

# City of El Paso, Texas

## Comprehensive Annual Financial Report For the Fiscal Year Ended August 31, 2010

Prepared by Financial Services Department

CITY OF EL PASO, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# INTRODUCTORY SECTION





February 28, 2011

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, 2010. This report was prepared by the City's staff and audited by the firm of BKD 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 public 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 financial activities 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 accountants' report on the financial statements and schedules, Management's Discussion and Analysis (MD&A), Government-wide and Fund Financial Statements 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 accountants on page xiii. The statistical section includes selected unaudited financial and demographic information generally presented on a multi-year basis.

Mayor  
John F. Cook

City Council

District 1  
Ann Morgan Lilly

District 2  
Susie Byrd

District 3  
Emma Acosta

District 4  
Carl L. Robinson

District 5  
Rachel Quintana

District 6  
Eddie Holguin Jr.

District 7  
Steve Ortega

District 8  
Beto O'Rourke

City Manager  
Joyce A. Wilson



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 is compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). 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 awards, 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 awards, findings and questioned costs and the independent accountants' report on compliance and on internal control over financial reporting are 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 a 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 – 685,482), the remainder of El Paso County (estimated population – 120,968) and Ciudad Juarez, Mexico (estimated population – 1.5 million) has a population in excess of 2.3 million. El Paso is the sixth 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 units). The following component units, although legally separate from the City, are reported as part of the reporting entity:

#### El Paso Water Utilities

The component unit column in the government-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 (CEPF)

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 CEPF serves only City and Public Service Board employees and, because of the scope of service, is included as a blended component unit 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 fireman division and policeman 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 as a blended component unit in the City's financial statements as a Pension Trust Fund.

#### **Debt Administration**

During the fiscal year, the City issued \$76,180,000 in Combination Tax and Revenue Certificates of Obligation Bonds. At August 31, 2010, the City had \$829,745,000 of debt issues outstanding for which property taxes may be levied for principal and interest payments. These issues include \$612,835,000 of general obligation bonds and \$216,910,000 of certificates of obligation. The City has \$43,525,945 in revenue bonds, capital lease

obligations and notes payable for which airport, bridge system and solid waste disposal system revenues are pledged to make principal and interest payments. There are \$14,076,130 of notes payable to Banc of America and the State Energy Conservation Office. For more detailed information about the City's general long-term debt, see Note 8 to the financial statements.

Of the City's \$612.8 million in general obligation bonds, \$211.04 million are pension obligation bonds that were issued by the City in May of 2009 and June of 2007 in order to address the underfunding of the Firemen and Policemen's Pension.

While there was no change from the 2009 total tax rate of \$0.633 per \$100 of assessed value, the debt service property tax rate during the reporting period was increased to \$0.211 per \$100 of assessed value, while the M&O rate was decreased to \$0.422. This is a \$.03809 decrease from the 2008 overall rate of \$.67109. The overall rate has decreased \$.08683 from the 2002 rate of \$.719833. The 2010 operating tax rate of \$0.422 remains well within the \$1.85 tax rate limit established by the City Charter and the overall tax rate remains well within the \$2.50 maximum ad valorem tax rate pursuant to Article XI, Section 5, of the Texas Constitution.

The City has obtained, without insurance, an "AA" rating from Standard and Poor's and "AA" rating from Fitch Ratings in its last bond issuance in November 2010.

### **Pension Trust Funds Operations**

Two pension and retirement funds exist for the employees of the City. They are the City Employees' Pension Plan (CEPF) and the Firemen and Policemen's Pension Fund (FPPF), which is comprised of two divisions - Firemen Division and Policemen Division. 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, 2010 and indicates the actuarially computed value of benefits exceed fund assets by \$140,274,000. In 2007, the City increased both the employee and City contributions in order to correct this underfunding.

The FPPF's most recent actuarial study is dated January 1, 2010 and states the actuarially computed value of benefits exceeded fund assets by \$216,624,678. The City has issued a total of \$211,040,000 in Pension

Obligation Bonds in order to complete its obligation to address this underfunding.

More detailed pension information is available in Note 13 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**

As the sixth largest city in Texas, El Paso's estimated 2010 population of 685,482 has grown by over 17% from its 2000 census level. Population growth will also be impacted as a result of the Defense Base Realignment and Closure (BRAC) process completed in late 2005. At that time, it was anticipated that over 20,000 new troops and 30,000 accompanying family members would become part of the City population during the next seven years. About two-thirds of the additional troops are expected to live off-base, spurring citywide residential development with an emphasis on affordable housing although other higher value master planned developments are underway or in the planning stages.

The City's large \$30 billion tax base is diverse and starting to grow beyond the typically modest rates of the past, increasing by nearly 27% over the past four fiscal years. Furthermore, the relocation of air cavalry and armored aviation units to Fort Bliss is attracting high-technology companies for both services and research and development. Major additions to the City's retail, commercial and healthcare sectors helped unemployment rates trend downward to record lows in 2007. In December 2008, the City's unemployment rate fell below the national average for the first time in thirty-five years. In December 2009, the City's unemployment rate was 9.2% while the national average was 9.7%.

Employment numbers at the end of December 2010 reflected a positive change of 5,600 jobs from December 2009.

The City's financial position has stabilized in recent years under a Council-City Manager form of government approved by voters in February 2004. The City's 2010 general fund activities reflect a \$2,420,022 increase in fund balance. General Fund unreserved fund balance plus the \$16 million cash reserve required by the City charter, totaled \$37.3 million as of August 31, 2010 or 12.2% of spending in fiscal year 2010. In fiscal year 2009, the general fund reflected a \$105 thousand increase in fund balance, with undesignated general fund reserves of \$34,765,158 at August 31, 2009, or approximately 11.4% of spending.

As the 2010 year unfolded with the continued nationwide economic downturn, City management continued to exercise conservative fiscal practices including active management of position vacancies and carefully monitoring departmental spending. This resulted in a positive change in its general fund balance by the end of the fiscal year.

Strategic planning efforts continue underway within the City and the region in an effort to appropriately focus economic development and workforce efforts to expand and retain the current business base while attracting new businesses. The City of El Paso's Economic Development Department has launched new initiatives in order to bring in new businesses to the City. The City's 2010 Downtown Revitalization Plan continues to be implemented as a way to draw in new businesses and revitalize the current businesses in Downtown El Paso.

Given the population growth attributable to the Base Realignment and Closure process, continued steady normal population growth patterns and focused business attraction and expansion efforts, the economic outlook is stable. The City has an abundance of natural, cultural, educational and recreational attributes, in addition to an extremely favorable cost of living and great climate. 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".

The Mayor and Council continue to focus on prioritized long-term strategic policy goals and City staff continues to focus on action plans necessary 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.

### **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, 2009. This was the twelfth consecutive year that the City 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 GAAP and applicable legal requirements.

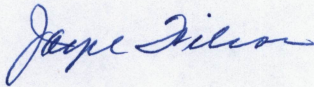
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the employees of the Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

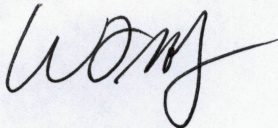
Additionally, the effort of the City's component units (El Paso Water Utilities, CEPF and FPPF) and their external auditors is appreciated.

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.

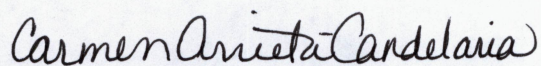
Respectfully submitted,



Joyce Wilson  
*City Manager*



William F. Studer  
*Deputy City Manager-Finance 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, 2009

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.



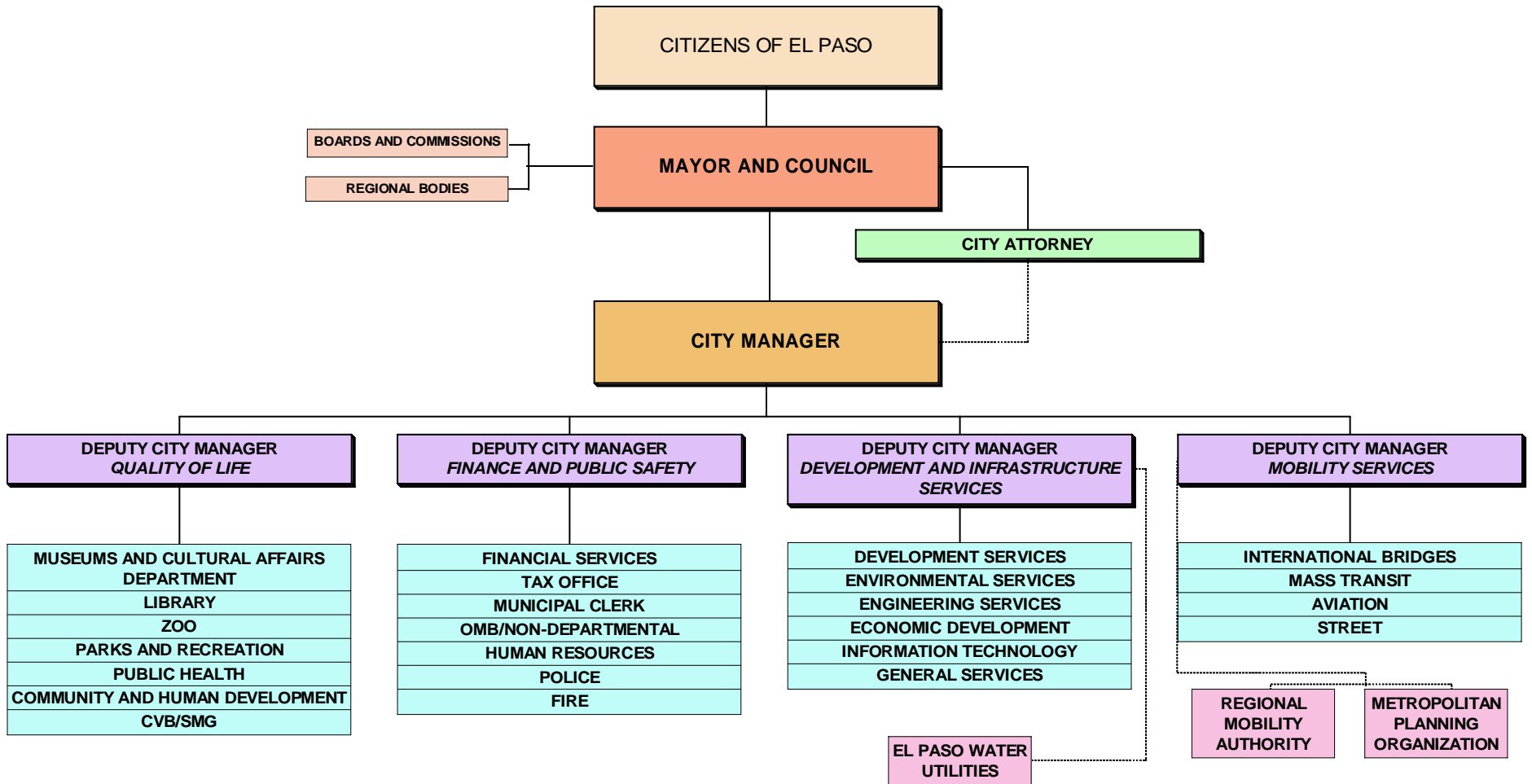
A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

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

Executive Director





LIST OF PRINCIPAL OFFICIALS

***JOHN F. COOK***

Mayor

***ANN MORGAN LILLY***

DISTRICT 1

***RACHEL QUINTANA***

DISTRICT 5

***SUSIE BYRD***

DISTRICT 2

***EDDIE HOLGUIN JR.***

DISTRICT 6

***EMMA ACOSTA***

DISTRICT 3

***STEVE ORTEGA***

DISTRICT 7

***CARL L. ROBINSON***

DISTRICT 4

***BETO O'ROURKE***

DISTRICT 8

***JOYCE A. 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

***JANE SHANG***

DEPUTY CITY MANAGER - MOBILITY SERVICES

## Department Directors

<b>Gregory K. Allen</b>	Police Department
<b>David Almonte</b>	Office of Management & Budget
<b>Art Armas</b>	Information Technology
<b>Carmen Arrieta-Candelaria</b>	Financial Services
<b>Jay Banasiak</b>	Mass Transit Department (Sun Metro)
<b>Bill Blaziek</b>	Convention & Visitors Bureau
<b>Carol Brey-Casiano</b>	Libraries
<b>Edmundo S. Calderon</b>	Internal Auditor
<b>Daryl W. Cole</b>	Department of Transportation
<b>Kathryn Dodson</b>	Planning & Economic Development
<b>Otto Drozd</b>	Fire Department
<b>Richarda Duffy Momsen</b>	Municipal Clerk's Office
<b>Stuart Ed</b>	General Services
<b>Michael Hill</b>	Public Health
<b>Said Larbi-Cherif</b>	International Bridges
<b>William Lilly</b>	Community & Human Development
<b>Monica Lombraña</b>	Aviation (El Paso International Airport)
<b>Juliet Lozano</b>	Communications & Public Affairs
<b>Steve Marshall</b>	Zoo
<b>Sean McGlynn</b>	Museums & Cultural Affairs
<b>Charlie McNabb</b>	City Attorney
<b>Juan Sandoval</b>	Consolidated Tax Office
<b>R. Alan Shubert</b>	Engineering & Construction Management
<b>Nanette Smejkal</b>	Parks & Recreation
<b>Ellen A. Smyth</b>	Environmental Services & Code Enforcement
<b>Linda Ball Thomas</b>	Human Resources

**FINANCIAL SECTION**



## Independent Accountants' Report on Financial Statements and Supplementary Information

The Honorable Mayor and  
Members of the City Council  
City of El Paso, Texas  
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, 2010, 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 – El Paso Water Utilities, the discretely presented component unit of the City. We also did not audit the financial statements of the El Paso Firemen and Policemen's Pension Fund (FPPF), a component unit of the City, which statements reflect total assets and net additions of \$935,024,856 and \$331,635,073 respectively, and represent 60.0% and 62.4% of the aggregate remaining fund information's total assets and revenues/net additions, respectively, at August 31, 2010 and for the year then ended. The financial statements of these entities were audited by other accountants whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for such entities, are based solely on the reports of the other accountants.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other accountants provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other accountants, 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 of El Paso, Texas, as of August 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and  
Members of the City Council  
City of El Paso, Texas  
Page 2

The accompanying management's discussion and analysis, budgetary, pension and other post employment benefits information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other accountants 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 accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other accountants, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying information in the introductory and statistical sections as listed in the table of contents has not been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*BKD, LLP*

February 28, 2011

CITY OF EL PASO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
August 31, 2010

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, 2010. 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, 2010 by \$375.1 million. There is a \$169.2 million unrestricted net asset deficit.
- ◆ The Primary Government's total net assets decreased by \$6.8 million. Governmental activities decreased net assets by \$15.8 million while increases from business-type activities totaled \$9.0 million. The Primary Government's total expenses were \$6.8 million more than the \$612.0 million generated in charges for services, grants, taxes and other revenues.
- ◆ The expenses of the Primary Government's governmental activities were \$479.6 million for the 2010 fiscal year.
- ◆ As of August 31, 2010, the City's governmental funds reported combined ending fund balances of \$80.7 million, an increase of \$20.4 million compared with the prior year. Approximately 71% of the combined fund balances or \$57.3 million is unreserved and available for the discrete purposes for which these funds are collected.
- ◆ The unreserved fund balance in the General Fund was \$22.3 million or 7.3% of total General Fund current year expenditures.
- ◆ In fiscal year 2010, the City issued \$80.2 million in debt to finance capital projects. There was an increase of \$55.7 million in long-term liabilities from the prior year.

CITY OF EL PASO, TEXAS  
 MANAGEMENT’S DISCUSSION AND ANALYSIS  
 August 31, 2010  
**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 “lifiable” 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:

<b>CAFR</b>	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	Balance Sheet	Statement of Fiduciary Net Assets
		Statement of Activities	Statement of Revenues	Statement of Revenues, Expenses and Changes in Fund Net Assets(Deficit)	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 measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources measurement focus	Accrual accounting and economic resources measurement 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	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



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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**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 disposal, 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

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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 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 Nonmajor Governmental Funds. Individual fund data for each of these nonmajor 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, solid waste disposal and international bridges 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 service 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 (Environmental Services), Sun Metro (Mass Transit) and International Bridges) since they are considered major funds of the City. All internal service funds are combined into a single aggregated presentation on the proprietary fund financial statements. Individual fund data for the internal service funds are 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.

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*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 units, the City's employee pension trust funds, 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.

*Required Supplementary Information*

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

*Other Information*

Following the required supplementary information are additional schedules such as the combining statements referred to above in connection with nonmajor 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 273,696	260,714	100,717	94,813	374,413	355,527
Capital assets	741,945	719,785	336,781	335,183	1,078,726	1,054,968
Total assets	1,015,641	980,499	437,498	429,996	1,453,139	1,410,495
Other liabilities	33,337	35,879	11,929	15,616	45,266	51,495
Long-term liabilities	937,934	884,470	94,810	92,607	1,032,744	977,077
Total liabilities	971,271	920,349	106,739	108,223	1,078,010	1,028,572
Net assets:						
Invested in capital assets, net of related debt	140,704	132,325	291,226	286,906	431,930	419,231
Restricted	83,730	84,573	28,676	24,591	112,406	109,164
Unrestricted	(180,064)	(156,748)	10,856	10,276	(169,208)	(146,472)
Total net assets	\$ 44,370	60,150	330,758	321,773	375,128	381,923

**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 \$375.1 million at August 31, 2010.

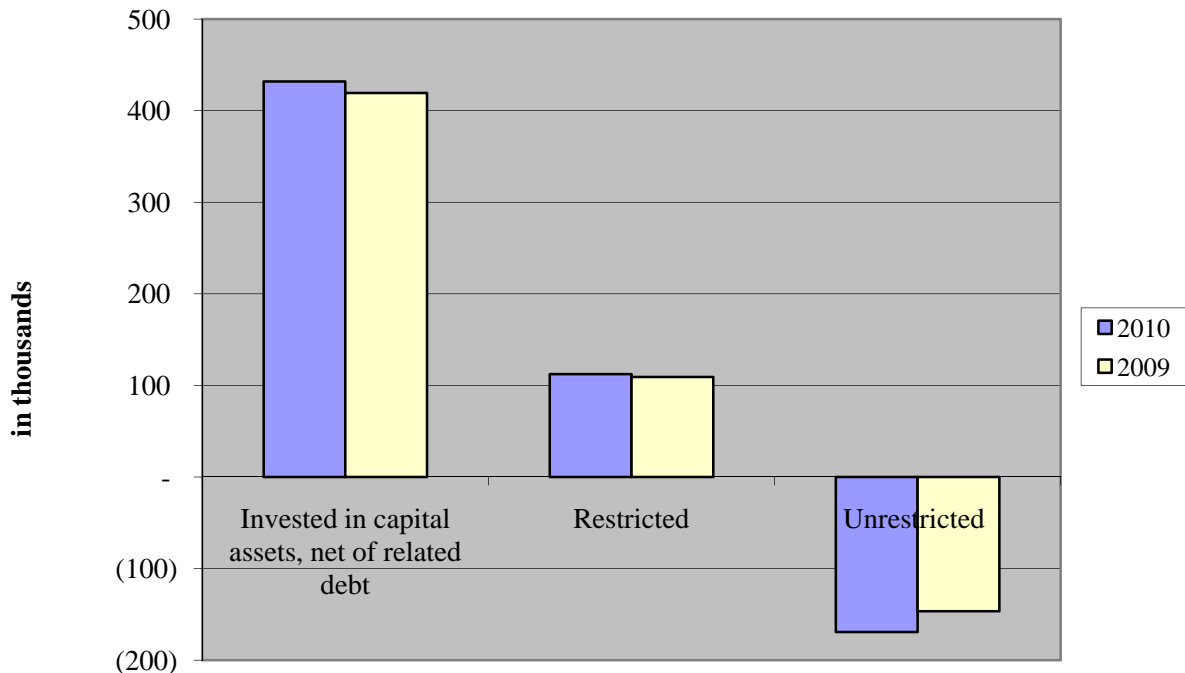
The largest portion of the City's net assets, \$431.9 million, reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide 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, \$112.4 million, represents resources that are subject to external restrictions on how they may be used. These restricted net assets include net assets for debt service, amounts restricted by other funding agencies, as well as a \$16 million cash reserve required by the City Charter. Restricted net assets increased \$11.9 million (11.9%) over the prior year.

Generally, all net assets generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net assets showed a \$180.1 million deficit at the end of this year. This deficit indicates that the City has long-term commitments that exceed its related assets.

Unrestricted net assets in business-type activities totaled \$10.9 million, increasing \$600 thousand from 2009.

**Primary Government Net Assets at August 31**



CITY OF EL PASO, TEXAS  
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**Analysis of the City's Operations**

The following table provides a summary of the City's activities for the years ended August 31, 2010 and 2009. Governmental activities decreased the City of El Paso's net assets by \$15.8 million offset by an increase in the business-type activities of the City of \$9.0 million resulting in a net asset decrease of \$6.8 million.

Condensed Schedule of Changes in Net Assets  
For the Year Ended August 31  
(in thousands)

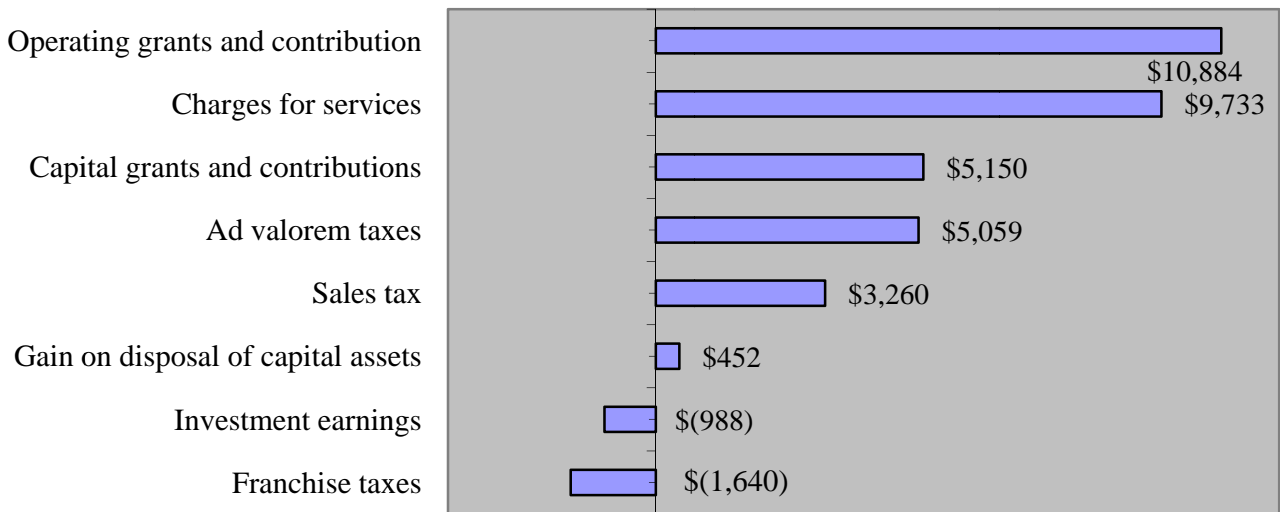
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 70,541	60,808	104,302	98,761	174,843	159,569
Operating grants and contributions	56,434	45,550	11,175	15,317	67,609	60,867
Capital grants and contributions	6,317	1,167	19,773	27,770	26,090	28,937
General revenues:						
Ad valorem taxes	188,616	183,557	-	-	188,616	183,557
Sales taxes	77,797	74,537	33,388	32,541	111,185	107,078
Franchise taxes	41,643	43,283	-	-	41,643	43,283
Investment earnings	696	1,684	262	953	958	2,637
Gain on disposal of capital assets	1,048	596	14	13	1,062	609
Total revenues	<u>443,092</u>	<u>411,182</u>	<u>168,914</u>	<u>175,355</u>	<u>612,006</u>	<u>586,537</u>
Expenses:						
Governmental activities:						
General government	43,628	41,473	-	-	43,628	41,473
Public safety	224,675	217,781	-	-	224,675	217,781
Public works	67,168	65,613	-	-	67,168	65,613
Public health	23,265	20,209	-	-	23,265	20,209
Parks	23,981	23,005	-	-	23,981	23,005
Library	9,588	9,860	-	-	9,588	9,860
Culture and recreation	23,421	19,156	-	-	23,421	19,156
Community and economic development	26,577	17,796	-	-	26,577	17,796
Interest on long-term debt	37,328	29,403	-	-	37,328	29,403
Business-type activities:						
International airport operations	-	-	34,239	36,407	34,239	36,407
Industrial park and other operations	-	-	6,963	4,932	6,963	4,932
International bridges	-	-	4,170	5,384	4,170	5,384
Solid waste disposal	-	-	31,821	30,284	31,821	30,284
Mass Transit	-	-	61,977	53,319	61,977	53,319
Total expenses	<u>479,631</u>	<u>444,296</u>	<u>139,170</u>	<u>130,326</u>	<u>618,801</u>	<u>574,622</u>
Excess (deficiency) before transfers	(36,539)	(33,114)	29,744	45,029	(6,795)	11,915
Transfers	<u>20,759</u>	<u>19,407</u>	<u>(20,759)</u>	<u>(19,407)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>(15,780)</u>	<u>(13,707)</u>	<u>8,985</u>	<u>25,622</u>	<u>(6,795)</u>	<u>11,915</u>
Net assets - September 1	<u>60,150</u>	<u>73,857</u>	<u>321,773</u>	<u>296,152</u>	<u>381,923</u>	<u>370,009</u>
Net assets - August 31	<u>\$ 44,370</u>	<u>60,150</u>	<u>330,758</u>	<u>321,773</u>	<u>375,128</u>	<u>381,924</u>

**Program Revenues and Expenses – Governmental Activities**

Governmental activities cover a range of typical City services and are directly supported by charges for these services, grants and contributions. In general, revenues generated by charges for services 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.

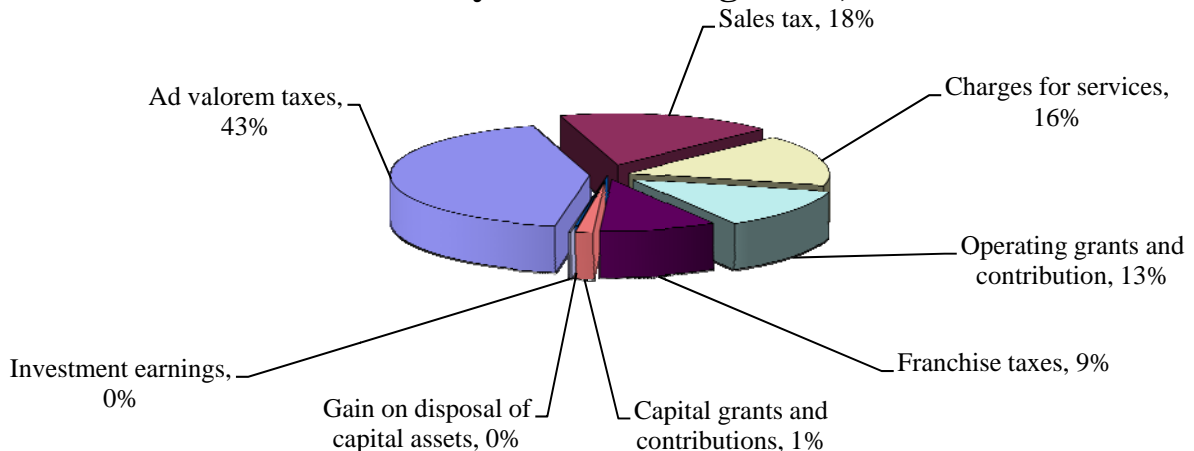
The following chart (in thousands) shows the change in governmental activities' revenues from the previous year:

**Change in Governmental Activities' Revenues from Prior Year**



Revenues for governmental activities totaled \$443.1 million, an increase of \$31.9 million or 7.8% from 2009.

**Revenues - Governmental Activities  
 for the year ended August 31, 2010**



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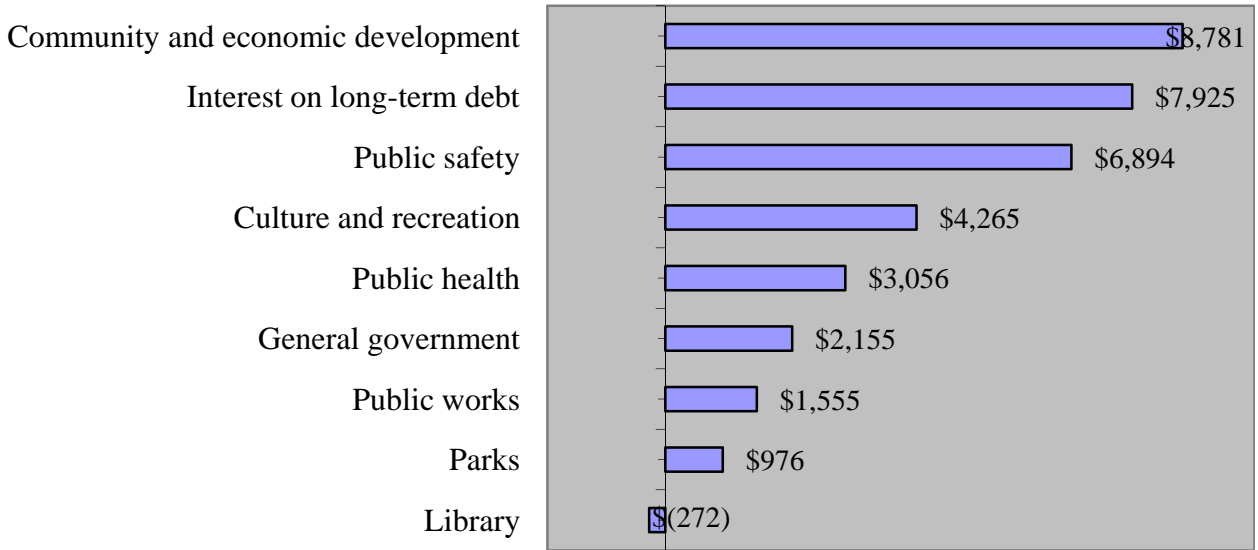
August 31, 2010

The ad valorem taxable valuation increased 2.8% while the tax rate remained constant at .633 per hundred for 2010. Ad valorem property tax revenues increased \$5.1 million (2.76%) approximating the increase in the taxable valuation. Sales taxes increased \$3.3 million (4.4%), franchise taxes decreased \$1.6 million (3.8%), operating and capital grants and contributions increased \$14.2 million (30.4%) due to increased expenditures (see below) and includes \$6.3 million in American Recovery and Reinvestment Act grants.

The cost of programs and services was \$479.6 million, an increase of \$35.3 million (7.95%) from 2009. Expenses related to grants and contributions increased \$14.2 million (see above). The net pension obligation expense increased \$10.5 million, other postemployment benefits expense increased \$8 million, compensated absence expense increased \$4.3 million, claims and judgments expense increased \$2.1 million and interest on long-term debt increased \$7.9 million.

The following chart (in thousands) shows changes in governmental activities' expenses from 2008:

**Change in Governmental Activities' Expenses from Prior Year**



**Program Revenues and Expenses – Business-type Activities**

Revenues increased \$5.5 million (5.6%) to \$104.3 million. Operating expenses, net of depreciation, increased \$9.1 million (9.43%) to \$106.6 million and depreciation expense decreased \$596 thousand to \$29.4 million. The increase in operating expenses includes \$2.8 million in Other Postemployment Benefits (OPEB) expenses and Net Pension Obligation (NPO) expenses. Nonoperating revenues decreased \$112 thousand to \$47.9 million and nonoperating expenses decreased \$211 thousand to \$3.0 million. Capital Contributions decreased \$12 million to \$16.6 million. Transfers Out increased \$1.4 million to \$20.8 million.

As the 2010 year unfolded with the continued nationwide economic downturn, City management continued to exercise conservative fiscal practices including active management of position vacancies and carefully monitoring departmental spending.

### **El Paso International Airport**

This fund accounts for the operations of the El Paso International Airport, industrial parks and golf courses located on Airport property.

Operating revenues increased \$1.1 million (3.1%) to \$34.9 million reflecting the increase in passenger traffic. There was little change in operating expenses of \$40.7 million even though OPEB and NPO expense increased by \$750 thousand. Nonoperating revenues were \$4.4 million and Nonoperating expenses were \$455 thousand. Capital Contributions decreased \$5.5 million to \$2.5 million and Transfers Out were \$2.1 million.

### **Environmental Services**

This fund accounts for the solid waste collection and disposal activities of the City.

Operating revenues increased \$3.5 million (8.42%) to \$44.8 million. Operating expenses increased \$1.4 million to \$30.4 million and includes \$689 thousand in NPO and OPEB expenses. Landfill and Transfer Station Utilization expenses increased by \$1.6 million. Nonoperating revenues were \$72 thousand and Nonoperating expenses were \$1.5 million. Capital contributions were \$1.1 million and Transfers Out were 3.6 million.

### **Mass transit**

Operating revenues decreased \$193 thousand reflecting a decrease in ridership. Operating expenses increased to \$61.2 million including \$1.3 million in OPEB and NPO expenses. Other significant changes were:

- Fuel expense increased \$1.2 million as fuel cost rose while passenger miles remained comparable to 2009.
- FTA subsidy (entitlement grant) decreased \$569 thousand.
- Capital Contributions from the FTA decreased \$14.1 million while Capital Contributions from the American Recovery and Reinvestment Act (ARRA) increased \$7.4 million. Generally, FTA funds only a portion (usually 80%) of the cost of assets with the difference funded with transportation sales tax revenue.

### **International Bridges**

This fund represents activity related to the City's international bridges. There was no fee increase in 2010. Operating revenues increased \$1.2 million (8.03%) due to an increase in vehicular and pedestrian traffic crossing the City's bridges.

Operating expenses decreased \$1.1 million to \$3.7 million. This decrease includes an increase in NPO and OPEB expenses of \$109 thousand. Transfers Out increased \$2.3 million.



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**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 \$80.7 million, an increase of \$18.6 million from 2009. Approximately 69.5% of this total amount or \$56.1 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, \$2.3 million to provide for inventory, \$5.1 million for debt service and \$1.2 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 \$40.6 million, increasing \$2.4 million from the prior year. Unreserved and undesignated fund balance increased by \$2.5 million, to \$21.3 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 7.3% of total fund expenditures while total fund balance represents 13.3%.

The following comparisons exclude the 2009 issuance of pension obligation bonds made to partially fund the net pension obligation of the Fire and Police Pension Fund.

There were no changes in sales tax/franchise fee rates and no material changes to the City's revenue fee schedules from 2009.

Revenues increased \$4.3 million and Transfers In increased \$1 million or a net \$5.3 million (0.63%) from 2009.

Property tax revenues increased \$3 million or 2.5%. The adjusted assessed taxable valuation increased 2.8% while the general fund property tax rate decreased 1.6%.

Sales taxes increased \$3 million. Franchise taxes decreased \$3.2 million while Charges for services increased \$2.6 million.

Investment earnings decreased \$660 thousand as the yield on securities continued to decrease during fiscal 2010. Amounts invested during 2010 were comparable to 2009.

Revenue from the County of El Paso, relating to providing health services to County residents, decreased \$1.5 million to \$500 thousand.

Overall, expenditures increased \$3.3 million while transfers out decreased \$300 thousand for a net increase of \$3 million or 1%.

Personnel expenditures increased \$3.2 million (1.5%). There was a net \$1 million (1.2%) decrease in civilian workforce expenditures including a \$600 thousand increase in overtime. The City continues to closely monitor the need to fill positions vacated through attrition. The net \$4.2 million (3.24%) increase for public safety uniformed personnel expenditures includes a decrease in overtime of \$900 thousand.

Self Insurance Fund charges, including Retiree health benefits expenditures, increased \$2.1 million.

Expenditures for utilities decreased \$800 thousand. As a result of the City's energy conservation contract with Johnson Controls, electricity expenditures decreased \$1.8 million from 2009. This saving was used to fund the \$1.3 million debt service requirements on the Energy Conservation

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Notes. Future savings are expected to continue however electricity expenditures may increase in the future due to an expected growth in City facilities.

### **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 activities are funded by the U. S. Department of Housing and Urban Development (HUD) and program revenues of the revolving loan funds (RLF) that were initially funded by HUD. Recognition of these revenues is dependent upon the City expending these funds in accordance with the entitlement grants and is earned as expended. Expenditures increased \$2.8 million dollars from 2009 to \$19.1 million. The City utilized \$1.4 million in program revenues in 2010.

### **Debt Service Fund**

Ad valorem property tax revenues increased \$4.5 million (7.9%) as a result of an increase of 3.43% in the debt service ad valorem property tax rate combined with a 2.8% increase in taxable assessed value for real and personal property. Principal and interest payments increased \$3.2 million. \$1 million was transferred in from the Capital Projects Fund to close capital projects, as required by debt covenants. Fund balance for the debt service fund decreased \$382 thousand from 2009.

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, \$924,893 in 2010. 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 year's expenditure budget.

### **Capital Projects Fund**

Capital Projects Fund expenditures totaled \$62.7 million. Net proceeds of debt issued in 2010 were \$72.8 million while other funding sources (Hotel/Motel Tax, Interest and other, Proceeds from Sale of Capital Assets) were \$8.7 million. Transfers from other funds, to either entirely or partially fund capital needs, were \$758 thousand and included \$400 thousand from the Red Light Camera fund, \$235 thousand from the Parks fund and \$100 thousand and \$25 thousand from Council Special Projects. Transfers to the Debt Service Fund (to close projects as required by bond covenants), were \$3.4 million. This resulted in an increase in fund balance of \$16.1 million to \$14.2 million.

### **Nonmajor Governmental Funds**

Revenues in these funds were \$61.5 million and expenditures were \$58.6 million. Fund balance increased \$2.3 million to \$20.7 million.

#### **Federal Grants**

Funding for these activities is program specific and is provided by the U. S. Congress. Expenditures totaled \$15.4 million as follows:

- Public Safety – Police Department \$5.1 million
- Public Safety – Fire Department \$7 million
- Library \$400 thousand
- Metropolitan Planning \$2.1 million
- Neighborhood Stabilization \$700 thousand

**American Recovery and Reinvestment Act Grants (ARRA)**

Funding for these activities is program specific and is part of the Federal Stimulus program. Expenditures, by program, totaled \$6.3 million as follows:

- Strengthening Communities \$60 thousand
- CDBG-R \$159 thousand
- Energy Conservation \$395 thousand
- Fire Station Construction No expenditures
- HOPWA \$300 thousand
- HPRP \$1 million
- NEA \$134 thousand
- Public Safety TPA \$1.1 million
- Weatherization \$1.8 million

**State Grants**

Expenditures for these activities is program specific and is provided by State Agencies or Departments. Expenditures, by City Department, totaled \$4.2 million as follows:

- Community Development - TDHCA \$600 thousand
- MCAD - Arts \$73 thousand
- Library \$178 thousand
- Museums \$56 thousand
- Parks \$28 thousand
- Police Department \$3.2 million

**Other Grants**

Expenditures, funded by local and/or nonpublic sources, totaled \$219 thousand.

**Public Health**

Expenditures, totaling \$14.2 million, and funding, provided by DSHS, for these activities is program specific.

**Nongrants**

Funding for these activities comes from a variety of sources including property taxes, sales taxes, fines and forfeitures and charges for services. Generally, funding for these activities occurs over several fiscal years and expenditures are made as accumulated funding allows. Revenues totaled \$21.2 million and expenditures were \$18 million with resulting in a total fund balance of \$20.3 million.

Fund balances as of August 31, 2010 include the following:

- PEG \$2.3 million
- Municipal Court Security \$4.3 million

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- Convention and Visitors Bureau \$4.2 million
- Zoo \$822 thousand
- Parkland Dedication \$2.8 million
- Police Department \$5.5 million

**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.

Net assets of the respective proprietary funds are shown on the Statement of Net Assets for these funds. These funds had a net asset change as follows:

	2010	2009
El Paso International Airport	\$ (1,475,593)	3,013,378
Environmental Services	10,645,228	7,502,133
Mass Transit	(250,092)	14,984,326
International Bridges	65,965	121,596
Net asset increase	<u>\$ 8,985,508</u>	<u>25,621,433</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 City originally budgeted for no change in the fund balance. City Council voted to maintain the overall tax rate of \$.633 per \$100 in taxable value. This reduced the General Fund property tax rate 1.36% to \$.422 and increased the debt service property tax rate 3.43% to \$.211. The taxable assessed valuation increased approximately 2.8% from 2009.

During 2010, appropriations were increased \$874,561 for 2009 encumbrances, \$400,000 to provide for outside legal counsel and \$300,000 for settlements and claims.

Due to the uncertainties related to the economic environment, the City implemented a hiring freeze in September 2008 and conducted a review of operations that resulted in a 2009 reduction to appropriations of \$10,219,594 that continue to be reflected in the 2010 General Fund budget.

**CAPITAL ASSETS**

The City of El Paso’s investment in capital assets for its governmental and business-type activities as of August 31, 2010 amounts to \$1.079 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 one year and exceed the government’s capitalization threshold (see Note 5). The City has capitalized 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 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

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August 31, 2010

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.

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

	Governmental Activities	Business-Type Activities	Total
Land	\$ 152,970,749	14,741,750	167,712,499
Artwork	-	965,317	965,317
Buildings	175,485,855	92,728,420	268,214,275
Equipment	31,372,029	60,183,277	91,555,306
Improvements	1,196,954	121,055,894	122,252,848
Infrastructure	315,395,037	-	315,395,037
Construction in Progress	65,524,782	47,106,526	112,631,308
Total	<u>\$ 741,945,406</u>	<u>336,781,184</u>	<u>1,078,726,590</u>

This year's major additions included:

Zoo - Buildings and exhibits	\$ 45,926,211
Streets and Drainage	37,793,156
Parks	19,768,059
Energy Conservation	15,085,553
Vehicles, Equipment, Other	12,847,167
Improvements Other Than Buildings	11,377,037
Data Processing equipment and software	4,193,352
Land	1,754,575
Fire Stations	1,588,710
History Museum	1,168,077

**DEBT ADMINISTRATION**

At the end of the fiscal year, the City of El Paso had total debt payable of \$700,457,069. Of this amount, \$647,700,000 is bonded debt backed by the full faith and credit of the government. Revenue Bonds of \$27,565,000 and Notes Payable of \$12,752,879 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. This debt also includes Capital Lease obligations of \$12,439,190 to acquire buses and \$3,036,072 to acquire software and licenses is payable to the Banc of America Leasing & Capital LLC.

CITY OF EL PASO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
August 31, 2010

**OUTSTANDING DEBT AT YEAR-END  
BONDS, NOTES PAYABLE AND MASTER EQUIPMENT LEASE/PURCHASE  
AGREEMENTS**

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 612,835,000	-	612,835,000
Revenue Bonds Payable	-	23,100,000	23,100,000
Certificate of Obligations	197,966,155	18,943,845	216,910,000
Capital Lease Obligations	-	9,848,368	9,848,368
Notes Payable	14,076,130	10,577,577	24,653,707
Unamortized (Discount) premium, net	17,867,986	316,772	18,184,758
Deferred Amount on Refunding	(3,008,734)	-	(3,008,734)
Total	\$ 839,736,537	62,786,562	902,523,099

During the fiscal year, the City issued \$76,180,000 in certificates of obligation bonds.

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

	Standard & Poor's	Fitch Ratings	
General Obligations	AA	AA	
Certificate of Obligations	AA	AA	
Revenue Bonds Payable-El Paso International Airport	A+	A+	
Revenue Bonds Payable-El Paso International Airport	AA-	A2	Moody's

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**

As the sixth largest city in Texas, El Paso's estimated 2010 population of 665,055 has grown by over 17% from its 2000 census level. Population growth will also be impacted as a result of the Defense Base Realignment and Closure (BRAC) process completed in late 2005. At that time, it was anticipated that over 20,000 new troops and 30,000 accompanying family members would become part of the City population during the next seven years. About two-thirds of the additional troops are expected to live off-base, spurring citywide residential development with an emphasis on affordable housing although other higher value master planned developments are underway or in the planning stages.

The City's large \$30 billion tax base is diverse and continues to grow beyond the typically modest rates of the past, increasing by nearly 27% over the past four fiscal years. Furthermore,

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

August 31, 2010

the relocation of air cavalry and armored aviation units to Fort Bliss is attracting high-technology companies for both services and research and development. Major additions to the City's retail, commercial and healthcare sectors helped unemployment rates trend downward to record lows in 2007. In December 2008, the City's unemployment rate fell below the national average for the first time in thirty-five years. Employment numbers at the end of December 2010 reflected a positive change of 5,600 jobs from December 2009.

Compared to the same periods last year:

- Sales tax revenues for sales reported September through December 2010 increased \$1.7 million or 7.5%.
- Franchise fees for September through December 2010 increased \$1.6 million or 13.6%.
- Property tax collections for the four months ended December 31, 2010 increased \$4.1 million or 4.6%.

**General Fund Budget**

Fiscal year 2011 appropriations increased \$10,429,966 or 3.4% to \$315,549,465 from 2010 actual expenditures and transfers. Appropriations, by function, were increased (decreased) as follows:

Function:	Change
Public works	\$ 8,115,574
Public safety	7,585,458
Economic development	2,085,931
Nondepartmental	1,556,129
Public Health	237,826
Library	414,417
Culture and recreation	259,068
Community and human development	125,959
General government	(1,311,170)
Parks department	(8,639,226)

Estimated revenues and transfers in increased \$8,009,944 from 2010 actual revenues and transfers. Revenues and transfers were increased (decreased) as follows:

Revenue and transfers in:	Change
Franchise fees	\$ 4,030,909
Property taxes	3,943,070
Sales taxes	3,658,722
Charges for services	576,008
Interest	536,569
Rents and other	433,656
Fines and forfeits	274,651
County Participation	1,127
Intergovernmental revenues	(103,597)
Transfers In	(2,481,640)
Licenses and permits	(2,859,531)

The City's taxable assessed value for real and personal property increased 0.4% for the fiscal year 2011 tax levy. City Council increased the General Fund rate 1.4% to \$.428 per \$100 of taxable value and increased the debt service rate 6.6% to \$.225 per \$100 of taxable value resulting in an increase of .

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

August 31, 2010

**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.aspp](http://www.elpasotexas.gov/financial_services/financial_afr.aspp). 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 – 7<sup>th</sup> Floor

El Paso, Texas 79901-1196

(915) 541-4436

e-mail: [ketonfw@ci.el-paso.tx.us](mailto:ketonfw@ci.el-paso.tx.us)



# CITY OF EL PASO, TEXAS

## STATEMENT OF NET ASSETS

August 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities - February 28, 2010
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 95,786,041	74,033,528	169,819,569	14,701,202
Investments	-	-	-	2,000,000
Receivables, net of allowances	87,706,466	18,759,825	106,466,291	17,934,681
Other Current Assets	-	-	-	147,924
Prepaid Items	-	387,139	387,139	1,919,741
Internal Balances	280,188	(280,188)	-	-
Due from Component Unit	2,275,203	3,474,235	5,749,438	-
Inventory	3,132,556	4,342,086	7,474,642	2,188,530
Restricted Cash and Cash Equivalents	-	-	-	126,368,031
Restricted Investments	-	-	-	42,977,218
Restricted Trade and Other Receivables	-	-	-	3,358,523
Unamortized Bond Issue Costs	8,221,282	-	8,221,282	6,897,376
Net Pension Asset	76,294,453	-	76,294,453	-
Capital Assets, not being depreciated	220,128,531	62,813,593	282,942,124	109,975,196
Capital Assets being depreciated, Net	521,816,875	273,967,591	795,784,466	1,024,172,852
<b>TOTAL ASSETS</b>	<b>1,015,641,595</b>	<b>437,497,809</b>	<b>1,453,139,404</b>	<b>1,352,641,274</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	12,114,799	6,127,527	18,242,326	15,287,986
Accrued Payroll	11,829,537	2,552,033	14,381,570	-
Due to Primary Government	-	-	-	3,808,386
Taxes and Fees Payable	1,686,663	318,968	2,005,631	-
Accrued Interest Payable	1,586,620	452,638	2,039,258	12,358,262
Unearned Revenue	-	1,528,658	1,528,658	292,704
Construction Contracts and Retainage Payable	6,119,421	949,937	7,069,358	698,944
Long-term Liabilities-Current	91,240,203	13,394,785	104,634,988	26,190,922
Long-term Liabilities-Non-current	846,693,904	81,414,793	928,108,697	572,784,599
<b>TOTAL LIABILITIES</b>	<b>971,271,147</b>	<b>106,739,339</b>	<b>1,078,010,486</b>	<b>631,421,803</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	140,704,047	291,226,434	431,930,481	636,125,834
Restricted for:				
Debt Service	7,103,742	10,132,496	17,236,238	53,190,000
Cash Reserve	16,000,000	-	16,000,000	-
Community and Economic Development	46,257,383	-	46,257,383	-
Airport Operations	-	4,795,023	4,795,023	-
Public Safety	5,523,589	-	5,523,589	-
Parks	3,167,389	-	3,167,389	-
Municipal Courts	4,345,848	-	4,345,848	-
Passenger Facilities	-	13,748,495	13,748,495	-
Culture and Recreation	30,000	-	30,000	-
Museums	351,453	-	351,453	-
Zoo	821,951	-	821,951	-
Library	129,228	-	129,228	-
Capital Projects	-	-	-	15,094,183
Unrestricted	(180,064,182)	10,856,022	(169,208,160)	16,809,454
<b>TOTAL NET ASSETS</b>	<b>\$ 44,370,448</b>	<b>330,758,470</b>	<b>375,128,918</b>	<b>721,219,471</b>

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended August 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			El Paso Water Utilities - February 28, 2010
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 43,627,560	4,026,193	2,333,640	-	(37,267,727)	-	(37,267,727)	-
Public safety	224,675,396	27,957,198	10,049,623	6,317,325	(180,351,250)	-	(180,351,250)	-
Public works	67,167,981	17,958,423	2,974,436	-	(46,235,122)	-	(46,235,122)	-
Public health	23,264,777	5,527,797	14,740,420	-	(2,996,560)	-	(2,996,560)	-
Parks	23,981,208	3,450,332	276,764	-	(20,254,112)	-	(20,254,112)	-
Library	9,588,320	350,370	580,998	-	(8,656,952)	-	(8,656,952)	-
Culture and recreation	23,421,037	7,587,006	2,203,526	-	(13,630,505)	-	(13,630,505)	-
Community and economic development	26,577,089	3,683,625	23,274,367	-	380,903	-	380,903	-
Interest on long-term debt	37,327,656	-	-	-	(37,327,656)	-	(37,327,656)	-
Total governmental activities	479,631,024	70,540,944	56,433,774	6,317,325	(346,338,981)	-	(346,338,981)	-
<b>Business-type Activities:</b>								
International airport operations	34,238,930	26,783,137	-	6,754,894	-	(700,899)	(700,899)	-
Industrial park and other operations	6,963,049	8,124,439	-	-	-	1,161,390	1,161,390	-
Solid waste disposal operations	31,820,528	44,790,906	1,097,001	-	-	14,067,379	14,067,379	-
Mass transit operations	61,976,839	8,478,720	10,077,749	13,017,920	-	(30,402,450)	(30,402,450)	-
International bridges operations	4,169,933	16,124,924	-	-	-	11,954,991	11,954,991	-
Total business-type activities	139,169,279	104,302,126	11,174,750	19,772,814	-	(3,919,589)	(3,919,589)	-
Total Primary Government	\$ 618,800,303	174,843,070	67,608,524	26,090,139	(346,338,981)	(3,919,589)	(350,258,570)	-
<b>Component Unit:</b>								
Water and reclaimed water	\$ 101,864,637	106,385,064	-	4,705,022	-	-	-	9,225,449
Wastewater	62,749,457	54,270,240	-	3,238,142	-	-	-	(5,241,075)
Stormwater district	9,615,356	15,129,141	-	598,616	-	-	-	6,112,401
Total Component Unit	\$ 174,229,450	175,784,445	-	8,541,780	-	-	-	10,096,775
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purposes					126,341,812	-	126,341,812	-
Property taxes, levied for debt service					62,274,603	-	62,274,603	-
Franchise taxes					41,643,400	-	41,643,400	-
Sales taxes					77,797,143	33,388,336	111,185,479	-
Investment earnings					695,637	261,553	957,190	654,239
Gain on disposal of capital assets					1,048,337	14,022	1,062,359	3,820,281
Transfers					20,758,814	(20,758,814)	-	-
Total general revenues and transfers					330,559,746	12,905,097	343,464,843	4,474,520
Change in net assets					(15,779,235)	8,985,508	(6,793,727)	14,571,295
Net assets - beginning					60,149,683	321,772,962	381,922,645	706,648,176
Net assets - ending					\$ 44,370,448	330,758,470	375,128,918	721,219,471

CITY OF EL PASO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2010

	General	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 28,053,815	2,511,852	5,089,362	25,035,244	14,379,577	75,069,850
Receivables - Net of Allowances						
Taxes	15,801,328	-	2,234,765	-	-	18,036,093
Interest	72,272	191,382	-	-	-	263,654
Trade	1,206,832	-	-	2,551	27,744	1,237,127
Notes	-	37,313,549	-	-	210,999	37,524,548
Other	9,086,036	-	-	-	373,279	9,459,315
Due from Other Government Agencies	20,350	6,919,686	-	2,719,939	11,525,664	21,185,639
Due from Other Funds	8,956,977	-	-	-	7,702,445	16,659,422
Due from Component Unit	1,019,352	-	-	1,255,851	-	2,275,203
Inventory	2,336,184	-	-	-	-	2,336,184
<b>TOTAL ASSETS</b>	<b>\$ 66,553,146</b>	<b>46,936,469</b>	<b>7,324,127</b>	<b>29,013,585</b>	<b>34,219,708</b>	<b>184,047,035</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 6,415,208	551,458	2	-	3,985,082	10,951,750
Accrued Payroll	10,424,211	127,985	-	14,428	1,067,594	11,634,218
Due to Other Funds	-	-	-	8,676,789	7,702,445	16,379,234
Taxes Payable	1,686,583	(18)	98	-	-	1,686,663
Unearned Revenue	2,658,711	46,257,382	-	-	896,555	49,812,648
Deferred Ad Valorem Taxes	4,728,703	-	1,995,044	-	-	6,723,747
Due to Other Government Agencies	-	(338)	-	-	-	(338)
Construction Contracts and Retainage Payable	-	-	-	6,119,421	-	6,119,421
<b>Total Liabilities</b>	<b>25,913,416</b>	<b>46,936,469</b>	<b>1,995,144</b>	<b>14,810,638</b>	<b>13,651,676</b>	<b>103,307,343</b>
<b>FUND BALANCES</b>						
Reserved for:						
Debt Service	-	-	5,108,698	-	-	5,108,698
Cash Reserve	16,000,000	-	-	-	-	16,000,000
Inventory	2,336,184	-	-	-	-	2,336,184
Unreserved:						
Designated for Subsequent Years	-	-	220,285	-	-	220,285
Designated for Contingencies	1,000,000	-	-	-	-	1,000,000
Undesignated-Special Revenue Funds	-	-	-	-	20,568,032	20,568,032
Undesignated	21,303,546	-	-	14,202,947	-	35,506,493
<b>Total Fund Balances</b>	<b>40,639,730</b>	<b>-</b>	<b>5,328,983</b>	<b>14,202,947</b>	<b>20,568,032</b>	<b>80,739,692</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 66,553,146</b>	<b>46,936,469</b>	<b>7,324,127</b>	<b>29,013,585</b>	<b>34,219,708</b>	<b>184,047,035</b>

CITY OF EL PASO, TEXAS  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
August 31, 2010

Fund balances - total governmental funds balance sheet \$ 80,739,692

Amounts reported for governmental activities in the statement of net 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 (excluding internal service funds)	1,466,872,216	
Accumulated depreciation	(725,019,265)	
		741,852,951

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

Unamortized bond issuance costs	8,221,282	
Unearned revenue	1,924,161	
Unearned revenue from franchise fees	1,631,105	
Property taxes	6,723,747	
Net pension asset - FPPF	76,294,453	
Unearned revenue from low income housing loans	46,257,382	
		141,052,130

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. 3,641,308

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

Accrued interest payable	(1,586,620)	
Arbitrage rebate payable	(30,227)	
Claims and judgments	(2,650,000)	
Compensated absences	(54,372,603)	
Net pension obligation - CEPF	(266,116)	
Other postemployment benefits	(24,273,530)	
Deferred amount on refunding	3,008,734	
Unamortized bond issuance premium	(17,867,986)	
Bonds and notes payable	(824,877,285)	
		(922,915,633)
Net assets of governmental activities		\$ 44,370,448

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended August 31, 2010

	General	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 125,453,348	-	61,909,395	-	308,921	187,671,664
Penalties and Interest-Delinquent taxes	1,189,227	-	552,122	-	-	1,741,349
Sales Taxes	68,960,853	-	-	2,990,012	5,846,278	77,797,143
Franchise Fees	39,906,716	-	-	-	1,138,976	41,045,692
Charges for Services	22,583,280	1,124,422	1,355,785	2,318,221	8,217,222	35,598,930
Fines and Forfeitures	12,477,009	-	-	-	854,202	13,331,211
Licenses and Permits	14,070,414	-	-	-	-	14,070,414
Intergovernmental Revenues	670,661	17,731,139	-	2,230,569	41,649,857	62,282,226
County Participation	468,873	-	-	-	-	468,873
Interest	213,431	293,156	80,897	104,637	3,516	695,637
Rents and Other	695,182	-	-	-	3,476,838	4,172,020
<b>TOTAL REVENUES</b>	<b>286,688,994</b>	<b>19,148,717</b>	<b>63,898,199</b>	<b>7,643,439</b>	<b>61,495,810</b>	<b>438,875,159</b>
<b>EXPENDITURES</b>						
Current:						
General Government	29,704,975	234,254	-	-	2,248,756	32,187,985
Public Safety	189,615,445	-	-	-	12,737,182	202,352,627
Public Works	22,524,430	-	-	-	22,560	22,546,990
Facilities Maintenance	13,199,006	-	-	-	-	13,199,006
Public Health	7,908,643	-	-	-	13,988,328	21,896,971
Parks Department	19,938,174	236,666	-	-	39,159	20,213,999
Library	7,717,307	-	-	-	568,280	8,285,587
Non Departmental	5,132,818	-	-	-	-	5,132,818
Culture and Recreation	5,455,728	-	-	-	12,676,806	18,132,534
Economic Development	1,659,112	-	-	-	411,332	2,070,444
Solid Waste	-	104,680	-	-	269,549	374,229
Community and Human Development	411,131	13,226,974	-	-	3,309,825	16,947,930
Debt Service:						
Principal	1,009,423	-	28,226,929	-	-	29,236,352
Interest Expense	296,309	-	40,212,572	-	-	40,508,881
Fiscal Fees	-	-	(98,443)	744,153	-	645,710
Capital Outlay	427,259	5,346,143	-	61,961,284	12,329,825	80,064,511
<b>TOTAL EXPENDITURES</b>	<b>304,999,760</b>	<b>19,148,717</b>	<b>68,341,058</b>	<b>62,705,437</b>	<b>58,601,602</b>	<b>513,796,574</b>
Excess(Deficiency) of revenues over expenditures	(18,310,766)	-	(4,442,859)	(55,061,998)	2,894,208	(74,921,415)
<b>OTHER FINANCING SOURCES(USES):</b>						
Transfers In	20,850,527	-	3,275,638	758,223	-	24,884,388
Transfers Out	(119,739)	-	-	(3,398,059)	(607,776)	(4,125,574)
Federal Tax Credit - Build America Bonds	-	-	785,097	-	-	785,097
Face Amount of Bonds Issued	-	-	-	65,895,000	-	65,895,000
Premium on Issuance of Bonds	-	-	-	2,903,204	-	2,903,204
Proceeds from Sale of Capital Assets	-	-	-	1,045,067	3,270	1,048,337
Loan Proceeds	-	-	-	3,984,677	-	3,984,677
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>20,730,788</b>	<b>-</b>	<b>4,060,735</b>	<b>71,188,112</b>	<b>(604,506)</b>	<b>95,375,129</b>
Net change in fund balances	2,420,022	-	(382,124)	16,126,114	2,289,702	20,453,714
Fund balances - beginning of year	38,219,708	-	5,711,107	(1,923,167)	18,278,330	60,285,978
Fund balances - end of year	<b>\$ 40,639,730</b>	<b>-</b>	<b>5,328,983</b>	<b>14,202,947</b>	<b>20,568,032</b>	<b>80,739,692</b>

CITY OF EL PASO, TEXAS  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended August 31, 2010

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

Net change in fund balances - total governmental funds \$ 20,453,714

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	50,081,893	
Depreciation	<u>(27,761,021)</u>	22,320,872

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

Cost of disposed assets	(3,482,444)	
Accumulated depreciation on disposed assets	<u>3,366,158</u>	(116,286)

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

Unearned revenue from franchise fees	597,708	
Unearned revenue from low income housing loans	2,509,405	
Unearned revenue	972,346	
Property taxes	<u>(796,598)</u>	3,282,861

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	(69,879,677)	
Repayments	29,236,352	
Amount deferred on refunding	(597,590)	
Unamortized bond issuance costs	(147,480)	
Premium on issuance of bonded debt	<u>(2,903,204)</u>	(44,291,599)

Some expenses (excluding internal service fund activity) 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.

Increase in compensated absences	(4,277,107)	
Increase in claims and judgments	(2,150,000)	
Decrease in accrued interest payable	233,421	
Decrease in net pension obligation-CEPF	1,907	
Decrease in net pension asset	(10,514,173)	
Increase in other postemployment benefits	(8,010,029)	
Amortization of premiums on bonds issued	<u>2,907,777</u>	(21,808,204)

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 revenue of the internal service funds is reported by function within governmental activities. 4,379,407

Change in net assets of governmental activities \$ (15,779,235)

CITY OF EL PASO, TEXAS

BALANCE SHEET

PROPRIETARY FUNDS

August 31, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Totals	
<b>ASSETS</b>						
Current assets:						
Cash and Cash Equivalents	\$ 43,329,448	21,012,517	13,188	9,678,375	74,033,528	20,716,191
Receivables - Net of Allowances:						
Taxes	-	-	5,162,373	-	5,162,373	-
Trade	2,317,391	1,576,911	1,725,194	-	5,619,496	90
Due from Other Government Agencies	103,699	367,503	7,506,754	-	7,977,956	-
Due From Component Unit	-	3,474,235	-	-	3,474,235	-
Prepaid Items	317,145	13,518	56,476	-	387,139	-
Due From Other Funds	-	-	8,676,789	-	8,676,789	-
Inventory	1,252,851	294,183	2,795,052	-	4,342,086	796,372
Total current assets	47,320,534	26,738,867	25,935,826	9,678,375	109,673,602	21,512,653
Noncurrent assets:						
Capital Assets:						
Land	1,382,217	-	10,890,002	2,469,531	14,741,750	-
Buildings, Artwork, Improvements & Equipment, Net	174,091,669	18,316,602	79,340,570	3,184,067	274,932,908	92,455
Construction in Progress	14,508,629	13,933,969	17,696,970	966,958	47,106,526	-
Total noncurrent assets	189,982,515	32,250,571	107,927,542	6,620,556	336,781,184	92,455
<b>TOTAL ASSETS</b>	<b>\$ 237,303,049</b>	<b>58,989,438</b>	<b>133,863,368</b>	<b>16,298,931</b>	<b>446,454,786</b>	<b>21,605,108</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts Payable	\$ 1,658,682	1,194,141	3,185,302	89,402	6,127,527	1,163,387
Accrued Payroll	627,499	534,844	1,305,054	84,636	2,552,033	195,319
Current Portion - Bonds, Notes and Capital						
Lease Obligations Payable	960,525	2,698,266	2,730,483	1,150,862	7,540,136	-
Due to Other Funds	-	-	8,956,977	-	8,956,977	-
Taxes Payable	50,225	268,743	-	-	318,968	-
Interest Payable on Bonds and Notes	13,265	76,559	93,466	269,348	452,638	-
Unearned Revenue	1,525,222	-	936	2,500	1,528,658	-
Construction Contracts and Retainage Payable	445,740	-	504,197	-	949,937	-
Compensated Absences - Current	2,001,885	866,771	1,346,060	138,532	4,353,248	253,052
Landfill Closure Costs - Current	-	1,300,000	-	-	1,300,000	-
Claims and Judgments - Current	-	-	201,401	-	201,401	15,747,550
Total current liabilities	7,283,043	6,939,324	18,323,876	1,735,280	34,281,523	17,359,308
Noncurrent liabilities:						
Certificates of Obligation Bonds	-	7,591,122	10,301,099	-	17,892,221	-
Revenue Bonds	5,492,624	15,480,000	-	-	20,972,624	-
Capital Lease Obligations	-	763,226	6,191,640	-	6,954,866	-
Notes Payable	-	-	-	9,426,715	9,426,715	-
Compensated Absences	564,634	244,474	379,658	39,073	1,227,839	71,373
Landfill Closure Costs	-	16,357,317	-	-	16,357,317	-
Delta Transfer Station Closure Costs	-	113,405	-	-	113,405	-
Net Pension Obligation	941,997	33,523	77,614	5,819	1,058,953	10,552
Other Postemployment Benefits	1,645,004	1,849,219	3,597,588	319,042	7,410,853	522,567
Total noncurrent liabilities	8,644,259	42,432,286	20,547,599	9,790,649	81,414,793	604,492
<b>TOTAL LIABILITIES</b>	<b>15,927,302</b>	<b>49,371,610</b>	<b>38,871,475</b>	<b>11,525,929</b>	<b>115,696,316</b>	<b>17,963,800</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	183,529,366	5,717,957	97,381,109	4,598,002	291,226,434	92,455
Restricted for:						
Debt Service	10,132,496	-	-	-	10,132,496	-
Airport Operations	4,795,023	-	-	-	4,795,023	-
Passenger Facilities	13,748,495	-	-	-	13,748,495	-
Unrestricted	9,170,367	3,899,871	(2,389,216)	175,000	10,856,022	3,548,853
<b>TOTAL NET ASSETS</b>	<b>221,375,747</b>	<b>9,617,828</b>	<b>94,991,893</b>	<b>4,773,002</b>	<b>330,758,470</b>	<b>3,641,308</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 237,303,049</b>	<b>58,989,438</b>	<b>133,863,368</b>	<b>16,298,931</b>	<b>446,454,786</b>	<b>21,605,108</b>

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)**  
**PROPRIETARY FUNDS**  
For the Year Ended August 31, 2010

Business-type Activities - Enterprise Funds

	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Total	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES:</b>						
Charges of Rentals and Fees	\$ 34,526,474	44,618,883	34,474	31,080	79,210,911	-
Charges of Tolls	-	-	-	16,093,844	16,093,844	-
Charges of Fares and Fees	340,472	-	8,432,183	-	8,772,655	-
Sales to Departments	-	-	-	-	-	14,774,793
Premium Contributions	-	-	-	-	-	50,009,272
General Revenues	40,630	172,023	12,063	-	224,716	1,429,644
<b>Total Operating Revenues</b>	<b>34,907,576</b>	<b>44,790,906</b>	<b>8,478,720</b>	<b>16,124,924</b>	<b>104,302,126</b>	<b>66,213,709</b>
<b>OPERATING EXPENSES:</b>						
Personnel Services	15,837,849	13,945,526	33,265,554	2,221,926	65,270,855	4,647,066
Contractual Services	16,950	15,917	-	-	32,867	-
Professional Services	467,611	153,913	396,423	920	1,018,867	1,003,312
Outside Contracts	5,490,327	1,615,390	3,456,521	762,077	11,324,315	4,022,890
Fuel and Lubricants	277,953	2,351,923	3,788,679	10,206	6,428,761	6,432,177
Materials and Supplies	645,766	4,271,427	3,597,885	47,216	8,562,294	3,744,635
Communications	206,737	187,359	155,827	20,611	570,534	15,696
Utilities	1,913,570	30,515	570,005	32,913	2,547,003	26,283
Operating Leases	27,621	14,269	501,389	(8,142)	535,137	93,026
Travel and Entertainment	147,976	47,116	43,229	4,966	243,287	4,131
Benefits Provided	295	-	37,325	-	37,620	40,708,461
Maintenance and Repairs	797,735	258,068	374,794	2,070	1,432,667	1,107,261
Landfill and Transfer Station Utilization	-	1,003,394	-	-	1,003,394	-
Other Operating Expenses	358,910	941,197	6,270,752	32,598	7,603,457	43,123
Depreciation	14,557,577	5,530,290	8,783,592	574,264	29,445,723	35,698
<b>Total Operating Expenses</b>	<b>40,746,877</b>	<b>30,366,304</b>	<b>61,241,975</b>	<b>3,701,625</b>	<b>136,056,781</b>	<b>61,883,759</b>
<b>Operating Income (Loss)</b>	<b>(5,839,301)</b>	<b>14,424,602</b>	<b>(52,763,255)</b>	<b>12,423,299</b>	<b>(31,754,655)</b>	<b>4,329,950</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Interest Revenue	158,334	71,779	-	31,440	261,553	58,362
Interest Expense	(439,943)	(1,328,408)	(734,864)	(468,308)	(2,971,523)	-
Federal Tax Credit - Build America Bonds	-	-	88,469	-	88,469	-
Gain(Loss) on Sale of Equipment and Land	(15,159)	(125,816)	14,022	-	(126,953)	(8,905)
Passenger Facility Charge	4,236,926	-	-	-	4,236,926	-
Sales Tax	-	-	33,388,336	-	33,388,336	-
FTA Subsidy	-	-	9,989,280	-	9,989,280	-
<b>Total NonOperating Revenues (Expenses)</b>	<b>3,940,158</b>	<b>(1,382,445)</b>	<b>42,745,243</b>	<b>(436,868)</b>	<b>44,866,088</b>	<b>49,457</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>(1,899,143)</b>	<b>13,042,157</b>	<b>(10,018,012)</b>	<b>11,986,431</b>	<b>13,111,433</b>	<b>4,379,407</b>
Capital Contributions	2,517,968	1,097,001	5,650,917	-	9,265,886	-
Capital Contributions-ARRA Stimulus Grants	-	-	7,367,003	-	7,367,003	-
Transfers Out	(2,094,418)	(3,562,131)	(3,250,000)	(11,920,466)	(20,827,015)	-
Transfers In	-	68,201	-	-	68,201	-
<b>Change in net assets</b>	<b>(1,475,593)</b>	<b>10,645,228</b>	<b>(250,092)</b>	<b>65,965</b>	<b>8,985,508</b>	<b>4,379,407</b>
<b>Total Net Assets(Deficit)-beginning</b>	<b>222,851,340</b>	<b>(1,027,400)</b>	<b>95,241,985</b>	<b>4,707,037</b>	<b>321,772,962</b>	<b>(738,099)</b>
<b>Total Net Assets-ending</b>	<b>\$ 221,375,747</b>	<b>9,617,828</b>	<b>94,991,893</b>	<b>4,773,002</b>	<b>330,758,470</b>	<b>3,641,308</b>



# CITY OF EL PASO, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

For the Year Ended August 31, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	\$ 34,631,823	44,164,803	8,478,743	16,124,924	103,400,293	66,213,619
Payments to Suppliers	(11,071,942)	(13,512,635)	(19,105,982)	(977,053)	(44,667,612)	(59,020,480)
Payments to Employees	(14,882,750)	(12,817,832)	(31,709,139)	(2,115,854)	(61,525,575)	(4,391,586)
Proceeds from Other Funds	-	-	2,596,279	-	2,596,279	-
Net cash provided (used) by operating activities	8,677,131	17,834,336	(39,740,099)	13,032,017	(196,615)	2,801,553
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers to Other Funds	(2,094,418)	(3,562,131)	(3,250,000)	(11,920,466)	(20,827,015)	-
Transfers from Other Funds	-	68,201	-	-	68,201	-
Sales Tax	-	-	33,085,699	-	33,085,699	-
FTA Subsidy	-	-	9,989,280	-	9,989,280	-
Net cash provided (used) by noncapital financing activities	(2,094,418)	(3,493,930)	39,824,979	(11,920,466)	22,316,165	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Passenger Facility Charge	4,236,926	-	-	-	4,236,926	-
Capital Contributions from Federal Government	2,517,968	1,097,001	17,624,506	-	21,239,475	-
Purchases of Capital Assets	(8,028,045)	(4,501,691)	(17,052,867)	(1,615,877)	(31,198,480)	-
Payment of Landfill Closure and Transfer Station costs	-	(5,606,009)	-	-	(5,606,009)	-
Principal Paid on Capital Debt	(920,525)	(2,594,166)	-	(1,468,143)	(4,982,834)	-
Interest Paid on Capital Debt	(441,551)	(1,369,325)	(663,853)	(507,107)	(2,981,836)	-
Proceeds from Sale of Capital Assets	2,178	27,479	14,022	-	43,679	-
Net cash provided (used) by capital and related financing activities	(2,633,049)	(12,946,711)	(78,192)	(3,591,127)	(19,249,079)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sales and maturities of investments	12,113,534	5,419,943	-	4,450,874	21,984,351	5,514,569
Interest	229,786	103,749	-	55,516	389,051	90,890
Net cash provided by investing activities	12,343,320	5,523,692	-	4,506,390	22,373,402	5,605,459
Net increase (decrease) in cash and cash equivalents	16,292,984	6,917,387	6,688	2,026,814	25,243,873	8,407,012
Cash and Cash Equivalents - beginning of the year	27,036,464	14,095,130	6,500	7,651,561	48,789,655	12,309,179
Cash and Cash Equivalents - end of the year	\$ 43,329,448	21,012,517	13,188	9,678,375	74,033,528	20,716,191

**CITY OF EL PASO, TEXAS**

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended August 31, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating Income (Loss)	\$ (5,839,301)	14,424,602	(52,763,255)	12,423,299	(31,754,655)	4,329,950
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Landfill and Transfer Station Utilization	-	1,003,394	-	-	1,003,394	-
Depreciation Expense	14,557,577	5,530,290	8,783,592	574,264	29,445,723	35,698
Compensated Absences	87,473	149,616	97,927	(6,923)	328,093	24,252
Other Post Employment Benefits	552,901	689,619	1,260,614	(36)	2,503,098	(82)
Net Pension Obligation	196,915	(237)	(582)	108,570	304,666	191,003
Change in Assets and Liabilities:						
Receivables, Net	75,194	(643,275)	-	-	(568,081)	(90)
Inventories	(90,539)	(138,720)	(215,937)	-	(445,196)	102,431
Other Assets	(2,590)	69,144	(27,632)	-	38,922	-
Accounts and other payables	(978,309)	(3,538,793)	3,059,205	(71,618)	(1,529,515)	500,427
Accrued Expenses	117,810	288,696	65,969	4,461	476,936	(2,382,036)
Net cash provided (used) by operating activities	<u>\$ 8,677,131</u>	<u>17,834,336</u>	<u>(39,740,099)</u>	<u>13,032,017</u>	<u>(196,615)</u>	<u>2,801,553</u>

**SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Proceeds from Capital Debt, retained in Capital Projects Fund	\$ -	-	10,857,006	-	10,857,006	-
Vehicles acquired from Empowerment Zone Grant	-	-	459,396	-	-	-
Building acquired from lease termination	315,000	-	-	-	315,000	-
	<u>\$ 315,000</u>	<u>-</u>	<u>11,316,402</u>	<u>-</u>	<u>11,172,006</u>	<u>-</u>

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
August 31, 2010

	Pension Trust Funds	Private-Purpose Trusts	Agency Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,705,425	6,784,695	3,726,199
Investments:			
Commingled Funds	149,268,076	-	-
High-yield Bond Obligations	35,638,371	-	-
Mutual Funds	10,570,937		
Corporate Stocks	136,969,730	-	-
Bank Collective Investment Funds	122,567,357	-	-
Foreign Exchange Contract	6,945	-	-
Private Equities	198,484	-	-
Investment in Real Estate Funds	33,322,773	-	-
Fixed Income Securities	314,942,050		
Domestic Equities	292,285,094	-	-
International Equities	305,059,083	-	-
Receivables - Net of Allowances			
Commission Credits Receivable	104,673	-	-
Due from Brokers For Securities Sold	1,026,781	-	-
Employer Contributions	1,648,258	-	-
Employee Contributions	1,220,826	-	-
Accrued Interest and Dividends	831,731	-	-
Special Assessment PID #1	-	-	422,326
Delinquent Property Taxes-Other Taxing Entities	6,180	-	56,331,398
Prepaid Items	23,793	-	-
Due from Other Funds	11,149	-	3,562,096
Capital Assets:			
Buildings, Improvements & Equipment, Net	1,115,268	-	-
Total Assets	<u>\$ 1,431,522,984</u>	<u>6,784,695</u>	<u>64,042,019</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,520,024	38,801	2,087,783
Accrued Payroll	-	3,447	-
Payable to Bondholders - PID #1	-	-	422,326
Amount Available to Pay Bonds - PID #1	-	-	19,130
Due to Other Funds	-	3,562,096	-
Prepaid Property Taxes-Other Taxing Entities	-	-	1,416,388
Deferred Revenue - Commission Credits	104,673	-	-
Property Taxes Subject to Refund-Other Taxing Entities	-	-	3,764,994
Uncollected Property Taxes-Other Taxing Entities	-	-	56,331,398
Total liabilities	<u>2,624,697</u>	<u>3,604,344</u>	<u>64,042,019</u>
<b>NET ASSETS:</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,428,898,287</u>	<u>3,180,351</u>	

CITY OF EL PASO, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended August 31, 2010

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trusts</u>
ADDITIONS:		
Contributions:		
Employer	\$ 39,928,095	-
Employee	28,893,464	-
Proceeds from issuance of pension obligation bonds by City	<u>110,000,000</u>	<u>-</u>
Total contributions	<u>178,821,559</u>	<u>-</u>
Rental vehicle sales tax	-	2,753,759
Miscellaneous	-	509,884
Investment income:		
Net appreciation in fair value of investments	200,976,899	-
Interest	16,171,579	10,334
Dividends	10,087,905	-
Securities lending income	293,090	-
Increase in commission credits receivable	35,815	-
Investment advisor fees	(4,412,862)	-
Net change accrued income	<u>(1,702,682)</u>	<u>-</u>
Net investment income	<u>221,449,744</u>	<u>10,334</u>
Other Income:		
Rental and Other Income	<u>98,063</u>	<u>-</u>
Total other income	<u>98,063</u>	<u>-</u>
Total additions	<u>400,369,366</u>	<u>3,273,977</u>
DEDUCTIONS:		
Benefits paid to participants	84,212,769	-
Refunds	3,029,204	-
Administrative expenses	2,040,617	-
Interest	143,467	-
Depreciation and amortization expense	73,620	-
Expended for other purposes	<u>-</u>	<u>3,468,948</u>
Total deductions	<u>89,499,677</u>	<u>3,468,948</u>
Change in net assets	310,869,689	(194,971)
Net assets - beginning of the year	<u>1,118,028,598</u>	<u>3,375,322</u>
Net assets - end of the year	<u>\$ 1,428,898,287</u>	<u>3,180,351</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended August 31, 2010**  
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# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2010

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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 units, 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.

#### **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. The CEPF is included in the accompanying financial statements as a Pension Trust Fund and the financial information included in these statements is as of August 31, 2010.

#### **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) and three policemen and three firemen elected by the membership of their respective divisions. The FPPF is included in the accompanying financial statements under Pension Trust Funds and the financial information included in these statements is as of December 31, 2009.

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

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

**A. Reporting Entity (Continued)**

**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). EPWU is financially accountable to the City.

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, 2010.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****A. Reporting Entity (Continued)****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 below 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 authorized bonds for projects, of which \$23 million remain outstanding. The bonds specifically provide they are not a debt of the City and the City is not responsible for payment of these bonds, therefore there is no financial benefit/obligation to the City resulting from these projects and no amounts related to these bonds have been reported in these financial statements.

***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.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****A. Reporting Entity (Continued)****Related Organizations (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 2010.

***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 report on the City and its component units 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. Criteria for determination of major funds are percentage of assets, liabilities, revenues or expenditures/expenses of the fund category and of the governmental and enterprise funds combined. Nonmajor 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-

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

**B. Basic Financial Statements (Continued)**

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 are included in the fund columns in the proprietary fund financial statements.

**C. Fund Accounting**

The City uses funds to report its financial position and the activities. 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 Grants Fund (CDBG)**

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.

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

**C. Fund Accounting (Continued)**

**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 nonmajor governmental funds:

**Special Revenue Funds (excluding CDBG)**

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.

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.

**Environmental Services**

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).

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

**C. Fund Accounting (Continued)**

**International Bridges**

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

**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 Funds**

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 POSTEMPLOYMENT 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 Funds**

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 include property taxes collected for other taxing entities, special assessment for the payment of bonds issued for the Public Improvement District #1 and the Camino Real Regional Mobility Authority.

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

In the government-wide statements, 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 for which 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 except for franchise fee revenues collected within 75 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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 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.

**Primary Government**

All investments are stated at fair value based on quoted market prices as of year-end. Investments in external investment pools are reported at cost.

**Component Unit – EPWU**

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. For investments carried at amortized cost, premiums and discounts on the 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****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 activities and business-type activities. 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.

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 asset lives are not capitalized. Major improvements are capitalized and depreciated over the estimated remaining useful lives of the related capital assets.



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

**G. Capital Assets (Continued)**

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
Buildings 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 capital assets	5 to 15 years

When capital 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:

Buildings 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 and liability insurance for the Airport). 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 for property insurance, errors and omissions insurance and auto liability insurance coverage for some of the City's fleet of vehicles.

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**

In the governmental and proprietary funds, unearned revenue represents amounts reported in accordance with the City's revenue recognition criteria. It consists primarily of \$1,631,105 in franchise fees reported in the General Fund and \$46,257,382 related to low-income housing loans reported in the Community Development Block Grants Fund and \$1,525,222 in a long-term right of way reported in the El Paso International Airport Fund.

**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. Resulting 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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****K. Federal and State Grants (Continued)**

to the City at August 31, 2010 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.

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 Issue 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 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 issue costs in governmental activities 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 issue 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. Issue costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**N. Restrictions, Reservations 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 \$28,676,014 and relate to funds restricted by the FAA for future airport maintenance/renovation and for debt service requirements.

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

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

**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.

**Reserved for Debt Service**

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

**Reserved for Cash Reserve**

In compliance with the City charter, the General Fund has reserved \$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.

**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 postclosure costs are accounted for in accordance with guidelines recommended by GASB Statement Number 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure 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.

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

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

**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	\$ 1,019,352
Capital Projects	1,255,851
Proprietary funds:	
Environmental Services	3,474,235
Due From Component Unit at August 31, 2010	<u>\$ 5,749,438</u>
Component unit - EPWU - Due To Primary	
Government - at February 28, 2010	<u>\$ 3,808,386</u>

A component of the Pension Trust Funds, FPPF, operates on a fiscal year ending on December 31. Therefore, the amounts reported by the primary government are inconsistent with amounts reported by FPPF. As a fiduciary fund, the amounts reported by the FPPF are excluded from the government-wide financial statements. The following amounts are reported in these statements:

	Fireman Division	Policeman Division
Primary Government:		
Employer Contributions to FPPF:		
General Fund	\$ 9,208,559	12,193,634
Nonmajor Governmental Funds	60,298	612,095
El Paso International Airport	382,864	308,211
Employer Contributions to FPPF	<u>\$ 9,651,721</u>	<u>13,113,940</u>
Fiduciary Funds - FPPF		
Employer Contribution from City	<u>\$ 9,416,943</u>	<u>12,884,916</u>

**S. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City’s management to make estimates and assumptions that effect reported amounts of assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results may differ from those estimates.

**T. New Pronouncements**

The City implemented GASB Statements No. 51, *Accounting and Financial Reporting for Intangible Assets*, No. 53 *Accounting and Financial Reporting for Derivative Instruments* and No. 58 *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. There was no significant effect on the financial statements as a result of the implementation.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2010

### NOTE 2. CASH 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 (1)	Pension Trust Funds
Cash and Cash Equivalents	\$ 169,819,569	6,784,695	3,726,199	180,330,463	14,701,202	24,705,425
Restricted Cash and Cash Equivalents	-	-	-	-	126,368,031	-
Cash and Cash Equivalents	169,819,569	6,784,695	3,726,199	180,330,463	-	24,705,425
Investments	-	-	-	-	2,000,000	-
Restricted Investments	-	-	-	-	42,977,218	-
Investments	-	-	-	-	44,977,218	-
	<u>\$ 169,819,569</u>	<u>6,784,695</u>	<u>3,726,199</u>	<u>180,330,463</u>	<u>186,046,451</u>	<u>24,705,425</u>

(1) Carrying amount of cash at February 28, 2010 was \$3,139,847. The bank balance was \$5,148,207 secured by \$250,000 FDIC Insurance and government securities with a fair market value of \$5,647,886.

### 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, 2010 were:

	Cash and Cash Equivalents	Investments	City Treasury	Non-Pooled	Pooled
<b>Governmental Funds:</b>					
General	\$ 28,053,815	-	28,053,815	37,309	28,016,506
Community Development Block Grants	2,511,852	-	2,511,852	100	2,511,752
Debt Service	5,089,362	-	5,089,362	-	5,089,362
Capital Projects	25,035,244	-	25,035,244	-	25,035,244
Nonmajor Governmental Funds	14,379,577	-	14,379,577	2,067,542	12,312,035
Internal Service Funds	20,716,191	-	20,716,191	-	20,716,191
<b>Enterprise Funds:</b>					
El Paso International Airport	43,329,448	-	43,329,448	13,141,343	30,188,105
Environmental Services	21,012,517	-	21,012,517	1,000	21,011,517
Mass Transit	13,188	-	13,188	13,188	-
International Bridges	9,678,375	-	9,678,375	63,500	9,614,875
<b>Fiduciary Funds:</b>					
Private Purpose Trusts	6,784,695	-	6,784,695	-	6,784,695
Agency Funds	3,726,199	-	3,726,199	3,180,949	545,250
	<u>\$ 180,330,463</u>	<u>-</u>	<u>180,330,463</u>	<u>18,504,931</u>	<u>161,825,532</u>

**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2010****NOTE 2. CASH AND INVESTMENTS (Continued)****Pooled Cash and Investments (Continued)**

Cash and cash equivalents and investments of the City Treasury:

	<u>Pooled Cash and Investments</u>	<u>Non-Pooled Cash and Investments</u>	<u>Total</u>	<u>Bank Balance</u>
Cash in bank (1)	\$ 3,470,139	5,471,865	8,942,004	8,592,888
Cash on hand	-	116,597	116,597	
External investment pools:				
TexPool	18,461,428		18,461,428	18,461,428
LOGIC	62,444,998	6,387,384	68,832,382	68,832,382
TexasTERM	62,572,591		62,572,591	62,572,591
TexSTAR	8,436,194		8,436,194	8,436,194
Fund	55,887	6,529,085	6,584,972	6,584,972
Repurchase agreement	6,384,295	-	6,384,295	
Cash and cash equivalents	<u>\$ 161,825,532</u>	<u>18,504,931</u>	<u>180,330,463</u>	

(1) Held by financial institution. Secured by FDIC insurance and government securities with a fair market value of \$13,366,667.

**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 statement of activities. 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, Texas Term, 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, Texas Term 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, Texas Term, 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, Texas Term, TexSTAR and Wells Fargo Government is the same as the value of TEXPOOL, LOGIC, Texas Term, TexSTAR and Wells Fargo Government shares.

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.



**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 that invest in securities described above
- investment pools that invest in securities described above

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, 2010, investments of the City Treasury are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
External investment pools	\$ 171,271,862	171,271,862	-	AAAm / S&P

**NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – 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. The 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 sell 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-throughs 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 Barclay's Capital Aggregate 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 Barclay's Capital Aggregate Index if longer duration bonds are included in the portfolio.

**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 of nonpublic 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.

**Real Estate** – The annual standard deviation of returns for the CEPF's real estate investment portfolios is not expected to exceed 1.5 times the annual standard deviation of the returns of the NARETT Index for the Real Estate Investment Trust Portfolio, and 1.5 times the annual standard deviation of the returns of the NCREIF Index for the Private Real Estate Portfolio.

**NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – CEPF (Continued)**

**High Yield Fixed Income** - The annual standard deviation of returns for the CEPF's high yield fixed income portfolio is not expected to exceed 1.5 times the annual standard deviation of the returns for the Merrill Lynch High Yield Index.

**Emerging Markets Equity** – The annual standard deviation of returns for the CEPF's emerging markets equity portfolio is not expected to exceed 1.5 times the annual standard deviation of the returns for the Emerging Markets Equity Benchmark Index.

**(a) Deposits**

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The CEPF's investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2010, the CEPF's deposit balances were not exposed to custodial credit risk due to uninsured deposits.

**(b) Investments**

As of August 31, 2010 the CEPF had the following investments held in various bond instruments.

Investment type	Fair value	Weighted Average Maturity (in Years)
Money market funds	\$8,606,376	0.08
High-yield bond obligations	35,638,371	10.18
Bank collective investment bond funds	94,642,314	7.4
Commingled funds	26,584,290	6.2
Total fair value	<u>\$165,471,351</u>	
Portfolio weighted average maturity		7.43

Interest rate risk is the risk that the market value of securities will fall due to changes in market interest rates. The CEPF's policy is to minimize interest rate risk by structuring the investment portfolio so that the duration securities are held and the coupon rates of such are appropriately diversified.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The CEPF's investment policy maintains that corporate obligations be rated at least BBB by Standard and Poor's or equivalent rating by a recognized rating agency. However, up to 20% of the corporate bond portfolio may be invested in corporate obligations rated BBB- by Standard and Poor's or an equivalent rating by a recognized agency. Additionally, the Fund may invest in high-yield bonds that must carry a rating of CCC by Standard & Poor's as determined at the date of purchase. At August 31, 2010 the Fund held various bond instruments in the aggregate fair value of \$165,471,351 respectively with a rating of at least CCC or better by Standard & Poor's.

**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2010****NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – CEPF (Continued)**

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the CEPF will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The CEPF's investment policy does not specifically address this type of risk. As of August 31, 2010 CEPF's deposit balances were not exposed to custodial credit risk due to uninsured deposits.

Concentration of credit risk is the risk of loss attributed to the magnitude of the CEPF's investment in a single issuer. The CEPF's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. 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, 2010.

	<u>Shares</u>	<u>Fair Value</u>
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	156,453.52	\$64,805,660
AIG Global Emerging Market Equity Fund		
AST Capital Trust Company	4,499,214.24	36,488,627
Winslow Large Capital Growth Fund		
Wilmington Trust Company	3,175,092.48	32,703,453
EB Daily Valued Treasury		
Mellon Capital Management Corporation	199,438.40	29,836,655
EB MCM Daily Valued Large Capital Index Fund		
Mellon Capital Management Corporation	37,598.42	27,925,042
Shenkman Capital Convertible Bonds		
Shenkman Capital Management, Inc.	26,584,290.00	26,584,290

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 2. CASH AND INVESTMENTS (Continued)**

**Cash, Investments, and Security Lending – CEPF (Continued)**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The CEPF's investment policy allows 10% to 20% of equity securities be invested in foreign markets. The CEPF's exposure to foreign currency risk at August 31, 2010 was as follows:

<b><u>Investment Type (at Fair Value)</u></b>		
Commingled Funds		\$ 88,505,843
Mutual Fund		<u>10,496,937</u>
		<u>\$99,002,780</u>

<b><u>Currency Type</u></b>	<b><u>Percentage of Foreign Portfolio</u></b>	<b><u>Fair Value</u></b>
Australian Dollar	3.25%	\$ 3,217,641
Belgium Euro	1.66%	1,649,041
Brazilian Real	6.71%	6,646,439
British Pound	11.86%	11,734,333
Canadian Dollar	2.32%	2,292,569
Chinese Yuan	7.22%	7,149,195
French Euro	3.74%	3,700,287
German Euro	4.39%	4,353,870
Hong Kong Dollar	1.56%	1,538,434
Indian Rupee	4.02%	3,981,830
Indonesian Rupiah	1.60%	1,588,710
Italian Euro	1.27%	1,256,891
Japanese Yen	12.35%	12,227,034
Mexican Peso	2.09%	2,061,301
Netherland Euro	1.73%	1,709,372
Norwegian Krona	1.12%	1,116,119
Russian Ruble	2.89%	2,855,656
Singapore Dollar	1.91%	1,890,364
South African Rand	2.48%	2,443,396
South Korean Won	5.80%	5,741,478
Spanish Euro	2.08%	2,061,301
Swedish Krona	1.37%	1,357,442
Swiss Franc	5.28%	5,228,666
Taiwanese Dollar	4.43%	4,384,035
Other (1)	<u>6.87%</u>	<u>6,817,376</u>
	<u>100.00%</u>	<u>\$99,002,780</u>

(1) The fund held investments in 18 other foreign currency denominations, each holding less than 1% of the total portfolio.

**NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – CEPF (Continued)****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. issuer securities of 102% and non U.S. issuer securities of 105%. 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.

Custodial credit risk for securities lending transactions is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the year ended August 31, 2010 the CEPF had no credit risk exposure to borrowers because the amounts the CEPF owes borrowers exceeds amounts borrowers owe the CEPF. At August 31, 2010, the fair value of securities loaned was \$52,893,772 and was comprised of corporate stocks.

**Cash, Investments, and Security Lending – 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 Board under contracts with the Fund. The Investments of the Fund are held by the Fund's custodians and various investment managers. The investments generally consist of short-tem 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 investments 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 Fund's Investment Policy, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below.

**Domestic Large Cap Equity Portfolio** – The annual standard deviation of returns for the FPPF's domestic large cap equity portfolio, if actively managed, is not expected to exceed 1.25 times the annual standard deviation of the S & P 500 Index. If passively managed, it is not expected to exceed 1.1 times the annual standard deviation of the S & P 500 Index.

**Domestic Small Cap Equity Portfolio** – The annual standard deviation of returns for the FPPF's domestic small cap equity portfolio, if actively managed, is not expected to exceed 1.50 times the annual standard deviation of the Russell 2000 Index.

**NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – FPPF (Continued)**

**International Equity Portfolio** – The annual standard deviation of returns for the Fund’s international equity portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the returns for the International Equity Benchmark Index.

**Emerging Markets Equity Portfolio** – The annual standard deviation of returns for the FPPF’s emerging markets equity portfolio, if actively managed, is not expected to exceed the 1.5 times the annual standard deviation of the returns for the Emerging Markets Equity Benchmark Index.

**Domestic Fixed Income Portfolio** – The annual standard deviation of returns for the FPPF’s domestic fixed income portfolio, if actively managed, is not expected to exceed 1.3 times the annual standard deviation of the returns for the Lehman Brothers Aggregate Bond Index. If passively managed, the portfolio is not expected to exceed 1.2 times the annual standard deviation of the returns for the Lehman Brothers Aggregate Bond Index.

**Domestic Core-Real Estate Portfolio** – The annual standard deviation of returns for the FPPF’s domestic core – plus fixed income portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the returns for the NCREIF Index.

**Domestic Cash Equivalents Investments** – The risk objective shall be to stay within an acceptable risk level, as measured by standard deviations, which is equal to that of the 91-day Treasury Bill rate.

**Credit Risk, Concentration of Credit Risk, and Interest Rate Risk** – At December 31, 2009, the FPPF held bond mutual funds in the aggregate fair value of \$320,849,867.

**Investments**

As of December 31, 2009, the FPPF had the following investments:

Investment type	Fair value
Fixed Income -	
Corporate, Government & Municipal/Provincial Bonds	\$ 314,942,050
Domestic Equities	292,285,094
International Equities	305,059,083
Private Equities	198,484
Limited Partnerships	3,754,941
Total	<u>\$ 916,239,652</u>

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2010

### NOTE 2. CASH AND INVESTMENTS (Continued)

#### **Cash, Investments, and Security Lending – FPPF (Continued)**

The FPPF's exposure to foreign currency risk at December 31, 2009 was as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>
Corporate stocks	British Pound Sterling	\$ 10,782,731

**Securities Lending** – The Fund has entered into an agreement with its custodian bank, the Northern Trust Company (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 transactions along with the Securities Lending Authorization Agreement. The Lending Agent is responsible for collecting all required collateral in the form of U.S. dollars, 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 PFFP 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

Concurrently with the delivery of the FPPF'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 security 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, 2009, \$63,121,059 of Fund owned investments were loaned to borrowers respectively. These loans were fully collateralized per the requirements of the lending agreements described above. There were no losses from securities lending transactions during the year ended December 31, 2009 resulting from a default of a borrower or the lending agent.



**NOTE 2. CASH AND INVESTMENTS (Continued)****Cash, Investments, and Security Lending – 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. Federated Investors manage the daily operations of the pool under a contract with the State 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 2010, 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

**NOTE 2. CASH AND INVESTMENTS (Continued)****Investments – Component Unit – EPWU (Continued)**

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%

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

**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2010****NOTE 2. CASH AND INVESTMENTS (Continued)****Investments – Component Unit – EPWU (Continued)**

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, 2010 investments of EPWU are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. agencies	\$ 44,977,219	26,367,548	18,609,671	AAAm / S&P
Investment pools	79,798,769	79,798,769		AAAm / S&P
Mutual Funds:				
Fidelity Treasury Money				
Market Fund	33,586,565	33,586,565		AAA / S&P
Government Money				
Market Fund	23,339,164	23,339,164		AAA / S&P
Advantage Fd #008	1,204,887	1,204,887		
	<u>\$ 182,906,604</u>	<u>164,296,933</u>	<u>18,609,671</u>	

**NOTE 3. PROPERTY TAXES**

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, 2009, upon which the 2010 levy was based, was \$29,532,322,376.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 97.8% of the current tax levy (October 2009) 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, 2010, was \$.429 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.421 per \$100 assessed valuation and could levy \$409,957,345 in additional taxes from the assessed valuation of \$29,532,322,376 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.

**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2010**

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**NOTE 3. PROPERTY TAXES (Continued)**

The balance of delinquent property taxes receivable and property tax assessments included in unearned revenues at August 31, 2010 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property Taxes Receivable	\$ 8,312,149	3,441,596
Less allowance for uncollectibles	<u>3,070,650</u>	<u>1,309,201</u>
Net property taxes receivable	<u>5,241,499</u>	<u>2,234,765</u>
Deferred Ad Valorem Taxes	<u>\$ 4,728,703</u>	<u>1,995,044</u>

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 4. RECEIVABLES**

Receivables and due from other government agencies are summarized below:

	Governmental activities							Total
	Community						Internal Service Funds	
	General Fund	Development Block Grants Fund	Debt Service	Capital Projects	Nonmajor Funds			
Property Taxes	\$ 8,312,149	-	3,543,966	-	-	-	-	11,856,115
Sales Taxes	10,856,805	-	-	-	-	-	-	10,856,805
Trade	2,142,385	-	-	2,551	401,023	90	-	2,546,049
Interest	72,272	191,382	-	-	-	-	-	263,654
Franchise fees	6,857,774	-	-	-	-	-	-	6,857,774
Other	1,931,285	-	-	-	-	-	-	1,931,285
Due from Other Government Agencies	20,350	6,919,686	-	2,719,939	11,525,664	-	-	21,185,639
Notes receivable - economic	-	-	-	-	210,999	-	-	210,999
Notes receivable - low income housing loans	-	42,789,281	-	-	-	-	-	42,789,281
Allowance for doubtful accounts	(4,006,202)	(5,475,732)	(1,309,201)	-	-	-	-	(10,791,135)
Receivables, net of allowances	<u>26,186,818</u>	<u>44,424,617</u>	<u>2,234,765</u>	<u>2,722,490</u>	<u>12,137,686</u>	<u>90</u>		<u>87,706,466</u>
	Business-type activities							
	El Paso							
	International Airport	Environmental Services	Mass Transit	Total				
Sales Taxes	\$ -	-	5,162,373	5,162,373				
Trade	4,302,138	1,901,852	-	6,203,990				
Federal Fuel Excise Tax Refund	-	-	1,725,194	1,725,194				
Due from Other Government Agencies	103,699	367,503	7,506,754	7,977,956				
Allowance for doubtful accounts	(1,984,747)	(324,941)	-	(2,309,688)				
Receivables, net of allowances	<u>2,421,090</u>	<u>1,944,414</u>	<u>14,394,321</u>	<u>18,759,825</u>				

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

**Year Ended August 31, 2010**

**NOTE 5. CAPITAL ASSETS**

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

	<b>Balances</b>				<b>Balances</b>
	<b>August 31, 2009</b>	<b>Transfers</b>	<b>Increases</b>	<b>Decreases</b>	<b>August 31, 2010</b>
<b>Governmental Activities: <sup>1</sup></b>					
Land	\$ 152,262,385	(1,500)	709,864	-	152,970,749
Buildings not in use	1,633,000	-	-	-	1,633,000
Construction in progress	174,339,370	(143,217,151)	34,411,468	(8,905)	65,524,782
Total capital assets not being depreciated	<u>328,234,755</u>	<u>(143,218,651)</u>	<u>35,121,332</u>	<u>(8,905)</u>	<u>220,128,531</u>
Capital assets being depreciated					
Buildings	297,202,797	2,060,892	-	-	299,263,689
Improvements other than buildings	20,178,552	-	-	-	20,178,552
Vehicles and major equipment	92,793,853	(2,899)	10,767,209	(3,482,444)	100,075,719
Data processing equipment and software	16,283,478	2,899	4,193,352	-	20,479,729
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	664,531,876	141,156,259	-	-	805,688,135
Total capital assets, being depreciated	<u>1,093,835,864</u>	<u>143,217,151</u>	<u>14,960,561</u>	<u>(3,482,444)</u>	<u>1,248,531,132</u>
Less accumulated depreciation for:					
Buildings	116,834,617	-	8,576,217	-	125,410,834
Improvements other than buildings	18,752,233	-	229,365	-	18,981,598
Vehicles and major equipment	70,156,571	2,572	6,630,186	(3,366,158)	73,423,171
Data processing equipment and software	13,882,054	(4,072)	1,882,266	-	15,760,248
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	479,814,413	-	10,478,685	-	490,293,098
Total accumulated depreciation	<u>702,285,196</u>	<u>(1,500)</u>	<u>27,796,719</u>	<u>(3,366,158)</u>	<u>726,714,257</u>
Total capital assets, being depreciated, net	<u>391,550,668</u>	<u>143,218,651</u>	<u>(12,836,158)</u>	<u>(116,286)</u>	<u>521,816,875</u>
Governmental activities capital assets, net	<u>\$ 719,785,423</u>	<u>-</u>	<u>22,285,174</u>	<u>(125,191)</u>	<u>741,945,406</u>

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

<b>Governmental Activities<sup>1</sup></b>	
General government	\$ 824,254
Public safety	5,513,355
Public Works	11,652,941
Public health	656,884
Parks	2,978,617
Library	910,015
Culture and recreation	5,187,404
Community and economic development	37,551
Total depreciation expense - governmental activities	<u>27,761,021</u>
Internal service funds	35,698
Depreciation Expense	<u>\$ 27,796,719</u>

<sup>1</sup> The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2010, Internal Service Funds capital asset cost was \$1,787,447. Depreciation expense of \$35,698 resulted in an ending accumulated depreciation balance of \$1,694,992 to arrive at a net book value of \$92,455.

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

**Year Ended August 31, 2010**

**NOTE 5. CAPITAL ASSETS (Continued)**

	Balance August 31, 2009	Transfers	Increases	Decreases	Balance August 31, 2010
<b>Business-type activities:</b>					
<b>El Paso International Airport</b>					
Capital assets not being depreciated:					
Land	\$ 1,382,217	-	-	-	1,382,217
Artwork	965,317	-	-	-	965,317
Construction in progress	11,231,654	(3,127,017)	6,403,992	-	14,508,629
Total capital assets not being depreciated	13,579,188	(3,127,017)	6,403,992	-	16,856,163
Capital assets being depreciated:					
Buildings	119,217,535	680,302	315,000	-	120,212,837
Improvements other than buildings	210,489,549	2,295,134	-	44,233	212,740,450
Vehicles and major equipment	14,102,508	151,581	710,293	163,095	14,801,287
Total capital assets being depreciated	343,809,592	3,127,017	1,025,293	207,328	347,754,574
Less accumulated depreciation for:					
Buildings	50,983,972	(567,719)	3,974,039	-	54,390,292
Improvements other than buildings	98,287,379	567,719	9,507,380	44,233	108,318,245
Vehicles and major equipment	10,989,286	-	1,076,158	145,759	11,919,685
Total accumulated depreciation	160,260,637	-	14,557,577	189,992	174,628,222
Total capital assets, being depreciated, net	183,548,955	3,127,017	(13,532,284)	17,336	173,126,352
<b>El Paso International Airport capital assets, net</b>	<b>\$ 197,128,143</b>	<b>-</b>	<b>(7,128,292)</b>	<b>17,336</b>	<b>189,982,515</b>
<b>Environmental Services</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 8,666,347	4,388,310	879,312	-	13,933,969
Total capital assets not being depreciated	8,666,347	4,388,310	879,312	-	13,933,969
Capital assets being depreciated:					
Buildings	1,062,085	-	-	-	1,062,085
Improvements other than buildings	14,192,778	(26,237)	-	-	14,166,541
Vehicles and major equipment	51,724,490	(4,599,113)	3,491,675	61,487	50,555,565
Total capital assets being depreciated	66,979,353	(4,625,350)	3,491,675	61,487	65,784,191
Less accumulated depreciation for:					
Buildings	392,597	(1)	21,242	-	413,838
Improvements other than buildings	11,298,456	(1)	1,727,433	-	13,025,888
Vehicles and major equipment	30,522,182	(237,038)	3,781,615	38,896	34,027,863
Total accumulated depreciation	42,213,235	(237,040)	5,530,290	38,896	47,467,589
Total capital assets, being depreciated, net	24,766,118	(4,388,310)	(2,038,615)	22,591	18,316,602
<b>Environmental Services capital assets, net</b>	<b>\$ 33,432,465</b>	<b>-</b>	<b>(1,159,303)</b>	<b>22,591</b>	<b>32,250,571</b>



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

**Year Ended August 31, 2010**

**NOTE 5. CAPITAL ASSETS (Continued)**

	Balance August 31, 2009	Transfers	Increases	Decreases	Balance August 31, 2010
<b>Business-type activities (CONTINUED):</b>					
<b>Mass Transit</b>					
Capital assets not being depreciated:					
Land	10,890,002	-	-	-	10,890,002
Construction in progress	12,411,651	(9,461,911)	14,747,230	-	17,696,970
Total capital assets not being depreciated	<u>23,301,653</u>	<u>(9,461,911)</u>	<u>14,747,230</u>	<u>-</u>	<u>28,586,972</u>
Capital assets being depreciated:					
Buildings	25,161,488	9,461,911	-	-	34,623,399
Improvements other than buildings	32,542,550	(44,579)	457,613	122,673	32,832,911
Vehicles and major equipment	82,531,042	(194,577)	2,462,762	2,709,560	82,089,667
Total capital assets being depreciated	<u>140,235,080</u>	<u>9,222,755</u>	<u>2,920,375</u>	<u>2,832,233</u>	<u>149,545,977</u>
Less accumulated depreciation for:					
Buildings	9,963,761	(9,876)	1,519,184	-	11,473,069
Improvements other than buildings	14,954,843	(6,337)	2,514,042	122,673	17,339,875
Vehicles and major equipment	39,574,600	(222,943)	4,750,366	2,709,560	41,392,463
Total accumulated depreciation	<u>64,493,204</u>	<u>(239,156)</u>	<u>8,783,592</u>	<u>2,832,233</u>	<u>70,205,407</u>
Total capital assets, being depreciated, net	<u>75,741,876</u>	<u>9,461,911</u>	<u>(5,863,217)</u>	<u>-</u>	<u>79,340,570</u>
<b>Mass Transit capital assets, net</b>	<u>99,043,529</u>	<u>-</u>	<u>8,884,013</u>	<u>-</u>	<u>107,927,542</u>
<b>International Bridges</b>					
Capital assets not being depreciated:					
Land	\$ 1,403,451	200,503	865,577	-	2,469,531
Construction in progress	417,161	(200,503)	750,300	-	966,958
Total capital assets not being depreciated	<u>1,820,612</u>	<u>-</u>	<u>1,615,877</u>	<u>-</u>	<u>3,436,489</u>
Capital assets being depreciated:					
Buildings	11,130,729	-	-	-	11,130,729
Improvements other than buildings	60,592	(60,592)	-	-	-
Vehicles and major equipment	2,955,859	57,337	-	-	3,013,196
Total capital assets being depreciated	<u>14,147,180</u>	<u>(3,255)</u>	<u>-</u>	<u>-</u>	<u>14,143,925</u>
Less accumulated depreciation for:					
Buildings	7,440,924	57,106	525,401	-	8,023,431
Improvements other than buildings	2,933,199	(2,933,199)	-	-	-
Vehicles and major equipment	14,726	2,872,838	48,863	-	2,936,427
Total accumulated depreciation	<u>10,388,849</u>	<u>(3,255)</u>	<u>574,264</u>	<u>-</u>	<u>10,959,858</u>
Total capital assets, being depreciated, net	<u>3,758,331</u>	<u>-</u>	<u>(574,264)</u>	<u>-</u>	<u>3,184,067</u>
<b>International Bridges capital assets, net</b>	<u>\$ 5,578,943</u>	<u>-</u>	<u>1,041,613</u>	<u>-</u>	<u>6,620,556</u>
<b>All business-type activities:</b>					
Capital assets not being depreciated:					
Land	13,675,670	200,503	865,577	-	14,741,750
Artwork	965,317	-	-	-	965,317
Construction in progress	32,726,813	(8,401,121)	22,780,834	-	47,106,526
Total capital assets not being depreciated	<u>47,367,800</u>	<u>(8,200,618)</u>	<u>23,646,411</u>	<u>-</u>	<u>62,813,593</u>
Capital assets being depreciated:					
Buildings	156,571,837	10,142,213	315,000	-	167,029,050
Improvements other than buildings	257,285,469	2,163,726	457,613	166,906	259,739,902
Vehicles and major equipment	151,313,899	(4,584,772)	6,664,730	2,934,142	150,459,715
Total capital assets being depreciated	<u>565,171,205</u>	<u>7,721,167</u>	<u>7,437,343</u>	<u>3,101,048</u>	<u>577,228,667</u>
Less accumulated depreciation for:					
Buildings	68,781,254	(520,490)	6,039,866	-	74,300,630
Improvements other than buildings	127,473,877	(2,371,818)	13,748,855	166,906	138,684,008
Vehicles and major equipment	81,100,794	2,412,857	9,657,002	2,894,215	90,276,438
Total accumulated depreciation	<u>277,355,925</u>	<u>(479,451)</u>	<u>29,445,723</u>	<u>3,061,121</u>	<u>303,261,076</u>
Total capital assets, being depreciated, net	<u>287,815,280</u>	<u>8,200,618</u>	<u>(22,008,380)</u>	<u>39,927</u>	<u>273,967,591</u>
<b>All business-type activities capital assets, net</b>	<u>335,183,080</u>	<u>-</u>	<u>1,638,031</u>	<u>39,927</u>	<u>336,781,184</u>

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 5. CAPITAL ASSETS (Continued)**

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

International airport operations	\$ 14,557,577
Solid waste operations	5,530,290
Mass transit operations	8,783,592
International bridges operations	574,264
	<u>\$ 29,445,723</u>

Interest expense for business-type activities in 2010 is \$2,817,816. Interest cost as a component of the cost of construction in progress, is reported in accordance with FASB Accounting Standards Codification (ASC) 835-20. No interest was capitalized in 2010.

**Construction Commitments**

As of August 31, 2010:	<b>Fund Equity and</b>	<b>Remaining</b>
	<b>Other Sources Available</b>	<b>Commitment</b>
Governmental funds	<u>\$ 63,083,212</u>	<u>62,900,005</u>
Proprietary funds	<u>25,474,131</u>	<u>13,475,615</u>
Total	<u><u>88,557,343</u></u>	<u><u>76,375,620</u></u>

**Component Unit – EPWU**

Capital asset activity for EPWU was as follows:

	Balance February 28, 2009	Additions	Reductions	Balance February 28, 2010
Capital assets, not being depreciated:				
Land and right-of-way	\$ 5,395,078	774,031	-	6,169,109
Land not in service	57,967,334	-	25,250	57,942,084
Construction work in progress	21,751,901	33,997,179	9,885,077	45,864,003
Total capital assets, not being depreciated	<u>85,114,313</u>	<u>34,771,210</u>	<u>9,910,327</u>	<u>109,975,196</u>
Capital assets, being depreciated				
Wastewater plant	633,325,395	5,796,797	36,875	639,085,317
Water plant	898,026,666	16,644,785	753,626	913,917,825
Drainage system	23,887,412	75,428	-	23,962,840
Irrigation water rights contracts	8,491,924	184,365	-	8,676,289
Equipment and tools	30,376,165	1,276,568	350,643	31,302,090
Vehicles	16,885,539	419,667	-	17,305,206
Buildings and shops	13,777,165	134,643	-	13,911,808
Total capital assets, being depreciated	<u>1,624,770,266</u>	<u>24,532,253</u>	<u>1,141,144</u>	<u>1,648,161,375</u>
Less accumulated depreciation for:				
Wastewater plant	256,184,721	17,877,616	36,875	274,025,462
Water plant	274,923,112	25,778,500	753,626	299,947,986
Drainage system	518,370	572,780	-	1,091,150
Irrigation water rights contracts	406,853	114,169	-	521,022
Equipment and tools	28,144,575	757,309	350,643	28,551,241
Vehicles	11,799,261	1,722,530	-	13,521,791
Buildings and shops	5,748,212	581,659	-	6,329,871
Total accumulated depreciation	<u>577,725,104</u>	<u>47,404,563</u>	<u>1,141,144</u>	<u>623,988,523</u>
Total capital assets, being depreciated, net	<u>1,047,045,162</u>	<u>(22,872,310)</u>	<u>-</u>	<u>1,024,172,852</u>
Utility Plant	<u>\$ 1,132,159,475</u>	<u>11,898,900</u>	<u>9,910,327</u>	<u>1,134,148,048</u>

**NOTE 5. CAPITAL ASSETS (Continued)**

**Component Unit – EPWU (Continued)**

Total depreciation charged to operations was \$47,404,563. Interest incurred on revenue bonds was \$22,906,923 of which \$77,103 was capitalized on construction projects.

Land not in service is essentially unimproved land that EPWU has purchased for its surface and ground water rights. EPWU owns a total of 102,158.761 acres of land which includes 28,008.431 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 was committed to open contracts relating to construction projects totaling \$179,411,842 as of February 28, 2010.

**CITY OF EL PASO, TEXAS**

***NOTES TO FINANCIAL STATEMENTS***

**Year Ended August 31, 2010**

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**NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**A. Interfund Receivables and Payables**

Interfund receivable and payable balances at August 31, 2010 were as follows:

<u>Receivable Fur</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Mass Transit	\$ 8,956,977 (1)
Nongrants	Other Federal Grants	4,793,546 (1)
	American Recovery and Reinvestment	450,837 (1)
	State Grants	834,416 (1)
	Public Health	1,623,646 (1)
Mass Transit	Capital Projects	8,676,789 (2)
Total		<u>\$25,336,211</u>

(1) Overdraft in Pooled Cash

(2) Unspent proceeds from issuance of debt

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**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:

	Transfer In:				Total
	Governmental Activities			Business-type Activities	
<u>Transfer Out:</u>	General Fund	Debt Service	Capital Projects	Environmental Services	
<b>Governmental Activities:</b>					
General Fund	\$ -	-	119,739 (6)	-	119,739
Capital Projects	-	3,275,638 (5)	54,220 (9)	68,201 (8)	3,398,059
Nonmajor Governmental Funds	23,512 (7)	-	584,264 (4)	-	607,776
Total Governmental Activities	<u>23,512</u>	<u>3,275,638</u>	<u>758,223</u>	<u>68,201</u>	<u>4,125,574</u>
<b>Business-type Activities:</b>					
El Paso International Airport	2,094,418 (1)	-	-	-	2,094,418
International Bridges	11,920,466 (2)	-	-	-	11,920,466
Environmental Services	3,562,131 (3)	-	-	-	3,562,131
Mass Transit	3,250,000 (1)	-	-	-	3,250,000
Total Business-type Activities	<u>20,827,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,827,015</u>
Total	<u>\$ 20,850,527</u>	<u>3,275,638</u>	<u>758,223</u>	<u>68,201</u>	<u>24,952,589</u>

(1) Indirect cost (PILOT):

Airport \$ 2,094,418  
 Mass Transit \$ 3,250,000

(2) Unrestricted net assets \$ 11,920,466

(3) Cost recovery for street usage \$ 3,562,131

(4) Council Special Projects \$ 25,000  
 Red Light Camera net assets 400,000  
 Dia de los Niños 159,264  
\$ 584,264

(5) Convention and Visitors Bureau share of debt \$ 2,275,638  
 Transfer unexpended debt issuance proceeds 1,000,000  
\$ 3,275,638

(6) Interest earnings on \$16mm cash reserve \$ 44,384  
 Council Discretionary projects 75,355  
\$ 119,739

(7) Parks Department \$ 7,752  
 District funds 15,760  
\$ 23,512

(8) Asbestos abatement \$ 68,201

(9) Council projects \$ 54,220

**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, 2010 amounted to \$3,481,581.

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, 2010 was \$15,259,767 including percentage contingent rents of \$3,101,017.

The following is a schedule of airport revenue from future minimum rentals on non-cancelable operating leases as of August 31, 2010:

<u>YEAR ENDING</u>	
2011	\$ 13,953,942
2012	8,744,748
2013	7,765,337
2014	7,677,609
2015	7,331,844
2016 - 2020	34,580,961
2021 - 2025	24,716,215
2026 - 2030	15,026,022
2031 - 2035	8,351,025
2036 - 2040	2,392,933
2041 - 2045	902,301
2046 - 2050	108,364
TOTAL	<u>\$ 131,551,302</u>

Historical costs of these leased assets and related accumulated depreciation were \$110,133,979 and \$55,657,193, respectively, as of August 31, 2010.

**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, 2010 for each of the next five years and for each of the five-year periods thereafter:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2011	\$ 1,883,645
2012	1,704,626
2013	1,627,188
2014	1,568,598
2015	1,529,359
2016-2020	6,340,237
2021-2025	4,347,164
2026-2030	2,227,395
2031-2035	1,397,355
2036-2037	21,242
Total Minimum Future Rentals	<u>\$ 22,646,809</u>

**2. Leasing Arrangements with EPWU as Lessee**

EPWU leases buildings, land, 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, 2010 was \$1,204,217. Minimum future payments as of February 28, 2010 for each of the next five years are and for each of the five-year periods thereafter:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2011	\$ 905,632
2012	457,642
2013	425,391
2014	412,124
2015	410,929
2016-2020	2,047,500
2021-2025	2,047,500
2026-2030	2,047,500
2031-2035	2,047,500
2036-2040	2,047,500
2041-2045	2,047,500
2046-2050	2,047,500
2051-2055	2,047,500
2056-2059	1,740,375
	<u>\$ 20,732,093</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 was \$.204 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 2010 total assessed valuation base equals approximately \$2,953,232,238. The City's legal debt margin was \$2,128,816,221. General obligation debt sold to fund fixed assets of proprietary funds is reported as an obligation of those 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 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 obtained 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, 2010**

**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, notes payable and capital lease obligations:

	Interest Rates		Balance
	at Issue date	August 31, 2010	
Governmental activities	3.00 - 7.00%	3.00 - 6.163%	\$ 824,877,285
Business-type activities	3.00 - 5.30%	3.625 - 5.00%	62,469,790
			<u>\$ 887,347,075</u>

**5. Indebtedness Incurred during Fiscal Year Ended August 31, 2010**

On October 12, 2009 the City of El Paso issued \$76,180,000 in Combination Tax and Revenue Certificates of Obligation Bonds dated September 24, 2009. These bonds were issued at a premium of \$3,585,079 with issuance costs of \$330,000 to construct, resurface and improve streets, roads, thoroughfares, sidewalks, pathways and related municipal facilities. Interest rates are 4% to 6.163% and the first payment was made on February 15, 2010. Final payment is due August 15, 2034. Included in the issuance were \$45,740,000 Direct Subsidy – Build America Bonds and \$3,230,000 Direct Subsidy – Recovery Zone Economic Development Bonds.

**6. Bonds Authorized and Unissued**

There were no authorized, unissued bonds at August 31, 2010.

**7. Debt Service Requirements**

**Bonded Debt Requirements (General Obligation Bonds and Certificate of Obligation Bonds)**

Year Ending August 31	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 29,483,928	38,528,551	1,366,072	857,113	30,850,000	39,385,664
2012	33,728,773	37,081,173	2,216,227	790,728	35,945,000	37,871,901
2013	35,013,754	35,485,990	1,381,246	682,387	36,395,000	36,168,377
2014	145,060,939	33,859,835	1,314,061	611,141	146,375,000	34,470,976
2015	32,133,145	28,207,648	1,351,855	539,266	33,485,000	28,746,914
2016-2020	139,331,591	119,014,232	4,268,409	1,831,374	143,600,000	120,845,606
2021-2025	150,231,287	84,055,152	3,403,713	1,047,774	153,635,000	85,102,926
2026-2030	144,772,741	47,050,797	2,047,259	543,310	146,820,000	47,594,107
2031-2035	101,044,997	12,500,510	1,595,003	148,822	102,640,000	12,649,332
Total	<u>\$ 810,801,155</u>	<u>435,783,888</u>	<u>18,943,845</u>	<u>7,051,915</u>	<u>829,745,000</u>	<u>442,835,803</u>

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**A. Primary Government (Continued)**

**7. Debt Service Requirements (Continued)**

**Revenue Bond Requirements**

Year Ending August 31	Business-type Activities	
	Principal	Interest
2011	\$ 1,630,000	1,113,688
2012	1,700,000	1,042,788
2013	1,775,000	967,413
2014	1,855,000	887,250
2015	1,940,000	801,969
2016-2020	5,325,000	2,931,794
2021-2025	5,135,000	1,760,687
2026-2028	3,740,000	389,755
Total	\$ 23,100,000	9,895,344

**Capital Leases**

Year Ending August 31	Business-type Activities	
	Principal	Interest
2011	\$ 2,893,503	370,418
2012	3,010,435	253,484
2013	2,334,976	131,793
2014	1,609,454	40,583
Total	\$ 9,848,368	796,278

**Notes Payable**

Year Ending August 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 1,098,541	449,778	\$ 1,150,863	450,658
2012	1,199,609	508,657	1,195,393	401,127
2013	1,292,646	460,716	1,241,812	349,708
2014	1,391,093	408,719	1,290,199	296,321
2015	1,495,226	352,424	1,340,637	240,882
2016-2020	7,599,015	945,437	2,676,629	695,211
2021-2023	-	-	1,682,044	134,809
	\$ 14,076,130	3,125,731	\$ 10,577,577	2,568,716

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**A. Primary Government (Continued)**

**7. Debt Service Requirements (Continued)**

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, 2010, the remaining outstanding balance of legally defeased bonds is \$118,505,000.

**8. Long-Term Obligations and Amounts Due Within One Year**

**Governmental Activities:**

	Balance August 31, 2009	Additions	Reductions	Balance August 31, 2010	Due Within One Year
Bonds/Commercial Paper Payable:					
General Obligation Bonds	\$ 637,485,000	-	24,650,000	612,835,000	25,870,000
Certificates of Obligation	135,648,084	65,895,000	3,576,929	197,966,155	3,163,473
Add: Unamortized Premium	17,872,559	2,903,204	2,907,777	17,867,986	2,731,032
Less: Deferred Amount on Refunding	(3,606,324)	-	(597,590)	(3,008,734)	(564,302)
Total Bonds (1)	787,399,319	68,798,204	30,537,116	825,660,407	31,200,203
Energy Conservation Notes Payable (2)	11,100,876	3,984,677	1,009,423	14,076,130	1,098,541
Compensated Absences (4)	50,395,669	43,609,981	39,308,622	54,697,028	42,663,682
Arbitrage Rebate Liability (1)	30,227	-	-	30,227	30,227
Accrued Self- Insurance Claims (3)	18,169,893	40,708,461	43,130,804	15,747,550	15,747,550
Net Pension Obligation - CEPF (1)	278,657	11,101,968	11,103,957	276,668	-
Other Postemployment Benefits (3)	16,595,065	10,970,673	2,769,641	24,796,097	-
Claims and Judgements (2)	500,000	2,150,000	-	2,650,000	500,000
Governmental Activities long-term liabilities	<u>\$ 884,469,706</u>	<u>181,323,964</u>	<u>127,859,563</u>	<u>937,934,107</u>	<u>91,240,203</u>

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

- (1) Debt Service Fund
- (2) General Fund
- (3) Internal Service Funds
- (4) General Fund, Community Development Block Grants, Federal Grants, State Grants and Internal Service Funds

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**A. Primary Government (Continued)**

**8. Long-Term Obligations and Amounts Due Within One Year (Continued)**

**Business-type Activities:**

	Balance August 31, 2009	Additions	Reductions	Balance August 31, 2010	Due Within One Year
<b>El Paso International Airport:</b>					
Revenue Bonds	\$ 8,070,000	-	1,020,000	7,050,000	1,060,000
Less: Unamortized Discount	(696,327)	-	(99,476)	(596,851)	(99,475)
Total Bonds Payable	7,373,673	-	920,524	6,453,149	960,525
Compensated Absences	2,479,046	2,021,129	1,933,656	2,566,519	2,001,885
Net Pension Obligation - CEPF	35,746	1,092,372	1,092,568	35,550	-
Net Pension Obligation - FPPF	709,336	1,025,421	828,310	906,447	-
Other Postemployment Benefits	1,092,103	739,626	186,725	1,645,004	-
<b>Total El Paso International Airport</b>	<b>11,689,904</b>	<b>4,878,548</b>	<b>4,961,783</b>	<b>11,606,669</b>	<b>2,962,410</b>
<b>Environmental Services:</b>					
Certificates of Obligation	9,976,916	-	1,318,071	8,658,845	1,366,072
Master Equipment Lease/Purchase Agreement	2,193,615	-	699,645	1,493,970	730,744
Revenue Bonds	16,595,000	-	545,000	16,050,000	570,000
Less: Unamortized Discount	361,251	-	31,452	329,799	31,450
Total Bonds/Notes Payable	29,126,782	-	2,594,168	26,532,614	2,698,266
Landfill Closure and Postclosure Cost	22,262,686	1,003,394	5,608,763	17,657,317	1,300,000
Delta Transfer Station Postclosure Cost	110,650	2,755	-	113,405	-
Compensated Absences	961,629	899,687	750,071	1,111,245	866,771
Net Pension Obligation - CEPF	33,760	1,326,547	1,326,784	33,523	-
Other Postemployment Benefits	1,159,600	922,516	232,897	1,849,219	-
<b>Total Environmental Services</b>	<b>53,655,107</b>	<b>4,154,899</b>	<b>8,953,002</b>	<b>47,297,323</b>	<b>4,865,037</b>
<b>Mass Transit:</b>					
Certificates of Obligation	-	10,285,000	-	10,285,000	450,455
Capital Lease Obligation	10,435,892	-	2,081,494	8,354,398	2,162,758
Add: Unamortized Premium	-	681,875	98,051	583,824	117,270
Total Bonds/Notes Payable	10,435,892	10,966,875	2,179,545	19,223,222	2,730,483
Compensated Absences	1,627,791	1,367,604	1,269,677	1,725,718	1,346,060
Claims and Judgements	333,888	93,949	226,436	201,401	201,401
Net Pension Obligation - CEPF	78,196	3,244,656	3,245,238	77,614	-
Other Postemployment Benefits	2,336,974	1,686,347	425,733	3,597,588	-
<b>Total Mass Transit</b>	<b>14,812,741</b>	<b>17,359,431</b>	<b>7,346,629</b>	<b>24,825,543</b>	<b>4,277,944</b>
<b>International Bridges:</b>					
Revenue Bonds	360,000	-	360,000	-	-
Notes Payable	11,685,720	-	1,108,143	10,577,577	1,150,862
Total Bonds/Notes Payable	12,045,720	-	1,468,143	10,577,577	1,150,862
Compensated Absences	184,528	137,009	143,932	177,605	138,532
Net Pension Obligation - CEPF	5,855	205,364	205,400	5,819	-
Other Postemployment Benefits	210,472	145,236	36,666	319,042	-
<b>Total International Bridges</b>	<b>12,446,575</b>	<b>487,609</b>	<b>1,612,075</b>	<b>11,080,043</b>	<b>1,289,394</b>
Business-type activities long-term liabilities	\$ 92,604,327	26,880,487	22,873,489	94,809,578	13,394,785

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

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**A. Primary Government (Continued)**

**9. Long-Term-Debt Outstanding (Continued)**

	Date Issued	Amount (000's omitted)	Interest Rate Range	September 1, 2009	Issued	Reduction	August 31, 2010
<b>Certificates of Obligation Bonds</b>							
SERIES 2001	01/15/01	\$ 26,850	4.5 - 5.25%	\$ 850,000	-	850,000	-
SERIES 2001-A	12/01/01	33,970	3.25 - 5.25%	9,465,000	-	1,300,000	8,165,000
SERIES 2003	04/03/03	44,010	3 - 5%	27,935,000	-	1,535,000	26,400,000
SERIES 2005 - Plaza Theatre (1)	08/15/05	17,315	2.95 - 4.97%	15,490,000	-	650,000	14,840,000
SERIES 2007	05/01/07	35,000	4 - 5%	34,270,000	-	-	34,270,000
SERIES 2009	01/15/09	57,615	3 - 5.5%	57,615,000	-	560,000	57,055,000
SERIES 2009 A - Tax Exempt & Taxable BAB's	10/12/09	27,210	4 - 6.163%	-	27,210,000	-	27,210,000
SERIES 2009 B - Taxable BAB	10/12/09	45,740	4.781 - 6.163%	-	45,740,000	-	45,740,000
SERIES 2009 C - Super Taxable BAB	10/12/09	3,230	6.163%	-	3,230,000	-	3,230,000
<b>Total Certificate of Obligation Bonds</b>				<u>145,625,000</u>	<u>76,180,000</u>	<u>4,895,000</u>	<u>216,910,000</u>
<b>General Obligation Bonds</b>							
SERIES 2002 REFUNDING BONDS	05/15/02	55,090	3.5 - 5.75%	16,480,000	-	5,355,000	11,125,000
SERIES 2003	08/15/03	29,265	2.5 - 5%	11,595,000	-	4,505,000	7,090,000
SERIES 2005 REFUNDING BONDS	04/01/05	152,190	3.5 - 5.25%	138,420,000	-	8,890,000	129,530,000
SERIES 2006	04/15/06	56,350	3.625 - 5%	53,340,000	-	1,400,000	51,940,000
SERIES 2007 REFUNDING	02/15/07	95,190	4 - 5%	95,190,000	-	-	95,190,000
SERIES 2007A	05/01/07	40,000	4 - 5%	38,945,000	-	-	38,945,000
SERIES 2007 PENSION BONDS	06/15/07	101,240	5.512 - 6%	99,495,000	-	-	99,495,000
SERIES 2008	02/15/08	56,455	3.5 - 5%	56,455,000	-	1,000,000	55,455,000
SERIES 2009 PENSION BONDS	05/15/09	111,545	3.11 - 3.61%	111,545,000	-	-	111,545,000
SERIES 2009 REFUNDING BONDS	06/01/09	16,020	3 - 5%	16,020,000	-	3,500,000	12,520,000
<b>Total General Obligation Bonds</b>				<u>637,485,000</u>	<u>-</u>	<u>24,650,000</u>	<u>612,835,000</u>
<b>TOTAL TAX SUPPORTED DEBT</b>				<u>\$ 647,700,000</u>	<u>76,180,000</u>	<u>29,545,000</u>	<u>829,745,000</u>
<b>ENERGY CONSERVATION NOTES</b>							
State Infrastructure Bank	08/28/08	5,319	3%	\$ 2,994,222	2,324,277	-	5,318,499
Banc of America Public Capital Corp.	08/29/08	9,767	7.389%	8,106,674	2,025,454	888,499	9,243,629
<b>TOTAL ENERGY CONSERVATION NOTES</b>				<u>\$ 11,100,896</u>	<u>4,349,731</u>	<u>888,499</u>	<u>14,562,128</u>
<b>NOTES PAYABLE-International Bridges:</b>							
FED LOAN	12/01/91	3,000	variable	\$ 1,250,000	-	100,000	1,150,000
SIB LOAN	10/04/99	3,634	4.30%	4,631,450	-	693,000	3,938,450
SIB LOAN	01/01/08	6,107	4.10%	5,804,270	-	315,143	5,489,127
<b>TOTAL NOTES PAYABLE-INTERNATIONAL BRIDGES</b>				<u>\$ 11,685,720</u>	<u>-</u>	<u>1,108,143</u>	<u>10,577,577</u>
<b>CAPITAL LEASE OBLIGATIONS PAYABLE:</b>							
Environmental Services		38,333	1.99%	\$ 2,193,616	-	2,081,494	112,122
Mass Transit		15,000	3.679 - 4.25%	10,435,892	-	699,645	9,736,247
<b>TOTAL CAPITAL LEASE OBLIGATIONS PAYABLE</b>				<u>\$ 12,629,507</u>	<u>-</u>	<u>2,781,139</u>	<u>9,848,368</u>
<b>REVENUE BONDS:</b>							
RB 1997 - International Bridges	05/01/98	3,010	3.95 - 4.85%	\$ 360,000	-	360,000	-
RB 2003 - El Paso International Airport	09/15/03	18,000	3 - 4.625%	8,070,000	-	1,020,000	7,050,000
RB 2004 - Environmental Services	07/14/04	22,120	3 - 5.125%	16,595,000	-	545,000	16,050,000
<b>TOTAL REVENUE BONDS</b>				<u>\$ 27,565,000</u>	<u>-</u>	<u>1,925,000</u>	<u>23,100,000</u>

(1) Combination tax and revenue bonds - secured by International Bridge revenue

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**B. Component Unit – EPWU**

**1. Revenue Bonds**

Water and Sewer Revenue Bonds, in the amount of \$560,134,000 at February 28, 2010, 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 fiscal year 2010 and balances, excluding deferred gains and losses, include the following individual issues:

	Dated	Original Amount	Interest Rates	Balance Outstanding March 1	Issued/ Additions	Retired/ Refunded/ Reductions	Balance Outstanding February 28	Due Within One Year
Revenue Bonds:								
1990-B	12/01/90	\$ 8,000,000	no interest	\$ 8,000,000	-	-	8,000,000	-
1999-A	09/23/99	211,000	4.84 to 5.89%	148,000	-	137,000	11,000	11,000
1999-B	09/23/99	106,000	4.84 to 5.89%	75,000	-	70,000	5,000	5,000
1999-C	12/02/99	15,480,000	4.30 to 5.75%	1,500,000	-	730,000	770,000	770,000
1999-D	12/20/99	15,190,000	3.20%	11,015,000	-	10,310,000	705,000	705,000
2000	12/19/00	13,210,000	4.875 to 5.750%	3,085,000	-	2,500,000	585,000	585,000
2001	08/01/01	16,265,000	2.45 to 4.50%	12,610,000	-	690,000	11,920,000	715,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	48,375,000	-	2,595,000	45,780,000	2,735,000
2002	01/01/02	7,520,000	0.15 to 3.35%	5,640,000	-	330,000	5,310,000	340,000
2003 Refunding	08/15/03	89,745,000	4.99%	72,155,000	-	5,035,000	67,120,000	5,305,000
2003-A	08/15/03	1,000,000	no interest	800,000	-	50,000	750,000	50,000
2003-B	12/01/03	10,000,000	0 to 4.19%	9,985,000	-	5,000	9,980,000	5,000
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%	32,715,000	-	1,025,000	31,690,000	1,070,000
2004 A Refunding	11/15/04	14,360,000	2.5 to 5.25%	12,925,000	-	505,000	12,420,000	525,000
2005-A	03/01/05	45,660,000	3.00 to 5.00%	44,970,000	-	365,000	44,605,000	385,000
2005-B	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 3.8%	9,235,000	-	395,000	8,840,000	405,000
2006	12/15/06	37,745,000	3.75 to 5%	30,285,000	-	3,005,000	27,280,000	3,160,000
2006A	11/15/06	45,200,000	4 to 5%	41,390,000	-	2,550,000	38,840,000	2,630,000
2007	08/02/08	35,500,000	4 to 5%	35,500,000	-	-	35,500,000	-
2008	02/20/08	30,520,000	3.5 to 5%	30,520,000	-	5,290,000	25,230,000	2,620,000
1995 Homestead		1,700,000	6.35 to 6.8%	670,000	-	670,000	-	-
1995A Homestead		450,000	5.25%	160,000	-	160,000	-	-
2008-A		14,000,000	1.5 to 3.95%	14,000,000	-	-	14,000,000	5,000
2008-B	08/15/08	22,000,000	1.5 to 3.95%	22,000,000	-	-	22,000,000	5,000
2008-C	11/15/08	35,000,000	2.38 to 5.50%	35,000,000	-	-	35,000,000	-
2009	09/29/09	53,000,000	5.38%	-	53,000,000	-	53,000,000	-
2009-A	02/04/10	2,163,000	0.00%	-	2,163,000	-	2,163,000	-
2010 Refunding	02/19/10	22,115,000	2.00 to 4.50%	-	22,115,000	-	22,115,000	-
Total Revenue Bonds				519,273,000	77,278,000	36,417,000	560,134,000	22,031,000
Deferred Gain on refunding bond issues				12,093,376	661,757	206,938	12,548,195	746,426
Land Notes Payable		10,372,878	3.95 to 5.00%	7,638,093	-	630,458	7,007,635	661,552
Commercial Paper Payable				9,000,000	10,000,000	10,000,000	9,000,000	-
Other governments payable				-	3,300,000	77,680	3,222,320	107,729
Other Postemployment Benefits				2,660,910	1,189,082	290,581	3,559,411	-
Self Insurance Claims				1,534,382	4,057,333	4,446,026	1,145,689	630,518
Accrued Vacation				2,289,321	1,712,904	1,643,954	2,358,271	2,013,697
Total Component Unit - EPWU				\$ 554,489,082	98,199,076	53,712,637	598,975,521	26,190,922

Interest costs incurred on revenue bonds totaled \$21,882,129 of which \$377,852 was capitalized.

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)**

**B. Component Unit – EPWU (Continued)**

**3. Annual Revenue Bond, Land Notes and Other Government Payable Debt Service Requirements**

Year Ending last day of February	Principal				Interest				Total Principal and Interest
	Revenue Bonds	Land Note	Other		Revenue Bonds	Other			
			Government Payable	Total		Government Payable	Land Note	Total	
2011	\$ 22,031,000	661,552	107,729	22,800,281	23,941,429	130,717	348,497	24,420,643	47,220,924
2012	25,360,000	694,186	112,678	26,166,864	23,394,168	137,851	315,863	23,847,882	50,014,746
2013	24,675,000	728,434	117,854	25,521,288	22,322,584	132,675	281,616	22,736,875	48,258,163
2014	25,000,000	764,375	123,268	25,887,643	21,311,623	127,261	245,674	21,684,558	47,572,201
2015	25,404,000	790,328	128,931	26,323,259	20,247,828	121,598	170,320	20,539,746	46,863,005
2016-2020	148,885,000	3,368,760	739,135	152,992,895	82,679,647	513,511	473,813	83,666,971	236,659,866
2021-2025	153,137,000	-	925,246	154,062,246	48,524,604	327,400	-	48,852,004	202,914,250
2026-2030	121,466,000	-	967,479	122,433,479	15,759,074	97,269	-	15,856,343	138,289,822
2031-2034	14,176,000	-	-	14,176,000	793,189	-	-	793,189	14,969,189
Totals	<u>\$ 560,134,000</u>	<u>7,007,635</u>	<u>3,222,320</u>	<u>570,363,955</u>	<u>258,974,146</u>	<u>1,588,282</u>	<u>1,835,783</u>	<u>262,398,211</u>	<u>832,762,166</u>

**4. 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.

**5. Commercial Paper**

In October 1997, the EPWU and the City 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) entered into a revolving credit agreement (Credit Agreement), amended in February 2009, pursuant to which the Bank is obligated under the Credit Agreement to loan to the City amounts not to exceed \$40,000,000 for the purpose of paying amounts due on the Commercial Paper Program. 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 plans to continue the remarketing of the tax-exempt commercial paper notes as it intends to maintain a portion of its debt in variable rates. 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 1 to 270 days. As of February 28, 2010, the following amounts were outstanding:

Amount	Maturity Date	Coupon Rate
\$ 9,000,000	July 14, 2010	0.38%

**NOTE 8. LONG-TERM OBLIGATIONS (Continued)****B. Component Unit – EPWU (Continued)****6. Indebtedness Incurred during Fiscal Year**

On September 29, 2009 EPWU issued \$53,000,000 in Municipal Drainage Utility System Revenue Bonds, Series 2009 Direct Subsidy-Build America Bonds to finance drainage projects and improvements at an interest rate of 5.38%. Repayment is in annual installments of \$1,645,000 to \$4,335,000. The final payment is due in fiscal year 2032.

On February 4, 2010 EPWU issued \$2,163,000 in Municipal Drainage Utility System Revenue Bonds, Series 2009A TWDB Clear Water State Revolving Fund with American Recovery and Reinvestment Act funding to finance drainage projects and improvements at an interest rate of 0%. Repayment is in annual installments of \$107,000 to \$11,000. The final payment is due in fiscal year 2032.

On February 19, 2010 EPWU issued \$22,115,000 in Water and Sewer Revenue Refunding Bonds, Series 2010 to refund \$10,000,000 of Water and Sewer Commercial Paper Notes, with an average interest rate of .25% and to advance refund \$12,477,000 in Revenue Bonds. The final payment is due in fiscal year 2030. This refunding resulted in an economic gain of \$1,012,972 and liabilities associated with the refunded debt have been removed. At February 28, 2010 \$11,575,000 of the refunded bonds remained outstanding with an estimated related escrow balance of \$11,841,211.

During the fiscal year ended February 28, 2010, EPWU entered into a wholesale contract with Fort Bliss to provide water services for a 20 year period effective June 1, 2009. EPWU is to pay Fort Bliss \$20,877 month, including interest at 4.5%, for the engineering, environmental analysis and test holes to evaluate the geology of a proposed injection well site in connection with the Kay Bailey Hutchinson Desalination Plant.

**C. Solid Waste Landfill Closure and Postclosure 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 postclosure 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 30 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 postclosure costs for the landfills. The estimated total closure and postclosure costs, adjusted by an inflation factor specified by the TCEQ, is \$69.7 million at August 31, 2010. The recognized portion of the total liability, \$17.7 million, is computed based on the percentage of landfill capacity used, approximately 30.7%, as of August 31, 2010. The remaining estimated total current cost of closure and postclosure care remaining to be recognized is \$52 million.

Clint Landfill (TCEQ Permit 1482) – The City closed this facility in fiscal year 2010. Closure costs are estimated at \$9.8 million. Approximately \$6.2 million was expended in 2010 resulting in the recorded closure cost liability of \$2.6 million. The recorded estimated postclosure cost liability is \$3.0 million.



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

Clint Landfill (TCEQ Permit 2284) – This landfill is currently accepting solid waste and capacity used is 15.02% at August 31, 2010. The estimated closure and postclosure cost liability of \$4.0 million is included in the recorded liability. Estimated useful remaining life is 28 years.

McCombs Landfill (TCEQ Permit 729A) – This landfill is not currently accepting solid waste and capacity used is 26.7% at August 31, 2010. The estimated closure and postclosure cost liability of \$8 million is included in the recorded liability. TCEQ's review of the revised closure and postclosure cost estimate is pending. Management believes TCEQ will accept the estimate.

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 postclosure 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 postclosure 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, 2010, the City met all of the financial tests required by the TCEQ and will demonstrate financial assurance to the TCEQ by way of the City's most recent bond rating and/or financial ratios computed using 2010 audited financial statements.

**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, 2010, the estimated total cost of closure of the Delta Transfer Station is \$113,405 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, 2010, is recorded as a liability in the statement of net assets.

**NOTE 9. RESTRICTED NET ASSETS**

**El Paso International 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.

**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	\$ 10,132,496
Restricted by Federal Aviation Administration:	
El Paso International Airport	4,795,023
Restricted for passenger facilities:	
El Paso International Airport	13,748,495
Total restricted net assets	<u>\$ 28,676,014</u>

**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 specifically restricted activities (construction, improvements and customer deposits).

**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 proprietary funds balance sheet 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, 2010 is \$15,747,550 of which \$12,440,193 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, 2010, 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 2009 and 2010 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2008	\$ 12,310,494	5,097,178	-	17,407,672
Incurred claims	7,631,353	33,276,898	385,752	41,294,003
Payment on claims	(7,016,123)	(33,129,907)	(385,752)	(40,531,782)
Claims liability at August 31, 2009	12,925,724	5,244,169	-	18,169,893
Incurred claims	6,943,857	33,423,478	341,126	40,708,461
Payment on claims	(7,429,388)	(35,360,290)	(341,126)	(43,130,804)
Claims liability at August 31, 2010	\$ 12,440,193	3,307,357	-	15,747,550

**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.

**NOTE 10. RISK MANAGEMENT (Continued)**

**B. General Liability Insurance (Continued)**

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.

**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.

**CITY OF EL PASO, TEXAS**

***NOTES TO FINANCIAL STATEMENTS***

**Year Ended August 31, 2010**

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**NOTE 10. RISK MANAGEMENT (Continued)**

**G. Component Unit - EPWU (Continued)**

The total estimated claims payable at February 28, 2010 is \$1,145,689 of which \$868,645 and \$277,044 represents workers' compensation claims and health benefits claims, respectively.

Changes in accrued liabilities for these claims follow:

Claims liability at February 28, 2008	\$ 1,259,250
Incurred claims	4,211,574
Payment on claims	<u>(3,936,442)</u>
Claims liability at February 29, 2009	1,534,382
Incurred claims	4,057,333
Payment on claims	<u>(4,446,026)</u>
Claims liability at February 28, 2010	<u><u>\$ 1,145,689</u></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, 2010. 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 \$2,332,000 and \$2,707,000. The City believes that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**B. Environmental**

Effective September 1, 2008, the City implemented GASB Statement No. 49 *Accounting and Financial Reporting for Pollution Remediation Obligations*. The implementation had no financial impact on the City during the current year.

**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, 2010, no Industrial Revenue Bonds issued by the City were outstanding.

On April 15, 2007, the City issued \$400,000 in Public Improvement District #1 special assessment revenue bonds. This bond is not a general obligation of the City and does not give rise to a charge against the general credit or taxing powers of the City. At August 31, 2010, the outstanding liability of these bonds is \$330,000.

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, 2010, 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 contributions 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, 2010, the

**NOTE 11. COMMITMENTS AND CONTINGENCIES (Continued)****E. Unfunded Pension Liabilities (Continued)**

latest actuarial valuation reflected unfunded liabilities of \$89,572,311 for the FPPF-Firemen Division and \$127,052,367 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.

**F. Component Unit - EPWU**

Through the ordinary course of its operations, EPWU becomes subject to various claims and litigation. As of February 28, 2010, EPWU was named in a number of legal actions with aggregate estimated possible damages to be less than \$500,000, 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. POSTEMPLOYMENT HEALTH CARE BENEFITS**

*Plan Description:* The City sponsors and administers an informal single-employer defined benefit healthcare plan. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the retiree and the retiree's dependents unless the retiree is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City does not issue standalone financial statements of the healthcare plan but all required information is presented in this report.

*Funding Policy:* The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage is the same as the coverage provided to active City employees. Retirees pay premiums ranging from \$166.56 per month to \$1,213.39 per month depending on the coverage elected. The City's adopted budget policy maintains that retirees must pay 45% of the cost of premiums and the City will fund the remaining 55%. Retirees are responsible for the full cost of coverage for their dependents who participate in the plan. The cost of retiree healthcare benefits is recognized on a pay-as-you-go financing method and is recorded as an expense in the Internal Service Self-Insurance Fund as liabilities are incurred. Of 2,082 retirees eligible, there were 923 retirees covered under this plan at August 31, 2010. Dependent coverage was provided for 413 of the retirees. Total benefits paid by the City for retirees during the fiscal year were \$5,473,011. Retirees contributed \$2,676,487 or 49% of the total current year cost.

*Annual OPEB Cost and Net OPEB Obligation:* The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.



**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2010****NOTE 12. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 14,815,588
Interest on net OPEB obligation	962,738
Adjustment to annual required contribution	<u>(1,313,334)</u>
Annual OPEB cost	14,464,992
Total annual employer contribution (pay-as-you-go)	<u>(3,652,256)</u>
Increase in net OPEB obligation	10,812,736
Net OPEB Obligation - beginning of year	<u>21,394,214</u>
Net OPEB Obligation - end of year	<u><u>\$ 32,206,950</u></u>

The components of the annual required contribution (ARC) calculation reflecting a 30-year amortization period is as follows:

Normal cost	\$ 5,496,626
Interest	247,348
Amortization cost	<u>9,071,614</u>
Annual required contribution (ARC)	<u><u>\$ 14,815,588</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of August 31 is as follows:

Fiscal Year Ended August 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$14,464,994	25.2%	\$32,206,950
2009	\$13,567,807	20.6%	\$21,394,214
2008	\$13,741,885	22.7%	\$10,622,927

*Funded Status and Funding Progress:* As of September 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$147,776,597, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$147,776,597. The covered payroll (annual payroll of active employees covered by the plan) was \$253,818,000 and the ratio of the UAAL to the covered payroll was 58.2%.

**NOTE 12. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions:* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 1, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return based on the City's rate of return on investments for 2007, and an annual healthcare cost trend rate of 10% for 2009 and then reduced by decrements of one percent annually to an ultimate rate of 5% after five years. Both rates included a 4.5% inflation assumption. The UAAL is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at August 31, 2010, was thirty years.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2010

### NOTE 13. 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 (CEPF Board and FPPF Board, respectively). The CEPF was established in accordance with authority granted by Chapter 2.64 of the El Paso City Code and is a component unit (fiduciary fund type) of the City. The FPPF was established in accordance with authority granted by Article 6243b of *Vernon's Annotated Texas Statutes* and is a component unit (fiduciary fund type) 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	201 E. Main Suite 1616 El Paso, TX 79901
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:

	<u>August 31, 2010</u>	<u>December 31, 2009</u>	
	CEPF	FPPF-Firemen Division	FPPF-Police Division
Retirees and beneficiaries receiving benefits	2,193	634	851
Terminated plan members entitled to but not yet receiving benefits	86	3	8
Active plan members	4,172	829	1,093
Total	<u>6,451</u>	<u>1,466</u>	<u>1,952</u>

#### B. City Employees' Pension Fund

##### 1. Plan Description

Substantially all full-time employees of the City are eligible to participate in the retirement plan, except for uniformed firefighters and police officers who are covered under separate plans. Nonemployer contributions are limited to participating employees of the CEPF.

The designated purpose of the CEPF is to provide retirement, death, and disability benefits to participants or their beneficiaries. The CEPF is administered by the CEPF Board, which is comprised of two citizens designated by the Mayor who are not officers or employees of the City, four elected City employees, a retiree, and two district representatives. The CEPF Board contracts with an independent pension custodian, investment managers, a pension consultant and an actuary to assist in managing the CEPF.

Through August 31, 2010, the City is the only contributing employer. The CEPF pays

**NOTE 13. PENSION PLANS (Continued)****B. City Employees' Pension Fund (Continued)****1. Plan Description (Continued)**

direct administrative costs. The City provides indirect administrative support such as office space, utilities, and payroll processing at no charge to the CEPF. The CEPF reimburses the City for various direct costs of processing pension checks, such as postage and supplies.

The CEPF is not required to maintain any legally required reserves.

Participation is mandatory for classified employees (except permanent part-time employees). For nonclassified employees, participation is mandatory for employees hired 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 may receive a refund of their contributions plus interest at 5.5% compounded annually.

Participants become vested after reaching 40 years of age and 10 years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, or (ii) 30 years of service, regardless of age. Participants who have both completed 10 years of service and attained age 40 may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. 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. The plan includes no automatic increase in retirement benefits; however, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad hoc cost of living or other increases in retirement benefits.

**2. Basis of Accounting**

The accounting policies of the CEPF have been established to conform to GAAP for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The CEPF is accounted for on an economic resources measurement focus using the accrual basis of accounting.

The preparation of financial statements in conformity with GAAP requires the CEPF's management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results may differ from those estimates.

**NOTE 13. PENSION PLANS (Continued)****B. City Employees' Pension Fund (Continued)****3. Method Used to Value Investments**

Investments are stated at fair value in the accompanying statements of net assets available for benefits. The fair value of marketable investments, including U.S. government securities and corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at balance sheet dates (fair value). The fair value of investments in bank collective investment funds is determined by the investment funds based on the market values of the underlying securities in the funds. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the Office of Comptroller of the Currency and by other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

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.

Net appreciation (depreciation) in fair value of investments reflected in the statements of changes in net assets available for benefits represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. Net unrealized gains or losses on investments represent the change in the difference between the cost and market value of investments at the beginning versus the end of the year.

**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, 2010. These investments are in bank collective investment funds which consist of diversified portfolios of investments as described above.

	<u>Shares</u>	<u>Fair Value</u>
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	156,453.52	\$64,805,660
AIG Global Emerging Market Equity Fund		
AST Capital Trust Company	4,499,214.24	36,488,627
Winslow Large Capital Growth Fund		
Wilmington Trust Company	3,175,092.48	32,703,453
EB Daily Valued Treasury		
Mellon Capital Management Corporation	199,438.40	29,836,655
EB MCM Daily Valued Large Capital Index Fund		
Mellon Capital Management Corporation	37,598.42	27,925,042
Shenkman Capital Convertible Bonds		
Shenkman Capital Management, Inc.	26,584,290.00	26,584,290

**NOTE 13. PENSION PLANS (Continued)****B. City Employees' Pension Fund (Continued)****5. Contributions Required and Contributions Made**

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 40 years. As of the most recent actuarial valuation, the contribution rate was 19.4% of annual covered payroll.

Contributions for the year ended August 31, 2010 were made as follows:

	<u>Amount</u>	<u>Stated percentage of covered payroll</u>
Employer contribution	\$ 17,626,236	11.65%
Employee contributions	<u>11,814,128</u>	<u>7.75%</u>
Total contributions	<u>\$ 29,440,364</u>	<u>19.40%</u>

**6. Securities Lending**

The CEPF enters into securities lending transactions with broker/dealers for which fees are paid to the CEPF. The Board may legally and contractually authorize the use of the CEPF's securities for lending transactions. Parameters are established by the CEPF's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and that securities be collateralized using U.S. issuer securities at 102% and non U.S. issuer securities at 105% of the fair value of the securities. U.S. issuer securities used as collateral are marked to market on a daily basis to ensure that the collateralization requirements 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, the CEPF administration believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the CEPF by the investment managers or broker/dealers.

At August 31 the fair value of securities loaned to others was \$52,893,772 consisting of corporate stocks.

**NOTE 13. PENSION PLANS (Continued)**

**B. City Employees' Pension Fund (Continued)**

**7. Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost and net pension obligation to CEPF for the current year were as follows:

Annual required contribution	\$ 16,973,946
Interest on net pension obligation	34,577
Adjustment to annual required contribution	<u>(37,616)</u>
Annual pension cost	16,970,907
Contributions made	<u>16,973,946</u>
Decrease in net pension obligation	(3,039)
Net pension obligation - beginning of year	<u>432,214</u>
Net pension obligation - end of year	<u><u>\$ 429,175</u></u>

The City's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for 2010 is as follows:

Fiscal Year Ended August 31	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2010	\$ 16,970,907	100.0%	\$ 429,175
2009	17,153,736	100.5%	432,214
2008	16,254,257	101.5%	523,880

**8. Funded Status and Funding Progress:**

The funded status of the plan as of September 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 709,997,366
Actuarial value of plan assets	<u>569,723,124</u>
Unfunded AAL	\$ 140,274,242
Funded Ratio (actuarial value of plan assets/AAL)	80.2%
Covered payroll (active plan members)	\$ 143,107,477
Unfunded AAL as a percentage of covered payroll	98.0%

**NOTE 13. PENSION PLANS (Continued)**

**A. City Employees' Pension Fund (Continued)**

**9. Actuarial Methods and Assumptions:**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the September 1, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses), projected salary increases of 4.5% to 7.75%, which includes an inflation rate of 4.0% and no costs of living increases. The remaining amortization period at September 1, 2010, was 30 years using a level percent, open basis, amortization period. There were no factors that would significantly affect the identification of trends, such as changes in benefits, actuarial methods or assumptions.

**B. 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 projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of the legal funding limitations.

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 13.89% of



**NOTE 13. PENSION PLANS (Continued)**

**A. Firemen and Policemen's Pension Fund (Continued)**

**1. Plan Description (Continued)**

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 (BackDROP). The Back DROP benefit is a lump sum payment and a reduced monthly benefit. The Back DROP period must be at least six 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.

**NOTE 13. PENSION PLANS (Continued)****B. Firemen and Policemen's Pension Fund (Continued)****2. Basis of Accounting (Continued)**

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.

**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, 2009, \$63,121,059 of FPPF owned investments were loaned to others.

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2010**

**NOTE 13. PENSION PLANS (Continued)**

**C. Firemen and Policemen’s Pension Fund (Continued)**

**6. Annual Pension Cost and Net Pension Obligation**

The City’s annual pension cost and net pension obligation (asset) to FPPF for the current year were as follows:

*Firemen Division:*

Annual required contribution	\$ 14,998,356
Interest on net pension obligation	559,237
Adjustment to annual required contribution	<u>(389,875)</u>
Annual pension cost	15,167,718
Contributions made	<u>77,501,349</u>
Increase in net pension obligation	(62,333,631)
Net pension obligation - beginning of year	<u>6,990,462</u>
Net pension asset - end of year	<u>\$ (55,343,169)</u>

*Policemen Division:*

Annual required contribution	\$ 17,648,266
Interest on net pension obligation	1,352,820
Adjustment to annual required contribution	<u>(943,126)</u>
Annual pension cost	18,057,960
Contributions made	<u>55,013,045</u>
Increase in net pension obligation	(36,955,085)
Net pension obligation - beginning of year	<u>16,910,248</u>
Net pension asset - end of year	<u>\$ (20,044,837)</u>

The City’s annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension asset for 2009 is as follows:

*Firemen Division*

Fiscal Year Ended December 31,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2009	\$ 15,167,718	511.0%	\$ (55,343,169)
2008	13,310,426	64.7%	6,990,462
2007	15,794,257	403.8%	2,287,520

**NOTE 13. PENSION PLANS (Continued)****C. Firemen and Policemen's Pension Fund (Continued)****6. Annual Pension Cost and Net Pension Obligation (Continued)***Policemen Division*

Fiscal Year Ended December 31,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2008	\$ 18,057,960	304.6%	\$ (20,044,837)
2007	17,043,925	72.9%	16,910,248
2006	20,800,595	263.4%	12,294,916

**7. Funded Status and Funding Progress:***Firemen Division:*

As of January 1, 2010, the most recent actuarial valuation date, the plan was 81.8% funded. The actuarial accrued liability for benefits was \$493,320,462 and the actuarial value of assets was \$403,748,151, resulting in an unfunded actuarial accrued liability (UAAL) of \$89,572,311 payroll (annual payroll of active employees covered by the plan) was \$48,172,561 and the ratio of the UAAL to the covered payroll was 416.4%.

*Policemen Division:*

As of January 1, 2010, the most recent actuarial valuation date, the plan was 82.2% funded. The actuarial accrued liability for benefits was \$715,715,343 and the actuarial value of assets was \$588,662,976, resulting in an unfunded actuarial accrued liability (UAAL) of \$127,052,367. The covered payroll (annual payroll of active employees covered by the plan) was \$62,537,734 and the ratio of the UAAL to the covered payroll was 297.64%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**NOTE 13. PENSION PLANS (Continued)**

**C. Firemen and Policemen’s Pension Fund (Continued)**

**8. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses), projected salary increases of 5.5% to 10.5%, which includes an inflation rate of 4.0% and a cost of living adjustment of 3%. The remaining amortization period at January 1, 2010, was 30 years using a level percent, open basis, amortization period. Factors that significantly affected the identification of trends were changes in contribution rates for the Policemen Division employees from 11.89% to 13.89% effective July 1, 2007.

**NOTE 14. 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:	
Street Department	\$ 311,625
Fire Department	113,248
History Museum	229
Nondepartmental	398,029

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

**NOTE 15. CURRENT ECONOMIC CONDITIONS**

**CEPF and FPPF**

The current protracted economic decline continues to present employee benefit plans with unprecedented circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and significant increases in changes to unfunded accrued actuarial liabilities. The financial statements have been prepared using values and information currently available to the Plan.

**NOTE 15. CURRENT ECONOMIC CONDITIONS (Continued)****CEPF and FPPF (Continued)**

Given the continued volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

**NOTE 16. SUBSEQUENT EVENTS**

On November 30, 2010 the City issued \$74,340,000 of Direct Subsidy – Build America Certificate of Obligation Bonds and \$2,010,000 Combination Tax and Revenue Certificate of Obligation Bonds. Proceeds will be used to pay for (i) the design, construction, installation, real property acquisition, renovation and replacement relating to various public work, transportation, terminal and public art projects, (ii) purchase of capital equipment including motor vehicles and (iii) the costs associated with the issuance of the Certificates. These bonds were issued at a premium of \$57,868 with issuance costs of \$773,502. Interest rates range from 3.00 – 4.373% maturing August 15, 2025. The first payments are due August 15, 2011.

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



**CITY OF EL PASO, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended August 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative) % of Budget	
	Original	Final		(Negative)	% of Budget
Resources (inflows):					
Property taxes	\$ 125,861,542	126,893,721	125,453,348	(1,440,373)	98.86%
Penalties and Interest-Delinquent taxes	1,142,177	1,142,177	1,189,227	47,050	104.12%
Sales taxes	71,306,164	71,306,164	68,960,853	(2,345,311)	96.71%
Franchise fees	43,088,342	43,088,342	39,906,716	(3,181,626)	92.62%
Licenses and permits	10,806,665	10,856,665	14,070,414	3,213,749	129.60%
Fines and forfeitures	13,255,539	13,255,539	12,477,009	(778,530)	94.13%
Charges for services	20,507,038	20,527,038	22,583,280	2,056,242	110.02%
Intergovernmental revenues	488,849	488,849	670,661	181,812	137.19%
County Participation	1,882,469	1,882,469	468,873	(1,413,596)	24.91%
Rents and other	1,457,600	1,457,600	695,182	(762,418)	47.69%
Interest	1,310,000	1,310,000	213,431	(1,096,569)	16.29%
Transfers In	21,148,334	21,171,823	20,850,527	(321,296)	98.48%
Amounts available for appropriation from current year resources	312,254,719	313,380,387	307,539,521	(5,840,866)	98.14%
Charges to appropriations (outflows)					
General government:					
Mayor and Council	1,356,490	1,321,038	1,292,622	28,416	97.85%
City Manager	1,759,869	1,731,565	1,679,620	51,945	97.00%
Municipal Clerk	448,717	447,235	424,577	22,658	94.93%
Financial Services	2,859,698	2,765,497	2,754,210	11,287	99.59%
Information Technology	11,481,268	9,620,846	8,975,254	645,592	93.29%
Radio Communications	-	1,121,641	881,945	239,696	78.63%
City Records	-	116,546	88,196	28,350	75.67%
City Attorney	4,215,307	4,707,804	4,556,906	150,898	96.79%
Office of Management and Budget	1,233,437	1,102,810	1,055,363	47,447	95.70%
Planning	1,805,641	2,230,921	2,130,389	100,532	95.49%
Human Resources	1,976,329	1,977,338	1,948,349	28,989	98.53%
Tax Office	4,458,754	4,434,602	4,031,686	402,916	90.91%
Public safety:					
Police Department	112,041,390	109,852,832	108,937,290	915,542	99.17%
Fire Department	74,446,474	75,910,696	76,538,580	(627,884)	100.83%
Municipal Court	4,189,260	4,185,467	4,139,575	45,892	98.90%
Public works:					
Development Services Administration	917,544	888,477	880,771	7,706	99.13%
Facilities Maintenance	15,340,143	14,382,952	13,199,006	1,183,946	91.77%
Engineering	3,652,006	3,501,448	3,418,276	83,172	97.62%
Building Permits and Inspections	3,676,238	3,923,540	3,908,979	14,561	99.63%
Street Department	14,366,326	14,315,166	14,320,881	(5,715)	100.04%
Public Health	8,501,625	8,108,496	8,097,417	11,079	99.86%
Parks department	20,507,456	20,383,091	20,122,821	260,270	98.72%
Library	7,798,645	7,759,055	7,717,307	41,748	99.46%
Culture and recreation:					
Art Museum	1,254,920	1,236,342	1,235,152	1,190	99.90%
History Museum	562,365	573,299	572,953	346	99.94%
Archeology Museum	157,388	151,826	149,955	1,871	98.77%
Cultural Affairs	240,131	254,144	252,301	1,843	99.27%
Zoo	3,369,933	3,245,367	3,245,367	-	100.00%
Economic development	1,828,083	1,832,751	1,659,112	173,639	90.53%
Community and human development	520,698	442,067	411,131	30,936	93.00%
Nondepartmental:					
Operating contingency	1,035,065	781,023	341,883	439,140	43.77%
Debt service	-	932,280	1,305,732	(373,452)	140.06%
Salary reserve	2,100,480	5,312,618	9,784	5,302,834	0.18%
Non Departmental	4,153,039	5,692,577	4,791,725	900,852	84.17%
Transfers to other funds	-	-	44,384	(44,384)	
Total charges to appropriations	312,254,719	315,243,357	305,119,499	10,123,858	96.79%
Increase (Decrease) in fund balance:	-	(1,862,970)	2,420,022	4,282,992	
Fund balance, September 1	38,219,708	38,219,708	38,219,708	-	
Fund balance, August 31	\$ 38,219,708	36,356,738	40,639,730	4,282,992	

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  
 Schedules of Funding Progress (in thousands) (Unaudited)  
 August 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
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***Other Postemployment Benefits:***

9/1/2010	\$ -	147,777	147,777	-	\$ 253,818	58.2%
9/1/2007	-	138,637	138,637	-	234,513	59.1%

***City Employee Pension Fund (CEPF) <sup>(1)</sup>:***

9/1/2010	\$ 569,723	709,997 <sup>(2)</sup>	140,274	80.2%	\$ 143,107	98.0%
9/1/2008	552,815	631,591	78,776	87.5%	136,508	57.7%
9/1/2006	471,232	568,602	97,370	82.9%	123,982	78.5%

***Firemen and Policemen's Pension Fund (FPPF)***

*Firemen Division:*

1/1/2010	\$ 403,748	493,320	89,572	81.8%	\$ 48,173	185.9%
1/1/2008	317,925	431,939	114,014	73.6%	41,165	277.0%
1/1/2006	215,036	374,484	159,448	57.4%	38,326	416.0%

*Policemen Division:*

1/1/2010	\$ 588,663	715,715	\$ 127,052	82.2%	\$ 62,538	203.2%
1/1/2008	515,354	613,942 <sup>(3)</sup>	98,588	83.9%	56,840	173.4%
1/1/2006	388,533	547,072	158,539	71.0%	53,275	297.6%

<sup>(1)</sup> Funding progress is evaluated by the Fund's enrolled actuary every other year.

<sup>(2)</sup> Factors that significantly affected the identification of trends were changes in contribution rates for employee and employer contributions from 6.75% to 7.75% and 10.25% and 11.65%, respectively.

<sup>(3)</sup> Factors that significantly affected the identification of trends were changes in contribution rates for employees from 11.89% to 13.89%.

CITY OF EL PASO, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Schedules of Employer Contributions (in thousands) (Unaudited)  
 August 31, 2010

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>
<i>Other Postemployment Benefits:</i>		
8/31/2010	\$ 14,465	25.2%
8/31/2009	13,568	20.6%
8/31/2008	13,742	22.7%
<i>City Employee Pension Fund (CEPF):</i>		
8/31/2010	17,626	100%
8/31/2009	17,245	100%
8/31/2008	16,505	100%
<i>Firemen and Policemen's Pension Fund (FPPF)</i>		
<i>Firemen Division:</i>		
12/31/2009	13,785	562%
12/31/2008	13,255	65%
12/31/2007	15,794 *	404%
<i>Policemen Division:</i>		
12/31/2009	\$ 17,416	316%
12/31/2008	16,746	74%
12/31/2007	20,801 *	263%

\* Amounts are estimated. The actual amounts will be based on payroll to be provided by the City.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**



**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, 2010

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
COUNCIL DISTRICT 01-WAGES	\$ 108,117	97,245	97,245	-	100.00%
COUNCIL DISTRICT 01-OTHER OPERATING EXPENDITURES	26,263	35,480	36,307	(827)	102.33%
COUNCIL DISTRICT 02-WAGES	108,117	95,053	95,053	-	100.00%
COUNCIL DISTRICT 02-OTHER OPERATING EXPENDITURES	26,263	36,392	36,139	253	99.30%
COUNCIL DISTRICT 03-WAGES	108,117	89,834	89,834	-	100.00%
COUNCIL DISTRICT 03-OTHER OPERATING EXPENDITURES	26,263	36,174	35,899	275	99.24%
COUNCIL DISTRICT 04-WAGES	108,117	76,638	76,638	-	100.00%
COUNCIL DISTRICT 04-OTHER OPERATING EXPENDITURES	26,263	36,267	35,967	300	99.17%
COUNCIL DISTRICT 05-WAGES	108,117	90,355	90,355	-	100.00%
COUNCIL DISTRICT 05-OTHER OPERATING EXPENDITURES	26,263	36,278	36,509	(231)	100.64%
COUNCIL DISTRICT 06-WAGES	108,117	110,196	110,196	-	100.00%
COUNCIL DISTRICT 06-OTHER OPERATING EXPENDITURES	26,263	26,063	24,675	1,388	94.67%
COUNCIL DISTRICT 07-WAGES	108,117	96,933	96,933	-	100.00%
COUNCIL DISTRICT 07-OTHER OPERATING EXPENDITURES	26,263	35,441	35,247	194	99.45%
COUNCIL DISTRICT 08-WAGES	108,117	109,013	109,013	-	100.00%
COUNCIL DISTRICT 08-OTHER OPERATING EXPENDITURES	26,263	30,363	28,918	1,445	95.24%
OFFICE OF THE MAYOR-WAGES	183,142	193,617	193,617	-	100.00%
OFFICE OF THE MAYOR-OTHER OPERATING EXPENDITURES	98,308	89,696	64,077	25,619	71.44%
ATTORNEYS AND PARALEGALS-WAGES	2,459,416	2,288,031	2,288,031	-	100.00%
ATTORNEYS AND PARALEGALS-OTHER OPERATING EXPENDITURES	68,195	68,195	68,195	-	100.00%
LEGAL SECRETARIAL STAFF-WAGES	376,848	333,679	333,679	-	100.00%
LEGAL SECRETARIAL STAFF-OTHER OPERATING EXPENDITURES	24,670	24,670	24,670	-	100.00%
LEGAL SUPPORT STAFF-WAGES	76,793	76,868	76,868	-	100.00%
LEGAL SUPPORT STAFF-OTHER OPERATING EXPENDITURES	3,124	3,124	3,124	-	100.00%
LEGAL OPERATING EXPENSE-OTHER OPERATING EXPENDITURES	78,942	82,142	43,861	38,281	53.40%
TRIAL OPER EXP & DAMAGES SETT-OTHER OPERATING EXPENDITURES	614,419	861,219	787,294	73,925	91.42%
OUTSIDE COUNSEL SERVICES-OTHER OPERATING EXPENDITURES	512,900	969,876	931,184	38,692	96.01%
OFFICE OF MGMT & BUDGET-WAGES	1,085,022	944,595	944,595	-	100.00%
OFFICE OF MGMT & BUDGET-OTHER OPERATING EXPENDITURES	148,415	158,215	110,768	47,447	70.01%
TAX OFFICE COLLECTIONS-WAGES	1,068,353	1,034,776	1,034,776	-	100.00%
TAX OFFICE COLLECTIONS-OTHER OPERATING EXPENDITURES	3,390,401	3,375,144	2,967,865	407,279	87.93%
TAX OFFICE COLLECTIONS-CAPITAL EXPENDITURES	-	24,682	29,045	(4,363)	117.68%
PLANNING ADMINISTRATION-WAGES	264,274	265,333	265,333	-	100.00%
PLANNING ADMINISTRATION-OTHER OPERATING EXPENDITURES	59,496	57,496	55,339	2,157	96.25%
ZONING ZBA HISTORIC-WAGES	470,567	433,142	433,142	-	100.00%
ZONING ZBA HISTORIC-OTHER OPERATING EXPENDITURES	56,960	56,960	56,369	591	98.96%
PLANNING-LONG RANGE-WAGES	155,489	178,836	178,836	-	100.00%
PLANNING-LONG RANGE-OTHER OPERATING EXPENDITURES	14,790	14,790	14,372	418	97.17%
PLANNING SUBDIVISIONS-WAGES	330,402	287,841	287,841	-	100.00%
PLANNING SUBDIVISIONS-OTHER OPERATING EXPENDITURES	25,474	25,474	25,437	37	99.85%

CITY OF EL PASO, TEXAS  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 Legal Level of Budgetary Control  
 For the Year Ended August 31, 2010

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
PLAN REVIEW-WAGES	381,648	414,622	414,622	-	100.00%
PLAN REVIEW-OTHER OPERATING EXPENDITURES	46,541	46,541	45,493	1,048	97.75%
PLANNING DATA MGMNT_SUPPORT-WAGES	-	211,882	211,882	-	100.00%
PLANNING DATA MGMNT_SUPPORT-OTHER OPERATING EXPENDITURES	-	238,004	141,723	96,281	59.55%
HUMAN RESOURCES ADMIN-WAGES	455,238	447,896	447,896	-	100.00%
HUMAN RESOURCES ADMIN-OTHER OPERATING EXPENDITURES	61,625	91,625	84,093	7,532	91.78%
RECRUITMENT & EXAMINATIONS-WAGES	455,231	470,197	470,197	-	100.00%
RECRUITMENT & EXAMINATIONS-OTHER OPERATING EXPENDITURES	84,134	84,134	79,020	5,114	93.92%
ORGANIZATIONAL DEVELOPMENT-WAGES	179,020	171,765	171,765	-	100.00%
ORGANIZATIONAL DEVELOPMENT-OTHER OPERATING EXPENDITURES	308,199	278,199	262,944	15,255	94.52%
PAYROLL AND RECORDS-WAGES	391,467	392,107	392,107	-	100.00%
PAYROLL AND RECORDS-OTHER OPERATING EXPENDITURES	41,415	41,415	40,327	1,088	97.37%
FINANCIAL ACCT & REPORTING-WAGES	382,147	365,870	365,870	-	100.00%
FINANCIAL ACCT & REPORTING-OTHER OPERATING EXPENDITURES	36,883	36,883	35,760	1,123	96.96%
TREASURY SERVICES-WAGES	190,647	170,936	170,936	-	100.00%
TREASURY SERVICES-OTHER OPERATING EXPENDITURES	13,541	13,541	13,541	-	100.00%
FISCAL OPERATIONS-WAGES	474,071	453,307	453,307	-	100.00%
FISCAL OPERATIONS-OTHER OPERATING EXPENDITURES	37,470	37,470	37,470	-	100.00%
PURCHASING ADMINISTRATION-WAGES	728,867	649,704	649,704	-	100.00%
PURCHASING ADMINISTRATION-OTHER OPERATING EXPENDITURES	54,843	54,843	53,265	1,578	97.12%
GRANTS ADMINISTRATION-WAGES	74,161	81,942	81,942	-	100.00%
GRANTS ADMINISTRATION-OTHER OPERATING EXPENDITURES	4,459	4,459	4,459	-	100.00%
CAPITAL ASSETS MANAGEMENT-WAGES	209,575	194,777	194,777	-	100.00%
CAPITAL ASSETS MANAGEMENT-OTHER OPERATING EXPENDITURES	39,765	45,665	45,398	267	99.42%
FINANCIAL SVCS CFO-WAGES	339,239	383,070	383,070	-	100.00%
FINANCIAL SVCS CFO-OTHER OPERATING EXPENDITURES	274,030	273,030	264,711	8,319	96.95%
MUNICIPAL CLERK-CITY CLERK-WAGES	284,991	283,509	283,509	-	100.00%
MUNICIPAL CLERK-CITY CLERK-OTHER OPERATING EXPENDITURES	163,726	163,726	141,068	22,658	86.16%
MUNICIPAL CLERK ADMIN-WAGES	2,618,455	2,605,641	2,605,641	-	100.00%
MUNICIPAL CLERK ADMIN-OTHER OPERATING EXPENDITURES	859,603	859,603	817,293	42,310	95.08%
MUNICIPAL CLERK JUDICIARY-WAGES	633,255	642,276	642,276	-	100.00%
MUNICIPAL CLERK JUDICIARY-OTHER OPERATING EXPENDITURES	77,947	77,947	74,365	3,582	95.40%
CITY MANAGER-WAGES	1,020,745	1,020,255	1,020,255	-	100.00%
CITY MANAGER-OTHER OPERATING EXPENDITURES	122,232	122,232	83,736	38,496	68.51%
PUBLIC INFORMATION OFFICE-WAGES	195,484	193,738	193,738	-	100.00%
PUBLIC INFORMATION OFFICE-OTHER OPERATING EXPENDITURES	20,123	20,123	16,751	3,372	83.24%
INTERNAL AUDIT-WAGES	344,055	317,987	317,987	-	100.00%
INTERNAL AUDIT-OTHER OPERATING EXPENDITURES	57,230	57,230	47,153	10,077	82.39%

CITY OF EL PASO, TEXAS  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 Legal Level of Budgetary Control  
 For the Year Ended August 31, 2010

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
CHIEF'S OFFICE-WAGES	79,073,896	77,768,825	77,768,825	-	100.00%
CHIEF'S OFFICE-OTHER OPERATING EXPENDITURES	10,905,780	10,900,204	10,526,264	373,940	96.57%
INTERNAL AFFAIRS-WAGES	62,663	189,087	189,087	-	100.00%
INTERNAL AFFAIRS-OTHER OPERATING EXPENDITURES	107,091	107,091	102,009	5,082	95.25%
TRAINING-WAGES	308,959	292,729	292,729	-	100.00%
TRAINING-OTHER OPERATING EXPENDITURES	589,465	589,465	715,120	(125,655)	121.32%
PD PERSONNEL-WAGES	175,108	147,802	147,802	-	100.00%
PD PERSONNEL-OTHER OPERATING EXPENDITURES	106,997	106,997	76,179	30,818	71.20%
PLANNING AND RESEARCH-WAGES	199,191	199,202	199,202	-	100.00%
PLANNING AND RESEARCH-OTHER OPERATING EXPENDITURES	31,038	31,038	24,869	6,169	80.12%
VEHICLE OPERATIONS-OTHER OPERATING EXPENDITURES	3,740,754	3,740,754	3,633,936	106,818	97.14%
GRANT OPERATIONS (PDHQ)-WAGES	122,092	106,953	106,953	-	100.00%
GRANT OPERATIONS (PDHQ)-OTHER OPERATING EXPENDITURES	7,224	7,224	6,935	289	96.00%
COMMUNICATIONS-WAGES	6,483,376	6,908,279	6,908,279	-	100.00%
COMMUNICATIONS-OTHER OPERATING EXPENDITURES	563,308	538,308	527,338	10,970	97.96%
RECORDS-WAGES	1,904,991	1,664,618	1,664,618	-	100.00%
RECORDS-OTHER OPERATING EXPENDITURES	214,662	214,662	205,332	9,330	95.65%
POLICE SUPPLY-OTHER OPERATING EXPENDITURES	598,290	598,290	308,773	289,517	51.61%
FINANCIAL SERVICES-WAGES	553,393	500,034	500,034	-	100.00%
FINANCIAL SERVICES-OTHER OPERATING EXPENDITURES	1,543,137	793,137	671,212	121,925	84.63%
SPECIAL SERVICES-WAGES	107,493	99,429	99,429	-	100.00%
SPECIAL SERVICES-OTHER OPERATING EXPENDITURES	199,268	199,268	179,728	19,540	90.19%
CENTRAL REGIONAL COMMAND-WAGES	562,511	547,544	547,544	-	100.00%
CENTRAL REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	171,346	171,346	168,331	3,015	98.24%
MISSION VALLEY REGIONAL COMMAN-WAGES	260,418	250,884	250,884	-	100.00%
MISSION VALLEY REGIONAL COMMAN-OTHER OPERATING EXPENDITURES	41,051	41,291	40,210	1,081	97.38%
NORTHEAST REGIONAL COMMAND-WAGES	204,011	202,106	202,106	-	100.00%
NORTHEAST REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	31,242	31,242	30,967	275	99.12%
PEBBLE HILLS REGIONAL COMMAND-WAGES	270,449	266,424	266,424	-	100.00%
PEBBLE HILLS REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	70,598	70,598	69,448	1,150	98.37%
WESTSIDE REGIONAL COMMAND-WAGES	197,176	197,806	197,806	-	100.00%
WESTSIDE REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	45,213	45,213	43,971	1,242	97.25%
OPERATIONAL SUPPORT-WAGES	1,294,274	1,213,089	1,213,089	-	100.00%
OPERATIONAL SUPPORT-OTHER OPERATING EXPENDITURES	208,985	208,985	186,529	22,456	89.25%
DIRECTED INVESTIGATIONS-WAGES	439,197	262,710	262,710	-	100.00%
DIRECTED INVESTIGATIONS-OTHER OPERATING EXPENDITURES	252,519	258,095	243,566	14,529	94.37%
CRIMINAL INVESTIGATIONS-WAGES	174,487	162,366	162,366	-	100.00%
CRIMINAL INVESTIGATIONS-OTHER OPERATING EXPENDITURES	219,737	219,737	196,686	23,051	89.51%

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FIRE DEPARTMENT ADMINISTRATION-WAGES	1,413,568	1,684,131	1,684,131	-	100.00%
FIRE DEPARTMENT ADMINISTRATION-OTHER OPERATING EXPENDITURES	947,584	805,629	792,831	12,798	98.41%
FIRE FIGHTING TRAINING-WAGES	1,414,844	1,198,026	1,198,026	-	100.00%
FIRE FIGHTING TRAINING-OTHER OPERATING EXPENDITURES	993,307	865,562	865,559	3	100.00%
FD EMERGENCY OPERATIONS-WAGES	51,706,479	53,757,452	53,757,452	-	100.00%
FD EMERGENCY OPERATIONS-OTHER OPERATING EXPENDITURES	7,646,980	7,646,980	7,993,053	(346,073)	104.53%
SPECIAL OPERATIONS-WAGES	285,979	257,576	257,576	-	100.00%
SPECIAL OPERATIONS-OTHER OPERATING EXPENDITURES	40,658	39,858	39,553	305	99.23%
FIRE PREVENTION-WAGES	3,169,573	3,122,406	3,122,406	-	100.00%
FIRE PREVENTION-OTHER OPERATING EXPENDITURES	411,995	405,099	405,097	2	100.00%
FIRE COMMUNICATIONS-WAGES	-	10	10	-	100.00%
FIRE COMMUNICATIONS-OTHER OPERATING EXPENDITURES	-	25,000	19,551	5,449	78.20%
LOGISTICS-WAGES	613,386	589,055	589,055	-	100.00%
LOGISTICS-OTHER OPERATING EXPENDITURES	4,013,288	3,847,903	4,148,271	(300,368)	107.81%
FIRE SUPPORT PERSONNEL-WAGES	1,631,978	1,509,154	1,509,154	-	100.00%
FIRE SUPPORT PERSONNEL-OTHER OPERATING EXPENDITURES	156,855	156,855	156,855	-	100.00%
FACILITY MAINTENANCE-OTHER OPERATING EXPENDITURES	1,312,402	1,312,402	1,273,807	38,595	97.06%
FACILITY PERSONNEL-WAGES	1,569,755	1,499,783	1,499,783	-	100.00%
FACILITY PERSONNEL-OTHER OPERATING EXPENDITURES	198,906	198,906	198,906	-	100.00%
FACILITY SUPPORT-OTHER OPERATING EXPENDITURES	1,126,752	1,126,752	1,052,617	74,135	93.42%
FACILITY SPECIAL PROJECTS-OTHER OPERATING EXPENDITURES	-	45,061	45,061	-	100.00%
RADIO COMMUNICATIONS-WAGES	-	180,525	180,525	-	100.00%
RADIO COMMUNICATIONS-OTHER OPERATING EXPENDITURES	-	941,116	701,420	239,696	74.53%
CITY RECORDS-WAGES	-	49,480	49,480	-	100.00%
CITY RECORDS-OTHER OPERATING EXPENDITURES	-	60,066	38,716	21,350	64.46%
CITY RECORDS-CAPITAL EXPENDITURES	-	7,000	-	7,000	
FACILITY UTILITIES-OTHER OPERATING EXPENDITURES	11,132,328	11,132,328	10,434,564	697,764	93.73%
ENGINEERING TRAFFIC-STREETS-OTHER OPERATING EXPENDITURES	-	-	140	(140)	
STREETS EQUIPMENT SUPPORT-WAGES	169,408	175,155	175,155	-	100.00%
STREETS EQUIPMENT SUPPORT-OTHER OPERATING EXPENDITURES	1,594,488	1,206,488	1,259,007	(52,519)	104.35%
STREETS CONTRACT MANAGEMENT-WAGES	543,414	692,516	692,516	-	100.00%
STREETS CONTRACT MANAGEMENT-OTHER OPERATING EXPENDITURES	53,934	53,934	53,934	-	100.00%
STREETS MEDIANS-WAGES	252,988	257,810	257,810	-	100.00%
STREETS MEDIANS-OTHER OPERATING EXPENDITURES	415,565	688,565	637,880	50,685	92.64%
ADMIN SUPPORT AND DATA MGMT-WAGES	725,523	763,306	763,306	-	100.00%
ADMIN SUPPORT AND DATA MGMT-OTHER OPERATING EXPENDITURES	247,067	257,068	259,846	(2,778)	101.08%
STREETS & FACILITIES MAINT-WAGES	3,457,449	3,278,344	3,278,344	-	100.00%
STREETS & FACILITIES MAINT-OTHER OPERATING EXPENDITURES	2,355,428	2,637,428	2,752,688	(115,260)	104.37%
STREETS & FACILITIES MAINT-CAPITAL EXPENDITURES	-	10,000	4,477	5,523	44.77%
SIGNS AND MARKINGS-WAGES	862,966	800,822	800,822	-	100.00%
SIGNS AND MARKINGS-OTHER OPERATING EXPENDITURES	533,352	483,352	435,444	47,908	90.09%



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TRAFFIC SIGNALS-WAGES	1,133,822	983,660	983,660	-	100.00%
TRAFFIC SIGNALS-OTHER OPERATING EXPENDITURES	275,459	275,459	273,076	2,383	99.13%
STREET GRAFFITI PROGRAM-WAGES	382,649	428,213	428,213	-	100.00%
STREET GRAFFITI PROGRAM-OTHER OPERATING EXPENDITURES	166,034	166,034	165,400	634	99.62%
STREET SWEEPING OPERATIONS-WAGES	671,911	632,143	632,143	-	100.00%
STREET SWEEPING OPERATIONS-OTHER OPERATING EXPENDITURES	524,869	524,869	467,020	57,849	88.98%
DEVELOPMENT SERVICES ADMIN-WAGES	826,481	797,414	797,414	-	100.00%
DEVELOPMENT SERVICES ADMIN-OTHER OPERATING EXPENDITURES	91,063	91,063	83,357	7,706	91.54%
ENGINEERING ADMIN-WAGES	609,446	721,513	721,513	-	100.00%
ENGINEERING ADMIN-OTHER OPERATING EXPENDITURES	91,294	96,291	84,694	11,597	87.96%
DESIGN DIVISION-WAGES	263,363	252,114	252,114	-	100.00%
DESIGN DIVISION-OTHER OPERATING EXPENDITURES	30,391	30,391	28,108	2,283	92.49%
CONSTRUCTION INSPECTION-WAGES	384,973	271,100	271,100	-	100.00%
CONSTRUCTION INSPECTION-OTHER OPERATING EXPENDITURES	131,672	130,175	95,117	35,058	73.07%
PROJECT ENGINEERING-WAGES	211,146	211,397	211,397	-	100.00%
PROJECT ENGINEERING-OTHER OPERATING EXPENDITURES	36,651	36,651	31,237	5,414	85.23%
ENGINEERING TRAFFIC-WAGES	830,682	800,905	800,905	-	100.00%
ENGINEERING TRAFFIC-OTHER OPERATING EXPENDITURES	115,100	111,600	100,008	11,592	89.61%
ENGINEERING CIP-WAGES	445,662	480,053	480,053	-	100.00%
ENGINEERING CIP-OTHER OPERATING EXPENDITURES	55,735	55,735	39,919	15,816	71.62%
CONTRACT ADMINISTRATION-WAGES	417,621	275,253	275,253	-	100.00%
CONTRACT ADMINISTRATION-OTHER OPERATING EXPENDITURES	28,270	28,270	26,858	1,412	95.01%
PLAN REVIEW-WAGES	951,152	1,049,882	1,049,882	-	100.00%
PLAN REVIEW-OTHER OPERATING EXPENDITURES	66,506	70,506	70,099	407	99.42%
COMMERCIAL INSPECTIONS-WAGES	634,751	657,844	657,844	-	100.00%
COMMERCIAL INSPECTIONS-OTHER OPERATING EXPENDITURES	143,816	89,781	88,256	1,525	98.30%
RESIDENTIAL INSPECTIONS-WAGES	628,022	627,455	627,455	-	100.00%
RESIDENTIAL INSPECTIONS-OTHER OPERATING EXPENDITURES	120,034	179,375	191,312	(11,937)	106.65%
BLDG INSPECTION & PERMIT ADMIN-WAGES	224,732	208,044	208,044	-	100.00%
BLDG INSPECTION & PERMIT ADMIN-OTHER OPERATING EXPENDITURES	148,486	282,901	263,964	18,937	93.31%
SUBDIVISION INSPECTION-WAGES	256,377	253,707	253,707	-	100.00%
SUBDIVISION INSPECTION-OTHER OPERATING EXPENDITURES	44,827	46,607	40,978	5,629	87.92%
CODE COMPLIANCE (ENVIRO)-WAGES	413,044	412,947	412,947	-	100.00%
CODE COMPLIANCE (ENVIRO)-OTHER OPERATING EXPENDITURES	44,491	44,491	44,491	-	100.00%

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INFORMATION TECHNOLOGY ADMIN-WAGES	464,251	445,340	445,340	-	100.00%
INFORMATION TECHNOLOGY ADMIN-OTHER OPERATING EXPENDITURES	81,016	36,651	28,292	8,359	77.19%
GEOGRAPHIC INFORMATION SYSTEMS-WAGES	148,985	26,710	26,710	-	100.00%
GEOGRAPHIC INFORMATION SYSTEMS-OTHER OPERATING EXPENDITURES	303,954	45,983	46,340	(357)	100.78%
MEDIA PRODUCTION-WAGES	115,637	110,190	110,190	-	100.00%
MEDIA PRODUCTION-OTHER OPERATING EXPENDITURES	8,931	8,931	7,715	1,216	86.38%
INFORMATION SERVICES-WAGES	2,370,984	2,182,904	2,182,904	-	100.00%
INFORMATION SERVICES-OTHER OPERATING EXPENDITURES	4,147,526	4,094,681	3,583,682	510,999	87.52%
INFORMATION SERVICES-CAPITAL EXPENDITURES	-	20,345	19,526	819	95.97%
TELECOMMUNICATIONS-WAGES	466,450	205,031	205,031	-	100.00%
TELECOMMUNICATIONS-OTHER OPERATING EXPENDITURES	3,388,534	2,459,080	2,329,308	129,772	94.72%
ENVIRONMENT_FOOD-WAGES	1,027,225	875,304	875,304	-	100.00%
ENVIRONMENT_FOOD-OTHER OPERATING EXPENDITURES	244,974	209,139	209,139	-	100.00%
ANIMAL SERVICES-WAGES	2,068,562	1,840,143	1,840,143	-	100.00%
ANIMAL SERVICES-OTHER OPERATING EXPENDITURES	692,121	697,657	694,538	3,119	99.55%
STD CLINICS-WAGES	255,986	220,893	220,893	-	100.00%
STD CLINICS-OTHER OPERATING EXPENDITURES	58,267	52,661	51,368	1,293	97.54%
DENTAL-WAGES	410,989	404,512	404,512	-	100.00%
DENTAL-OTHER OPERATING EXPENDITURES	145,325	110,692	110,691	1	100.00%
ADULT IMMUNIZATION SERVICES-WAGES	140,885	71,223	71,223	-	100.00%
ADULT IMMUNIZATION SERVICES-OTHER OPERATING EXPENDITURES	55,148	70,490	70,490	-	100.00%
LABORATORY-WAGES	434,631	432,647	432,647	-	100.00%
LABORATORY-OTHER OPERATING EXPENDITURES	261,111	261,051	256,440	4,611	98.23%
EPIDEMIOLOGY-WAGES	124,290	138,213	138,213	-	100.00%
EPIDEMIOLOGY-OTHER OPERATING EXPENDITURES	23,812	14,542	14,542	-	100.00%
HEALTH ADMINISTRATION-WAGES	298,271	279,455	279,455	-	100.00%
HEALTH ADMINISTRATION-OTHER OPERATING EXPENDITURES	510,959	614,546	614,526	20	100.00%
HEALTH SUPPORT SERVICES-WAGES	671,101	537,898	537,898	-	100.00%
HEALTH SUPPORT SERVICES-OTHER OPERATING EXPENDITURES	862,641	866,552	865,521	1,031	99.88%
HEALTH SUPPORT SERVICES-CAPITAL EXPENDITURES	-	189,000	189,000	-	100.00%
HEALTH EDUCATION PROGRAM-WAGES	193,013	199,533	199,533	-	100.00%
HEALTH EDUCATION PROGRAM-OTHER OPERATING EXPENDITURES	22,564	22,595	21,567	1,028	95.45%

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PARKS & RECREATION ADMIN-WAGES	894,698	889,952	889,952	-	100.00%
PARKS & RECREATION ADMIN-OTHER OPERATING EXPENDITURES	235,865	251,865	135,982	115,883	53.99%
PARKS & RECREATION ADMIN-CAPITAL EXPENDITURES	-	59,378	43,553	15,825	73.35%
RECREATION & SENIOR CTRS-WAGES	2,546,767	2,540,728	2,540,728	-	100.00%
RECREATION & SENIOR CTRS-OTHER OPERATING EXPENDITURES	1,095,738	1,118,438	948,836	169,602	84.84%
RECREATION & SENIOR CTRS-CAPITAL EXPENDITURES	-	141,782	141,094	688	99.51%
AQUATICS-WAGES	1,416,546	1,285,093	1,285,093	-	100.00%
AQUATICS-OTHER OPERATING EXPENDITURES	261,470	291,550	252,798	38,752	86.71%
FACILITIES MAINTENANCE-WAGES	1,517,139	1,468,576	1,468,576	-	100.00%
FACILITIES MAINTENANCE-OTHER OPERATING EXPENDITURES	909,471	909,471	903,187	6,284	99.31%
PARK MAINTENANCE-WAGES	2,679,221	2,616,868	2,616,868	-	100.00%
PARK MAINTENANCE-OTHER OPERATING EXPENDITURES	5,311,945	5,288,051	5,782,191	(494,140)	109.34%
PARK MAINTENANCE-CAPITAL EXPENDITURES	-	1,942	-	1,942	
ATHLETICS & SPORTS CTRS-WAGES	1,112,599	1,059,499	1,059,499	-	100.00%
ATHLETICS & SPORTS CTRS-OTHER OPERATING EXPENDITURES	933,060	933,060	646,609	286,451	69.30%
PARK PLANNING & DEVELOPMENT-WAGES	414,374	417,770	417,770	-	100.00%
PARK PLANNING & DEVELOPMENT-OTHER OPERATING EXPENDITURES	63,497	70,497	61,750	8,747	87.59%
AFTER SCHOOL & SCHOOL SITES-WAGES	289,259	259,967	259,967	-	100.00%
AFTER SCHOOL & SCHOOL SITES-OTHER OPERATING EXPENDITURES	45,280	46,730	45,137	1,593	96.59%
SPECIAL EVENTS-WAGES	95,027	95,332	95,332	-	100.00%
SPECIAL EVENTS-OTHER OPERATING EXPENDITURES	50,215	50,215	30,304	19,911	60.35%
LEISURE INSTRUCTION-WAGES	49,915	62,834	62,834	-	100.00%
LEISURE INSTRUCTION-OTHER OPERATING EXPENDITURES	227,480	238,130	164,253	73,877	68.98%
DAYCARE OPERATIONS-WAGES	291,832	216,555	216,555	-	100.00%
DAYCARE OPERATIONS-OTHER OPERATING EXPENDITURES	66,058	68,808	53,953	14,855	78.41%
ZOO GENERAL OPERATIONS-WAGES	3,014,229	2,889,663	2,889,663	-	100.00%
ZOO GENERAL OPERATIONS-OTHER OPERATING EXPENDITURES	355,704	355,704	355,704	-	100.00%
LIBRARY ADMINISTRATION-WAGES	811,563	1,267,419	1,267,419	-	100.00%
LIBRARY ADMINISTRATION-OTHER OPERATING EXPENDITURES	310,094	340,629	339,644	985	99.71%
CATALOGING ORDERING & PROCESS-WAGES	510,399	429,292	429,292	-	100.00%
CATALOGING ORDERING & PROCESS-OTHER OPERATING EXPENDITURES	643,580	640,663	601,164	39,499	93.83%
MEMORIAL BRANCH OPERATIONS-WAGES	202,369	204,860	204,860	-	100.00%
MEMORIAL BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	27,002	25,135	25,135	-	100.00%
ARMIJO BRANCH OPERATIONS-WAGES	166,720	167,796	167,796	-	100.00%
ARMIJO BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	11,387	10,608	10,608	-	100.00%
RICHARD BURGESS BRANCH OPER-WAGES	433,636	396,378	396,378	-	100.00%
RICHARD BURGESS BRANCH OPER-OTHER OPERATING EXPENDITURES	39,496	36,491	36,491	-	100.00%

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CIELO VISTA BRANCH OPER-WAGES	268,905	110,445	110,445	-	100.00%
CIELO VISTA BRANCH OPER-OTHER OPERATING EXPENDITURES	14,833	14,833	14,833	-	100.00%
CLARDY FOX BRANCH OPER-WAGES	228,763	179,436	179,436	-	100.00%
CLARDY FOX BRANCH OPER-OTHER OPERATING EXPENDITURES	26,464	25,320	25,320	-	100.00%
IRVING SCHWARTZ BRANCH OPER-WAGES	256,337	266,591	266,591	-	100.00%
IRVING SCHWARTZ BRANCH OPER-OTHER OPERATING EXPENDITURES	20,292	18,269	18,264	5	99.97%
MARQUEZ MISSION VALLEY LIB-WAGES	303,981	339,682	339,682	-	100.00%
MARQUEZ MISSION VALLEY LIB-OTHER OPERATING EXPENDITURES	23,062	22,112	22,112	-	100.00%
WESTSIDE BRANCH OPERATIONS-WAGES	236,810	238,847	238,847	-	100.00%
WESTSIDE BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	22,286	20,054	20,054	-	100.00%
YSLETA BRANCH OPERATIONS-WAGES	213,444	246,976	246,976	-	100.00%
YSLETA BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	24,968	22,618	22,618	-	100.00%
EASTSIDE REGIONAL BRANCH-WAGES	383,229	297,192	297,192	-	100.00%
EASTSIDE REGIONAL BRANCH-OTHER OPERATING EXPENDITURES	38,817	31,104	31,082	22	99.93%
MAIN LIBRARY-WAGES	1,908,564	1,776,066	1,776,066	-	100.00%
MAIN LIBRARY-OTHER OPERATING EXPENDITURES	167,465	164,531	163,294	1,237	99.25%
WESTSIDE REGIONAL LIBRARY-WAGES	452,968	417,117	417,117	-	100.00%
WESTSIDE REGIONAL LIBRARY-OTHER OPERATING EXPENDITURES	51,211	48,591	48,591	-	100.00%
ART MUSEUM ADMINISTRATION-WAGES	600,320	611,422	611,422	-	100.00%
ART MUSEUM ADMINISTRATION-OTHER OPERATING EXPENDITURES	205,629	206,229	205,040	1,189	99.42%
ART MUSEUM EDUCATION-WAGES	124,567	114,778	114,778	-	100.00%
ART MUSEUM EDUCATION-OTHER OPERATING EXPENDITURES	19,550	19,550	19,574	(24)	100.12%
ARCHAEOLOGY MUSEUM-WAGES	115,216	110,254	110,254	-	100.00%
ARCHAEOLOGY MUSEUM-OTHER OPERATING EXPENDITURES	42,172	41,572	39,701	1,871	95.50%
HISTORY MUSEUM OPERATIONS-WAGES	466,172	477,106	477,106	-	100.00%
HISTORY MUSEUM OPERATIONS-OTHER OPERATING EXPENDITURES	96,193	96,193	95,847	346	99.64%
ART MUSEUM CURATORIAL-WAGES	240,106	219,615	219,615	-	100.00%
ART MUSEUM CURATORIAL-OTHER OPERATING EXPENDITURES	64,748	64,748	64,723	25	99.96%
ACR ADMIN-WAGES	153,012	166,085	166,085	-	100.00%
ACR ADMIN-OTHER OPERATING EXPENDITURES	87,119	88,059	86,216	1,843	97.91%
RELOCATION SERVICES_GEN FUND-WAGES	44,841	44,780	44,780	-	100.00%
RELOCATION SERVICES_GEN FUND-OTHER OPERATING EXPENDITURES	6,902	6,902	6,840	62	99.10%
NEIGH SEVC CONSERVATION PROG-WAGES	303,032	224,062	224,062	-	100.00%
NEIGH SEVC CONSERVATION PROG-OTHER OPERATING EXPENDITURES	165,923	166,323	135,449	30,874	81.44%
ECONOMIC DEV ADMINISTRATION-WAGES	1,027,940	939,584	939,584	-	100.00%
ECONOMIC DEV ADMINISTRATION-OTHER OPERATING EXPENDITURES	800,143	893,167	719,528	173,639	80.56%

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SPECIAL ITEMS-OTHER OPERATING EXPENDITURES	7,273,334	10,695,395	4,097,117	6,598,278	38.31%
SPECIAL ITEMS-CAPITAL EXPENDITURES	-	34,646	564	34,082	1.63%
CASH RESERVE FUND-OTHER OPERATING EXPENDITURES	-	-	44,384	(44,384)	
GENERAL CITY REVENUES-OTHER OPERATING EXPENDITURES	-	1,032,179	1,032,179	-	100.00%
CRRMA-OTHER OPERATING EXPENDITURES	-	8,748	3,522	5,226	40.26%
TOTAL EXPENDITURES AND TRANSFERS OUT	<u>\$ 312,254,719</u>	<u>315,243,357</u>	<u>305,119,499</u>	<u>10,123,858</u>	96.79%

## SPECIAL REVENUE FUNDS



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

**OTHER FEDERAL GRANTS** - This fund accounts for grants received by the City from Federal sources, excluding ARRA grants, 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.

**AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS** - This fund accounts for grants received under Section 1512 of the Recovery Act. Funding sources include the National Endowment for the Arts, Department of Justice, National Telecommunication and Information Administration, Administration for Children and Families, Department of Housing and Urban Development, Department of Energy, Federal Emergency Management Agency and Assistant Secretary for Community Planning and Development.

**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 DEPARTMENT** - This fund accounts for activities of the grants received by the City for public health activities. Funding sources include grants from the Texas Department of Health and Human Services, and . Additional funding sources include participation by the City's Control and U.S. Environmental Protection Agency. Additional General Fund, the County of El Paso and fees charged for services provided.

**NONGRANTS** - 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

# 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  
 NONMAJOR GOVERNMENTAL FUNDS  
 August 31, 2010

	Special Revenue Funds						
	Federal Grants				Public Health	Nongrants	Total
	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants			
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ -	-	-	214,653	-	14,164,924	14,379,577
Receivables - Net of Allowances		-					
Trade	-	-	-	-	-	27,744	27,744
Notes	30,460	-	-	-	-	180,539	210,999
Other	-	-	-	-	-	373,279	373,279
Due From Other Government Agencies	6,489,927	1,611,626	1,164,046	87,375	2,172,690	-	11,525,664
Due From Other Funds	-	-	-	-	-	7,702,445	7,702,445
<b>TOTAL ASSETS</b>	<b>\$ 6,520,387</b>	<b>1,611,626</b>	<b>1,164,046</b>	<b>302,028</b>	<b>2,172,690</b>	<b>22,448,931</b>	<b>34,219,708</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 1,087,812	1,136,604	223,139	21,331	162,365	1,353,831	3,985,082
Accrued Payroll	188,660	24,185	106,491	3,806	386,679	357,773	1,067,594
Due to Other Funds	4,793,546	450,837	834,416	-	1,623,646	-	7,702,445
Unearned Revenue	450,369	-	-	13,126	-	433,060	896,555
<b>TOTAL LIABILITIES</b>	<b>6,520,387</b>	<b>1,611,626</b>	<b>1,164,046</b>	<b>38,263</b>	<b>2,172,690</b>	<b>2,144,664</b>	<b>13,651,676</b>
<b>FUND BALANCES</b>							
Unreserved:							
Undesignated	-	-	-	263,765	-	20,304,267	20,568,032
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,765</b>	<b>-</b>	<b>20,304,267</b>	<b>20,568,032</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,520,387</b>	<b>1,611,626</b>	<b>1,164,046</b>	<b>302,028</b>	<b>2,172,690</b>	<b>22,448,931</b>	<b>34,219,708</b>



CITY OF EL PASO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2010

	Special Revenue Funds					Total
	Federal Grants		State Grants	Other Grants	Nongrants	
	Other Federal Grants	American Recovery and Reinvestment Act Grants				
<b>Revenues</b>						
Property Taxes	\$ -	-	-	-	308,921	308,921
Sales Taxes	-	-	-	-	5,846,278	5,846,278
Franchise Fees	-	-	-	-	1,138,976	1,138,976
Charges for Services	58,395	-	-	-	7,447,894	8,217,222
Fines and Forfeitures	-	-	-	-	854,202	854,202
Intergovernmental Revenues	15,303,409	6,343,011	4,104,499	181,308	2,226,505	41,649,857
Interest	-	-	-	-	3,516	3,516
Rents and Other	-	-	49,372	31,801	3,395,665	3,476,838
<b>Total revenues</b>	<b>15,361,804</b>	<b>6,343,011</b>	<b>4,153,871</b>	<b>213,109</b>	<b>21,221,957</b>	<b>61,495,810</b>
<b>Expenditures</b>						
Current:						
General Government	2,116,069	-	-	58,000	74,687	2,248,756
Public Safety	6,526,580	1,118,239	2,405,570	-	2,686,793	12,737,182
Public Works	-	-	(361)	467	22,425	22,560
Public Health	-	-	-	88,044	-	13,988,328
Parks Department	12,060	-	-	-	27,099	39,159
Library	390,424	-	125,047	-	52,809	568,280
Culture and Recreation	1,012	165,725	103,502	51,727	12,354,840	12,676,806
Economic Development	-	-	-	-	411,332	411,332
Solid Waste	-	268,157	-	-	-	269,549
Community and Human Development	784,243	1,935,115	584,959	-	5,508	3,309,825
Capital Outlay	5,531,416	2,855,775	935,154	21,215	2,682,642	12,329,825
<b>Total expenditures</b>	<b>15,361,804</b>	<b>6,343,011</b>	<b>4,153,871</b>	<b>219,453</b>	<b>18,318,135</b>	<b>58,601,602</b>
Excess (Deficiency) of revenues over (under) expenditures	-	-	-	(6,344)	2,903,822	2,894,208
<b>OTHER FINANCING SOURCES(USES):</b>						
Transfers Out	-	-	-	-	(607,776)	(607,776)
Other Sources (Uses)	-	-	-	-	-	3,270
<b>Total other financing sources (uses):</b>					<b>(607,776)</b>	<b>(604,506)</b>
Net change in fund balances	-	-	-	(6,344)	2,296,046	2,289,702
Fund balances - beginning of year	-	-	-	270,109	18,008,221	18,278,330
Fund balances - end of year	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>263,765</b>	<b>20,304,267</b>	<b>20,568,032</b>

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
63100000887	TEXAS HOMELESS HOUSING SERVICE	-	-	-	553,565	-	-	-	553,565
2007-GS-H7-0044	2007-GS-H7-0044	-	766	-	-	-	-	-	766
G210735	2005 CONGRESS'L MANDATED GRANT	-	121,862	-	-	-	-	-	121,862
G220813	G220813 FIRE PREVENTION	-	12,500	-	-	-	-	-	12,500
G221001	FIRE EMERGENCY MGT GRANT	-	223,171	-	-	-	-	-	223,171
G221003	AED DEFIB FY10	-	57,090	-	-	-	-	-	57,090
G221004	READY EL PASO CITIZEN CORPS CA	-	46,460	-	-	-	-	-	46,460
G221011	SCBA	-	474,821	-	-	-	-	-	474,821
G221012	USAR	-	14,239	-	-	-	-	-	14,239
G221013	REGIONAL HAZMAT TEAM	-	13,153	-	-	-	-	-	13,153
G221017	SHSP-LEAP	-	1,679	-	-	-	-	-	1,679
G410920	G410920 STD-HIV FEDERAL	-	-	-	-	-	64,419	-	64,419
G410922	G410922 BIO TERRORISM-LAB	-	-	-	-	-	(5,752)	-	(5,752)
G410923	G410923 HIV-SURV FEDERAL DSHS	-	-	-	-	-	25,279	-	25,279
G410925	G410925 OPHP BIO TERRORISM	-	-	-	-	-	(15,047)	-	(15,047)
G410926	G410926 211 AREA INFO CENTER	-	-	-	-	-	21,413	-	21,413
G410928	EWIDS FY09	-	-	-	-	-	(3,127)	-	(3,127)
G410929	BIO TERRORISM DISCRETIONARY PH	-	-	-	-	-	111,786	-	111,786
G410930	BIO TERRORISM DISCRETIONARY	-	-	-	-	-	167,946	-	167,946
G410931	G410931 MED INST FOR SEX HELTH	-	-	-	-	-	1,852	-	1,852
G411002	TB PC OUTREACH DSHS	-	-	-	-	-	188,608	-	188,608
G411003	MEXICAN CONSULATE	-	-	-	-	-	22,130	-	22,130
G411005	H1N1 PREPAREDNESS	-	-	-	-	-	517,501	-	517,501
G411007	TB PREVENTION AND CONTROL-DSHS	-	-	-	-	-	521,113	-	521,113
G411008	CHS-CHILD INJURY PREVENTION	-	-	-	-	-	107,649	-	107,649
G411009	HIV PREVENTION PROJECTS	-	-	-	-	-	69,207	-	69,207
G411010	MILK GROUP	-	-	-	-	-	9,658	-	9,658
G411011	RLSS-LPHS-DSHS	-	-	-	-	-	195,768	-	195,768
G411013	CHS-FEE FOR SERVICE-DSHS	-	-	-	-	-	243,286	-	243,286
G411014	HOSPITAL PREPAREDNESS-BIO	-	-	-	-	-	26,869	-	26,869
G411015	PUBLIC HEALTH EMERGENCY RESPON	-	-	-	-	-	181,880	-	181,880
G411016	INFECTIOUS DISEASE CONTROLFY10	-	-	-	-	-	4,506	-	4,506
G411017	FAMILY PLANNINGSRVCSGRANT-FY10	-	-	-	-	-	84,206	-	84,206
G411018	HIV SCREENING	-	-	-	-	-	200,313	-	200,313
G411020	STD HIV FEDERAL-DSHS	-	-	-	-	-	121,557	-	121,557
G411021	FOCUS AREA III 2010	-	-	-	-	-	786,318	-	786,318
G411022	BIO TERRORISM LAB-DSHS	-	-	-	-	-	198,638	-	198,638
G411023	HIV SURVEILLANCE-FEDERAL-DSHS	-	-	-	-	-	21,839	-	21,839
G411025	OPHP BIOTERRORISM-DSHS	-	-	-	-	-	335,082	-	335,082
G411026	2-1-1 AREA INFO CENTER-HHSC	-	-	-	-	-	304,476	-	304,476
G411028	EWIDS	-	-	-	-	-	84,424	-	84,424
G411029	OFFICE OF BORDER HEALTH	-	-	-	-	-	72,770	-	72,770
G411031	MEDICAL INSTITUTE	-	-	-	-	-	44,402	-	44,402
G411032	ZOONOSIS	-	-	-	-	-	12,944	-	12,944
G411122	BIO TERRORISM LAB-DSHS	-	-	-	-	-	11,620	-	11,620
G411125	BIO TERRORISM	-	-	-	-	-	27,226	-	27,226
G411128	EWIDS (OFFICE OF BORDER HEALTH	-	-	-	-	-	6,667	-	6,667
G510802	G510802 RIVERBEND TRAIL PRJCT	-	-	-	28,038	-	-	-	28,038
G541004	ARTS RESPOND FY2010	-	-	-	1,500	-	-	-	1,500

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G551004	ARTS EDUCATION LOWER DYER NRSA	-	-	-	15,100	-	-	-	15,100
G560902	G560902 IMLS LV	-	-	-	69,989	-	-	-	69,989
G560903	LAS VILLITAS EXHIBIT DONATIONS	-	-	-	21	-	-	-	21
G581002	HUMANITIES TEXAS FY10	-	-	-	1,079	-	-	-	1,079
G7135HOPWA1	HOPWA OPERATIONS	-	-	293,258	-	-	-	-	293,258
G7135HOPWA2	HOPWA ADMINISTRATION	-	-	7,218	-	-	-	-	7,218
G71NSP - TDHCA	NSP -STATE FUNDED	-	-	-	(13,732)	-	-	-	(13,732)
G71NSP1	COEP ACCUSITION	-	605,683	-	-	-	-	-	605,683
G71NSP7	COEP ACCUSITION 25% SET ASIDE	-	4,950	-	-	-	-	-	4,950
G71NSP-TDHCA	NSP -STATE FUNDED	-	-	-	45,126	-	-	-	45,126
G210926	G210926 INTELLIGENCE FY08	-	1,245	-	-	-	-	-	1,245
G210928	G210928 MULTI FY08	-	(193)	-	-	-	-	-	(193)
G210930	G210930 TRANSPORTATION FY08	-	2,185	-	-	-	-	-	2,185
G210931	G210931 FUGITIVE 08	-	4,262	-	-	-	-	-	4,262
G210932	G210932 STING FY08	-	55,848	-	-	-	-	-	55,848
G210933	G210933 STASH HOUSE FY08	-	994	-	-	-	-	-	994
G210939	G210939 ENTERPRISE FY08	-	6,412	-	-	-	-	-	6,412
G210955	STING FY09	-	967,210	-	-	-	-	-	967,210
G210956	INTELLIGENCE FY09	-	77,684	-	-	-	-	-	77,684
G210957	STASH HOUSE FY09	-	263,002	-	-	-	-	-	263,002
G210958	MULTI FY09	-	173,744	-	-	-	-	-	173,744
G210959	ENTERPRISE FY09	-	12,541	-	-	-	-	-	12,541
G210960	TRANSPORTATION FY09	-	3,736	-	-	-	-	-	3,736
G210961	FUGATIVE FY09	-	20,351	-	-	-	-	-	20,351
G210962	STING DHE FY09	-	65,594	-	-	-	-	-	65,594
G210963	STASH HOUSE DHE FY09	-	13,664	-	-	-	-	-	13,664
G210964	STING PARCEL FY 2009	-	41,084	-	-	-	-	-	41,084
G211055	STING FY2010	-	382,373	-	-	-	-	-	382,373
G211056	INTELLIGENCE FY2010	-	89,708	-	-	-	-	-	89,708
G211057	STASH HOUSE FY2010	-	239,158	-	-	-	-	-	239,158
G211058	MULTI FY2010	-	46,357	-	-	-	-	-	46,357
G211059	ENTERPRISE FY2010	-	2,140	-	-	-	-	-	2,140
G211061	FUGITIVE FY2010	-	1,205	-	-	-	-	-	1,205
G4108BF	BF04 WIC BREASTFEEDING-FY08	-	-	-	-	-	224	-	224
G4109AD	G4109AD WIC ADMINISTRATION	-	-	-	-	-	741,279	-	741,279
G4109BF	G4109BF WIC BREASTFEEDING	-	-	-	-	-	27,781	-	27,781
G4109NE	G4109NE WIC NUTRITION EDUCATION	-	-	-	-	-	192,454	-	192,454
G4110AD	WIC ADMIN-DSHS	-	-	-	-	-	4,619,617	-	4,619,617
G4110BF	WIC BREASTFEEDING-DSHS	-	-	-	-	-	366,627	-	366,627
G4110NE	WIC NUTRITION-DSHS	-	-	-	-	-	1,436,640	-	1,436,640
G220909	IT INTEROPERABILITY	-	1,782	-	-	-	-	-	1,782
G080801	BRAC OEA FY08	-	372,643	-	-	-	-	-	372,643
G081002	DSD BRAC OEA	-	323,132	-	-	-	-	-	323,132
G710RLFAD09	G710RLFAD09 RLF ADMIN	2,268	-	-	-	-	-	-	-
G710RLFAD10	FY 10 CD RLF ADMIN	177,745	-	-	-	-	-	-	-
G710RLFCDAH	CDA HOUSING REHAB RLF	265,863	-	-	-	-	-	-	-
G7132CD0015	G7132CD0015 MILLER CR S & D	95,492	-	-	-	-	-	-	-
G7132CD0016	G7132CD0016 ORNDORFF DR S & D	31,300	-	-	-	-	-	-	-
G7132CD0026	BORDERLAND PHASE V	22,816	-	-	-	-	-	-	-

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G7133CD0010	G7133CD0010 TULA IRROBALI	21,927	-	-	-	-	-	-	-
G7133CD0036	G7133CD0036 GRANDVW PARK IMP	3,237	-	-	-	-	-	-	-
G7133CD0037	G7133CD0037 CORONADO RD PHASE 1	185,859	-	-	-	-	-	-	-
G7133CD0038	G7133CD0038 CORONADO RD PHASE 2	10,338	-	-	-	-	-	-	-
G7133CD0041	G7133CD0041 MUNDY PRK IMPRV	198	-	-	-	-	-	-	-
G7134CD0002	G7134CD0002 CD ADMIN FY09	(55,891)	-	-	-	-	-	-	-
G7134CD0003	G7134CD0003 AFTER SCHOOL OUTRE	(47)	-	-	-	-	-	-	-
G7134CD0005	G7134CD0005 SUN COUNTRY REC	(18,661)	-	-	-	-	-	-	-
G7134CD0009	G7134CD0009 ENVIRONMENTAL SERV	(141)	-	-	-	-	-	-	-
G7134CD0012	G7134CD0012 BORDERLAND PH. VII	469,121	-	-	-	-	-	-	-
G7134CD0013	G7134CD0013 BUCHER ROAD	2,408	-	-	-	-	-	-	-
G7134CD0014	G7134CD0014 ARMIJO BR.LIB/CLAB	443,138	-	-	-	-	-	-	-
G7134CD0015	G7134CD0015 HIDDEN VALLEY PARK	122,849	-	-	-	-	-	-	-
G7134CD0016	G7134CD0016 FRANKLIN PARK IMPROVEMENTS	268,282	-	-	-	-	-	-	-
G7134CD0017	G7134CD0017 CRIME VICTIMS READ	46,779	-	-	-	-	-	-	-
G7134CD0019	G7134CD0019 FATHER MARTINEZ SR	470,196	-	-	-	-	-	-	-
G7134CD0020	G7134CD0020 BORDERLAND PH. VI	542,063	-	-	-	-	-	-	-
G7134CD0021	G7134CD0021 CHIHUAHUITA COMM	203,550	-	-	-	-	-	-	-
G7134CD0022	G7134CD0022 YMCA REC CNTR REHA	1,122,574	-	-	-	-	-	-	-
G7134CD0032	G7134CD0032 DISABILITY GRANT	(93)	-	-	-	-	-	-	-
G7134SS0017	G7134SS0017 CHILDCARE PROGRAM	(5)	-	-	-	-	-	-	-
G7134SS0050	G7134SS0050 CHAMIZAL REVITALIZ	(570)	-	-	-	-	-	-	-
G7135CD0002	G7135CD0002 CD ADMIN FY 10	1,644,704	-	-	-	-	-	-	-
G7135CD0003	G7135CD0003 AFTER SCHOOL OUTREACH FY10	23,943	-	-	-	-	-	-	-
G7135CD0005	G7135CD0005 SUN COUNTRY REC FY10	178,030	-	-	-	-	-	-	-
G7135CD0009	G7135CD0009 REBUILD DAY AND BEYOND	30,561	-	-	-	-	-	-	-
G7135CD0010	G7135CD0010 LOWER DYER & CHAMIZAL NGBD REV	104,821	-	-	-	-	-	-	-
G7135CD0011	G7135CD0011 NEIGHBORHOOD REVIT NRSA'S CLEA	17,029	-	-	-	-	-	-	-
G7135CD0012	G7135CD0012 MICROENTERPRISE TECH ASSIS - P	93,013	-	-	-	-	-	-	-
G7135CD0013	G7135CD0013 COATES DRIVE SIDEWALK IMPROVEM	23,780	-	-	-	-	-	-	-
G7135CD0014	G7135CD0014 MONTOKA HEIGHTS SUBDIV PH I	98,182	-	-	-	-	-	-	-
G7135CD0015	G7135CD0015 HIDDEN VALLEY PARK IMPROV	35,864	-	-	-	-	-	-	-
G7135CD0016	G7135CD0016 MEMORIAL PARK TENNIS COURTS IM	49,281	-	-	-	-	-	-	-
G7135CD0017	G7135CD0017 MARY JEANNE LANE PH I STREET	32,538	-	-	-	-	-	-	-
G7135CD0018	G7135CD0018 CLARDY FOX BRANCH ADD/EXPAN	40,378	-	-	-	-	-	-	-
G7135CD0019	G7135CD0019 DE VARGAS PARK IMPROVEMENT	16,299	-	-	-	-	-	-	-
G7135CD0021	G7135CD0021 COLONIA VERDE PARK IMPROVEMENT	31,233	-	-	-	-	-	-	-
G7135CD0022	G7135CD0022 PECAN GROVE PH -II	32,450	-	-	-	-	-	-	-
G7135CD0023	G7135CD0023 PUEBLO VIEJO PARK IMPROV PH I	47,400	-	-	-	-	-	-	-
G7135CD0024	G7135CD0024 PERCY GURROLA (PERALUNA) PARK	16,226	-	-	-	-	-	-	-
G7135CD0025	G7135CD0025 COMTIUUM PLANNING AND ASSISTA	66,593	-	-	-	-	-	-	-
G7135CD0032	G7135CD0032 DISABILITY GRANT FY10	24,061	-	-	-	-	-	-	-
G7135CD0035	G7135CD0035 CITYWIDE CURBCUTS	169,936	-	-	-	-	-	-	-
G7135SS0001	G7135SS0001 OPERATION SCHOOL BELL	32,500	-	-	-	-	-	-	-
G7135SS0002	G7135SS0002 FAMILY LITERACY	22,445	-	-	-	-	-	-	-
G7135SS0003	G7135SS0003 COURT APPOINTED S.A. - CASA	25,153	-	-	-	-	-	-	-
G7135SS0004	G7135SS0004 ACTIVITY CENTER	24,852	-	-	-	-	-	-	-
G7135SS0005	G7135SS0005 CRISIS INTERVENTION	22,622	-	-	-	-	-	-	-
G7135SS0006	G7135SS0006 YOUTH REC AND GANG PREVENTION	23,616	-	-	-	-	-	-	-

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G7135SS0007	YOUTH CHARACTER BUILDER-SS	11,575	-	-	-	-	-	-	-
G7135SS0009	DAY CARE	23,749	-	-	-	-	-	-	-
G7135SS0010	PROJECT ARRIBA	25,000	-	-	-	-	-	-	-
G7135SS0011	EARLY CHILDHOOD DEV. PROJECT V	80,880	-	-	-	-	-	-	-
G7135SS0012	JOB PLACEMENT & COACHING	24,500	-	-	-	-	-	-	-
G7135SS0013	EMERGENCY SHELTER FOR SURVIVOR	32,652	-	-	-	-	-	-	-
G7135SS0014	HOMELESS HEALTH CARE CLINIC	28,409	-	-	-	-	-	-	-
G7135SS0015	EMERGENCY SHELTER & CRISIS NUR	35,238	-	-	-	-	-	-	-
G7135SS0016	TRANSITIONAL LIVING FOR TEENS	24,468	-	-	-	-	-	-	-
G7135SS0017	EL PASO VILLA MARIA	25,000	-	-	-	-	-	-	-
G7135SS0018	TRANSITIONAL LIVING CENTER	36,118	-	-	-	-	-	-	-
G7135SS0019	LA POSADA HOME	25,528	-	-	-	-	-	-	-
G7135SS0020	ROOTS AND WINGS	21,659	-	-	-	-	-	-	-
G7135SS0021	HOMELESS SHELTER SERVICES	24,214	-	-	-	-	-	-	-
G7135SS0022	YWCA SARA MCKNIGHT TRANS. LIVI	29,695	-	-	-	-	-	-	-
G7135SS0023	MENTAL HEALTH SERVICES FOR SUR	28,077	-	-	-	-	-	-	-
G7135SS0024	LA FE CARE CENTER HIV	27,996	-	-	-	-	-	-	-
G7135SS0025	PRIMARY HEALTH & MENTAL HEALTH	44,609	-	-	-	-	-	-	-
G7135SS0026	CHILDRENS MENTAL HEALTH/ABUSE	40,042	-	-	-	-	-	-	-
G7135SS0027	COMMUNITY DEVELOPMENT COUNSELI	23,751	-	-	-	-	-	-	-
G7135SS0028	MENTAL HEALTH SERVICES	27,957	-	-	-	-	-	-	-
G7135SS0029	MENTAL HEALTH SOCIAL REHAB FOR	26,772	-	-	-	-	-	-	-
G7135SS0030	INTEGRATED PRIMARY HEALTH CARE	38,335	-	-	-	-	-	-	-
G7135SS0031	HOME HEALTH CARE	32,211	-	-	-	-	-	-	-
G7135SS0032	EL PASO CITY-COUNTY NUTRITION	67,623	-	-	-	-	-	-	-
G7135SS0033	HEALTHY LIVING PROGRAM	20,258	-	-	-	-	-	-	-
G7135SS0034	FOOD PANTRY NUTRITION PROGRAM	24,739	-	-	-	-	-	-	-
G7135SS0035	FAMILY SUPPORT SERVICES	45,686	-	-	-	-	-	-	-
G7135SS0036	HOME SERVICES FOR THE ELDERLY	27,399	-	-	-	-	-	-	-
G7135SS0037	EAST VALLEY ADULT MH CASE MGMT	37,449	-	-	-	-	-	-	-
G7135SS0038	CHAMIZAL NEIGHBORHOOD REVITALI	120,530	-	-	-	-	-	-	-
G7135SS0039	LOWER DYER NEIGHBORHOOD REVITA	123,281	-	-	-	-	-	-	-
G7135SS0040	LATCH KEY CTR - PROJECT VIDA	22,659	-	-	-	-	-	-	-
G7135SS0047	G7135SS0047 YWCA CCC	21,537	-	-	-	-	-	-	-
G7135SS0048	G7135SS0048 PASO D NORTE H.C.	18,610	-	-	-	-	-	-	-
G71NSP	NSP - FEDERALLY FUNDED	-	93,981	-	-	-	-	-	93,981
GHUDSUS	HUD PAYROLL SUSPENCE ACCOUNT	281,827	-	-	-	-	-	-	-
G7135ES0001	ESG	18,618	-	-	-	-	-	-	-
G7135ES0002	CENTER AGAINST FAMILY VIOLENCE	57,012	-	-	-	-	-	-	-
G7135ES0003	CHILD CRISIS CENTER	27,416	-	-	-	-	-	-	-
G7135ES0004	EL PASO CTR FOR CHILDREN	14,486	-	-	-	-	-	-	-
G7135ES0005	EL PASO MH/MR	9,621	-	-	-	-	-	-	-
G7135ES0006	EL PASO VILLA MARIA	11,117	-	-	-	-	-	-	-
G7135ES0007	INTERNATIONAL AIDS	9,516	-	-	-	-	-	-	-
G7135ES0008	LA POSADA HOME	14,446	-	-	-	-	-	-	-
G7135ES0009	OPPORTUNITY CENTER FOR THE HOM	75,367	-	-	-	-	-	-	-
G7135ES0010	PROJECT VIDA	18,186	-	-	-	-	-	-	-
G7135ES0011	RESCUE MISSION	20,169	-	-	-	-	-	-	-
G7135ES0012	SALVATION ARMY	40,157	-	-	-	-	-	-	-

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G7135ES0013	YWCA - TLC	15,576	-	-	-	-	-	-	-
G7106HM	G7106HM HOME PROGRAM FY'06	985,110	-	-	-	-	-	-	-
G7107HM	G7107HM HOME PROG FY07	572,290	-	-	-	-	-	-	-
G7108HM	G7108HM HOME PROG FY08	1,501,704	-	-	-	-	-	-	-
G7109HM	G7109HM HOME	872,567	-	-	-	-	-	-	-
G710RLFHOME	HOME PROG INCOME	1,282,713	-	-	-	-	-	-	-
G7110HM	FY10 HOME ENTITLEMENT	416,936	-	-	-	-	-	-	-
G71EZ BOF	EZ BORDER OPP LOAN FUND	45,425	-	-	-	-	-	-	-
G71EZECEPEZ	EMPOWERMENT ZONE GRANT FUNDS	2,778,346	-	-	-	-	-	-	-
G71EZFACADE	EMPOWERMENT ZONE FAÇADE PROGRAM	69,783	-	-	-	-	-	-	-
G71EVSUNMETRO	SUN METRO EZ JOB EXPRESS	459,396	-	-	-	-	-	-	-
G71CDBGR001	CORONADO RD PH II-CONSTRUCTION	-	-	467,419	-	-	-	-	467,419
G71CDBGR002	BUCHER RD -CONSTRUCTION	-	-	368,253	-	-	-	-	368,253
G71CDBGR003	CENTRO MAYAPAN FESTI MARKETPLA	-	-	250,000	-	-	-	-	250,000
G71CDBGR004	PROJECT ARRIBA - PSS	-	-	100,000	-	-	-	-	100,000
G71CDBGR005	CITYWIDE CURB CUT DEMAND CDBGR	-	-	224,106	-	-	-	-	224,106
G71HPRP001	EP COUNTY CENTRAL/NORTHWEST	-	-	263,205	-	-	-	-	263,205
G71HPRP002	EP COUNTY NORHTEAST/EAST	-	-	270,893	-	-	-	-	270,893
G71HPRP003	EP COUNTY LOWER VALLEY	-	-	105,567	-	-	-	-	105,567
G71HPRP004	TVP NON PROFIT RAPID REHOUSING	-	-	349,759	-	-	-	-	349,759
G71HPRP005	EP COALITION DATA COLLECTION	-	-	25,542	-	-	-	-	25,542
G71HPRP006	COEP ADMINISTRATION	-	-	19,862	-	-	-	-	19,862
G210720	G210720 CMG-CRIME LAB FY06	-	58,695	-	-	-	-	-	58,695
G210806	G210806 OVAG FY08	-	(1,851)	-	-	-	-	-	(1,851)
G210903	G210903 VAWA (DART) FY09	-	(3,178)	-	-	-	-	-	(3,178)
G210908	WEED AND SEED PROGRAM	-	114,420	-	-	-	-	-	114,420
G211008	FY09 WEED AND SEED PROGRAM	-	73,794	-	-	-	-	-	73,794
G210614	G210614 COPS AFIS 0432	-	59,226	-	-	-	-	-	59,226
G210716	G210716 COPS STEP SCHOOLS FY06	-	221	-	-	-	-	-	221
G210821	COPS TECHNOLOGY FY08	-	101,031	-	-	-	-	-	101,031
G210915	G210915 COPS TECHNOLOGY 09	-	758,517	-	-	-	-	-	758,517
G210719	G210719 TPA-TECH&PROG FY07	-	84,338	-	-	-	-	-	84,338
G210819	G210819 TPA (TECH AND PRO	-	183,037	-	-	-	-	-	183,037
G211019	RECOVERY ACT JAG PROGRAM	-	-	1,118,239	-	-	-	-	1,118,239
G780503	FHWA / TXDOT / MPO FY'05	-	(80)	-	-	-	-	-	(80)
G780603	G780601 FHWA/TXDOT/MPO FY'06	-	80	-	-	-	-	-	80
G780703	G780703 FHWA/TXDOT/MPO FY07	-	5,708	-	-	-	-	-	5,708
G780801	780801 NEW MEXICO FY08	-	753	-	-	-	-	-	753
G780802	780802 TEXAS GRANT FY 08	-	(3,464)	-	-	-	-	-	(3,464)
G780901	G780901 NEW MEXICO	-	2,620	-	-	-	-	-	2,620
G780902	G780902 TEXAS	-	128,820	-	-	-	-	-	128,820
G781001	NEW MEXICO	-	19,357	-	-	-	-	-	19,357
G781002	TEXAS	-	1,266,500	-	-	-	-	-	1,266,500
G210905	G210905 SAFE COMMUNITIES FY09	-	4,989	-	-	-	-	-	4,989
G540905	NEA ARRA EPMA	-	-	25,001	-	-	-	-	25,001
G550905	NEA ARRA SUBGRANT	-	-	100,000	-	-	-	-	100,000
G531011	BIG READ-FY 10	-	18,664	-	-	-	-	-	18,664
G560804	G560804 HTX EXHIBITS	-	1,012	-	-	-	-	-	1,012
G530903	G530903 TSLAC	-	(7,698)	-	-	-	-	-	(7,698)

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds

Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G530909	G530909 TANG	-	(2,601)	-	-	-	-	-	(2,601)
G71WTHR	WEATHERIZATION ASSISTANCE PRO	-	-	1,779,961	-	-	-	-	1,779,961
GEECBG04	LANDFILL	-	-	226,786	-	-	-	-	226,786
GEECBG05	RECYCLING	-	-	4,943	-	-	-	-	4,943
GEECBG06	EQUIPMENT - MEETING ROOM	-	-	59,926	-	-	-	-	59,926
GEECBG07	APPLIANCE REBATES	-	-	36,428	-	-	-	-	36,428
GEECBG08	SOLAR ART	-	-	31,585	-	-	-	-	31,585
G410902	G410902 TB OUTREACH (LESS 5%)	-	-	-	-	-	150,464	-	150,464
G711002	ARRA-STRENGTHENING COMMUNITIES	-	-	59,772	-	-	-	-	59,772
G410726	G410726 2-1-1 AREA INFO CENTER	-	-	-	-	-	7,500	-	7,500
G410826	211 AREA INFO CENTER FY08	-	-	-	-	-	1,241	-	1,241
G7109RSFEDR	G7109RSFEDR RSVP FEDERAL FUNDED	33,330	-	-	-	-	-	-	-
G7110RSFEDR	RVP FED FY10	112,183	-	-	-	-	-	-	-
G7109FGFEDR	G7109FGFEDR FGP FEDERAL FUNDED	16,517	-	-	-	-	-	-	-
G7110FGCDBG	G7110FGCDBG FGP CD FUNDED	26,018	-	-	-	-	-	-	-
G7110FGFEDR	FGP FEDERAL FUNDED	441,005	-	-	-	-	-	-	-
G220603	G220603 FIRE SPECIAL OPS -EPA	-	1,610	-	-	-	-	-	1,610
G220803	G220803 EMERGENCY NOTIFIC SYS	-	260,856	-	-	-	-	-	260,856
G220804	G220804 SW TX-NM FUSION CENTER	-	305,371	-	-	-	-	-	305,371
G220805	G220805 TEXAS PEER TO PEER	-	381	-	-	-	-	-	381
G220807	G220807 ENH EMERGENCY OPER CTR	-	619,453	-	-	-	-	-	619,453
G220808	G220808 PUBLIC SAFETY DIGITAL	-	1,607,800	-	-	-	-	-	1,607,800
G220809	G220809 MGMT & ADMINISTRATION	-	(2,992)	-	-	-	-	-	(2,992)
G220906	ENHANCE RG INFO CTR	-	67,840	-	-	-	-	-	67,840
G220908	MOBILE COMMAND POST	-	809,977	-	-	-	-	-	809,977
G220910	PLAN AND COORDINATE UASI 08	-	253,700	-	-	-	-	-	253,700
G220911	REGION SCBA PROJECT	-	475,176	-	-	-	-	-	475,176
G220913	EL PASO VOLUNTEER	-	26,972	-	-	-	-	-	26,972
G220914	REGIONAL AHIMT	-	49,768	-	-	-	-	-	49,768
G220915	PEER TO PEER	-	7,207	-	-	-	-	-	7,207
G220916	ADMIN FY08 HOMELAND SECURITY	-	6,654	-	-	-	-	-	6,654
G220917	RIO GRANDE INFO CTR	-	(21,076)	-	-	-	-	-	(21,076)
G220918	EXPLOSIVE DEVICE DETECTION	-	874,321	-	-	-	-	-	874,321
G220901	G220901 EMERGENCY MGMT FY09	-	(54,873)	-	-	-	-	-	(54,873)
G220607	G220607 OPS & SAFETY PROG FY06	-	33,353	-	-	-	-	-	33,353
G220506	G220506 MMRS'03 CONTRACT	-	110,575	-	-	-	-	-	110,575
G220811	G220811 MMRS	-	36,087	-	-	-	-	-	36,087
G220905	MMRS	-	191,102	-	-	-	-	-	191,102
G221018	MMRS	-	4,447	-	-	-	-	-	4,447
G229903	MMRS - MEDICAL RESPONSE SYSTEM	-	90,267	-	-	-	-	-	90,267
G220812	G220812 SHSP	-	152,540	-	-	-	-	-	152,540
G220903	SHSP	-	41,668	-	-	-	-	-	41,668
G220810	G220810 LETPP	-	210,967	-	-	-	-	-	210,967
G329601	GRAFITTI CLEAN UP	-	-	-	-	-	29	-	29
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	-	-	-	-	-	3,680	-	3,680
G7109FGCITY	G7109FGCITY FGP CITY FUNDED	22,444	-	-	-	-	-	-	-
G7109RSCITY	G7109RSCITY RSVP CITY FUNDED	20,961	-	-	-	-	-	-	-
G7110FGCITY	FGP CITY FUNDED	40,479	-	-	-	-	-	-	-
G7110RSCITY	RSVP CITY FUNDED	18,843	-	-	-	-	-	-	-

CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G540903	G540903 NEA ART MUSEUM	-	-	9,139	-	-	-	-	9,139
G410904	G410904 TWO SHOULD KNOW	-	-	-	-	-	88,454	-	88,454
G411004	PASO DEL NORTE SEXUAL HEALTH	-	-	-	-	-	137,797	-	137,797
G530905	MINOR LIBRARY GRANTS	-	7,256	-	-	-	-	-	7,256
G7132PS0015	MILLER CIRCLE	1,613	-	-	-	-	-	-	-
G7132PS0016	ORNDORFF DRIVE	1,921	-	-	-	-	-	-	-
G7132PS0026	BORDERLAND V	906	-	-	-	-	-	-	-
G7133PS0037	CORONADO I	112,621	-	-	-	-	-	-	-
G7134PS0012	BORDERLAND VII	47,750	-	-	-	-	-	-	-
G71PSBGR0002	BUCHER	-	-	30,120	-	-	-	-	30,120
G71PSBGR001	CORONADO II	-	-	80,901	-	-	-	-	80,901
G210810	G210810 BUFFERZONE GRANT FY'08	-	23,334	-	-	-	-	-	23,334
G210815	G210815 LSBP FY 2008	-	-	-	731	-	-	-	731
G210832	G210832 BSET - LICENSE PLATE	-	-	-	299,754	-	-	-	299,754
G210833	G210833 BSET - FINGER ID	-	-	-	398,900	-	-	-	398,900
G210902	G210902 ABTPA FY09	-	-	-	6,470	-	-	-	6,470
G210907	G210907 COMP STEP 09	-	-	-	43,468	-	-	-	43,468
G210911	G210911 JABG-SHOCAP YR#10	-	-	-	(3,312)	-	-	-	(3,312)
G210912	2008 BUFFERZONE PP FY09	-	119,251	-	-	-	-	-	119,251
G210920	GANG INITIATIVE	-	-	-	31,121	-	-	-	31,121
G210924	G210924 TXDOT IDM-09	-	-	-	1	-	-	-	1
G211002	ABTPA FY10	-	-	-	1,635,029	-	-	-	1,635,029
G211003	LAW ENFORCEMENT-DART OFFICERS	-	45,827	-	-	-	-	-	45,827
G211004	GENERAL VICTIM ASSISTANCE-DIRE	-	-	-	132,222	-	-	-	132,222
G211005	SAFE COMMUNITIES FY10	-	145,840	-	-	-	-	-	145,840
G211007	TXDOT COMP STEP FY2010	-	-	-	582,907	-	-	-	582,907
G211018	INTERNET CRIMES AGAINST CHILDR	-	-	-	6,550	-	-	-	6,550
G211034	OPERATION STONEGARDEN-09	-	468,481	-	-	-	-	-	468,481
G211062	CIOT-00062	-	-	-	13,623	-	-	-	13,623
G211102	ABTPA FY11	-	-	-	39,362	-	-	-	39,362
G211120	GANG SUPPRESSION	-	-	-	16,948	-	-	-	16,948
G320301	TX FOREST SVC. ARBORIST	-	-	-	(361)	-	-	-	(361)
G410727	G410727 CARRYOVER TITILEV FY07	-	-	-	-	-	21,965	-	21,965
G410809	ENVIRONMENTAL HEALTH GROUP-FY0	-	-	-	-	-	1,392	-	1,392
G410906	G410906 TDH IMMUNIZATION	-	-	-	-	-	269	-	269
G410907	G410907 DSHS TB PREVENT CONTRL	-	-	-	-	-	1,331	-	1,331
G410908	G410908 CHC-POP BASED DSH	-	-	-	-	-	1,889	-	1,889
G410911	G410911 DSHS REGIONAL PLANNING	-	-	-	-	-	(5,867)	-	(5,867)
G410913	G410913 TDH BUR OF WOMEN & CHL	-	-	-	-	-	2,000	-	2,000
G411006	IMMUNIZATION-LOCAL-DSHS	-	-	-	-	-	1,638,769	-	1,638,769
G530901	G530901 ERATE	-	-	-	3,307	-	-	-	3,307
G530902	G530902 LONE STAR	-	-	-	816	-	-	-	816
G531001	ERATE-FY10	-	-	-	70,429	-	-	-	70,429
G531002	LOAN STAR- FY10	-	-	-	103,727	-	-	-	103,727
G531003	TSLAC- FY 10	-	307,633	-	-	-	-	-	307,633
G531009	TANG-FY 10	-	79,421	-	-	-	-	-	79,421
G541001	TCA EDUCATION FY 10	-	-	-	1,500	-	-	-	1,500
G541002	TCA OPERATIONS FY 10	-	-	-	12,493	-	-	-	12,493
G551001	TCA OPERATIONS FY 10	-	-	-	15,500	-	-	-	15,500



CITY OF EL PASO, TEXAS  
Schedule of Expenditures - Special Revenue Funds  
For the Year Ended August 31, 2010

Nonmajor Governmental Funds									
Grant	Description	Community Development Block Grants	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor Governmental Funds
G551002	TCA SUB-GRANTING FY 10	-	-	-	35,000	-	-	-	35,000
G551007	TCA ARTS ED FY10	-	-	-	3,000	-	-	-	3,000
G551008	TCA CULT TOUR FY10	-	-	-	4,000	-	-	-	4,000
G7109RSSTAT	G7109RSSTAT RSVP STATE FUNDED	(121)	-	-	-	-	-	-	-
G7110FGSTAT	FGP CITY FUNDED	5,000	-	-	-	-	-	-	-
G7110RSSTAT	RSVP STATE FY10	21,152	-	-	-	-	-	-	-
G211135	OPERATION BORDER SECURITY	-	304,440	-	-	-	-	-	304,440
GEECBG02	GREEN FLEET VEHICLES	-	-	35,128	-	-	-	-	35,128
G411114	LABORATORY RESPONSE NETWORK-CP	-	-	-	-	-	367	-	367
G531103	TSLAC FY 2011	-	44	-	-	-	-	-	44
	LPA-G329601 GRAFITTI CLEAN UP	-	-	-	-	467	-	-	467
	LPA-G410125 PASO DEL NORTE FOUND-A	-	-	-	-	88,044	-	-	88,044
	LPA-G540109 OUTREACH	-	-	-	-	8,634	-	-	8,634
	LPA-G560001 E.P. COMMUNITY FOUND -	-	-	-	-	7,500	-	-	7,500
	LPA-G510603 TURF MGMT PROGRM FY'06	-	-	-	-	21,215	-	-	21,215
	LPA-IMIP	-	-	-	-	58,000	-	-	58,000
	LPA-G540904 County HOT FY09	-	-	-	-	35,593	-	-	35,593
	SMG-Civic Center	-	-	-	-	-	-	8,451,692	8,451,692
	Landscape Ordinance	-	-	-	-	-	-	22,425	22,425
	TIRZ #5	-	-	-	-	-	-	50,732	50,732
	Economic Development	-	-	-	-	-	-	360,600	360,600
	Parkland Dedication	-	-	-	-	-	-	1,620,556	1,620,556
	Parks	-	-	-	-	-	-	52,880	52,880
	CVB	-	-	-	-	-	-	1,984,941	1,984,941
	Police	-	-	-	-	-	-	2,472,514	2,472,514
	Zoo	-	-	-	-	-	-	1,742,326	1,742,326
	Art Museum	-	-	-	-	-	-	262,071	262,071
	Library	-	-	-	-	-	-	66,974	66,974
	History Museum	-	-	-	-	-	-	55,438	55,438
	Council Special Projects	-	-	-	-	-	-	17,245	17,245
	Municipal Court	-	-	-	-	-	-	731,414	731,414
	PEG	-	-	-	-	-	-	154,446	154,446
	Palo Verde	-	-	-	-	-	-	198,200	198,200
	Mayor	-	-	-	-	-	-	16,961	16,961
	Fire Department	-	-	-	-	-	-	16,694	16,694
	Lobbyist	-	-	-	-	-	-	34,518	34,518
	CD Donations	-	-	-	-	-	-	5,508	5,508
		<u>19,148,717</u>	<u>15,361,804</u>	<u>6,343,011</u>	<u>4,153,871</u>	<u>219,453</u>	<u>14,205,328</u>	<u>18,318,135</u>	<u>58,601,602</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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		Positive (Negative)
Fund balance, September 1	\$ 5,711,107	5,711,107	5,711,107	-
Resources (inflows):				
Property taxes	62,429,401	62,429,401	61,909,395	(520,006)
Penalties and Interest-Delinquent taxes	-	-	552,122	552,122
Interest received	-	-	80,897	80,897
Parking meter revenue	1,348,705	1,348,705	1,355,785	7,080
Federal tax credit - Build America Bonds	-	785,097	785,097	-
Transfers from other funds	4,256,020	3,490,331	3,275,638	(214,693)
Amounts available for appropriation	<u>73,745,233</u>	<u>73,764,641</u>	<u>73,670,041</u>	<u>(94,600)</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	29,545,000	28,226,929	28,226,929	-
Interest	40,516,127	39,427,475	39,427,475	-
Fiscal fees	51,000	52,500	(98,443)	150,943
Total charges to appropriations	<u>70,112,127</u>	<u>67,706,904</u>	<u>67,555,961</u>	<u>150,943</u>
Fund balance, End of period	<u>\$ 3,633,106</u>	<u>6,057,737</u>	<u>6,114,080</u>	<u>56,343</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  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PUNALLOCATED	BOND ISSUANCE COSTS	\$ 753,653
G600461	CAMINO REAL TRANSIT TERMINAL	508,619
G600540	JARC FY' 2005 GRANT	1
G7131CD0013	YSLETA LIBRARY BRANCH EXPAN	5,888
G7133CD0039	G7133CD0038YSLETA LIB COMP LAB	(1,740)
G7134PS0020	BORDERLAND VI	40,752
G71EZFACADE	EMPOWERMENT ZONE FAÇADE PROGRAM	25,403
P08FC001	NORTHWIND WALL CONSTRUCTION	(89,626)
P09CC001	CHAVEZ THEATER RENOVATION	2,826,554
P09CC002	ABRAHAM CHAVEZ THEATER	33
P09ST002	INTELLIGENT TRNSPORTN SYS EXP	32,479
P09ST003	VIDEO SURVEILLANCE & COUNT STA	320,949
P09ST004	SCHWABE & COOLEY DRAINAGE IMPR	21,031
P09ST005	PASODALE SUBDIVISION PHASE 3	31,252
P09ST006	PASODALE SUBDIVISION PHASE 4	33,300
P09ST007	CHESTER JORDAN SCHOOL FLASHER	58,230
P09ST009	WILLIAM HERRERA SCH FLASHER	42,382
P09ST010	YSLETA PRE-K CTR SCHOOL FLASHE	6,646
P09ST011	MARGUERITE LUNDY SCH FLASHER	35,182
P09ST012	SAFETY FLASHER @ TX TECH SCHOO	34,489
P09ST013	TOM LEA ELEM SCHOOL FLASHER	45,600
P09ST014	ST CLEMENT'S SCHOOL FLASHERS	37,554
P09TX001	INTERSECTION IMPV A 15 INT GEO	76,046
P09TX002	TRAFFIC SIGNALS @ 15 LOCATIONS	20,809
P501236	TEXAS/RAYNOR/PIEDRAS BRIDGE	2,317
P501388	SAFTY FLASHER/PED SAFTY/OTHER	30,624
P501393	COMMUNICATIONS FACILITIES	23,595
P501545	MSC IMPROVEMENTS - FY98 CO	576,120
P501546	UNALLOC BND PRCD5 1999 (1998B)	3,000
P501554	TMC/CBD SIGNALIZATION UPGRADE	518
P501566	CIVIC CENTER CAPITAL IMPROVEME	2,475,554
P540001	CITY AUCTIONS	93,535
P540010CTY	CAPITAL OUTLAY	243,437
P540010LEG	CAPITAL OUTLAY	60,527
P540010LIB	CAPITAL OUTLAY	2,043
PAPADMINY06	2% FOR THE ARTS 2006 COS	61,677
PAPADMINY09	ADMINISTRATION	26,325
PAPCOMPROJY03	CITYWIDE COMMUNITY PROJECTS	2,800
PAPCOMPROJY06	CITY WIDE COMMUNITY PROJECTS	57,300
PAPCULTOURY06	CULTURAL TOURISM GATEWAYS PROJ	174,492
PAPNEIGHPY06	NEIGHBORHOODS PROJECT	30,972
PBE04FC102	CARLSON/ELLIOT PUMP STN	29,309
PBE04FC104	ROCKY BLUFF DRAIN	97,882
PBE04FI102	FIRE STATION #31	62,806
PBE04ST104	BOWEN	17,933
PBE04ST107	CEDAR GROVE P 1-9	8,448
PBE04ST108	DORBANDT	60,800
PBE04ST111	HAWKINS	1,000,000
PBE04ST115	LEE	241,079
PBE04ST117	MONTOYA HEIGHTS P 1	1,471
PBE04ST118	MONTOYA HEIGHTS P2	114,442
PBE04ST122	NORTH PARK DRAINAGE	(66)
PBE04ST124	OPEN SPACE ENHANCEM	6,480
PBE04ST124B	VAN BUREN DAM	31,930
PBE04ST124C	LOUISIANA ST. DRAINAGE AREAS	22,304
PBE04ST124D	PORTLAND ST VACATION	1,912
PBE04ST124E	PORTLAND AVE OPEN SPACE IMPRV	4,080
PBE04ST127	ROSEWAY	1,754,650
PBE04ST136	UNPAVED RIGHT OF WAY CITY WIDE	77,404

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PBE04ST137	UNPAVED RIGHT OF WAY DIST 2	162,121
PBE04ST138	UNPAVED RIGHT OF WAY DIST 8	32,323
PBE04ST138A	3RD AVE ST & DRNG (ALAMITO)	79,971
PBE04ST138B	ST VRAIN ST & DNG (ALAMITO)	312,056
PBE04ST139	UPPER VALLEY	1,206,796
PBR06002	PASO DEL NORTE BRIDGE CANOPIES	46,023
PBR08002	NEW POE FEASIBILITY STUDY	569,931
PCAP06001	CIP MANAGEMENT SOFTWARE	204,126
PCP06FC002	STORMWATER DRAINAGE CP06	22,114
PCP06FC002C	DYER STREET IMP PH I	2,000
PCP06FC002D	BOWEN PHASE II	4,328
PCP06MF001	ADA COMPLIANCE CP06	218,556
PCP06MF001A	ADA CONNECT W/06 RESURF-SIDEWK	1,279
PCP06MF001B	SIDEWALK CONECTIVITY	95,040
PCP06MF001C	SIDEWALK DATA ACQUISITION PROG	1,138
PCP06MF002	EMERG CITY FACILITY REHAB CP06	227
PCP06NA001D1D	THORN PARK	4,193
PCP06NA001D1F	JOHANNSEN ROAD SIDEWALK IMP	1,367
PCP06NA001D2C	NEWMAN PARK IMPROVEMENTS UPGRA	5,046
PCP06NA001D2D	SUMMIT/FILLMORE PARK IMP.	1,760
PCP06NA001D3C	MACARTHUR PARK IMPROVEMENTS	44,172
PCP06NA001D4B	CHUCK HEINRICH/NORTH HILLS	21,195
PCP06NA001D4C	CASTNER HEIGHTS STREET LIGHTS	9,150
PCP06NA001D4D	CHUCK HEINRICH PARK TRAIL	21,570
PCP06NA001D5A	SALVADOR RIVAS PK NIP IMPRVMTS	26,449
PCP06NA001D5B	PCP06NA001D5B PEBBLE HILLS	27,186
PCP06NA001D6B	YSLETA PARK RECREATION CENTER	615
PCP06NA001D7D	GALLAGER ST. SIDEWALK IMP.	110
PCP06NA001D8F	UPPER VALLEY TREE PLANTING	27,573
PCP06ST008	PELICANO/LOMALAND ST & DRNG	1,999
PCP06ST009	CBD PHASE IV ST & DRAINAGE	6,800
PCP06ST010	CARNEGIE ST & DRNG PHASE I	249,444
PCP06ST011	STREET RESURFACING 2007	123,166
PCP06ST012A	UV RIVER RUN@COUNTRY C. TRAFFI	2,860
PCP06ST012B	ARTCRAFT @ UP VAL & WESTSIDE	949,061
PCP06ST013	SIGNAL/FLASHER INSTALL CP06	755,651
PCP06ST013R	PELLICANO & GOODYEAR TRAF SGNL	144,403
PCP06ST013S	PELLICANO & CEDAR OAK TRAF SIG	133,981
PCP06ST013T	ROJAS & GOODYEAR TRAFFIC SGNL	110,160
PCP06ST014	UNPAVED ROW CP06	491,046
PCP06ST015	ARTERIAL STREET LIGHTING CP06	872,950
PCP06ST015A	ARTERIAL ST LIGHT HAWKINS MEDI	76,044
PCP06ST016	MAST ARM REPLACEMENT CP06	5,000
PCP06ST019	LANE MARKINGS CP06	370,567
PCP06ST021	LOOP DETECTORS CP06	11,589
PCP06ST022	TXDOT MATCHES CP06	217,062
PCP06ST022A	MULTI-USE BICYCLE PATHS	(201,623)
PCP06ST022B	OREGON STREET RECONSTRUCTION	498,944
PCP06ST022E	ISELA RUBALCABA EXTENSION	14,083
PCP06ST022F	ALAMEDA ROW TEXAS TECH SEGMENT	68,200
PCP07CAP001	CAPITAL ACQUISITIONS	75,119
PCP07HE001	ANIMAL SHELTER REPAIRS	22,320
PCP08LI01	CIELO VISTA LIBRARY RELOCATION	2,405,780
PCP08MF01	FACILITIES REHAB MASTER	52,896
PCP08MF01B	FACILITY REHAB ROOF FI ST #3	930
PCP08MF01C	FACILITY REHAB ROOF FI ST #8	8,231
PCP08MF01D	FACILITY REHAB ROOFS FI ST #12	8,179
PCP08MF01E	FACILITY REHAB ROOFS FI ST #13	9,370
PCP08MF01F	FACILITY REHAB ROOFS FI ST #14	16,358

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PCP08MF01G	FACILITY REHAB ROOFS FI ST #22	12,506
PCP08MF01H	FACILITY REHAB ROOFS FI ST #23	15,162
PCP08MF01I	FACILITY REHAB ROOFS FI ST #24	12,987
PCP08MF01K	FAC. REHAB ROOF-CENTRAL PATROL	11,595
PCP08MF01L	FAC. REHAB. ROOF-MEMORIAL LIB	180
PCP08MF01M	FAC. REH. ROOF-I.SCHWARTZ LIB	180
PCP08MF01N	FAC. REHAB. ROOF-FIRE ACADEMY	180
PCP08MF01O	FAC. REH. ROOF-HAWKINS POOL	180
PCP08MF01P	FAC. REH. ROOF-SHAWVER PARK	180
PCP08MF01Q	FAC. REHAB. ROOF-POL. 617 TX	180
PCP08MF01R	CITY HALL RE-ROOFING	16,424
PCP08MF01S	CITY HALL COOLING TOWER	12,000
PCP08MF02	FACILITY REHAB LIGHTING	72,082
PCP08MF03LI	DORRIS VAN DOREN LIBRARY ROOF	28,280
PCP08MF04FI	FS #8 & 22 EMERG LIGHTING	577
PCP08MF05FI	FS #5, FS 13 ADM EMER LIGHTING	1,120
PCP08MF06FI	FS #12 & EMS BLDG EMER LIGHTNG	1,706
PCP08MF07FI	FS # 25 & PEB HILLS CMD LGHTNG	1,681
PCP08MF08FI	FS #S 16, 21,23,& 28 EMERG LGT	1,760
PCP08NI01	LOWER DYER NEIGHBORHOOD REVITA	167,837
PCP08NI02A	CHAMIZAL IMPROVEMENTS	3,961
PCP08PA00	PARKS UPGRADE-2008 REPROGRAMIN	80
PCP08PA01	PARKS PROPORTIONALITY	21,763
PCP08PA01A	HUECO MOUNTAIN PARK	44,514
PCP08PA01AA	TIERRA DEL ESTE #50A	8,258
PCP08PA01B	PASEOS DEL SOL PARK PHASE I	29,767
PCP08PA01BB	TIERRA DEL ESTE #50B	384
PCP08PA01CC	TRES SUENOS #1	32,130
PCP08PA01EE	PALO VERDE PARK	1,046
PCP08PA01FF	MODESTO GOMEZ PARK	11,480
PCP08PA01G	SUNSET VIEW PARK	33,640
PCP08PA01GG	MONTWOOD HEIGHTS PARK	738
PCP08PA01H	HAWKINS PARK	27,046
PCP08PA01HH	NATIONS TOBIN PARK	5,679
PCP08PA01I	DESERTAIRE FOR SUMMERLIN	12,092
PCP08PA01L	NORTHERN LIGHTS	66
PCP08PA01M	CARLOS BOMBACK-SOMBRAS DEL SOL	624
PCP08PA01N	HUECO CLUB ESTATES #1	527
PCP08PA01O	HUECO CLUB ESTATES #2 PARK	527
PCP08PA01PP	PCP08PA01PP	3,520
PCP08PA01Q	INDIAN RIDGE #10	18,103
PCP08PA01R	INDIAN RIDGE #9	25,232
PCP08PA01S	LOM LINDA PARK	125,673
PCP08PA01Y	TIERRA DEL ESTE #44	27,227
PCP08PA02D1	PARKS PERIMETER LIGHTING D1	1,634
PCP08PA02D2	PARKS PERIMETER LIGHTING D2	(16,213)
PCP08PA02D3	PARKS PERIMETER LIGHTING D3	40,144
PCP08PA02D4	PARKS PERIMETER LIGHTING D4	(8,239)
PCP08PA02D5	PARKS PERIMETER LIGHTING D5	144,483
PCP08PA02D6	PARKS PERIMETER LIGHTING D6	(22,012)
PCP08PA02D7	PARKS PERIMETER LIGHTING D7	(6,316)
PCP08PA02D8	PARKS PERIMETER LIGHTING D8	29,368
PCP08PA03	PARK SIDEWALKS	41,681
PCP08PA04	PARK SWING REPLACEMENT	7,920
PCP08PA04A	NEWMAN PARK SWINGS	1,034
PCP08PA04AA	MOUNTAIN VIEW PARK SWINGS	(617)
PCP08PA04B	WESTSIDE REC CTR PARK SWINGS	6,078
PCP08PA04BB	MARION MANOR PARK SWINGS	19,481
PCP08PA04C	WEST GREEN PARK SWINGS	(4,966)

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PCP08PA04CC	H T PONSFORD PARK SWINGS	81,523
PCP08PA04D	PACIFIC PARK SWINGS	(5,100)
PCP08PA04DD	HIDDEN VALLEY PARK SWINGS	94,908
PCP08PA04E	MARWOOD PARK SWINGS	(5,108)
PCP08PA04EE	TIERRA DEL ESTE #18 PARK SWING	(24,315)
PCP08PA04F	HOUSTON PARK SWINGS	(4,003)
PCP08PA04FF	TIERRA DEL ESTE #30 PARK SWING	23,743
PCP08PA04G	DEVARGAS PARK PHASE I SWINGS	14,406
PCP08PA04H	WASHINGTON PARK PH I SWINGS	3,750
PCP08PA04I	TOM LEA PARK SWINGS	20,098
PCP08PA04J	MEMORIAL PARK PHASE I SWINGS	26,115
PCP08PA04K	CHIHUAHUITA PARK PHSE I SWINGS	15,872
PCP08PA04L	BLACKIE CHESHER PARK SWINGS	(620)
PCP08PA04M	LIONEL FORTI PARK SWINGS	15,476
PCP08PA04N	PAVO REAL PARK SWINGS	(210)
PCP08PA04O	J. P. SHAWVER PARK SWINGS	(1,059)
PCP08PA04P	PUEBLO VIEJO PARK SWINGS	(1,034)
PCP08PA04Q	YSLETA PARK SWINGS	(1,063)
PCP08PA04R	YUCCA PARK SWINGS	15,746
PCP08PA04S	REESE MCCORD PARK SWINGS	(5,664)
PCP08PA04T	MARTY ROBBINS PARK SWINGS	(5,377)
PCP08PA04U	SUE YOUNG PARK SWINGS	3,792
PCP08PA04V	SUNRISE PARK SWINGS	(610)
PCP08PA04W	TODD WARE PARK SWINGS	15,013
PCP08PA04X	VETERANS PARK SWINGS	7,049
PCP08PA04Y	WELLINGTON CHEW PARK SWINGS	17,012
PCP08PA04Z	ARLINGTON PARK SWINGS	7,822
PCP08PA05	PLAYGROUND REPLACEMENT	1,840
PCP08PA05A	STILES PARK PLAYGROUND	35,681
PCP08PA05B	SNOW HEIGHTS PARK PLAYGROUND	(484)
PCP08PA05C	VAN BUREN DAM PLAY EQUIPMENT	400
PCP08ST01	FAIRBANKS MEDIAN LANDSCAPING	9,940
PCP08ST02	KNIGHTS MEDIAN LANDSCAPING	1,216,246
PCP08ST03	OVERWIDTH PAVING 2008	63,863
PCP08ST04D1	ST. LIGHT INSTALLATION D1	12,797
PCP08ST04D2	ST. LIGHT INSTALLATION D2	14,401
PCP08ST04D3	ST. LIGHT INSTALLATION D3	9,788
PCP08ST04D5	ST. LIGHT INSTALLATION D5	19,810
PCP08ST04D6	ST. LIGHT INSTALLATION D6	15,356
PCP08ST04D7	ST. LIGHT INSTALLATION D7	24,611
PCP08ST04D8	ST. LIGHT INSTALLATION D8	18,169
PCP08ST05	STREET RESURFACING 2008	3,085,208
PCP08ZO001	ZOO WESTERN EXPAN CONTINGENCY	418,663
PCP09CMP002	MESA BRT	85,670
PCP09DR001	GEORGE DIETER DRAINAGE IMPROVS	1,280
PCP09HE01	ANIMAL SHELTER AIR CIRCULATION	81,238
PCP09IT001	FIBER INTERCONNECT	519,851
PCP09IT002	IT TELEPHONE UPGRADE	17,000
PCP09MF001	FACILITY REHABILITATION - 2009	234,123
PCP09MT003	GLORY ROAD TRANSIT TERMINAL	328,166
PCP09MT004	MISSION VALLEY TRANSIT TERM	(1,966,750)
PCP09MT005	WESTSIDE TRANSIT TERMINAL	138,884
PCP09MT006	OREGON - SMART 101	37,839
PCP09MT007	NORTHGATE TRANSIT TERMINAL	40,599
PCP09MT008	ADMINISTRATION BLDG & LNG	6,160
PCP09MT009	ADA CURB CUTS & SHELTERS	167,958
PCP09MT010	BUS PURCHASES	601
PCP09MT011	MONTANA BRT	205,655
PCP09MT012	DYER BRT	221,782



CITY OF EL PASO, TEXAS  
Schedule of Capital Projects  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PCP09ST002	ALAMEDA BRT	206,273
PCP09ST003	TRAF SIGNLS & SCHOOL FLASH 09	3,040
PCP09ST003A	DYER & ALPS TRAFFIC SIGNAL	131,304
PCP09ST003B	CAROLINA & LILAC TRAFFIC SIGNA	136,003
PCP09ST003C	HAWTHORNE & SCHUSTER TRAF SIG	150,000
PCP09ST003D	RUSHING & SUN VALLEY TRAF SIGN	150,001
PCP09ST003E	FAIRBANKS & KENWORTHY TRAF SIG	150,000
PCP09ST003F	DIANA & STAHALA TRAFFIC SIGNAL	119,987
PCP09ST003G	HUNTER & WILCOX TRAFFIC SIGNAL	114,261
PCP09ST003H	ZARAGOZA & RICH BEEM TRAF SIGN	129,567
PCP09ST003I	ZARAGOZA & EDGEMERE TRAF SIGN	139,810
PCP09ST003J	S. KLEINFELD & TURNER TRAF SIG	114,932
PCP09ST003K	S KLEINFELD & E JAMES TRAF SIG	119,377
PCP09ST003L	PEB HILLS & T. ESTE TRAF SIGNA	119,417
PCP09ST003M	BEAR RIDGE & REDD TRAF SIGNAL	112,751
PCP09ST003N	MONTANA & TIERRA ESTE TRAF SIG	343
PCP09ST003O	EL DORADO ACADEMY-SCH FLASHERS	12,698
PCP09ST004	NEIGHBORHD TRAF MGMT PROGRAM	216,743
PCP09STM001	COB SHORTFALL	(9,500)
PCP09TX002	AIRWAY EXTENSION	1,760
PCP10FI01	F. S. # 31	5,560
PCP10FI02	F. S. # 37	800
PCP10HE01	ANIMAL SHELTER	1,200
PCP10IT01	IT CAPITAL ACQUISITIONS	260,652
PCP10IT02A	DATA CENTER-(EPCC ADMIN BLDG)	1,440
PCP10IT02B	CW NETWORK INFRASTRUCTURE	1,043,757
PCP10MF01A	FACILITY REHAB-AB FALL MANSION	107,362
PCP10MF01B	CITY HALL ENTRYWAY REPAIR	9,444
PCP10MF02	PROPERTY ACQUISITIONS	41,622
PCP10MF02A	NORTHGATE MALL ACQUISITION	30,000
PCP10MT02	DOWNTOWN CIRCULATION PLAN	1,280
PCP10ST01A	TRAF SIGNAL-MONTANA@RICH BEEM	17,915
PCP10ST01B	TRAF SIGNAL-ZARAGOSA@C. SHULTZ	17,306
PCP10ST01C	TRAF SIGNAL-ZARAGOSA@SOMBRAS	17,226
PCP10ST01D	TRAF SIGNAL-ZARAGOSA@SUN FIRE	15,930
PCP10ST01E	TRAF SIGNAL-KNIGHTS@MIDWAY	9,544
PCP10ST02	STREET SIGNAGE	230,349
PCP10ST04	NGHBRHOOD TRAFFIC-PROGRAM PH 1	144,295
PCP10ST05	NGHBRHOOD TRAFFIC-PROGRAM PH 2	64,827
PCP10ST06	COUNTRY CLUB ROAD	14,394
PCP10ST07	ST RECONST - SAN ANTONIO	20,306
PCP10ST08	2010 STREET RESURFACING	213,862
PCP10ST09	BATAAN RAILWAY RECONSTRUCTION	69,488
PCP10ST13	UNPAVED ROWS-ELP PM REDUCT	4,663
PCP10ST14	ST RECONST - MONTWOOD	94,393
PEN06001	LIONS PLAZITA IMPROVEMENTS	13,200
PENCON001	BANK OF AMERI LETTER OF CREDIT	1,660,400
PENCON002	SECO (STATE ENERGY CONSERVATI)	2,324,277
PFLSVC01	EQUIPMENT REPLACEMENT	6,330,697
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	107,178
PIT07001	IT ACQUISITIONS	23,867
PIT09001	FY2009 IT ACTION PLAN	1,124,367
PMB0005004	BE CAP ACQ FIRE	61,957
PMF06001	CITY HALL UPGRADES FY 2006	500
PMF07001	CITY FACILITY REHAB 2007	633
PMF07002	CIP ADMINISTRATIVE COSTS	138,700
PMF07003	ROOF REPAIRS & REPL 2007	1,680
PMF08002	CENTRAL RECREATION CENTER	3,718,347
PPA05003	SWINGS DISTRICT 7	34,870

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects  
For the Year Ended August 31, 2010

Project	Name/Description	Expenditures and Transfers Out
PPA1002	VALLEY CREEK PARK UPGRADE	600
PPA1005	TIERRA DEL ESTE 56 PRK UPGRADE	440
PPR0003	HFC FRANKLIN HILLS PARK	71,324
PPW0007130	CAROLINA BRIDGE RECONSTRUCTION	4,760
PPW0007160	YARBROUGH BRIDGE RECONST.	3,073,150
PPW0023	LEE BLVD. - MONTANA TO PRATT	17,773
PPW0046004B	NORTHEAST REG FIELD LIGHTING	693,482
PPW0046046	MCKELLIGON CANYON	(692)
PPW0053	DODGE (HAWKINS) EXPANSION	360
PPW0054	ZARAGOZA OVERPASS	9,920
PPW0056001	LIB PRJTS 00 ELEC-WESTSIDE LIB	5,120
PPW0056005YR2	EAST SIDE REGIONAL LIBRARY BRC	10,730
PPW0310	PLAZA THEATRE	3,118
PPWST03001	CBD PHASE 3	2,633
PQLPA144	PAVO REAL PARK & POOL	24
PQLPA144A	PAVO REAL BATH HOUSE RENOV	309,683
PQLPA172	WEST SPORT COMPLEX	57,070
PQLPA172B	WESTSIDE SPORTS COMPLEX PH II	2,260,538
PQLPA172C	WESTSIDE SPORTS FIELD LIGHTIN	874,843
PQLZO106	ZOO WESTERN EXPANSION	1,253,317
PST05002	MAST ARM REPLACEMENT	45,432
PST05003	LANE MARKINGS	145,009
PST05006	ALAMEDA/EL PASO DR INTX IMPV	60,756
PST06002	ALBERTA & CONCEPCION IMPV	12,190
PST07002	TRAFFIC CALMING 2007	760,702
PST07003	MICRO SURFACING 2007	(68,419)
PST08001	AIRWAY EXT(TROWBRIDGE-BORDER)	193,248
PST08002	UPPER VALLEY TRAFFIC STUDY	4,816
PSTM06 PW25-0	OCOTILLO/CHARL ANN	12,240
PSTM06 PW26-0	LIND/RED/MULB/WAR (U.V. PH 1)	75,460
PSTM06 PW26-0A	LOMITA DRAINAGE IMPROVEMENTS	366,928
PSTM06 PW26-0B	LINDBERG UPPER VALLEY PHASE IV	1,549,203
PSTM06 PW26-0C	UV PH 1B-MCCUTCHEON BASIN/PUMP	752,075
PSTM06 PW41-0	WESTSIDE IMPROVEMENTS PHASEII	144,873
PSTM06 PW43-0	CORONADO CHANNEL	10,776
PSTM06 PW43-0B	SPRING CREST ST. IMPROVEMENTS	60
PSTM06 PW506	GOV'T HILLS OUTFALL/DURAZNO NE	989,468
PSTM06 PW512	CHANNEL NO. 2 (BUTTERFIELD TRA	181,911
PSTM06 PW514	CLARDY FOX PUMP STATION	177,972
PSTM06 PW516	JOYCE CIRCLE	18,480
PSTM06 PW516A	JOYCE CIRCLE PHASE II	19,050
PSTM06 PW522	MOWAD SUBDIVISION	2,007
PSTM06 PW522A	MOWAD SUBDIVISION REPLAT	20,913
PSTM06 PW529	PUMP STATIONS ASSESS & REPAIR	13,364
PSTM06 PW540	DALLAS OUTFALL	398,054
PSTM06 PW542	FIBER OPTIC LINK TO CITY FACIL	1,874,185
PSTM06 PW556	SAIPAN	211,963
PSTM06 PW64-0	MCKELLIGON CANYON	6,680
PSTM06 PW84-0	JAMES WATT @ LEE TREVINO	123
PSTM06FC001	STORM 2006 MASTER	43,157
PSTM06FC001B	MASTER DRAINAGE STUDY	12,735
PUBART0908	NON-CONSTRUCTION PROJECT/GRANT	11,825
	TOTAL EXPENDITURES AND TRANSFERS OUT	<u>\$ 66,103,496</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, 2010

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 181,715	20,534,476	20,716,191
Receivables - Net of Allowances			
Trade	90	-	90
Inventory	796,372	-	796,372
Capital Assets:			
Buildings, Improvements & Equipment, Net	92,455	-	92,455
<b>TOTAL ASSETS</b>	<u>1,070,632</u>	<u>20,534,476</u>	<u>21,605,108</u>
<b>LIABILITIES:</b>			
Accounts Payable	861,989	301,398	1,163,387
Accrued Payroll	152,379	42,940	195,319
Compensated Absences	261,200	63,225	324,425
Other Postemployment Benefits	456,716	65,851	522,567
Net Pension Obligation	8,540	2,012	10,552
Claims and Judgments	-	15,747,550	15,747,550
<b>TOTAL LIABILITIES</b>	<u>1,740,824</u>	<u>16,222,976</u>	<u>17,963,800</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	92,455	-	92,455
Unrestricted			
Supply and Support	(762,647)	-	(762,647)
Health Benefits	-	(7,187,794)	(7,187,794)
Workers Compensation	-	11,317,637	11,317,637
Unemployment	-	181,657	181,657
<b>TOTAL NET ASSETS</b>	<u>(670,192)</u>	<u>4,311,500</u>	<u>3,641,308</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,070,632</u>	<u>20,534,476</u>	<u>21,605,108</u>

# 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, 2010

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
OPERATING REVENUES:			
Sales to Departments	\$ 14,774,793	-	14,774,793
Premium Contributions	-	50,009,272	50,009,272
General Revenues	47,648	1,381,996	1,429,644
TOTAL OPERATING REVENUES	14,822,441	51,391,268	66,213,709
OPERATING EXPENSES:			
Personnel Services	3,669,272	977,794	4,647,066
Outside Contracts	222,888	3,800,002	4,022,890
Professional Services	-	1,003,312	1,003,312
Fuel and Lubricants	6,432,177	-	6,432,177
Materials and Supplies	3,734,737	9,898	3,744,635
Communications	14,516	1,180	15,696
Utilities	26,283	-	26,283
Operating Leases	88,284	4,742	93,026
Travel and Entertainment	3,190	941	4,131
Benefits Provided	-	40,708,461	40,708,461
Maintenance and Repairs	1,104,318	2,943	1,107,261
Other Operating Expenses	39,165	3,958	43,123
Depreciation	35,698	-	35,698
TOTAL OPERATING EXPENSES	15,370,528	46,513,231	61,883,759
OPERATING INCOME(LOSS)	(548,087)	4,878,037	4,329,950
NON-OPERATING REVENUES (EXPENSES):			
Interest Revenue	-	58,362	58,362
Loss on Disposal of Equipment	(8,905)	-	(8,905)
TOTAL NON-OPERATING REVENUES	(8,905)	58,362	49,457
INCOME(LOSS)	(556,992)	4,936,399	4,379,407
Change in net assets	(556,992)	4,936,399	4,379,407
Total Net Assets-beginning	(113,200)	(624,899)	(738,099)
Total Net Assets-ending	\$ (670,192)	4,311,500	3,641,308

**CITY OF EL PASO, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended August 31, 2010

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 14,822,351	51,391,268	66,213,619
Payments to suppliers	(11,188,640)	(47,831,840)	(59,020,480)
Payments to employees	(3,455,650)	(935,936)	(4,391,586)
Net cash provided by operating activities	178,061	2,623,492	2,801,553
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	-	5,514,569	5,514,569
Interest	-	90,890	90,890
Net cash provided by investing activities	-	5,605,459	5,605,459
Net increase in cash and cash equivalents	178,061	8,228,951	8,407,012
Balances - beginning of the year	3,654	12,305,525	12,309,179
Balances - end of the year	\$ 181,715	20,534,476	20,716,191
<b>Reconciliation of operating income to net cash</b>			
provided by operating activities:			
Operating income	\$ (548,087)	4,878,037	4,329,950
Adjustments to reconcile operating income to net cash			
provided by operating activities:			
Depreciation expense	35,698	-	35,698
Compensated Absences	20,303	3,949	24,252
Other Post Employment Benefits	(64)	(18)	(82)
Net Pension Obligation	164,865	26,138	191,003
Change in assets and liabilities:			
Receivables, net	(90)	-	(90)
Inventories	102,431	-	102,431
Accounts and other payables	374,487	125,940	500,427
Accrued expenses	28,518	(2,410,554)	(2,382,036)
Net cash provided by operating activities	\$ 178,061	2,623,492	2,801,553

**PENSION TRUST FUNDS**



**CITY OF EL PASO, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**PENSION TRUST FUNDS**  
August 31, 2010

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (as of December 31, 2009)		Total
		Firemen Division	Policemen Division	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 8,619,562	6,579,277	9,506,586	24,705,425
Investments:				
Mutual funds	10,570,937	-	-	10,570,937
Commingled funds	149,268,076	-	-	149,268,076
High-yield bond obligations	35,638,371	-	-	35,638,371
Corporate stocks	136,969,730	-	-	136,969,730
Bank Collective Investment Funds	122,567,357	-	-	122,567,357
Foreign exchange contract	6,945	-	-	6,945
Private equities	-	81,184	117,300	198,484
Real estate investment funds	29,567,832	1,535,843	2,219,098	33,322,773
Fixed Income Securities	-	128,817,333	186,124,717	314,942,050
Domestic Equities	-	119,550,204	172,734,890	292,285,094
International Equities	-	124,775,010	180,284,073	305,059,083
Receivables - Net of Allowances				
Commission Credits Receivable	104,673	-	-	104,673
Due from Brokers For Securities Sold	1,026,781	-	-	1,026,781
Employer Contributions	782,121	362,258	503,879	1,648,258
Employee Contributions	520,219	310,854	389,753	1,220,826
Accrued Interest and Dividends	831,731	-	-	831,731
Other	-	2,470	3,710	6,180
Prepaid Items	23,793	-	-	23,793
Other Assets, Net	-	4,267	6,882	11,149
Capital Assets:				
Buildings, Improvements & Equipment, Net	-	557,633	557,635	1,115,268
<b>TOTAL ASSETS</b>	<b>496,498,128</b>	<b>382,576,333</b>	<b>552,448,523</b>	<b>1,431,522,984</b>
<b>LIABILITIES</b>				
Accounts Payable	2,189,980	136,158	193,886	2,520,024
Deferred Revenue - Commission Credits	104,673	-	-	104,673
<b>TOTAL LIABILITIES</b>	<b>2,294,653</b>	<b>136,158</b>	<b>193,886</b>	<b>2,624,697</b>
<b>NET ASSETS:</b>				
Held in Trust for Pension Benefits and Other Purposes	\$ 494,203,475	382,440,175	552,254,637	1,428,898,287



**CITY OF EL PASO, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**  
**PENSION TRUST FUNDS**  
For the Year Ended August 31, 2010

	FPPF Pension Trust Fund (as of December 31, 2009)			Total
	CEPF Pension Trust Fund	Firemen Division	Policemen Division	
<b>ADDITIONS:</b>				
<b>Contributions:</b>				
Employer	\$ 17,626,236	9,416,943	12,884,916	39,928,095
Employee	11,814,128	7,612,243	9,467,093	28,893,464
Proceeds from issuance of pension obligation bonds by City	-	68,000,000	42,000,000	110,000,000
<b>Total contributions</b>	<b>29,440,364</b>	<b>85,029,186</b>	<b>64,352,009</b>	<b>178,821,559</b>
<b>Investment earnings:</b>				
Increase in fair value of investments	36,543,336	64,449,960	99,983,603	200,976,899
Interest	3,096,694	5,206,645	7,868,240	16,171,579
Dividends	2,696,987	2,900,646	4,490,272	10,087,905
Securities lending income	116,128	70,785	106,177	293,090
Investment advisor fees	(3,195,031)	(1,012,863)	(204,968)	(4,412,862)
Net change accrued income	-	(123,675)	(1,579,007)	(1,702,682)
Increase in commission credits receivable	35,815			35,815
<b>Net investment income</b>	<b>39,293,929</b>	<b>71,491,498</b>	<b>110,664,317</b>	<b>221,449,744</b>
<b>Other Income</b>				
Rental and Other Income	-	42,979	55,084	98,063
<b>Total other income</b>	<b>-</b>	<b>42,979</b>	<b>55,084</b>	<b>98,063</b>
<b>Total additions</b>	<b>68,734,293</b>	<b>156,563,663</b>	<b>175,071,410</b>	<b>400,369,366</b>
<b>DEDUCTIONS</b>				
Benefits paid to participants	35,223,728	20,966,931	28,022,110	84,212,769
Refunds of contributions	1,987,231	342,046	699,927	3,029,204
Administrative expenses	753,466	649,098	638,053	2,040,617
Interest	-	58,678	84,789	143,467
Depreciation and amortization expense	-	36,713	36,907	73,620
<b>Total deductions</b>	<b>37,964,425</b>	<b>22,053,466</b>	<b>29,481,786</b>	<b>89,499,677</b>
<b>Change in net assets</b>	<b>30,769,868</b>	<b>134,510,197</b>	<b>145,589,624</b>	<b>310,869,689</b>
Net assets - beginning of the year	463,433,607	247,929,978	406,665,013	1,118,028,598
<b>Net assets - end of the year</b>	<b>\$ 494,203,475</b>	<b>382,440,175</b>	<b>552,254,637</b>	<b>1,428,898,287</b>

## 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 funds the City collects for property taxes for other taxing entities, including the Property Improvement District #1, and the Camino Real Regional Mobility Authority.

# CITY OF EL PASO, TEXAS

## Schedule of Changes in Assets and Liabilities

### AGENCY FUNDS

For the Year Ended August 31, 2010

	September 1, 2009	Debits	Credits	August 31, 2010
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 3,199,759	612,219,332	611,692,892	3,726,199
Investments	164,332	-	164,332	-
Uncollected Property Taxes	54,125,269	655,783,740	653,577,611	56,331,398
Special Assessment - PID #1	464,531	-	42,205	422,326
Due from Other Funds	3,562,096	-	-	3,562,096
<b>TOTAL ASSETS</b>	<b>\$ 61,515,987</b>	<b>1,268,003,072</b>	<b>1,265,477,040</b>	<b>64,042,019</b>
<b>LIABILITIES:</b>				
Prepaid Property Taxes	\$ 1,479,130	1,479,130	1,416,388	1,416,388
Payable to Bondholders - PID #1	464,531	42,205	-	422,326
Amount Available for Bond Payments	19,516	42,205	41,819	19,130
Payable to Other Entities	1,607,352	610,397,380	610,877,811	2,087,783
Property Taxes Subject to Refund	3,820,189	258,046	202,851	3,764,994
Uncollected Taxes	54,125,269	653,577,611	655,783,740	56,331,398
<b>TOTAL LIABILITIES</b>	<b>\$ 61,515,987</b>	<b>1,265,796,577</b>	<b>1,268,322,609</b>	<b>64,042,019</b>

**STATISTICAL SECTION**  
**(unaudited)**



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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b> These schedules contain trend information to help the reader understand how the City of El Paso's financial performance and well-being have changed over time.	121
<b><i>Revenue Capacity</i></b> These schedules contain information to help the reader assess the City's most significant local revenue source, primarily property tax.	125
<b><i>Debt Capacity</i></b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	133
<b><i>Demographic and Economic Information</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	138
<b><i>Operating Information</i></b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	140

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for fiscal year 2010. The city implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 149,010,953	126,666,660	124,115,981	130,003,295	140,935,012	139,848,416	139,689,930	132,325,231	140,704,047
Restricted	59,250,860	68,610,583	57,817,272	59,196,922	68,733,626	76,565,782	78,827,437	84,571,971	83,730,583
Unrestricted (Deficit)	<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>	<u>(102,599,515)</u>	<u>(144,660,748)</u>	<u>(156,747,519)</u>	<u>(180,064,182)</u>
<b>Total governmental activities net assets</b>	<b>\$ 211,418,420</b>	<b>192,230,389</b>	<b>197,479,521</b>	<b>152,700,049</b>	<b>142,476,297</b>	<b>113,814,683</b>	<b>73,856,619</b>	<b>60,149,683</b>	<b>44,370,448</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 175,314,768	173,824,992	206,129,774	215,569,993	217,502,256	249,477,785	264,968,805	286,906,206	291,226,434
Restricted	36,458,279	32,816,326	22,536,194	23,721,769	26,038,264	25,722,710	20,104,437	24,591,100	28,676,014
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>	<u>5,678,448</u>	<u>11,078,287</u>	<u>10,275,656</u>	<u>10,856,022</u>
<b>Total business-type activities net assets</b>	<b>\$ 231,448,464</b>	<b>228,669,184</b>	<b>227,564,670</b>	<b>250,560,897</b>	<b>260,767,055</b>	<b>280,878,943</b>	<b>296,151,529</b>	<b>321,772,962</b>	<b>330,758,470</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 324,325,721	300,491,652	330,245,755	345,573,288	358,437,268	389,326,201	404,658,735	419,231,437	431,930,481
Restricted	95,709,139	101,426,909	80,353,466	82,918,691	94,771,890	102,288,492	98,931,874	109,163,071	112,406,597
Unrestricted (Deficit)	<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>	<u>(96,921,067)</u>	<u>(133,582,461)</u>	<u>(146,471,863)</u>	<u>(169,208,160)</u>
<b>Total governmental activities net assets</b>	<b>\$ 442,866,884</b>	<b>420,899,573</b>	<b>425,044,191</b>	<b>403,260,946</b>	<b>403,243,352</b>	<b>394,693,626</b>	<b>370,008,148</b>	<b>381,922,645</b>	<b>375,128,918</b>

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

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
<b>Governmental activities:</b>									
General government	\$ 26,712,552	33,524,492	39,267,475	41,324,544	32,236,865	35,819,019	43,886,275	41,473,314	43,627,560
Public safety	168,101,107	166,270,434	175,113,112	211,655,591	202,415,512	207,468,617	227,056,341	217,780,949	224,675,396
Public works	64,029,296	60,320,589	54,184,948	62,590,505	64,770,369	65,296,644	68,682,326	65,613,445	67,167,981
Public health	18,323,647	23,207,396	21,013,400	22,917,380	26,016,660	26,908,285	25,260,921	20,208,520	23,264,777
Parks	15,061,696	16,775,398	16,020,341	17,324,834	18,962,330	20,272,370	21,845,479	23,005,417	23,005,417
Library	6,513,052	7,545,588	5,828,037	7,581,934	7,156,480	9,223,454	10,345,730	9,860,118	9,588,320
Culture & recreation	10,532,736	11,235,927	11,348,870	10,842,574	13,083,810	15,856,297	16,395,281	19,155,478	23,421,037
Community & economic development	19,082,055	21,962,296	15,167,888	23,449,341	31,901,231	20,209,095	15,634,017	17,795,711	26,577,089
Interest on long-term debt	21,146,790	17,061,437	18,012,558	15,749,939	19,256,304	24,319,731	28,832,902	29,403,379	37,327,656
<b>Total governmental activities expenses</b>	<b>349,502,931</b>	<b>357,903,557</b>	<b>355,956,629</b>	<b>413,436,642</b>	<b>415,799,561</b>	<b>425,373,512</b>	<b>457,939,272</b>	<b>444,296,331</b>	<b>479,631,024</b>
<b>Business-type activities:</b>									
International airport operations	27,700,793	28,600,500	28,818,394	32,202,892	31,495,679	32,461,434	38,326,755	36,407,172	34,238,930
Industrial park and other operations					2,325,816	3,755,998	4,644,735	4,932,225	6,963,049
International bridges operations	2,814,122	2,843,756	3,029,436	3,550,111	3,920,870	3,531,138	3,928,808	30,284,090	4,169,933
Solid waste disposal operations	21,834,341	24,340,677	28,703,259	15,498,416	32,011,444	29,062,025	34,250,866	53,319,405	31,820,528
Mass transit operations	40,295,111	44,267,736	45,231,636	45,853,919	47,270,617	49,391,220	50,063,983	5,384,440	61,976,839
<b>Total business-type activities expenses</b>	<b>92,644,367</b>	<b>100,052,669</b>	<b>105,782,725</b>	<b>97,105,338</b>	<b>117,024,426</b>	<b>118,201,815</b>	<b>131,215,147</b>	<b>130,327,332</b>	<b>139,169,279</b>
<b>Total primary government expenses</b>	<b>\$ 442,147,298</b>	<b>457,956,226</b>	<b>461,739,354</b>	<b>510,541,980</b>	<b>532,823,987</b>	<b>543,575,327</b>	<b>589,154,419</b>	<b>574,623,663</b>	<b>618,800,303</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	1,672,984	2,739,751	3,693,791	3,814,092	4,305,508	5,968,933	4,998,092	5,058,943	4,026,193
Public safety	23,386,121	31,389,279	35,591,997	28,741,771	18,447,269	3,507,046	9,849,732	28,596,961	27,957,198
Public works	7,302,614	7,620,905	11,280,055	15,374,828	15,896,953	22,729,186	20,296,636	11,833,895	17,958,423
Public health	2,561,363	3,537,388	2,390,038	4,523,753	4,287,063	4,509,889	4,509,889	4,833,005	5,527,797
Parks	2,673,863	2,811,911	3,038,679	2,739,742	4,804,378	3,979,702	4,794,272	3,559,049	3,450,332
Library	209,915	227,565	227,565	259,770	258,451	267,553	401,564	316,818	350,370
Culture and recreation	1,077,759	1,062,427	1,156,533	1,061,798	1,044,959	1,135,146	1,189,897	1,258,747	7,507,006
Community and economic development	2,934,863	4,476,487	2,829,346	188,986	5,976,060	4,258,063	8,988,255	5,310,286	3,683,625
Operating grants and contributions	40,685,867	39,087,412	37,667,385	43,994,501	53,903,277	32,231,046	35,994,679	45,500,140	56,433,774
Capital grants and contributions	9,662,029	7,007,936	12,933,126	10,189,398	14,749,888	10,553,676	1,795,839	1,167,076	6,317,325
<b>Total governmental activities program revenues</b>	<b>92,167,378</b>	<b>99,961,061</b>	<b>112,540,461</b>	<b>108,520,855</b>	<b>123,909,696</b>	<b>88,917,414</b>	<b>92,818,855</b>	<b>107,524,920</b>	<b>133,292,043</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
International airport operations	25,611,417	18,747,995	21,694,995	24,203,962	24,408,554	26,770,747	28,547,013	25,639,495	26,783,137
Industrial park and other operations		7,526,512	5,883,050	5,917,634	6,471,173	7,000,610	6,724,676	8,211,856	8,124,439
International bridges operations	10,516,331	11,116,917	12,000,216	14,192,515	14,613,388	14,415,189	16,677,381	41,310,894	16,124,924
Solid waste disposal operations	25,630,336	27,230,865	29,423,203	28,609,380	34,867,563	37,445,758	41,703,614	8,671,828	44,790,906
Mass transit operations	7,196,770	6,821,455	7,047,775	7,123,105	7,551,341	7,781,901	8,366,568	14,926,788	8,478,720
Operating grants and contributions	10,667,890	11,798,744	13,203,546	9,863,996	15,956,421	8,483,199	12,680,418	11,381,386	11,174,750
Capital grants and contributions	16,721,304	10,802,246	9,943,357	22,081,292	10,994,492	21,955,766	17,793,068	31,705,810	19,772,814
<b>Total business-type activities program revenues</b>	<b>96,344,048</b>	<b>94,044,734</b>	<b>99,196,142</b>	<b>111,991,884</b>	<b>114,862,932</b>	<b>123,853,170</b>	<b>132,492,738</b>	<b>141,848,057</b>	<b>135,249,690</b>
<b>Total primary government activities program revenues</b>	<b>\$ 188,511,426</b>	<b>194,005,795</b>	<b>211,736,603</b>	<b>220,512,739</b>	<b>238,772,628</b>	<b>212,770,584</b>	<b>225,311,593</b>	<b>249,372,977</b>	<b>268,541,733</b>
<b>Net (Expense)/ Revenue</b>									
Governmental activities	\$ (257,335,553)	(257,942,496)	(243,416,168)	(304,915,787)	(291,889,865)	(336,456,098)	(365,120,417)	(336,771,411)	(346,338,981)
Business-type activities	3,699,681	(6,007,935)	(6,586,583)	14,886,546	(2,161,494)	5,651,355	1,277,591	11,520,725	(3,919,589)
<b>Total primary government net expense</b>	<b>\$ (253,635,872)</b>	<b>(263,950,431)</b>	<b>(250,002,751)</b>	<b>(290,029,241)</b>	<b>(294,051,359)</b>	<b>(330,804,743)</b>	<b>(363,842,826)</b>	<b>(325,250,686)</b>	<b>(350,258,570)</b>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes</b>									
Ad valorem taxes	\$ 127,981,301	132,122,616	136,847,063	142,815,161	149,201,403	159,778,240	177,326,938	183,557,317	188,616,415
Sales taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351	74,537,354	77,797,143
Franchise taxes	28,209,095	28,343,827	30,630,964	32,867,495	37,626,413	41,999,260	42,324,317	43,282,691	41,643,400
Gain on disposal of capital assets					1,474,788	1,844,241	1,986,385	596,134	1,048,337
Transfers	19,679,913	21,996,686	21,191,700	20,540,179	20,958,294	20,735,493	22,215,213	19,406,603	20,758,814
Investment earnings	4,070,326	1,781,773	1,740,215	2,791,459	4,330,894	6,805,242	3,627,149	1,684,376	695,637
<b>Total Government activities</b>	<b>232,090,965</b>	<b>238,754,465</b>	<b>248,665,300</b>	<b>260,136,315</b>	<b>281,666,113</b>	<b>304,480,700</b>	<b>325,162,353</b>	<b>323,064,475</b>	<b>330,559,746</b>
<b>Business-type activities:</b>									
<b>Taxes</b>									
Sales taxes	23,482,957	24,086,524	25,747,419	26,679,844	29,710,436	31,608,166	33,524,434	32,541,098	33,388,336
Investment earnings	2,462,781	872,646	926,350	1,970,016	3,325,583	3,901,695	2,513,155	953,273	261,553
Gain on disposal of capital assets					289,927	8,149	172,619	12,940	14,022
Transfers	(19,679,913)	(21,996,686)	(21,191,700)	(20,540,179)	(20,958,294)	(20,735,493)	(22,215,213)	(19,406,603)	(20,758,814)
<b>Total business-type activities</b>	<b>6,265,825</b>	<b>2,962,484</b>	<b>5,482,069</b>	<b>8,109,681</b>	<b>12,367,652</b>	<b>14,782,517</b>	<b>13,994,995</b>	<b>14,100,708</b>	<b>12,905,097</b>
<b>Total primary government</b>	<b>\$ 238,356,790</b>	<b>241,716,949</b>	<b>254,147,369</b>	<b>268,245,996</b>	<b>294,033,765</b>	<b>319,263,217</b>	<b>339,157,348</b>	<b>337,165,183</b>	<b>343,464,843</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ (25,244,588)	(19,188,031)	5,249,132	(44,779,472)	(10,223,752)	(31,975,398)	(39,958,064)	(13,706,936)	(15,779,235)
Business-type activities	9,965,506	(3,045,451)	(1,104,514)	22,996,227	10,206,158	20,433,872	15,272,586	25,621,433	8,985,508
<b>Total</b>	<b>\$ (15,279,082)</b>	<b>(22,233,482)</b>	<b>4,144,618</b>	<b>(21,783,245)</b>	<b>(17,594)</b>	<b>(11,541,526)</b>	<b>(24,685,478)</b>	<b>11,914,497</b>	<b>(6,793,727)</b>

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

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

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund									
Reserved	\$ 19,896,947	19,275,629	18,985,448	19,134,781	19,087,141	18,749,504	19,015,895	18,454,550	18,336,184
Unreserved	<u>25,184,462</u>	<u>22,047,051</u>	<u>17,363,518</u>	<u>17,202,918</u>	<u>15,790,210</u>	<u>22,602,463</u>	<u>19,098,542</u>	<u>19,765,158</u>	<u>22,303,546</u>
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>	<u>41,351,967</u>	<u>38,114,437</u>	<u>38,219,708</u>	<u>40,639,730</u>
All Other Governmental Funds									
Reserved	\$ -	-	-	2,125,539	1,526,873	3,128,261	2,951,617	5,500,901	5,108,698
Unreserved, reported in:									
Special Revenue funds	9,462,100	11,236,359	12,864,318	14,258,929	17,968,077	18,681,662	18,244,091	18,278,330	20,568,032
Debt service funds	11,601,478	5,577,479	510,765	499,449	842,041	1,388,518	2,528,122	210,206	220,285
Capital projects funds (Deficit)	<u>64,185,957</u>	<u>58,944,445</u>	<u>31,014,149</u>	<u>13,147,988</u>	<u>19,383,110</u>	<u>19,687,079</u>	<u>8,910,475</u>	<u>(1,923,167)</u>	<u>14,202,947</u>
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>	<u>42,885,520</u>	<u>32,634,305</u>	<u>22,066,270</u>	<u>40,099,962</u>

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



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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>									
Property Taxes	128,068,036	131,142,591	136,314,193	143,354,730	149,919,202	160,955,530	179,171,076	181,827,479	189,413,013
Sales Taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351	74,537,354	77,797,143
Franchise Fees	28,209,095	28,343,827	30,630,964		34,683,663	44,753,181	40,726,042	43,847,569	41,045,692
Charges for Services	12,985,789	16,070,790	17,974,604		28,701,760	35,626,913	35,024,809	27,350,326	35,598,930
Fines and Forfeits	15,821,180	15,757,528	16,435,462	15,158,118	13,823,031	15,022,482	14,913,358	15,495,022	13,331,211
Licenses and Permits	6,892,974	7,027,975	8,656,832	10,119,783	10,622,692	12,247,930	12,397,740	11,142,329	14,070,414
Intergovernmental Revenues	50,347,895	46,095,348	43,692,655	51,519,022	57,411,949	40,979,531	35,616,877	44,789,387	62,282,226
County Participation	-	-	-	-	2,083,180	1,832,806	2,173,641	1,927,829	468,873
Interest	5,449,322	1,812,000	1,757,841	2,872,379	3,860,994	7,601,551	3,556,642	1,524,590	695,637
Rents and Other	6,418,091	9,559,643	17,142,729		9,628,008	5,792,472	4,185,507	3,637,303	4,172,020
Net Increase(Decrease) in the Fair Value of Investments	-	-	(17,626)		(276,034)	(12,500)	70,507	159,786	-
<b>Total Revenues</b>	<b>306,342,712</b>	<b>310,319,265</b>	<b>330,843,012</b>	<b>284,146,053</b>	<b>378,532,766</b>	<b>398,118,120</b>	<b>405,518,550</b>	<b>406,238,974</b>	<b>438,875,159</b>
<b>Expenditures:</b>									
General Government	24,213,546	26,244,962	27,316,891	28,606,052	26,752,926	28,372,232	33,348,474	33,948,460	32,187,985
Public Safety	150,524,772	157,049,358	165,893,165	169,556,821	176,661,936	283,911,882	195,823,226	304,389,128	202,352,627
Public Works	34,150,067	35,757,909	36,449,919		37,739,911	24,727,919	23,146,710	23,026,748	22,546,990
Public Health	17,093,640	22,359,589	21,555,610		24,906,214	26,202,064	24,231,993	18,943,820	21,896,971
Facilities Maintenance							14,862,618	15,305,363	15,889,876
Parks	13,117,106	14,165,341	14,891,894	15,134,311	16,519,085	17,669,603	18,182,874	18,751,833	20,213,999
Library	5,206,120	5,704,701	5,666,299	5,682,907	6,384,195	7,820,910	8,574,514	8,446,529	8,285,587
Non Departmental	285,193	881,312	891,060	1,771,003	1,485,256	5,168,597	5,540,947	4,030,705	5,132,818
Culture and Recreation	8,398,177	9,337,744	9,584,066	9,029,232	9,413,589	11,854,062	12,125,397	13,304,250	18,132,534
Economic Development	749,087	2,197,676	2,085,509	2,236,143	2,545,525	2,646,778	2,139,743	2,352,538	2,070,444
Mass Transportation	-	-	-	-	33,675	-	-	-	-
Solid Waste	-	47,471	10,022	25,634	195,848	-	-	88,357	374,229
Community and Human Development	18,448,475	13,982,901	13,183,487	18,967,948	16,554,438	12,286,722	9,589,694	12,843,354	16,947,930
Capital Outlay	72,946,560	72,936,309	71,435,776	91,455,484	106,981,475	101,415,992	89,386,189	95,448,695	80,064,511
<b>Debt Service:</b>									
Principal	17,045,330	20,426,627	20,767,718	19,416,716	25,390,920	27,149,797	29,647,506	31,052,868	29,236,352
Interest	19,367,689	18,153,214	19,315,221	16,690,016	19,277,245	20,633,814	32,109,109	34,187,775	40,508,881
Arbitrage Rebate	93,847	279,702	-	-	-	-	-	-	-
Payment to Refunding to Bond Escrow Agent	1,790,000	-	-	1,508,975	-	1,360,000	-	448,428	-
Fiscal Fees	948,784	255,053	49,584	1,980,921	678,607	4,022,146	1,960,367	2,334,575	645,710
<b>Total Expenditures</b>	<b>384,378,393</b>	<b>399,779,869</b>	<b>409,096,221</b>	<b>382,062,163</b>	<b>471,520,845</b>	<b>590,105,136</b>	<b>501,112,106</b>	<b>619,487,939</b>	<b>513,796,574</b>
Excess (Deficiency) of revenues over expenditures	(78,035,681)	(89,460,604)	(78,253,209)	(97,916,110)	(92,988,079)	(191,987,016)	(95,593,556)	(213,248,965)	(74,921,415)
<b>Other Financing Sources(Uses):</b>									
Transfers from Other funds	20,852,055	24,446,476	23,567,019	25,419,672	34,116,535	33,517,166	34,849,405	24,987,947	24,884,388
Transfers Out	(1,172,142)	(2,199,791)	(2,375,319)	(4,879,493)	(13,158,241)	(12,781,673)	(12,634,192)	(5,581,344)	(4,125,574)
Federal Tax Credit - Build America Bonds	-	-	-	-	-	-	-	-	785,097
Face Amount of Bonds Issued	25,409,000	40,549,000	-	17,315,000	56,350,000	176,240,000	56,455,000	169,160,000	65,895,000
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	-	95,190,000	-	16,020,000	-
Premium on Issuance of Bonds	3,479,377	132,763	2,047,876	10,228,013	2,190,648	5,707,251	1,448,213	3,793,396	2,903,204
Payment to Refunding to Bond Escrow Agent	(58,004,579)	-	(31,312,876)	(160,486,753)	-	(98,303,289)	-	(17,292,108)	-
Proceeds from Sale of Capital Assets	503,985	282,175	218,744	2,594,325	1,716,985	2,057,596	1,986,385	597,434	1,048,337
Loan Proceeds	-	-	-	-	-	-	-	11,100,876	3,984,677
<b>Total other financing sources (uses)</b>	<b>51,157,696</b>	<b>76,210,623</b>	<b>41,910,444</b>	<b>81,880,764</b>	<b>101,215,927</b>	<b>201,627,051</b>	<b>82,104,811</b>	<b>202,786,201</b>	<b>95,375,129</b>
<b>Net change in fund balance</b>	<b>(26,877,985)</b>	<b>(13,249,981)</b>	<b>(36,342,765)</b>	<b>(16,035,346)</b>	<b>8,227,848</b>	<b>9,640,035</b>	<b>(13,488,745)</b>	<b>(10,462,764)</b>	<b>20,453,714</b>
Debt service as a percentage of noncapital expenditures	11.91%	11.30%	11.64%	12.72%	11.57%	10.28%	14.36%	12.38%	15.18%

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

City of El Paso  
Assessed Value and Actual Value of Taxable Property  
Last Nine Fiscal Years \*

Fiscal Year Ended August 31,	Residential Property	Commercial Property	Industrial Property	Actual Value	Less: Tax-Exempt 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
2007	15,837,328,729	7,392,991,333	2,221,565,699	25,451,885,761	1,887,264,732	23,564,621,029	1.370714
2008	17,695,257,307	7,928,400,439	2,434,538,160	28,058,195,906	1,945,955,410	26,112,240,496	1.315605
2009	19,492,871,750	8,955,857,589	2,402,999,221	30,851,728,560	2,131,549,259	28,720,179,301	1.263782
2010	20,451,309,682	9,215,886,317	2,299,961,417	31,967,157,416	2,434,835,040	29,532,322,376	1.306556

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

Source: El Paso Central Appraisal District

City of El Paso  
 Direct and Overlapping Property Tax Rates  
 Last Nine Fiscal Years \*  
 (rate per \$100 of assessed value)

Fiscal Year	City Direct Rates						Overlapping Rates			
	City of El Paso		County of El Paso	Univeristy Medical Center**	El Paso Community College	Total Direct	Canutillo	El Paso	Socorro	Ysleta
	Basic Rate	Debt Service Rate					Independent School District	Independent School	Independent School District	Independent School District
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
2007	0.481420	0.190906	0.391390	0.186000	0.120998	1.370714	1.664996	1.523500	1.493689	1.540000
2008	0.453290	0.217800	0.360267	0.172281	0.111967	1.315605	1.334946	1.203500	1.168195	1.330000
2009	0.429000	0.204000	0.342437	0.181504	0.106841	1.263782	1.292095	1.235000	1.188194	1.330000
2010	0.428400	0.225300	0.363403	0.182124	0.107329	1.306556	1.292100	1.235000	1.179690	1.330000

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

\*\* Formerly Thomason Hospital

Source: City of El Paso Consolidated Tax Office

City of El Paso  
Principal Property Taxpayers  
Last Eight Fiscal Years \*

Taxpayer	2010			2009			2008			2007			2006			2005			2004			2003			
	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 **	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	\$ 437,864,181.00	1.48%	1	\$ 551,898,344	1.92%	1	\$ 484,120,783	1.85%	1	\$ 316,643,289	1.34%	1	\$ 152,765,190	0.73%	2	\$ 143,953,503	0.73%	8	\$ 57,219,365	0.31%	5	\$ 63,094,665	0.37%	
River Oaks Properties, LTD	2	194,452,799.00	0.66%	4	162,897,474	0.57%	5	126,809,506	0.49%	5	92,524,243	0.39%	5	80,236,379	0.38%	6	67,573,235	0.34%	7	58,472,352	0.32%	9	52,123,316	0.30%	
Simon Property Group	3	181,907,499.00	0.62%	2	183,991,161	0.64%	2	183,343,167	0.70%	4	125,809,255	0.53%	3	126,006,455	0.60%	3	123,378,359	0.62%	2	165,433,746	0.91%	2	163,626,828	0.95%	
El Paso Electric Co	4	177,389,488.00	0.60%	3	163,056,121	0.57%	3	156,901,556	0.60%	2	164,602,042	0.70%	4	91,353,332	0.43%	4	89,539,447	0.45%	4	85,676,781	0.47%	4	84,380,660	0.49%	
Southwestern Bell Telephone	5	107,972,696.00	0.37%	6	117,617,702	0.41%	4	134,774,323	0.52%	3	146,805,322	0.62%	2	145,917,309	0.69%	1	153,413,474	0.78%	1	187,574,727	1.03%	1	182,324,239	1.06%	
Tenet Hospitals L.P.	6	77,541,744.00	0.26%	5	145,765,632	0.51%	6	90,943,244	0.35%	6	70,640,340	0.30%	6	64,999,721	0.31%	8	65,083,799	0.33%	9	54,759,250	0.30%	7	59,752,160	0.35%	
Cardinal Health 5 LLC	7	71,978,445.00	0.24%																						
Phelps Dodge Refining Group	8	54,871,102.00	0.19%	8	50,393,506	0.18%	7	64,418,453	0.25%	7	61,055,402	0.26%	7	64,227,070	0.31%	7	65,627,406	0.33%	5	71,199,874	0.39%	5	69,785,761	0.41%	
El Paso Outlet Center LLC	9	54,639,866.00	0.19%	10	43,911,665	0.15%																			
Texas Gas Service	10	53,331,350.00	0.18%	7	50,915,990	0.18%	8	49,585,780	0.19%	10	44,735,970	0.19%	10	40,003,890	0.19%	9	53,313,050	0.27%							
E I Du Pont Nemours & Co. SFPP LP				9	47,085,968	0.16%	9	36,242,542	0.14%																
Time Warner Entertainment				10	35,190,910	0.13%	10	35,190,910	0.13%																
Hoover Co										8	59,999,457	0.25%	8	63,913,571	0.30%	5	67,815,126	0.34%	6	58,949,718	0.32%	8	57,572,129	0.33%	
Texas Cable PTNRS LP										9	49,750,969	0.21%	9	49,397,000	0.23%	10	46,831,704	0.24%				10	43,123,211	0.25%	
Chevron U.S.A. Inc.																3	91,710,781	0.50%	3	106,817,743	0.62%				
Elcon Inc.																10	46,752,306	0.26%							
<b>T O T A L :</b>		<b>\$ 1,411,949,170</b>	<b>4.78%</b>		<b>\$ 1,517,533,563</b>	<b>5.28%</b>		<b>\$ 1,362,330,264</b>	<b>5.22%</b>		<b>\$ 1,132,566,289</b>	<b>4.81%</b>		<b>\$ 878,819,917</b>	<b>4.17%</b>		<b>\$ 876,529,103</b>	<b>4.43%</b>		<b>\$ 877,748,900</b>	<b>4.81%</b>		<b>\$ 882,600,712</b>	<b>5.13%</b>	
<b>Total Taxable Value:</b>		<b>\$ 29,532,322.376</b>			<b>\$28,720,179.301</b>			<b>\$ 26,112,240.496</b>			<b>\$ 23,564,621.029</b>			<b>\$21,049,729.593</b>			<b>\$19,771,024.642</b>			<b>\$18,237,647.873</b>			<b>\$17,205,865.441</b>		

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

\*\* Real and Personal Property

Source: El Paso Central Appraisal District

City of El Paso  
Property Tax Levies and Collections  
Last Nine 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	120,757,156	97.50%	\$ 2,655,500	123,412,656	99.64%
2003	127,389,296	124,077,174	97.40%	2,880,438	126,957,612	99.66%
2004	131,298,376	128,160,345	97.61%	2,657,349	130,817,694	99.63%
2005	137,734,528	134,787,009	97.86%	2,289,593	137,076,602	99.52%
2006	146,635,617	143,887,888	98.13%	2,061,458	145,949,346	99.53%
2007	158,386,697	154,736,687	97.70%	2,933,225	157,669,912	99.55%
2008	175,451,542	171,835,488	97.94%	2,532,232	174,367,720	99.38%
2009	192,047,333	187,626,344	97.70%	2,521,560	190,147,904	99.01%
2010	197,879,934	193,767,422	97.92%	-	193,767,422	97.92%

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

Source: City of El Paso Consolidated Tax Office

City of El Paso, Texas  
 Personal Income by Industry  
 Last Six Calendar Years\*  
 (in thousands)

Line Title	2003	2004	2005	2006	2007	2008
Personal income	15,104,310	15,957,381	17,098,111	18,408,840	19,596,390	20,727,763
Population (persons) 2/	694,672	702,433	708,683	720,756	727,828	738,416
Per capita personal income (dollars)	21,743	22,717	24,127	25,541	26,924	28,071
Earnings by place of work	12,239,050	12,906,338	13,635,289	14,627,346	15,356,065	16,037,437
less: Contributions for government social insurance 3/	1,132,082	1,179,837	1,245,932	1,313,767	1,396,189	1,455,807
Employee and self-employed contributions for government social insur	579,098	602,116	637,364	682,735	727,599	759,417
Employer contributions for government social insurance	552,984	577,721	608,568	631,032	668,590	696,390
plus: Adjustment for residence 4/	-565,158	-567,972	-574,971	-599,543	-659,916	-660,953
equals: Net earnings by place of residence	10,541,810	11,158,529	11,814,386	12,714,036	13,299,960	13,920,677
plus: Dividends, interest, and rent 5/	1,575,778	1,687,410	1,866,370	2,078,992	2,317,261	2,367,373
plus: Personal current transfer receipts	2,986,722	3,111,442	3,417,355	3,615,812	3,979,169	4,439,713
Wage and salary disbursements	7,689,430	8,062,101	8,431,884	9,082,161	9,764,302	10,231,495
Supplements to wages and salaries	2,018,726	2,143,816	2,324,365	2,516,058	2,705,818	2,893,407
Employer contributions for employee pension and insurance funds	1,465,742	1,566,095	1,715,797	1,885,026	2,037,228	2,197,017
Employer contributions for government social insurance	552,984	577,721	608,568	631,032	668,590	696,390
Proprietors' income 6/	2,530,894	2,700,421	2,879,040	3,029,127	2,885,945	2,912,535
Farm proprietors' income	14,704	13,636	15,862	3,760	7,011	1,041
Nonfarm proprietors' income	2,516,190	2,686,785	2,863,178	3,025,367	2,878,934	2,911,494
Farm earnings	23,922	22,999	26,066	11,774	15,661	10,827
Nonfarm earnings	12,215,128	12,883,339	13,609,223	14,615,572	15,340,404	16,026,610
Private earnings	8,816,260	9,268,944	9,704,674	10,273,473	10,528,823	10,703,532
Forestry, fishing, and related activities	15,104	17,942	20,429	21,503	20,681	22,967
Forestry and logging	366	342	665	535	515	545
Fishing, hunting, and trapping	(D)	(D)	(D)	(D)	(D)	(D)
Agriculture and forestry support activities	(D)	(D)	(D)	(D)	(D)	(D)
Mining	30,923	13,880	17,909	21,340	18,353	22,365
Oil and gas extraction	(D)	(D)	10,416	10,938	8,473	9,202
Mining (except oil and gas)	1,866	(D)	2,905	3,441	3,169	3,354
Support activities for mining	(D)	(D)	4,588	6,961	6,711	9,809
Utilities	84,241	89,811	98,698	107,053	108,857	107,257
Construction	689,143	715,122	788,624	819,817	880,428	859,083
Construction of buildings	248,250	255,350	294,103	300,444	312,701	291,890
Heavy and civil engineering construction	62,910	65,085	71,596	89,928	108,535	129,432
Specialty trade contractors	377,983	394,687	422,925	429,445	459,192	437,761
Manufacturing	1,298,386	1,376,171	1,321,977	1,506,146	1,428,284	1,373,890
Durable goods manufacturing	720,799	737,649	691,416	717,515	661,647	664,990
Wood product manufacturing	11,971	18,404	13,925	13,105	11,054	10,420
Nonmetallic mineral product manufacturing	71,556	81,269	100,912	124,267	95,092	96,978
Primary metal manufacturing	84,509	86,694	81,770	79,352	81,126	83,828
Fabricated metal product manufacturing	78,667	89,497	112,258	138,985	142,054	156,365
Machinery manufacturing	52,803	48,845	47,290	45,006	45,224	44,518
Computer and electronic product manufacturing	88,349	85,810	76,373	76,403	63,855	45,542
Electrical equipment and appliance manufacturing	104,246	112,981	101,905	88,901	79,852	79,713
Motor vehicles, bodies and trailers, and parts manufacturing	(D)	(D)	(D)	(D)	(D)	(D)
Other transportation equipment manufacturing	(D)	(D)	(D)	(D)	(D)	(D)
Furniture and related product manufacturing	21,528	22,887	22,075	21,564	16,666	14,234
Miscellaneous manufacturing	35,387	38,477	40,918	42,746	39,039	42,607
Nondurable goods manufacturing	577,587	638,522	630,561	788,631	766,637	708,900
Food manufacturing	76,089	79,899	78,269	84,081	85,935	88,778
Beverage and tobacco product manufacturing	(D)	19,649	19,388	18,544	19,101	19,649
Textile mills	15,482	18,363	16,088	14,346	16,826	17,688
Textile product mills	(D)	(D)	(D)	(D)	(D)	(D)
Apparel manufacturing	150,024	101,420	78,275	59,637	54,041	54,141
Leather and allied product manufacturing	30,610	29,073	33,157	35,521	33,707	33,709
Paper manufacturing	39,401	40,753	43,659	45,626	50,737	55,678
Printing and related support activities	24,776	26,661	27,693	29,834	28,680	26,066
Petroleum and coal products manufacturing	65,826	(D)	(D)	(D)	(D)	(D)
Chemical manufacturing	74,302	130,655	130,225	159,198	153,050	155,481
Plastics and rubber products manufacturing	80,044	75,040	63,010	66,622	63,222	55,672
Wholesale trade	545,620	614,359	640,558	695,975	741,279	771,818
Retail trade	994,480	995,040	1,035,968	1,074,548	1,133,894	1,121,432
Motor vehicle and parts dealers	236,873	235,286	256,929	260,733	274,197	274,467
Furniture and home furnishings stores	32,667	31,110	33,392	36,713	37,171	36,097
Electronics and appliance stores	47,735	47,899	32,736	29,213	30,548	31,753
Building material and garden supply stores	52,043	56,840	68,584	80,311	82,371	73,685
Food and beverage stores	113,479	120,393	121,268	126,681	122,275	131,226
Health and personal care stores	68,219	72,606	76,298	81,569	83,737	87,375
Gasoline stations	58,587	47,562	49,335	50,710	76,819	53,640

City of El Paso, Texas  
Personal Income by Industry  
Last Six Calendar Years\*  
(in thousands)

Line Title	2003	2004	2005	2006	2007	2008
Clothing and clothing accessories stores	73,620	71,497	75,698	83,226	89,756	92,280
Sporting goods, hobby, book and music stores	23,703	24,911	26,231	27,283	25,932	25,708
General merchandise stores	181,478	179,627	181,343	189,363	202,434	207,822
Miscellaneous store retailers	63,923	64,415	70,870	64,103	64,526	65,180
Nonstore retailers	42,153	42,894	43,284	44,643	44,128	42,199
Transportation and warehousing	663,822	749,435	818,882	867,714	884,667	904,921
Air transportation	22,394	23,938	28,520	30,374	34,846	37,164
Rail transportation	73,910	84,120	89,846	92,041	91,080	90,882
Water transportation	149	276	122	285	408	596
Truck transportation	339,971	363,421	399,242	439,396	453,626	429,763
Transit and ground passenger transportation	33,503	38,915	41,555	37,447	32,503	30,801
Pipeline transportation	(D)	(D)	(D)	(D)	(D)	(D)
Scenic and sightseeing transportation	155	(D)	(D)	(D)	(D)	(D)
Support activities for transportation	77,914	79,495	92,358	95,072	97,394	104,725
Couriers and messengers	(D)	35,487	41,972	41,970	45,103	43,846
Warehousing and storage	48,178	51,363	47,635	46,560	44,341	55,778
Information	270,055	281,993	244,203	268,844	290,339	306,095
Publishing industries, except Internet	36,781	41,260	34,959	39,613	39,064	34,976
Motion picture and sound recording industries	26,577	14,768	(D)	4,531	(D)	(D)
Broadcasting, except Internet	51,809	54,593	52,741	58,785	65,483	67,218
Internet publishing and broadcasting 7/	0	0	0	(D)	(N)	(N)
Telecommunications	137,267	150,833	130,282	141,707	148,885	170,678
ISPs, search portals, and data processing	(D)	(D)	21,119	23,659	29,770	26,462
Other information services 7/	(D)	(D)	(D)	(D)	(D)	(D)
Finance and insurance	367,957	378,495	409,897	425,294	443,485	458,076
Monetary authorities - central bank	(D)	(D)	(D)	(D)	(D)	(D)
Credit intermediation and related activities	175,437	198,831	218,595	207,188	223,189	224,407
Securities, commodity contracts, investments	31,622	31,493	32,400	41,758	42,201	49,730
Insurance carriers and related activities	143,304	137,143	147,052	163,698	160,266	165,956
Funds, trusts, and other financial vehicles	(D)	(D)	(D)	(D)	(D)	(D)
Real estate and rental and leasing	944,335	851,157	914,837	982,217	889,458	905,147
Real estate	422,820	440,063	503,061	468,178	359,100	326,595
Rental and leasing services	521,515	(D)	(D)	(D)	(D)	(D)
Lessors of nonfinancial intangible assets	0	(D)	(D)	(D)	(D)	(D)
Professional, scientific, and technical services	363,976	409,448	455,258	503,107	539,565	564,342
Management of companies and enterprises	37,260	35,241	33,943	35,270	49,160	33,012
Administrative and waste services	421,630	462,045	487,625	560,191	604,938	662,910
Administrative and support services	403,308	442,178	465,914	538,829	582,822	642,259
Waste management and remediation services	18,322	19,867	21,711	21,362	22,116	20,651
Educational services	65,748	72,043	75,168	81,849	88,578	91,897
Health care and social assistance	1,173,793	1,317,469	1,416,158	1,366,855	1,431,863	1,466,810
Ambulatory health care services	620,454	692,963	738,625	768,154	811,895	881,936
Hospitals	368,211	405,794	418,070	342,064	353,408	324,550
Nursing and residential care facilities	65,368	76,473	75,656	83,986	106,441	90,239
Social assistance	119,760	142,239	183,807	172,651	160,119	170,085
Arts, entertainment, and recreation	53,929	54,702	54,458	57,058	57,148	56,071
Performing arts and spectator sports	25,722	(D)	(D)	(D)	(D)	26,599
Museums, historical sites, zoos, and parks	514	(D)	(D)	(D)	(D)	451
Amusement, gambling, and recreation	27,693	29,967	28,202	30,652	27,953	29,021
Accommodation and food services	376,543	400,609	406,182	410,059	431,607	472,191
Accommodation	43,783	44,605	42,791	40,160	44,844	48,379
Food services and drinking places	332,760	356,004	363,391	369,899	386,763	423,812
Other services, except public administration	419,315	433,982	463,900	468,633	486,239	503,248
Repair and maintenance	127,749	131,163	142,847	148,667	152,420	157,265
Personal and laundry services	93,178	97,319	111,686	100,236	102,041	103,601
Membership associations and organizations	170,202	175,324	178,610	186,322	194,616	202,944
Private households	28,186	30,176	30,757	33,408	37,162	39,438
Government and government enterprises	3,398,868	3,614,395	3,904,549	4,342,099	4,811,581	5,323,078

City of El Paso, Texas  
 Personal Income by Industry  
 Last Six Calendar Years\*  
 (in thousands)

Line Title	2003	2004	2005	2006	2007	2008
Federal, civilian	661,889	740,514	785,410	842,915	927,441	1,039,180
Military	795,115	864,483	998,363	1,278,836	1,504,508	1,786,099
State and local	1,941,864	2,009,398	2,120,776	2,220,348	2,379,632	2,497,799
State government	326,663	307,201	332,050	357,972	372,837	399,063
Local government	1,615,201	1,702,197	1,788,726	1,862,376	2,006,795	2,098,736

1. The estimates of earnings for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007 are based on the 2007 NAICS.
  2. Census Bureau midyear population estimates. Estimates for 2001-2008 reflect county population estimates available as of April 2010.
  3. Contributions for government social insurance are included in earnings by type and industry but they are excluded from personal income.
  4. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
  5. Rental income of persons includes the capital consumption adjustment.
  6. Proprietors' income includes the inventory valuation adjustment and capital consumption adjustment.
  7. Under the 2007 NAICS, internet publishing and broadcasting was reclassified to other information services.
    - All state and local area dollar estimates are in current dollars (not adjusted for inflation).
- (D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.  
 (L) Less than \$50,000, but the estimates for this item are included in the totals.  
 (N) Data not available for this year

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce  
 CA05N Footnotes  
 Regional Economic Information System  
 Bureau of Economic Analysis  
 April 2010'

<http://www.bea.gov/regional/reis/default.cfm?selTable=CA05N&series=NAICS>



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

	Calendar Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Agriculture, Forrestry, Fishing	9,630	9,518	46	17	161	166	473	205	113	93	16
Mining	25	6	3	132	40	24	-	15	13	39	-
Construction	98,111	96,568	92,562	99,011	112,206	118,304	132,651	136,255	146,606	142,424	29,764
Manufacturing	106,934	84,600	132,675	148,023	151,906	165,985	168,140	187,616	184,706	156,332	36,373
Transportation, Communications & Utilities **	251,443	251,681	197,587	181,554	198,571	194,493	229,346	232,043	241,012	224,418	43,642
Wholesale Trade	340,709	332,874	195,351	195,552	236,296	237,256	253,011	283,054	287,614	298,045	70,940
Retail Trade	2,845,217	2,894,402	2,525,064	2,577,507	2,741,186	2,966,533	3,188,524	3,358,384	3,408,641	3,250,396	804,910
Finance, Insurance & Real Estate	5,509	6,432	70,770	76,153	84,249	98,610	112,040	102,498	94,271	82,096	21,079
Services **	414,732	396,907	828,580	870,096	908,032	983,950	1,052,362	1,116,597	1,165,328	1,165,965	305,234
Public Administration	796	477	-	-	1,202	2,911	2,621	3,711	4,058	2,950	928
Nonclassifiable Establishments	852	1,003	-	-	-	-	-	-	-	-	-
Other **	-	3	18,863	5,982	4,857	58	36	-	-	47	9
<b>Total</b>	<u>4,073,958</u>	<u>4,074,471</u>	<u>4,061,501</u>	<u>4,154,027</u>	<u>4,438,706</u>	<u>4,768,290</u>	<u>5,139,204</u>	<u>5,420,378</u>	<u>5,532,362</u>	<u>5,322,805</u>	<u>1,312,895</u>

\* Based on one calendar quarter of 2010

\*\* Industries varied in category beginning FY07

Source: Texas Comptroller of Public Accounts

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

Governmental Activities

Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligations	Commercial Paper	Total Government	Percentage of Actual Property Value	Per Capita
2002	\$ 187,225	3,100	151,615	7,000	348,940	2.028%	\$ 504.14
2003	174,625	1,600	185,496	20,000	381,721	2.157%	541.70
2004	162,330		176,403	40,500	379,233	2.079%	528.76
2005	262,955		70,387	79,500	412,842	2.088%	565.70
2006	303,150		61,046	99,500	463,696	2.203%	614.10
2007	520,415		88,000	-			792.40
2008	554,630		80,631				829.73
2009	637,485		135,648		773,133	0.003%	1,041.87
2010	612,835		197,966		810,801	0.003%	958.69

Businesstype Activities

Fiscal Year	Revenue Bonds	Certificates of Obligations	Contractual Obligations	Note Payable	Total Government	Percentage of Actual Property Value	Per Capita
2002	\$ 39,555	24,568	467	5,245	418,775	2.433%	\$ 605.03
2003	35,930	24,998	241	10,129	453,019	2.560%	642.88
2004	38,660	21,756	-	9,255	448,904	2.455%	625.90
2005	33,930	18,478	-	8,585	473,835	2.391%	649.30
2006	32,010	15,159	-	8,094	518,959	2.466%	687.30
2007	30,030	12,510	-	7,383	658,338	0.003%	857.42
2008	27,565	12,439	-	12,753	52,757	0.003%	898.32
2009	25,025	9,977	-	11,686	819,821	0.003%	1,104.79
2010	23,100	18,943	-	10,577	863,421	0.003%	1,016.58

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

City of El Paso  
Ratios of Net General Bonded Debt Outstanding  
Last Nine 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	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
2007	767,814	23,564,621	620,925	4,470	616,455	2.616%	802.87
2008	780,613	26,112,240	647,700	5,480	642,220	2.459%	822.71
2009	742,062	28,720,179	783,110	5,711	777,399	2.707%	1,047.62
2010	806,450	29,532,322	829,745	5,329	824,416	2.792%	1,022.28

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

Population amount was taken from the City of El Paso Development Services, Planning Division Demographic Report  
Source: Bonded debt and tax collections are taken from the 2003-2007 State of Texas Financial Statements.

\*\* County of El Paso estimated population was the most readily available (City population is roughly 85% of County)

City of El Paso  
 Direct and Overlapping Governmental Activities Debt  
 As of August 31, 2010  
 (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	\$ 72,369	70.44%	\$ 50,977
El Paso County	156,180	88.71%	138,547
El Paso County Hospital District	266,250	88.73%	236,244
El Paso Community College District	66,390	88.73%	58,908
El Paso Independent School District	494,585	99.49%	492,063
Socorro Independent School District	334,900	77.11%	258,241
Ysleta Independent School District	264,698	99.81%	264,195
<u>Subtotal Overlapping Debt</u>			<u>1,499,175</u>
<u>City direct Debt</u>	824,416	100.00%	824,416
<u>Total direct and overlapping debt</u>			<u><u>\$ 2,323,591</u></u>

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

Source: Texas Bond Review Board Website and El Paso Central Appraisal District

City of El Paso  
 Legal Debt Margin Information  
 Last Nine Fiscal Years \*

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 29,532,322,376
Debt limit ( 10 percent of assessed value)	2,953,232,238
Debt applicable to limit:	
General obligation bonds & other property tax supported debt	863,422,577
Less: Special Revenue Bonds	(33,677,577)
Amount set aside for repayment of general obligation debt	(5,328,983)
Total net debt applicable to limit	<u>\$ 824,416,017</u>

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 1,724,697,692	1,774,098,599	1,830,955,774	1,983,249,286	2,104,972,959	2,356,462,103	2,611,224,050	2,872,017,930	2,953,232,238
Total net debt applicable to limit	<u>355,171,890</u>	<u>378,956,115</u>	<u>400,479,235</u>	<u>433,944,987</u>	<u>436,433,935</u>	<u>616,471,827</u>	<u>630,971,213</u>	<u>777,398,893</u>	<u>824,416,017</u>
Legal debt margin	<u>\$ 1,369,525,802</u>	<u>1,395,142,484</u>	<u>1,430,476,539</u>	<u>1,549,304,299</u>	<u>1,668,539,024</u>	<u>1,739,990,276</u>	<u>1,980,252,837</u>	<u>2,094,619,037</u>	<u>2,128,816,221</u>
Total net debt applicable to the limit as a percentage of debt limit	20.6%	21.4%	21.9%	21.9%	20.7%	26.2%	24.2%	27.1%	27.9%

\* GASB Statement No. 34 was implemented in fiscal year 2002.  
 Source: City of El Paso Financial Statements 2002-2009

City of El Paso  
Pledged Revenue Bond Coverage  
Last nine years

Revenue Bond Coverage

El Paso International Airport						
Fiscal Year	Gross Revenue	Less: Operating Expenses <sup>1</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 25,611,418	19,202,056	6,409,362	3,195,000		2.01
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
2007	33,771,357	23,408,336	10,363,021	575,000	421,825	10.40
2008	35,271,685	26,893,108	8,378,577	1,000,000	404,575	5.97
2009	33,851,351	26,328,769	7,522,582	1,000,000	374,575	5.47
2010	34,907,576	26,189,300	8,718,276	1,020,000	342,075	6.40

Department of Environmental Services

Fiscal Year	Gross Revenue	Less: Operating Expenses <sup>1</sup>	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	1,025,000	1,070,388	9.71
2006	34,867,563	23,986,740	10,880,823	1,060,000	1,039,638	5.18
2007	37,445,758	22,975,513	14,470,245	1,095,000	1,007,838	6.88
2008	41,703,614	26,743,859	14,959,755	1,145,000	953,088	7.13
2009	41,310,894	23,202,237	18,108,657	1,200,000	895,838	8.64
2010	44,790,906	24,836,014	19,954,892	545,000	835,838	14.45

Other Enterprise Funds

Fiscal Year	Gross Revenue	Less: Operating Expenses <sup>1</sup>	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
2007	14,415,189	2,684,476	11,730,713	341,196	58,193	29.37
2008	16,677,380	2,884,344	13,793,036	1,314,988	820,647	6.46
2009	14,926,788	4,275,024	10,651,764	340,000	25,535	29.14
2010	16,124,924	3,127,361	12,997,563	360,000	8,730	35.25

Source: City of El Paso Financial Statements 2002-2010

<sup>1</sup> Does not include depreciation.

City of El Paso  
Principal Employers  
Last Five Fiscal Years

Employer	2010 (e)			2009 (d)			2008 (c)			2007 (a)			2006 (b)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fort Bliss	15,000	1	5.33%	6,376	3	2.36%	6,006	4	2.14%	10,000	1	3.66%	6,803	2	#DIV/0!
El Paso Independent School District	10,000	2	3.55%	8,995	1	3.32%	8,859	1	3.15%	9,000		3.29%	8,663	1	#DIV/0!
Ysleta Independent School District	8,601	3	3.06%	8,482	2	3.13%	8,767	2	3.12%	7,200		2.63%	6,500	3	#DIV/0!
T&T	8,260	4	2.94%	5,500	5	2.03%	4,876	6	1.74%	4,200	7	1.54%			
City of El Paso	6,203	5	2.20%	6,143	4	2.27%	6,229	3	2.22%	6,000	5	2.19%	6,264	4	#DIV/0!
Socorro Independent School District	5,388	6	1.91%	5,388	6	1.99%	5,433	5	1.93%	5,041	6	1.84%	3,995	6	1.51%
University of Texas at El Paso	4,929	7	1.75%	4,742	8	1.75%	4,365	8	1.55%	3,400		1.24%	4,871	5	#DIV/0!
El Paso Community College	4,249	8	1.51%	2,969	9	1.10%	2,997	9	1.07%				3,728	8	#DIV/0!
Wal-Mart	4,011	9	1.43%	4,770	7	1.76%	4,800	7	1.71%				3,706	9	#DIV/0!
County of El Paso	2,474	10	0.88%	2,271	10	0.84%	2,976	10	1.06%				2,700	10	1.02%
Sierra Providence Health Network										6,587	4	2.41%	3,761	7	1.42%
Echostar Communications Corporation										2,900	9	1.06%			
Del Sol/ Las Palmas										2,300	10	0.84%			
<b>T O T A L :</b>	<u>69,115</u>		<u>24.56%</u>	<u>55,636</u>		<u>20.56%</u>	<u>55,308</u>		<u>19.69%</u>	<u>56,628</u>		<u>20.70%</u>	<u>50,991</u>		<u>#DIV/0!</u>
 Total employed (b)	 <u>281,404</u>			 <u>270,600</u>			 <u>280,900</u>			 <u>273,500</u>			 <u>264,800</u>		

Note: Information for 2002-2005 not available

(a) Source: El Paso Regional Economic Development Corporation (REDCO) - [www.elpasoredco.org](http://www.elpasoredco.org)

(b) Source: U.S. Dept of Labor

(c) Source: Office of Management and Budget, City of El Paso, October 2008

(d) Source: Office of Management and Budget, City of El Paso, October 2009

City of El Paso  
Demographics and Economic Statistics  
Last Nine Calendar Years

Year	Population (1)				Per Capita Personal income (2)			City of El Paso Unemployment Rate(3)
	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%	7.7%
2003	290,788,976	0.9890%	22,103,374	1.7510%	31,466	29,340	93.24%	8.9%
2004	293,655,404	0.9860%	22,490,022	1.7510%	33,090	30,664	92.67%	7.1%
2005	296,507,061	0.9710%	22,928,508	1.9540%	34,471	32,460	94.17%	6.6%
2006	299,398,484	0.9750%	23,507,783	2.5260%	36,276	34,257	94.43%	6.7%
2007	301,621,157	0.7424%	23,904,380	1.6871%	38,611	37,187	96.31%	5.8%
2008	305,527,622	1.2950%	24,178,180	1.1454%	39,807 *	37,873 *	95.14%	6.5%
2009	307,912,769	0.7807%	24,326,974	0.6154%	40,208	37,774	93.95%	9.8%
2010	310,678,237	0.8981%	24,648,888	1.3233%	39,626	38,546	97.27%	9.7%

Data Sources:

(1) Bureau of Economic Analysis, U.S. Department of Commerce

(2) Bureau of Labor Statistics, U.S. Department of Labor, Bureau of Business and Economic Research

(3) US Bureau of Labor and Statistics

\* www.ehomesearch.com projections



City of El Paso, Texas  
Employees by Funding Source and Function  
Last Nine Fiscal Years

Funding Source	2010			2009			2008			2007			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	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire
General Fund	1,799	1,025	793	1,904	1,058	804	1,833	1,076	774	1,728	1,038	761	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	46	-	-	51	-	-	47	-	-	45	-	-	41	-	-	42	-	-	50	-	-	53	-	-	52	-	-
Capital Projects Fund	5	-	-	4	-	-	2	-	-	4	-	-	3	-	-	-	-	-	3	-	-	3	-	-	4	-	-
Federal Grants	27	15	4	24	14	3	23	15	4	25	17	2	28	32	2	30	46	-	39	75	-	36	111	-	29	149	-
Federal Grants-ARRA	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Grants	7	12	-	11	9	1	16	9	-	20	10	-	17	9	-	16	11	2	16	11	2	18	8	2	13	21	2
Other Grants	2	-	-	1	-	-	1	-	-	1	-	-	1	-	-	2	-	-	1	-	-	10	-	-	13	-	-
Public Health	-	-	-	-	-	-	-	-	-	153	-	-	157	-	-	150	-	-	149	-	-	156	-	-	147	-	-
Public Health-Grants	201	-	-	200	-	-	183	-	-	210	-	-	222	-	-	219	-	-	223	-	-	219	-	-	192	-	-
Nongrants	33	1	-	19	1	-	88	1	-	102	-	-	90	-	-	131	-	-	119	-	-	308	-	-	168	-	-
Supply and Support																											
Funds	82	-	-	79	-	-	68	-	-	69	-	-	71	-	-	74	-	-	83	-	-	88	-	-	87	-	-
Self Insurance Funds	13	-	-	10	-	-	10	-	-	12	-	-	8	-	-	8	-	-	8	-	-	8	-	-	8	-	-
El Paso International																											
Airport	223	22	30	227	21	28	223	22	29	230	23	28	223	19	29	210	11	22	206	17	-	203	20	-	172	21	-
International Bridges	54	-	-	54	-	-	52	-	-	46	-	-	46	-	-	43	-	-	43	-	-	48	-	-	42	-	-
Environmental Services	343	-	-	295	-	-	289	-	-	255	-	-	250	-	-	257	-	-	252	-	-	270	-	-	240	-	-
Mass Transit	627	-	-	608	-	-	569	-	-	564	-	-	556	-	-	567	-	-	567	-	-	597	-	-	558	-	-
Private Purpose Trusts	1	-	-	3	-	-	2	-	-	3	-	-	4	-	-	3	-	-	4	-	-	2	-	-	2	-	-
CRRMA Agency Fund	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CEPF	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	5	-	-	4	-	-
	<u>3,476</u>	<u>1,075</u>	<u>827</u>	<u>3,495</u>	<u>1,103</u>	<u>836</u>	<u>3,410</u>	<u>1,123</u>	<u>807</u>	<u>3,471</u>	<u>1,088</u>	<u>791</u>	<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>
# change from prior year	(19)	(28)	(9)	85	(20)	29	(61)	35	16	139	33	(14)	22	(21)	28	(42)	9	(15)	(405)	(55)	(5)	438	(16)	1			
% change from prior year	-0.56%	-2.49%	-1.12%	2.49%	-1.78%	3.59%	-1.76%	3.22%	2.02%	4.17%	3.13%	-1.74%	0.66%	-1.95%	3.60%	-1.25%	0.84%	-1.89%	-10.78%	-4.90%	-0.63%	13.20%	-1.41%	0.13%			
Activity																											
Public Safety	2,341	2,366	2,372	2,328	2,219	2,212	2,231	2,298	2,264																		
Public Works	372	383	429	467	425	426	463	488	461																		
Public Health	316	318	302	372	379	369	372	375	339																		
Parks Department	274	305	297	282	349	389	376	614	470																		
General Government	249	264	260	275	336	331	331	375	347																		
Library	159	166	174	174	154	127	130	149	112																		
Culture and Recreation	150	148	121	136	46	40	44	51	47																		
Community and Human																											
Development	63	57	58	58	55	53	62	60	58																		
Facilities Maintenance	35	37	-	-	-	-	-	-	-																		
Planning	15	47	47	13	14	13	12	13	11																		
Economic Development	40	15	14	14	9	7	10	14	12																		
Supply and Support																											
Funds	82	79	68	69	71	74	83	88	87																		
Self Insurance Funds	6	10	10	12	8	8	8	8	8																		
Mass Transit	627	608	569	564	556	567	567	597	558																		
Environmental Services	315	296	289	255	250	257	252	270	240																		
El Paso International																											
Airport	275	276	274	281	271	243	223	223	193																		
International Bridges	54	54	52	46	46	43	43	48	42																		
Private Purpose Trusts	-	-	-	-	-	-	-	-	-																		
CRRMA Agency Fund	1	1	-	-	-	-	-	-	-																		
CEPF	4	4	4	4	4	4	4	5	4																		
Total	<u>5,378</u>	<u>5,434</u>	<u>5,340</u>	<u>5,350</u>	<u>5,192</u>	<u>5,163</u>	<u>5,211</u>	<u>5,676</u>	<u>5,253</u>																		