grant Match	134,686	134,686	122,193	12,493
CD AGING SERVICES	181,472	175,656	162,498	13,158
Salaries and Wages	-	(2,825)	(2,825)	
ACCESSIBILITY COMPLCE GEN FUND	-	(2,825)	(2,825)	
Salaries and Wages	43,039	48,453	48,453	
Employee Benefits	4,435	4,435	4,435	
Interfund Services	-	-	1,068	(1,068)
RELOCATION SERVICES_GEN FUND	47,474	52,888	53,956	(1,068)
Salaries and Wages	43,226	107,524	107,524	
Employee Benefits	1,857	5,037	5,037	
Interfund Services	6,400	1,409	1,409	
Supplies and Materials	1,600	199	199	
Communications	500	583	583	
Travel	1,500	1,410	1,401	9
Capital Expenditures	-	7,400	6,031	1,369
NEIGH SEVC CONSERVATION PROG	\$ 55,083	123,562	122,184	1,378

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2006

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)
Salaries and Wages	\$ 134,406	57,705	57,705	
Employee Benefits	10,676	8,941	8,941	
Outside Contracts	1,850	6,720	6,720	
Interfund Services	900	1,000	850	150
Supplies and Materials	3,950	3,717	3,543	174
Communications	330	45	45	
Travel	3,000	-		
Capital Expenditures	-	8,783	8,783	
QOL GRANTS WRITING	155,112	86,911	86,587	324
Salaries and Wages	-	25,561	25,561	
Employee Benefits	-	(207)	(207)	
Professional Services	13,600	3,300	3,300	
Outside Contracts	-	43,578	36,843	6,735
Operating Leases	75,000	75,000	62,094	12,906
Other Operating Expenditures	6,514,352	1,111,594	760,139	351,455
Community Service Projects	175,000	175,000	175,000	
Other Non-Operating Expenditures	100,000	100,000	97,535	2,465
Grant Match	40,000	40,000	324,991	(284,991)
Transfers Out	4,263,000	4,417,884	5,106,243	(688,359)
SPECIAL ITEMS	11,180,952	5,991,710	6,591,499	(599,789)
Transfers Out	-	-	682,640	(682,640)
CASH RESERVE FUND	-	-	682,640	(682,640)
Transfers Out	-	4,745,000	4,645,000	100,000
GENERAL CITY REVENUES	-	4,745,000	4,645,000	100,000
	\$ 263,652,317	269,729,702	265,291,216	4,438,486

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.



CITY OF EL PASO, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

August 31, 2006

	Special Revenue Funds					
	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total
ASSETS						
Cash and Cash Equivalents	\$ -	-	-	-	1,144,548	1,144,548
Investments			512,531		11,888,419	12,400,950
Receivables - Net of Allowances						
Trade	-	-	-	1,853	237,513	239,366
Due From Other Government Agencies	2,880,270	947,255	42,048	4,252,033	-	8,121,606
Due From Other Funds	-	-	-	640,720	3,978,092	4,618,812
Inventory				51,538		51,538
TOTAL ASSETS	\$ 2,880,270	947,255	554,579	4,946,144	17,248,572	26,576,820
LIABILITIES						
Accounts Payable	\$ 244,154	117,777	18,961	448,155	349,621	1,178,668
Accrued Payroll	139,007	99,911	1,632	787,609	112,634	1,140,793
Due to Other Funds	793,517	173,508	-	3,011,067	-	3,978,092
Taxes Payable	-	-	-	-	1	1
Unearned Revenue	1,703,592	556,059			-	2,259,651
TOTAL LIABILITIES	2,880,270	947,255	20,593	4,246,831	462,256	8,557,205
FUND BALANCES						
Reserved for:						
Inventory				51,538		51,538
Unreserved:						
Undesignated	-	-	533,986	647,775	16,786,316	17,968,077
TOTAL FUND BALANCES	-	-	533,986	699,313	16,786,316	18,019,615
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,880,270	947,255	554,579	4,946,144	17,248,572	26,576,820

CITY OF EL PASO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For the year ended August 31, 2006

	Special Revenue Funds					
	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total
Revenues						
Sales Taxes	\$ -	-	-	-	4,617,870	4,617,870
Charges for Services	-	-	-	2,647,116	4,980,235	7,627,351
Fines and Forfeits	-	-	-	46,704	828,931	875,635
Licenses and Permits	-	14,396	-	1,923,341	(39)	1,937,698
Intergovernmental Revenues	12,857,892	3,780,096	172,498	15,953,428	2,335,352	35,099,266
County Participation	-	-	-	2,083,180	-	2,083,180
Interest	(3,954)	-	-	-	30,749	26,795
Rents and Other	10,000	13	580,392	-	2,481,557	3,071,962
Total revenues	12,863,938	3,794,505	752,890	22,653,769	15,274,655	55,339,757
Expenditures						
Current:						
General Government	60,423	-	2,500	-	240,587	303,510
Public Safety	6,550,086	2,413,937	-	-	2,178,763	11,142,786
Public Works	832,567	50,983	-	-	-	883,550
Public Health	18,778	-	-	24,887,436	-	24,906,214
Parks Department	35,047	-	61,739	-	3,298,178	3,394,964
Library	-	313,722	-	-	13,822	327,544
Culture and Recreation	-	33,618	29,550	-	4,541,573	4,604,741
Economic Development	858	-	-	-	1,594	2,452
Planning	1,626,227	-	-	-	-	1,626,227
Solid Waste	195,848	-	-	-	-	195,848
Mass Transportation	33,675	-	-	-	-	33,675
Community and Human Development	944,355	-	77,572	-	63,413	1,085,340
Capital Outlay	2,566,074	980,929	43,043	1,699,405	2,788,363	8,077,814
Total expenditures	12,863,938	3,793,189	214,404	26,586,841	13,126,293	56,584,665
Excess (Deficiency) of revenues over (under) expenditures	-	1,316	538,486	(3,933,072)	2,148,362	(1,244,908)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	5,091,385	522,301	5,613,686
Transfers out	-	(1,316)	(4,500)	(459,000)	(143,276)	(608,092)
Total other financing sources (uses):	-	(1,316)	(4,500)	4,632,385	379,025	5,005,594
Net change in fund balances	-	-	533,986	699,313	2,527,387	3,760,686
Fund balances - beginning of year	-	-	-	-	14,258,929	14,258,929
Fund balances - end of year	\$ -	-	533,986	699,313	16,786,316	18,019,615

SPECIAL REVENUE FUNDS



Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

FEDERAL GRANTS - This fund accounts for grants received by the City from Federal sources including the Office of the President, Environmental Protection Agency, National Endowments for the Humanities and the U.S. Departments of Agriculture, Interior, Justice, Education and Transportation.

STATE GRANTS - This fund accounts for grants received by the City from various State of Texas departments and agencies including Texas Department of Transportation, Texas Historical Commission, Texas State Library and Archives, Texas Arts Council, Texas Commission on Environmental Quality and the Governor's Office of Criminal Justice.

OTHER GRANTS - This fund accounts for grants received by the City which do not belong in one of the above funds. Granting entities El Paso Community Foundation, Paso del Norte Health Foundation and local school districts.

HEALTH DISTRICT - This fund accounts for activities of the El Paso City-County Health District. Funding sources include grants from the Texas Department of Health and Human Services, Texas Commission on Environmental Quality, U.S. Center for Disease Control and U.S. Environmental Protection Agency. Additional funding sources include participation by the City's General Fund, the County of El Paso and fees charged for services provided.

NON-GRANTS - This fund accounts for funds received that are restricted by the donor (in the case of donations), City Council action or other legislation. Funds received include donations, Hotel/Motel occupancy tax, proceeds generated from police enforcement activities (including Federal confiscated funds) and proceeds generated by users of the Parks Department, Museums and Zoo.

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2006

Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
G010602	G010602 MAYOR'S HOMELESS MEALS	\$ -	-	-	-	898	898
G080601	G080601 UTEP ENVIRON GRANT'06	-	-	9,055	-	-	9,055
G210011	G210011 COPS UNIVERSAL HIRING AWARD	443,129	-	-	-	-	443,129
G210106	G210106 COPS HIRING GRANT	51,509	-	-	-	-	51,509
G210122	G210122 COPS MORE PHASE 2	(17,583)	-	-	-	-	(17,583)
G210208	G210208 HIDTA HIJACK FY02	42	-	-	-	-	42
G210215	G210215 COPS IN SCHOOLS	35,196	-	-	-	-	35,196
G210314	G210314 COPS AUTO TICKET	26,124	-	-	-	-	26,124
G210327	G210327 HIDTA GRAB TASK FORCE FY03	61	-	-	-	-	61
G210330	G210330 YOUTH OFFENDER INITIATIVE DEMO	(1,890)	-	-	-	-	(1,890)
G210415	G210415 LLEBG FY04 RMS	66,800	-	-	-	-	66,800
G210425	G210425 HIDTA AIRPORT FY'04	8,545	-	-	-	-	8,545
G210426	G210426 HIDTA STASH HOUSE FY'04	6,276	-	-	-	-	6,276
G210427	G210427 HIDTA SOURCE CITY FY'04	7,979	-	-	-	-	7,979
G210428	G210428 HIDTA MULTI AGENCY FY'04	9,509	-	-	-	-	9,509
G210429	G210429 HIDTA INTELLIGENCE FY'04	2,557	-	-	-	-	2,557
G210430	G210430 HIDTA TRANSPORTATION FY'04	(27)	-	-	-	-	(27)
G210431	G210431 HIDTA ENTERPRISE FY'04	670	-	-	-	-	670
G210432	G210432 HIDTA GRAB FY'04	47,909	-	-	-	-	47,909
G210435	G210435 COPS IN SCHOOL '04	195,373	-	-	-	-	195,373
G210436	G210436 LLEBG FY'04 GRANT	51,138	-	-	-	-	51,138
G210502	G210502 210502 ATPA FY'05	-	(3,383)	-	-	-	(3,383)
G210503	G210503 210503 DART PROJECT FY'05	-	(6,084)	-	-	-	(6,084)
G210504	G210504 210504 CRT RESPONSE TEAM FY'05	-	7,662	-	-	-	7,662
G210505	G210505 210505 TXDOT SAFE & SOBER '05	-	57,888	-	-	-	57,888
G210506	G210506 210506 VADG GRANT FY'05	-	(3,400)	-	-	-	(3,400)
G210508	G210508 210508 TXDOT CLICK TICKET'05	-	3,967	-	-	-	3,967
G210509	G210509 210509 TXDOT SAFE COMM. FY'05	-	16,760	-	-	-	16,760
G210510	G210510 210510 COPS SCHOOLS CODE BLUE	20,234	-	-	-	-	20,234
G210511	G210511 210511 JUVENILE ACCT BLOCK '05	-	(1,223)	-	-	-	(1,223)
G210513	G210513 210513 BULLETPROOF VEST FY'05	16,279	-	-	-	-	16,279
G210514	G210514 G210514 TXDOT IMPAIRED DRIVER	-	96,294	-	-	-	96,294
G210515	G210515 210515 HUMAN TRAFFICKING GRANT	109,517	-	-	-	-	109,517
G210518	G210518 210518 VCLG - VAG FY'05	-	(1,776)	-	-	-	(1,776)
G210521	G210521 G210521 TXDOT PHOTOGRAMMETRY	-	39,180	-	-	-	39,180
G210525	G210525 G210525 HIDTA STING 2005	746,094	-	-	-	-	746,094
G210526	G210526 G210526 HIDTA INTEL 2005	104,431	-	-	-	-	104,431
G210527	G210527 G210527 HIDTA STASH HOUSE 2005	223,440	-	-	-	-	223,440
G210528	G210528 G210528 HIDTA MULTI 2005	164,953	-	-	-	-	164,953
G210529	G210529 G210529 HIDTA ENTERPRISE 2005	9,453	-	-	-	-	9,453
G210530	G210530 G210530 HIDTA TRANSPRT. 2005	14,550	-	-	-	-	14,550
G210533	G210533 G210533 HIDTA CPOT-GRAB FY'05	10,685	-	-	-	-	10,685
G210602	G210602 G210602 ATPAFY'06	-	897,561	-	-	-	897,561
G210603	G210603 G210603 DART FY'06	-	108,179	-	-	-	108,179
G210604	G210604 G210604 CRT FY'06	-	66,350	-	-	-	66,350
G210605	G210605 G210605 TXDOT COMP STEP FY'06	-	529,234	-	-	-	529,234
G210606	G210606 G210606 VADG FY'06	-	74,544	-	-	-	74,544
G210607	G210607 NOT IN USE	-	39,582	-	-	-	39,582
G210609	G210609 G210609 TXDOT SAFE COMM FY'06	-	99,343	-	-	-	99,343
G210611	G210611 G210611 JUVENILE ACCT FY'06	-	19,301	-	-	-	19,301
G210615	G210615 G210615 HIDTA STING-DHI 2005	39,690	-	-	-	-	39,690
G210616	G210616 G210616 HIDTA STING - RDI 2005	1,327	-	-	-	-	1,327
G210617	G210617 G210617 HIDTA STASH HOUSE-DHI	22,532	-	-	-	-	22,532
G210618	G210618 G210618 VCLG FY'06	-	33,146	-	-	-	33,146
G210619	G210619 G210619 COPS SEC OUR SCHOOLS	54,443	-	-	-	-	54,443
G210620	G210620 G210620 INTERNET CRIMES AGAINST CHILDR	14,530	-	-	-	-	14,530
G210621	G210621 G210621 OTHER HIDTA-OCDETF-06	5,686	-	-	-	-	5,686
G210625	G210625 G210625 HIDTA STING FY06	409,001	-	-	-	-	409,001
G210626	G210626 G210626 HIDTA INTEL FY06	21,052	-	-	-	-	21,052
G210627	G210627 G210627 HIDTA STASH HOUSE FY06	176,864	-	-	-	-	176,864
G210628	G210628 G210628 HIDTA MULTI FY06	12,589	-	-	-	-	12,589
G210629	G210629 G210629 HIDTA ENTERPRISE FY06	7,113	-	-	-	-	7,113
G210630	G210630 G210630 HIDTA TRANSP FY06	\$ 3,209	-	-	-	-	3,209

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2006

Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
G210631	G210631 HIDTA FUGITIVE FY06	\$ 731	-	-	-	-	731
G210704	G210704 CRT FY'07	-	18,561	-	-	-	18,561
G210705	G210705 TXDOT SAFE COMM FY07	-	1,591	-	-	-	1,591
G210707	G210707 TXDOT COMM STEP FY07	-	18,654	-	-	-	18,654
G210708	G210708 TXDOT IMPAIRD FY07	-	7,272	-	-	-	7,272
G210711	G210711 SHOCAP FY'07	-	3,349	-	-	-	3,349
G220402	MMRS SUSTAINMENT	-	114,954	-	-	-	114,954
G220501	220501 EMERGENCY MGMT FY'05	-	15,648	-	-	-	15,648
G220502	G220502 FIREFIGHTER GRNT PROG	974,801	-	-	-	-	974,801
G220504	G220504 MMRS CAPABLT Y ASSESSMN	-	172,618	-	-	-	172,618
G220505	G220505 TEEK 2004 SHSP	-	308,142	-	-	-	308,142
G220506	G220506 MMRS'03 CONTRACT	-	24,168	-	-	-	24,168
G220601	G220601 EMERGENCY MGMT FY'06	-	254,955	-	-	-	254,955
G220602	G220602 TEEX HMLAND SEC LETPP	-	63,004	-	-	-	63,004
G220603	G220603 FIRE SPECIAL OPS -EPA	-	4,563	-	-	-	4,563
G220604	G220604 FEMA-HURRICANE KATRINA	2,647,817	-	-	-	-	2,647,817
G220605	G220605 HURRICANE RITA EVACUEE	-	517,878	-	-	-	517,878
G220607	G220607 OPS & SAFETY PROG FY06	1,120,000	-	-	-	-	1,120,000
G220701	G220701 EMPG FY2007	-	718	-	-	-	718
G220706	G220706 HSGP FY07	-	150,875	-	-	-	150,875
G220707	G220707 FLOOD 2006	-	1,477,490	-	-	-	1,477,490
G229903	MMRS - MEDICAL RESPONSE SYSTEM	-	(2,421)	-	-	-	(2,421)
G320301	TX FOREST SVC. ARBORIST	-	50,983	-	-	-	50,983
G340604	G340604 RCGOG PASS THRU FY06	-	9,048	-	-	-	9,048
G410318	EPA AIR POLLUTION FY03	-	-	-	(1)	-	(1)
G4103WCADMN	WIC ADMIN FY03	-	-	-	1,136	-	1,136
G410402	TB OUTREACH	-	-	-	(75)	-	(75)
G410406	TDH IMMUNIZATION	-	-	-	1,340	-	1,340
G410409	TDH TSCD ASBESTOS	-	-	-	(661)	-	(661)
G410412	TDH HIV SURVEILLANCE STATE	-	-	-	586	-	586
G410417	TCEQ AIR QUALITY	-	-	-	324	-	324
G410418	EPA AIR POLLUTION	-	-	-	1,357	-	1,357
G410420	SEXUALLY TRANSMITTED DIS FY04	-	-	-	56,751	-	56,751
G410423	HIV SURVEILLANCE FED	-	-	-	3,695	-	3,695
G410425	PUBLIC HEALTH PREP FY04	-	-	-	657	-	657
G410427	CARRYOVER TITLE V - FY04	-	-	-	3,347	-	3,347
G4104AD	WC ADMN WIC ADMIN	-	-	-	7,647	-	7,647
G410501	TDH CHILD LEAD PREVENT FY'05	-	-	-	(5,551)	-	(5,551)
G410502	TDH TB OUTREACH FY'05	-	-	-	78,100	-	78,100
G410505	TDH STD/HIV ADMIN. FY'05	-	-	-	(13)	-	(13)
G410506	TDH IMMUNIZATION FY'05	-	-	-	(4,328)	-	(4,328)
G410507	TDH TUBERCULOSIS FY'05	-	-	-	617	-	617
G410508	TDH ACFH/POPULATION BASED FY05	-	-	-	29,985	-	29,985
G410509	TDH TSCD TOXIC SUBSTANCE FY'05	-	-	-	5,541	-	5,541
G410511	TDH OPHP/LPHS FY'05	-	-	-	458	-	458
G410512	TDH HIV/SURV - STATE FY'05	-	-	-	9,967	-	9,967
G410513	TDH TITLE V -FEES FY'05	-	-	-	(1,439)	-	(1,439)
G410514	TDH TITLE V- FAMILY PLANNING	-	-	-	6,948	-	6,948
G410516	TCEQ PASS THRU FY'05	-	-	-	364	-	364
G410517	TCEQ AQ COMPLIANCE FY'05	-	-	-	512	-	512
G410518	EPA AIR POLLUTION FY'05	-	-	-	11,104	-	11,104
G410519	G410519 WHOLE AIR MONITORING	-	-	-	431,463	-	431,463
G410520	TDH STD-FEDERAL FY'05	-	-	-	678	-	678
G410521	TDH TCEQ PM SAMPLING FY'05	-	-	-	(67)	-	(67)
G410522	TDH BIO TERRORISM LAB FY'05	-	-	-	105	-	105
G410523	TDH HIV/SURV - FEDERAL FY'05	-	-	-	(258)	-	(258)
G410524	TCEQ BORDER AIR MONITORING '05	-	-	-	152	-	152
G410525	TDH OPHP/BIOTERR FY'05	-	-	-	1,947	-	1,947
G410526	G410526 211 AREA INFO CENTER	-	-	-	62,567	-	62,567
G410527	G410527 TITLE V CARRYOVER	-	-	-	214,721	-	214,721
G4105AD	WIC ADMIN - FY'05	-	-	-	626,110	-	626,110
G4105BF	WIC BREASTFEEDING FY'05	-	-	-	26,771	-	26,771
G4105NE	WIC NUTRITION FY'05	\$	-	-	127,524	-	127,524

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2006

Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
G410601	G410601 EPI-BLOOD LEAD SURV'06	\$ -	-	-	34,748	-	34,748
G410602	G410602 TB/PC OUTREACH FY06	-	-	-	167,563	-	167,563
G410606	G410606 IMMUNIZATIONS LOCAL'06	-	-	-	1,242,041	-	1,242,041
G410607	G410607 TB PRVNTION & CONTROL	-	-	-	520,559	-	520,559
G410608	G410608 CHS-POPLTION BASED '06	-	-	-	113,550	-	113,550
G410609	G410609 ENVVRNMTL HLTH GROUP'06	-	-	-	43,220	-	43,220
G410611	G410611 RLSS-LPHS FY06 DSHS	-	-	-	167,075	-	167,075
G410612	G410612 HIV/SURV STATE FY06	-	-	-	24,071	-	24,071
G410613	G410613 CHS-FEE FOR SRVCS 06	-	-	-	172,175	-	172,175
G410614	G410614 CHS-FAMILY PLNNG FY06	-	-	-	10,948	-	10,948
G410616	G410616 PASS THRU FY06 TCEQ	-	-	-	139,338	-	139,338
G410617	G410617 AQ COMPLIANCE FY06 TCE	-	-	-	408,956	-	408,956
G410618	G410618 AIR POLLUTION EPA FY06	-	-	-	192,743	-	192,743
G410619	G410619 WHOLE AIR MONTRNG TCEQ	-	-	-	10	-	10
G410620	G410620 STD/HIV FED FY06 DSHS	-	-	-	99,290	-	99,290
G410621	G410621 TCEQ PM SAMPLING FY06	-	-	-	42,551	-	42,551
G410622	G410622 BIO TERRORISM LAB'06	-	-	-	266,431	-	266,431
G410623	G410623 HIV/SURV FED FY06 DSHS	-	-	-	9,656	-	9,656
G410624	G410624 BORDER AIR MNTRNG FY06	-	-	-	26,123	-	26,123
G410625	G410625 OPHP/BIOTERRISM FY06	-	-	-	928,299	-	928,299
G410626	G410626 211 AREA INFO CNTR '06	-	-	-	51,454	-	51,454
G410627	G410627 FOOD SAFETY ED. GRANT - HHS	-	-	-	6,000	-	6,000
G410628	G410628 EPA JUAREZ MONTRNG '06	-	-	-	82,145	-	82,145
G410630	G410630 USMBHA MEDIA EDU GRANT	-	-	-	7,905	-	7,905
G410631	G410631 BORDER HEALTH- DENTAL	-	-	-	7,184	-	7,184
G4106AD	G4106AD WIC ADMIN FY06 DSHS	-	-	-	4,066,926	-	4,066,926
G4106BF	G4106BF WIC BREASTFEEDING FY06	-	-	-	257,017	-	257,017
G4106NE	G4106NE WIC NUTRITION FY06 DSH	-	-	-	1,118,268	-	1,118,268
G410706	G410706 IMMUNIZATIONS FY07 DSH	-	-	-	58	-	58
G510501	NGHBRHD YOUTH OUT-WOLSLAGER	-	-	26,048	-	-	26,048
G510502	G510502 TURF MGMT PROGRAM	-	-	62,053	-	-	62,053
G510604	TX FOREST SVC TREE INVNTRY	-	-	134	-	-	134
G520501	G520501 UNIONPACIFIC ZOO GRANT	-	-	9,992	-	-	9,992
G530203	TSLAC FY2002	-	(377)	-	-	-	(377)
G530303	TSLAC FY03	-	(97)	-	-	-	(97)
G530309	TANG FY03	-	(100)	-	-	-	(100)
G530403	TSLAC FY2004	-	(414)	-	-	-	(414)
G530409	TSL TECHNICAL ASSISTANCE	-	(128)	-	-	-	(128)
G530411	E-RATE LIBRARY FUNDS	-	31,651	-	-	-	31,651
G530503	530503 TSLAC-SYSTEMS FY'05	-	(4,767)	-	-	-	(4,767)
G530509	530509 TANG GRANT FY'05	-	(1,469)	-	-	-	(1,469)
G530603	G530603 TSLAC FY'06	-	369,301	-	-	-	369,301
G530607	G530607 LONE STAR FY'06	-	48,584	-	-	-	48,584
G530609	G530609 TANG GRANT FY'06	-	71,940	-	-	-	71,940
G530610	G530610 GATES FOUNDATION GRANT	-	22,386	-	-	-	22,386
G530703	G530703 TSLAC SYSTEM FY'07	-	132	-	-	-	132
G530709	G530709 TANG GRANT FY'07	-	241	-	-	-	241
G540006	MUSEUM GENERAL RESTRICTED	-	-	-	-	82,282	82,282
G540007	MUSEUM INSTRUCTION	-	-	-	-	66,872	66,872
G540010	HISTORY MUSEUM SPECIAL REVENUE	-	-	-	-	2,973	2,973
G540109	SCHOOL SERVICES PRIVATE AWARDS	-	-	11,625	-	-	11,625
G540601	G540601 EXHIBITIONS FY06	-	6,261	-	-	-	6,261
G550602	G550602 TCA SUBGRANT FY'06	-	27,357	-	-	-	27,357
G550603	G550603 HEARTLAND ARTS FUND	-	-	5,925	-	-	5,925
G550604	G550604 NTL ENDOWMENT FOR ARTS	-	-	12,000	-	-	12,000
G710201	PASO DEL NORTE AGELESS HEALTH	15,636	-	-	-	-	15,636
G710301	CD SAMSA GRANT FY03	73,807	-	-	-	-	73,807
G7104RSCITY	RSCITY RETIRED SR VOL PROG	61	-	-	-	-	61
G7104RSFEDR	RSFEDR RETIRED SR VOL PROG	(42)	-	-	-	-	(42)
G710502	G710502 HOGG FOUNDATION GRANT	-	-	77,572	-	-	77,572
G7105FGCITY	7105FGCITY FOSTER GRANP FY'05	6,755	-	-	-	-	6,755
G7105FGFEDR	7105FGFEDR FOSRTER GRANP 05	54,559	-	-	-	-	54,559
G7105RSRSCITY	7105RSRSCITY RETIRED SR. PROG'05	\$ 25,875	-	-	-	-	25,875

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
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Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
G7105RSFEDR	7105RSFEDR RETIRED SR PROG'05	\$ 42,903	-	-	-	-	42,903
G7106FGCDBG	G7106FGCDBG FSTR GRNDPRNTS 06	25,000	-	-	-	-	25,000
G7106FGCITY	G7106FGCITY FSTRGRNPRNT CITY06	46,387	-	-	-	-	46,387
G7106FGFEDR	G7106FGFEDR FSTRGRNDPRNT FED06	457,530	-	-	-	-	457,530
G7106FGSTAT	G7106FGSTAT FSTRGRNPRNT STAT06	3,211	-	-	-	-	3,211
G7106RSCITY	G7106RSCITY RTRD SNRS CITY'06	49,864	-	-	-	-	49,864
G7106RSFEDR	G7106RSFEDR RTR SNR FED FY'06	114,838	-	-	-	-	114,838
G7106RSSTAT	G7106RSSTAT RTRD SNRS STATE 06	27,971	-	-	-	-	27,971
G720201	BROWNSFIELD SITE ASSESSMENT	858	-	-	-	-	858
G780001	FHWA/TS DOT/MPO FY2000	(1,159)	-	-	-	-	(1,159)
G780003	TIP- PLANNING FUNDS FY2004+	144,643	-	-	-	-	144,643
G780204	BORDER IMPROVEMENT PROGRAM	279,715	-	-	-	-	279,715
G780404	G780404 BIP NEW MEXICO	6,428	-	-	-	-	6,428
G780405	G780405 BIP LOCAL PRIVATE	4,501	-	-	-	-	4,501
G780406	G780406 BIP AIRPORT	7,722	-	-	-	-	7,722
G780407	G780407 BIP CITY	1,279	-	-	-	-	1,279
G780503	FHWA / TXDOT / MPO FY'05	72,649	-	-	-	-	72,649
G780504	FHWA BORDER WIZARD '05	4,961	-	-	-	-	4,961
G780505	G780505 NM SPECIAL STUDIES	28,311	-	-	-	-	28,311
G780601	G780601 FHWA/NMSHTD/MPO FY'06	36,344	-	-	-	-	36,344
G780603	G780601 FHWA/TXDOT/MPO FY'06	1,064,074	-	-	-	-	1,064,074
P500038	ZOO CAPITAL NN-CONSTRUCTION	-	-	-	-	4,819	4,819
P500201	PARK USER FEE GEN. ADMINISTRAT	-	-	-	-	423,148	423,148
P500202	PARK USER FEE SPORTS	-	-	-	-	369,356	369,356
P500203	PARK USER FEE AQUATICS	-	-	-	-	1,002,936	1,002,936
P500204	PARK USE GUS & GOLDIE MARKETIN	-	-	-	-	34,016	34,016
P500205	PARK USER SPECIAL PROMO.SEC.	-	-	-	-	105,495	105,495
P500206	PARK USER MCKELLIGON CANYON	-	-	-	-	12,363	12,363
P500207	PARK AGENCY ARMJO	-	-	-	-	44,391	44,391
P500208	PARK AGENCY CAROLINA REC CTR	-	-	-	-	69,173	69,173
P500209	PARK AGENCY MISSOURI	-	-	-	-	30,622	30,622
P500210	PARK AGENCY NATIONS TOBIN	-	-	-	-	32,562	32,562
P500211	PARK AGENCY NORHTEAST	-	-	-	-	164,021	164,021
P500212	PARK AGENCY PAVO REAL	-	-	-	-	135,480	135,480
P500213	PARK AGENCY SAN JUAN	-	-	-	-	49,153	49,153
P500214	PARK AGENCY WESTSIDE	-	-	-	-	222,068	222,068
P500215	PARK AGENCY RAY GILMORE CTR	-	-	-	-	24,410	24,410
P500216	PARK AGENCY SEVILLE COMMUNITY	-	-	-	-	10,363	10,363
P500218	PARK AGENCY MEM. PARK SENIOR C	-	-	-	-	36,285	36,285
P500219	PARK AGENCY SACRAMENTO SENIOR	-	-	-	-	16,397	16,397
P500220	PARK AGENCY SAN JUAN SENIOR CT	-	-	-	-	12,563	12,563
P500221	PARK AGENCY S. EL PASO SR. CT.	-	-	-	-	17,291	17,291
P500222	PARK AGENCY WASHINGTON SENIOR	-	-	-	-	43,733	43,733
P500223	PARK AGENCY WELLINGTON CHEW	-	-	-	-	17,326	17,326
P500224	PARK AGENCY LINCOLN CTR	-	-	-	-	22,807	22,807
P500225	PARK AGENCY CENTER FOR THE HAN	-	-	-	-	114,159	114,159
P500226	PARK AGENCY EAST SIDE SENIOR C	-	-	-	-	88,936	88,936
P500227	PARK AGENCY SPE. EVENTS SR. CT	-	-	-	-	9,743	9,743
P500228	PARK AGENCY POLLY HARRIS SR. C	-	-	-	-	19,928	19,928
P500229	PARK AGENCY YOUTH OUTREACH PRG	-	-	-	-	52,083	52,083
P500230	PARK AGENCY CHIHUAHUTTA COMM.	-	-	-	-	155	155
P500231	FEDERAL CONFISCATED FUNDS	-	-	-	-	484,317	484,317
P500232	STATE CONFISCATED FUNDS	-	-	-	-	798,739	798,739
P500233	TREASURY CONFISCATED FUNDS	-	-	-	-	2,217	2,217
P500234	PD DONATED FUNDS	-	-	-	-	24,277	24,277
P500235	ABANDONED AUTO TRUST- RESTRICT	-	-	-	-	214,748	214,748
P500236	GARAGE KEEPERS LIEN-RESTRICTIO	-	-	-	-	758,234	758,234
P500238	CONTINUING EDUCATION TRAINING	-	-	-	-	93,195	93,195
P500239	BREATH ALCOHOL TESTING	-	-	-	-	10,522	10,522
P500243	PARK AGENCY PETER MRTNZ. SR. CR	-	-	-	-	30,429	30,429
P500247	PARK AGENCY NOLAN RICHARSON RE	-	-	-	-	36,354	36,354
P500249	SPORTS SPECIAL EVENTS	-	-	-	-	43,245	43,245
P500251	EASTWOOD REC CENTER	\$ -	-	-	-	120,694	120,694

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
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Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
P500252	MARTY ROBINS REC CENTER	\$ -	-	-	-	126,632	126,632
P507000	P507000 PALO VERDE -PROJ BRAVO	-	-	-	-	63,413	63,413
P507001	P507001 PV-ENERGY REBATE PROG	-	-	-	-	24,041	24,041
P518000000	CARIBE ESTATES/NATIONS DEDICAT	-	-	-	-	23,975	23,975
P518000050	ALTHEA DEDICATED REVENUE	-	-	-	-	300	300
P518000053	BORDERLAND DEDICATED REVENUE	-	-	-	-	116	116
P518000057	CAPISTRANO DEDICATED REVENUE	-	-	-	-	22,611	22,611
P518000065	CRESTMONT DEDICATED REVENUE	-	-	-	-	349	349
P518000068	DOLPHIN DEDICATED REVENUE	-	-	-	-	16,392	16,392
P518000073	EL BARRIO DEDICATED REVENUE	-	-	-	-	158	158
P518000075	FRANKLIN DEDICATED REVENUE	-	-	-	-	33,968	33,968
P518000077	GRANDVIEW DEDICATED REVENUE	-	-	-	-	300	300
P518000079	HACIENDA DEDICATED REVENUE	-	-	-	-	2,849	2,849
P518000082	INDIAN RIDGE 10 DEDICATED REVE	-	-	-	-	941	941
P518000083	INDIAN RIDGE 9 DEDICATED REVEN	-	-	-	-	116	116
P518000084	LANCASTER DEDICATED REVENUE	-	-	-	-	116	116
P518000087	LOGAN DEDICATED REVENUE	-	-	-	-	233	233
P518000090	MARTY ROBBINS DED. REVENUE	-	-	-	-	29,696	29,696
P518000094	MEMORIAL DEDICATED REVENUE	-	-	-	-	2,159	2,159
P518000095	MESA TERRACE DEDICATED REVENUE	-	-	-	-	174	174
P518000097	MONT. HEIGHTS DED. REVENUE	-	-	-	-	10,669	10,669
P518000099	MURCHISON DEDICATED REVENUE	-	-	-	-	349	349
P518000103	NORMANDY DEDICATED REVENUE	-	-	-	-	6,828	6,828
P518000106	PACIFIC DEDICATED REVENUE	-	-	-	-	116	116
P518000108	PALO VERDE DEDICATED REVENUE	-	-	-	-	11,400	11,400
P518000111	PAUL HARVEY DEDICATED REVENUE	-	-	-	-	174	174
P518000112	PECAN GROVE 1 DED. REVENUE	-	-	-	-	116	116
P518000113	PECAN GROVE 2 DED. REVENUE	-	-	-	-	116	116
P518000117	PONDER DEDICATED REVENUE	-	-	-	-	284	284
P518000118	PONSFORD HEIGHTS DED. REVENUE	-	-	-	-	3,900	3,900
P518000119	RANCHOS DEL SOL DED. REVENUE	-	-	-	-	6,941	6,941
P518000132	SHEARMAN DEDICATED REVENUE	-	-	-	-	4,440	4,440
P518000136	STANTON HEIGHTS DED. REVENUE	-	-	-	-	116	116
P518000143	SUNRIDGE DEDICATED REVENUE	-	-	-	-	116	116
P518000145	THOMAS MANOR DEDICATED REVENUE	-	-	-	-	1,200	1,200
P518000147	TODD WARE DEDICATED REVENUE	-	-	-	-	13,312	13,312
P518000151	TULA IRROBALI DED. REVENUE	-	-	-	-	467	467
P518000153	VALLEY CREEK PARK DED. REVENUE	-	-	-	-	116	116
P518000154	CHESTER E JORDAN PARK PICNIC U	-	-	-	-	1,226	1,226
P518000155	VISTA DEL SOL DED REVENUE	-	-	-	-	13,920	13,920
P518000156	VISTA DEL VALLE DED. REVENUE	-	-	-	-	4,901	4,901
P518000157	WASHINGTON DEDICATED REVENUE	-	-	-	-	1,491	1,491
P518000159	WEST GREEN DEDICATED REVENUE	-	-	-	-	8,786	8,786
P518000161	YSLETA DEDICATED REVENUE	-	-	-	-	116	116
P518000163	YUCCA DEDICATED REVENUE	-	-	-	-	233	233
P518000165	PEBBLE HILLS PARKLAND DEDICTN	-	-	-	-	233	233
P518000801	CLOUDVIEW DEDICATION REVENUE	-	-	-	-	35,221	35,221
P518000802	FALCON HILLS DED. REVENUE	-	-	-	-	116	116
P518000803	FALCON HILLS/OJO DE AGUA DEDIC	-	-	-	-	233	233
P518000804	IRVIN J LAMBKA DED. REVENUE	-	-	-	-	675	675
P518000805	MISSION HILLS DED. REVENUE	-	-	-	-	919	919
P518000808	SNOW HEIGHTS DED. REVENUE	-	-	-	-	349	349
P518000809	THORN DEDICATION REVENUE	-	-	-	-	116	116
P518000810	WEST HILLS/FALCON HILLS DEDICA	-	-	-	-	116	116
P518000811	WESTSIDE/CRESTMONT DEDICATION	-	-	-	-	2,232	2,232
P518000812	WHITE SPUR DEDICATION REVENUE	-	-	-	-	116	116
P518000813	MOUNTAIN VIEW DED REVENUE	-	-	-	-	233	233
P518000814	SUNRISE DEDICATION REVENUE	-	-	-	-	116	116
P518000815	HIDDEN VALLEY DED. REVENUE	-	-	-	-	1,420	1,420
P518000816	MODEST GOMEZ DED. REVENUE	-	-	-	-	1,475	1,475
P518000817	CHUCK HEINRICH DED. REVENUE	-	-	-	-	2,605	2,605
P518000818	SHEARMAN/VETERANS DED REVENUE	-	-	-	-	7,144	7,144
P518000819	VETERANS DEDICATION REVENUE	\$ -	-	-	-	16,160	16,160

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2006

Special Revenue Funds							Total Special Revenue Funds
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Funds
P518000821	HUECO MTN/INDIAN HEIGHTS/RID D	\$ -	-	-	-	233	233
P518000822	INDIAN HEIGHTS/DICK SHINAUT DE	-	-	-	-	116	116
P518000823	PEBBLE HILLS DED REVENUE	-	-	-	-	56	56
P518000824	DICK SHINAUT	-	-	-	-	6,416	6,416
P518000825	BLACKIE CHESER DED REVENUE	-	-	-	-	408	408
P518000828	D SHINAUT/W CLARK/MARTY R/SUNR	-	-	-	-	195	195
P518000829	MARION MANOR DED. REVENUE	-	-	-	-	116	116
P518000830	MIDDLE DRAIN DED. REVENUE	-	-	-	-	116	116
P518000835	RANCHO DEL SOL/BLACKIE CHESIRE	-	-	-	-	751	751
P518000836	WALTER CLARKE DED. REVENUE	-	-	-	-	233	233
P518000837	W CLARKE/MONTWOOD/DSHINAUT/SUN	-	-	-	-	1,500	1,500
P518000839	CAROLINA DEDICATED REVENUE	-	-	-	-	233	233
P518000840	HACIENDA/YUCCA/CAROLINA DED.	-	-	-	-	349	349
P518000841	LAFAYETTE/LOMALAND/YUCCA DEDIC	-	-	-	-	361	361
P518000843	SHAWVER DEDICATED REVENUE	-	-	-	-	8,105	8,105
P518000845	THOMAS MANOR/SHAWVER DED. REV.	-	-	-	-	645	645
P518000848	MARWOOD DEDICATED REVENUE	-	-	-	-	7,916	7,916
P518000849	WESTSIDE DEDICATED REVENUE	-	-	-	-	116	116
P518000851	ARLINGTON DEDICATED REVENUE	-	-	-	-	116	116
P518000852	VETERANS/SHERMAN/ARLINGTON DED	-	-	-	-	116	116
P518000854	INDIAN HEIGHTS PARK DED REVENU	-	-	-	-	116	116
P518000856	MCCARTHY PARK DED. REVENUE	-	-	-	-	233	233
P518000857	STONE RIDGE PARK	-	-	-	-	233	233
P518000859	P518000859 RIVER PARK WEST	-	-	-	-	233	233
P518000860	LITTLE RIVER PARK	-	-	-	-	233	233
P518000861	HUECO VIEW ACRES PARK	-	-	-	-	116	116
P518000862	ESMERALDA PARK	-	-	-	-	521	521
P518000863	SOUTH DAKOTA RIDGE	-	-	-	-	116	116
P518000865	MOUNTAIN VIEW	-	-	-	-	233	233
P518000866	SOMBRAS DEL SOL #3	-	-	-	-	116	116
P518000867	LAGUNA MEADOWS # 3	-	-	-	-	116	116
P518000868	DEER CANYON	-	-	-	-	116	116
P518000869	JONATHAN / LITTLE RIVER PARK	-	-	-	-	347	347
P518000870	P518000870 PARK ZONE 315	-	-	-	-	116	116
P518000871	P518000871 PARK ZONE 483	-	-	-	-	116	116
PBR06002	SANTA FE (PDN) BRIDGE CANOPIES	-	33,208	-	-	-	33,208
PD10422	D10422 FY95 D1 SPEC PROJ ROLLO	-	-	-	-	18,053	18,053
PD20423	D20423 D2 FY95 COUNCIL ROLLOVE	-	-	-	-	14,735	14,735
PD30424	D30424 D3 FY95 COUNCIL ROLLOVE	-	-	-	-	10,025	10,025
PD40425	D40425 NE MUNI CENTER ROLLOVER	-	-	-	-	10,271	10,271
PD50426	D50426 D5 FY95 COUNCIL ROLLOVE	-	-	-	-	21,081	21,081
PD60427	D60427 D6 FY95 COUNCIL ROLLOVE	-	-	-	-	7,677	7,677
PD70428	D70428 D7 FY95 COUNCIL ROLLOVE	-	-	-	-	9,784	9,784
PD80429	D80429 D8 FY95 COUNCIL ROLLOVE	-	-	-	-	6,443	6,443
PEN06001	LIONS PLAZITA IMPROVEMENTS	-	26,266	-	-	-	26,266
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	-	-	-	(18,609)	-	(18,609)
PLIB00001	ROTARY CLUB OF EL PASO	-	-	-	-	(33)	(33)
PMC0001	MUNI TECHNOLOGY REV FUND PRJCT	-	-	-	-	328,706	328,706
PPL0302	OEA ANNEXATION PLAN FOR A REIMBURSABLE GF	60,423	-	-	-	-	60,423
PPW0046005A	VISTA DEL VALLE CTR TRACK/IRRI	-	-	-	-	155,000	155,000
PPW0046046	MCKELLIGON CANYON	-	-	-	-	79,448	79,448
PPW0203	HEALTH FACILITIES 2002	-	-	-	1,049,125	-	1,049,125
PPW0310	PLAZA THEATRE	197,535	25,000	-	-	1,055,588	1,278,123
PPWHE04002	MEDICAL EXAMINER FCLTY RENOVAT	-	-	-	225,287	-	225,287
	CDC Non monetary assistance-vaccines	-	-	-	2,132,736	-	2,132,736
	ART RESTRICTED FUND	-	-	-	-	89,233	89,233
	CONVENTION & PERF ARTS CENTER	-	-	-	-	3,498,566	3,498,566
	DONATIONS	-	-	-	-	24,828	24,828
	LIBRARY	-	-	-	-	65,671	65,671
	MUNICIPAL COURT SECURITY	-	-	-	-	296,837	296,837
	OTHER	-	-	-	-	134,088	134,088
	ZOO OPERATIONS	-	-	-	-	804,105	804,105
		<u>\$ 12,863,938</u>	<u>3,793,189</u>	<u>214,404</u>	<u>15,294,924</u>	<u>13,126,293</u>	<u>45,292,748</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and payment of general long-term debt principal, interest, arbitrage rebate and associated fiscal fees incurred. Revenue sources include ad-valorem property taxes.



CITY OF EL PASO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the year ended August 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		Positive (Negative)
Budgetary fund balance, September 1	\$ 1,476,113	1,476,113	2,624,988	1,148,875
Resources (inflows):				
Property taxes	39,630,148	39,630,148	39,477,155	(152,993)
Penalties and Interest-Delinquent taxes			477,854	477,854
Interest received			1,417,073	1,417,073
Parking meter revenue			1,097,610	1,097,610
Transfers from other funds	6,004,791	1,677,348	1,774,170	96,822
Sale of capital assets			85,049	85,049
Amounts available for appropriation	<u>47,111,052</u>	<u>42,783,609</u>	<u>46,953,899</u>	<u>4,170,290</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	28,815,000	25,390,920	25,390,920	
Interest	16,354,052	15,450,689	17,105,175	(1,654,486)
Interest - Commercial Paper	1,875,000	1,875,000	2,172,070	(297,070)
Fiscal fees	67,000	67,000	(31,642)	98,642
Total charges to appropriations	<u>47,111,052</u>	<u>42,783,609</u>	<u>44,636,523</u>	<u>(1,852,914)</u>
Budgetary fund balance, August 31	<u>\$ -</u>	<u>-</u>	<u>2,317,376</u>	<u>2,317,376</u>

This budget and this schedule are prepared on a basis consistent with accounting principles generally accepted in the United States.

CAPITAL PROJECTS FUND

The Capital Project fund is used to account for the acquisition or construction of capital facilities and the acquisition of equipment and other capital assets other than those financed by Proprietary and Trust funds.



CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
P501208	CITYWIDE COMMUNICATION SYSTEM	\$ 234,242
P501236	TEXAS/RAYNOR/PIEDRAS BRIDGE	726
P501313	PROCEEDS-CERT/OBLIG 1994A (1MA	309
P501347	RESIDUAL BALANCES	132,592
P501380	NORTHWEST CORRAL	5,000
P501528	FY04 PS MIGRATION	7,439
P501540	PLAYGROUND EQUIPMENT	32,260
P501545	MSC IMPROVEMENTS - FY98 CO	48,007
P501552	TSL 508.3 MEMORIAL PK LIB RENO	105,201
P501554	TMC/CBD SIGNALIZATION UPGRADE	5,291
P501566	CIVIC CENTER CAPITAL IMPROVEME	2,284,312
P502003	93A ISSUE CITY HALL REHAB FY02	1,030
P540001	CITY AUCTIONS	38,896
P540008	CONTRACTUAL OBLIGATIONS FY98	51,421
P540009	CONTRACTUAL OBLIGATIONS FY99	93,656
P540010CTY	CAPITAL OUTLAY	1,132,460
P540010LEG	CAPITAL OUTLAY	28,536
P540010LIB	CAPITAL OUTLAY	62,881
PBE04AD101	BOND ISSUE COSTS PARKS PROP	2
PBE04FC101	AIRWAY PUMP STATION	134,806
PBE04FC102	CARLSON/ELLT PMP ST	6,356
PBE04FC104	ROCKY BLUFF DRAIN	2,743
PBE04FI101	FIRE STATION #18	(16,735)
PBE04FI103	FIRE STATION #33	765,893
PBE04FI104	FIRE STATION #34	837,289
PBE04FI105	FIRE STATION #35 (NEW)	1,103,373
PBE04HE101	HENDERSON HLTH CTR	254,482
PBE04HE102	YSLETA HLTH CTR	158,123
PBE04LI101	LOWER VALLEY BRANCH	88,044
PBE04LI102	MEMORIAL PRK BRANCH	163,666
PBE04MF101	ADA COMPLIANCE	80,986
PBE04MF102	PUBLIC SAFETY COMMUNICATIO SYS	16,486
PBE04PA102	GALATZAN REC CTR	79,069
PBE04PA103	GENERAL PRK IMPRVMT	54,544
PBE04PA104	LEO CANCELLAR POOL2	2,979
PBE04PA105	NATIONS TOBIN	(18,946)
PBE04PA106	PAVO REAL REC CTR	18,511
PBE04PA107	RANCHOS DEL SOL	1,076,066
PBE04PA109	SHAWVER POOL PHAS 2	1,302
PBE04PA110	SUNRISE	110,777
PBE04ST101	AIRWAY	41,029
PBE04ST102	ALABAMA	1,729,351
PBE04ST103	BILLY THE KID PHS 1	346
PBE04ST103A	BILLY THE KID PHS 2	10,035
PBE04ST104	BOWEN	775,931
PBE04ST106	CEDAR GROVE P 11-12	683,296
PBE04ST107	CEDAR GROVE P 1-9	5,527,029
PBE04ST108	DORBANDT	9,041
PBE04ST109	GENERAL ST IMPROVEM	\$ 9,369

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
PBE04ST109A	MONTWOOD MEDIAN IMPV DIST 6	\$ 111,562
PBE04ST110	GEORGE DIETER	310,267
PBE04ST112	INDIAN PLACE	868,750
PBE04ST113	LADRILLO	8,197
PBE04ST114	LND SCP & BEAUT P1	141
PBE04ST114B	ROUND RK & CAPT VALTR CIRCLE	3,910
PBE04ST114C	LANDSCPE & PKWY D-4 ST IMPV	1,001,250
PBE04ST115	LEE	55,353
PBE04ST117	MONTOYA HEIGHTS P 1	27,014
PBE04ST118	MONTOYA HEIGHTS P2	15,443
PBE04ST119	MONTWOOD	567,030
PBE04ST121	MONTWOOD MEDIAN	1,192,489
PBE04ST122	NORTH PARK DRAINAGE	784,516
PBE04ST123	NORTHEAST DIV CH 2	104
PBE04ST124	OPEN SPACE ENHANCEM	528
PBE04ST124A	POLLARD STREET PEDESTRIAN WAY	8,468
PBE04ST125	PASODALE	96,822
PBE04ST126	PEBBLE HILLS	1,532,287
PBE04ST127	ROSEWAY	143,500
PBE04ST128	SIGN REPLACEMENT	71,294
PBE04ST130	SGNL & FLASH INSTAL DIST 8	106,659
PBE04ST131	SGNL & FLASH INSTAL CITY WIDE	323,315
PBE04ST132	STREET RESURFACING CITY WIDE	2,671,643
PBE04ST132A	Awarded to Allied Paving on 25 Apr 06	1,707,230
PBE04ST133	STREET RESURFACING DIST 2	164,650
PBE04ST134	STREET RESURFACING DIST 7	1,016,534
PBE04ST135	STREET RESURFACING DIST 8	1,200,042
PBE04ST136	UNPAVED RIGHT OF WAY CITY WIDE	29,787
PBE04ST137	UNPAVED RIGHT OF WAY DIST 2	696,730
PBE04ST138	UNPAVED RIGHT OF WAY DIST 8	1,075,184
PBE04ST139	UPPER VALLEY	3,455
PBE04ST140	VERDELAND	34,843
PBE04ST141	WENDA	540,050
PBR05001	ZARAGOSA BRIDGE DCL	210,613
PBR05002	SEAN HAGGERTY BRIDGE REHAB	22,623
PBR06005	INTERNATIONAL BRIDGE COUNTERS	105
PCP06FC001	CEBEDA/I-10 FLOOD CONTROL	1,560
PCP06ST003	ALAMEDA/LITTLE FLOWER ST & DNG	1,986
PCP06ST005	MCCOMBS/RAILROAD ST & DRAINAGE	1,076
PCP06ST006	RUSHING/TRANSMOUNTAIN ST & DNG	46
PCP06ST008	PELICANO/LOMALAND ST & DRNG	190
PCP06ST010	CARNEGIE ST & DRNG PHASE I	981
PCP06ST013	SIGNAL/FLASHER INSTALL CP06	134,917
PCP06ST014A	Design and property acquisition.	2,599
PCP06ST015	ARTERIAL STREET LIGHTING CP06	1,381
PFC06001	RESLER CANYON IMPROVEMENTS	1,532
PFI05002	FIRE STATION #20 REHAB	96,780
PFI06001	CENTRAL FIRE STATION HVAC	99
PFL05001	CASTELLANO BOX CULVERT	\$ 105,000

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
PFLESVC01	EQUIPMENT REPLACEMENT	\$ 125,252
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	72,245
PHI05001	HIST MUS EXHIBIT AREA	195,452
PMB0002130	CITY EQUIPMENT NOC	39,344
PMB0002160	SOLID WASTE EQUIPMENT	(12,208)
PMB0003130	FY 02 CERT OB EQUIP-CITY EQUIP	349,077
PMB0004130	FY03 CITY CAPITAL EQUIPMENT	1,540,613
PMB0005003	BE CAP ACQ STREETS	107,603
PMB0005004	BE CAP ACQ FIRE	2,832,492
PMB0005005	BE CAP ACQ HEALTH	55,701
PMB0005007	BE CAP ACQ ZOO	2,781
PMB0005008	BE CAP ACQ LIBRARY	30,896
PMB0005009	BE CAP ACQ PUB SFTY	359,274
PMB0005011	BE CAP ACQ P.S. COM	315,339
PMF05002	FACILITY CONDITION ASSESSMENT	701
PMF05003	CITY HALL 5TH FLOOR RENOVATION	547,458
PMF05004	CITY HALL 7TH FLOOR RENOVATION	83,342
PMF06001	CITY HALL UPGRADES FY 2006	45,496
PPA05001	COHEN STADIUM LESSOR IMPV	3,091
PPR0003	HFC FRANKLIN HILLS PARK	50,000
PPR0004	THUNDER CANYON	500,028
PPW0006	ANAPRA BRIDGE RECONSTRUCTION	33,610
PPW0015	LIBRARY BOOK PROCESSING CENTER	15,863
PPW0023	LEE BLVD. - MONTANA TO PRATT	(42,242)
PPW0028001	CITY R.O.W.S PAVING - PHASE 1	2,698
PPW0029002	MS4 FOR WATER QUALITY PHASE 1	20,284
PPW0034002	ELEVATOR REPLACEMENT	5,055
PPW0035007	SAN ANTONIO PLAZA	1,227,475
PPW0035010	CONCRETE PAVING OF INTERSECTIO	2,050
PPW0035011	CBD PHASE 3 DESIGN	11,203
PPW0046003	HIDDEN VALLEY	(1,420)
PPW0046004	NORTHEAST REGIONAL PARK	2,773,587
PPW0046005A	VISTA DEL VALLE CTR TRACK/IRRI	194,087
PPW0046008	CLEVELAND SQUARE	623,982
PPW0046009	WESTSIDE COMMUNITY PARKS (VALL	1,743
PPW0046010	NORMANDY	3,920
PPW0046017	PONDER	1,718
PPW0046018	CRESTMONT	(2,232)
PPW0046020TE	R.G. RIVERPARK TXDOT ENHANCEME	12,142
PPW0046023	BLACKIE CHESHER	753
PPW0046023YR2	BLACKIE CHESHER	20
PPW0046026YR2	MEMORIAL PARK AND POOL	(144,240)
PPW0046027YR2	NEW REC. CENTER EASTWOOD PRK	28,687
PPW0046028YR2	NEW REC. CENTER-MARTY ROBBINS	214,388
PPW0046029YR2	HACIENDA HEIGHTS AND POOL	24,106
PPW0046030YR2	EDGEMERE MEDIAN	3,840
PPW0046032YR2	ALETHEA	140,249
PPW0046042YR2	WESTGREEN PARK	14,202
PPW0046044	VISTA DEL SOL	\$ 19,521

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
PPW0046046	MCKELLIGON CANYON	\$ 306,952
PPW0046047	SAN JACINTO PLAZA	486
PPW0047	TMC OPERATIONS CENTER	180,359
PPW0050	ADA COMPLIANCE PHASE 1	3,615
PPW0051	ANIMAL SHELTER	4,400
PPW0052	FLASHER INSTALLATIONS	48,327
PPW0053	DODGE (HAWKINS) EXPANSION	134,311
PPW0055	LEE TREVINO - EXTENSION OF ROW	19,280
PPW0056001	LIB PRJTS 00 ELEC-WESTSIDE LIB	31,499
PPW0056002	LIB PRJTS 00 ELEC-MAIN LIB REM	1,492,377
PPW0056003YR2	BOOKS AND LIBRARY MATERIALS	1,067,119
PPW0056005YR2	EAST SIDE REGIONAL LIBRARY BRC	2,480,365
PPW0056006	RENOVATE SAN JOSE LIBRARY	(266,592)
PPW0056006YR2	RENOVATE (SAN JOSE LIBRARY)	661,556
PPW0057004YR2	CONVERT POOL & SR.CTR. W. PARK	207,858
PPW0057005YR2	STORAGE BLDG. MISC STORAGE	18,681
PPW0057006YR2	ADMINISTRATION BLDG. ADD/RENOV	59,421
PPW0057007YR2	ANIMAL QUARANTINE	23,247
PPW0058001	HIST MUS 00 ELEC-NEW HIST MUSE	2,254,950
PPW0088	PAVEMENT CONDITION INDEXING	69,719
PPW0203	HEALTH FACILITIES 2002	45,722
PPW0205	*UNALLOCATED INTEREST	710,644
PPW0206	EVERGE PEOPLESFT	127,005
PPW0310	PLAZA THEATRE	12,515,570
PPWAR03001	FY03 CO'S ARTWORK-2%	41,935
PPWBR03004	ZARAGOZA POE BATHRM ADDNS.	1,151
PPWBR03006	ZARAGOZA POE WT & MOTION SCLS	(45,070)
PPWFA03009	CITY HALL RENOVATIONS	6,660
PPWFA03020	CH BASEMENT DOORS	417
PPWFA03021	EMERGENCY REHAB CITY FACILITIE	9,078
PPWFL03047	GSA STORM SEWER RELOCATION	4,285
PPWST03001	CBD PHASE 3	5,077,845
PPWST03016	SUNLAND PARK DRIVE	1,877,974
PPWST03021	COTTON STREET BRIDGE	101,048
PPWST03022	EDGEMERE EXTENSION	120,754
PQLPA101	ARLINGTON PARK	2,049
PQLPA102	BUENA VISTA PARK	38
PQLPA103	CALENDAR PARK	1
PQLPA104	CHELSEA POOL	3,036
PQLPA105	CHIHUAHUITA PARK	33
PQLPA106	CIELO VISTA PARK	2,621
PQLPA107	COLONIA VERDE PARK	773
PQLPA108	CORK PARK	256
PQLPA109	DE VARGAS PARK	404
PQLPA110	DELGADO PARK	297
PQLPA111	DICK SHINAUT PARK	(2,145)
PQLPA112	DOLPHIN PARK	(6,510)
PQLPA113	DUNN PARK	116
PQLPA114	EASTSIDE MAINTENANCE YARD	\$ 193

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
PQLPA115	ESTRELLA-RIVERA PARK	\$ 435
PQLPA116	FRANKLIN PARK	(9,554)
PQLPA117	GRACE CHOPE PARK	117
PQLPA118	GRANDVIEW PARK & POOL	500,821
PQLPA119	H.T. PONSFORD PARK	(1,187)
PQLPA120	HAWKINS PARK	2,875
PQLPA121	INDIAN HEIGHTS PARK	(825)
PQLPA122	IRWIN J. LAMBKA PARK	31,363
PQLPA123	J.P. SHAWVER PARK	1,301
PQLPA124	JUDGE GALATZAN PARK	8,181
PQLPA125	LINCOLN PARK	511
PQLPA126	LORETTO-LINCOLN PARK	289
PQLPA127	MADELINE PARK	338
PQLPA128	MCARTHUR PARK	462
PQLPA129	MESA TERRACE PARK	1,065
PQLPA130	MILAGRO PARK	1,640
PQLPA131	MODESTO GOMEZ PARK	1,763
PQLPA132	MONTWOOD HEIGHTS PARK	207,014
PQLPA135	MURCHISON PARK	420
PQLPA136	NEW REC CENTER WESTSIDE	81,327
PQLPA137	NEW SOCCER FACILITY	418
PQLPA138	NEWMAN PARK	125
PQLPA140	PACIFIC PARK	352
PQLPA141	PALM GROVE PARK	298
PQLPA142	PALO VERDE PARK	1,227
PQLPA143	PASEO DE LOS HEROES PARK	263
PQLPA144	PAVO REAL PARK & POOL	175,713
PQLPA145	PEBBLE HILLS PARK	4,881
PQLPA146	PECAN GROVE 1 & 2	1,040
PQLPA147	PICO NORTE PARK	3,824
PQLPA148	RAYNOLDS MEDIAN	1,283
PQLPA149	ROGER BROWN BALLFIELD	208
PQLPA150	ROSE GARDEN	444,024
PQLPA151	SCENIC DRIVE PARK	413
PQLPA152	SHEARMAN PARK	1,581
PQLPA153	SKYLINE YOUTH PARK	2,977
PQLPA154	SNOW HEIGHTS PARK	1,503
PQLPA156	SUE YOUNG PARK	712
PQLPA157	SUFFOLK PARK	489
PQLPA158	SUMMIT-FILLMORE PARK	746
PQLPA159	SUNRISE PARK	2,767
PQLPA160	SUNSET HEIGHTS PARK	1,209
PQLPA161	THOMAS MANOR PARK	4,697
PQLPA162	TODD WARE PARK	608
PQLPA163	TOM LEA (LOWER) PARK	662
PQLPA164	TOM LEA (UPPER) PARK	146
PQLPA165	TRANS MTN OPTIMIST DSRT DOWNS	1
PQLPA166	TYRONE PARK	541
PQLPA167	VETERAN (W/O BALL FLD LGHT)PRK	\$ 1,203,601

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2006

Project	Name/Description	Capital Projects
PQLPA168	WALTER CLARKE PARK	\$ (1,500)
PQLPA169	WASHINGTON PARK	469
PQLPA170	WELLINGTON CHEW PARK	339
PQLPA171	WESTSIDE REGIONAL PARK (ALL P)	102,810
PQLPA172	WEST SPORT COMPLEX THREE HILL	187,188
PQLPA174	YSLETA PARK	1,219
PQLPA179	TRAVIS WHITE PARK PARKING LOT	592
PQLPA181	PARK IMPROVEMENT PACK 1	105,684
PQLPA182	PARK IMPROVEMENT PACK 2	165,383
PQLPA183	PIP3 POOL RENOVATIONS	660,423
PQLPA184	PIP4 MAJOR DEVELOPMENT	1,710
PQLPA185	PIP5 SHELTER RENOVATIONS	594,047
PQLPA186	PIP6 IRRIGATION AND SITE WORK	58,057
PQLPA186A	PIP6 IRRIGATION AND SITE WORK	4,933
PQLPA186B	PQLPA186B	1,040
PQLPA187	PIP7 IRRIG AND TREE PLANTING	189,500
PQLPA188	PIP8 PLYGRND AND TREE PLANTING	303,233
PQLPA189	PIP9 GENERAL PARKS IMPROVEMENT	552,815
PQLPA190	PIP10 WESTSIDE COMMUNITY PARK	4,144,529
PQLZO101	NEW ENTRY & PUBLIC ACT CENTER	28,271
PQLZO102	OLD EXHIBITS REPTILE & BIOME B	49,907
PQLZO103	ZOO PARKING GARAGE	783,036
PQLZO104	ZOO AFRICA EXPANSION	262,869
PQLZO106	ZOO WESTERN EXPANSION	42,286
PST05002	MAST ARM REPLACEMENT	762,449
PST05003	LANE MARKINGS	323,826
PST05004	NORTHWEST TRAFFIC STUDY	36,030
PST05005	MESA MEDIAN LANDSCAPING	15,000
PST05006	ALAMEDA/EL PASO DR INTX IMPV	79,000
PST06001	EDUCATION DRIVE PHASE I	90,000
PST06001A	EDUCATION DRIVE PHASE II	24,000
PST06002	ALBERTA & CONCEPCION IMPV	137,727
PST06003	HAWKINS MEDIAN IMPROVEMENTS	63,961
PST06004	TRAFFIC CALMING DEVICES/SIGNAL	1,784
	Total Expenditures and transfers	<u>\$ 89,200,455</u>

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department of the City to other City departments and other public units, on a cost reimbursement basis.



Supply and Support - This fund accounts for the Fleet Maintenance Department which operates the City motor pool and maintains and repairs City owned vehicles and major equipment, excluding the vehicles utilized by Mass Transit. In addition, the City's copy center and postage functions are also accounted for in this fund.

Self-Insurance - This fund accounts for the financing of health benefits, workers' compensation benefits and unemployment benefits for City employees.

CITY OF EL PASO, TEXAS

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

August 31, 2006

	SUPPLY AND SUPPORT	SELF- INSURANCE	TOTALS
ASSETS			
Receivables - Net of Allowances			
Trade	\$ 6,227		6,227
Due From Other Funds	3,531		3,531
Inventory	659,305		659,305
Fuel Inventory	69,241		69,241
Capital Assets:			
Buildings, Improvements & Equipment, Net	277,163		277,163
TOTAL ASSETS	\$ 1,015,467	-	1,015,467
 LIABILITIES			
Accounts Payable	\$ 597,957	162,362	760,319
Accrued Payroll	153,568	27,853	181,421
Due to Other Funds	550,856	1,956,878	2,507,734
Certificates of Obligation Bonds	60,846		60,846
Compensated Absences	143,096	27,263	170,359
Claims and Judgments		17,210,846	17,210,846
TOTAL LIABILITIES	1,506,323	19,385,202	20,891,525
 NET ASSETS			
Invested in Capital Assets, Net of Related Debt	219,848		219,848
Unrestricted	(710,704)	(19,385,202)	(20,095,906)
Total Net Assets	(490,856)	(19,385,202)	(19,876,058)
 TOTAL LIABILITIES AND NET ASSETS	\$ 1,015,467	-	1,015,467

CITY OF EL PASO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

For the year ended August 31, 2006

	SUPPLY AND SUPPORT	SELF- INSURANCE	TOTALS
OPERATING REVENUES:			
Sales to Departments	\$ 14,330,081		14,330,081
Premium Contributions		41,754,227	41,754,227
General Revenues	23,861	1,062,035	1,085,896
TOTAL OPERATING REVENUES	14,353,942	42,816,262	57,170,204
OPERATING EXPENSES:			
Personnel Services	3,195,999	497,184	3,693,183
Outside Contracts	276,332	2,586,262	2,862,594
Professional Services		122,655	122,655
Fuel and Lubricants	6,126,204		6,126,204
Materials and Supplies	3,684,227	14,949	3,699,176
Communications	12,551	1,449	14,000
Utilities	18,296		18,296
Operating Leases	76,129		76,129
Travel and Entertainment	17,102	3,995	21,097
Benefits Provided		39,156,010	39,156,010
Maintenance and Repairs	820,646		820,646
Other Operating Expenses	39,012	793	39,805
Depreciation	62,304		62,304
TOTAL OPERATING EXPENSES	14,328,802	42,383,297	56,712,099
OPERATING INCOME (LOSS)	25,140	432,965	458,105
NON-OPERATING REVENUES (EXPENSES):			
Interest Expense	(11,757)		(11,757)
Gain (Loss) on Sale of Equipment and Land	21		21
TOTAL NON-OPERATING REVENUES	(11,736)		(11,736)
INCOME (LOSS)	13,404	432,965	446,369
Change in net assets	13,404	432,965	446,369
Total Net Assets-beginning	(504,260)	(19,818,167)	(20,322,427)
Total Net Assets-ending	\$ (490,856)	(19,385,202)	(19,876,058)

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended August 31, 2006

	SUPPLY AND SUPPORT	SELF- INSURANCE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 14,371,588	42,816,262	57,187,850
Payments to suppliers	(11,120,686)	(42,882,993)	(54,003,679)
Payments to employees	(3,165,829)	(492,611)	(3,658,440)
Net cash provided by operating activities	<u>85,073</u>	<u>(559,342)</u>	<u>(474,269)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds (to) from other funds	<u>71,553</u>	<u>559,342</u>	<u>630,895</u>
Net cash provided (used) by noncapital financing activities	<u>71,553</u>	<u>559,342</u>	<u>630,895</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(39,651)		(39,651)
Principal paid on capital debt	(105,239)		(105,239)
Interest paid on capital debt	(11,757)		(11,757)
Proceeds from disposal of capital assets	<u>21</u>		<u>21</u>
Net cash (used) by capital and related financing activities	<u>(156,626)</u>		<u>(156,626)</u>
Net increase (decrease) in cash and cash equivalents			
Balances - beginning of the year			
Balances - end of the year	<u>\$ -</u>	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 25,140	432,965	458,105
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	62,304		62,304
Change in assets and liabilities:			
Receivables, net	17,646		17,646
Inventories	(96,065)		(96,065)
Accounts and other payables	45,878	125,062	170,940
Accrued expenses	30,170	(1,117,369)	(1,087,199)
Net cash provided by operating activities	<u>\$ 85,073</u>	<u>(559,342)</u>	<u>(474,269)</u>
Schedule of Non-Cash Investing, Capital and Financing Activities			
Capital Assets Purchased by Other Fund	<u>\$ 12,200</u>	<u>-</u>	<u>12,200</u>

PENSION TRUST FUNDS



CITY OF EL PASO, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 PENSION TRUST FUNDS
 August 31, 2006

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (as of December 31, 2005)		Total
		Firemen Division	Policemen Division	
ASSETS				
Cash and Cash Equivalents	\$ 9,425,188	3,285,797	5,937,902	18,648,887
Investments:				
United States Government Securities	40,095,236			40,095,236
Corporate Bonds	20,285,355			20,285,355
Corporate Stocks	255,800,294			255,800,294
Bank Collective Investment Funds	167,562,884			167,562,884
Foreign Exchange Contract				
Fixed Income Securities		70,310,512	127,060,056	197,370,568
Domestic Equities		80,157,460	144,854,746	225,012,206
International Equities		67,429,729	121,854,114	189,283,843
Receivables - Net of Allowances				
Commission Credits Receivable	40,418			40,418
Due from Brokers For Securities Sold	2,416,173			2,416,173
Employer Contributions	664,920	137,420	233,263	1,035,603
Employee Contributions	437,864	116,547	154,083	708,494
Accrued Interest and Dividends	752,527	67	71	752,665
Prepaid Items	17,151			17,151
Capital Assets:				
Buildings, Improvements & Equipment, Net		411,667	411,667	823,334
Total assets	<u>497,498,010</u>	<u>221,849,199</u>	<u>400,505,902</u>	<u>1,119,853,111</u>
LIABILITIES				
Accounts Payable	2,093,102	265,958	450,437	2,809,497
Deferred Revenue - Commission Credits	40,418			40,418
Total liabilities	<u>2,133,520</u>	<u>265,958</u>	<u>450,437</u>	<u>2,849,915</u>
NET ASSETS				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 495,364,490</u>	<u>221,583,241</u>	<u>400,055,465</u>	<u>1,117,003,196</u>

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the year ended August 31, 2006

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (for the year ended December 31, 2005)		Total
		Firemen Division	Policemen Division	
ADDITIONS (REDUCTIONS)				
Contributions:				
Employer	\$ 13,239,686	7,794,328	11,083,081	32,117,095
Employee	8,872,231	6,309,061	7,087,854	22,269,146
Total contributions	22,111,917	14,103,389	18,170,935	54,386,241
Rental vehicle sales tax				-
Miscellaneous				-
Investment earnings (loss):				
Net increase in fair value of investments	38,528,649	17,852,894	32,252,924	88,634,467
Interest	3,573,996	112	505	3,574,613
Dividends	2,515,307	91	92	2,515,490
Securities lending income	3,113,765			3,113,765
Securities lending fees	(2,904,645)			(2,904,645)
Investment advisor fees	(2,520,589)	(755,745)	(1,369,558)	(4,645,892)
Increase in commission credits receivable	30,455			30,455
Net investment (loss)	42,336,938	17,097,352	30,883,963	90,318,253
Total additions (reductions)	64,448,855	31,200,741	49,054,898	144,704,494
DEDUCTIONS				
Benefits paid to participants	25,754,190	15,102,389	19,450,536	60,307,115
Refunds of contributions	2,150,218	176,265	1,287,519	3,614,002
Administrative expenses	647,095	540,890	602,451	1,790,436
Total deductions	28,551,503	15,819,544	21,340,506	65,711,553
Change in net assets	35,897,352	15,381,197	27,714,392	78,992,941
Net assets - beginning of the year	459,467,138	206,202,044	372,341,073	1,038,010,255
Net assets - end of the year	\$ 495,364,490	221,583,241	400,055,465	1,117,003,196

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations or other governmental units.



Agency Fund - This fund is used to account for the City Tax Department, which collects property taxes for other taxing entities.

CITY OF EL PASO, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the year ended August 31, 2006

	August 31, 2005	Debits	Credits	August 31, 2006
ASSETS				
Cash and Cash Equivalents	\$ 1,142,125	550,203,240	548,033,415	3,311,950
Property Taxes	48,862,402	527,361,382	528,978,575	47,245,209
Due from Other Funds	5,662,096	4,050,000	4,050,000	5,662,096
Total assets	<u>\$ 55,666,623</u>	<u>1,081,614,622</u>	<u>1,081,061,990</u>	<u>56,219,255</u>
LIABILITIES				
Prepaid Property Taxes	\$ 1,129,297	1,393,049	1,560,791	1,297,039
Payable to Other Taxing Entities	843,545	534,658,933	535,809,127	1,993,739
Property Taxes Subject to Refund	4,831,379	7,931,433	8,783,322	5,683,268
Uncollected Taxes	48,862,402	528,978,575	527,361,382	47,245,209
Total Net Assets	<u>\$ 55,666,623</u>	<u>1,072,961,990</u>	<u>1,073,514,622</u>	<u>56,219,255</u>

**CAPITAL ASSETS USED IN THE
OPERATIONS OF
GOVERNMENTAL FUNDS**



CITY OF EL PASO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE ¹
 August 31, 2006

Governmental funds capital assets:	
Land	\$ 138,089,579
Land improvements	19,462,513
Buildings	271,931,284
Machinery and equipment	104,387,086
Infrastructure	616,011,238
Construction in progress	<u>86,948,952</u>
Total governmental funds capital assets	<u><u>\$ 1,236,830,652</u></u>
Investments in governmental funds capital assets by source:	
General fund	\$ 293,609,960
Capital projects fund	<u>943,220,692</u>
Total governmental funds capital assets	<u><u>\$ 1,236,830,652</u></u>

¹ This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF EL PASO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
 August 31, 2006

Function and Activity	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:							
Mayor and Council	\$ -	-	-	298,621	-	-	298,621
City Clerk	-	-	-	439,909	-	-	439,909
Legal	-	-	-	5,000	-	-	5,000
OMB	-	-	-	452,839	-	-	452,839
Comptroller	-	-	-	27,011	-	-	27,011
Purchasing	-	-	-	104,772	-	-	104,772
Planning	-	-	-	93,770	-	-	93,770
Personnel	-	-	-	310,948	-	-	310,948
OMB-Communications	-	-	-	163,549	1,964,625	-	2,128,174
Information Services	-	-	-	3,601,897	-	-	3,601,897
Other - unclassified	138,089,579	365,700	56,859,247	1,321,714	8,487,987	86,948,952	292,073,179
Total general government	<u>138,089,579</u>	<u>365,700</u>	<u>56,859,247</u>	<u>6,820,030</u>	<u>10,452,612</u>	<u>86,948,952</u>	<u>299,536,120</u>
Public Safety:							
Police	-	453,625	10,457,600	24,767,332	-	-	35,678,557
Fire	-	1,055,130	12,825,669	29,825,212	-	-	43,706,011
Municipal Court	-	-	-	788,974	-	-	788,974
Total public safety	<u>-</u>	<u>1,508,755</u>	<u>23,283,269</u>	<u>55,381,518</u>	<u>-</u>	<u>-</u>	<u>80,173,542</u>
Public Works:							
Administration	-	258,525	350,400	2,205,404	-	-	2,814,329
Street Department	-	53,200	478,500	17,445,202	595,931,019	-	613,907,921
Engineering	-	-	-	569,562	-	-	569,562
Building Services	-	-	-	240,521	-	-	240,521
Total public works	<u>-</u>	<u>311,725</u>	<u>828,900</u>	<u>20,460,689</u>	<u>595,931,019</u>	<u>-</u>	<u>617,532,333</u>
Health Department	-	599,710	7,550,695	6,699,553	-	-	14,849,958
Parks Department	-	15,182,823	36,833,579	9,142,930	9,627,607	-	70,786,939
Library	-	451,525	12,407,606	911,379	-	-	13,770,510
Culture and Recreation:							
Plaza Theatre	-	-	38,067,148	714,040	-	-	38,781,188
Art Museum	-	132,800	7,340,000	224,542	-	-	7,697,342
History Museum	-	35,875	293,000	-	-	-	328,875
Civic Center	-	253,000	73,155,116	2,034,983	-	-	75,443,099
Zoo	-	507,000	14,222,024	1,981,459	-	-	16,710,483
Total culture and recreation	<u>-</u>	<u>928,675</u>	<u>133,077,288</u>	<u>4,955,024</u>	<u>-</u>	<u>-</u>	<u>138,960,987</u>
Community and economic development:							
Community & Human Development	-	113,600	1,090,700	15,963	-	-	1,220,263
Total community and economic development	<u>-</u>	<u>113,600</u>	<u>1,090,700</u>	<u>15,963</u>	<u>-</u>	<u>-</u>	<u>1,220,263</u>
Total governmental funds capital assets	<u>\$ 138,089,579</u>	<u>19,462,513</u>	<u>271,931,284</u>	<u>104,387,086</u>	<u>616,011,238</u>	<u>86,948,952</u>	<u>1,236,830,652</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF EL PASO, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹

For the year ended August 31, 2006

Function and Activity	Governmental Funds Capital Assets September 1, 2005	Additions, net of Transfers	Deductions	Governmental Funds Capital Assets August 31, 2006
General Government:				
Mayor and Council	\$ 298,621	-	-	298,621
City Clerk	439,909	-	-	439,909
Legal	5,000	-	-	5,000
OMB	452,839	-	-	452,839
Comptroller	27,011	-	-	27,011
Purchasing	104,772	-	-	104,772
Planning	93,770	-	-	93,770
Personnel	310,948	-	-	310,948
OMB-Communications	2,105,399	22,775	-	2,128,174
Information Services	3,601,897	-	-	3,601,897
Other - unclassified	301,383,536	(9,074,509)	235,848	292,073,179
Total general government	<u>308,823,702</u>	<u>(9,051,734)</u>	<u>235,848</u>	<u>299,536,120</u>
Public Safety:				
Police	35,891,389	245,262	458,094	35,678,557
Fire	37,800,078	6,458,833	552,900	43,706,011
Municipal Court	788,974	-	-	788,974
Total public safety	<u>74,480,441</u>	<u>6,704,095</u>	<u>1,010,994</u>	<u>80,173,542</u>
Public Works:				
Administration	2,814,329	-	-	2,814,329
Street Department	606,326,841	7,680,693	99,613	613,907,921
Engineering	569,562	-	-	569,562
Building Services	251,863	-	11,342	240,521
Total public works	<u>609,962,595</u>	<u>7,680,693</u>	<u>110,955</u>	<u>617,532,333</u>
Health Department	10,710,018	4,170,312	30,372	14,849,958
Parks Department	50,688,217	20,140,145	41,423	70,786,939
Library	7,125,086	6,645,424	-	13,770,510
Culture and Recreation:				
Plaza Theatre	-	38,781,188	-	38,781,188
Art Museum	7,697,342	-	-	7,697,342
History Museum	328,875	-	-	328,875
Civic Center	74,812,029	631,070	-	75,443,099
Zoo	12,747,959	3,962,524	-	16,710,483
Total culture and recreation	<u>95,586,205</u>	<u>43,374,782</u>	<u>-</u>	<u>138,960,987</u>
Community and economic development:				
Community & Human Development	1,220,263	-	-	1,220,263
Total community and economic development	<u>1,220,263</u>	<u>-</u>	<u>-</u>	<u>1,220,263</u>
Total governmental funds capital assets	<u>\$ 1,158,596,527</u>	<u>79,663,717</u>	<u>1,429,592</u>	<u>1,236,830,652</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Generally, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION
(unaudited)



City of El Paso
Net Assets by Components
Last Five Fiscal Years *
(accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 149,010,953	126,666,660	124,115,981	130,003,295	140,935,012
Restricted	59,250,860	68,610,583	57,817,272	59,196,922	68,733,626
Unrestricted	<u>3,156,607</u>	<u>(3,046,854)</u>	<u>15,546,268</u>	<u>(36,500,168)</u>	<u>(67,192,341)</u>
Total governmental activities net assets	<u>\$ 211,418,420</u>	<u>192,230,389</u>	<u>197,479,521</u>	<u>152,700,049</u>	<u>142,476,297</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 175,314,768	173,824,992	206,129,774	215,569,993	217,502,256
Restricted	36,458,279	32,816,326	22,536,194	23,721,769	26,038,264
Unrestricted	<u>19,675,417</u>	<u>22,027,866</u>	<u>(1,101,298)</u>	<u>11,269,135</u>	<u>17,226,535</u>
Total business-type activities net assets	<u>\$ 231,448,464</u>	<u>228,669,184</u>	<u>227,564,670</u>	<u>250,560,897</u>	<u>260,767,055</u>
Primary government					
Invested in capital assets, net of related debt	\$ 324,325,721	300,491,652	330,245,755	345,573,288	358,437,268
Restricted	95,709,139	101,426,909	80,353,466	82,918,691	94,771,890
Unrestricted	<u>22,832,024</u>	<u>18,981,012</u>	<u>14,444,970</u>	<u>(25,231,033)</u>	<u>(49,965,806)</u>
Total governmental activities net assets	<u>\$ 442,866,884</u>	<u>420,899,573</u>	<u>425,044,191</u>	<u>403,260,946</u>	<u>403,243,352</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Change in Net Assets
Last Five Fiscal Years *
(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	\$ 26,712,552	33,524,492	39,267,475	41,324,544	32,236,865
Public safety	168,101,107	166,270,434	175,113,112	211,655,591	202,415,512
Public works	64,029,296	60,320,589	54,184,948	62,590,505	64,770,369
Public health	18,323,647	23,207,396	21,013,400	22,917,380	26,016,660
Parks	15,061,696	17,775,398	16,020,341	17,324,834	18,962,330
Library	6,513,052	7,545,588	5,828,037	7,581,934	7,156,480
Culture & recreation	10,532,736	11,235,927	11,348,870	10,842,574	13,083,810
Community & economic development	19,082,055	21,962,296	15,167,888	23,449,341	31,901,231
Interest on long-term debt	21,146,790	17,061,437	18,012,558	15,749,939	19,256,304
Total governmental activities expenses	<u>349,502,931</u>	<u>357,903,557</u>	<u>355,956,629</u>	<u>413,436,642</u>	<u>415,799,561</u>
Business-type activities:					
International airport operations	27,700,793	28,600,500	28,818,394	32,202,892	31,495,679
Industrial park and other operations					2,325,816
International bridges operations	2,814,122	2,843,756	3,029,436	3,550,111	3,920,870
Solid waste disposal operations	21,834,341	24,340,677	28,703,259	15,498,416	32,011,444
Mass transit operations	40,295,111	44,267,736	45,231,636	45,853,919	47,270,617
Total business-type activities expenses	<u>92,644,367</u>	<u>100,052,669</u>	<u>105,782,725</u>	<u>97,105,338</u>	<u>117,024,426</u>
Total primary government expenses	<u>\$ 442,147,298</u>	<u>457,956,226</u>	<u>461,739,354</u>	<u>510,541,980</u>	<u>532,823,987</u>
Program Revenues					
Governmental activities:					
Charges for services:	\$ 41,819,482	53,865,713	61,939,950	54,336,956	55,257,331
Operating grants and contributions	40,685,867	39,087,412	37,667,385	43,994,501	53,903,277
Capital grants and contributions	9,662,029	7,007,936	12,933,126	10,189,398	14,749,088
Total governmental activities program revenues	<u>\$ 92,167,378</u>	<u>99,961,061</u>	<u>112,540,461</u>	<u>108,520,855</u>	<u>123,909,696</u>
Business-type activities:					
Charges for services:	\$ 68,954,854	71,709,915	76,049,239	80,046,596	87,912,019
Operating grants and contributions	10,667,890	11,798,744	13,203,546	9,863,996	15,956,421
Capital grants and contributions	16,721,304	10,802,246	9,943,357	22,081,292	10,994,492
Total business-type activities program revenues	<u>96,344,048</u>	<u>94,310,905</u>	<u>99,196,142</u>	<u>111,991,884</u>	<u>114,862,932</u>
Total primary government activities program revenues	<u>\$ 188,511,426</u>	<u>194,271,966</u>	<u>211,736,603</u>	<u>220,512,739</u>	<u>238,772,628</u>
Net (Expense)/ Revenue					
Governmental activities	\$ (257,335,553)	(257,942,496)	(243,416,168)	(304,915,787)	(291,889,865)
Business-type activities	3,699,681	(5,741,764)	(6,586,583)	14,886,546	(2,161,494)
Total primary government net expense	<u>\$ (253,635,872)</u>	<u>(263,684,260)</u>	<u>(250,002,751)</u>	<u>(290,029,241)</u>	<u>(294,051,359)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 127,981,301	132,122,616	136,847,063	142,815,161	149,201,403
Sales taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321
Franchise taxes	28,209,095	28,343,827	30,630,964	32,867,495	37,626,413
Gain on disposal of capital assets					1,474,788
Transfers	19,679,913	21,996,686	21,191,700	20,540,179	20,958,294
Investment earnings	4,070,326	1,781,773	1,740,215	2,791,459	4,330,894
Total Government activities	<u>232,090,965</u>	<u>238,754,465</u>	<u>248,665,300</u>	<u>260,136,315</u>	<u>281,666,113</u>
Business-type activities:					
Taxes					
Sales taxes	23,482,957	24,086,524	25,747,419	26,679,844	29,710,436
Investment earnings	2,462,781	872,646	926,350	1,970,016	3,325,583
Gain on disposal of capital assets					289,927
Transfers	(19,679,913)	(21,996,686)	(21,191,700)	(20,540,179)	(20,958,294)
Total business-type activities	<u>6,265,825</u>	<u>2,962,484</u>	<u>5,482,069</u>	<u>8,109,681</u>	<u>12,367,652</u>
Total primary government	<u>\$ 238,356,790</u>	<u>241,716,949</u>	<u>254,147,369</u>	<u>268,245,996</u>	<u>294,033,765</u>
Change in Net Assets					
Governmental activities	\$ (25,244,588)	(19,188,031)	5,249,132	(44,779,472)	(10,223,752)
Business-type activities	9,965,506	(2,779,280)	(1,104,514)	22,996,227	10,206,158
	<u>\$ (15,279,082)</u>	<u>(21,967,311)</u>	<u>4,144,618</u>	<u>(21,783,245)</u>	<u>(17,594)</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Fund Balances, Governmental Funds
Last Five Fiscal Years *
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 19,896,947	19,275,629	18,985,448	19,134,781	19,087,141
Unreserved	25,184,462	22,047,051	17,363,518	17,202,918	15,790,210
Total general fund	<u>\$ 45,081,409</u>	<u>41,322,680</u>	<u>36,348,966</u>	<u>36,337,699</u>	<u>34,877,351</u>
All Other Governmental Funds					
Reserved				2,125,539	1,526,873
Unreserved, reported in:					
Special Revenue funds	\$ -			14,258,929	17,968,077
Debt service funds	11,601,478	5,577,479	510,765	499,449	842,041
Capital projects funds	64,185,957	58,944,445	31,014,149	13,147,988	19,383,110
Other governmental funds	9,462,100	11,236,359	12,864,318		
Total all other governmental funds	<u>\$ 85,249,535</u>	<u>75,758,283</u>	<u>44,389,232</u>	<u>30,031,905</u>	<u>39,720,101</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Changes in Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues					
Property Taxes	\$ 128,068,036	131,142,591	136,314,193	143,354,730	149,919,202
Sales Taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321
Franchise Fees	28,209,095	28,343,827	30,630,964	32,867,495	34,683,663
Charges for Services	12,985,789	16,070,790	17,974,604	20,181,184	28,701,760
Fines and Forfeits	15,821,180	15,757,528	16,435,462	15,158,118	13,823,031
Licenses and Permits	6,892,974	7,027,975	8,656,832	10,119,783	10,622,692
Intergovernmental Revenues	50,347,895	46,095,348	43,692,655	51,519,022	57,411,949
County Participation					2,083,180
Interest	5,449,322	1,812,000	1,757,841	2,872,379	3,860,994
Rents and Other	6,418,091	9,559,643	17,142,729	7,643,562	9,628,008
Net Increase (Decrease) in the Fair Value of Investments			(17,626)	177,142	(276,034)
Total Revenues	<u>\$ 306,342,712</u>	<u>310,319,265</u>	<u>330,843,012</u>	<u>345,015,436</u>	<u>378,532,766</u>
Expenditures					
General Government	\$ 24,213,546	26,244,962	27,316,891	28,606,052	26,752,926
Public Safety	150,524,772	157,049,358	165,893,165	169,556,821	176,661,936
Public Works	34,150,067	35,757,909	36,449,919	37,250,657	37,739,911
Public Health	17,093,640	22,359,589	21,555,610	21,951,974	24,906,214
Parks	13,117,106	14,165,341	14,891,894	15,134,311	16,519,085
Library	5,206,120	5,704,701	5,666,299	5,682,907	6,384,195
Non Departmental	285,193	881,312	891,060	1,771,003	1,485,256
Culture and Recreation	8,398,177	9,337,744	9,584,066	9,029,232	9,413,589
Economic Development	749,087	2,197,676	2,085,509	2,236,143	2,545,525
Mass Transportation					33,675
Solid Waste		47,471	10,022	25,634	195,848
Community and Human Development	18,448,475	13,982,901	13,183,487	18,967,948	16,554,438
Capital Outlay	72,946,560	72,936,309	71,435,776	91,455,484	106,981,475
Debt Service:					
Principal	17,045,330	20,426,627	20,767,718	19,416,716	25,390,920
Interest	19,367,689	18,153,214	19,315,221	16,690,016	19,277,245
Arbitrage Rebate	93,847	279,702			
Payment to Refunding to Bond Escrow Agent	1,790,000			1,508,975	
Fiscal Fees	948,784	255,053	49,584	1,980,921	678,607
Total Expenditures	<u>\$ 384,378,393</u>	<u>399,779,869</u>	<u>409,096,221</u>	<u>441,264,794</u>	<u>471,520,845</u>
Excess (Deficiency) of revenues over expenditures	\$ (78,035,681)	(89,460,604)	(78,253,209)	(96,249,358)	(92,988,079)
Other Financing Sources (Uses)					
Transfers from Other funds	\$ 20,852,055	24,446,476	23,567,019	25,419,672	34,116,535
Transfers Out	(1,172,142)	(2,199,791)	(2,375,319)	(4,879,493)	(13,158,241)
Face Amount of Bonds Issued	25,409,000	40,549,000		17,315,000	56,350,000
Face Amount of Commercial Paper Issued	5,000,000	13,000,000	20,500,000	39,500,000	20,000,000
Face Amount of Refunding Bonds Issued	55,090,000		29,265,000	152,190,000	
Premium on Issuance of Bonds	3,479,377	132,763	2,047,876	10,228,013	2,190,648
Payment to Refunding to Bond Escrow Agent	(58,004,579)		(31,312,876)	(160,486,753)	
Proceeds from Sale of Capital Assets	503,985	282,175	218,744	2,594,325	1,716,985
Total other financing sources (uses)	<u>\$ 51,157,696</u>	<u>76,210,623</u>	<u>41,910,444</u>	<u>81,880,764</u>	<u>101,215,927</u>
Net change in fund balance	<u>\$ (26,877,985)</u>	<u>(13,249,981)</u>	<u>(36,342,765)</u>	<u>(14,368,594)</u>	<u>8,227,848</u>
Debt service as a percentage of noncapital expenditures	12.60%	11.97%	11.89%	11.32%	12.44%

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Assessed Value and Actual Value of Taxable Property
Last Five Fiscal Years *
(in thousands of dollars)

Fiscal Year Ended August 31,	Residential Property	Commercial Property	Industrial Property	Actual Value	Less: Tax-Emempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 11,146,866,901	5,262,399,538	2,937,150,177	19,346,416,616	2,090,140,761	17,256,275,855	1.394234
2003	11,380,139,780	5,658,223,160	2,560,603,267	19,598,966,207	1,804,376,401	17,794,589,806	1.433300
2004	11,813,277,667	5,776,039,066	2,357,113,674	19,946,430,407	1,757,517,194	18,188,913,213	1.454415
2005	13,174,534,808	6,058,031,409	2,440,355,008	21,672,921,225	1,843,419,090	19,829,502,135	1.452701
2006	14,280,033,787	6,598,225,436	2,070,795,198	22,949,054,421	1,899,324,828	21,049,729,593	1.448908

* GASB Statement No. 34 was implemented in fiscal year 2002.

Source: City of El Paso Tax Office and City of El Paso Financial Statements 2002-2006

City of El Paso
Direct and Overlapping Property Tax Rates
Last Five Fiscal Years *
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates						Overlapping Rates			
	City of El Paso		County of El Paso	Thomason Hospital	El Paso Community College	Total Direct	Canutillo Independent School District	El Paso Independent School District	Socorro Independent School District	Ysleta Independent School District
	Basic Rate	Debt Service Rate								
2002	\$ 0.542100	0.177733	0.361434	0.185468	0.127499	1.394234	1.606870	1.571579	1.558769	1.549581
2003	0.542100	0.177733	0.396610	0.185468	0.131389	1.433300	1.710000	1.571579	1.615500	1.555755
2004	0.542100	0.177733	0.410817	0.187128	0.136637	1.454415	1.700000	1.571100	1.602500	1.570482
2005	0.524662	0.172015	0.432259	0.187128	0.136637	1.452701	1.741537	1.653500	1.637700	1.757438
2006	0.508371	0.188306	0.432259	0.187128	0.132844	1.448908	1.734946	1.673500	1.627582	1.735903

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

**City of El Paso
Principal Property Taxpayers
Last Five Fiscal Years ***

Taxpayer	2006			2005			2004			2003			2002		
	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **
Western Refining Company LP	1	\$ 316,643,289	1.50%	1	\$ 152,765,190	0.77%	2	\$ 143,953,503	0.79%	8	\$ 57,219,365	0.32	5	\$ 63,094,665	0.37
El Paso Electric Co	2	164,602,042	0.78%	4	91,353,332	0.46%	4	89,539,447	0.49%	4	85,676,781	0.48	4	84,380,660	0.49
Southwestern Bell Telephone	3	146,805,322	0.70%	2	145,917,309	0.74%	1	153,413,474	0.84%	1	187,574,727	1.05	1	182,324,239	1.06
Simon Property Group	4	125,809,255	0.60%	3	126,006,455	0.64%	3	123,378,359	0.68%	2	165,433,746	0.93	2	163,626,828	0.95
River Oaks Properties, LTD	5	92,524,243	0.44%	5	80,236,379	0.41%	6	67,573,235	0.37%	7	58,472,352	0.33	9	52,123,316	0.30
Tenet Hospitals L.P.	6	70,640,340	0.34%	6	64,999,721	0.33%	8	65,083,799	0.36%	9	54,759,250	0.31	7	59,752,160	0.35
Phelps Dodge Refining Group	7	61,055,402	0.29%	7	64,227,070	0.32%	7	65,627,406	0.36%	5	71,199,874	0.40	5	69,785,761	0.41
Hoover Co	8	59,999,457	0.29%	8	63,913,571	0.32%	5	67,815,126	0.37%	6	58,949,718	0.33	8	57,572,129	0.33
Texas Cable PTNRS LP	9	49,750,969	0.24%	9	49,397,000	0.25%	10	46,831,704	0.26%				10	43,123,211	0.25
Texas Gas Service	10	44,735,970	0.21%	10	40,003,890	0.20%	9	53,313,050	0.29%						
Chevron U.S.A. Inc.										3	91,710,781	0.52	3	106,817,743	0.62
Elcon Inc.										10	46,752,306	0.26			
TOTAL :		<u>\$ 1,132,566,289</u>	<u>5.38%</u>		<u>\$ 878,819,917</u>	<u>4.44%</u>		<u>\$ 876,529,103</u>	<u>4.81%</u>		<u>\$ 877,748,900</u>	<u>4.93</u>		<u>\$ 882,600,712</u>	<u>5.13</u>
Total Taxable Value:		<u>\$ 21,049,729,593</u>			<u>\$ 19,771,024,642</u>			<u>\$ 18,237,647,873</u>			<u>\$ 17,205,865,441</u>			<u>\$ 17,205,865,441</u>	

* GASB Statement No. 34 was implemented in fiscal year 2002.

** Real and Personal Property

Source: City of El Paso Financial Statements 2002-2006

**City of El Paso
Property Tax Levies and Collections
Last Five Fiscal Years ***

Fiscal Year Ended August 31,	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
2002	\$ 123,853,497	\$ 120,757,160	97.50%	\$ 2,472,838	\$ 123,229,998	99.50%
2003	127,389,296	124,077,174	97.40%	2,568,343	126,645,517	99.42%
2004	131,298,376	128,160,345	97.61%	2,106,231	130,266,576	99.21%
2005	137,734,528	134,787,009	97.86%	1,250,927	136,037,936	98.77%
2006	146,635,617	143,293,935	97.72%		143,293,935	97.72%

* GASB Statement No. 34 was implemented in fiscal year 2002.

CITY OF EL PASO, TEXAS
 Personal Income by Industry
 Last Five Calendar Years *
(in thousands of dollars)

	2000	2001	2002	2003	2004
Total Personal Income	9,990,245	10,833,469	11,448,252	11,907,890	12,669,675
Farm Earnings	11,360	13,491	11,801	14,903	17,397
Nonfarm Earnings	9,978,885	10,819,978	11,436,451	11,892,987	12,652,278
Private Earnings	7,227,816	7,925,991	8,319,393	8,494,799	9,040,943
Agricultural services, forestry, fishing	29,658	16,148	14,578	15,693	17,938
Mining	22,665	39,384	30,861	32,300	12,126
Construction	425,296	545,566	544,181	582,243	630,598
Manufacturing	1,302,784	1,468,378	1,531,859	1,505,079	1,500,991
Durable Goods	594,914	712,073	768,422	812,264	820,402
Nondurable goods	707,870	756,305	763,437	692,815	680,589
Transportation and public utilities	856,877	885,748	727,807	698,571	786,877
Wholesale trade	565,883	464,523	494,275	524,253	581,866
Retail trade	982,341	854,584	912,726	960,828	982,120
Services	3,042,312	3,648,660	4,063,106	4,175,832	4,528,427
Government and government enterprises	2,751,069	2,893,987	3,117,058	3,398,188	3,611,335
Federal, civilian	572,651	584,551	637,473	658,304	736,387
Military	585,078	626,368	695,905	807,179	868,826
State and local	1,593,340	1,683,068	1,783,680	1,932,705	2,006,122

* The information provided is the most recent and available
 Source: U.S. Bureau of Economic Analysis

City of El Paso
Taxable Sales by Category
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006 *</u>
Agriculture, Forrestry, Fishing	\$ 7,428	7,154	8,154	9,630	9,518	9,910	11,275	10,923	12,098	5,560
Mining	9	9	215	25	6	4	167	67	8	0
Construction	81,526	87,482	94,040	98,111	96,568	85,559	87,954	96,527	98,518	46,368
Manufacturing	131,401	133,384	115,588	106,934	84,600	83,080	92,199	117,628	128,429	60,691
Transportation, Communications & Utilities	209,197	223,701	243,592	251,443	251,681	265,433	239,929	228,909	220,176	123,775
Wholesale Trade	320,994	338,454	321,306	340,709	332,874	348,844	360,149	379,352	397,299	202,837
Retail Trade	2,327,322	2,398,471	2,716,354	2,845,217	2,894,402	2,996,404	3,078,627	3,262,524	3,422,177	1,715,550
Finance, Insurance & Real Estate	5,947	5,931	6,486	5,509	6,432	6,908	6,155	6,064	5,507	2,413
Services	333,119	353,623	406,459	414,732	396,907	411,951	427,425	452,932	499,078	246,213
Public Administration	176	173	618	796	477	289	429	637	772	0
Nonclassifiable Estavlishments	514	935	876	852	1,003	879	958	1,032	918	0
Other	0	0	0	0	3	5	1	2,758	117,128	117,721
Total	<u><u>\$ 3,417,633</u></u>	<u><u>3,549,317</u></u>	<u><u>3,913,688</u></u>	<u><u>4,073,958</u></u>	<u><u>4,074,471</u></u>	<u><u>4,209,266</u></u>	<u><u>4,305,268</u></u>	<u><u>4,559,353</u></u>	<u><u>4,902,108</u></u>	<u><u>2,521,128</u></u>

* Based on two (2) quarters for calandar year 2006
Source: Texas Comptroller of Public Accounts

City of El Paso
Ratios of Outstanding Debt by Type
Last Five Fiscal Years*
(dollars in thousands, except per capita)

Governmental Activities							
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligations	Commercial Paper	Total Government Activities	Percentage of Actual Property Value	Per Capita
2002	\$ 187,225	3,100	151,615	7,000	348,940	2.028%	523.55
2003	174,625	1,600	185,496	20,000	381,721	2.157%	541.22
2004	162,330		176,403	40,500	379,233	2.079%	558.38
2005	262,955		70,387	79,500	412,842	2.088%	587.42
2006	303,150		61,046	99,500	463,696	2.203%	634.17

Business-Type Activities							
Fiscal Year	Revenue Bonds	Certificates of Obligations	Contractual Obligations	Note Payable	Total Primary Government	Percentage of Actual Property Value	Per Capita
2002	\$ 39,555	24,568	467	5,245	418,775	2.433%	523.55
2003	35,930	24,998	241	10,129	453,019	2.560%	541.22
2004	38,660	21,756		9,255	448,904	2.455%	558.38
2005	33,930	18,478		8,585	473,835	2.391%	587.42
2006	32,010	15,159		8,094	518,959	2.466%	634.17

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Ratios of Net General Bonded Debt Outstanding
Last Five Fiscal Years*
(dollars in thousands, except per capita)

General Bonded Debt Outstanding							
Fiscal Year	Population	Taxable Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2002	692,152	\$ 17,256,276	366,982	11,601	355,381	2.059%	523.55
2003	704,671	17,794,590	386,980	5,577	381,403	2.143%	541.22
2004	717,211	18,188,913	400,990	511	400,479	2.202%	558.38
2005	729,791	19,829,502	431,320	2,625	428,695	2.162%	587.42
2006	755,085	21,049,730	478,855	2,317	476,538	2.264%	634.17

* GASB Statement No. 34 was implemented in fiscal year 2002.

Population figures are from the U.S. Department of Commerce, Bureau of Census and Bureau of Economic Analysis.

Source: Bonded debt and tax collections are taken from the 2002-2006 State of Texas Financial Statements.

City of El Paso
Direct and Overlapping Governmental Activities Debt
As of August 31, 2006
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Overlapping Debt</u>			
Canutillo Independent School district	\$ 45,615	86.71%	\$ 39,553
El Paso County	122,750	89.69%	110,094
El Paso County Hospital District	38,752	89.69%	34,757
El Paso County College District	49,535	89.69%	44,428
El Paso County School District	312,510	100.00%	312,510
Socorro Independent School District	311,355	73.47%	228,753
Ysleta Independent School District	206,308	99.99%	206,287
<u>City direct Debt</u>	464,697	100.00%	464,697
Total direct and overlapping debt			<u><u>\$ 1,441,079</u></u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Legal Debt Margin Information
Last Five Fiscal Years *
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 21,049,729,593
Debt limit (10 percent of assessed value)	2,104,972,959
Debt applicable to limit:	
General obligation bonds & other property tax supported debt	478,855,000
Less: Special Revenue Bonds	(40,103,689)
Amount set aside for repayment of general obligation debt	(2,317,376)
Total net debt applicable to limit	\$ 436,433,935

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 1,724,697,692	1,774,098,599	1,830,955,774	1,983,249,286	2,104,972,959
Total net debt applicable to limit	355,171,890	378,956,115	400,479,235	433,944,987	436,433,935
Legal debt margin	\$ 1,369,525,802	1,395,142,484	1,430,476,539	1,549,304,299	1,668,539,024
Total net debt applicable to the limit as a percentage of debt limit	20.6%	21.4%	21.9%	21.9%	20.7%

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

City of El Paso
Pledged Revenue Bond Coverage
Last five years

Revenue Bond Coverage						
El Paso International Airport						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 25,611,418	19,202,056	6,409,362	3,195,000	2,190,836	1.19
2003	26,550,468	15,606,206	10,944,262	3,365,000	2,023,099	2.03
2004	27,578,045	17,263,487	10,314,558	4,479,023	920,977	1.91
2005	30,121,596	20,144,373	9,977,223	3,420,000	575,425	2.50
2006	30,879,727	20,899,485	9,980,242	560,000	438,625	9.99
Department of Environmental Services						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 25,630,336	18,068,598	7,561,738	2,774,201	938,252	2.04
2003	27,255,280	19,913,561	7,341,719	3,406,474	1,188,536	1.60
2004	29,447,618	21,470,299	7,977,319	3,454,703	1,171,229	1.72
2005	28,609,380	8,267,450	20,341,930	4,275,349	2,099,361	3.19
2006	34,867,563	23,986,740	10,880,823	4,348,891	1,917,273	1.74
Zaragoza International Toll Bridge						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 10,521,134	2,086,471	8,434,663	245,000	116,909	23.31
2003	11,116,917	2,525,761	8,591,156	260,000	106,113	23.47
2004	12,000,216	2,143,803	9,856,413	297,606	100,890	24.73
2005	14,192,515	2,264,489	11,928,026	313,754	87,528	29.72
2006	14,613,388	2,481,045	12,132,343	329,950	73,240	30.09

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2002-2006

**City of El Paso
Principal Employers
Last Five Fiscal Years (1)**

	2006						
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>				
El Paso Independent School District	8,663	1	2.12%				
Fort Bliss (civilian employees)	6,803	2	1.67%				
Ysleta Independent School District	6,500	3	1.59%				
City of El Paso	6,264	4	1.53%				
University of Texas at El Paso	4,871	5	1.19%				
Socorro Independent School District	3,995	6	0.98%				
Sierra Providence Health Network	3,761	7	0.92%				
El Paso Community College	3,728	8	0.91%				
Wal-Mart	3,706	9	0.91%				
County of El Paso	2,700	10	0.66%				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 45%; text-align: right; vertical-align: bottom;">TOTAL :</td> <td style="width: 15%; text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">50,991</td> <td style="width: 15%;"></td> <td style="width: 25%; text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">12.48%</td> </tr> </table>				TOTAL :	50,991		12.48%
TOTAL :	50,991		12.48%				

Total employed 408,552

(1) Information for 2002-2005 not available

**City of El Paso
Demographics and Economic Statistics
Last Five Calendar Years**

Year	Population (1)				Per Capita Personal income (2)		
	U.S.	Change from prior Period	State of Texas	Change from prior Period	U.S.	State of Texas	Texas as a Percentage of U.S.
2002	\$ 287,941,220		21,723,220		\$ 30,795	28,793	93.50%
2003	290,788,976	0.9890%	22,103,374	1.7510%	31,466	29,340	93.24%
2004	293,655,404	0.9860%	22,490,022	1.7510%	33,090	30,664	92.67%
2005	296,507,061	0.9710%	22,928,508	1.9540%	34,471	32,460	94.17%
2006	299,398,484	0.9750%	23,507,783	2.5260%	36,276	34,257	94.43%

Data Sources:

- (1) Bureau of Economic Analysis, U.S. Department of Commerce
- (2) Bureau of Labor Statistics, U.S. Department of Labor

City of El Paso, Texas
Employees by Funding Source and Function

	2006			2005			2004			2003			2002		
	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire
General Fund	1,611	995	774	1,554	1,008	753	1,585	964	790	1,733	983	795	1,588	947	794
Community Development Block Grants	41			42			50			53			52		
Capital Projects Fund	3						3			3			4		
Federal Grants	28	32	2	30	46		39	75		36	111		29	149	
State Grants	17	9		16	11	2	16	11	2	18	8	2	13	21	2
Other Grants	1			2			1			10			13		
Health District	157			150			149			156			147		
Health District-Grants	222			219			223			219			192		
Non Grants	90			131			119			308			168		
Supply and Support Funds	71			74			83			88			87		
Self Insurance Funds	8			8			8			8			8		
El Paso International Airport	223	19	29	210	11	22	206	17		203	20		172	21	
International Bridges	46			43			43			48			42		
Environmental Services	250			257			252			270			240		
Mass Transit	556			567			567			597			558		
CEPF	4			4			4			5			4		
Private Purpose Trusts	4			3			4			2			2		
	<u>3,332</u>	<u>1,055</u>	<u>805</u>	<u>3,310</u>	<u>1,076</u>	<u>777</u>	<u>3,352</u>	<u>1,067</u>	<u>792</u>	<u>3,757</u>	<u>1,122</u>	<u>797</u>	<u>3,319</u>	<u>1,138</u>	<u>796</u>
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>										
Public Safety	2,219	2,212	2,231	2,298	2,264										
Public Works	425	426	463	488	461										
Parks Department	349	389	376	614	470										
General Government	336	331	331	375	347										
Health District-Grants	222	219	223	219	192										
Health District	157	150	149	156	147										
Library	154	127	130	149	112										
Community and Human Development	55	53	62	60	58										
Culture and Recreation	46	40	44	51	47										
Planning	14	13	12	13	11										
Economic Development	9	7	10	14	12										
Supply and Support Funds	71	74	83	88	87										
Self Insurance Funds	8	8	8	8	8										
El Paso International Airport	271	243	223	223	193										
International Bridges	46	43	43	48	42										
Solid Waste Management	250	257	252	270	240										
Mass Transit	556	567	567	597	558										
CEPF	4	4	4	5	4										
Total	<u>5,192</u>	<u>5,163</u>	<u>5,211</u>	<u>5,676</u>	<u>5,253</u>										