

City of El Paso, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended
August 31, 2012

Prepared by Financial Services Department

CITY OF EL PASO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED AUGUST 31, 2012
 TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal..... i
 GFOA Certification of Achievement x
 Organization Chart xi
 List of Principal Officials xii
 Department Directors xiii

FINANCIAL SECTION

Independent Accountants' Report xiv
 Management's Discussion and Analysis (Required Supplementary Information)..... xvi

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Assets 1
 Statement of Activities..... 2

Fund Financial Statements

Governmental Funds

Balance Sheet 3
 Reconciliation of the Balance Sheet to the Statement of Net Assets 4
 Statement of Revenues, Expenditures and Changes in Fund Balances 5
 Reconciliation of the Statements of Revenues, Expenditures and Changes in
 Fund Balances to the Statement of Activities 6

Proprietary Funds

Balance Sheet 7
 Statement of Revenues, Expenses and Changes in
 Fund Net Assets (Deficit) 8
 Statement of Cash Flows..... 9

Fiduciary Funds

Statement of Fiduciary Net Assets 10
 Statement of Changes in Fiduciary Net Assets 11

Notes to Financial Statements..... 12

CITY OF EL PASO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED AUGUST 31, 2012
 TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Budgetary Comparison Schedules - General Fund (Unaudited)

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual..... 84

Pension Schedules (Unaudited)

Schedules of Funding Progress..... 85

Schedules of Employer Contribution..... 86

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

General Fund

Schedule of Expenditures - Budget and Actual (Unaudited) - Legal Level of
 Budgetary Control..... 87

Nonmajor Governmental Funds

Combining Balance Sheet..... 94

Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... 95

Special Revenue Funds

Schedule of Expenditures (Unaudited) 96

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual..... 102

Capital Projects Fund

Schedule of Capital Projects (Unaudited)..... 103

Internal Service Funds

Combining Balance Sheet..... 110

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets..... 111

Combining Statement of Cash Flows 112

CITY OF EL PASO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2012
TABLE OF CONTENTS

Pension Trust Funds

Combining Statement of Net Assets 113

Pension Trust Funds

Combining Statement of Changes in Net Assets. 114

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Fiduciary Funds

Schedule of Changes in Assets and Liabilities - Agency Funds 115

STATISTICAL SECTION (UNAUDITED)

Net Assets by Components 116

Change in Net Assets 117

Fund Balances, Governmental Funds 118

Changes in Fund Balances, Governmental Funds 119

Assessed Value and Actual Value of Taxable Property 120

Direct and Overlapping Property Tax Rates 121

Principal Property Taxpayers 122

Property Tax Levies and Collections 123

Personal Income by Industry 124

Taxable Sales by Category 127

Ratios of Outstanding Debt by Type 128

Ratio of Net General Bonded Debt Outstanding 129

CITY OF EL PASO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2012
TABLE OF CONTENTS

Direct and Overlapping Governmental Activities Debt	130
Legal Debt Margin Information	131
Pledged Revenue Bond Coverage	132
Principal Employers	133
Demographics and Economic Statistics	134
Employees by Funding Source and Function	135
Operating Indicators by Function/Program	136
Capital Assets Statistics by Function	137

INTRODUCTORY SECTION





February 28, 2013

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

We submit the City of El Paso, Texas (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2012. 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 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.

MD&A can be found immediately following the report of the independent accountants on page xvi.

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,

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
Dr. Michiel R. Noe

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Cortney Carlisle Niland

City Manager
Joyce A. Wilson



FINANCIAL SERVICES DEPARTMENT
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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.

Ensure long-term financial stability and sustainability

Ensuring the long-term sustainability of City finances is a key strategic policy for City management. City Council adopted revised financial policies, which in part, require the balancing of adopted appropriations with anticipated revenues and no longer permitted the use of the general operating fund reserves in order to balance the budget. General Fund reserves may only be utilized for one-time and/or emergency type capital procurements that would otherwise need debt financing. In fiscal year 2012, the Maintenance and Operating budget is funded with current revenues with special attention given to concerns about residential property tax burden and market trends, the impact of both the national economy and events in Mexico on sales tax and the latter's impact on bridge crossing revenue. The national economy has also impacted building permit and license revenue and even some believe timely payment of other revenue sources, such as municipal court fines. Sustainability all of the City's general fund is always the most critical issue that constrains long-term financial goals and directly impacts the City's ability to carry out its strategic initiatives. The FY2012 general fund budget was based on an M&O rate set at this year's effective tax rate. The increase to the tax rate was solely to fund the debt service increase. The latter was required in order to fund the collective bargaining units pension fund, growing infrastructure needs, due in part to the growth of the local army base and finally the construction of quality of life facilities due to open in FY2012. Since most operating costs of the City are anticipated to increase in future budgets, balancing without the use of reserves or tax or fee increases will be a difficult task. However, continued effective budget planning in the short and long term will benefit the City's financial sustainability. Some of the specific accomplishments and areas of continual improvement include:

- Monitor local economy and revenue performance. Act quickly to adjust budget expenses where warranted.

- Continue to look for ways to reduce costs and enhance efficiencies through consolidation, outsourcing, interagency partnerships and technology investments.
- Prepare the 2012 and all future general fund budgets without the use of fund balance.
- Maintain strong bond ratings, S&P's AA; Fitch's AA.
- Proposed financial system upgrade beginning in FY2012.

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 – 680,550), the remainder of El Paso County (estimated population – 120,097) 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."

El Paso Housing Finance Corporation

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 Housing Finance Corporation (EPHFC). City Council appoints its board consisting of seven directors, and is accountable for its operation. EPHFC is reported discretely in a separate column as "Component Unit – El Paso Housing Finance Corporation."

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 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 in the City's financial statements as a Pension Trust Fund.

Debt Administration

During the fiscal year, the City issued \$32,775,000 in Combination Tax and Revenue Certificates of Obligation Bonds. At August 31, 2012, the City had \$871,690,000 of debt issues outstanding for which property taxes may be levied for principal and interest payments. These issues include \$564,070,000 of general obligation bonds and \$307,620,000 of certificates of obligation. The City has \$53,308,166 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 \$24,516,303 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.

There was an increase of the total tax rate from 2011 to \$0.658404. The debt service property tax rate was increased to \$0.229168 per \$100 of assessed value while the M&O rate was increased to \$0.429236 per \$100 of assessed value. The overall rate has decreased \$.061429 from the 2002 rate of \$.719833. The 2012 operating tax rate of \$0.429236 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.

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: Fireman Division and Policeman Division. Mellon Trust Company is the custodian for all pension plan assets. An independent audit of each of the pension funds has been completed and separate reports have been issued.

The CEPF's most recent actuarial study is dated September 1, 2011, and indicates the actuarially computed value of benefits exceed fund assets by \$206,479,000.

The FPPF's most recent actuarial study is dated January 1, 2012, and states the actuarially computed value of benefits exceeded fund assets by \$283,096,605.

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 2012 population of 820,790 has grown by over 2.5% from its 2010 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 2011, the City's unemployment rate was 8.7% while the national average was 7.8%. Employment numbers at the end of December 2012 reflected a positive change of 8,038 jobs from December 2011.

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 2012 general fund activities reflect a \$73,473 decrease in fund balance. General Fund unassigned fund balance plus the \$16 million cash reserve restricted by the City charter, totaled \$36.7 million as of August 31, 2012 or 11.2% of spending in fiscal year 2012. In fiscal year 2011, the general fund reflected a \$1.7 million increase in fund balance, with undesignated general fund reserves of \$37.2 million at August 31, 2011, or approximately 12.1% of spending.

As the 2012 year unfolded with the continued effects of the 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 only a slight decrease 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, 2011. This was the thirteenth 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



Carmen Arrieta-Candelaria
Chief Financial Officer



Mark Sutter, Ph.D.
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, 2011

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.



Christopher P. Morill

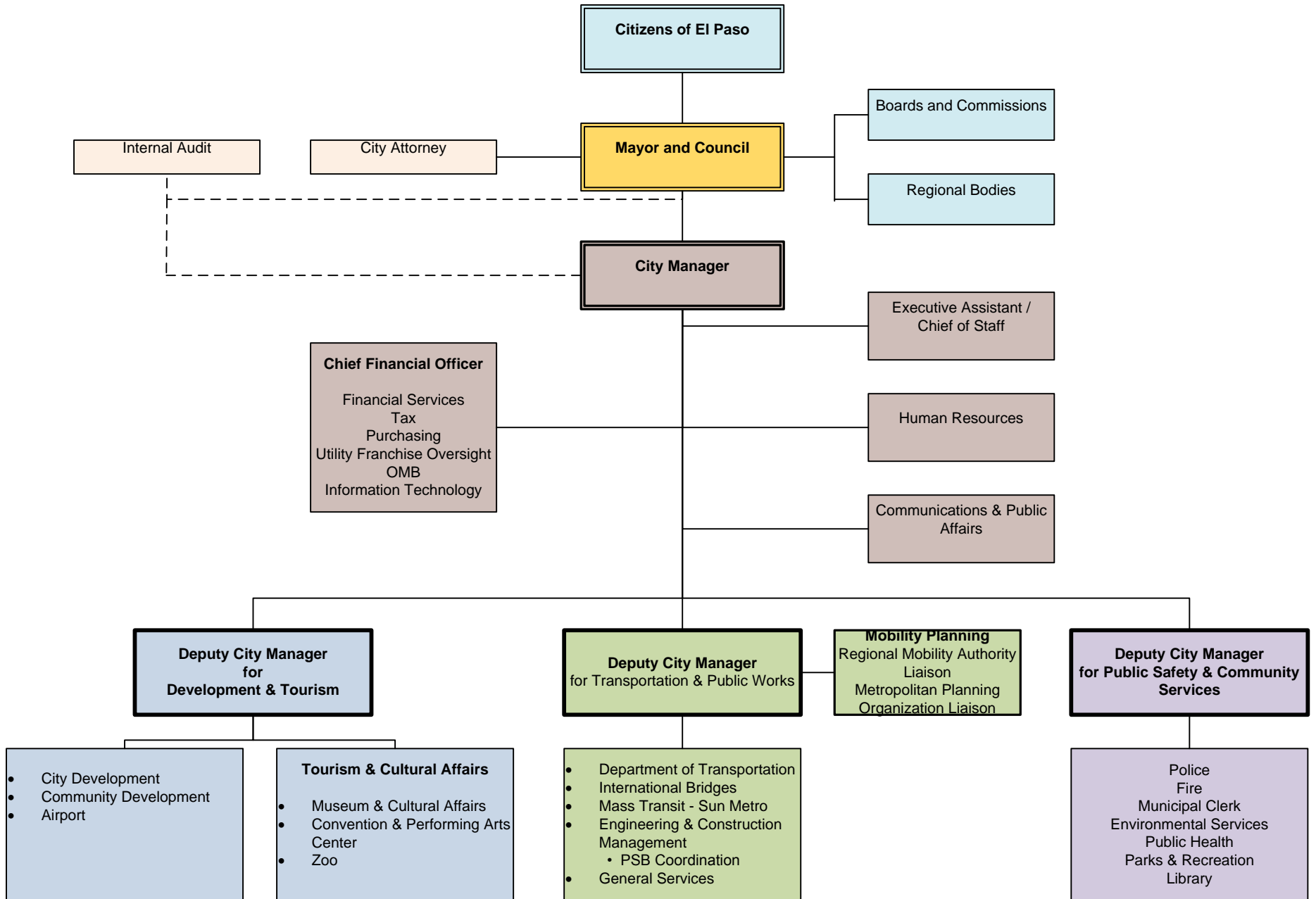
President

Jeffrey R. Emmer

Executive Director



City of El Paso Organizational Structure FY2013



LIST OF PRINCIPAL OFFICIALS

JOHN F. COOK

Mayor

ANN MORGAN LILLY

DISTRICT 1

SUSIE BYRD

DISTRICT 2

EMMA ACOSTA

DISTRICT 3

CARL L. ROBINSON

DISTRICT 4

DR. MICHEL NOE

DISTRICT 5

EDDIE HOLGUIN JR.

DISTRICT 6

STEVE ORTEGA

DISTRICT 7

CORTNEY NILAND

DISTRICT 8

JOYCE A. WILSON

CITY MANAGER

WILLIAM F. STUDER JR.

DEPUTY CITY MANAGER - DEVELOPMENT AND TOURISM

DAVID ALMONTE

DEPUTY CITY MANAGER - PUBLIC SAFETY AND COMMUNITY SERVICES

JANE K. SHANG

DEPUTY CITY MANAGER - TRANSPORTATION AND PUBLIC WORKS

CARMEN ARRIETA-CANDELARIA

CHIEF FINANCIAL OFFICER

Department Directors

Gregory K. Allen	El Paso Police Department
Lynly Leeper	Office of Management & Budget
Miguel Gamino, Jr.	Information Technology
Carmen Arrieta-Candelaria	Chief Financial Officer
Jay Banasiak	Mass Transit (Sun Metro)
Bill Blaziek	Convention & Visitors Bureau
Dionne Mack-Harvin	El Paso Public Library System
Edmundo S. Calderon	Internal Auditor
Daryl W. Cole	Department of Transportation
Matthew McElroy	Planning & Economic Development
Otto Drozd	El Paso Fire Department
Richarda Duffy-Momsen	Municipal Clerk
Stuart Ed	General Services
Michael Hill	Public Health
Said Larbi-Cherif	International Bridges
William Lilly	Community & Human Development
Monica Lombraña	Aviation (El Paso International Airport)
Juliet Lozano	Communications & Public Affairs
Steve Marshall	Zoo
Sean McGlynn	Museums & Cultural Affairs
Sylvia B. Firth	City Attorney
Leo Fierro Jr.	Consolidated Tax Office (Interim)
R. Alan Shubert	Engineering & Construction Management
Nanette Smejkal	Parks & Recreation
Ellen A. Smyth	Environmental Services
Linda Ball Thomas	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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2012, 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 El Paso Water Utilities and the El Paso Housing Finance Corporation, the discretely presented component units of the City. We also did not audit the El Paso Firemen and Policemen's Pension Fund, a component unit of the City, which statements reflect total assets and net additions of \$1,051,189,287 and \$20,348,017, respectively, and represent 58.1% and 8.6% of the aggregate remaining fund information's total assets and revenues/net additions, respectively, at August 31, 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the El Paso Firemen and Policemen's Pension Fund, a component unit of the City, were not audited in accordance with *Government Auditing Standards*. 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of August 31, 2012, 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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension/other post-employment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other accountants. In our opinion, based on our audit, the procedures performed as described previously, and the report of the accountants the supplementary information is fairly stated in all material respects in relation to the basic financial statements 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 in the audit of the basic financial statements and, accordingly, we express no opinion on it.

BKD, LLP

February 28, 2013

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

As management of the City of El Paso (the 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, 2012. 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 the Comprehensive Annual Financial Report (CAFR) complement each other.

FINANCIAL HIGHLIGHTS

- ◆ On a government-wide basis, the Primary Government total assets exceeded its liabilities at August 31, 2012 by \$417.8 million. There is a \$162 million unrestricted net asset deficit.
- ◆ The Primary Government's total net assets increased by \$21.2 million. Governmental activities increased net assets by \$18.7 million while increases from business-type activities totaled \$2.5 million. The Primary Government's total expenses were \$632.7 million, an increase of \$2.3 million over 2011.
- ◆ The cost of the Primary Government's governmental activities was \$475.9 million for the 2012 fiscal year.
- ◆ As of August 31, 2012, the City's governmental funds reported combined ending fund balances of \$78.7 million, a decrease of \$15.2 million compared with the prior year. Approximately 25.5% of the combined fund balances or \$20 million is unassigned and available for the discrete purposes for which these funds are collected.
- ◆ The unassigned fund balance in the General Fund was \$20.7 million or 6.51% of total General Fund current year expenditures.
- ◆ In fiscal year 2012, the City issued \$38.635 million in new property tax supported debt to finance capital projects. There was an increase of \$19.31 million in other long-term liabilities from the prior year.

CITY OF EL PASO, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 August 31, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

CAFR	Introductory Section	Letter of Transmittal, Organization Chart, Other Introductory Information			
	Financial Section	Management's Discussion and Analysis			
		Government-Wide Financial Statements	Fund Financial Statements		
		Statement of Net Assets	Governmental Funds	Proprietary Funds	Fiduciary Funds
			Balance Sheet	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			

CITY OF EL PASO, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
August 31, 2012

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

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 units) 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 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.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

- 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.

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.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

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	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 258,989	\$ 290,213	123,900	135,041	382,889	425,254
Capital assets	841,566	785,321	349,949	345,117	1,191,515	1,130,438
Total assets	1,100,555	1,075,534	473,849	480,158	1,574,404	1,555,692
Other liabilities	24,859	38,840	7,916	14,075	32,775	52,915
Long-term liabilities	1,007,928	987,445	115,901	118,579	1,123,829	1,106,024
Total liabilities	1,032,787	1,026,285	123,817	132,654	1,156,604	1,158,939
Net assets:						
Invested in capital assets, net of related debt	161,946	124,745	289,979	287,678	451,925	412,423
Restricted	107,951	117,560	19,987	33,667	127,938	151,227
Unrestricted	(202,129)	(193,238)	40,066	26,158	(162,063)	(167,080)
Total net assets	\$ 67,768	\$ 49,067	350,032	347,503	417,800	396,570

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, assets exceeded liabilities by \$417.8 million at August 31, 2012.

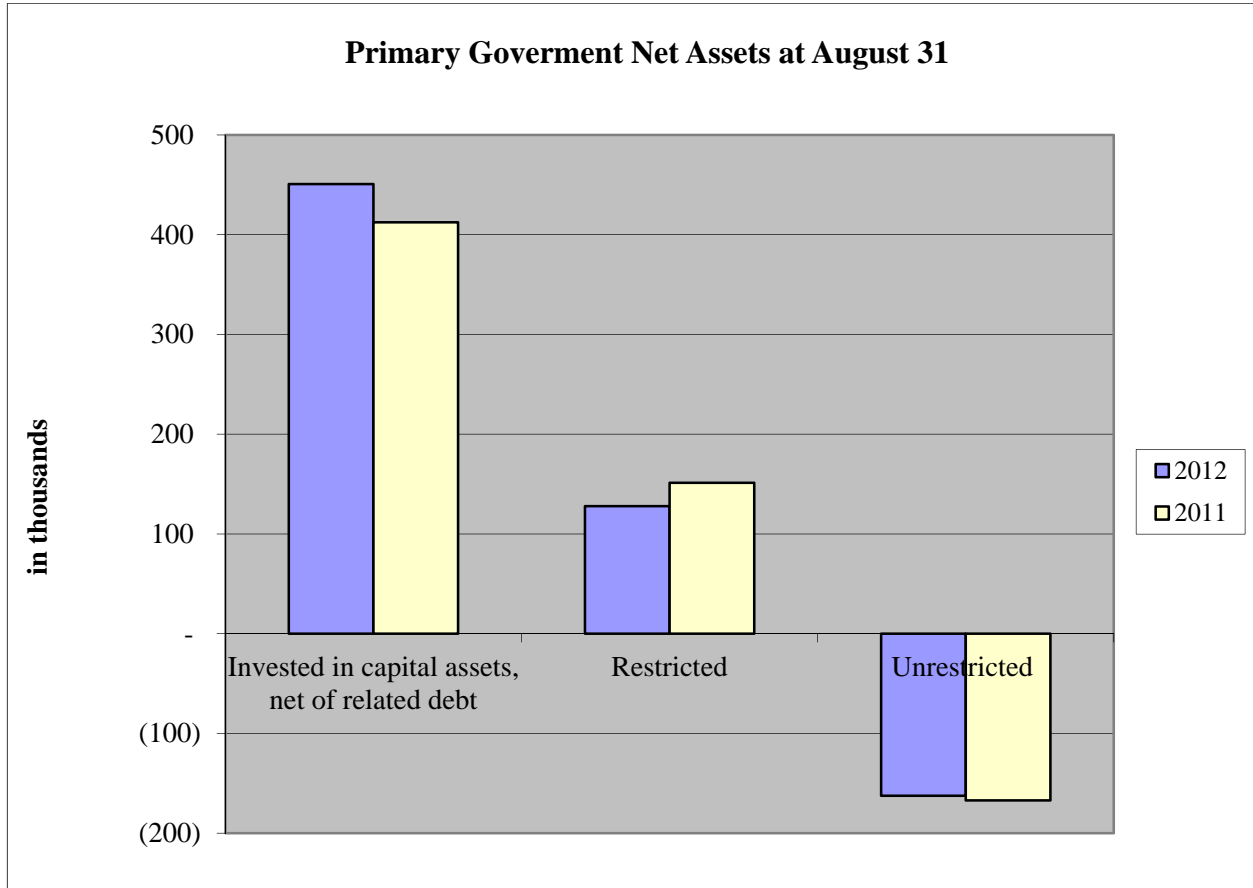
The largest portion of the City's net assets, \$451.9 million, reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide 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, \$127.9 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 decreased \$23.3 million (15.4%) 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 \$202.1 million deficit at the end of this year. This deficit indicates that the City has long-term commitments that exceed its related assets.

CITY OF EL PASO, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 August 31, 2012

Unrestricted net assets in business-type activities totaled \$40.1 million, increasing \$13.9 million from 2011.



Analysis of the City's Operations

The following table provides a summary of the City's activities for the years ended August 31, 2012 and 2011. Governmental activities increased the City's net assets by \$18.7 million accompanied by an increase in the business-type activities of the City of \$2.5 million resulting in a net asset increase of \$21.2 million.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

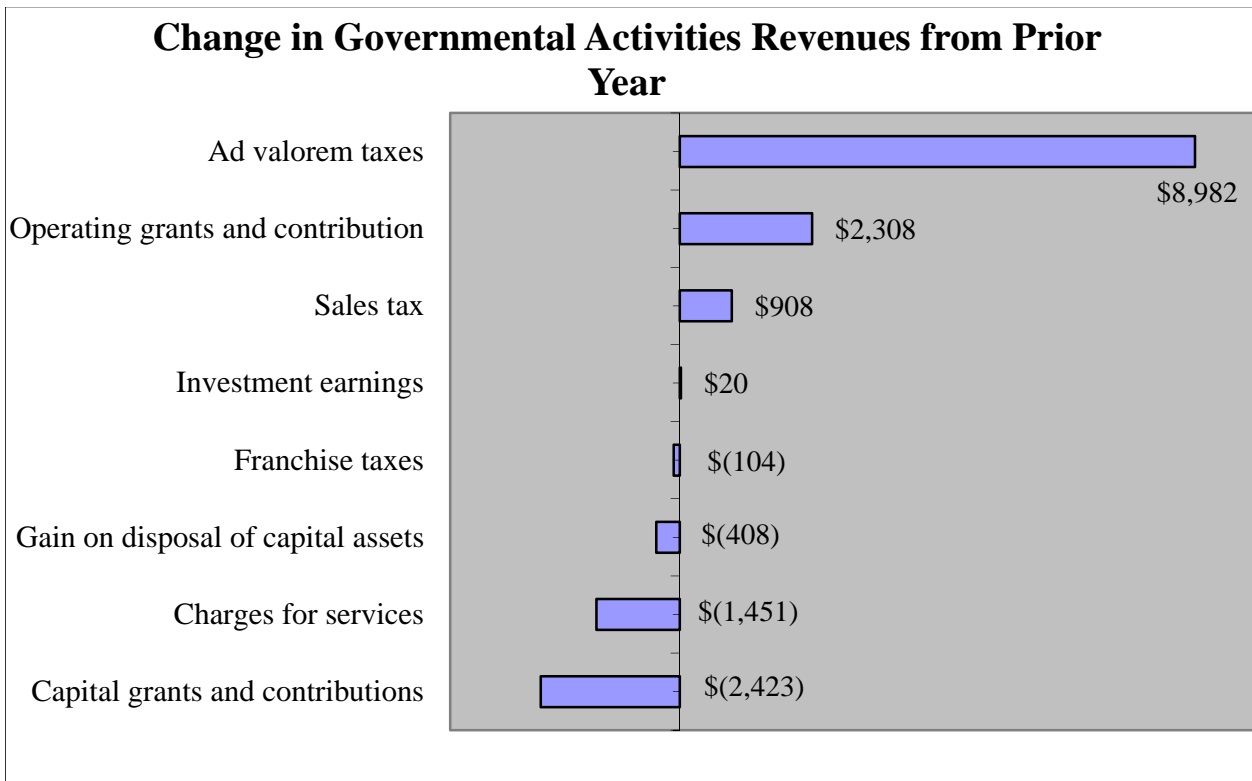
Condensed Schedule of Changes in Net Assets
For the Year Ended August 31
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 64,695	66,146	115,548	111,012	180,243	177,158
Operating grants and contributions	69,210	66,902	18,323	11,021	87,533	77,923
Capital grants and contributions	4,946	7,369	6,807	24,671	11,753	32,040
General revenues:						
Ad valorem taxes	206,164	197,182	-	-	206,164	197,182
Sales taxes	83,804	82,896	36,295	35,812	120,099	118,708
Franchise taxes	47,604	47,708	-	-	47,604	47,708
Investment earnings	272	252	278	236	550	488
Gain (loss) on disposal of capital assets	66	474	(60)	122	6	596
Total revenues	<u>476,761</u>	<u>468,929</u>	<u>177,191</u>	<u>182,874</u>	<u>653,952</u>	<u>651,803</u>
Expenses:						
Governmental activities:						
General government	40,718	40,877	-	-	40,718	40,877
Public safety	227,950	225,797	-	-	227,950	225,797
Public works	59,307	66,517	-	-	59,307	66,517
Public health	19,128	22,133	-	-	19,128	22,133
Parks	16,252	14,894	-	-	16,252	14,894
Library	12,348	12,407	-	-	12,348	12,407
Culture and recreation	24,926	24,846	-	-	24,926	24,846
Community and economic development	33,619	34,084	-	-	33,619	34,084
Interest on long-term debt	41,685	41,211	-	-	41,685	41,211
Business-type activities:						
International airport operations	-	-	36,821	36,311	36,821	36,311
Industrial park and other operations	-	-	6,621	5,927	6,621	5,927
International bridges	-	-	4,519	4,559	4,519	4,559
Solid waste disposal	-	-	45,179	37,255	45,179	37,255
Mass Transit	-	-	63,649	63,543	63,649	63,543
Total expenses	<u>475,933</u>	<u>482,766</u>	<u>156,789</u>	<u>147,595</u>	<u>632,722</u>	<u>630,361</u>
Excess (deficiency) before transfers	828	(13,837)	20,402	35,279	21,230	21,442
Transfers	17,873	18,534	(17,873)	(18,534)	-	-
Increase (decrease) in net assets	18,701	4,697	2,529	16,745	21,230	21,442
Net assets - September 1	49,067	44,370	347,503	330,758	396,570	375,128
Net assets - August 31	<u>\$ 67,768</u>	<u>49,067</u>	<u>350,032</u>	<u>347,503</u>	<u>417,800</u>	<u>396,570</u>

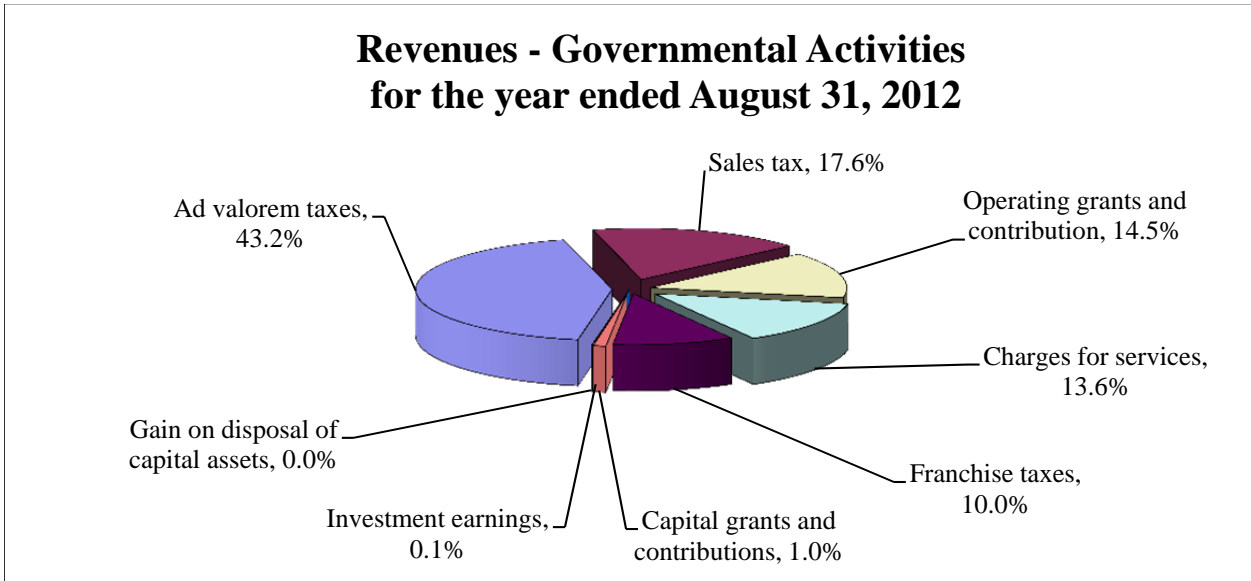
Program Revenues and Expenses – Governmental Activities

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:



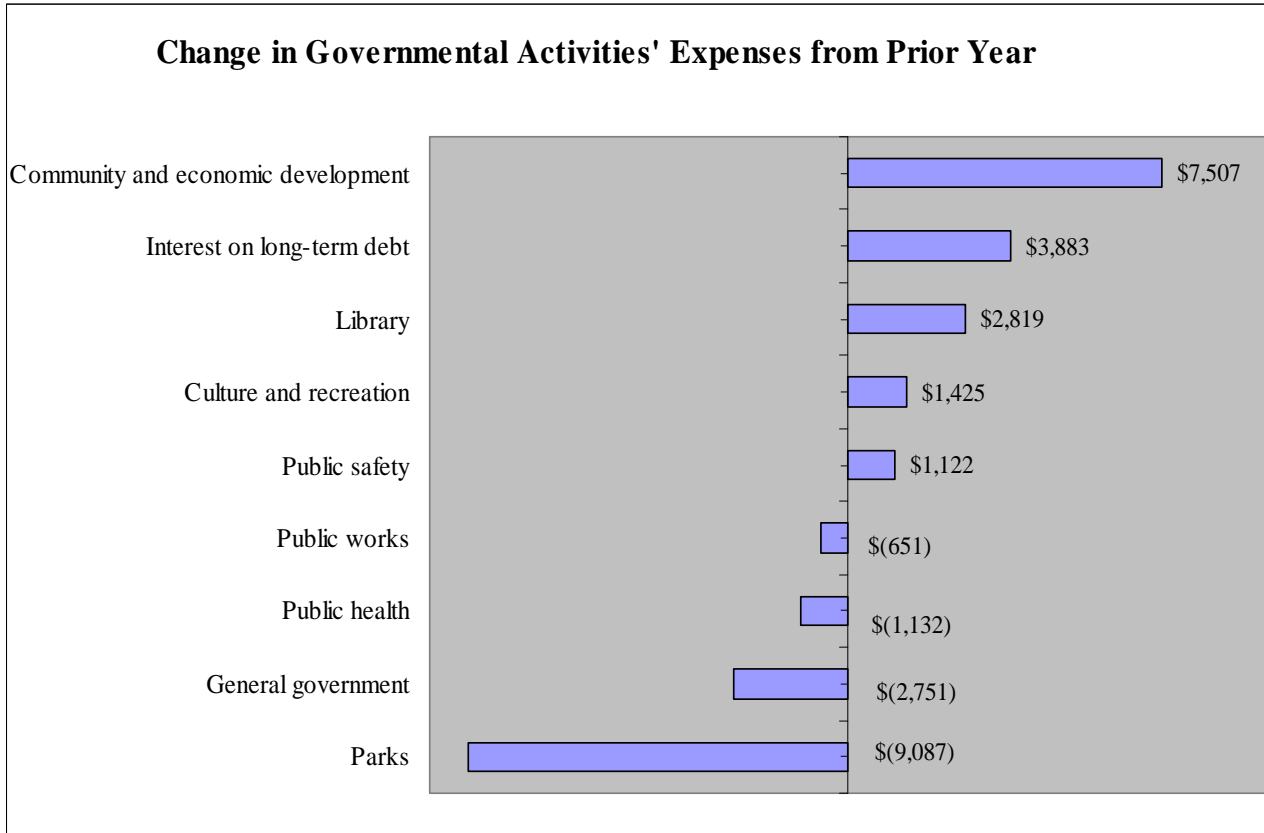
Revenues for governmental activities totaled \$476.8 million, an increase of \$7.8 million or 1.67% from 2011.



The ad valorem taxable valuation increased 0.3% while the overall tax rate increased by \$.0047 from 2011. Due to these increases in 2012, ad valorem property tax revenues increased \$9.0 million (4.7%). Sales taxes increased \$908 thousand (1.10%), franchise taxes decreased \$104 thousand (.22%), operating and capital grants and contributions decreased \$115 thousand.

The cost of programs and services was \$475.9 million, a decrease of \$6.8 million (1.42%) from 2011. Expenses related to grants and contributions increased \$114 thousand. The net pension obligation expense increased \$310 thousand, other post-employment benefits expense increased \$10.4 million, compensated absence expense decreased \$617 thousand and interest on long-term debt increased \$870 thousand.

The following chart (in thousands) shows changes in governmental activities' expenses from 2011:



Program Revenues and Expenses – Business-type Activities

Operating revenues increased \$4.5 million (4.1%) to \$115.5 million. Operating expenses, net of depreciation, increased \$8.4 million to \$120.5 million (7.5%) and depreciation expense increased \$294 thousand to \$32.353 million (8.9%). The increase in operating expenses includes \$3.9 million in Other Post-employment Benefits (OPEB) expenses and Net Pension Obligation (NPO) expenses. Nonoperating revenues increased \$2.91 million to \$54.9 million and nonoperating expenses increased \$802 thousand to \$3.97 million. Capital contributions decreased \$12.87 million to \$6.8 million. Transfers out decreased \$661 thousand to \$17.873 million.

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 decreased \$1.3 million to \$36.0 million. There was an increase in operating expenses of \$514 thousand to \$42.3 million even though OPEB and NPO expense increased by \$0.72 million and depreciation increased by \$275 thousand. Nonoperating revenues increased \$1.5 million to \$7.5 million and nonoperating expenses increased \$710 thousand to \$1.2 million. Capital contributions decreased \$2.3 million to \$972 thousand and transfers out decreased \$0.482 million to \$1.759 million.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

Other significant changes were:

- Increase in personnel services of \$151 thousand.
- Decrease in outside contracts of \$196 thousand.
- All other operating expenses, excluding depreciation, increased \$284 thousand.
- Depreciation expense increased \$275 thousand
- Investment interest increased \$39 thousand.
- Passenger facility charge revenue decreased \$311 thousand.
- A customer facility charge was implemented in fiscal year 2012 and raised \$1.765 million by the end of the fiscal year.

Environmental Services

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

Operating revenues increased \$3.132 million (6.2%) to \$53.660 million. No changes were made to the fee schedule.

Operating expenses increased \$8.048 million to \$44.068 million and includes \$1,272 thousand in NPO and OPEB expenses. Other significant changes were:

- Personnel expense increased by \$3.11 million
- Fuel increased \$380 thousand
- Outside contracts increased by \$634 thousand
- Materials and supplies increased by \$428 thousand
- Depreciation expense increased \$1.9 million

Mass transit

Mass Transit operating revenues increased \$401 thousand reflecting an increase in ridership with no increase in fees.

Operating expenses increased \$100 thousand to \$62.607 million including \$1.57 million in expenses to record OPEB and NPO and \$1.45 million decrease in depreciation expense. Other significant changes were:

- Personnel expenses increased \$1.14 million as a result of expanding service hours and routes.
- Fuel expense increased \$284 thousand as fuel cost slightly climbed during the year.
- Outside contracts decreased by \$746 thousand.
- FTA subsidy (entitlement grant) increased \$804 thousand.
- Capital contributions, from the FTA, decreased by \$10.66 million due to ARRA funds in 2011 but not available in 2012. Generally, FTA funds only a portion (usually 80%) of the cost of these 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 from 2011. Operating revenues decreased \$323 thousand due to a slight decrease in vehicular and pedestrian traffic crossing the City's bridges.

Operating expenses decreased \$1 thousand including NPO and OPEB expenses of \$169 thousand. Other significant changes were:

- Outside contracts increased by \$125 thousand

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

Governmental Funds

At the end of the current fiscal year, the City's governmental funds reported total fund balance of \$78.7 million, a decrease of \$15.2 million from 2011. Approximately 25.5% of this total amount or \$20.0 million constitutes unassigned fund balance. Nonspendable fund balance of \$3.4 million indicates that inventory is not available to liquidate liabilities. Restricted fund balance of \$46.0 million indicates there are legal restrictions on how these funds may be expended. Committed fund balance of \$8.1 million indicates City Council has restricted how these funds may be expended. Assigned fund balance of \$1.2 million indicates that City Management has planned to expend this amount in fiscal year 2013.

General Fund

The General Fund is the general operating fund of the City. The fund balance for the General Fund totaled \$42.3 million, decreasing by \$73 thousand from the prior year. There was no change in restricted and committed fund balances from the prior year.

There were no changes in sales tax/franchise fee rates and no material changes to the City's revenue fee schedules from 2011.

Revenues increased \$5.0 million and Transfers In decreased \$661 thousand or a net \$4.3 million from 2011.

Property tax revenues increased \$4.0 million or 0.3%. The adjusted assessed taxable valuation increased 0.3% and the general fund property tax rate increased in 2012 by \$0.0008 or 0.2%

Sales taxes increased \$551 thousand. Franchise taxes decreased \$1.3 million while Charges for services increased \$1.4 million.

Investment earnings increased \$1 thousand as the yield on securities increased during fiscal 2012. Amounts invested during 2012 were comparable to 2011.

Revenue from the County of El Paso, relating to providing health services to County residents, increased \$84 thousand to \$522 thousand.

Overall, expenditures increased \$9.3 million while transfers out decreased \$3.4 million for a net increase of \$6.1 million or 1.93%.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

Personnel expenditures increased \$4.7 million (2.5%). There was a net \$182 thousand (2.21%) decrease in civilian workforce expenditures. The City continues to closely monitor the need to fill positions vacated through attrition. There was a net \$3.0 million (3.0%) increase for public safety uniformed personnel expenditures.

Capital outlay expenditures increased \$344 thousand to \$633 thousand (119%).

Expenditures for utilities increased \$1.2 million. Electricity expenditures will increase in the future due to 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 decreased \$1.3 million dollars from 2011 to \$16.8 million. The City utilized \$1.6 million in program revenues in 2012.

Debt Service Fund

Ad valorem property tax revenues increased \$3.7 million (5.6%) as a result of an increase in the debt service ad valorem property tax rate combined with a 1.7% increase in taxable assessed value for real and personal property. Principal and interest payments increased \$4.5 million. \$2.4 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 \$599 thousand from 2011.

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, \$855,001 in 2013. 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 \$82 million. Net proceeds of debt issued in 2012 were \$35.18 million while other funding sources (hotel/motel tax, interest and other) were \$22.4 million. Transfers from other funds were \$36 thousand.

Transfers to the Debt Service Fund (to close capital projects as required by bond covenants), were \$2.36 million. This resulted in a decrease in fund balance of \$13.7 million to \$8.9 million.

Nonmajor Governmental Funds

Revenues in these funds were \$60.7 million and expenditures were \$61.6 million. Fund balance decreased \$839 thousand to \$21.9 million.

Federal Grants

Funding for these activities is program specific and is provided by the U. S. Congress. Expenditures totaled \$13.7 million as follows:

- Public Safety – Police Department \$5.7 million
- Public Safety – Fire Department \$7.5 million
- Library \$261 thousand
- Neighborhood Stabilization \$7 thousand
- Planning and economic development \$210 thousand

American Recovery and Reinvestment Act Grants

Funding for these activities is program specific and is part of the Federal Stimulus program. Expenditures, by program, totaled \$8.0 million as follows:

- Strengthening Communities \$154 thousand
- CDBG-R \$26 thousand
- Energy Conservation \$1.3 million
- Fire Station Construction \$957 thousand
- HPRP \$526 thousand
- Public Safety TPA \$265 thousand
- Weatherization \$1.8 million
- BTOP Virtual Village \$3.1 million

State Grants

Expenditures for these activities is program specific and is provided by State Agencies or Departments. Expenditures, by City Department, totaled \$2.5 million as follows:

- Community Development - TDHCA \$631 thousand
- MCAD - Arts \$21 thousand
- Library \$18 thousand
- Museums \$10 thousand
- Parks \$50 thousand
- Police Department \$1.8 million

Other Grants

Expenditures, funded by local and/or nonpublic sources, totaled \$251 thousand.

CITY OF EL PASO, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 August 31, 2012

Public Health

Expenditures, totaling \$12.3 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 \$24.0 million and expenditures were \$24.9 million resulting in a total fund balance of \$22.0 million.

Fund balances as of August 31, 2012 include the following:

- PEG \$197 thousand
- Convention and Visitors Bureau \$5.9 million
- Zoo \$2.5 million
- Parks Department \$1.0 million
- Police Department \$3.4 million
- Economic Development \$5.7 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 increases as follows:

	2012	2011
El Paso International Airport	\$ (702,139)	110,336
Environmental Services	6,110,785	11,653,003
Mass Transit	(5,193,396)	4,078,176
International Bridges	2,313,044	903,462
Net asset increase	<u>\$ 2,528,294</u>	<u>16,744,977</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 fund balance. City Council voted to increase the overall tax rate to \$.658404 per \$100 in taxable value. The General Fund property tax rate increased 0.2% to \$.429236 and the Debt Service property tax rate decreased 1.7% to \$.229168. The taxable assessed valuation of real and personal property increased approximately 0.3% from 2011.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

During 2012, appropriations were increased a net total of \$2,254,097. Appropriation increases included \$471,178 to fund relocation of Consolidated Tax Office, \$1,207,919 to fund fiscal year 2011 activities not completed by year end and \$575,000 to provide for outside legal counsel.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of August 31, 2012, amounts to \$1,192 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 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.

	Governmental Activities	Business-Type Activities	Total
Land	\$ 165,807,623	16,129,995	181,937,618
Artwork	-	979,637	979,637
Buildings	166,808,272	113,263,466	280,071,738
Equipment	43,343,371	61,281,743	104,625,114
Improvements	917,409	125,966,276	126,883,685
Infrastructure	317,366,913	-	317,366,913
Construction in Progress	147,321,820	32,328,071	179,649,891
Total	<u>\$ 841,565,408</u>	<u>349,949,188</u>	<u>1,191,514,596</u>

This year's major additions included:

Vehicles, Equipment, Other	\$ 9,898,389
Land	4,865,844
Streets	4,146,184
Buildings	1,467,617
Data Processing equipment and software	12,125,524
Parks	1,856,890

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

DEBT ADMINISTRATION

At the end of the fiscal year, the City had total debt payable of \$949,514,468. Of this amount, \$871,690,000 is bonded debt backed by the full faith and credit of the government. Revenue Bonds of \$36,100,000 and Notes Payable of \$37,780,038 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 \$3,944,430 to acquire buses.

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

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 564,070,000	-	564,070,000
Certificate of Obligations	285,188,454	22,431,546	307,620,000
Revenue Bonds Payable	-	36,100,000	36,100,000
Capital Lease Obligations	-	3,944,430	3,944,430
Notes Payable	24,516,303	13,263,737	37,780,040
Unamortized (Discount) premium, net	15,523,136	255,948	15,779,084
Deferred Amount on Refunding	(1,949,138)	-	(1,949,138)
Total	<u>\$ 887,348,755</u>	<u>75,995,661</u>	<u>963,344,416</u>

During the fiscal year, the City issued \$32,775,000 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

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 2012 population of 820,790 has grown by over 2.5% from its 2010 census level. Population growth continues to grow in part from the 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 \$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 five years. 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 2012, the City's projected unemployment rate fell to 8.7% with a projected labor force of 298,678. Employment numbers at the end of December 2012 reflected a positive change of 8,038 jobs from December 2010.

General Fund Budget

Fiscal year 2013 appropriations increased \$17.3 million (5.5%) to \$335.5 million from 2012 actual expenditures and transfers. Appropriations, by function, increased (decreased) as follows:

Function:	Change
Public safety	\$ 4,956,871
Nondepartmental	785,407
Public works	1,939,474
Parks department	966,148
Library	259,685
Culture and recreation	148,543
Community and human development	42,618
Economic development	208,758
Public Health	317,840
General government	5,026,530
Transfers to other funds	2,694,131
	\$ 17,346,005

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2012

Estimated revenue and transfers increased \$17.4 million (5.5%) from 2012 actual revenues and transfers. Revenues and transfers increased (decreased) as follows:

<u>Revenue and transfers in:</u>	<u>Change</u>
Property taxes	\$ 8,303,532
Charges for services	1,095,169
Sales taxes	4,242,343
Fines and forfeits	3,214,815
Transfers In	166,123
Interest	277,926
County Participation	(52,500)
Intergovernmental revenues	521,966
Rents and other	(13,371)
Licenses and permits	(723,934)
Franchise fees	385,674
	<u>\$ 17,417,743</u>

The City's overall certified taxable assessed valuation for real and personal property increased 4.3% for the fiscal year 2013 tax levy. City Council increased the general fund rate from \$0.429236 to \$0.442148 and the Debt Service tax rate decreased from \$0.229168 to \$0.216256 from 2012 to 2013.

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. If you have questions about this report or need any additional information, contact:

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

CITY OF EL PASO, TEXAS

STATEMENT OF NET ASSETS

August 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities February 28, 2012	El Paso Housing Finance Corporation December 31, 2011
ASSETS					
Cash and Cash Equivalents	\$ 44,570,448	62,326,978	106,897,426	22,828,493	1,667,195
Investments	33,787,495	16,937,104	50,724,599	4,001,976	955,836
Receivables, Net of Allowances	96,252,824	22,652,992	118,905,816	17,637,221	-
Other Current Assets	-	-	-	188,429	146,350
Prepaid Items	142,390	452,604	594,994	1,930,576	1,506
Internal Balances	5,384,795	(5,384,795)	-	-	-
Due from Component Unit	1,525,418	3,950,596	5,476,014	-	-
Inventory	4,140,086	4,365,143	8,505,229	1,915,653	-
Restricted Cash and Cash Equivalents	-	18,059,757	18,059,757	111,243,839	33
Restricted Investments	-	-	-	59,905,355	-
Restricted Trade and Other Receivables	-	-	-	4,487,923	-
Unamortized Bond Issue Costs	7,596,265	539,424	8,135,689	5,884,186	-
Net Pension Asset	65,589,519	-	65,589,519	-	-
Capital Assets, Not Being Depreciated	314,762,443	49,629,894	364,392,337	124,525,925	-
Capital Assets Being Depreciated, Net	526,802,965	300,319,294	827,122,259	1,059,643,391	1,492
TOTAL ASSETS	1,100,554,648	473,848,991	1,574,403,639	1,414,192,967	2,772,412
LIABILITIES					
Liabilities:					
Accounts Payable	9,512,780	3,636,947	13,149,727	24,848,822	12,524
Accrued Payroll	4,711,864	1,183,877	5,895,741	-	-
Due to Primary Government	-	-	-	4,648,615	-
Taxes and Fees Payable	1,354,984	358,199	1,713,183	-	-
Accrued Interest Payable	1,881,363	439,383	2,320,746	10,986,144	-
Unearned Revenue	337,512	1,802,001	2,139,513	568,978	-
Construction Contracts and Retainage Payable	7,059,957	496,273	7,556,230	2,277,963	-
Long-term Liabilities - Current	102,579,532	13,866,836	116,446,368	28,918,005	146,350
Long-term Liabilities - Noncurrent	905,348,513	102,033,734	1,007,382,247	559,815,974	-
TOTAL LIABILITIES	1,032,786,505	123,817,250	1,156,603,755	632,064,501	158,874
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	161,946,395	289,979,525	451,925,920	676,369,149	1,492
Restricted for:					
Debt Service	8,710,660	546,049	9,256,709	59,534,523	-
Cash Reserve	16,000,000	-	16,000,000	-	-
Claims and Legal Counsel	1,000,000	-	1,000,000	-	-
Municipal Court	3,436,828	-	3,436,828	-	-
PEG	3,264,046	-	3,264,046	-	-
Civic Center	2,781,035	-	2,781,035	-	-
Zoo	65,833	-	65,833	-	-
Library	155,472	-	155,472	-	-
Art Museum	760,004	-	760,004	-	-
Parks	1,262,511	-	1,262,511	-	-
Police Department	6,060,030	-	6,060,030	-	-
Fire Department	13,876	-	13,876	-	-
Public Works	350,352	-	350,352	-	-
Economic Development	5,844,471	-	5,844,471	-	-
Low Income Housing	48,877,335	-	48,877,335	-	-
Mayor and City Council	135,309	-	135,309	-	-
Public Health	29,259	-	29,259	-	-
Passenger Facilities	-	17,693,621	17,693,621	-	-
Customer Facilities	-	1,746,974	1,746,974	-	-
General Government	342,000	-	342,000	-	-
Facilities, Infrastructure and Equipment	8,862,117	-	8,862,117	22,011,439	-
Unrestricted	(202,129,390)	40,065,572	(162,063,818)	24,213,355	2,612,046
TOTAL NET ASSETS	\$ 67,768,143	350,031,741	417,799,884	782,128,466	2,613,538

CITY OF EL PASO, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		El Paso Water Utilities February 28, 2012	El Paso Housing Finance Corporation December 31, 2011	
					Governmental Activities	Business-type Activities			Total
Primary Government:									
Governmental Activities:									
General Government	\$ 40,717,526	2,781,189	1,346,822	396,254	(36,193,261)	-	(36,193,261)		
Public Safety	227,950,308	29,076,320	13,301,874	2,493,772	(183,078,342)	-	(183,078,342)		
Public Works	59,307,180	14,448,143	17,940,443	343,716	(26,574,878)	-	(26,574,878)		
Public Health	19,127,638	4,407,176	13,437,234	544,018	(739,210)	-	(739,210)		
Parks	16,251,520	3,824,281	33,690	1,100,850	(11,292,699)	-	(11,292,699)		
Library	12,348,089	477,592	2,844,784	51,452	(8,974,261)	-	(8,974,261)		
Culture and Recreation	24,926,399	6,979,407	17,589	16,128	(17,913,275)	-	(17,913,275)		
Community and Economic Development	33,619,047	2,700,812	18,005,838	-	(12,912,397)	-	(12,912,397)		
Interest on Long-term Debt	41,685,223	-	2,281,309	-	(39,403,914)	-	(39,403,914)		
Total Governmental Activities	<u>475,932,930</u>	<u>64,694,920</u>	<u>69,209,583</u>	<u>4,946,190</u>	<u>(337,082,237)</u>	<u>-</u>	<u>(337,082,237)</u>		
Business-type Activities:									
International Airport Operations	36,821,483	27,941,875	7,300,787	972,555	-	(606,266)	(606,266)		
Industrial Park and Other Operations	6,621,290	8,093,614	-	-	-	1,472,324	1,472,324		
Solid Waste Disposal Operations	45,178,718	53,660,619	-	914,630	-	9,396,531	9,396,531		
Mass Transit Operations	63,648,603	9,700,359	11,021,987	4,919,486	-	(38,006,771)	(38,006,771)		
International Bridges Operations	4,518,896	16,151,847	-	-	-	11,632,951	11,632,951		
Total Business-type Activities	<u>156,788,990</u>	<u>115,548,314</u>	<u>18,322,774</u>	<u>6,806,671</u>	<u>-</u>	<u>(16,111,231)</u>	<u>(16,111,231)</u>		
Total Primary Government	<u>\$ 632,721,920</u>	<u>180,243,234</u>	<u>87,532,357</u>	<u>11,752,861</u>	<u>(337,082,237)</u>	<u>(16,111,231)</u>	<u>(353,193,468)</u>		
Component Units:									
Water and Reclaimed Water	\$ 144,962,181	119,498,999	-	5,779,213			(19,683,969)	-	
Wastewater	22,534,849	55,829,188	5,479,023	3,852,808			42,626,170	-	
Stormwater District	10,377,155	15,405,290	967,015	-			5,995,150	-	
Low/moderate Income Housing	128,827	355,304	-	-			-	-	226,477
Total Component Units	<u>\$ 178,003,012</u>	<u>191,088,781</u>	<u>6,446,038</u>	<u>9,632,021</u>			<u>28,937,351</u>		<u>226,477</u>
General Revenues:									
Taxes:									
Property Taxes, Levied for General Purposes					135,107,749	-	135,107,749	-	-
Property Taxes, Levied for Debt Service					71,056,421	-	71,056,421	-	-
Franchise Taxes					47,603,858	-	47,603,858	-	-
Sales Taxes					83,803,598	36,294,778	120,098,376	-	-
Investment Earnings					272,491	278,386	550,877	480,074	12,638
Gain (Loss) on Disposal of Capital Assets					65,589	(60,456)	5,133	2,035,452	-
Transfers					17,873,183	(17,873,183)	-	-	-
Total General Revenues and Transfers					<u>355,782,889</u>	<u>18,639,525</u>	<u>374,422,414</u>	<u>2,515,526</u>	<u>12,638</u>
Change in Net Assets					18,700,652	2,528,294	21,228,946	31,452,877	239,115
Net Assets - Beginning					49,067,491	347,503,447	396,570,938	750,675,589	2,374,423
Net Assets - Ending					<u>\$ 67,768,143</u>	<u>350,031,741</u>	<u>417,799,884</u>	<u>782,128,466</u>	<u>2,613,538</u>

CITY OF EL PASO, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2012

	General	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 3,303,381	2,607,928	146,858	4,385,152	14,678,360	25,121,679
Investments	17,461,958	956,001	5,043,395	5,519,082	127,834	29,108,270
Receivables - Net of Allowances						
Taxes	20,095,537	-	3,476,475	-	-	23,572,012
Interest	255,976	356,529	71,788	59,855	1,386	745,534
Trade	792,108	-	-	95,834	240,841	1,128,783
Notes	-	34,785,628	-	-	211,879	34,997,507
Other	9,352,972	-	-	-	3,154,008	12,506,980
Due from Other Government Agencies	3,949	8,026,800	-	6,459,502	8,758,457	23,248,708
Prepaid Items	-	-	-	-	142,390	142,390
Due from Other Funds	5,773,049	-	-	-	7,237,386	13,010,435
Due from Component Unit	1,525,418	-	-	-	-	1,525,418
Inventory	3,355,895	-	-	-	-	3,355,895
TOTAL ASSETS	\$ 61,920,243	46,732,886	8,738,516	16,519,425	34,552,541	168,463,611
LIABILITIES						
Accounts Payable	\$ 5,884,674	718,649	-	-	2,133,685	8,737,008
Accrued Payroll	4,239,603	43,258	-	23,802	325,035	4,631,698
Due to Other Funds	-	-	-	388,254	7,237,386	7,625,640
Taxes Payable	1,327,128	-	27,856	-	-	1,354,984
Unearned Revenue	1,416,634	45,970,979	-	185,295	2,906,356	50,479,264
Deferred Ad Valorem Taxes	6,792,323	-	3,109,904	-	-	9,902,227
Due to Other Government Agencies	210	-	-	-	1,139	1,349
Construction Contracts and Retainage Payable	-	-	-	7,059,957	-	7,059,957
Total Liabilities	19,660,572	46,732,886	3,137,760	7,657,308	12,603,601	89,792,127
FUND BALANCES						
Nonspendable	3,355,895	-	-	-	-	3,355,895
Restricted	16,000,000	-	5,600,756	8,862,117	15,507,808	45,970,681
Committed	1,000,000	-	-	-	7,099,623	8,099,623
Assigned	1,206,000	-	-	-	-	1,206,000
Unassigned	20,697,776	-	-	-	(658,491)	20,039,285
Total Fund Balances	42,259,671	-	5,600,756	8,862,117	21,948,940	78,671,484
TOTAL LIABILITIES AND FUND BALANCES	\$ 61,920,243	46,732,886	8,738,516	16,519,425	34,552,541	168,463,611

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
August 31, 2012

Fund balances - total governmental funds balance sheet \$ 78,671,484

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)	1,625,662,817	
Accumulated depreciation	(784,154,165)	
		841,508,652

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	7,596,265	
Unearned revenue	2,329,304	
Unearned revenue from franchise fees	662,027	
Property taxes	9,902,227	
Net pension asset - FPPF	65,589,519	
Unearned revenue from low income housing loans	47,150,421	
		133,229,763

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. 5,221,255

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	(1,881,363)	
Claims and judgments	(500,000)	
Compensated absences	(57,520,368)	
Net pension obligation - CEPF	(637,157)	
Other postemployment benefits	(42,975,368)	
Deferred amount on refunding	1,949,138	
Unamortized bond issuance premium	(15,523,136)	
Bonds and notes payable	(873,774,757)	
		(990,863,011)
Net assets of governmental activities		\$ 67,768,143

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2012

	General	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 131,331,232	-	69,842,811	-	1,408,532	202,582,575
Penalties and Interest - Delinquent Taxes	1,265,811	-	626,929	-	-	1,892,740
Sales Taxes	74,835,025	-	-	3,200,872	5,767,701	83,803,598
Franchise Fees	42,964,822	-	-	-	4,523,669	47,488,491
Charges for Services	21,253,301	1,636,633	1,295,599	835,974	10,439,081	35,460,588
Fines and Forfeitures	12,164,954	-	-	-	1,528,896	13,693,850
Licenses and Permits	12,393,974	-	-	-	86,376	12,480,350
Intergovernmental Revenues	1,844,376	15,135,988	-	18,284,159	36,087,441	71,351,964
County Participation	522,500	-	-	-	-	522,500
Interest	122,074	-	84,760	70,913	1,636	279,383
Rents and Other	1,493,881	-	-	-	871,178	2,365,059
Federal Tax Credit - Build America Bonds	-	-	2,281,309	-	-	2,281,309
Net Decrease in the Fair Value of Investments	(1,715)	(374)	(2,592)	(2,161)	(50)	(6,892)
TOTAL REVENUES	300,190,235	16,772,247	74,128,816	22,389,757	60,714,460	474,195,515
EXPENDITURES						
Current:						
General Government	29,660,382	-	-	-	556,968	30,217,350
Public Safety	198,528,377	-	-	-	15,825,144	214,353,521
Public Works	16,290,395	-	-	-	260,550	16,550,945
Facilities Maintenance	24,138,826	-	-	-	529,452	24,668,278
Public Health	5,623,896	-	-	-	12,321,648	17,945,544
Parks Department	11,208,025	254,440	-	-	40,196	11,502,661
Library	8,397,095	-	-	-	328,373	8,725,468
Non Departmental	5,967,334	-	-	-	-	5,967,334
Culture and Recreation	5,971,567	-	-	-	13,185,494	19,157,061
Economic Development	6,996,848	-	-	-	6,039,455	13,036,303
Environmental Code Compliance	2,270,643	53,415	-	-	79,087	2,403,145
Community and Human Development	485,398	16,467,760	-	-	2,779,125	19,732,283
Debt Service:						
Principal	1,440,551	-	33,163,773	-	-	34,604,324
Interest Expense	412,702	-	43,085,580	-	-	43,498,282
Payment to Refunding Bond Escrow Agent	-	-	762,138	-	-	762,138
Fiscal Fees	-	-	142,885	460,528	-	603,413
Capital Outlay	632,978	-	-	81,981,266	9,691,369	92,305,613
TOTAL EXPENDITURES	318,025,017	16,775,615	77,154,376	82,441,794	61,636,861	556,033,663
Deficiency of Revenues over Expenditures	(17,834,782)	(3,368)	(3,025,560)	(60,052,037)	(922,401)	(81,838,148)
OTHER FINANCING SOURCES(USES)						
Transfers In	17,873,183	-	2,364,511	36,241	131,612	20,405,547
Transfers Out	(111,874)	-	-	(2,364,511)	(55,979)	(2,532,364)
Face Amount of Bonds Issued	-	-	-	32,775,000	-	32,775,000
Face Amount of Refunding Bonds Issued	-	-	5,860,000	-	-	5,860,000
Premium on Issuance of Bonds	-	-	292,444	2,870,404	-	3,162,848
Payment to Refunding Bond Escrow Agent	-	-	(6,090,257)	-	-	(6,090,257)
Proceeds from Sale of Capital Assets	-	3,368	-	197,633	8,101	209,102
Loan Proceeds	-	-	-	12,849,000	-	12,849,000
TOTAL OTHER FINANCING SOURCES(USES)	17,761,309	3,368	2,426,698	46,363,767	83,734	66,638,876
Net Change in Fund Balances	(73,473)	-	(598,862)	(13,688,270)	(838,667)	(15,199,272)
Fund Balances - Beginning of Year	42,333,144	-	6,199,618	22,550,387	22,787,607	93,870,756
Fund Balances - End of Period	\$ 42,259,671	-	5,600,756	8,862,117	21,948,940	78,671,484

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, 2012

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

Net change in fund balances - total governmental funds \$ (15,199,272)

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	90,750,375	
Depreciation	(34,309,460)	
	56,440,915	56,440,915

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

Cost of disposed assets	(2,545,902)	
Accumulated depreciation on disposed assets	2,385,460	
	(160,442)	(160,442)

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	115,367	
Unearned revenue from low income housing loans	196,850	
Unearned revenue from economic development loans	733,008	
Unearned revenue	(251,363)	
Property taxes	1,688,855	
	2,482,717	2,482,717

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	(51,597,639)	
Repayments	34,604,324	
Face amount of debt refunded	6,810,000	
Amount deferred on refunding	(495,294)	
Unamortized bond issuance costs	(417,652)	
Premium on issuance of bonded debt	(3,162,848)	
	(14,259,109)	(14,259,109)

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.

Decrease in compensated absences	616,757	
Decrease in arbitrage rebate liability	30,227	
Decrease in claims and judgments	2,150,000	
Increase in accrued interest payable	(96,361)	
Increase in net pension obligation-CEPF	(309,953)	
Decrease in net pension asset	(5,455,566)	
Increase in other postemployment benefits	(10,358,259)	
Amortization of premiums on bonds issued	2,834,534	
	(10,588,621)	(10,588,621)

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. (15,536)

Change in net assets of governmental activities \$ 18,700,652

CITY OF EL PASO, TEXAS
BALANCE SHEET
PROPRIETARY FUNDS
August 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Totals	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 55,026,749	5,015,848	16,077	2,268,304	62,326,978	19,448,769
Investments	10,478,418	5,318,924	-	1,139,762	16,937,104	4,679,225
Receivables, Net of Allowances:						
Taxes	-	-	5,880,358	-	5,880,358	-
Interest	113,639	57,684	-	12,361	183,684	50,747
Trade	3,101,309	1,853,850	21,394	92,765	5,069,318	2,553
Due from Other Government Agencies	82,852	232,737	11,204,043	-	11,519,632	-
Due From Component Unit	-	3,950,596	-	-	3,950,596	-
Prepaid Items	376,942	20,893	54,769	-	452,604	-
Unamortized Bond Issue Costs	539,424	-	-	-	539,424	-
Due From Other Funds	-	-	388,254	-	388,254	782,444
Inventory	1,208,784	3,340	3,153,019	-	4,365,143	784,191
Total Current Assets	70,928,117	16,453,872	20,717,914	3,513,192	111,613,095	25,747,929
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	-	18,059,757	-	-	18,059,757	-
Capital Assets:						
Land	1,382,217	821,909	11,456,338	2,469,531	16,129,995	-
Buildings, Improvements & Equipment, Net	175,643,918	37,582,235	85,805,154	2,459,815	301,491,122	56,756
Construction in Progress	4,135,578	7,453	14,060,415	14,124,625	32,328,071	-
Total noncurrent assets	181,161,713	56,471,354	111,321,907	19,053,971	368,008,945	56,756
TOTAL ASSETS	\$ 252,089,830	72,925,226	132,039,821	22,567,163	479,622,040	25,804,685
LIABILITIES						
Current liabilities:						
Accounts Payable	\$ 1,009,565	536,136	1,994,972	96,274	3,636,947	774,423
Accrued Payroll	251,993	307,742	592,346	31,796	1,183,877	80,166
Current Portion - Bonds, Notes and Capital						
Lease Obligations Payable	1,045,525	1,194,470	3,297,246	1,897,798	7,435,039	-
Due to Other Funds	-	-	5,773,049	-	5,773,049	782,444
Taxes Payable	54,422	304,067	(21)	(269)	358,199	-
Interest Payable on Bonds and Notes	40,865	46,116	70,734	281,668	439,383	-
Unearned Revenue	1,796,347	-	654	5,000	1,802,001	-
Construction Contracts and Retainage Payable	401,988	-	94,285	-	496,273	-
Compensated Absences - Current	2,110,501	1,074,223	1,423,935	227,443	4,836,102	331,964
Landfill Closure Costs - Current	-	1,200,000	-	-	1,200,000	-
Claims and Judgments - Current	-	-	395,695	-	395,695	17,140,665
Total Current Liabilities	6,711,206	4,662,754	13,642,895	2,539,710	27,556,565	19,109,662
Noncurrent liabilities:						
Certificates of Obligation Bonds	-	5,340,300	15,940,013	-	21,280,313	-
Revenue Bonds	19,811,118	14,491,797	-	-	34,302,915	-
Capital Lease Obligations	-	-	1,611,455	-	1,611,455	-
Notes Payable	-	-	-	11,365,937	11,365,937	-
Compensated Absences	595,270	302,986	401,623	64,151	1,364,030	93,631
Landfill Closure Costs	-	16,741,114	-	-	16,741,114	-
Delta Transfer Station Closure Costs	-	118,643	-	-	118,643	-
Claims and Judgments	-	-	-	-	-	349,809
Net Pension Obligation	1,251,731	95,700	213,983	14,198	1,575,612	30,052
Other Postemployment Benefits	2,936,561	3,790,316	6,353,179	593,659	13,673,715	1,000,276
Total Noncurrent Liabilities	24,594,680	40,880,856	24,520,253	12,037,945	102,033,734	1,473,768
TOTAL LIABILITIES	31,305,886	45,543,610	38,163,148	14,577,655	129,590,299	20,583,430
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	174,070,654	17,385,030	90,861,447	7,662,394	289,979,525	56,756
Restricted for:						
Debt Service	546,049	-	-	-	546,049	-
Passenger Facilities	17,693,621	-	-	-	17,693,621	-
Customer Facility Charge	1,746,974	-	-	-	1,746,974	-
Unrestricted	26,726,646	9,996,586	3,015,226	327,114	40,065,572	5,164,499
TOTAL NET ASSETS	220,783,944	27,381,616	93,876,673	7,989,508	350,031,741	5,221,255
TOTAL LIABILITIES AND NET ASSETS	\$ 252,089,830	72,925,226	132,039,821	22,567,163	479,622,040	25,804,685

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

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
For the Year Ended August 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Total	
OPERATING REVENUES:						
Charges of Rentals and Fees	\$ 35,607,915	52,600,876	30,638	137,057	88,376,486	-
Charges of Tolls	-	-	-	16,007,566	16,007,566	-
Charges of Fares and Fees	321,806	46,563	9,596,084	-	9,964,453	-
Sales to Departments	-	-	-	-	-	16,986,523
Premium Contributions	-	-	-	-	-	51,984,402
General Revenues	105,768	1,013,180	73,637	7,224	1,199,809	3,972,764
Total Operating Revenues	36,035,489	53,660,619	9,700,359	16,151,847	115,548,314	72,943,689
OPERATING EXPENSES:						
Personnel Services	16,354,960	18,822,966	36,420,197	2,469,603	74,067,726	5,145,312
Contractual Services	48,500	558,811	137,970	-	745,281	-
Professional Services	437,413	22,402	920,036	3,378	1,383,229	1,231,842
Outside Contracts	5,682,087	3,459,435	4,486,651	990,157	14,618,330	3,445,395
Fuel and Lubricants	314,093	3,489,143	4,218,771	9,588	8,031,595	8,696,771
Materials and Supplies	992,289	5,263,874	4,130,879	136,896	10,523,938	3,121,095
Communications	252,065	233,235	178,505	24,668	688,473	15,179
Utilities	1,990,673	37,148	611,694	80,040	2,719,555	23,371
Operating Leases	47,050	67,615	550,903	-	665,568	77,601
Travel and Entertainment	135,446	52,857	52,739	5,293	246,335	2,429
Benefits Provided	678	-	33,012	-	33,690	49,947,166
Maintenance and Repairs	726,134	292,302	378,455	37,813	1,434,704	1,258,504
Landfill and Transfer Station Utilization	-	1,306,983	-	-	1,306,983	-
Other Operating Expenses	425,386	2,272,883	1,330,552	36,170	4,064,991	16,946
Depreciation and Amortization	14,856,438	8,189,024	9,157,630	149,986	32,353,078	35,698
Total Operating Expenses	42,263,212	44,068,678	62,607,994	3,943,592	152,883,476	73,017,309
Operating Income (Loss)	(6,227,723)	9,591,941	(52,907,635)	12,208,255	(37,335,162)	(73,620)
NONOPERATING REVENUES (EXPENSES):						
Interest Revenue	185,075	85,348	-	14,594	285,017	59,916
Net Decrease in the Fair Value of Investments	(4,103)	(2,082)	-	(446)	(6,631)	(1,832)
Interest Expense	(1,179,561)	(1,110,040)	(1,040,609)	(575,304)	(3,905,514)	-
Federal Tax Credit - Build America Bonds	-	-	248,596	-	248,596	-
Gain(Loss) on Sale of Equipment and Land	9,831	110,586	(181,403)	530	(60,456)	-
Passenger Facility Charge	5,535,166	-	-	-	5,535,166	-
Customer Facility Charge	1,765,621	-	-	-	1,765,621	-
Sales Tax	-	-	36,294,778	-	36,294,778	-
FTA Subsidy	-	-	10,773,391	-	10,773,391	-
Total Nonoperating Revenues (Expenses)	6,312,029	(916,188)	46,094,753	(560,626)	50,929,968	58,084
Income (Loss) Before Capital Contributions and Transfers	84,306	8,675,753	(6,812,882)	11,647,629	13,594,806	(15,536)
Capital Contributions	972,555	914,630	4,919,486	-	6,806,671	-
Transfers Out	(1,759,000)	(3,479,598)	(3,300,000)	(9,334,585)	(17,873,183)	-
Change in Net Assets	(702,139)	6,110,785	(5,193,396)	2,313,044	2,528,294	(15,536)
Total Net Assets - Beginning	221,486,083	21,270,831	99,070,069	5,676,464	347,503,447	5,236,791
Total Net Assets - Ending	\$ 220,783,944	27,381,616	93,876,673	7,989,508	350,031,741	5,221,255

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended August 31, 2012

	Business-type Activities - Enterprise Funds					Governmental
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Totals	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 35,245,767	53,438,146	9,699,302	16,119,855	114,503,070	72,945,629
Payments to Suppliers	(13,412,995)	(16,601,188)	(25,227,979)	(2,364,102)	(57,606,264)	(67,265,906)
Payments to Employees	(15,975,198)	(17,578,634)	(35,740,299)	(2,245,257)	(71,539,388)	(4,932,714)
Proceeds from Other Funds	-	-	10,232,255	-	10,232,255	-
Net Cash Provided (Used) by Operating Activities	<u>5,857,574</u>	<u>19,258,324</u>	<u>(41,036,721)</u>	<u>11,510,496</u>	<u>(4,410,327)</u>	<u>747,009</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	(1,759,000)	(3,479,598)	(3,300,000)	(9,334,585)	(17,873,183)	-
Sales Tax	-	-	35,996,193	-	35,996,193	-
FTA Subsidy	-	-	9,538,929	-	9,538,929	-
Passenger Facility Charge	5,535,166	-	-	-	5,535,166	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,776,166</u>	<u>(3,479,598)</u>	<u>42,235,122</u>	<u>(9,334,585)</u>	<u>33,197,105</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Customer Facility Charges	1,765,621	-	-	-	1,765,621	-
Capital Contributions from Federal Government	972,555	1,074,076	6,710,841	-	8,757,472	-
Purchases of Capital Assets	(7,675,832)	(14,251,524)	(3,935,149)	(6,292,701)	(32,155,206)	(16,572)
Payment of Landfill Closure and Transfer Station costs	-	570,202	-	-	570,202	-
Principal Paid on Capital Debt	(1,002,170)	(2,808,806)	(3,164,479)	(1,840,892)	(8,816,347)	-
Interest Paid on Capital Debt	(1,060,251)	(1,124,933)	(817,920)	(575,169)	(3,578,273)	-
Proceeds from Sale of Capital Assets	9,831	110,586	8,306	530	129,253	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,990,246)</u>	<u>(16,430,399)</u>	<u>(1,198,401)</u>	<u>(8,708,232)</u>	<u>(33,327,278)</u>	<u>(16,572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Investments	(10,478,418)	(5,318,924)	-	(1,139,762)	(16,937,104)	(4,679,225)
Interest	67,333	25,582	-	1,787	94,702	7,337
Net Cash Provided (Used) by Investing Activities	<u>(10,411,085)</u>	<u>(5,293,342)</u>	<u>-</u>	<u>(1,137,975)</u>	<u>(16,842,402)</u>	<u>(4,671,888)</u>
Net increase (Decrease) in Cash and Cash Equivalents	(7,767,591)	(5,945,015)	-	(7,670,296)	(21,382,902)	(3,941,451)
Cash and Cash Equivalents - Beginning of Year	62,794,340	29,020,620	16,077	9,938,600	101,769,637	23,390,220
Cash and Cash Equivalents - End of Year	<u>\$ 55,026,749</u>	<u>23,075,605</u>	<u>16,077</u>	<u>2,268,304</u>	<u>80,386,735</u>	<u>19,448,769</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (6,227,723)	9,591,941	(52,907,635)	12,208,255	(37,335,162)	(73,620)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Landfill and Transfer Station Utilization	-	1,306,983	-	-	1,306,983	-
Depreciation Expense	14,856,438	8,189,024	9,157,630	149,986	32,353,078	35,698
Compensated Absences	(79,795)	305,379	(37,389)	115,053	303,248	75,033
Other Post Employment Benefits	725,571	1,228,914	1,456,537	7,152	3,418,174	275,124
Net Pension Obligation	157,967	53,473	116,635	161,838	489,913	16,672
Change in Assets and Liabilities:						
Receivables, Net	(837,093)	(222,879)	651,894	(34,223)	(442,301)	1,940
Inventories	37,290	1,845	(224,623)	-	(185,488)	93,510
Other Assets	(13,569)	672	13,349	-	452	(464,391)
Accounts and Other Payables	(2,337,531)	(853,594)	1,543,907	(1,037,868)	(2,685,086)	(115,971)
Accrued Expenses	(423,981)	(343,434)	(807,026)	(59,697)	(1,634,138)	903,014
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,857,574</u>	<u>19,258,324</u>	<u>(41,036,721)</u>	<u>11,510,496</u>	<u>(4,410,327)</u>	<u>747,009</u>

CITY OF EL PASO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
August 31, 2012

	Pension Trust Funds	Private-Purpose Trust	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 18,388,187	5,462,789	40,112,804
Investments:			
Mutual Funds	38,905,131		
Corporate Stocks	287,906,360	-	-
Bank Collective Investment Funds	129,696,150	-	-
Private Equities	12,093,648	-	-
Investment in Real Estate Funds	66,694,871	-	-
Fixed Income Securities	408,779,797	645,692	3,399,689
Domestic Equities	312,108,348	-	-
International Equities	296,071,174	-	-
Invested Securities Lending Collateral	64,721,122	-	-
Receivables, Net of Allowances			
Commission Credits Receivable	120,958	-	-
Due from Brokers for Securities Sold	449,684	-	-
Employer Contributions	1,348,418	-	-
Employee Contributions	1,012,512	-	-
Other	276,655	-	-
Special Assessment PID #1	-	-	381,410
Delinquent Property Taxes - Other Taxing Entities	-	-	57,436,270
Prepaid Items	27,384	125,454	-
Due from Other Funds	-	-	3,387,550
Capital Assets:			
Buildings, Improvements & Equipment, Net	868,983	-	-
Total Assets	\$ 1,639,469,382	6,233,935	104,717,723
LIABILITIES			
Accounts Payable	\$ 68,274,936	41,029	41,123,020
Taxes Payable	-	12	-
Accrued Payroll	-	1,563	-
Payable to Bondholders - PID #1	-	-	381,410
Amount Available to Pay Bonds - PID #1	-	-	84,223
Due to Other Funds	-	3,387,550	-
Prepaid Property Taxes - Other Taxing Entities	-	-	1,416,794
Deferred Revenue - Commission Credits	120,958	-	-
Property Taxes Subject to Refund - Other Taxing Entities	-	-	4,276,006
Uncollected Property Taxes - Other Taxing Entities	-	-	57,436,270
Total Liabilities	68,395,894	3,430,154	104,717,723
NET ASSETS:			
Held in Trust for Pension Benefits and Other Purposes	\$ 1,571,073,488	2,803,781	

CITY OF EL PASO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended August 31, 2012

	Pension Trust Funds	Private-Purpose Trust
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Employer	\$ 42,604,732	-
Employee	30,943,186	-
Total Contributions	<u>73,547,918</u>	<u>-</u>
Rental Vehicle Sales Tax	-	3,034,006
Miscellaneous	-	12,249
Investment Income:		
Net Appreciation in Fair Value of Investments	6,319,287	-
Interest	10,109,079	-
Dividends	14,973,898	-
Securities Lending Income	309,668	-
Investment Advisor Fees	<u>(6,432,375)</u>	<u>-</u>
Net Investment Income	<u>25,279,557</u>	<u>-</u>
Other Income:		
Rental and Other Income	<u>22,623</u>	<u>-</u>
Total Other Income	<u>22,623</u>	<u>-</u>
Total Additions	<u>98,850,098</u>	<u>3,046,255</u>
DEDUCTIONS:		
Benefits Paid to Participants	94,642,094	-
Refunds of Contributions	6,243,334	-
Administrative Expenses	2,342,906	-
Depreciation and Amortization Expense	126,901	-
Expended for Other Purposes	-	3,231,172
Total Deductions	<u>103,355,235</u>	<u>3,231,172</u>
Change in Net Assets	(4,505,137)	(184,917)
Net assets - Beginning of Year	1,575,578,625	2,988,698
Net assets - End of Year	<u>\$ 1,571,073,488</u>	<u>2,803,781</u>

NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2012
TABLE OF CONTENTS

1. Summary of Significant Accounting Policies.....	12
2. Cash and Investments	28
3. Property Taxes.....	43
4. Receivables.....	45
5. Capital Assets	46
6. Interfund Receivables, Payables and Transfers	50
7. Operating Leases	52
8. Long-Term Obligations	54
9. Restricted Net Assets.....	64
10. Risk Management.....	65
11. Commitments and Contingencies	68
12. Post-Employment Health Care Benefits.....	69
13. Pension Plans.....	71
14. Excess of Expenditures over Appropriations	84
15. Subsequent Events.....	83

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, 2012.

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 as of December 31, 2011.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. Reporting Entity (Continued)****El Paso Water Utilities (EPWU)**

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, 2012.

El Paso Housing Finance Corporation (EPHFC)

EPHFC was 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, appointed by the City Council, who serve six-year terms of office. EPHFC is reported discretely as a component unit in the accompanying financial statements and the financial information included in these statements is as of EPHFC's latest fiscal year end, December 31, 2011. Conduit debt outstanding, net of unamortized premium and discount, was \$42.2 million as of December 31, 2011.

Financial statements for CEPF, FPPF, EPWU and EPHFC 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
EPHFC - El Paso Housing Finance Corporation	El Paso Housing Finance Corporation 2 Civic Center Plaza - 8 th floor El Paso, Texas 79901

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 and issued bonds for projects. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Not-for-profit Corporations (Continued)

El Paso Health Facilities Development Corporation

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

El Paso Property Finance Authority, Inc.

Incorporated March 12, 1987, pursuant to the Texas Non-Profit Corporation Act, for the purpose of establishing a Permanent Public Improvements Program. Its board consists of six directors who serve two-year terms or until a successor is appointed. This corporation had no assets or liabilities and had no financial transactions during fiscal year 2012.

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 laws 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.

Restrictions of net assets imposed by the reporting government by administrative policy 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.

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

These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary (enterprise and internal service) funds and fiduciary fund financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements but 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 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 post-employment benefit plans or other employee benefit plans. The City has two pension trust funds to account for the activities of the CEPF and FPPF.

Private Purpose Trust 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 trust 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, a 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 reported as nonspendable fund balance.

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 that meet the criteria of GASB 31 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 that meet the criteria of GASB 31 are reported at cost.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Cash, Cash Equivalents, and Investments (Continued)**

Component Unit – EPHFC

Certificates of deposits are considered to be cash equivalents.

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

Component Unit – EPHFC

Capital assets which only include equipment in service are recorded at cost. Depreciation is calculated using the straight-line method and a useful life of 7 years.

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

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. In the General Fund unearned revenue consists primarily of franchise fees \$662,027 that was not collected in the 75 days subsequent to the fiscal year end and \$754,607 in fees not collected in the 60 days subsequent to the fiscal year end. Unearned revenue of \$45,970,979, related to low-income housing loans, is reported in Community Development Block Grants Funds. \$1,713,788 in customer deposits and \$1,179,442 related to economic development loans are reported as unearned revenue in Special Revenue Funds. Unearned revenue of \$1,796,347, related to a long-term right of way, is 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."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**J. Interfund Transactions (Continued)****2. Transactions between Funds**

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

K. Federal and State Grants

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Revenues are recognized when the expenditures of Federal and State grant funds are made and all eligibility requirements have been met. Amounts owed to the City at August 31, 2012, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**M. Long-Term Obligations, Bond Premiums, Discounts and Issue Costs (Continued)**

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. Classification of Fund Equity

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent because it is not in spendable form, or by purposes which are either imposed externally (by creditors, grantors or other governments) or by enabling legislation of the City Council. Committed fund balance can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are both considered the highest level of legal constraints. Assigned fund balances are constrained by intent made by the City manager, but are neither restricted nor committed. Unassigned fund balance include residual positive fund balance within the General Fund that have not been classified within the other mentioned categories and may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The City designates restricted amounts to be spent first if both restricted and unrestricted fund balance is available unless there are legal constraints that prohibit this, such as in grant agreements requiring the City to share in amounts spent. Additionally, the City would first use committed, followed by assigned, and lastly unassigned balances when expenditures are incurred for purposes for which balances in any of those fund balance classifications could be used.

Proprietary funds have three classifications of equity: 1) net assets invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets. In the first category, net capital assets are netted with bonded, note payable and capital lease debt. Restricted net assets include debt service, grantor and other government restrictions.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Q. Solid Waste Landfill Closure and Postclosure 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.

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	\$ 1,525,418
Proprietary Funds:	
Environmental Services	3,950,596
Due From Component Unit at August 31, 2012	<u>\$ 5,476,014</u>
Component Unit - EPWU - Due to Primary	
Government - at February 28, 2012	<u>\$ 4,648,615</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 Divison	Policeman Division
Primary Government:		
Employer Contributions to FPPF:		
General Fund	\$ 9,759,884	13,189,899
Nonmajor Governmental Funds	133,504	679,687
El Paso International Airport	366,472	349,507
Environmental Services	-	-
Employer Contributions to FPPF:	<u>\$ 10,259,860</u>	<u>14,219,093</u>
Fiduciary Funds - FPPF		
Employer Contribution from City	<u>\$ 9,568,557</u>	<u>13,855,084</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.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

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)	Component Unit- EPHFC	Pension Trust Funds
Cash and Cash Equivalents	\$ 106,897,426	5,462,789	40,112,804	152,473,019	22,828,493	1,667,195	18,863,821
Restricted Cash and Cash Equivalents	18,059,757	-	-	18,059,757	111,243,839	33	-
Cash and Cash Equivalents	124,957,183	5,462,789	40,112,804	170,532,776	134,072,332	1,667,228	18,863,821
Investments	50,724,599	645,692	3,399,689	54,769,980	4,001,976	955,836	1,640,415,331
Restricted Investments	-	-	-	-	59,905,355	-	-
Investments	50,724,599	645,692	3,399,689	54,769,980	63,907,331	955,836	1,640,415,331
	<u>\$ 175,681,782</u>	<u>6,108,481</u>	<u>43,512,493</u>	<u>225,302,756</u>	<u>197,979,663</u>	<u>2,623,064</u>	<u>1,659,279,152</u>

(1) Carrying amount of cash at February 28, 2012 was \$4,493,452. The bank balance was \$6,675,448 secured by \$250,000 FDIC Insurance and government securities with a fair market value of \$820,570.

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.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 2. CASH AND INVESTMENTS (Continued)

Pooled Cash and Investments (Continued)

	Cash and Cash Equivalents	Investments	City Treasury	Non-Pooled	Pooled
Governmental Funds:					
General	\$ 3,303,381	17,461,958	20,765,339	37,360	20,727,979
Community Development Block Grants	2,607,928	956,001	3,563,929	100	3,563,829
Debt Service	146,858	5,043,395	5,190,253		5,190,253
Capital Projects	4,385,152	5,519,082	9,904,234	2,529,426	7,374,808
Nonmajor Governmental Funds	14,678,360	127,834	14,806,194	3,351,701	11,454,493
Internal Service Funds	19,448,769	4,679,225	24,127,994		24,127,994
Enterprise Funds:					
El Paso International Airport	55,026,749	10,478,418	65,505,167	17,250,718	48,254,449
Environmental Services	23,075,605	5,318,924	28,394,529	1,400	28,393,129
Mass Transit	16,077	-	16,077	16,077	-
International Bridges	2,268,304	1,139,762	3,408,066	63,500	3,344,566
Fiduciary Funds:					
Private Purpose Trusts	5,462,789	645,692	6,108,481		6,108,481
Agency Funds	40,112,804	3,399,689	43,512,493	21,907,683	21,604,810
	<u>\$ 170,532,776</u>	<u>54,769,980</u>	<u>225,302,756</u>	<u>45,157,965</u>	<u>180,144,791</u>

Cash and Cash Equivalents and Investments of the City Treasury at August 31, 2012, were:

	Pooled Cash and Investments	Non-Pooled Cash and Investments	Total	Bank Balance
Cash in bank (1)	\$ 326,117	27,404,893	27,731,010	32,191,495
Repurchase agreement	36,530,216	-	36,530,216	36,530,216
Cash on hand	-	120,037	120,037	-
Certificates of deposit	5,991,702	-	5,991,702	5,991,702
External investment pools	83,518,477	17,633,035	101,151,512	101,151,512
Governmental bonds and agencies	53,778,279	-	53,778,279	-
Cash and cash equivalents	<u>\$ 180,144,791</u>	<u>45,157,965</u>	<u>225,302,756</u>	

(1) Held by financial institution. Fully insured by FDIC insurance. No collateral required. Pursuant to legislation enacted in October 2008, each Public Funds customer is separately insured in the interim for up to \$250,000 in the aggregate for all time and savings deposits and unlimited protection for the aggregate of all non-interest bearing deposits until December 31, 2012. All City accounts are presently non-interest bearing deposits.

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.

The following is the fair value of investments that represents 5% or more of investments:

LOGIC investment pool	\$53,981,565
TexasTERM investment pool	1,101,776
Federated investment pool	17,836,882
BBVA investment pool	10,004,790

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, 2012, 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	\$ 101,151,512	101,151,512	-	AAm / S&P
Governmental bonds and agencies	53,778,279	16,745,160	37,033,119	AA / S&P
Repurchase agreements	36,530,216	36,530,216	-	AA+ / 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 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, 2012, the CEPF's deposit balances were not exposed to custodial credit risk due to uninsured deposits.

(b) Investments

As of August 31, 2012, the CEPF had the following investments subject to interest rate risk.

Investment Type	Fair value	Weighted Average Maturity (in Years)
Money market funds	\$4,244,059	0.10
Bank collective investment funds	97,515,334	7.47
Commingled funds	76,506,935	5.66
Total fair value	\$178,266,328	

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 and the portfolio may contain a maximum of the benchmark weighting +5% in bonds rated B- or B3. At August 31, 2012, the Fund held various bond instruments in the aggregate fair value of \$177,266,328. Fixed income portfolios held bond instruments with ratings of BBB or better by Standard & Poor's. High-yield portfolios held bond instruments with ratings less than the benchmark weighting +5% in bonds rated B- or B3.

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, 2012, CEPF's deposit balances held by custodians 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, 2012.

	<u>Shares</u>	<u>Fair Value</u>
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	146,089.683	\$66,984,053
Winslow Large Capital Growth Fund		
Wilmington Trust Company	2,022,614.800	45,690,868
MacKay Shields Hight Yield Active Core Funds		
MacKay Shields LLC	45,424,170.000	45,424,170
Touchstone Emerging Markets Equity Fund		
AGF Emerging Markets	3,297,045.020	38,905,131
MCM EB Daily Valued Treasury		
Mellon Capital Management Corporation	30,989.036	32,180,816
Shenkman CAP Convertible Bonds		
Shenkman Capital Management, Inc.	31,085,765.000	31,082,765
EB Daily Valued Treasury		
Mellon Capital Management Corporation	169,899.699	30,531,281

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, 2012, was as follows:

<u>Investment Type (at Fair Value)</u>		
Mutual Fund		<u>\$ 8,725</u>
	Percentage of	
	Foreign	
<u>Currency Type</u>	<u>Portfolio</u>	<u>Fair Value</u>
Australian Dollar	0.00%	\$ -
Euro Currency Unit	1.10%	96
Japanese Yen	<u>98.90%</u>	<u>8,629</u>
	<u>100.00%</u>	<u>\$ 8,725</u>

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, 2012, 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, 2012, the fair value of securities loaned was \$10,921,566 and was comprised of corporate stocks.

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

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.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 2. CASH AND INVESTMENTS (Continued)

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

Investments

As of December 31, 2011, the FPPF had the following investments:

<u>Investment type</u>	<u>Fair value</u>
Fixed Income -	
Corporate, Government &	
Municipal/Provincial Bonds	\$ 332,272,855
Domestic Equities	312,108,348
International Equities	296,071,174
Private Equities	12,093,648
Limited Partnerships	20,211,371
Total	<u>\$ 972,757,396</u>

As of December 31, 2011, the FPPF fixed income portfolio had the following ratings and maturities:

<u>Rating</u>	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>
A1	\$ 6,697,617	< 1 year	\$ 9,246,311
AAA	211,480,419	1 - 3 years	88,261,369
AA	34,495,758	3 - 5 years	70,451,714
A	36,451,897	5 - 7 years	50,953,345
BBB	22,325,390	7 - 10 years	41,217,952
BB	2,232,539	10 - 20 years	48,161,190
BAA	9,637,276	20 - 30 years	23,664,820
BA1	10,902	over 30	316,154
B	6,697,617		<u>\$ 332,272,855</u>
Below B	2,243,440		
	<u>\$ 332,272,855</u>		

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

The FPPF's exposure to foreign currency risk at December 31, 2011 was as follows:

<u>Investment</u>	<u>Currency</u>	<u>Fair Value</u>
Cash and equivalents	European Union Euro	\$ 32,712
Cash and equivalents	Swiss Franc	232,558
Cash and equivalents	Japanese Yen	30,779
Cash and equivalents	Swedish Krona	8,057
Partnerships	European Union Euro	9,734,277
		<u>\$ 10,038,383</u>

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 FPPF 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.

NOTE 2. CASH AND INVESTMENTS (Continued)**Cash and Investments – EPWU (Continued)**

As of December 31, 2011, \$64,721,122 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, 2011 resulting from a default of a borrower or the lending agent.

Cash and Investments – 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.

NOTE 2. CASH AND INVESTMENTS (Continued)

Cash and Investments – EPWU (Continued)

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 2012, EPWU did not enter into any reverse repurchase agreements.

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

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

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

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.

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

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

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

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

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

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 2. CASH AND INVESTMENTS (Continued)

Cash and Investments – Component Unit – EPWU (Continued)

At February 28, 2012, investments of EPWU are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. Agencies	\$ 63,907,331	19,351,196	44,556,136	AA / S&P
Investment Pools	74,238,578	74,238,578	-	AAAm / S&P
Mutual Funds:				
Fidelity Treasury Money				
Market Fund	34,174,851	34,174,851	-	AAAm / S&P
Government Money				
Market Fund	17,922,629	17,922,629	-	AAAm / S&P
Advantage Fd #008	3,220,168	3,220,168	-	
	<u>\$ 193,463,557</u>	<u>148,907,422</u>	<u>44,556,136</u>	

Cash and Investments – Component Unit – EPHFC

EPHFC maintains cash in two financial institutions, Bank of the West and Inter National Bank. Collateral is held in safekeeping at the Federal Reserve Bank or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, with the exception of deposit insurance by the Federal Deposit Insurance Corporation.

At February 28, 2012, Cash collateral of EPHFC is as follows:

Investment type	Bank of the West
Cash account	\$ 62,706
Certificates of deposit	1,610,612
FDIC coverage	(250,000)
Total uninsured Public Funds	1,423,318
Pledged securities	3,381,808
collateral requirement (100% of uninsured public funds)	(1,423,318)
	<u>\$ 1,958,490</u>

NOTE 2. CASH AND INVESTMENTS (Continued)

Cash and Investments – Component Unit – EPWU (Continued)

Custodial credit risk is the risk that, in the event of a bank failure EPHFC deposits may not be returned to it. It requires financial institutions that hold Corporation deposits in excess of the federal depository insurance (FDIC) insured amount will be required to sign a depository agreement with EPHFC and the Corporation’s safekeeping agent. Bank balances of 250,000 are covered by the FDIC. As of December 31, 2011, none of the EPHFC bank balances were exposed to custodial risk.

EPHFC had the following investments at December 31, 2011:

<u>Investment type</u>	<u>Fair market value</u>	<u>Maturity</u>
TexSTAR/ Investment pool	\$ 955,836	48 days

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, 2011, upon which the 2012 levy was based, was \$30,629,305,500.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 98.1% of the current tax levy (October 2011) 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%.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 3. PROPERTY TAXES (Continued)

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, 2012, 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 \$435,242,431 in additional taxes from the assessed valuation of \$30,629,305,500 before the legislative limit is reached.

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

The balance of delinquent property taxes receivable and property tax assessments included in unearned revenues at August 31, 2012, is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property Taxes Receivable	\$ 9,128,353	4,222,030
Less allowance for uncollectibles	<u>1,335,513</u>	<u>745,555</u>
Net property taxes receivable	<u>7,792,840</u>	<u>3,476,475</u>
Deferred Ad Valorem Taxes	<u>\$ 6,792,323</u>	<u>3,109,904</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 4. RECEIVABLES

Receivables and due from other government agencies are summarized below:

Governmental activities							
	General Fund	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Funds	Internal Service Funds	Total
		Fund					
Property Taxes	\$ 9,128,353	-	4,222,030	-	-	-	13,350,383
Sales Taxes	12,302,697	-	-	-	-	-	12,302,697
Trade	2,074,803	-	-	95,834	240,841	2,553	2,414,031
Interest	255,976	356,529	71,788	59,855	1,386	50,747	796,281
Franchise fees	6,027,675	-	-	-	-	-	6,027,675
Fines and Forfeits	1,925,298	-	-	-	-	-	1,925,298
Emergency medical response	1,400,000	-	-	-	3,154,008	-	4,554,008
Due from Other Government Agencies	3,949	8,026,800	-	6,459,502	8,758,457	-	23,248,708
Notes receivable - economic development	-	-	-	-	211,879	-	211,879
Notes receivable - low income housing loans	-	35,527,414	-	-	-	-	35,527,414
Allowance for doubtful accounts	(2,618,209)	(741,786)	(745,555)	-	-	-	(4,105,550)
Receivables, net of allowances	<u>\$ 30,500,542</u>	<u>43,168,957</u>	<u>3,548,263</u>	<u>6,615,191</u>	<u>12,366,571</u>	<u>53,300</u>	<u>96,252,824</u>
Business-type activities							
	El Paso International	Environmental	Mass Transit	International Bridges	Total		
	Airport	Services					
Sales Taxes	\$ -	-	5,880,358	-	5,880,358		
Trade	5,256,159	2,178,789	21,394	92,765	7,549,107		
Interest	113,639	57,684	-	12,361	183,684		
Due from Other Government Agencies	82,852	232,737	11,204,043	-	11,519,632		
Allowance for doubtful accounts	(2,154,850)	(324,939)	-	-	(2,479,789)		
Receivables, net of allowances	<u>\$ 3,297,800</u>	<u>2,144,271</u>	<u>17,105,795</u>	<u>105,126</u>	<u>22,652,992</u>		

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 5. CAPITAL ASSETS

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

	Balances August 31, 2011	Transfers	Increases	Decreases	Balances August 31, 2012
Governmental Activities: ¹					
Land	\$ 160,941,779		4,865,844		165,807,623
Buildings not in use	1,633,000	-	-	-	1,633,000
Construction in progress	99,717,158	(16,255,956)	63,860,618	-	147,321,820
Total capital assets not being depreciated	<u>262,291,937</u>	<u>(16,255,956)</u>	<u>68,726,462</u>	<u>-</u>	<u>314,762,443</u>
Capital assets being depreciated					
Buildings	306,801,664	1,467,617	-	-	308,269,281
Improvements other than buildings	20,178,552	-	-	-	20,178,552
Vehicles and major equipment	106,803,973	-	9,898,389	(2,545,902)	114,156,460
Data processing equipment and software	23,861,465	-	12,125,524	-	35,986,989
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	817,523,750	14,788,339	-	-	832,312,089
Total capital assets, being depreciated	<u>1,278,014,712</u>	<u>16,255,956</u>	<u>22,023,913</u>	<u>(2,545,902)</u>	<u>1,313,748,679</u>
Less accumulated depreciation for:					
Buildings	134,162,374	-	8,931,634	-	143,094,009
Improvements other than buildings	19,130,997	-	130,146	-	19,261,143
Vehicles and major equipment	78,186,524	-	7,994,614	(2,385,460)	83,795,678
Data processing equipment and software	18,127,501	-	4,876,895	-	23,004,400
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	502,533,311	-	12,411,869	-	514,945,176
Total accumulated depreciation	<u>754,986,015</u>	<u>-</u>	<u>34,345,158</u>	<u>(2,385,460)</u>	<u>786,945,714</u>
Total capital assets, being depreciated, net	<u>523,028,697</u>	<u>16,255,956</u>	<u>(12,321,245)</u>	<u>(160,422)</u>	<u>526,802,965</u>
Governmental activities capital assets, net	<u>\$ 785,320,634</u>	<u>-</u>	<u>56,405,217</u>	<u>(160,442)</u>	<u>841,565,408</u>

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

Governmental Activities ¹	
General government	\$ 2,063,966
Public safety	4,018,372
Public works	14,552,823
Public health	693,072
Parks	4,441,770
Library	2,763,431
Culture and recreation	4,285,754
Community and economic development	1,490,272
Total depreciation expense-governmental activities	<u>34,309,460</u>
Internal service funds	35,698
Depreciation Expense	<u>\$ 34,345,158</u>

¹ The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2012, Internal Service Funds capital asset additions were \$19,126 resulting in a total cost of \$2,848,305. Depreciation expense of \$35,698 resulted in an ending accumulated depreciation balance of \$2,791,549 to arrive at a net book value of \$56,756.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 5. CAPITAL ASSETS (Continued)

	Balance August 31, 2011	Transfers	Increases	Decreases	Balance August 31, 2012
Business-type activities:					
El Paso International Airport					
Capital assets not being depreciated:					
Land	\$ 1,382,217	-	-	-	1,382,217
Artwork	979,637	-	-	-	979,637
Construction in progress	10,684,453	(13,528,041)	6,979,166	-	4,135,578
Total capital assets not being depreciated	13,046,307	(13,528,041)	6,979,166	-	6,497,432
Capital assets being depreciated:					
Buildings	134,426,651	218,658	-	-	134,645,309
Improvements other than buildings	214,858,637	12,766,071	10,500	-	227,635,208
Vehicles and major equipment	15,163,548	543,312	320,672	144,814	15,882,718
Total capital assets being depreciated	364,448,836	13,528,041	331,172	144,814	378,163,235
Less accumulated depreciation for:					
Buildings	58,459,427	-	4,779,585	-	63,239,012
Improvements other than buildings	117,927,097	-	9,223,806	-	127,150,903
Vehicles and major equipment	12,400,806	-	853,047	144,814	13,109,039
Total accumulated depreciation	188,787,330	-	14,856,438	144,814	203,498,954
Total capital assets, being depreciated, net	175,661,506	13,528,041	(14,525,266)	-	174,664,281
El Paso International Airport capital assets, net	\$ 188,707,813	-	(7,546,100)	-	181,161,713
Environmental Services					
Capital assets not being depreciated:					
Land	\$ -	-	821,909	-	821,909
Vehicles not in service	192,191	-	-	-	192,191
Construction in progress	1,392,668	(1,392,668)	7,453	-	7,453
Total capital assets not being depreciated	1,584,859	(1,392,668)	829,362	-	1,021,553
Capital assets being depreciated:					
Buildings	5,463,249	21,476	24,920	-	5,509,645
Improvements other than buildings	21,322,088	879,654	5,272,175	-	27,473,917
Vehicles and major equipment	56,925,371	491,538	8,125,066	-	65,541,975
Total capital assets being depreciated	83,710,708	1,392,668	13,422,161	-	98,525,537
Less accumulated depreciation for:					
Buildings	490,136	-	131,278	-	621,414
Improvements other than buildings	14,719,547	-	2,362,103	-	17,081,650
Vehicles and major equipment	37,736,787	-	5,695,642	-	43,432,429
Total accumulated depreciation	52,946,470	-	8,189,023	-	61,135,493
Total capital assets, being depreciated, net	30,764,238	1,392,668	5,233,138	-	37,390,044
Environmental Services capital assets, net	\$ 32,349,097	-	6,062,500	-	38,411,597
Mass Transit					
Capital assets not being depreciated:					
Land	\$ 11,456,338	-	-	-	11,456,338
Construction in progress	9,675,432	(5,266,040)	9,651,023	-	14,060,415
Total capital assets not being depreciated	21,131,770	(5,266,040)	9,651,023	-	25,516,753
Capital assets being depreciated:					
Buildings	51,932,466	56,986	-	-	51,989,452
Improvements other than buildings	33,087,139	-	-	-	33,087,139
Vehicles and major equipment	85,758,945	5,209,054	-	2,306,168	88,661,831
Total capital assets being depreciated	170,778,550	5,266,040	-	2,306,168	173,738,422
Less accumulated depreciation for:					
Buildings	13,095,931	-	1,924,583	-	15,020,514
Improvements other than buildings	18,768,015	-	1,677,769	-	20,445,784
Vehicles and major equipment	48,897,802	-	5,555,278	1,986,110	52,466,970
Total accumulated depreciation	80,761,748	-	9,157,630	1,986,110	87,933,268
Total capital assets, being depreciated, net	90,016,802	5,266,040	(9,157,630)	320,058	85,805,154
Mass Transit capital assets, net	\$ 111,148,572	-	493,393	320,058	111,321,907

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 5. CAPITAL ASSETS (Continued)

	Balance August 31, 2011	Transfers	Increases	Decreases	Balance August 31, 2012
International Bridges					
Capital assets not being depreciated:					
Land	\$ 2,469,531	-	-	-	2,469,531
Construction in progress	7,831,923	-	6,292,702	-	14,124,625
Total capital assets not being depreciated	10,301,454	-	6,292,702	-	16,594,156
Capital assets being depreciated:					
Improvements other than buildings	11,130,729	-	-	-	11,130,729
Vehicles and major equipment	3,013,192	-	-	-	3,013,192
Total capital assets being depreciated	14,143,921	-	-	-	14,143,921
Less accumulated depreciation for:					
Improvements other than buildings	8,520,927	27,902	133,551	-	8,682,380
Vehicles and major equipment	3,013,192	(27,902)	16,436	-	3,001,726
Total accumulated depreciation	11,534,119	-	149,987	-	11,684,106
Total capital assets, being depreciated, net	2,609,802	-	(149,987)	-	2,459,815
International Bridges capital assets, net	\$ 12,911,256	-	6,142,715	-	19,053,971
All business-type activities:					
Capital assets not being depreciated:					
Land	\$ 15,308,086	-	821,909	-	16,129,995
Artwork	979,637	-	-	-	979,637
Vehicles not in service	192,191	-	-	-	192,191
Construction in progress	29,584,476	(20,186,749)	22,930,344	-	32,328,071
Total capital assets not being depreciated	46,064,390	(20,186,749)	23,752,253	-	49,629,894
Capital assets being depreciated:					
Buildings	191,822,366	297,120	24,920	-	192,144,406
Improvements other than buildings	280,398,593	13,645,725	5,282,675	-	299,326,993
Vehicles and major equipment	160,861,056	6,243,904	8,445,738	2,450,982	173,099,716
Total capital assets being depreciated	633,082,015	20,186,749	13,753,333	2,450,982	664,571,115
Less accumulated depreciation for:					
Buildings	72,045,494	-	6,835,446	-	78,880,940
Improvements other than buildings	159,935,586	27,902	13,397,229	-	173,360,717
Vehicles and major equipment	102,048,587	(27,902)	12,120,403	2,130,924	112,010,164
Total accumulated depreciation	334,029,667	-	32,353,078	2,130,924	364,251,821
Total capital assets, being depreciated, net	299,052,348	20,186,749	(18,599,745)	320,058	300,319,294
All business-type activities capital assets, net	\$ 345,116,738	-	5,152,508	320,058	349,949,188

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

International airport operations	\$ 14,856,438
Solid waste operations	8,189,024
Mass transit operations	9,157,630
International bridges operations	149,986
	<u>\$ 32,353,078</u>

Interest expense for business-type activities in 2012 is \$3,905,514. 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 2012.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 5. CAPITAL ASSETS (Continued)

Construction Commitments

As of August 31, 2012:	Fund Equity and Other Sources Available	Remaining Commitment
Governmental funds	\$ 30,890,485	79,602,522
Proprietary funds	57,759,193	13,030,147
Total	88,649,678	92,632,669

Component Unit – EPWU

Capital asset activity for EPWU was as follows:

	Balance February 28, 2011	Additions	Reductions	Balance February 28, 2012
Capital assets, not being depreciated:				
Land and right-of-way	\$ 10,567,576	907,437	-	11,475,013
Land not in service	58,205,730	-	3,880	58,201,850
Construction work in progress	51,828,189	60,439,533	57,418,660	54,849,062
Total capital assets, not being depreciated	120,601,495	61,346,970	57,422,540	124,525,925
Capital assets, being depreciated				
Wastewater plant	669,360,959	16,989,117	70,096	686,279,980
Water plant	939,192,887	38,895,818	737,657	977,351,048
Drainage system	25,538,919	14,225,099	-	39,764,018
Irrigation water rights contracts	8,900,389	213,192	-	9,113,581
Equipment and tools	32,416,538	601,529	-	33,018,067
Vehicles	18,141,018	462,538	871,860	17,731,696
Buildings and shops	14,209,939	752,063	345,073	14,616,929
Total capital assets, being depreciated	1,707,760,649	72,139,356	2,024,686	1,777,875,319
Less accumulated depreciation for:				
Wastewater plant	292,010,284	19,046,391	62,096	310,994,579
Water plant	324,861,200	26,728,010	471,006	351,118,204
Drainage system	1,688,142	755,907	-	2,444,049
Irrigation water rights contracts	637,907	121,165	-	759,072
Equipment and tools	29,238,903	1,025,611	345,073	29,919,441
Vehicles	14,936,145	1,348,127	871,860	15,412,412
Buildings and shops	6,965,422	618,749	-	7,584,171
Total accumulated depreciation	670,338,003	49,643,960	1,750,035	718,231,928
Total capital assets, being depreciated, net	1,037,422,646	22,495,396	274,651	1,059,643,391
Utility Plant	\$ 1,158,024,141	83,842,366	57,697,191	1,184,169,316

Total depreciation charged to operations was \$49,643,960. Interest incurred on revenue bonds was \$24,270,035 of which \$543,487 was capitalized on construction projects.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 5. CAPITAL ASSETS (Continued)

Component Unit – EPHFC

Land not in service is essentially unimproved land that EPWU has purchased for its surface and ground water rights. EPWU owns a total of 102,079.67 acres of land which includes 26,532.54 acres in El Paso County, 74,678.68 acres in Hudspeth, Presidio, Jeff Davis and Culberson counties and 868.45 acres in New Mexico.

EPWU was committed to open contracts related to construction projects totaling \$132,973,691.

Capital asset activity for EPHFC was as follows:

	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011
Capital assets, being depreciated				
Furniture and equipment	\$ 8,306	1,865	-	10,171
Total capital assets, being depreciated	8,306	1,865	-	10,171
Less accumulated depreciation for:				
Furniture and equipment	7,783	896	-	8,679
Total accumulated depreciation	7,783	896	-	8,679
Total capital assets, being depreciated, net	523	969	-	1,492
Total	\$ 523	969	-	1,492

Depreciation expense for the year ended December 31, 2011 was \$896.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

Interfund receivable and payable balances at August 31, 2012, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Mass Transit	\$ 5,773,049 (1)
Nongrants	Other Federal Grants	4,082,336 (1)
	American Recovery and Reinvestment	694,251 (1)
	State Grants	997,481 (1)
	Public Health	1,463,318 (1)
Mass Transit	Capital Projects	388,254 (2)
Total		<u>\$ 13,398,689</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, 2012

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 Out:	Transfer In:				Total
	Governmental Activities			Business-type Activities	
	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	
Governmental Activities:					
General Fund	\$ -	-	36,241 (6)	75,633 (4)	111,874
Capital Projects	-	2,364,511 (5)	-	-	2,364,511
Nonmajor Governmental Funds	-	-	-	55,979 (7)	55,979
Total Governmental Activities	-	2,364,511	36,241	131,612	2,532,364
Business-type Activities:					
El Paso International Airport	1,759,000 (1)	-	-	-	1,759,000
International Bridges	9,334,585 (2)	-	-	-	9,334,585
Environmental Services	3,479,598 (3)	-	-	-	3,479,598
Mass Transit	3,300,000 (1)	-	-	-	3,300,000
Total Business-type Activities	17,873,183	-	-	-	17,873,183
Total	\$ 17,873,183	2,364,511	36,241	131,612	20,405,547

(1) Indirect cost (PILOT):

Airport	\$ 1,759,000
Mass Transit	\$ 3,300,000

(2) Unrestricted net assets

\$ 9,334,585

(3) Cost recovery for street usage

\$ 3,479,598

(4) Council Special Projects

To fund Projects for the Council Districts	\$ 15,086
To fund Economic Development - Centro Mayapan	60,547
	\$ 75,633

(5) Convention and Visitors Bureau share of debt

\$ 2,364,511
\$ 2,364,511

(6) Interest earnings on \$16mm cash reserve

\$ 36,241
\$ 36,241

(7) To fund Downtown façade program

\$ 55,979
\$ 55,979

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, 2012, amounted to \$3,985,118.

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, 2012, was \$16,084,143 including percentage contingent rents of \$2,503,365.

The following is a schedule of airport revenue from future minimum rentals on noncancelable operating leases as of August 31, 2012:

<u>YEAR ENDING</u>	
2013	10,571,911
2014	9,331,346
2015	8,854,334
2016	8,759,951
2017	8,397,537
2018- 2022	34,868,381
2023-2027	20,915,099
2028-2032	14,029,959
2033-2037	6,756,957
2038-2042	2,674,978
2043-2047	2,048,623
2048-2050	880,614
TOTAL	<u>\$ 128,089,690</u>

Historical costs of these leased assets and related accumulated depreciation were \$134,051,795 and \$75,956,123, respectively, as of August 31, 2012.

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 noncancelable leases as of February 28, 2012, 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>
2013	\$ 1,871,403
2014	1,684,267
2015	1,636,728
2016	1,573,372
2017	1,521,425
2018-2022	5,979,213
2023-2027	3,675,346
2028-2032	2,009,324
2033-2037	602,124
Total Minimum Future Rentals	<u><u>\$ 20,553,202</u></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, 2012, was \$1,074,916. Minimum future payments as of February 28, 2012 for each of the next five years and for each of the five-year periods thereafter are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2013	\$ 692,325
2014	678,895
2015	647,781
2016	500,228
2017	410,418
2018-2022	2,047,500
2023-2027	2,047,500
2028-2032	2,047,500
2033-2037	2,047,500
2038-2042	2,047,500
2043-2047	2,047,500
2048-2052	2,047,500
2053-2057	2,047,500
2058-2060	921,375
Total Minimum Future Rentals	<u><u>\$ 20,231,022</u></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 \$.2291 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 2012 total assessed valuation base equals approximately \$3,062,930,550. The City's legal debt margin was \$2,193,893,864. General obligation debt sold to fund 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.

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, 2012	
Governmental activities	3.00 - 6.70%	3.00 - 6.163%	\$ 873,774,757
Business-type activities	3.00 -5.30%	3.625 - 5.00%	75,739,711
			<u>\$ 949,514,468</u>

5. Indebtedness Incurred during Fiscal Year Ended August 31, 2012

On September 29, 2011 the City closed on the issuance of \$32,775,000 of Combination Tax and Revenue Certificate of Obligation Bonds. These bonds were issued at a premium of \$2,870,404 with issuance costs of \$460,528 and interest rates between 3.5% and 5% with a final maturity of August 15, 2032.

On September 1, 2011, \$5,860,000 was issued in General Obligation Refunding Bonds. These bonds were issued at a premium of \$292,444 with issuance costs of \$62,186 and interest rates between 2% and 3% with a final maturity of August 15, 2021. These bonds were issued in order to lower the overall annual debt service requirements by \$1,777,157 and obtained an economic gain of \$1,014,270. The accounting loss of \$47,948 has been deferred to the government wide financial statements and will be amortized over the remaining life of the refunded funds using a method approximating the effective interest method.

On October 25, 2011, Council authorized the City to enter into a Financing Agreement with Bank of America Public Capital Corporation to refinance \$8,473,360 in existing debt and incur \$5,000,000 in new debt to be used for energy efficient street lights. The interest rate is 2.56% and issuance costs were \$49,867.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

6. Bonds Authorized and Unissued

There were no authorized, unissued bonds at August 31, 2012.

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
2013	\$ 35,118,754	39,441,146	1,381,246	947,563	36,500,000	40,388,709
2014	144,445,939	37,829,118	1,314,061	876,315	145,760,000	38,705,433
2015	34,203,145	32,206,911	1,351,855	804,441	35,555,000	33,011,352
2016	34,155,017	30,588,147	1,649,983	729,863	35,805,000	31,318,010
2017	30,996,540	29,015,659	928,460	651,494	31,925,000	29,667,153
2018-2022	159,012,229	123,065,161	5,062,771	2,684,262	164,075,000	125,749,423
2023-2027	174,686,830	82,875,456	4,308,170	1,781,791	178,995,000	84,657,247
2028-2032	179,245,000	40,699,329	3,900,000	1,037,905	183,145,000	41,737,234
2033-2036	57,395,000	5,724,041	2,535,000	240,964	59,930,000	5,965,005
Total	\$ 849,258,454	421,444,968	22,431,546	9,754,598	871,690,000	431,199,566

7. Debt Service Requirements

Revenue Bond Requirements

Year Ending August 31	Business-type Activities	
	Principal	Interest
2013	1,775,000	1,730,838
2014	1,855,000	1,650,675
2015	1,940,000	1,565,394
2016	2,035,000	1,474,619
2017	1,445,000	1,377,763
2018-2022	8,245,000	5,878,688
2023-2027	10,330,000	3,792,981
2028-2032	7,260,000	1,352,275
2033	1,215,000	63,788
Total	\$ 36,100,000	18,887,021

Capital Leases

Year Ending August 31	Business-type Activities	
	Principal	Interest
2013	\$ 2,334,976	131,793
2014	1,609,454	40,583
Total	\$ 3,944,430	172,376

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

7. Debt Service Requirements (Continued)

Notes Payable

Year Ending August 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 2,298,668	587,217	1,897,798	502,601
2014	3,037,715	536,734	1,956,845	427,722
2015	3,180,984	457,523	2,018,116	350,441
2016	3,329,919	374,569	1,189,550	270,668
2017	3,484,720	287,722	1,217,182	226,666
2018-2022	9,184,297	399,623	4,452,913	526,953
2023			531,331	21,785
	<u>\$ 24,516,303</u>	<u>2,643,388</u>	<u>\$ 13,263,735</u>	<u>2,326,836</u>

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, 2012, the remaining outstanding balance of legally defeased bonds is \$102,005,000.

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

Governmental Activities:

	Balance December 31, 2011	Additions	Reductions	Balance December 31, 2012	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 586,965,000	5,860,000	28,755,000	564,070,000	27,180,000
Certificates of Obligation	263,632,227	32,775,000	11,218,773	285,188,454	7,938,754
Add: Unamortized Premium	15,194,822	3,162,848	2,834,534	15,523,136	2,388,866
Less: Deferred Amount on Refunding	<u>(2,444,432)</u>	<u>(41,019)</u>	<u>(536,313)</u>	<u>(1,949,138)</u>	<u>(415,081)</u>
Total Bonds (1)	863,347,617	41,756,829	42,271,994	862,832,452	37,092,539
Energy Conservation Notes Payable (2)	12,994,215	12,962,639	1,440,551	24,516,303	2,298,668
Compensated Absences (4)	58,487,687	45,078,672	45,620,396	57,945,963	45,197,851
Arbitrage Rebate Liability (1)	30,227	-	30,227	-	-
Accrued Self- Insurance Claims (3)	16,433,229	49,945,682	48,888,437	17,490,474	17,490,474
Net Pension Obligation - CEPF (1)	340,584	12,717,178	12,390,553	667,209	-
Other Postemployment Benefits (3)	33,342,261	10,633,383	-	43,975,644	-
Claims and Judgments (2)	<u>2,650,000</u>	<u>-</u>	<u>2,150,000</u>	<u>500,000</u>	<u>500,000</u>
Governmental Activities long-term liabilities	<u>\$ 987,625,820</u>	<u>173,094,383</u>	<u>152,792,158</u>	<u>1,007,928,045</u>	<u>102,579,532</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, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

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

Business-type Activities:

	Balance August 31, 2011	Additions	Reductions	Balance August 31, 2012	Due Within One Year
El Paso International Airport:					
Revenue Bonds	\$ 22,320,000	-	1,100,000	21,220,000	1,145,000
Add: Unamortized Premium	36,189	-	1,645	34,544	-
Less: Unamortized Discount	(497,376)	-	(99,475)	(397,901)	(99,475)
Total Bonds Payable	21,858,813	-	1,002,170	20,856,643	1,045,525
Compensated Absences	2,785,566	2,092,946	2,172,741	2,705,771	2,110,501
Net Pension Obligation - CEPF	41,847	1,243,552	1,206,854	78,545	-
Net Pension Obligation - FPPF	1,051,917	837,248	715,979	1,173,186	-
Other Post Employment Benefits	2,210,990	725,571	-	2,936,561	-
Total El Paso International Airport	27,949,133	4,899,317	5,097,744	27,750,706	3,156,026
Environmental Services:					
Certificates of Obligation	7,292,773	-	1,416,227	5,876,546	536,246
Master Equipment Lease/Purchase Agreement	763,226	-	763,226	-	-
Revenue Bonds	15,480,000	-	600,000	14,880,000	630,000
Add: Unamortized Premium	299,374	-	29,353	270,021	28,224
Total Bonds/Notes Payable	23,835,373	-	2,808,806	21,026,567	1,194,470
Landfill Closure and Post-Closure	16,068,822	1,921,631	48,100	17,942,353	1,200,000
Delta Transfer Station Post-Closure	113,750	3,654	-	117,404	-
Compensated Absences	1,071,830	1,141,406	836,027	1,377,209	1,074,223
Net Pension Obligation - CEPF	42,227	1,862,008	1,808,535	95,700	-
Other Post Employment Benefits	2,561,402	1,228,914	-	3,790,316	-
Total Environmental Services	43,693,404	6,157,613	5,501,468	44,349,549	3,468,693
Mass Transit:					
Certificates of Obligation	17,355,000	-	800,000	16,555,000	845,000
Capital Lease Obligation	6,191,639	-	2,247,209	3,944,430	2,334,976
Add: Unamortized Premium	466,554	-	117,270	349,284	117,270
Total Bonds/Notes Payable	24,013,193	-	3,164,479	20,848,714	3,297,246
Compensated Absences	1,862,947	1,415,710	1,453,099	1,825,558	1,423,935
Claims and Judgements	346,836	48,859	-	395,695	395,695
Net Pension Obligation - CEPF	97,348	3,952,262	3,835,628	213,982	-
Other Post Employment Benefits	4,896,642	1,456,537	-	6,353,179	-
Total Mass Transit	31,216,966	6,873,368	8,453,206	29,637,128	5,116,876
International Bridges:					
Notes Payable	15,104,627	-	1,840,890	13,263,737	1,897,798
Total Bonds/Notes Payable	15,104,627	-	1,840,890	13,263,737	1,897,798
Compensated Absences	176,541	252,755	137,702	291,594	227,443
Net Pension Obligation - CEPF	7,046	242,349	235,197	14,198	-
Other Post Employment Benefits	431,821	161,838	-	593,659	-
Total International Bridges	15,720,035	656,942	2,213,789	14,163,188	2,125,241
Business-type activities long-term liabilities	\$ 118,579,538	18,587,240	21,266,207	115,900,571	13,866,836

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

9. Long-Term-Debt Outstanding

	Date Issued	Amount (000's omitted)	Interest Rate Range	September 1, 2011	Issued	Reduction	August 31, 2012
Certificate of Obligation Bonds:							
SERIES 2001-A	12/01/01	33,970	3.25 - 5.25%	\$ 6,810,000	-	6,810,000	-
SERIES 2003	04/03/03	44,010	3 - 5%	24,955,000	-	1,460,000	23,495,000
SERIES 2005 - Plaza Theatre (1)	08/15/05	17,315	2.95 - 4.97%	14,170,000	-	695,000	13,475,000
SERIES 2007	05/01/07	35,000	4 - 5%	33,475,000	-	-	33,475,000
SERIES 2009	01/15/09	57,615	3 - 5.5%	56,340,000	-	735,000	55,605,000
SERIES 2009 A	09/15/09	27,210	4 - 5%	27,210,000	-	3,735,000	23,475,000
SERIES 2009 B	09/15/09	45,740	4.78 - 6.16%	45,740,000	-	-	45,740,000
SERIES 2009 C	09/15/09	3,230	6.16 - 6.16%	3,230,000	-	-	3,230,000
SERIES 2010A	11/01/10	2,010	3 - 3%	2,010,000	-	-	2,010,000
SERIES 2010B	11/01/10	74,340	3.22 - 6.7%	74,340,000	-	-	74,340,000
SERIES 2011	09/01/11	32,775	3.5-5.0%	-	32,775,000	-	32,775,000
General Obligation Bonds:				288,280,000	32,775,000	13,435,000	307,620,000
SERIES 2002 REFUNDING BONDS	05/15/02	55,090	3.5 - 5.75%	5,655,000	-	5,655,000	-
SERIES 2003	08/15/03	29,265	2.5 - 5%	3,220,000	-	3,220,000	-
SERIES 2005 REFUNDING BONDS	04/01/05	152,190	3.5 - 5.25%	119,325,000	-	10,520,000	108,805,000
SERIES 2006	04/15/06	56,350	3.625 - 5%	50,485,000	-	1,525,000	48,960,000
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%	37,845,000	-	1,145,000	36,700,000
SERIES 2007 PENSION BONDS	06/15/07	101,240	5.512 - 6%	97,650,000	-	1,950,000	95,700,000
SERIES 2008	02/15/08	56,455	3.5 - 5%	54,040,000	-	1,465,000	52,575,000
SERIES 2009 PENSION BONDS	05/15/09	111,545	3.11 - 3.61%	111,545,000	-	1,420,000	110,125,000
SERIES 2009 REFUNDING BONDS	06/01/09	16,020	3 - 5%	12,010,000	-	1,855,000	10,155,000
SERUES 211 REFUNDING BONDS	09/01/11	5,860	2.0-3.0%	-	5,860,000	-	5,860,000
Total General Obligation Bonds				586,965,000	5,860,000	28,755,000	564,070,000
TOTAL TAX SUPPORTED DEBT				\$ 875,245,000	38,635,000	42,190,000	871,690,000
ENERGY CONSERVATION NOTES							
State Infrastructure Bank		5,318,499		\$ 4,520,855	-	507,787	4,013,068
Banc of America Public Capital Corp.		9,767,074		8,473,360	5,113,639	932,764	12,654,235
Compass Mortgage Corp.		5,025,000		-	5,025,000	-	5,025,000
State Energy Conservation Office		2,824,000		-	2,824,000	-	2,824,000
TOTAL ENERGY CONSERVATION NOTES				\$ 12,994,215	12,962,639	1,440,551	24,516,303
NOTES PAYABLE							
FED LOAN-International Bridges	12/01/91	3,000	variable	\$ 1,050,000	-	100,000	950,000
SIB LOAN-International Bridges	10/04/99	3,634	4.30%	3,215,651	-	753,879	2,461,772
SIB LOAN-International Bridges	01/01/08	6,107	4.10%	5,161,063	-	341,516	4,819,547
SIB LOAN-International Bridges	10/22/10	6,356	3.25%	5,677,913	-	645,497	5,032,416
TOTAL NOTES PAYABLE				\$ 15,104,627	-	1,840,892	13,263,735
CAPITAL LEASE OBLIGATIONS PAYABLE:							
Environmental Services		38,333	1.99%	\$ 763,226	-	763,226	-
Mass Transit		15,000	3.679 - 4.25%	6,191,640	-	2,247,210	3,944,430
TOTAL CAPITAL LEASE OBLIGATIONS PAYABLE				\$ 6,954,866	-	3,010,436	3,944,430
REVENUE BONDS:							
RB 2003 - El Paso International Airport	09/15/03	18,000	3 - 4.625%	\$ 5,990,000	-	1,100,000	4,890,000
RB 2004 - Solid Waste Management	07/14/04	22,120	3 - 5.125%	15,480,000	-	600,000	14,880,000
RB 2011 - El Paso International Airport	07/06/11	16,330	3.25-5.25%	16,330,000	-	-	16,330,000
TOTAL REVENUE BONDS				\$ 37,800,000	-	1,700,000	36,100,000
PID REVENUE BOND							
RB 2006 Thunder Canyon	04/15/07	400	4.79%	\$ 305,000	\$ -	\$ 30,000	\$ 275,000

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Component Unit – EPWU

1. Revenue Bonds

Water and Sewer Revenue Bonds, in the amount of \$537,013,000 at February 28, 2012, 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 2012 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	-
2001	08/01/01	16,265,000	2.45 to 4.50%	1,510,000	-	740,000	770,000	770,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	9,940,000	-	6,885,000	3,055,000	3,055,000
2002	01/01/02	7,520,000	0.15 to 3.35%	4,970,000	-	4,610,000	360,000	360,000
2003 Refunding	08/15/03	89,745,000	4.99%	61,815,000	-	55,430,000	6,385,000	4,230,000
2003-A	08/15/03	1,000,000	no interest	700,000	-	50,000	650,000	50,000
2003-B	12/01/03	10,000,000	0 to 4.19%	9,975,000	-	5,000	9,970,000	5,000
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%	30,620,000	-	1,135,000	29,485,000	1,805,000
2004 A Refunding	11/15/04	14,360,000	2.5 to 5.25%	11,895,000	-	545,000	11,350,000	570,000
2005-A	03/01/05	45,660,000	3.00 to 5.00%	44,220,000	-	400,000	43,820,000	420,000
2005-B	04/01/05	36,515,000	4.00 to 5.25%	36,515,000	-	930,000	35,585,000	970,000
2005 -C	04/01/05	10,000,000	1.95 to 3.8%	8,435,000	-	415,000	8,020,000	425,000
2006	12/15/06	37,745,000	3.75 to 5%	24,120,000	-	2,810,000	21,310,000	1,290,000
2006-A	11/15/06	45,200,000	4 to 5%	36,210,000	-	2,760,000	33,450,000	2,895,000
2007	08/02/08	35,500,000	4 to 5%	35,500,000	-	-	35,500,000	1,510,000
2008	02/20/08	30,520,000	3.5 to 5%	22,610,000	-	3,855,000	18,755,000	3,290,000
2008-A	08/15/08	14,000,000	1.5 to 3.95%	13,995,000	-	5,000	13,990,000	5,000
2008-B	08/15/08	22,000,000	1.5 to 3.95%	21,995,000	-	5,000	21,990,000	5,000
2008-C	11/15/08	35,000,000	2.38 to 5.50%	35,000,000	-	-	35,000,000	-
2010 Refunding	02/19/10	22,115,000	2.00 to 4.50%	22,115,000	-	1,220,000	20,895,000	1,280,000
2009 Drainage Bond:	09/29/09	53,000,000	5.38%	53,000,000	-	1,645,000	51,355,000	1,740,000
2009A Drainage Bon	02/04/10	2,163,000	no interest	2,163,000	-	-	2,163,000	110,000
2010	08/12/10	15,000,000	4.75%	15,000,000	-	-	15,000,000	-
2010-A	11/02/10	42,580,000	3.0 to 5.0%	42,580,000	-	-	42,580,000	-
2011	08/15/11	14,680,000	2 to 5%	-	14,680,000	-	14,680,000	-
2012	02/24/12	52,780,000	2 to 5%	-	52,780,000	-	52,780,000	-
Total Revenue Bonds				552,883,000	67,460,000	83,445,000	536,898,000	24,785,000
Deferred premium net of loss on refunding bonds				15,723,687	9,988,355	4,073,548	21,638,494	1,512,196
Land Notes Payable	02/29/04	10,372,878	3.95 to 5.00%	6,346,083	-	694,187	5,651,896	728,434
Commercial Paper Payable				19,000,000	10,000,000	16,000,000	13,000,000	-
Other governments payable				3,114,592	-	112,678	3,001,914	117,854
Other Post Employment Benefits				4,497,790	645,454	-	5,143,244	-
Self Insurance Claims				1,060,795	5,039,774	4,832,960	1,267,609	643,572
Accrued Vacation				2,613,905	1,854,961	1,778,755	2,690,111	1,688,238
Total Component Unit - EPWU				\$ 605,239,852	94,988,544	110,937,128	589,291,268	29,475,294

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Component Unit – EPWU (Continued)

Interest costs incurred on revenue bonds totaled \$28,183,884 of which \$554,750 was capitalized.

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 Government Payable	Total	Revenue Bonds	Other Government Payable	Land Note	Total	
2013	\$ 24,785,000	728,434	117,854	25,631,288	21,394,582	132,675	153,767	21,681,024	47,312,312
2014	24,989,000	764,375	123,268	25,876,643	21,534,375	127,261	148,155	21,809,791	47,686,434
2015	26,014,000	752,693	128,931	26,895,624	20,555,867	121,598	124,773	20,802,238	47,697,862
2016	27,474,000	790,328	134,854	28,399,182	19,487,535	115,675	102,192	19,705,402	48,104,584
2017	29,044,000	829,844	141,049	30,014,893	18,346,938	109,480	78,482	18,534,900	48,549,793
2018-2022	166,784,000	1,786,222	808,607	169,378,829	71,064,589	444,039	81,034	71,589,662	240,968,491
2023-2027	152,243,000	-	1,012,210	153,255,210	35,476,786	240,436	-	35,717,222	188,972,432
2028-2032	83,675,000	-	535,141	84,210,141	7,107,366	28,551	-	7,135,917	91,346,058
2033-2034	1,890,000	-	-	1,890,000	95,750	-	-	95,750	1,985,750
Totals	\$ 536,898,000	5,651,896	3,001,914	545,551,810	215,063,788	1,319,715	688,403	217,071,906	762,623,716

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.

NOTE 8. LONG-TERM OBLIGATIONS (Continued)**B. Component Unit – EPWU (Continued)****5. Commercial Paper (Continued)**

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, 2012, the following amounts were outstanding:

	<u>Amount</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>
\$	3,000,000	May 5, 2012	0.18%
	5,000,000	June 5, 2012	0.17%
	<u>5,000,000</u>	July 12, 2012	0.25%
\$	<u><u>13,000,000</u></u>		

6. Indebtedness Incurred during Fiscal Year

On August 15, 2011, EPWU issued \$14,680,000 in Water and Sewer Revenue Bonds, Taxable Series 2011 (Direct-Subsidy – Build America Bonds) with an average interest rate of 4.55% to refund \$16,000,000 of Water and Sewer Commercial Paper Notes with an average interest of .25%.

On February 24, 2012 the EPWU issued \$52,780,000 in Water and Sewer Revenue Refunding Bonds, Series 2012 with an average interest rate of 4.53% to advance refund the following outstanding bonds:

<u>Series</u>	<u>Amount</u>	<u>Average Coupon</u>
2001 A	\$ 3,995,000	5.69%
2002	4,260,000	5.29%
2003	49,830,000	5.05%

The liabilities associated with these bonds were removed from the related payables. As of February 28, 2012, \$58,085,000 of the bonds remained outstanding with an estimated escrow balance of \$62,018,123. The 2012 refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$7,694,334.

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.

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

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 \$68.1 million at August 31, 2012. The recognized portion of the total liability, \$17.9 million, is computed based on the percentage of landfill capacity used, approximately 47.8%, as of August 31, 2012. The remaining estimated total current cost of closure and postclosure care remaining to be recognized is \$50.2 million.

Clint Landfill (TCEQ Permit 1482) – The City closed this facility in fiscal year 2010. Closure and postclosure costs are estimated at \$11.8 million. Approximately \$8.0 million has been expended with \$48 thousand expended in 2012, resulting in the recorded liability of \$3.8 million.

Clint Landfill (TCEQ Permit 2284) – This landfill is currently accepting solid waste and capacity used is 21.1% at August 31, 2012. The estimated closure and postclosure cost liability of \$5.9 million is included in the recorded liability.

McCombs Landfill (TCEQ Permit 729A) – This landfill is currently accepting solid waste and capacity used is 26.7% at August 31, 2012. The estimated closure and postclosure cost liability of \$8.2 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, 2012, 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 2012 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, 2012, the estimated total cost of closure of the Delta Transfer Station is \$118,643 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.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2012

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

E. Arbitrage Rebate Payable

At August 31, 2012, the City did not have earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations that may be subject to rebate to the Federal government.

NOTE 9. FUND EQUITY

Fund balance components of Governmental Funds are as follows:

	General Fund	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds
Fund balances:					
Nonspendable:					
Inventory	\$ 3,355,895	-	-	-	-
Restricted for:					
Cash reserve	16,000,000	-	-	-	-
Debt Service	-	-	5,600,756	-	-
Municipal Court	-	-	-	-	3,419,828
Capital Projects	-	-	-	8,862,117	-
PEG	-	-	-	-	3,264,046
Civic Center	-	-	-	-	1,902,331
Library	-	-	-	-	155,472
Art Museum	-	-	-	-	760,004
Police	-	-	-	-	5,946,850
Economic Development	-	-	-	-	30,018
Public Health	-	-	-	-	29,259
Committed to:					
Claims and legal counsel	1,000,000	-	-	-	-
Civic Center	-	-	-	-	878,704
Zoo	-	-	-	-	65,833
Parks	-	-	-	-	1,256,455
Public Works	-	-	-	-	183,011
Economic Development	-	-	-	-	4,580,311
Mayor and City Council	-	-	-	-	135,309
Assigned to:					
General Government	542,000	-	-	-	-
Municipal Court	17,000	-	-	-	-
Library	291,877	-	-	-	-
Police	113,150	-	-	-	-
Parks	6,056	-	-	-	-
Fire	13,876	-	-	-	-
Public Works	167,341	-	-	-	-
Economic Development	54,700	-	-	-	-
Unassigned	20,697,776	-	-	-	(658,491)
Total fund balances	<u>\$ 42,259,671</u>	<u>-</u>	<u>5,600,756</u>	<u>8,862,117</u>	<u>21,948,940</u>

NOTE 9. FUND EQUITY (Continued)

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	\$	546,049
Restricted for customer facility charge:		
El Paso International Airport		1,746,974
Restricted for passenger facilities:		
El Paso International Airport		17,693,621
Total restricted net assets	\$	<u>19,986,644</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

NOTE 10. RISK MANAGEMENT (Continued)

A. Internal Service Funds (Continued)

insurance programs and represents the loss and an allocated loss expense. The total estimated claims payable at August 31, 2012, is \$17,450,474 of which \$13,842,068 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, 2012, 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 2011 and 2012 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2010	\$ 12,440,193	3,307,357	-	15,747,550
Incurred claims	7,742,522	36,562,189	341,126	44,645,837
Payment on claims	(6,880,922)	(36,738,110)	(341,126)	(43,960,158)
Claims liability at August 31, 2011	13,301,793	3,131,436	-	16,433,229
Incurred claims	5,578,624	44,041,170	325,888	49,945,682
Payment on claims	(5,038,349)	(43,524,200)	(325,888)	(48,888,437)
Claims liability at August 31, 2012	<u>\$ 13,842,068</u>	<u>3,648,406</u>	<u>-</u>	<u>17,490,474</u>

B. General Liability Insurance

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

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

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

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

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.

NOTE 10. RISK MANAGEMENT (Continued)

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. Aetna 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.

The total estimated claims payable at February 28, 2012 is \$1,267,609 of which \$1,062,414 and \$205,195 represents workers' compensation claims and health benefits claims, respectively.

Changes in accrued liabilities for these claims follow:

Claims liability at February 28, 2010	\$ 1,145,689
Incurred claims	4,320,768
Payment on claims	<u>(4,405,662)</u>
Claims liability at February 29, 2011	1,060,795
Incurred claims	5,039,774
Payment on claims	<u>(4,832,960)</u>
Claims liability at February 28, 2012	<u><u>\$ 1,267,609</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, 2012. Accruals have not been made for these lawsuits because of the remote possibility the plaintiff will prevail. The City estimates this exposure to be between \$4,786,103 and \$5,086,103. The City believes that resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. 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.

C. 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, 2012, 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, 2012, the outstanding liability of these bonds is \$275,000.

D. 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, 2012, the latest actuarial valuation reflected unfunded liabilities of \$108,582,531 for the FPPF-Fireman Division and \$174,514,074 for the FPPF-Policeman Division.

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

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.

E. Component Unit – EPWU

Through the ordinary course of its operations, EPWU becomes subject to various claims and litigation. As of February 28, 2012, EPWU was named in a number of legal actions with aggregate estimated possible damages to be less than \$120,000, 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. POST-EMPLOYMENT 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 \$105.53 per month to \$1,318.56 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 2,421 retirees eligible, there were 938 retirees covered under this plan at August 31, 2012. Dependent coverage was provided for 346 of the retirees. Total benefits paid by the City for retirees during the fiscal year were \$6,227,298. Retirees contributed \$2,802,284 or 45% of the total current year cost.

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2012****NOTE 12. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

Annual OPEB Cost and Net OPEB Obligation: The City's annual other post-employment 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.

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	\$ 18,613,108
Interest on net OPEB obligation	1,954,931
Adjustment to annual required contribution	<u>(2,666,845)</u>
Annual OPEB cost	17,901,194
Total annual employer contribution (pay-as-you-go)	<u>(3,694,951)</u>
Increase in net OPEB obligation	14,206,243
Net OPEB Obligation - September 1, 2011	<u>43,443,116</u>
Net OPEB Obligation - August 31, 2012	<u><u>\$ 57,649,359</u></u>

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

Normal cost	\$ 6,647,624
Amortization cost	11,965,484
Annual required contribution (ARC)	<u><u>\$ 18,613,108</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
2012	\$17,901,191	23.3%	\$57,649,359
2011	\$14,573,672	22.9%	\$43,443,116
2010	\$14,464,994	25.2%	\$32,206,950

Funded Status and Funding Progress: As of September 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$194,917,737, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$194,917,737. The covered payroll (annual payroll of active employees covered by the plan) was \$264,636,000 and the ratio of the UAAL to the covered payroll was 73.7%.

NOTE 12. POST-EMPLOYMENT 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, 2011, 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 8.5% for 2011 and then reduced by decrements of one-half 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, 2011, was thirty years.

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
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City Employees' Pension Fund	City of El Paso Two Civic Center Plaza El Paso, TX 79901
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NOTE 13. PENSION PLANS (Continued)

A. Membership

Membership of each plan consisted of the following:

	August 31, 2012	December 31, 2011	
	CEPF	FPPF-Firemen Division	FPPF-Police Division
Retirees and beneficiaries receiving benefits	2,407	659	887
Terminated plan members entitled to but not yet receiving benefits	81	14	11
Active plan members	4,125	798	1,040
Total	6,613	1,471	1,938

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, 2012, the City is the only contributing employer. The CEPF pays 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.

NOTE 13. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

1. Plan Description (Continued)

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.

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 the balance sheet date (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.

NOTE 13. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

4. Concentration of Investments

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.

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, 2012. 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	146,089.683	\$66,984,053
Winslow Large Capital Growth Fund		
Wilmington Trust Company	2,022,614.800	45,690,868
MacKay Shields High Yield Active Core Funds		
MacKay Shields LLC	45,424,170.000	45,424,170
Touchstone Emerging Markets Equity Fund		
AGF Emerging Markets	3,297,045.020	38,905,131
MCM EB Daily Valued Treasury		
Mellon Capital Management Corporation	30,989.036	32,180,816
Shenkman CAP Convertible Bonds		
Shenkman Capital Management, Inc.	31,085,765.000	31,082,765
EB Daily Valued Treasury		
Mellon Capital Management Corporation	169,899.699	30,531,281

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 thirty years. As of the most recent actuarial valuation, the contribution rate was 17% of annual covered payroll.

Contributions for the year ended August 31, 2012, were made as follows:

	<u>Amount</u>	<u>Stated percentage of covered payroll</u>
Employer contribution	\$ 19,181,091	12.25%
Employee contributions	12,607,172	8.05%
Total contributions	\$ 31,788,263	20.30%

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, 2012, the fair value of securities loaned to others was \$10,921,566 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 (ARC)	\$ 19,605,418
Interest on Net Pension Obligation	42,324
Adjustment to ARC	<u>(29,507)</u>
Annual Pension Cost (APC)	19,618,235
Contributions Made	<u>19,077,653</u>
Increase in Net Pension Obligation	540,582
Net Pension Obligation, 8/31/2011	<u>529,052</u>
Net Pension Obligation, 8/31/2012	\$ 1,069,634

The City's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for 2012 is as follows:

Fiscal Year Ended August 31	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 19,618,235	97.2%	\$ 1,069,634
2011	\$ 17,917,056	99.9%	\$ 529,052
2010	\$ 16,970,907	100.0%	\$ 429,175

8. Funded Status and Funding Progress:

The funded status of the plan as of September 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 788,204,441
Actuarial value of plan assets	<u>581,725,101</u>
Unfunded AAL	\$ 206,479,340
Funded Ratio (actuarial value of plan assets/AAL)	73.8%
Covered payroll (active plan members)	\$ 147,740,362
Unfunded AAL as a percentage of covered payro	139.8%

NOTE 13. PENSION PLANS (Continued)

B 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.

C. Firemen and Policemen's Pension Fund

For the September 1, 2012, 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 a 7.5% investment rate of return (net of administrative expenses), projected salary increases of 4.0% to 5.70%, which includes an inflation rate of 3.50% and no costs of living increases. The remaining amortization period at September 1, 2012, was 21 years using a level percent, open basis, amortization period. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

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. Nonemployer 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 – Fireman 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.

NOTE 13. PENSION PLANS (Continued)**C. Firemen and Policemen's Pension Fund (Continued)****1. Plan Description (Continued)**

The FPPF – Policeman Division is a defined benefit, contributory retirement plan covering uniformed employees of the Police Department. Participants are required to contribute 13.89% of their compensation to the FPPF.

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

Upon completion of ten or more years of service, a participant may terminate his service for reasons other than disability or death and receive a pension commencing at age fifty or immediately upon date of termination of service if at least fifty years of age at the time of termination. The pension benefit is equal to 2.75% times final compensation, times the number of years of service, not to exceed twenty-eight 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 thirty-six months.

NOTE 13. PENSION PLANS (Continued)

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

2. Basis of Accounting

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

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

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 date (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.

NOTE 13. PENSION PLANS (Continued)

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

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, 2011, \$64,121,701 of FPPF owned investments were loaned to others.

6. Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension asset relating to FPPF for the current year were as follows:

Fireman Division:

Annual Required Contribution (ARC)	\$ 12,144,598
Interest on Net Pension Obligation (7.75%)	(4,207,171)
Adjustment to ARC (17.12)	<u>3,170,915</u>
Annual Pension Cost (APC)	11,108,342
Contributions Made	<u>10,156,422</u>
Increase in Net Pension Obligation	951,920
Net Pension Asset, 8/31/2011	<u>(54,389,510)</u>
Net Pension Asset, 8/31/2012	<u><u>\$ (53,437,590)</u></u>

Policeman Division:

Annual required contribution	\$ 18,222,336
Interest on net pension obligation	(1,228,574)
Adjustment to annual required contribution	<u>925,968</u>
Annual pension cost	17,919,730
Contributions made	<u>13,416,084</u>
Increase in net pension obligation	4,503,646
Net pension asset - 8/31/2011	<u>(16,655,575)</u>
Net pension asset - 8/31/2012	<u><u>\$ (12,151,929)</u></u>

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

The City's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for 2012 is as follows:

Fireman Division

Fiscal Year Ended August 31,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation(Asset)
2012	\$ 11,108,342	92.4%	\$ (53,437,590)
2011	10,691,513	90.1%	(54,389,510)
2010	15,167,718	511.0%	(55,446,607)

Policeman Division

Fiscal Year Ended August 31,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation(Asset)
2012	\$ 17,919,730	79.3%	\$ (12,151,929)
2011	17,212,841	75.6%	(16,655,575)
2010	18,057,960	304.6%	(20,847,846)

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

As of January 1, 2012, the most recent actuarial valuation date, the plan was 79.9% funded. The actuarial accrued liability for benefits was \$539,792,477 and the actuarial value of assets was \$431,209,946, resulting in an unfunded actuarial accrued liability (UAAL) of \$108,582,531. The covered payroll (annual payroll of active employees covered by the plan) was \$49,942,127 and the ratio of the UAAL to the covered payroll was 217.4%.

Policeman Division:

As of January 1, 2012, the most recent actuarial valuation date, the plan was 78.2% funded. The actuarial accrued liability for benefits was \$800,860,178 and the actuarial value of assets was \$626,346,104, resulting in an unfunded actuarial accrued liability (UAAL) of \$174,514,074. The covered payroll (annual payroll of active employees covered by the plan) was \$66,953,641 and the ratio of the UAAL to the covered payroll was 260.6%.

NOTE 13. PENSION PLANS (Continued)

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

8. Actuarial Methods and Assumptions (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. 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.

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, 2012 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, 2012, 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 Policeman 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:	
Fire Department	\$ 548,204
Facility Maintenance	798,021

Expenditures exceeding appropriations were funded through revenue sources in excess of the budget.

NOTE 15. SUBSEQUENT EVENTS

On November 20, 2012 the City closed on the issuance of \$58,730,000 of Combination Tax and Revenue Certificate of Obligation Bonds and \$20,710,000 General Obligation Refunding Bonds. These bonds were issued at a premium of \$4,937,934 and \$2,002,146, respectively. Issuance costs were \$1,033,032 and \$131,078, respectively.

On January 22, 2013 City Council approved the City Hall relocation and Baseball Stadium Capital Improvement Project. The stadium upgrades, renovation and furnishing for these facilities will be funded through the issuance of debt. Approximately \$3,920,276 from the General Fund will be utilized to pay for the relocation expenses.

**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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	% of Budget
Resources (inflows):					
Property taxes	\$ 132,193,698	132,193,698	131,331,232	(862,466)	99.35%
Penalties and Interest-Delinquent taxes	948,201	948,201	1,265,811	317,610	133.50%
Sales taxes	75,401,928	75,401,928	74,835,025	(566,903)	99.25%
Franchise fees	42,423,028	42,423,028	42,964,822	541,794	101.28%
Licenses and permits	11,953,323	11,953,323	12,393,974	440,650	103.69%
Fines and forfeitures	13,490,657	13,490,657	12,164,954	(1,325,703)	90.17%
Charges for services	22,636,146	22,637,646	21,253,301	(1,384,345)	93.88%
Intergovernmental revenues	1,906,361	1,906,361	1,844,376	(61,985)	96.75%
County Participation	470,000	470,000	522,500	52,500	111.17%
Rents and other	1,407,440	1,407,440	1,493,881	86,442	106.14%
Interest	250,000	250,000	122,074	(127,926)	48.83%
Transfers In	19,087,898	19,087,898	17,873,183	(1,214,715)	93.64%
Net Decrease in the Fair Value of Investments	-	-	(1,715)	(1,715)	
Amounts available for appropriation from current year resources	<u>322,168,680</u>	<u>322,170,180</u>	<u>318,063,418</u>	<u>(4,106,762)</u>	<u>98.73%</u>
Charges to appropriations (outflows):					
General government:					
Mayor and Council	1,323,038	1,314,212	1,278,344	35,868	97.27%
City Manager	1,143,039	1,217,967	1,217,967	-	100.00%
Office of Management and Budget	1,114,222	1,119,921	1,062,572	57,349	94.88%
Internal Audit	405,119	419,670	416,483	3,187	99.24%
Public Information	214,773	228,166	228,095	71	99.97%
Municipal Clerk	4,003,687	3,944,270	3,827,760	116,510	97.05%
Financial Services	3,164,108	3,060,750	2,970,144	90,606	97.04%
Information Technology	11,810,537	11,490,443	10,294,244	1,196,199	89.59%
City Records	192,597	318,720	246,612	72,108	77.38%
City Attorney	4,056,752	4,547,737	4,348,075	199,662	95.61%
Planning	617,867	580,927	569,176	11,751	97.98%
Human Resources	1,862,805	1,830,304	1,830,304	-	100.00%
Tax Office	1,548,970	1,999,052	1,965,940	33,112	98.34%
Public safety:					
Police Department	109,494,139	111,514,871	110,957,074	557,797	99.50%
Fire Department	88,134,043	87,023,100	87,571,304	(548,204)	100.63%
Municipal Court	724,922	706,394	704,203	2,191	99.69%
Public works:					
Environmental Code Compliance	2,530,092	2,440,576	2,270,643	169,933	93.04%
Facilities Maintenance	23,424,429	23,099,854	23,897,875	(798,021)	103.45%
Engineering	3,617,943	3,814,696	3,799,205	15,491	99.59%
Building Permits and Inspections	5,034,151	5,198,347	5,081,684	116,663	97.76%
Street Department	13,404,395	13,382,638	12,491,190	891,448	93.34%
Public Health	5,973,803	5,878,744	5,744,145	134,599	97.71%
Parks Department	11,790,471	11,616,257	11,208,055	408,202	96.49%
Library	8,529,540	8,500,960	8,397,095	103,865	98.78%
Culture and recreation:					
Art Museum	1,254,082	1,247,495	1,247,495	-	100.00%
History Museum	776,127	777,160	771,893	5,267	99.32%
Cultural Affairs	232,832	228,540	225,931	2,609	98.86%
Zoo	3,574,618	3,726,248	3,726,248	-	100.00%
Economic development	1,550,692	1,512,998	1,345,988	167,010	88.96%
Community and human development	527,398	491,292	485,398	5,894	98.80%
Nondepartmental:					
Operating contingency	956,492	1,913,912	1,267,391	646,521	66.22%
Debt service	2,008,266	2,008,266	1,853,253	155,013	92.28%
Salary reserve	915,283	382,458	-	382,458	
Non Departmental	4,801,298	5,239,468	4,723,231	516,237	90.15%
Transfers to other funds	1,456,150	1,646,364	111,874	1,534,490	6.80%
Total charges to appropriations	<u>322,168,680</u>	<u>324,422,777</u>	<u>318,136,891</u>	<u>6,285,886</u>	<u>98.06%</u>
Increase (Decrease) in fund balance:	-	(2,252,597)	(73,473)	2,179,124	
Fund balance, September 1	42,333,144	42,333,144	42,333,144	-	
Fund balance, August 31	<u>\$ 42,333,144</u>	<u>40,080,547</u>	<u>42,259,671</u>	<u>2,179,124</u>	

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

CITY OF EL PASO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 Schedules of Funding Progress (in thousands) (Unaudited)
 August 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
Other Postemployment Benefits:						
9/1/2012	\$ -	194,917	194,917	-	\$ 264,636	73.7%
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) ⁽¹⁾:						
9/1/2012	\$ 581,725	788,204 ⁽²⁾	206,479	73.8%	\$ 147,740	139.8%
9/1/2010	569,723	709,997	140,274	80.2%	143,107	98.0%
9/1/2008	552,815	631,591	78,776	87.5%	136,508	57.7%
Firemen and Policemen's Pension Fund (FPPF)						
<i>Firemen Division:</i>						
1/1/2012	\$ 431,210	539,792	108,582	79.9%	\$ 49,942	217.4%
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%
<i>Policemen Division:</i>						
1/1/2012	\$ 626,346	800,860	174,514	78.2%	66,954	260.6%
1/1/2010	588,663	715,715	127,052	82.2%	62,538	203.2%
1/1/2008	515,354	613,942 ⁽³⁾	98,588	83.9%	56,840	173.4%

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

⁽²⁾ 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.

⁽³⁾ 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, 2012

Schedule 2

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contribution</u>
<i>Other Postemployment Benefits:</i>		
8/31/2012	\$ 18,985	22.0%
8/31/2011	14,584	22.9%
8/31/2010	14,465	25.2%
<i>City Employee Pension Fund (CEPF):</i>		
8/31/2012	\$ 19,605	100%
8/31/2011	17,949	100%
8/31/2010	17,626	100%
<i>Firemen and Policemen's Pension Fund (FPPF)</i>		
<i>Firemen Division:</i>		
8/31/2012	\$ 12,159	82%
8/31/2011	11,748	82%
8/31/2010	14,998	517%
<i>Policemen Division:</i>		
8/31/2012	\$ 18,211	74%
8/31/2011	17,595	60%
8/31/2010	17,648	312%

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**



GENERAL FUND



CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
COUNCIL DISTRICT 01-WAGES	\$ 93,052	100,133	100,133	-	100.00%
COUNCIL DISTRICT 01-OTHER OPERATING EXPENDITURES	36,350	31,777	31,773	4	99.99%
COUNCIL DISTRICT 02-WAGES	93,052	89,360	89,360	-	100.00%
COUNCIL DISTRICT 02-OTHER OPERATING EXPENDITURES	36,350	38,965	38,858	107	99.73%
COUNCIL DISTRICT 03-WAGES	93,052	85,435	85,435	-	100.00%
COUNCIL DISTRICT 03-OTHER OPERATING EXPENDITURES	36,350	40,117	40,117	-	100.00%
COUNCIL DISTRICT 04-WAGES	93,052	98,207	98,207	-	100.00%
COUNCIL DISTRICT 04-OTHER OPERATING EXPENDITURES	36,350	33,527	33,527	-	100.00%
COUNCIL DISTRICT 05-WAGES	93,052	90,475	90,475	-	100.00%
COUNCIL DISTRICT 05-OTHER OPERATING EXPENDITURES	36,350	39,548	39,548	-	100.00%
COUNCIL DISTRICT 06-WAGES	93,052	97,184	97,184	-	100.00%
COUNCIL DISTRICT 06-OTHER OPERATING EXPENDITURES	36,350	34,102	32,688	1,414	95.85%
COUNCIL DISTRICT 07-WAGES	93,052	92,222	92,222	-	100.00%
COUNCIL DISTRICT 07-OTHER OPERATING EXPENDITURES	36,350	38,124	38,040	84	99.78%
COUNCIL DISTRICT 08-WAGES	93,052	97,720	97,720	-	100.00%
COUNCIL DISTRICT 08-OTHER OPERATING EXPENDITURES	36,350	33,523	33,523	-	100.00%
OFFICE OF THE MAYOR-WAGES	188,489	193,164	193,164	-	100.00%
OFFICE OF THE MAYOR-OTHER OPERATING EXPENDITURES	99,333	99,333	61,456	37,877	61.87%
ATTRNYS AND PARALEGALS-WAGES	2,378,399	2,293,335	2,293,335	-	100.00%
ATTRNYS AND PARALEGALS-OTHER OPERATING EXPENDITURES	61,096	61,096	61,096	-	100.00%
LEGAL SECRETARIAL STAFF-WAGES	343,661	343,661	343,661	-	100.00%
LEGAL SECRETARIAL STAFF-OTHER OPERATING EXPENDITURES	19,306	19,306	19,306	-	100.00%
LEGAL SUPPORT STAFF-WAGES	80,599	81,648	81,648	-	100.00%
LEGAL SUPPORT STAFF-OTHER OPERATING EXPENDITURES	3,330	3,330	3,330	-	100.00%
LEGAL OPERATING EXP-OTHER OPERATING EXPENDITURES	80,442	80,442	59,703	20,739	74.22%
TRIAL OPER EXP DAMAGES SETT-OTHER OPERATING EXPENDITURES	614,419	689,419	588,041	101,378	85.30%
OUTSIDE COUNSEL SERVS-OTHER OPERATING EXPENDITURES	512,900	1,012,900	897,955	114,945	88.65%
MUNICPL CLRK-CITY CLRK-WAGES	307,507	290,310	290,310	-	100.00%
MUNICPL CLRK-CITY CLRK-OTHER OPERATING EXPENDITURES	145,013	130,013	99,942	30,071	76.87%
MUNICPL CLRK ADMIN-WAGES	2,685,906	2,668,664	2,668,664	-	100.00%
MUNICPL CLRK ADMIN-OTHER OPERATING EXPENDITURES	865,261	855,283	768,844	86,439	89.89%
MUNICPL CLRK JUDICIARY-WAGES	644,160	625,633	625,633	-	100.00%
MUNICPL CLRK JUDICIARY-OTHER OPERATING EXPENDITURES	80,762	80,761	78,570	2,191	97.29%
OFFICE OF MANAGEMENT AND BUDGET-WAGES	1,018,575	899,302	899,302	-	100.00%
OFFICE OF MANAGEMENT AND BUDGET-OTHER OPERATING EXPENDITURES	95,647	220,619	163,270	57,349	74.01%
CITY MANAGER-WAGES	1,016,014	1,087,174	1,087,174	-	100.00%
CITY MANAGER-OTHER OPERATING EXPENDITURES	127,025	130,793	130,793	-	100.00%
PUBLIC INFOR OFFICE-WAGES	187,779	201,172	201,172	-	100.00%
PUBLIC INFOR OFFICE-OTHER OPERATING EXPENDITURES	26,994	26,994	26,923	71	99.74%
INTERNAL AUDIT-WAGES	354,051	368,602	368,602	-	100.00%
INTERNAL AUDIT-OTHER OPERATING EXPENDITURES	51,068	51,068	47,881	3,187	93.76%
FINANCIAL ACCT REPORTING-WAGES	505,249	502,411	502,411	-	100.00%
FINANCIAL ACCT REPORTING-OTHER OPERATING EXPENDITURES	87,771	84,791	72,250	12,541	85.21%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
TREASURY SERVS-WAGES	198,859	235,861	235,861	-	100.00%
TREASURY SERVS-OTHER OPERATING EXPENDITURES	14,231	14,395	14,395	-	100.00%
FISCAL OPER-WAGES	556,945	500,133	500,133	-	100.00%
FISCAL OPER-OTHER OPERATING EXPENDITURES	40,696	40,532	40,532	-	100.00%
PURCHASING ADMIN-WAGES	788,387	661,247	661,247	-	100.00%
PURCHASING ADMIN-OTHER OPERATING EXPENDITURES	55,533	59,841	57,818	2,023	96.62%
PURCHASING ADMIN-CAPITAL EXPENDITURES	-	3,286	3,286	-	100.00%
GRNT ADMIN-WAGES	103,596	97,500	97,500	-	100.00%
GRNT ADMIN-OTHER OPERATING EXPENDITURES	8,818	8,818	5,904	2,914	66.95%
FIN ADMIN SRVCS DEPT-OTHER OPERATING EXPENDITURES	-	5	5	-	100.00%
FINANCIAL SVCS CFO-WAGES	443,969	484,496	484,496	-	100.00%
FINANCIAL SVCS CFO-OTHER OPERATING EXPENDITURES	360,054	345,194	279,466	65,728	80.96%
FINANCIAL SVCS CFO-CAPITAL EXPENDITURES	-	22,240	14,840	7,400	66.73%
HUMAN RESOURCES ADMIN-WAGES	392,076	354,786	354,786	-	100.00%
HUMAN RESOURCES ADMIN-OTHER OPERATING EXPENDITURES	59,434	62,810	62,810	-	100.00%
RECRUITMENT EXAM-WAGES	456,212	459,519	459,519	-	100.00%
RECRUITMENT EXAM-OTHER OPERATING EXPENDITURES	83,654	85,290	85,290	-	100.00%
ORGANIZATIONAL DEVELOPMENT-WAGES	468,131	430,579	430,579	-	100.00%
ORGANIZATIONAL DEVELOPMENT-OTHER OPERATING EXPENDITURES	21,300	24,995	24,995	-	100.00%
PAYROLL AND RECORDS-WAGES	347,018	375,838	375,838	-	100.00%
PAYROLL AND RECORDS-OTHER OPERATING EXPENDITURES	34,980	36,487	36,487	-	100.00%
INFOR TECH ADMIN-WAGES	356,003	496,899	496,899	-	100.00%
INFOR TECH ADMIN-OTHER OPERATING EXPENDITURES	41,051	40,902	38,541	2,361	94.23%
GEOGRAPHIC INFOR SYSTEMS-WAGES	283,604	262,866	262,866	-	100.00%
GEOGRAPHIC INFOR SYSTEMS-OTHER OPERATING EXPENDITURES	4,693	4,842	4,842	-	100.00%
MEDIA PRODUCTION-WAGES	114,528	115,254	115,254	-	100.00%
MEDIA PRODUCTION-OTHER OPERATING EXPENDITURES	9,787	9,787	6,287	3,500	64.24%
INFOR SERVS-WAGES	2,293,991	1,986,176	1,986,176	-	100.00%
INFOR SERVS-OTHER OPERATING EXPENDITURES	5,163,491	4,531,439	3,824,301	707,138	84.39%
TELECOMMUNICATIONS-WAGES	418,123	310,312	310,312	-	100.00%
TELECOMMUNICATIONS-OTHER OPERATING EXPENDITURES	3,125,266	3,731,966	3,248,766	483,200	87.05%
TAX OFFICE COLLCTNS-WAGES	1,091,480	1,082,061	1,082,061	-	100.00%
TAX OFFICE COLLCTNS-OTHER OPERATING EXPENDITURES	457,490	449,750	418,256	31,494	93.00%
TAX OFFICE COLLCTNS-CAPITAL EXPENDITURES	-	467,241	465,623	1,618	99.65%
CHIEFS OFFICE-WAGES	81,695,460	84,133,371	84,133,371	-	100.00%
CHIEFS OFFICE-OTHER OPERATING EXPENDITURES	11,610,090	11,589,090	11,536,952	52,138	99.55%
INTERNAL AFFAIRS-WAGES	203,018	206,235	206,235	-	100.00%
INTERNAL AFFAIRS-OTHER OPERATING EXPENDITURES	113,239	112,239	110,534	1,705	98.48%
TRAINING-WAGES	1,268,967	1,565,152	1,565,152	-	100.00%
TRAINING-OTHER OPERATING EXPENDITURES	746,198	650,913	599,697	51,216	92.13%
TRAINING-CAPITAL EXPENDITURES	-	55,000	-	55,000	-
PD PERSONNEL-WAGES	176,596	209,451	209,451	-	100.00%
PD PERSONNEL-OTHER OPERATING EXPENDITURES	107,825	102,325	88,628	13,697	86.61%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
PLNG AND RESEARCH-WAGES	206,831	205,591	205,591	-	100.00%
PLNG AND RESEARCH-OTHER OPERATING EXPENDITURES	67,782	63,782	57,140	6,642	89.59%
VEHICLE OPER-OTHER OPERATING EXPENDITURES	4,521,526	4,178,526	4,085,521	93,005	97.77%
GRANT OPER PDHQ-WAGES	128,526	73,642	73,642	-	100.00%
GRANT OPER PDHQ-OTHER OPERATING EXPENDITURES	22,844	22,344	22,197	147	99.34%
RECORDS-WAGES	1,746,348	1,799,307	1,799,307	-	100.00%
RECORDS-OTHER OPERATING EXPENDITURES	218,277	212,777	201,721	11,056	94.80%
POLICE SUPPLY-OTHER OPERATING EXPENDITURES	512,300	460,439	358,783	101,656	77.92%
FINANCIAL SERVS-WAGES	581,756	529,142	529,142	-	100.00%
FINANCIAL SERVS-OTHER OPERATING EXPENDITURES	726,591	709,091	670,316	38,775	94.53%
SPECIAL SERVS-WAGES	108,134	108,331	108,331	-	100.00%
SPECIAL SERVS-OTHER OPERATING EXPENDITURES	213,570	207,570	155,921	51,649	75.12%
CENTRAL REGNL COMMAND-WAGES	575,473	556,160	556,160	-	100.00%
CENTRAL REGNL COMMAND-OTHER OPERATING EXPENDITURES	137,432	178,994	178,994	-	100.00%
MISSN VALLY REGIONL COMMAN-WAGES	272,064	261,916	261,916	-	100.00%
MISSN VALLY REGIONL COMMAN-OTHER OPERATING EXPENDITURES	40,983	39,483	39,375	108	99.73%
NORTHEAST REGNL COMMAND-WAGES	213,768	213,268	213,268	-	100.00%
NORTHEAST REGNL COMMAND-OTHER OPERATING EXPENDITURES	33,431	31,931	31,857	74	99.77%
PEBBLE HILLS REGNL COMMAND-WAGES	279,648	277,898	277,898	-	100.00%
PEBBLE HILLS REGNL COMMAND-OTHER OPERATING EXPENDITURES	68,834	66,834	64,659	2,175	96.75%
WESTSIDE REGNL COMMAND-WAGES	207,020	191,674	191,674	-	100.00%
WESTSIDE REGNL COMMAND-OTHER OPERATING EXPENDITURES	51,535	50,035	48,824	1,211	97.58%
OPERATIONAL SUPPORT-WAGES	1,401,265	1,319,646	1,319,646	-	100.00%
OPERATIONAL SUPPORT-OTHER OPERATING EXPENDITURES	201,221	194,721	179,729	14,992	92.30%
DIRECTED INVESTIGATIONS-WAGES	381,774	291,631	291,631	-	100.00%
DIRECTED INVESTIGATIONS-OTHER OPERATING EXPENDITURES	258,655	256,155	230,746	25,409	90.08%
CRIMINAL INVESTIGATIONS-WAGES	172,920	171,969	171,969	-	100.00%
CRIMINAL INVESTIGATIONS-OTHER OPERATING EXPENDITURES	222,238	218,238	181,096	37,142	82.98%
FIRE DEPT ADMIN-WAGES	1,134,888	812,976	812,976	-	100.00%
FIRE DEPT ADMIN-OTHER OPERATING EXPENDITURES	1,147,942	1,199,292	1,199,292	-	100.00%
FIRE FIGHTING TRAINING-WAGES	1,592,252	1,708,858	1,708,858	-	100.00%
FIRE FIGHTING TRAINING-OTHER OPERATING EXPENDITURES	287,224	292,308	292,308	-	100.00%
FIRE STRATEGIC PLNG-WAGES	391,591	285,425	285,425	-	100.00%
FIRE STRATEGIC PLNG-OTHER OPERATING EXPENDITURES	93,333	138,993	138,993	-	100.00%
FD EMERGENCY OPER-WAGES	55,267,600	55,552,205	55,552,205	-	100.00%
FD EMERGENCY OPER-OTHER OPERATING EXPENDITURES	8,078,357	7,864,531	7,864,531	-	100.00%
SPECIAL OPER-WAGES	277,132	272,649	272,649	-	100.00%
SPECIAL OPER-OTHER OPERATING EXPENDITURES	64,238	61,498	61,498	-	100.00%
FIRE PREVENTION-WAGES	3,056,536	2,784,591	2,784,591	-	100.00%
FIRE PREVENTION-OTHER OPERATING EXPENDITURES	452,521	445,348	445,348	-	100.00%
FIRE RESCUE-WAGES	216,385	194,678	194,678	-	100.00%
FIRE RESCUE-OTHER OPERATING EXPENDITURES	502,371	365,242	365,242	-	100.00%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
FIRE COMMUNICATIONS-WAGES	7,320,384	6,970,534	6,970,534	-	100.00%
FIRE COMMUNICATIONS-OTHER OPERATING EXPENDITURES	593,357	588,876	588,876	-	100.00%
FIRE HUMAN RESOURCES-WAGES	629,700	591,102	591,102	-	100.00%
FIRE HUMAN RESOURCES-OTHER OPERATING EXPENDITURES	4,780,128	4,842,168	5,390,372	(548,204)	111.32%
FIRE SUPPRT PERSONNEL-WAGES	2,053,199	1,856,921	1,856,921	-	100.00%
FIRE SUPPRT PERSONNEL-OTHER OPERATING EXPENDITURES	194,905	194,905	194,905	-	100.00%
LAND DEVELOPMENT-WAGES	556,347	519,407	519,407	-	100.00%
LAND DEVELOPMENT-OTHER OPERATING EXPENDITURES	61,520	61,520	49,769	11,751	80.90%
BLDG PRMT INSP - PLAN REVIEW-WAGES	961,309	996,987	996,987	-	100.00%
BLDG PRMT INSP - PLAN REVIEW-OTHER OPERATING EXPENDITURES	79,969	79,969	77,715	2,254	97.18%
BLDG PRMT INSP - COMM INSPS-WAGES	633,916	673,467	673,467	-	100.00%
BLDG PRMT INSP - COMM INSPS-OTHER OPERATING EXPENDITURES	97,798	98,849	96,057	2,792	97.18%
BLDG PRMT INSP - RSDNTL INSP-WAGES	802,514	790,177	790,177	-	100.00%
BLDG PRMT INSP - RSDNTL INSP-OTHER OPERATING EXPENDITURES	91,049	92,420	89,937	2,483	97.31%
BLDG PRMT INSP - ADMINIST-WAGES	-	22,207	22,207	-	100.00%
BLDG PRMT INSP - ADMINIST-OTHER OPERATING EXPENDITURES	-	31,745	31,745	-	100.00%
PLNG ADMIN NEW-WAGES	1,390,142	1,306,875	1,306,875	-	100.00%
PLNG ADMIN NEW-OTHER OPERATING EXPENDITURES	376,993	460,703	372,145	88,558	80.78%
PLNG ADMIN NEW-CAPITAL EXPENDITURES	-	19,155	-	19,155	-
ECO DEV ADMIN-WAGES	886,848	683,632	683,632	-	100.00%
ECO DEV ADMIN-OTHER OPERATING EXPENDITURES	663,844	999,366	662,356	337,010	66.28%
FACILITY MAINTNC-WAGES	1,448,435	1,570,720	1,570,720	-	100.00%
FACILITY MAINTNC-OTHER OPERATING EXPENDITURES	1,339,767	1,328,822	1,328,822	-	100.00%
FACILITY MAINTNC-CAPITAL EXPENDITURES	-	5,661	5,661	-	100.00%
FACILITY PERSONNEL-WAGES	-	503	503	-	100.00%
FACILITY SUPPORT-OTHER OPERATING EXPENDITURES	1,076,752	1,042,377	1,042,377	-	100.00%
CITY RECORDS-WAGES	118,265	100,068	100,068	-	100.00%
CITY RECORDS-OTHER OPERATING EXPENDITURES	74,332	218,652	146,544	72,108	67.02%
FACILITY UTILITIES-OTHER OPERATING EXPENDITURES	11,154,702	11,233,700	11,876,708	(643,008)	105.72%
PARKS FACILITIES MAINTNC-WAGES	1,320,330	1,211,126	1,211,126	-	100.00%
PARKS FACILITIES MAINTNC-OTHER OPERATING EXPENDITURES	774,071	765,990	765,990	-	100.00%
PARK LAND MGMT-WAGES	2,879,108	2,613,460	2,613,460	-	100.00%
PARK LAND MGMT-OTHER OPERATING EXPENDITURES	5,439,530	5,335,761	5,335,761	-	100.00%
ENGR TRAFFIC-ST-WAGES	974,011	938,628	938,628	-	100.00%
ENGR TRAFFIC-ST-OTHER OPERATING EXPENDITURES	107,733	146,183	141,679	4,504	96.92%
ST EQUIPMENT SUPPORT-WAGES	172,226	183,515	183,515	-	100.00%
ST EQUIPMENT SUPPORT-OTHER OPERATING EXPENDITURES	1,378,990	1,519,868	1,519,868	-	100.00%
PAVEMENT MGMT-WAGES	529,840	487,646	487,646	-	100.00%
PAVEMENT MGMT-OTHER OPERATING EXPENDITURES	49,669	49,669	49,669	-	100.00%
ADMIN SUPPORT AND DATA MGMT-WAGES	1,075,609	1,017,769	1,017,769	-	100.00%
ADMIN SUPPORT AND DATA MGMT-OTHER OPERATING EXPENDITURES	260,060	270,464	268,348	2,116	99.22%
STREET MAINTNC-WAGES	3,184,601	3,147,580	3,147,580	-	100.00%
STREET MAINTNC-OTHER OPERATING EXPENDITURES	2,724,429	2,622,982	2,514,436	108,546	95.86%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
SIGNS AND MARKINGS-WAGES	710,157	928,086	928,086	-	100.00%
SIGNS AND MARKINGS-OTHER OPERATING EXPENDITURES	571,805	521,104	(252,393)	773,497	-48.43%
TRAFFIC SIGNALS-WAGES	1,139,137	1,022,932	1,022,932	-	100.00%
TRAFFIC SIGNALS-OTHER OPERATING EXPENDITURES	526,128	526,212	523,427	2,785	99.47%
ESD NON-DEPTAL-OTHER OPERATING EXPENDITURES	-	1,510		1,510	
ENVIRO CODE COMPLIANCE-WAGES	521,507	352,249	352,249	-	100.00%
ENVIRO CODE COMPLIANCE-OTHER OPERATING EXPENDITURES	170,765	170,765	96,571	74,194	56.55%
ANIMAL SHELTER OPERATIONS-WAGES	1,161,956	1,131,198	1,131,198	-	100.00%
ANIMAL SHELTER OPERATIONS-OTHER OPERATING EXPENDITURES	675,864	786,364	690,625	95,739	87.83%
BUSINESS CENTER-WAGES	526,060	549,215	549,215	-	100.00%
BUSINESS CENTER-OTHER OPERATING EXPENDITURES	74,401	76,578	75,157	1,421	98.14%
ENGR ADMIN-WAGES	999,729	1,178,983	1,178,983	-	100.00%
ENGR ADMIN-OTHER OPERATING EXPENDITURES	494,999	479,278	479,278	-	100.00%
ENGR ADMIN-CAPITAL EXPENDITURES	-	14,000		14,000	
DESIGN DIVISION-WAGES	251,643	240,034	240,034	-	100.00%
DESIGN DIVISION-OTHER OPERATING EXPENDITURES	30,438	29,400	29,400	-	100.00%
CONSTRUCTION INSPECTION-WAGES	590,720	535,951	535,951	-	100.00%
CONSTRUCTION INSPECTION-OTHER OPERATING EXPENDITURES	83,049	99,963	99,963	-	100.00%
ENGINEERING-AIRPORT-WAGES	398,643	458,586	458,586	-	100.00%
ENGINEERING-AIRPORT-OTHER OPERATING EXPENDITURES	31,730	28,693	28,693	-	100.00%
ENGR CIP-WAGES	460,429	542,110	542,110	-	100.00%
ENGR CIP-OTHER OPERATING EXPENDITURES	35,012	25,616	25,616	-	100.00%
CAPTL ASSETS MGMT-WAGES	215,669	155,600	155,600	-	100.00%
CAPTL ASSETS MGMT-OTHER OPERATING EXPENDITURES	25,882	26,482	24,991	1,491	94.37%
ENVIRONMENT_FOOD-WAGES	1,122,686	1,077,269	1,077,269	-	100.00%
ENVIRONMENT_FOOD-OTHER OPERATING EXPENDITURES	222,031	230,857	225,708	5,149	97.77%
STD CLINICS-WAGES	206,516	174,567	174,567	-	100.00%
STD CLINICS-OTHER OPERATING EXPENDITURES	66,598	66,718	58,181	8,537	87.20%
DENTAL-WAGES	461,977	417,597	417,597	-	100.00%
DENTAL-OTHER OPERATING EXPENDITURES	170,306	135,547	115,773	19,774	85.41%
ADULT IMMUNIZATN SERVS-WAGES	74,664	65,453	65,453	-	100.00%
ADULT IMMUNIZATN SERVS-OTHER OPERATING EXPENDITURES	56,190	56,217	49,633	6,584	88.29%
LABORATORY-WAGES	416,055	401,425	401,425	-	100.00%
LABORATORY-OTHER OPERATING EXPENDITURES	315,956	314,320	303,494	10,826	96.56%
LABORATORY-CAPITAL EXPENDITURES	-	5,300	5,249	51	99.04%
EPIDEMIOLOGY-WAGES	130,947	171,469	171,469	-	100.00%
EPIDEMIOLOGY-OTHER OPERATING EXPENDITURES	29,294	22,414	14,529	7,885	64.82%
HEALTH ADMIN-WAGES	436,098	435,119	435,119	-	100.00%
HEALTH ADMIN-OTHER OPERATING EXPENDITURES	609,778	629,778	626,992	2,786	99.56%
HEALTH SUPPORT SERVS-WAGES	471,722	519,714	519,714	-	100.00%
HEALTH SUPPORT SERVS-OTHER OPERATING EXPENDITURES	794,200	798,900	738,004	60,896	92.38%
HEALTH SUPPORT SERVS-CAPITAL EXPENDITURES	163,000	123,688	115,000	8,688	92.98%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
HEALTH EDUCATION PROGRAM-WAGES	201,882	208,489	208,489	-	100.00%
HEALTH EDUCATION PROGRAM-OTHER OPERATING EXPENDITURES	23,903	23,903	20,480	3,423	85.68%
ARMIJO REC CTR OPER-OTHER OPERATING EXPENDITURES	-	138	138	-	100.00%
SHELTERS GENERAL ADMINISTRATIO-OTHER OPERATING EXPENDITURES	-	-	(30)	30	
PARKS RECREATN ADMIN-WAGES	882,208	835,541	835,541	-	100.00%
PARKS RECREATN ADMIN-OTHER OPERATING EXPENDITURES	400,340	424,938	364,961	59,977	85.89%
RECREATION CENTERS-WAGES	1,847,303	1,891,727	1,891,727	-	100.00%
RECREATION CENTERS-OTHER OPERATING EXPENDITURES	753,576	759,261	726,541	32,720	95.69%
RECREATION CENTERS-CAPITAL EXPENDITURES	-	11,982		11,982	
AQUATICS-WAGES	1,875,288	1,871,200	1,871,200	-	100.00%
AQUATICS-OTHER OPERATING EXPENDITURES	443,637	437,147	410,318	26,829	93.86%
AQUATICS-CAPITAL EXPENDITURES	-	7,940		7,940	
ATHLETICS SPORTS CTR-WAGES	1,200,894	1,181,146	1,181,146	-	100.00%
ATHLETICS SPORTS CTR-OTHER OPERATING EXPENDITURES	1,232,926	1,182,343	1,040,602	141,741	88.01%
PARK PLNG DEVELOPMENT-WAGES	443,740	420,438	420,438	-	100.00%
PARK PLNG DEVELOPMENT-OTHER OPERATING EXPENDITURES	65,665	65,665	58,062	7,603	88.42%
AFTER SCHL SCHL SITES-WAGES	345,049	333,304	333,304	-	100.00%
AFTER SCHL SCHL SITES-OTHER OPERATING EXPENDITURES	210,278	213,194	195,790	17,404	91.84%
SPECIAL EVENTS-WAGES	99,900	83,455	83,455	-	100.00%
SPECIAL EVENTS-OTHER OPERATING EXPENDITURES	38,397	38,397	33,113	5,284	86.24%
SENIOR CENTER OPER-WAGES	932,927	933,622	933,622	-	100.00%
SENIOR CENTER OPER-OTHER OPERATING EXPENDITURES	330,929	317,118	306,812	10,306	96.75%
SENIOR CENTER OPER-CAPITAL EXPENDITURES	-	13,811		13,811	
LEISURE INSTRUCTION-WAGES	84,483	66,019	66,019	-	100.00%
LEISURE INSTRUCTION-OTHER OPERATING EXPENDITURES	247,105	219,344	153,119	66,225	69.81%
DAYCARE OPER-WAGES	293,688	246,207	246,207	-	100.00%
DAYCARE OPER-OTHER OPERATING EXPENDITURES	62,138	62,138	55,757	6,381	89.73%
PARKS CD FUNDED PROJ-OTHER OPERATING EXPENDITURES	-	182	182	-	100.00%
ZOO GENERAL OPER-WAGES	3,167,517	3,319,147	3,319,147	-	100.00%
ZOO GENERAL OPER-OTHER OPERATING EXPENDITURES	407,101	407,101	407,101	-	100.00%
LIBRY ADMIN-WAGES	1,272,712	1,150,003	1,150,003	-	100.00%
LIBRY ADMIN-OTHER OPERATING EXPENDITURES	529,801	550,157	550,157	-	100.00%
CATALOGING ORDERING PROCESS-WAGES	412,741	374,864	374,864	-	100.00%
CATALOGING ORDERING PROCESS-OTHER OPERATING EXPENDITURES	1,226,760	1,300,563	1,196,698	103,865	92.01%
MEMORIAL BRANCH OPER-WAGES	239,602	265,214	265,214	-	100.00%
MEMORIAL BRANCH OPER-OTHER OPERATING EXPENDITURES	28,934	28,934	28,934	-	100.00%
ARMIJO BRANCH OPER-WAGES	246,851	265,133	265,133	-	100.00%
ARMIJO BRANCH OPER-OTHER OPERATING EXPENDITURES	12,530	12,530	12,530	-	100.00%
RICHARD BURGESS BRANCH OPER-WAGES	428,308	440,708	440,708	-	100.00%
RICHARD BURGESS BRANCH OPER-OTHER OPERATING EXPENDITURES	37,664	37,664	37,664	-	100.00%
CIELO VISTA BRANCH OPER-WAGES	232,106	260,708	260,708	-	100.00%
CIELO VISTA BRANCH OPER-OTHER OPERATING EXPENDITURES	17,804	17,804	17,804	-	100.00%

CITY OF EL PASO, TEXAS
 General Fund
 Schedule of Expenditures - Budget and Actual (Unaudited)
 Legal Level of Budgetary Control
 For the Year Ended August 31, 2012

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
CLARDY FOX BRANCH OPER-WAGES	272,009	302,352	302,352	-	100.00%
CLARDY FOX BRANCH OPER-OTHER OPERATING EXPENDITURES	21,777	21,777	21,777	-	100.00%
IRVING SCHWARTZ BRANCH OPER-WAGES	274,085	295,577	295,577	-	100.00%
IRVING SCHWARTZ BRANCH OPER-OTHER OPERATING EXPENDITURES	17,172	17,172	17,172	-	100.00%
JUDGE MARQUEZ MISSION VALLEY B-WAGES	283,123	339,517	339,517	-	100.00%
JUDGE MARQUEZ MISSION VALLEY B-OTHER OPERATING EXPENDITURES	21,600	21,600	21,600	-	100.00%
WESTSIDE BRANCH OPER-WAGES	275,349	294,087	294,087	-	100.00%
WESTSIDE BRANCH OPER-OTHER OPERATING EXPENDITURES	31,305	31,305	31,305	-	100.00%
YSLETA BRANCH OPER-WAGES	255,120	288,785	288,785	-	100.00%
YSLETA BRANCH OPER-OTHER OPERATING EXPENDITURES	24,228	24,228	24,228	-	100.00%
ESPERANZA ACOSTA MORENO -EAST-WAGES	354,117	362,586	362,586	-	100.00%
ESPERANZA ACOSTA MORENO -EAST-OTHER OPERATING EXPENDITURES	34,874	34,874	34,874	-	100.00%
MAIN LIBRY-WAGES	1,510,265	1,236,969	1,236,969	-	100.00%
MAIN LIBRY-OTHER OPERATING EXPENDITURES	77,186	77,186	77,186	-	100.00%
DORRIS VAN DOREN-WEST REGNL-WAGES	360,183	417,329	417,329	-	100.00%
DORRIS VAN DOREN-WEST REGNL-OTHER OPERATING EXPENDITURES	31,334	31,334	31,334	-	100.00%
ART MUSEUM ADMIN-WAGES	604,814	614,931	614,931	-	100.00%
ART MUSEUM ADMIN-OTHER OPERATING EXPENDITURES	177,320	182,426	182,426	-	100.00%
ART MUSEUM EDUCATION-WAGES	133,907	112,852	112,852	-	100.00%
ART MUSEUM EDUCATION-OTHER OPERATING EXPENDITURES	17,327	17,362	17,362	-	100.00%
ARCHAEOLOGY MUSEUM-WAGES	127,751	108,449	108,449	-	100.00%
ARCHAEOLOGY MUSEUM-OTHER OPERATING EXPENDITURES	44,573	55,604	54,320	1,284	97.69%
HISTORY MUSEUM OPER-WAGES	491,372	494,207	494,207	-	100.00%
HISTORY MUSEUM OPER-OTHER OPERATING EXPENDITURES	112,431	118,900	114,917	3,983	96.65%
ART MUSEUM CURATORIAL-WAGES	252,460	251,673	251,673	-	100.00%
ART MUSEUM CURATORIAL-OTHER OPERATING EXPENDITURES	68,254	68,251	68,251	-	100.00%
ACR ADMIN-WAGES	155,933	153,203	153,203	-	100.00%
ACR ADMIN-OTHER OPERATING EXPENDITURES	76,899	75,337	72,728	2,609	96.54%
RELOCATN SERVS_GEN FUND-WAGES	110,264	97,293	97,293	-	100.00%
RELOCATN SERVS_GEN FUND-OTHER OPERATING EXPENDITURES	10,257	10,257	9,583	674	93.43%
NEIGH SEVC CONSERVATION PROG-WAGES	240,070	218,935	218,935	-	100.00%
NEIGH SEVC CONSERVATION PROG-OTHER OPERATING EXPENDITURES	166,807	164,807	159,587	5,220	96.83%
NONDEPARTMENTAL-WAGES	-	38,170	38,170	-	100.00%
NONDEPARTMENTAL-OTHER OPERATING EXPENDITURES	8,091,823	8,882,179	6,025,952	2,856,227	67.84%
NONDEPARTMENTAL-CAPITAL EXPENDITURES	-	34,239	23,319	10,920	68.11%
TOTAL EXPENDITURES AND TRANSFERS OUT	<u>322,168,680</u>	<u>324,422,777</u>	<u>318,136,891</u>	<u>6,285,886</u>	98.06%

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, 2012

		Special Revenue Funds						
		Federal Grants						
	Other Federal Grants	American Recovery and Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants	Total	
ASSETS								
Cash and Cash Equivalents	\$ -	-	-	(87,169)	-	14,765,529	14,678,360	
Investments	-	-	-	-	-	127,834	127,834	
Receivables - Net of Allowances								
Interest	-	-	-	-	-	1,386	1,386	
Trade	-	-	-	-	-	240,841	240,841	
Notes	211,879	-	-	-	-	-	211,879	
Other	-	-	-	-	-	3,154,008	3,154,008	
Due From Other Government Agencies	5,248,845	745,874	1,071,165	87,375	1,646,172	(40,974)	8,758,457	
Prepaid Items	-	-	-	-	-	142,390	142,390	
Due From Other Funds	-	-	-	-	-	7,237,386	7,237,386	
TOTAL ASSETS	\$ 5,460,724	745,874	1,071,165	206	1,646,172	25,628,400	34,552,541	
LIABILITIES								
Accounts Payable	\$ 112,871	34,351	-	39,169	6,429	30,044	1,910,821	
Accrued Payroll	86,075	17,272	-	33,376	901	152,810	34,601	
Due to Other Funds	4,082,336	694,251	-	997,481	-	1,463,318	-	
Unearned Revenue	1,179,442	-	-	13,126	-	1,713,788	2,906,356	
Due to Other Government Agencies	-	-	-	1,139	-	-	1,139	
TOTAL LIABILITIES	5,460,724	745,874	1,071,165	20,456	1,646,172	3,659,210	12,603,601	
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	
Restricted	-	-	-	29,259	-	15,478,549	15,507,808	
Committed	-	-	-	-	-	7,099,623	7,099,623	
Unassigned	-	-	-	(49,509)	-	(608,982)	(658,491)	
TOTAL FUND BALANCES	-	-	-	(20,250)	-	21,969,190	21,948,940	
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,460,724	745,874	1,071,165	206	1,646,172	25,628,400	34,552,541	

CITY OF EL PASO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2012

	Special Revenue Funds						Total
	Federal Grants		State Grants	Other Grants	Public Health	Nongrants	
	Other Federal Grants	American Recovery and Reinvestment Act Grants					
Revenues							
Property Taxes	\$ -	-	-	-	-	1,408,532	1,408,532
Sales Taxes	-	-	-	-	-	5,767,701	5,767,701
Franchise Fees	-	-	-	-	-	4,523,669	4,523,669
Charges for Services	-	-	35,906	8,184	812,777	9,582,214	10,439,081
Fines and Forfeitures	-	-	-	-	-	1,528,896	1,528,896
Licenses and Permits	-	-	-	-	-	86,376	86,376
Intergovernmental Revenues	13,686,653	8,011,978	2,474,285	119,299	11,495,077	300,149	36,087,441
Interest	-	-	-	-	-	1,636	1,636
Rents and Other	14,139	-	-	40,450	-	816,589	871,178
Net Decrease in the Fair Value of Investments	-	-	-	-	-	(50)	(50)
Total revenues	13,700,792	8,011,978	2,510,191	167,933	12,307,854	24,015,712	60,714,460
Expenditures							
Current:							
General Government	-	-	5,424	-	-	551,544	556,968
Public Safety	11,167,637	178,984	1,805,580	-	-	2,672,943	15,825,144
Public Works	-	-	-	(147)	-	260,697	260,550
Facilities Maintenance	-	529,452	-	-	-	-	529,452
Public Health	-	-	-	132,647	12,189,001	-	12,321,648
Parks Department	7,432	-	-	-	-	32,764	40,196
Library	261,438	-	6,460	-	-	60,475	328,373
Culture and Recreation	-	45,438	105,509	38,730	-	12,995,817	13,185,494
Economic Development	174,256	-	-	-	-	5,865,199	6,039,455
Environmental Code Compliance	-	80,481	-	-	(1,394)	-	79,087
Community and Human Development	35,459	2,332,834	129,142	14,323	-	267,367	2,779,125
Capital Outlay	2,054,570	4,844,789	458,076	65,146	119,657	2,149,131	9,691,369
Total expenditures	13,700,792	8,011,978	2,510,191	250,699	12,307,264	24,855,937	61,636,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(82,766)	590	(840,225)	(922,401)
OTHER FINANCING SOURCES(USES):							
Transfers In	-	-	-	-	-	131,612	131,612
Transfers Out	-	-	-	-	-	(55,979)	(55,979)
Proceeds from Sale of Capital Assets	-	-	-	-	(590)	8,691	8,101
Total other financing sources (uses):	-	-	-	-	(590)	84,324	83,734
Net change in fund balances	-	-	-	(82,766)	-	(755,901)	(838,667)
Fund balances - Beginning of Year	-	-	-	62,516	-	22,725,091	22,787,607
Fund balances - End of Year	\$ -	-	-	(20,250)	-	21,969,190	21,948,940

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds (Unaudited)
 For the Year Ended August 31, 2012

		Nonmajor Governmental Funds						
Grant	Description	Community	Other Federal	American Recovery and				Total Nonmajor
		Development Block Grants	Grants	Reinvestment Act Grants	State Grants	Other Grants	Public Health	Nongrants
G4109AD0	G4109AD WIC ADMINISTRATION	-	-	-	-	-	(590)	(590)
G4111AD0	WIC ADMIN-DSHS	-	-	-	-	-	692,786	692,786
G4111BF0	WIC BREASTFEEDING-DSHS	-	-	-	-	-	117,531	117,531
G4111NE0	WIC NUTRITION-DSHS	-	-	-	-	-	172,287	172,287
G4112AD0	WIC ADMIN-DSHS	-	-	-	-	-	4,330,286	4,330,286
G4112BF0	WIC BREASTFEEDING-DSHS	-	-	-	-	-	510,556	510,556
G4112NE0	WIC NUTRITION-DSHS	-	-	-	-	-	1,482,700	1,482,700
4842B10570	ARRA-BTOP- VIRTUAL VILLAGE	-	-	3,148,271	3,747	-	-	3,152,018
G0810020	DSD BRAC OEA	-	173,922	-	-	-	-	173,922
G_7137EAD2	14.218 CITY ADMINISTRATION25K	1,618	-	-	-	-	-	-
G710RLF10	FY 10 CD RLF ADMIN	(107)	-	-	-	-	-	-
G710RLF11	RLF ADMIN FY11	(601)	-	-	-	-	-	-
G710RLF12	RLF ADMIN FY12	155,151	-	-	-	-	-	-
G710RLF12	HOUSING PROGRAMS ACTIVITIES RL	704,461	-	-	-	-	-	-
G7112FGBG	FGD FY12-CDBG	25,082	-	-	-	-	-	-
G7134CD12	BORDERLAND PH. VII	978	-	-	-	-	-	-
G7134CD14	ARMILIO BR.LIB/CLAB	378	-	-	-	-	-	-
G7134CD21	CHIHUAHUITA COMM	378	-	-	-	-	-	-
G7135CD02	CD ADMIN FY 10	140	-	-	-	-	-	-
G7135CD14	MONTOYA HEIGHTS SUBDIV PH I	5,864	-	-	-	-	-	-
G7135CD16	MEMORIAL PARK TENNIS COURTS IM	1,365	-	-	-	-	-	-
G7135CD18	CLARDY FOX BRANCH ADD-EXPAN	362	-	-	-	-	-	-
G7135CD19	DE VARGAS PARK IMPROVEMENT	27,540	-	-	-	-	-	-
G7135CD21	COLONIA VERDE PARK IMPROVEMENT	954	-	-	-	-	-	-
G7135CD24	PERCY GURROLA (PERALUNA) PARK	20,674	-	-	-	-	-	-
G7136CD02	CD ADMIN FY11	(8,374)	-	-	-	-	-	-
G7136CD03	AFTER SCHOOL-OUTREACH FY11	(253)	-	-	-	-	-	-
G7136CD05	SUN COUNTRY REC FY11	56	-	-	-	-	-	-
G7136CD08	SEGUNDO BARRIO REVITALIZATION	(1,813)	-	-	-	-	-	-
G7136CD12	MEMORIAL PARK TENNIS COURTS IM	85,453	-	-	-	-	-	-
G7136CD13	MARY JEANNE LANE STREET AND DR	1,809	-	-	-	-	-	-
G7136CD14	PUEBLO VIEJO PARK IMPROVEMENTS	59,889	-	-	-	-	-	-
G7136CD15	MEMORIAL PARK BRANCH LIBRARY I	391,286	-	-	-	-	-	-
G7136CD16	MOUNTAIN VIEW SKATE PARK IMPRO	37,554	-	-	-	-	-	-
G7136CD17	STILES GARDENS DODGE TO BUCHER	364,517	-	-	-	-	-	-
G7136CD18	STILES GARDENS BUCHER TO NICHOL	8,026	-	-	-	-	-	-
G7136CD19	GRAN CIMA STREET AND DRAINAGE	380,402	-	-	-	-	-	-
G7136CD20	BLACKIE CHESHER PARK HANDBALL	192,376	-	-	-	-	-	-
G7136CD21	CAPISTRANO PARK IMPROVEMENTS	80,648	-	-	-	-	-	-
G7136CD23	BOYS CLUB PARK HANDBALL COURT	32,484	-	-	-	-	-	-
G7136CD24	CHIHUAHUITA PARK IMPROVEMENTS	338,826	-	-	-	-	-	-
G7136CD25	GUILLEN MIDDLE SCHOOL	33,414	-	-	-	-	-	-
G7136CD26	SOUTH EL PASO SENIOR CENTER PA	153,554	-	-	-	-	-	-
G7136CD27	CAFV RENOVATIONS AT TRANSITION	258,790	-	-	-	-	-	-
G7136CD28	CITYWIDE AUDIBLE PEDESTRIAN SI	31,046	-	-	-	-	-	-
G7136CD30	EL PASO VILLA MARIA ADA AND MI	205,692	-	-	-	-	-	-
G7136CD31	PASO DEL NORTE CHILDREN,S DEVE	8,394	-	-	-	-	-	-
G7136CD32	DISABILITY FY11	61	-	-	-	-	-	-
G7136SS21	HOMELESS SHELTER SERVICES	(7,241)	-	-	-	-	-	-
G7136SS43	CHAMIZAL NEIGHBORHOOD REVITALI	27	-	-	-	-	-	-
G7137CD02	37TH YEAR CDBG ADMIN FY12	1,520,917	-	-	-	-	-	-
G7137CD03	AFTERSCHOOL OUTREACH FY12	26,040	-	-	-	-	-	-
G7137CD05	SUN COUNTRY RECREATION FY12	174,818	-	-	-	-	-	-
G7137CD07	NATIONAL REBUILD DAY	75,420	-	-	-	-	-	-
G7137CD08	SEGUNDO BARRIO REVITALIZATION	55,228	-	-	-	-	-	-
G7137CD11	MICROENTERPRISE TECHNICAL ASSI	113,234	-	-	-	-	-	-
G7137CD17	STILES GARDENS SUBDIVISION STR	775,158	-	-	-	-	-	-
G7137CD25	GUILLEN MIDDLE SCHOOL	366,981	-	-	-	-	-	-
G7137CD31	PASO DEL NORTE CHILDRENS DEVE	130,618	-	-	-	-	-	-
G7137CD32	DISABILITY FY12	26,924	-	-	-	-	-	-
G7137CD35	SEGUNDO BARRIO INTERIM ASSIST	4,809	-	-	-	-	-	-
G7137CD36	PASODALE SUBDIVISION PHASE III	253,712	-	-	-	-	-	-
G7137CD37	TULA IRROBALI PARK	33,286	-	-	-	-	-	-
G7137CD38	PASO DEL NORTE PHASE II	108,365	-	-	-	-	-	-
G7137CD39	CONTINUUM PLANNING HOMLESS ASS	70,000	-	-	-	-	-	-
G7137CD40	BARKER ROAD CRAMER TO CORNER	43,130	-	-	-	-	-	-

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds (Unaudited)
For the Year Ended August 31, 2012

		Nonmajor Governmental Funds							
Grant	Description	Community	Other Federal	American Recovery and			Public Health	Nongrants	Total Nonmajor
		Development Block		Reinvestment Act	State Grants	Other Grants			
		Grants	Grants	Grants					
G7137CD41	MOUNTAIN VIEW PARK CONSTRUCTIO	750,346	-	-	-	-	-	-	
G7137CF11	ACCESSIBLE HOUSING UNITS SURVE	20,982	-	-	-	-	-	-	
G7137ES01	CENTER AGAINST FAMILY VIOLENCE	30,042	-	-	-	-	-	-	
G7137ES02	CHILD CRISIS CENTER	22,607	-	-	-	-	-	-	
G7137ES03	EL PASO CENTER FOR CHILDREN	17,808	-	-	-	-	-	-	
G7137ES04	EL PASO VILLA MARIA	13,702	-	-	-	-	-	-	
G7137ES05	INTERNATIONAL AIDS	10,000	-	-	-	-	-	-	
G7137ES06	LA POSADA HOME	48,482	-	-	-	-	-	-	
G7137ES07	OPPORTUNITY CTR FOR THE HOMELE	63,035	-	-	-	-	-	-	
G7137ES08	PROJECT VIDA	20,343	-	-	-	-	-	-	
G7137ES09	RESCUE MISSION	21,546	-	-	-	-	-	-	
G7137ES10	SALVATION ARMY	55,215	-	-	-	-	-	-	
G7137ES11	YWCA - TLC	31,017	-	-	-	-	-	-	
G7137ES13	SIN FRONTERAS ORGANIZING PROJE	10,000	-	-	-	-	-	-	
G7137ESMN	ESG ADMIN FY12	18,980	-	-	-	-	-	-	
G7137SS0011	RESCUE MISSION-JOB PLACEMENT	24,762	-	-	-	-	-	-	
G7137SS01	OPERATION SCHOOL BELL	22,156	-	-	-	-	-	-	
G7137SS05	YOUTH RECREATION AND GANG PREV	31,777	-	-	-	-	-	-	
G7137SS06	SOCIAL SERVICES YOUTH CHARA	33,444	-	-	-	-	-	-	
G7137SS07	DAY CARE	25,265	-	-	-	-	-	-	
G7137SS08	EL PAPALOTE INCLUSIVE CDC	25,265	-	-	-	-	-	-	
G7137SS09	PROJECT ARRIBA	25,264	-	-	-	-	-	-	
G7137SS10	EARLY CHILDHOOD DEVELOPMENT PR	25,265	-	-	-	-	-	-	
G7137SS12	ECONOMIC OPPORTUNITIES THROUGH	25,265	-	-	-	-	-	-	
G7137SS13	EMERGENCY SHELTER FOR SURVIVOR	20,458	-	-	-	-	-	-	
G7137SS14	HOMELESS HEALTH CARE CLINIC	22,701	-	-	-	-	-	-	
G7137SS15	EMERGENCY SHELTER AND CRISIS N	22,884	-	-	-	-	-	-	
G7137SS16	TRANSITIONAL LIVING FOR TEEN M	24,196	-	-	-	-	-	-	
G7137SS17	EL PASO VILLA MARIA	26,438	-	-	-	-	-	-	
G7137SS19	LA POSADA HOME	25,152	-	-	-	-	-	-	
G7137SS20	ROOTS AND WINGS	20,458	-	-	-	-	-	-	
G7137SS21	HOMELESS SHELTER SERVICES	24,197	-	-	-	-	-	-	
G7137SS23	YWCA SARA MCKNIGHT TRANSITIONA	25,297	-	-	-	-	-	-	
G7137SS24	MENTAL HEALTH SERVICES FOR SUR	22,912	-	-	-	-	-	-	
G7137SS25	PRIMARY HEALTH AND MENTAL HEAL	32,321	-	-	-	-	-	-	
G7137SS26	CHILDRENS MENTAL HEALTH -ABUS	37,342	-	-	-	-	-	-	
G7137SS28	COMMUNITY DEVELOPMENT COUNSELI	20,458	-	-	-	-	-	-	
G7137SS29	MENTAL HEALTH SERVICES	25,449	-	-	-	-	-	-	
G7137SS30	MENTAL HEALTH SOCIAL REHAB FOR	25,613	-	-	-	-	-	-	
G7137SS31	INTEGRATED PRIMARY HEALTH CARE	27,822	-	-	-	-	-	-	
G7137SS32	HOME HEALTH CARE	27,004	-	-	-	-	-	-	
G7137SS35	EL PASO CITY-COUNTY NUTRITION	56,462	-	-	-	-	-	-	
G7137SS36	FOOD PANTRY NUTRITION PROGRAM	20,458	-	-	-	-	-	-	
G7137SS37	MONEY MANAGEMENT AND SOCIAL SE	22,094	-	-	-	-	-	-	
G7137SS39	LEADERSHIP ACADEMY FORFAMILIES	20,458	-	-	-	-	-	-	
G7137SS40	QUALITY LIVING AT HOME PROGRAM	22,912	-	-	-	-	-	-	
G7137SS41	THE YWCA EL PASO DEL NORTE REG	22,575	-	-	-	-	-	-	
G7137SS42	EAST VALLEY ADULT MH CASE MANA	80,495	-	-	-	-	-	-	
G7137SS43	CHAMIZAL NRSA FY12	139,473	-	-	-	-	-	-	
G7137SS44	LOWER DYER NEIGHBORHOOD REVITA	140,470	-	-	-	-	-	-	
G7137SS71	FAMILY SUPPORT	20,458	-	-	-	-	-	-	
G7137SS72	AVANCE FAMILY LITERACY PROGRAM	30,923	-	-	-	-	-	-	
G7137SS73	CANDLELIGHTERS ACTIVITY CENTER	24,370	-	-	-	-	-	-	
G7137SS74	CASA	28,459	-	-	-	-	-	-	
G7137SS75	TRANSITIONAL HOUSING FORMER FO	20,655	-	-	-	-	-	-	
G7137SS76	HIV CASE MANAGEMENT	20,458	-	-	-	-	-	-	
G7137SS77	IN CONTROL OF MY DIABETES	20,458	-	-	-	-	-	-	
GHUDSUS0	HUD PAYROLL SUSPENCE ACCOUNT	(95,068)	-	-	-	-	-	-	
G7136ESMN	ESG ADMIN FY11	264	-	-	-	-	-	-	
G7138ESMN	14.231 CITY ESG ADMINISTRATION	382	-	-	-	-	-	-	
G7104HM0	HOME PROGRAM FY2004	(48,450)	-	-	-	-	-	-	
G7105HM0	7105HM HOME PROGRAM FY'05	(44,001)	-	-	-	-	-	-	
G7106HM0	G7106HM HOME PROGRAM FY'06	(687,244)	-	-	-	-	-	-	
G7107HM0	G7107HM HOME PROG FY07	(260,857)	-	-	-	-	-	-	
G7108HM0	G7108HM HOME PROG FY08	481,397	-	-	-	-	-	-	
G7109HM0	G7109HM HOME	325,695	-	-	-	-	-	-	

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds (Unaudited)
For the Year Ended August 31, 2012

Nonmajor Governmental Funds									
Grant	Description	Community	Other Federal	American Recovery and					Total Nonmajor
		Development Block	Grants	Reinvestment Act	State Grants	Other Grants	Public Health	Nongrants	Governmental Funds
		Grants		Grants					
G710RLFME	HOME PROG INCOME	3,462,525	-	-	-	-	-	-	-
G7110HM0	FY10 HOME ENTITLEMENT	436,067	-	-	-	-	-	-	-
G7111HM0	HOME FY11	688,420	-	-	-	-	-	-	-
G7112HM0	HOME FY12	968,732	-	-	-	-	-	-	-
G7136HOA1	HOPWA PROG TENANT BASED RENTAL	9,531	-	-	-	-	-	-	-
G7136HOA2	HOPWA PROGRAM SUPPORTIVE SERVI	8,330	-	-	-	-	-	-	-
G7136HOWA	HOPWA ADMIN FY11	(370)	-	-	-	-	-	-	-
G7137HOA1	HOPWA TENANT BASED RENT	290,480	-	-	-	-	-	-	-
G7137HOA2	HOPWA SUPPORTIVE SERVICES	31,762	-	-	-	-	-	-	-
G7137HOA3	HOPWA SPONSOR ADMINISTRATION	24,885	-	-	-	-	-	-	-
G7137HOWA	HOPWA ADMIN FY12	11,161	-	-	-	-	-	-	-
G71EZBOF	EZ BORDER OPP LOAN FUND	346,258	-	-	-	-	-	-	-
G71EZDEM0	DEMOLITION	311,250	-	-	-	-	-	-	-
G71EZCEZ	EMPOWERMENT ZONE GRANT FUNDS	(294,658)	-	-	-	-	-	-	-
G71CDBG02	BUCHER RD -CONSTRUCTION	-	-	74,004	-	-	-	-	74,004
G71CDBG06	STILES DRIVE-DODGE TO BUCHER	-	-	515,757	-	-	-	-	515,757
G71HPRP010	EP COUNTY CENTRAL-NORTHWEST	-	-	47,226	-	-	-	-	47,226
G71HPRP020	EP COUNTY NORHTEAST-EAST	-	-	8,493	-	-	-	-	8,493
G71HPRP030	EP COUNTY LOWER VALLEY	-	-	19,527	-	-	-	-	19,527
G71HPRP040	TVP NON PROFIT RAPID REHOUSING	-	-	420,092	-	-	-	-	420,092
G71HPRP050	EP COALITION DATA COLLECTION	-	-	29,462	-	-	-	-	29,462
G71HPRP060	COEP ADMINISTRATION	-	-	867	-	-	-	-	867
G5610020	NPS-PRES AM LAS VILLITAS	-	-	-	12,097	-	-	-	12,097
G2111110	JABG SHOCAP FY11	-	-	-	686	-	-	-	686
G2112110	JABG SHOCAP FY12	-	-	-	30,919	-	-	-	30,919
G2111040	GENERAL VICTIM ASSIST DIR SERV	-	-	-	(7,357)	-	-	-	(7,357)
G2112040	GVA-GENERAL VICTIM SERVICES F	-	-	-	206,082	-	-	-	206,082
G2110030	LAW ENFORCEMENT-DART OFFICERS	-	169	-	-	-	-	-	169
G2110080	FY09 WEED AND SEED PROGRAM	-	1,538	-	-	-	-	-	1,538
G2111080	WEED & SEED FY11	-	72,425	-	-	-	-	-	72,425
G2111130	16.607 BULLETPROOF VEST FY11	-	13,038	-	-	-	-	-	13,038
G2108210	COPS TECHNOLOGY FY08	-	404,172	-	-	-	-	-	404,172
G2109150	G210915 COPS TECHNOLOGY 09	-	219,720	-	-	-	-	-	219,720
G2110150	COPS TECHNOLOGY 10	-	250,000	-	-	-	-	-	250,000
G2110160	BJA FY09 JAG- BALLISTIC	-	143,576	-	-	-	-	-	143,576
G2111190	BJA 2010 BYRNE JAG FY10	-	-	67,822	-	-	-	-	67,822
G2111350	ARRA OPERATION BORDER SECURITY	-	(4,047)	-	-	-	-	-	(4,047)
G2110190	RECOVERY ACT JAG PROGRAM	-	-	111,162	-	-	-	-	111,162
G2111240	STEP-IMPAIRED DRIVINGMOBILFY11	-	-	-	12,431	-	-	-	12,431
G2111620	CLICK IT OR TICKET FY11	-	-	-	(1,416)	-	-	-	(1,416)
G5609020	G560902 IMLS LV	-	-	-	44,753	-	-	-	44,753
G5311030	TSLAC FY 2011	-	(6,297)	-	-	-	-	-	(6,297)
G5311090	TANG TECH ASSISTANCE FY11	-	(3,157)	-	-	-	-	-	(3,157)
G5312090	TANG	-	75,832	-	-	-	-	-	75,832
G71WTHR0	WEATHERIZATION ASSISTANCE PRO	-	-	1,782,632	-	-	-	-	1,782,632
GEECBG010	FACILITY ENERGY EFFICIENCY PRO	-	-	431,536	-	-	-	-	431,536
GEECBG020	GREEN FLEET VEHICLES	-	-	323,499	-	-	-	-	323,499
GEECBG030	MSC BUILDING SOLAR SYSTEM	-	-	179,577	-	-	-	-	179,577
GEECBG050	RECYCLING	-	-	80,481	-	-	-	-	80,481
GEECBG060	EQUIPMENT - MEETING ROOM	-	-	120,858	-	-	-	-	120,858
GEECBG080	SOLAR ART	-	-	45,438	-	-	-	-	45,438
G4110290	OFFICE OF BORDER HEALTH	-	-	-	-	(175)	-	-	(175)
G4110050	H1N1 PREPAREDNESS	-	-	-	-	(78,313)	-	-	(78,313)
G4110150	PUBLIC HEALTH EMERGENCY RESPON	-	-	-	-	(84)	-	-	(84)
G4110210	FOCUS AREA III 2010	-	-	-	-	63,315	-	-	63,315
G4110220	BIO TERRORISM LAB-DSHS	-	-	-	-	(72)	-	-	(72)
G4111220	BIO TERRORISM LAB-DSHS	-	-	-	-	323	-	-	323
G4111250	BIO TERRORISM	-	-	-	-	281	-	-	281
G4112220	BIO TERRORISM LAB-DSHS	-	-	-	-	192,513	-	-	192,513
G4112250	BIO TERRORISM	-	-	-	-	568,303	-	-	568,303
G4112280	EWIDS	-	-	-	-	59,726	-	-	59,726
G4110020	TB PC OUTREACH-DSHS	-	-	-	-	(356)	-	-	(356)
G4111020	TB-PC OUTREACH-DSHS	-	-	-	-	135,754	-	-	135,754
G4112020	TB-PC OUTREACH-DSHS	-	-	-	-	172,907	-	-	172,907
201204888	93.235 HPCDP ABST	-	-	-	-	20,307	-	-	20,307
G4111060	IMMUNIZATION LOCAL DSHS	-	-	-	-	2,014	-	-	2,014

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds (Unaudited)
For the Year Ended August 31, 2012

Nonmajor Governmental Funds									
Grant	Description	Community	Other Federal	American Recovery and			Public Health	Nongrants	Total Nonmajor
		Development Block		Reinvestment Act	State Grants	Other Grants			
		Grants	Grants	Grants					
2011_38132	NUTRITION & PHY ACT	-	-	-	-	-	39,247	-	39,247
G7110020	ARRA-STRENGTHENING COMMUNITIES	-	-	21,783	-	-	-	-	21,783
2011_38248	MOTHER FRIENDLY WORKSITE INIT	-	-	-	-	-	7,506	-	7,506
CPSLRNHP11	ELP0090 CPS LRN HPP FY11	-	-	-	-	-	27,239	-	27,239
G4110180	HIV SCREENING	-	-	-	-	-	(1)	-	(1)
G4111180	HIV SCREENING	-	-	-	-	-	126,791	-	126,791
G4111200	STD-HIV FEDERAL-DSHS -STD PREV	-	-	-	-	-	61,834	-	61,834
G4111230	HIV SURVEILLANCE - FEDERAL-DSH	-	-	-	-	-	5,636	-	5,636
G4112230	HIV SURVEILLANCE - FEDERAL-DSH	-	-	-	-	-	11,279	-	11,279
G4111110	RLSS-LPHS-DSHS	-	-	-	-	-	(19)	-	(19)
G4110130	CHS-FEE FOR SERVICE-DSHS	-	-	-	-	-	324	-	324
G4111130	CHS-FEE FOR SERVICE-DSHS	-	-	-	-	-	(850)	-	(850)
G7111RSAT	STATE FUNDED FY11	15,902	-	-	-	-	-	-	-
G7111RSDR	FEDERALLY FUNDED FY11	43,298	-	-	-	-	-	-	-
G7112RSAT	STATE FUNDED FY12	12,298	-	-	-	-	-	-	-
G7112RSDR	FEDERALLY FUNDED FY12	4	-	-	-	-	-	-	-
G7111FGDR	FEDERALLY FUNDED FY11	13,868	-	-	-	-	-	-	-
G7112FGAT	FGP STATE FY12	4,038	-	-	-	-	-	-	-
G7112FGDR	FEDERALLY FUNDED FY12	435,469	-	-	-	-	-	-	-
G12SW07A55	95.001 HIDTA STING FY2012	-	395,389	-	-	-	-	-	395,389
G12SW07A56	95.001HIDTA INTELLIGENCEFY2012	-	66,844	-	-	-	-	-	66,844
G12SW07A57	95.001HIDTA STASH HOUSE FY2012	-	212,383	-	-	-	-	-	212,383
G12SW07A58	95.001 HIDTA MULTI FY2012	-	74,741	-	-	-	-	-	74,741
G12SW07A59	95.001 HIDTA ENTERPRISE FY2012	-	1,656	-	-	-	-	-	1,656
G12SW07A60	95.001HIDTA TRANSPORTATIONFY12	-	4,827	-	-	-	-	-	4,827
G12SW07A61	95.001 HIDTA FUGITIVE FY2012	-	10,465	-	-	-	-	-	10,465
G2106210	G210621 OTHER HIDTA-OCDETF-06	-	3,642	-	-	-	-	-	3,642
G2109550	STING FY09	-	5	-	-	-	-	-	5
G2109560	INTELLIGENCE FY09	-	2	-	-	-	-	-	2
G2109570	STASH HOUSE FY09	-	1,394	-	-	-	-	-	1,394
G2110550	STING FY2010	-	14,365	-	-	-	-	-	14,365
G2110560	INTELLIGENCE FY2010	-	39,602	-	-	-	-	-	39,602
G2110570	STASH HOUSE FY2010	-	4,723	-	-	-	-	-	4,723
G2110580	MULTI FY2010	-	(5,241)	-	-	-	-	-	(5,241)
G2110590	ENTERPRISE FY2010	-	1,281	-	-	-	-	-	1,281
G2110600	TRANSPORTATION FY2010	-	7,230	-	-	-	-	-	7,230
G2110630	DHE STASH HOUSE FY2010	-	31,952	-	-	-	-	-	31,952
G2110650	DHE STING FY2010	-	6,543	-	-	-	-	-	6,543
G2111550	STING FY2011	-	962,055	-	-	-	-	-	962,055
G2111560	INTELLIGENCE FY2011	-	67,234	-	-	-	-	-	67,234
G2111570	STASH HOUSE FY2011	-	285,956	-	-	-	-	-	285,956
G2111580	MULTI FY2011	-	154,893	-	-	-	-	-	154,893
G2111590	ENTERPRISE FY2011	-	20,115	-	-	-	-	-	20,115
G2111600	TRANSPORTATION FY2011	-	19,649	-	-	-	-	-	19,649
G2111610	FUGITIVE FY2011	-	8,759	-	-	-	-	-	8,759
G2111630	DHE STASH HOUSE FY2011	-	29,047	-	-	-	-	-	29,047
G2111650	DHE STING FY2011	-	49,557	-	-	-	-	-	49,557
2010SST802	READY EL PASO CITIZEN CORPS CA	-	28,470	-	-	-	-	-	28,470
2010SST803	COMMUNICATIONS SYSTEM UPGRADES	-	645,333	-	-	-	-	-	645,333
2010SST805	HAZARDOUS MATERIALS RESPONSE T	-	300,000	-	-	-	-	-	300,000
2010SST806	REGIONAL SCBA PROJECT	-	663,125	-	-	-	-	-	663,125
2010SST807	PLANNING AND COLLABORATION PRO	-	28,042	-	-	-	-	-	28,042
2010SST808	HEALTH AND MEDICAL RMOC ENHANC	-	5,366	-	-	-	-	-	5,366
2010SST809	PEER TO PEER PROJECT	-	2,817	-	-	-	-	-	2,817
2010SST810	MANAGEMENT AND ADMIN OF 2010 U	-	37,321	-	-	-	-	-	37,321
2010SST811	P-25 INTEROPERABILITY COMMUNIC	-	237,657	-	-	-	-	-	237,657
2010SST812	INFORMATION AND INTEL. GATHERI	-	151,849	-	-	-	-	-	151,849
G2209060	ENHANCE RG INFO CTR	-	753	-	-	-	-	-	753
G2209080	MOBILE COMMAND POST	-	89,997	-	-	-	-	-	89,997
G2209100	PLAN AND COORDINATE UASI 08	-	(231)	-	-	-	-	-	(231)
G2209140	REGIONAL AHIMIT	-	(621)	-	-	-	-	-	(621)
G2209160	ADMIN FY08 HOMELAND SECURITY	-	33,307	-	-	-	-	-	33,307
G2210040	READY EL PASO CITIZEN CORPS CA	-	82,879	-	-	-	-	-	82,879
G2210050	DEVELOP ENHANCE PLANS, PROCEDU	-	179,305	-	-	-	-	-	179,305
G2210060	DEVELOP ENHANCE INTEROPERABLE	-	410,871	-	-	-	-	-	410,871
G2210070	EPWU	-	235,224	-	-	-	-	-	235,224

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds (Unaudited)
For the Year Ended August 31, 2012

		Nonmajor Governmental Funds							
Grant	Description	Community	Other Federal	American Recovery and	State Grants	Other Grants	Public Health	Nongrants	Total Nonmajor
		Development Block		Reinvestment Act					
		Grants	Grants	Grants					Governmental Funds
G2210090	PEER TO PEER	-	3,943	-	-	-	-	-	3,943
G2210110	SCBA	-	33,630	-	-	-	-	-	33,630
G2210120	USAR	-	457,306	-	-	-	-	-	457,306
G2210130	REGIONAL HAZMAT TEAM	-	11,660	-	-	-	-	-	11,660
G2210140	UASI 09_ M & A	-	1,348	-	-	-	-	-	1,348
G2210150	UASI-LEAP	-	741,312	-	-	-	-	-	741,312
G2206010	G220601 EMERGENCY MGMT FY06	-	(513)	-	-	-	-	-	(513)
G2211010	EPMG FY2011	-	97,047	-	-	-	-	-	97,047
G2212010	EPMG FY12	-	196,045	-	-	-	-	-	196,045
EMWF005557	AWARD FY10 ASSISTANCE TO FIREF	-	1,226,388	-	-	-	-	-	1,226,388
EMWFH00553	SAFER GRANT	-	766,572	-	-	-	-	-	766,572
G2110340	OPERATION STONEGARDEN-09	-	58,475	-	-	-	-	-	58,475
G2111340	OPERATION STONEGARDEN 10	-	1,566,311	-	-	-	-	-	1,566,311
2010SST813	MMRS	-	282,679	-	-	-	-	-	282,679
G2205060	G220506 MMRS'03 CONTRACT	-	-	-	(336)	-	-	-	(336)
G2210180	MMRS	-	214,403	-	-	-	-	-	214,403
2010SST814	SHSP	-	191,979	-	-	-	-	-	191,979
G2209030	SHSP	-	24,862	-	-	-	-	-	24,862
G2210160	SHSP	-	42,013	-	-	-	-	-	42,013
G2210170	SHSP-LEAP	-	76,131	-	-	-	-	-	76,131
09BZ240006	IPP BUFFER ZONE PROTECTION PRO	-	581,340	-	-	-	-	-	581,340
G2109120	2008 BUFFERZONE PP FY09	-	(1,522)	-	-	-	-	-	(1,522)
PCP10FI010	F. S. # 31	-	-	367,036	-	-	-	-	367,036
G4112200	STD-HIV FEDERAL-DSHS (STD PREV	-	-	-	-	-	76,422	-	76,422
G4112180	HIV SCREENING	-	-	-	-	-	290,229	-	290,229
G4112130	CHS-FEE FOR SERVICE-DSHS	-	-	-	-	-	194,998	-	194,998
G7111FGTY	FGCITY FOSTER GRANDP PROG F	13,055	-	-	-	-	-	-	-
G7111RSTY	RSVP CITY FY11	3,089	-	-	-	-	-	-	-
G7112FGTY	FGCITY FOSTER GRANDP PROG F	38,315	-	-	-	-	-	-	-
G7112RSTY	RSVP CITY FY12	75,389	-	-	-	-	-	-	-
G5311010	E-RATE FY2011	-	-	-	13,566	-	-	-	13,566
G4110030	MEXICAN CONSULATE	-	-	-	-	-	1,667	-	1,667
G5609030	LAS VILLITAS EXHIBIT DONATIONS	-	-	-	99,976	-	-	-	99,976
G71NSTDHCA	NSP -STATE FUNDED	-	-	-	60,518	-	-	-	60,518
2011TSK0	PASO DEL NORTE FOCUS EL PASO	-	-	-	-	-	199,446	-	199,446
G4110040	PASO DEL NORTE SEXUAL HEALTH	-	-	-	-	-	41,560	-	41,560
G4111030	MEXICAN CONSULATE	-	-	-	-	-	8,791	-	8,791
G4111340	ADRC	-	-	-	-	-	13,254	-	13,254
G4112030	MEXICAN CONSULATE	-	-	-	-	-	19,961	-	19,961
G5309050	MINOR LIBRARY GRANTS	-	2,751	-	-	-	-	-	2,751
G7134PS12	BORDERLAND VII	(978)	-	-	-	-	-	-	-
G7135PS14	MONTOYA HEIGHTS STREET & DRAIN	(3,853)	-	-	-	-	-	-	-
G7137PS17	PSBTILES SUBDIVISION BUTCHER	151,540	-	-	-	-	-	-	-
G71PSBGR02	BUCHER	-	-	2,752	-	-	-	-	2,752
G7136PS17	STILES DRIVE DODGE TO BUCHER-P	104,441	-	-	-	-	-	-	-
G7136PS19	GRAN CIMA STREET N DRAINAGE PS	38,508	-	-	-	-	-	-	-
G11038016	ZOONOSIS	-	-	-	-	-	40,020	-	40,020
G4109260	G410926 211 AREA INFO CENTER	-	-	-	-	-	18	-	18
G4110260	2-1-1 AREA INFO CENTER-HHSC	-	-	-	-	-	20,776	-	20,776
G4111260	2-1-1 AREA INFO CENTER-HHSC	-	-	-	-	-	1,164	-	1,164
G4112060	IMMUNIZATION	-	-	-	-	-	1,658,102	-	1,658,102
G4112260	2-1-1 AREA INFO CENTER-HHSC	-	-	-	-	-	232,409	-	232,409
2012038651	INFECTIOUS DISEASE CONTROL-FLU	-	-	-	-	-	4,950	-	4,950
G2111020	ABTPA FY11	-	-	-	293	-	-	-	293
G2112020	ABTPA FY12	-	-	-	1,539,986	-	-	-	1,539,986
G2111200	GANG SUPPRESSION	-	-	-	3,802	-	-	-	3,802
G2111400	CJD GANG INITIATIVE FY11	-	-	-	3,190	-	-	-	3,190
G4110170	FAMILY PLANNINGSRVCSGRANT-FY10	-	-	-	-	-	1,392	-	1,392
G4111170	FAMILY PLANNING	-	-	-	-	-	2,000	-	2,000
G4111070	TB PREVENTION AND CONTROL-DSHS	-	-	-	-	-	2,308	-	2,308
G4111140	LABORATORY RESPONSE NETWORK-CP	-	-	-	-	-	183	-	183
G4112070	TB PREVENTION AND CONTROL-DSHS	-	-	-	-	-	561,230	-	561,230
G5811040	HTX 2011-4107 SETTLEMENT LEGAC	-	-	-	149	-	-	-	149
P09PA0020	SANDSTONE RANCH PARK	-	-	-	207,764	-	-	-	207,764
G5311020	LOAN STAR LIBRARIES FY11	-	-	-	1,153	-	-	-	1,153
1233666	STATE TCA FY12	-	-	-	2,000	-	-	-	2,000

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds (Unaudited)
For the Year Ended August 31, 2012

Nonmajor Governmental Funds									
Grant	Description	Community	American Recovery and					Total Nonmajor	
		Development Block Grants	Other Federal Grants	Reinvestment Act Grants	State Grants	Other Grants	Public Health		Nongrants
2010SST815	SHSP LEAP	-	2,995	-	-	-	-	-	2,995
2011BX3043	BJA 2011 BYRNE JAG-COUNTY LEAD	-	-	86,409	-	-	-	-	86,409
2013TSK0	PASO DEL NORTE SEXUAL HEALTH	-	-	-	-	-	35	-	35
G_41AU2012	LOCAL/UTHSC-HOUSTON	-	-	-	-	-	8,244	-	8,244
G0808010	BRAC OEA FY08	-	334	-	-	-	-	-	334
G2012_0176	TJJD/JPD JUVENILE DIVERSION/PR	-	-	-	5,424	-	-	-	5,424
G2112140	PACT360 COMMUNITY EDUCATION PR	-	1,845	-	-	-	-	-	1,845
G2206030	G220603 FIRE SPECIAL OPS -EPA	-	(12,787)	-	-	-	-	-	(12,787)
G2207010	G220701 EMPG FY2007	-	513	-	-	-	-	-	513
G3710010	TRANS ENGY EFF ALT FUELS	-	-	127,294	-	-	-	-	127,294
G4108090	ENVIRONMENTAL HEALTH GROUP-FY0	-	-	-	-	-	(1,394)	-	(1,394)
G4109080	G410908 CHC-POP BASED DSH	-	-	-	-	-	1,234	-	1,234
G4112110	RLSS-LPHS-DSHS	-	-	-	-	-	154,108	-	154,108
G4113220	BIO TERRORISM LAB-DSHS	-	-	-	-	-	243	-	243
G5312030	TSLAC	-	192,309	-	-	-	-	-	192,309
G5410020	TCA OPERATIONS FY 10	-	-	-	210	-	-	-	210
G5412010	TCA EDUCATION	-	-	-	1,249	-	-	-	1,249
G5412020	TCA OPERATION	-	-	-	6,471	-	-	-	6,471
G5512010	TCA OPERATIONS	-	-	-	7,364	-	-	-	7,364
G5512020	TCA SUB GRANTING	-	-	-	13,861	-	-	-	13,861
G710RLFNT	UDAG CONTINGENCY	793	-	-	-	-	-	-	-
G71HSPBMI	STATEHHSPPMARKETINT	-	-	-	51,461	-	-	-	51,461
G71HSPGRF	STATEHHSPPGENERALREV	-	-	-	70,078	-	-	-	70,078
G71HSPHTF	STATEHHSPPHOUSINGTRS	-	-	-	903	-	-	-	903
MA04110136	LAMP PROJECT	-	-	-	52,051	-	-	-	52,051
OA1126440	INTERNET CRIMES AGAINST CHILDR	-	-	-	17,300	-	-	-	17,300
PHE02030	CITY-COUNTY HEALTH ADMIN PH 3	-	-	-	-	-	52,929	-	52,929
PWD1067P4000	THREE HILLS LOOP TRAIL	-	-	-	49,816	-	-	-	49,816
	LPA-G410125 PASO DEL NORTE FOUND-A	-	-	-	-	-	236,969	-	236,969
	LPA-G540109 OUTREACH	-	-	-	-	-	13,730	-	13,730
	SMG Contract	-	-	-	-	-	-	4,393,981	4,393,981
	TIRZ #5	-	-	-	-	-	-	175,762	175,762
	TRZ #2	-	-	-	-	-	-	939,263	939,263
	Economic Development	-	-	-	-	-	-	4,573,374	4,573,374
	Parkland Dedication	-	-	-	-	-	-	(477)	(477)
	Parks	-	-	-	-	-	-	1,084,275	1,084,275
	CVB	-	-	-	-	-	-	5,890,242	5,890,242
	Police	-	-	-	-	-	-	1,407,309	1,407,309
	Vehicle Storage Facility	-	-	-	-	-	-	773,160	773,160
	Police-Federal Confiscated	-	-	-	-	-	-	603,182	603,182
	Police-State Confiscated	-	-	-	-	-	-	567,052	567,052
	Zoo	-	-	-	-	-	-	2,534,705	2,534,705
	Art Museum	-	-	-	-	-	-	401,669	401,669
	Library	-	-	-	-	-	-	99,921	99,921
	History Museum	-	-	-	-	-	-	150,563	150,563
	Council Special Projects	-	-	-	-	-	-	18,070	18,070
	Municipal Court	-	-	-	-	-	-	536,977	536,977
	PEG	-	-	-	-	-	-	209,155	209,155
	Palo Verde	-	-	-	-	-	-	179,271	179,271
	Mayor	-	-	-	-	-	-	5,344	5,344
	Fire Department	-	-	-	-	-	-	22,139	22,139
	Lobbyist	-	-	-	-	-	-	23,633	23,633
	CD Donations	-	-	-	-	-	-	267,367	267,367
		\$ 16,775,615	13,700,792	8,011,978	2,510,191	250,699	12,307,264	24,855,937	61,636,861

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		Positive (Negative)
Fund balance, September 1	\$ 6,199,618	6,199,618	6,199,618	-
Resources (inflows):				-
Property taxes	69,752,764	69,752,764	69,842,811	90,047
Penalties and Interest - delinquent taxes	-	-	626,929	626,929
Interest received	-	-	84,760	84,760
Parking meter revenue	1,347,505	1,347,505	1,295,599	(51,906)
Federal tax credit - Build America Bonds	2,529,905	2,281,309	2,281,309	-
Face amount of refunding bonds issued	-	5,860,000	5,860,000	-
Premium on bonds issued	-	292,444	292,444	-
Net decrease in fair value of investment	-	-	(2,592)	(2,592)
Transfers from other funds	5,642,141	2,364,511	2,364,511	-
Amounts available for appropriation	<u>85,471,933</u>	<u>88,098,151</u>	<u>88,845,389</u>	<u>747,238</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	35,945,000	33,163,773	33,163,773	-
Interest	44,597,237	43,085,580	43,085,580	-
Fiscal fees	77,004	166,428	142,855	23,573
Payment to refunding bond escrow agent:				
Refunding bond proceeds	-	6,090,257	6,090,257	-
From current assets	-	762,138	762,138	-
Total charges to appropriations	<u>80,619,241</u>	<u>83,268,176</u>	<u>83,244,603</u>	<u>23,573</u>
Fund balance, end of period	<u>\$ 4,852,692</u>	<u>\$ 4,829,975</u>	<u>5,600,786</u>	<u>770,811</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 (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
SAFETYEQUIPMENT	PUBLIC SAFETY EQUIPMENT	\$ 4,286,526
5821111176	ELP0064 RIDER 8	246,293
ART0905	ENVIRONMENTAL PRESERVATION	110,500
ART0906	CULTURAL TOURISM	44,803
ART0908	12.607 OEA FT BLISS	3,000
ART1001A	CULTURAL WORKS	54,552
ART1101	FY11 FOR 2% FOR THE ARTS	51,000
DEE00116	81.041 SECO SOLAR PANELS	900,000
G7809010	G780901 NEW MEXICO	230
G7810020	TEXAS	6,582
G7811010	NM FUND 05042	3,310
G7811020	TX FUND 05043	131,598
G7812010	NM FHWA-FTA GRANT	74,051
G7812020	TEXAS FHWA-FTA GRANT	1,406,727
HQ5110047	12.607 OEA FT BLISS	507,588
P08FC0010	NORTHWIND WALL CONSTRUCTION	2,887
P09PA0010	OPEN SPACE-TRAIL PROJECTS D1	21,359
P09PA0040	CHUCK HEINRICH PARK IRRIGATION	89,318
P09ST0020	INTELLIGENT TRNSPORTN SYS EXP	1,433,088
P09ST0030	VIDEO SURVEILLANCE & COUNT STA	432,458
P09ST0040	SCHWABE & COOLEY DRAINAGE IMPR	29,617
P09ST0050	PASODALE SUBDIVISION PHASE 3	1,010,680
P09ST0150	LINCOLN MIDDLE SCHOOL FLASHERS	6,550
P09ST015A0	LINCOLN FLASH-MULBERRY-WARRIOR	39,546
P09ST0170	BURGESS HIGH SCHOOL FLASHERS	43,365
P09ST0180	MACARTHUR MIDDLE SCH. FLASHERS	33,803
P09ST0190	BARRON ELEMENTARY SCH FLASHERS	33,717
P09TX0010	INTERSECTION IMPV A 15 INT GEO	871,641
P09TX0020	TRAFFIC SIGNALS @ 15 LOCATIONS	982,720
P5013880	SAFTY FLASHER-PED SAFTY-OTHER	(4,947)
P5015520	TSL 508.3 MEMORIAL PK LIB RENO	4,947
P5015660	CIVIC CENTER CAPITAL IMPRVMTS	2,494,755
P5400010	CITY AUCTIONS	86,747
P540010CTY0	CAPITAL OUTLAY	78,357
P540010LEG0	CAPITAL OUTLAY	67,704
PAPADMINY060	2% FOR THE ARTS 2006 COS	254
PAPADMINY100	PUBLIC ART ADMINISTRATION	92,463
PAPADMINY110	FY2011 PUB ART ADMIN COSTS	33
PAPCULTOURY060	CULTURAL TOURISM GATEWAYS PROJ	231,684
PAPNEIGHPY060	NEIGHBORHOODS PROJECT	28,000
PART10ACLVSQ0	CLEVELAND SQUARE PARK IMPRVMNT	103,407
PBE04FC1020	CARLSON-ELLIOT PUMP STN	155,307
PBE04FI1020	FIRE STATION #31	6,096
PBE04LI1020	MEMORIAL PRK BRANCH	270
PBE04ST1150	LEE BLVD PHASE II	200,682
PBE04ST1170	MONTOYA HEIGHTS PHASE 1	180
PBE04ST1180	MONTOYA HEIGHTS PHASE 2B	47,700
PBE04ST1240	OPEN SPACE ENHANCEMENT DIST 2	4,175
PBE04ST124E0	PORTLAND AVE OPEN SPACE IMPRV	18,074
PBE04ST1270	ROSEWAY ST & DNG PHASE I	129,433
PBE04ST127A0	ROSEWAY ST & DRNG PH II	115,570
PBE04ST1390	UPPER VALLEY RD ST & DRNG	732,767
PCP_12FC01	FRED WILSON POND	3,921
PCP_12MF07	F.S. 29_WATER HEATER	3,700

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PCP_12MF13	F.S. 24 CONCRETE DRIVEWAY	1,350
PCP_12MF46	F.S. 29 CERAMIC TILE	7,784
PCP_12MF56	PEBBLE HILLS REG COMM LIGHTING	7,225
PCP_12MT01	EL PASO STREETCAR	501,926
PCP06MF0010	ADA COMPLIANCE CITYWIDE	39,362
PCP06MF001B0	SIDEWALK CONNECTIVITY	(111,125)
PCP06MF001D0	SUN METRO SIDEWALK CONNECTIVIT	2,478
PCP06NA001D2C0	NEWMAN PARK IMPROVEMENTS UPGRA	7,980
PCP06NA001D3D0	FREDERICK SIDEWALK IMPROVEMENT	29,350
PCP06NA001D4A0	TODD WARE PARK	1,620
PCP06NA001D6C0	LA MORENITA PARKWAY IMP.	870
PCP06NA001D7B0	THOMAS MANOR PARK	5
PCP06NA001D8G0	BOYS CLUB PARK HANDBALL COURT	43,285
PCP06ST0090	CBD PHASE IV ST & DRAINAGE	204,079
PCP06ST0100	CARNEGIE ST & DRNG PHASE I	136,299
PCP06ST0110	STREET RESURFACING 2007	8,407
PCP06ST012A0	UV RIVER RUN@COUNTRY C. TRAFFI	56,822
PCP06ST0130	SIGNAL-FLASHER INSTALL CP06	49,636
PCP06ST0150	ARTERIAL STREET LIGHTING CP06	68
PCP06ST015A0	ARTERIAL ST LIGHT HAWKINS MED	(129,051)
PCP06ST022A0	BICYCLE PATHS - CITY WIDE	18,168
PCP06ST022B0	OREGON STREET RECONSTRUCTION	1,704,122
PCP06ST022E0	ISELA RUBALCABA EXTENSION	71,390
PCP06ST0230	2006 CP UNALLOCATED	293,673
PCP08LI010	CIELO VISTA LIBRARY RELOCATION	3,671
PCP08MF010	2008 REPROGRAMMING UNALLOCATE	97,096
PCP08MF01L0	FAC. REHAB. ROOF-MEMORIAL LIB	68
PCP08MF01M0	FAC. REH. ROOF-LSCHWARTZ LIB	26,234
PCP08MF01O0	FAC. REH. ROOF-HAWKINS POOL	68
PCP08MF01P0	FAC. REH. ROOF-SHAWVER PARK	8,394
PCP08MF01R0	CITY HALL RE-ROOFING	10,049
PCP08MF01S0	CITY HALL COOLING TOWER	2,813
PCP08MF01T0	ZOO ROOFING 2011	20,056
PCP08MF01U0	MAIN LIBRARY_WATER INFILTRATIO	1,733
PCP08MF01V0	MAIN LIBRARY_ROOF RECOAT	6,207
PCP08MF020	FACILITY REHAB LIGHTING	33,538
PCP08MF02A0	ZOO LIGHTING 2011	578
PCP08MF03LI0	DORRIS VAN DOREN LIBRARY ROOF	6,925
PCP08NI02A0	CHAMIZAL IMPROVEMENTS	950
PCP08PA000	PARKS UPGRADE-2008 REPROGRAMIN	5,220
PCP08PA010	PARKS PROPORTIONALITY	45
PCP08PA01A0	HUECO MOUNTAIN PARK	(127)
PCP08PA01AA0	TIERRA DEL ESTE #50A	15,700
PCP08PA01AAA0	NATIONS TOBIN SPORTS FENCE	4,933
PCP08PA01B0	PASEOS DEL SOL PARK PHASE I	14,873
PCP08PA01BB0	TIERRA DEL ESTE #50B	12,710
PCP08PA01C0	BARTLET LANDING PARK	69,508
PCP08PA01CC0	TRES SUENOS #1	315
PCP08PA01GG0	MONTWOOD HEIGHTS PARK	(22,179)
PCP08PA01M0	ESMERALDA PARK	(584)
PCP08PA01N0	HUECO CLUB ESTATES #1	480
PCP08PA01O0	HUECO CLUB ESTATES #2 PARK	(64)
PCP08PA01QQ0	MESQUITE TRAILS OFFSITE	119,089
PCP08PA01RR0	TIERRA DEL ESTE #52 OFFSITE	105,742

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PCP08PA01SS0	TIERRA DEL ESTE #58	23,000
PCP08PA01TT0	TIERRA DEL ESTE #60	26,291
PCP08PA01UU0	TIERRA DEL ESTE #61	60,806
PCP08PA01V0	WESTSIDE DOG PARK	(143,853)
PCP08PA01VV0	VENTANAS 1	54,514
PCP08PA01WW0	VENTANAS #2	19,999
PCP08PA01XX0	NE REGIONAL SPORT FIELD FENCE	49,508
PCP08PA01YY0	GALATZAN SPORT FIELD FENCE	5,827
PCP08PA02D0	PARKS PERIMETER LIGHTING	11,256
PCP08PA05B0	PALO VERDE PARK PLAYGROUND	(235)
PCP08ST04D10	ST. LIGHT INSTALLATION D1	2,114
PCP08ST04D20	ST. LIGHT INSTALLATION D2	2,608
PCP08ST04D30	ST. LIGHT INSTALLATION D3	3,261
PCP08ST04D50	ST. LIGHT INSTALLATION D5	11,350
PCP08ST04D60	ST. LIGHT INSTALLATION D6	9,400
PCP08ST04D70	ST. LIGHT INSTALLATION D7	5,562
PCP08ST04D80	ST. LIGHT INSTALLATION D8	4,205
PCP08ZO0010	ZOO WESTERN EXPAN CONTINGENCY	8,171
PCP09CMP0020	MESA RTS	195,160
PCP09DR0010	GEORGE DIETER DRAINAGE IMPROVS	143,403
PCP09IT0010	FIBER INTERCONNECT	846,373
PCP09IT0020	IT TELEPHONE UPGRADE	212,663
PCP09MF0010	FACILITY REHABILITATION - 2009	40,386
PCP09MT0040	MISSION VALLEY TRANSIT TERM	48,347
PCP09MT0070	NORTHGATE TRANSIT TERMINAL	2,700,479
PCP09MT0080	SUN METRO MX AND OPS FACILITY	(1,738,495)
PCP09MT0090	ADA CURB CUTS & SHELTERS	562,236
PCP09MT0100	BUS PURCHASES	15,100
PCP09MT0110	MONTANA RTS	83,726
PCP09MT0120	DYER RTS	113,559
PCP09MT0140	TRANSFER CENTER REHABILITATION	48,133
PCP09ST0020	ALAMEDA RTS	1,023,818
PCP09ST0030	ANGORA LOOP & DYER TRAF SIGNAL	7
PCP09ST0030O	EL DORADO ACADEMY-SCH FLASHERS	2,340
PCP09ST0040	NEIGHBORHD TRAF MGMT PROGRAM	43,289
PCP10BND0010	2010 BOND COSTS	138,228
PCP10BND0020	2010 BOND COSTS-TRANSPORTATION	16,264
PCP10FI010	F. S. # 31	703,743
PCP10FI020	F. S. # 37 CONSTRUCTION	102,907
PCP10HE010	ANIMAL SHELTER	158,758
PCP10IB001C0	REHAB & CONST. - LIONS PLACITA	259,349
PCP10IB001D0	PED BRIDGE CANOPIES-STANTON	262,062
PCP10IT010	IT CAPITAL ACQUISITIONS	40,262
PCP10IT02A0	DATA CENTER-(EPCC ADMIN BLDG)	5,453,904
PCP10IT02B0	CW NETWORK INFRASTRUCTURE	33,429
PCP10MF010	FACILITY REHABILITATION	49,715
PCP10MF01A0	FACILITY REHAB-AB FALL MANSION	(77,462)
PCP10MF01B0	CITY HALL ENTRYWAY REPAIR	26,737
PCP10MF020	PROPERTY ACQUISITIONS	2,378,609
PCP10MF2A0	NORTHGATE MALL ACQUISITION	45
PCP10ST01G0	TRAF SIGNAL-RESLERDESERT PASS	1,750
PCP10ST030	SIDEWALK IMPROVEMENTS	973,947
PCP10ST03A0	CALVARY MAN PRKWAY IMP	52,229
PCP10ST03B0	2011 SIDEWALK GAP	9,495

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PCP10ST040	NGHBRHOOD TRAFFIC-PROGRAM PH 1	2,543
PCP10ST050	NGHBRHOOD TRAFFIC-PROGRAM PH 2	216,612
PCP10ST060	COUNTRY CLUB ROAD	227,492
PCP10ST070	ST RECONST - SAN ANTONIO	301,163
PCP10ST080	2010 STREET RESURFACING	436,004
PCP10ST08A0	HAWKINS RESURFACING	288,260
PCP10ST090	BATAAN RAILWAY RECONSTRUCTION	151,164
PCP10ST12A0	ROJAS DR MEDIAN LANDSCAPE	428,183
PCP10ST130	UNPAVED ROWS-ELP PM REDUCT	(46,187)
PCP10ST140	ST RECONST - MONTWOOD	192,190
PCP10TRAN010	COUNTRY CLUB RD CONSTRUCTION	38,292
PCP10TRAN040	TXDOT MATCHES CP10	378,141
PCP10TRAN10A0	SAN JACINTO	24,321
PCP11MT030	MESA RTS MATCH	1,282,226
PCP11MT040	DYER RTS MATCH	2,500
PCP12FI010	FS #37 CONSTRUCTION 2012_13	17,179
PCP12FI030	F. S. # 513 2012_13	307,960
PCP12IT010	NETWORK INFRASTRUCTUR 2012_13	491,988
PCP12IT020	CABLE INFRASTRUCTURE 2012_13	216,296
PCP12IT030	VOIP 2012_13	141,132
PCP12IT040	FIBER-CONNECTIVITY 2012_13	256,419
PCP12IT050	IT SOFTWARE 2012_13	212,965
PCP12IT060	PEOPLESOFT RE-IMPLEME 2012_13	6,247,992
PCP12IT080	DEPT SOFTWARE-HARDWAR 2012_13	96,819
PCP12MF010	FACILITY REHAB CW 2012_13	419,643
PCP12MF01A0	MSC ELEVATOR	188,962
PCP12MFE010	MSC BLDG 3 CONVERT REFR SYS	53,625
PCP12MFE030	REFRIG AIR - S.J. REC CENTER	1,298
PCP12MFE040	REFRIG AIR - LEONA FORD	1,973
PCP12MFE050	WALK-IN COOLER - ZOO	18,600
PCP12MFE070	F.S. 26 WOMEN REST/LOCKER ROOM	10,859
PCP12MFE080	F.S. 20 WOMEN REST/LOCKER ROOM	5,066
PCP12MFE090	F.S. 19 WOMEN REST/LOCKER ROOM	5,516
PCP12MFE100	F.S. 8 WOMEN REST/LOCKER ROOM	5,358
PCP12MFE170	MAIN LIBRARY ENTRANCE REMODEL	28,283
PCP12MFG130	N.E.R.C. - AIR COIL UNIT	360
PCP12MFG270	F.S. 17 - REHAB KITCHEN	7,820
PCP12MFG300	F.S. 25 - REHAB KITCHEN	5,480
PCP12MFG350	GSD ACCTG OFFICE - FURNITURE	19,873
PCP12MFG400	ROOF RECOATING - MSC BLDG 4	765
PCP12MFG510	F.S. 20 CARPORT	4,973
PCP12MFG550	ENTRY REHAB - ART MUSEUM	40,200
PCP12MFG570	MULTIPLE GAS LINES - ZOO	78,782
PCP12MFG580	CARPET WORK - MEMORIAL LIBRARY	16,190
PCP12MFG600	TREE PLANTING - CITY WIDE	75,033
PCP12MFG610	F.S. 16 - REHAB KITCHEN	6,875
PCP12MFG660	4640 DELTA DR - DEMOLITION	9,691
PCP12MFG690	JCI - PH 3A - STREET LIGHTS	2,935
PCP12PRK01B0	PARK POND - SHAWVER	63,353
PCP12PRK01C0	PARK POND - SKYLINE	74,161
PCP12PRK01D0	PARK POND - GALATZAN-OXIDATION	49,196
PCP12PRK01F0	PARK POND - CAPISTRANO PH 1	49,147
PCP12PRK01G0	PARK POND - EDGEMERE & GUTHRIE	10,845
PCP12PRK01H0	PARK POND-VOCATIONAL@RIVERSIDE	93,581

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PCP12PRK01I0	PARK POND - JAMESTOWN	40,016
PCP12PRK020	PARK GENERAL IMPROVEMENTS	2,985
PCP12PRK02A0	MEMORIAL PARK TENNIS COURT	72,080
PCP12PRK02B0	DELTA POOL ENTRANCE	21,420
PCP12PRK02I0	CORONADO/BALBOA PARK IMPRVS	3,617
PCP12PRK02L0	RADFORD NEIGHBORHOOD PARK	22,687
PCP12SRTS010	SOCORRO INDEPENDENT SCH DIST	60,662
PCP12SRTS020	YISD - SOUTH REGION	24,149
PCP12SRTS030	YISD - NORTHERN REGION	63,929
PCP12SRTS040	YISD-MISSION VALLEY & NE REGIO	44,693
PCP12SRTS050	EPISD - WEST REGION	73,419
PCP12SRTS060	EPISD - NORTHERN REGION	57,568
PCP12SRTS070	EPISD - NORTH CENTRAL REGION	63,929
PCP12SRTS080	EPISD - CENTRAL REGION	56,523
PCP12SRTS090	EPISD - CENTRAL BUSINESS DISTR	77,094
PCP12ST010	NTMP PHASE 3 2012_13	359,541
PCP12ST030	SCHWABE CONSTRUCTION 2012_13	571,069
PCP12ST040	SIGNAGE 2012_13	595,539
PCP12ST060	STREET RESURFACING 2012_13	2,618,043
PCP12ST070	UNPAVED ROW 2012_13	364,077
PCP12ST080	SIGNALS & FLASHERS 2012 & 2013	233,976
PCP12ST08A0	DELTA ACADEMY FLASHERS	2,600
PCP12ST08C0	EL PASO HIGH IN-ROADWAY LIGHT	28,575
PCP12ST08D0	COLDWELL ELEMENTARY FLASHERS	2,600
PCP12ST08E0	JEFFERSON HIGH-SILVA SCHOOL	6,305
PCP12ST08F0	CHARLES MIDDLE SCHOOL FLASHERS	6,305
PCP12ST08H0	MIDWAY @ MIMOSA	141,498
PCP12ST08I0	MISSOURI @ DALLAS	70,371
PCP12ST08J0	SOCORRO @ OSCAR ALVAREZ	12,607
PCP12ST08K0	EDGEMERE @ R.C. POE	1,540
PCP12ST08L0	COTTON @ SAN ANTONIO	118,448
PCP12ZOO0	ZOO MASTER PLAN	59,150
PENCON0010	BANK OF AMERI LETTER OF CREDIT	22,978
PENCON0030	JCI2 ARRA INFRASTRUCTURE ENER	2,824,000
PENCON0040	PHASE III-B UTILITY COST REDUC	4,554,628
PFLESVC010	EQUIPMENT REPLACEMENT	1,857,259
PHE02030	CITY-COUNTY HEALTH ADMIN PH 3	20,770
PIF11FS010	VEHICLE STORAGE FACILITY	2,003,462
PIF11ZO010	ZOO SPLASH PAD	(244,092)
PIT090010	FY2009 IT ACTION PLAN	8,149
PMB00021300	CITY EQUIPMENT NOC	50,000
PMB00050040	BE CAP ACQ FIRE	2,028
PMF060010	CITY HALL UPGRADES FY 2006	2,850
PMF070020	CIP ADMINISTRATIVE COSTS	8,451
PMF080020	CENTRAL RECREATION CENTER	29,590
PPA10020	VALLEY CREEK PARK UPGRADE	317
PPA10050	TIERRA DEL ESTE 56 PRK UPGRADE	19,613
PPA10070	JORGE MONTALVO PARK IMPV	206,883
PPA10110	SOUTHSIDE PARK	108,349
PPA10120	BLACKIE CHESHER DUG-OUT	29,862
PPW00230	LEE BLVD. - MONTANA TO PRATT	(200,682)
PPW00460030	HIDDEN VALLEY-LOWER VALLEY PAR	1,420
PPW00460040	NORTHEAST REGIONAL PARK	99,167
PPW00460090	VALLEY CREEK PARK IMPROVEMENTS	502

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PPW00460230	BLACKIE CHESHER	2,431
PPW0046026YR20	MEMORIAL PARK AND POOL	17,284
PPW0046027YR20	EASTWOOD PARK NEW REC CTR	1,686
PPW0046029YR20	HACIENDA HEIGHTS AND POOL	32
PPW00460440	VISTA DEL SOL	33
PPW00460460	MCKELLIGON CANYON	16,795
PPW00540	ZARAGOZA OVERPASS	1,250
PQLPA1060	CIELO VISTA PARK	1,580
PQLPA1070	COLONIA VERDE PARK	19
PQLPA1110	DICK SHINAUT PARK	72
PQLPA1120	DOLPHIN PARK	9,542
PQLPA1150	ESTRELLA-RIVERA PARK	5,362
PQLPA1160	FRANKLIN PARK	17
PQLPA1180	GRANDVIEW PARK & POOL	1,642
PQLPA1190	H.T. PONSFORD PARK	509
PQLPA1210	INDIAN HEIGHTS PARK	825
PQLPA1220	IRWIN J LAMBKA PARK	162
PQLPA1230	J.P. SHAWVER PARK	94
PQLPA1240	JUDGE GALATZAN PARK	14,800
PQLPA1260	LORETTO-LINCOLN PARK	7
PQLPA1310	MODESTO GOMEZ PARK	3,902
PQLPA1320	MONTWOOD HEIGHTS PARK	24,561
PQLPA1350	MURCHISON PARK	121
PQLPA1360	WESTSIDE REC CENTER (NEW)	9,182
PQLPA1420	PALO VERDE PARK	292
PQLPA144A0	PAVO REAL BATH HOUSE RENOV	5,633
PQLPA1450	PEBBLE HILLS PARK	75
PQLPA1470	PICO NORTE PARK	45
PQLPA1500	ROSE GARDEN	1,451
PQLPA1530	SKYLINE YOUTH PARK	31
PQLPA1610	THOMAS MANOR PARK	1,355
PQLPA1680	WALTER CLARKE PARK	1,502
PQLPA1690	WASHINGTON PARK	1,523
PQLPA1710	WESTSIDE REGIONAL PARK (ALL P)	3,796
PQLPA172B0	WESTSIDE SPORTS COMPLEX PH II	60,858
PQLPA1740	YSLETA PARK	21,574
PQLZO1060	ZOO WESTERN EXPANSION	108,299
PSTM06FC0010	STORM 2006 MASTER	377,478
PSTM06PW260	LIND-RED-MULB-WAR (U.V. PH 1)	1,858
PSTM06PW260A	UPPER VALLEY IMPROVEMENTS PH 3	(5,104)
PSTM06PW26B	UPPER VALLEY PHASE 4 (LINDBERG	52,871
PSTM06PW26C	UV PH 1B-MCCUTCHEON BASIN-PUMP	49,181
PSTM06PW506	GOV'T HILLS OUTFALL-DURAZNO NE	(96,225)
PSTM06PW512	CHAN NO. 2 BUTTRFLD TRAIL APTS	336,803
PSTM06PW513	CHIHUAHUITA NEIGHBORHOOD	2,554,693
PSTM06PW516A	JOYCE CIRCLE PHASE II	77,188
PSTM06PW529	PUMP STATIONS ASSESS & REPAIR	108,524
PSTM06PW540	ZOO MASTER PLAN	3,281,556
PCP10MT010	ZOO MASTER PLAN	152,760
PCP12PRK02J0	ZOO MASTER PLAN	22,657
PCP12MFG650	ZOO MASTER PLAN	7,691
PCP12MFG680	ZOO MASTER PLAN	16,875
PCP12ST020	ZOO MASTER PLAN	2,792
PCP_12MF006	ZOO MASTER PLAN	68

CITY OF EL PASO, TEXAS
Schedule of Capital Projects (Unaudited)
For the Year Ended August 31, 2012

Project	Name/Description	Capital Projects Fund Expenditures and Transfers Out
PST070030	ZOO MASTER PLAN	5
PCP06ST012B0	ZOO MASTER PLAN	19,248
PSTM06PW542	FIBER OPTIC LINK TO CITY FACIL	19,141
PSTM06PW555	F.S. 24 CONCRETE DRIVEWAY	1,490,959
PSTM06PW556	SAIPAN	42,913
PSTM06PW640	MCKELLIGON CANYON	29,556
PSTM06PW516B0	JOYCE CIRCLE PHASE 3	(705,461)
P3900010	UTEP FIBER OPTIC CABLING	8,647
PUNALLOCATED0	UNALLOCATED DEBT ISSUANCE PROC	10,071,842
	TOTAL EXPENDITURES AND TRANSFERS OUT	<u>\$ 84,806,305</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, 2012

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
ASSETS:			
Cash and Cash Equivalents	\$ -	19,448,769	19,448,769
Investments	-	4,679,225	4,679,225
Receivables - Net of Allowances			
Interest	-	50,747	50,747
Trade	2,553	-	2,553
Due From Other Funds	-	782,444	782,444
Inventory	784,191	-	784,191
Capital Assets:			
Buildings, Improvements & Equipment, Net	56,756	-	56,756
TOTAL ASSETS	843,500	24,961,185	25,804,685
LIABILITIES:			
Accounts Payable	731,490	42,933	774,423
Accrued Payroll	62,068	18,098	80,166
Due to Other Funds	782,444	-	782,444
Compensated Absences	307,608	117,987	425,595
Other Postemployment Benefits	853,938	146,338	1,000,276
Net Pension Obligation	23,853	6,199	30,052
Claims and Judgments	-	17,490,474	17,490,474
TOTAL LIABILITIES	2,761,401	17,822,029	20,583,430
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	56,756	-	56,756
Unrestricted(Deficit)	(1,974,657)	7,139,156	5,164,499
TOTAL NET ASSETS	(1,917,901)	7,139,156	5,221,255
TOTAL LIABILITIES AND NET ASSETS	\$ 843,500	24,961,185	25,804,685

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, 2012

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
OPERATING REVENUES:			
Sales to Departments	\$ 16,986,523	-	16,986,523
Premium Contributions	-	51,984,402	51,984,402
General Revenues	38,810	3,933,954	3,972,764
TOTAL OPERATING REVENUES	17,025,333	55,918,356	72,943,689
OPERATING EXPENSES:			
Personnel Services	4,064,701	1,080,611	5,145,312
Outside Contracts	265,425	3,179,970	3,445,395
Professional Services	-	1,231,842	1,231,842
Fuel and Lubricants	8,696,771	-	8,696,771
Materials and Supplies	3,104,459	16,636	3,121,095
Communications	14,223	956	15,179
Utilities	23,371	-	23,371
Operating Leases	70,797	6,804	77,601
Travel and Entertainment	1,210	1,219	2,429
Benefits Provided	1,484	49,945,682	49,947,166
Maintenance and Repairs	1,258,504	-	1,258,504
Other Operating Expenses	11,944	5,002	16,946
Depreciation	35,698	-	35,698
TOTAL OPERATING EXPENSES	17,548,587	55,468,722	73,017,309
OPERATING INCOME(LOSS)	(523,254)	449,634	(73,620)
NONOPERATING REVENUES (EXPENSES):			
Interest Revenue	-	59,916	59,916
Net Decrease in the Fair Value of Investments	-	(1,832)	(1,832)
TOTAL NON-OPERATING REVENUES	-	58,084	58,084
INCOME(LOSS)	(523,254)	507,718	(15,536)
Change in Net Assets	(523,254)	507,718	(15,536)
Total Net Assets - Beginning	(1,394,647)	6,631,438	5,236,791
Total Net Assets - Ending	\$ (1,917,901)	7,139,156	5,221,255

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2012

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 17,027,273	55,918,356	72,945,629
Payments to suppliers	(13,554,085)	(53,711,821)	(67,265,906)
Payments to employees	(3,921,007)	(1,011,707)	(4,932,714)
Proceeds (to) from other funds	464,391	(464,391)	-
Net cash provided by operating activities	<u>16,572</u>	<u>730,437</u>	<u>747,009</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(16,572)	-	(16,572)
Net cash (used) by capital and related financing activities	<u>(16,572)</u>	<u>-</u>	<u>(16,572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Investments	-	(4,679,225)	(4,679,225)
Interest	-	7,337	7,337
Net cash used in investing activities	<u>-</u>	<u>(4,671,888)</u>	<u>(4,671,888)</u>
Net increase in cash and cash equivalents	-	(3,941,451)	(3,941,451)
Balances - beginning of the year	-	23,390,220	23,390,220
Balances - end of the year	<u>\$ -</u>	<u>19,448,769</u>	<u>19,448,769</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (523,254)	449,634	(73,620)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	35,698	-	35,698
Compensated Absences	29,668	45,365	75,033
Other Post-employment Benefits	223,875	51,249	275,124
Net Pension Obligation	13,091	3,581	16,672
Change in assets and liabilities:			
Receivables, net	1,940	-	1,940
Inventories	93,510	-	93,510
Other assets	-	(464,391)	(464,391)
Accounts and other payables	264,984	(380,955)	(115,971)
Accrued expenses	(122,940)	1,025,954	903,014
Net cash provided by operating activities	<u>\$ 16,572</u>	<u>730,437</u>	<u>747,009</u>

PENSION TRUST FUNDS



CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
August 31, 2012

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (as of December 31, 2011)		Total
		Firemen Division	Policemen Division	
ASSETS				
Cash and Cash Equivalents	\$ 7,107,701	4,608,080	6,672,406	18,388,187
Investments:				
Mutual funds	38,905,131	-	-	38,905,131
Corporate stocks	287,906,360	-	-	287,906,360
Bank Collective Investment Funds	129,696,150	-	-	129,696,150
Private equities	-	4,940,255	7,153,393	12,093,648
Investment in Real Estate Funds	46,483,500	8,256,345	11,955,026	66,694,871
Fixed Income Securities	76,506,942	135,733,461	196,539,394	408,779,797
Domestic Equities	-	127,496,260	184,612,088	312,108,348
International Equities	-	120,945,075	175,126,099	296,071,174
Invested securities lending collateral	-	26,438,578	38,282,544	64,721,122
Receivables, Net of Allowances				
Commission Credits Receivable	120,958	-	-	120,958
Due from Brokers For Securities Sold	449,684	-	-	449,684
Employer Contributions	482,535	353,713	512,170	1,348,418
Employee Contributions	317,095	284,078	411,339	1,012,512
Other	276,655	-	-	276,655
Prepaid Items	27,384	-	-	27,384
Capital Assets:				
Buildings, Improvements & Equipment, Net	-	354,979	514,004	868,983
TOTAL ASSETS	588,280,095	429,410,824	621,778,463	1,639,469,382
LIABILITIES				
Accounts Payable	2,516,530	26,862,309	38,896,097	68,274,936
Deferred Revenue - Commission Credits	120,958	-	-	120,958
TOTAL LIABILITIES	2,637,488	26,862,309	38,896,097	68,395,894
NET ASSETS:				
Held in Trust for Pension Benefits and Other Purposes	\$ 585,642,607	402,548,515	582,882,366	1,571,073,488

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the Year Ended August 31, 2012

	FPPF Pension Trust Fund (as of December 31, 2011)			Total
	CEPF Pension Trust Fund	Firemen Division	Policemen Division	
ADDITIONS:				
Contributions:				
Employer	\$ 19,181,091	9,568,557	13,855,084	42,604,732
Employee	12,607,172	7,490,262	10,845,752	30,943,186
Total contributions	<u>31,788,263</u>	<u>17,058,819</u>	<u>24,700,836</u>	<u>73,547,918</u>
Investment income:				
Net appreciation in fair value of investments	43,642,344	(15,246,469)	(22,076,588)	6,319,287
Interest	1,306,942	3,595,673	5,206,464	10,109,079
Dividends	3,708,793	4,601,795	6,663,310	14,973,898
Securities lending income	146,097	66,819	96,752	309,668
Investment advisor fees	(2,090,358)	(1,773,714)	(2,568,303)	(6,432,375)
Net investment income	<u>46,713,818</u>	<u>(8,755,896)</u>	<u>(12,678,365)</u>	<u>25,279,557</u>
Other Income				
Rental and Other Income	-	9,241	13,382	22,623
Total other income	<u>-</u>	<u>9,241</u>	<u>13,382</u>	<u>22,623</u>
Total additions	<u>78,502,081</u>	<u>8,312,164</u>	<u>12,035,853</u>	<u>98,850,098</u>
DEDUCTIONS				
Benefits paid to participants	41,688,297	21,631,626	31,322,171	94,642,094
Refunds of contributions	2,605,377	1,486,105	2,151,852	6,243,334
Administrative expenses	1,108,470	596,630	637,806	2,342,906
Depreciation and amortization expense	-	51,839	75,062	126,901
Total deductions	<u>45,402,144</u>	<u>23,766,200</u>	<u>34,186,891</u>	<u>103,355,235</u>
Change in net assets	33,099,937	(15,454,036)	(22,151,038)	(4,505,137)
Net assets - beginning of the year	552,542,670	418,002,551	605,033,404	1,575,578,625
Net assets - end of the year	<u>\$ 585,642,607</u>	<u>402,548,515</u>	<u>582,882,366</u>	<u>1,571,073,488</u>

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, 2012

	September 1, 2011	Debits	Credits	August 31, 2012
ASSETS:				
Cash and Cash Equivalents	\$ 24,922,060	667,142,697	651,951,953	40,112,804
Investments	-	3,399,689	-	3,399,689
Uncollected Property Taxes	60,253,840	711,066,615	713,884,185	57,436,270
Special Assessment - PID #1	381,319	91	-	381,410
Due from Other Funds	3,562,096	-	174,546	3,387,550
TOTAL ASSETS	\$ 89,119,315	1,381,609,092	1,366,010,684	104,717,723
LIABILITIES:				
Prepaid Property Taxes	\$ 1,402,951	1,402,951	1,416,794	1,416,794
Payable to Bondholders - PID #1	381,319	-	91	381,410
Amount Available for Bond Payments	19,692		64,531	84,223
Accounts Payable to Other Entities	23,339,039	687,507,861	705,291,842	41,123,020
Property Taxes Subject to Refund	3,722,474	400,558	954,090	4,276,006
Uncollected Taxes	60,253,840	713,884,185	711,066,615	57,436,270
TOTAL LIABILITIES	\$ 89,119,315	1,403,195,555	1,418,793,963	104,717,723

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.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> 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.	116
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the City's most significant local revenue source, primarily property tax.	120
<i>Debt Capacity</i> 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.	128
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	133
<i>Operating Information</i> 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.	135

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for fiscal year 2012.

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

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related debt	126,666,660	124,115,981	130,003,295	140,935,012	139,848,416	139,689,930	132,325,231	140,704,047	124,744,895	161,946,395
Restricted	68,610,583	57,817,272	59,196,922	68,733,626	76,565,782	78,827,437	84,571,971	83,730,583	117,560,807	107,951,138
Unrestricted	<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>	<u>(193,238,211)</u>	<u>(202,129,390)</u>
Total governmental activities net assets	<u>192,230,389</u>	<u>197,479,521</u>	<u>152,700,049</u>	<u>142,476,297</u>	<u>113,814,683</u>	<u>73,856,619</u>	<u>60,149,683</u>	<u>44,370,448</u>	<u>49,067,491</u>	<u>67,768,143</u>
Business-type activities										
Invested in capital assets, net of related debt	173,824,992	206,129,774	215,569,993	217,502,256	249,477,785	264,968,805	286,906,206	291,226,434	287,678,085	289,979,525
Restricted	32,816,326	22,536,194	23,721,769	26,038,264	25,722,710	20,104,437	24,591,100	28,676,014	33,666,670	19,986,644
Unrestricted	<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>	<u>26,158,692</u>	<u>40,065,572</u>
Total business-type activities net assets	<u>228,669,184</u>	<u>227,564,670</u>	<u>250,560,897</u>	<u>260,767,055</u>	<u>280,878,943</u>	<u>296,151,529</u>	<u>321,772,962</u>	<u>330,758,470</u>	<u>347,503,447</u>	<u>350,031,741</u>
Primary government										
Invested in capital assets, net of related debt	300,491,652	330,245,755	345,573,288	358,437,268	389,326,201	404,658,735	419,231,437	431,930,481	412,422,980	451,925,920
Restricted	101,426,909	80,353,466	82,918,691	94,771,890	102,288,492	98,931,874	109,163,071	112,406,597	151,227,477	127,937,782
Unrestricted	<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>	<u>(167,079,519)</u>	<u>(162,063,818)</u>
Total governmental activities net assets	<u>420,899,573</u>	<u>425,044,191</u>	<u>403,260,946</u>	<u>403,243,352</u>	<u>394,693,626</u>	<u>370,008,148</u>	<u>381,922,645</u>	<u>375,128,918</u>	<u>396,570,938</u>	<u>417,799,884</u>

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

	2003	2004	2005	Fiscal Year		2008	2009	2010	2011	2012
				2006	2007					
Expenses										
Governmental activities:										
General government	33,524,492	39,267,475	41,324,544	32,236,865	35,819,019	43,886,275	41,473,314	43,627,560	40,876,977	40,717,526
Public safety	166,270,434	175,113,112	211,655,591	202,415,512	207,468,617	227,056,341	217,780,949	224,675,396	225,797,408	227,950,308
Public works	60,320,589	54,184,948	62,590,505	64,770,369	65,296,644	68,682,326	65,613,445	67,167,981	66,517,227	59,307,180
Public health	23,207,396	21,013,400	22,917,380	26,016,660	26,908,285	25,260,921	20,208,520	23,264,777	22,132,789	19,127,638
Parks	16,775,398	16,020,341	17,324,834	18,962,330	20,272,370	21,845,479	23,005,417	23,981,208	14,893,992	16,251,520
Library	7,545,588	5,828,037	7,581,934	7,156,480	9,223,454	10,345,730	9,860,118	9,588,320	12,407,171	12,348,089
Culture & recreation	11,235,927	11,348,870	10,842,574	13,083,810	15,856,297	16,395,281	19,155,478	23,421,037	24,845,626	24,926,399
Community & economic development	21,962,296	15,167,888	23,449,341	31,901,231	20,209,095	15,634,017	17,795,711	26,577,089	34,084,029	33,619,047
Interest on long-term debt	17,061,437	18,012,558	15,749,939	19,256,304	24,319,731	28,832,902	29,403,379	37,327,656	41,210,972	41,685,223
Total governmental activities expenses	357,903,557	355,956,629	413,436,642	415,799,561	425,373,512	457,939,272	444,296,331	479,631,024	482,766,191	475,932,930
Business-type activities:										
International airport operations	28,600,500	28,818,394	32,202,892	31,495,679	32,461,434	38,326,755	36,407,172	34,238,930	36,311,679	36,821,483
Industrial park and other operations				2,325,816	3,755,998	4,644,735	4,932,225	6,963,049	5,927,445	6,621,290
International bridges operations	2,843,756	3,029,436	3,550,111	3,920,870	3,531,138	3,928,808	30,284,090	4,169,933	4,559,555	4,518,896
Solid waste disposal operations	24,340,677	28,703,259	15,498,416	32,011,444	29,062,025	34,250,866	53,319,405	31,820,528	37,255,384	45,178,718
Mass transit operations	44,267,736	45,231,636	45,853,919	47,270,617	49,391,220	50,063,983	5,384,440	61,976,839	63,542,737	63,648,603
Total business-type activities expenses	100,052,669	105,782,725	97,105,338	117,024,426	118,201,815	131,215,147	130,327,332	139,169,279	147,596,800	156,788,990
Total primary government expenses	457,956,226	461,739,354	510,541,980	532,823,987	543,575,327	589,154,419	574,623,663	618,800,303	630,362,991	632,721,920
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,739,751	3,693,791	3,814,092	4,305,508	5,968,933	4,998,092	5,058,943	18,742,796	4,656,824	2,781,189
Public safety	31,389,279	35,591,997	28,741,771	18,447,269	3,507,046	9,849,732	28,596,962	23,181,322	17,117,960	29,076,320
Public works	7,620,905	11,280,055	15,374,828	15,896,953	22,729,186	20,296,636	11,833,895	20,742,690	15,095,949	14,448,143
Public health	3,537,388	4,349,549	2,390,038	4,523,753	4,287,063	4,509,889	4,873,005	1,816,579	5,201,141	4,407,176
Parks	2,811,911	3,038,679	2,739,742	4,804,378	3,979,702	4,794,272	3,559,409	2,204,995	4,079,600	3,824,281
Library	227,565		25,701	258,451	267,553	401,564	316,818	218,735	432,440	477,592
Culture and recreation	1,062,247	1,156,533	1,061,798	1,044,959	1,135,146	1,189,897	1,258,747	-	6,711,987	6,979,407
Community and economic development	4,476,487	2,829,346	188,986	5,976,060	4,258,063	8,988,255	5,310,286	3,633,827	2,850,308	2,700,812
Operating grants and contributions	39,087,412	37,667,385	43,994,501	53,903,277	32,231,046	35,994,679	45,550,140	56,433,774	66,901,773	69,209,583
Capital grants and contributions	7,007,936	12,933,126	10,189,398	14,749,088	10,553,676	1,795,839	1,167,076	6,317,325	7,368,422	4,946,190
Total governmental activities program revenues	99,961,061	112,540,461	108,520,855	123,909,696	88,917,414	92,818,855	107,524,920	133,292,043	140,416,404	138,850,693
Business-type activities:										
Charges for services:										
International airport operations	18,747,995	21,694,995	24,203,962	24,408,554	26,770,747	28,547,013	25,639,495	26,783,137	26,190,812	27,941,875
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	8,518,450	8,093,614
International bridges operations	11,116,917	12,000,216	14,192,515	14,613,388	14,415,189	16,677,381	41,310,894	16,124,924	16,475,270	16,151,847
Solid waste disposal operations	27,230,865	29,423,203	28,609,380	34,867,563	37,445,758	41,703,614	8,671,828	44,790,906	50,528,757	53,660,619
Mass transit operations	6,821,455	7,047,775	7,123,105	7,551,341	7,781,901	8,366,568	14,926,788	8,478,720	9,298,590	9,700,359
Operating grants and contributions	11,798,744	13,203,546	9,863,996	15,956,421	8,483,199	12,680,418	11,381,386	11,174,750	11,021,695	18,322,774
Capital grants and contributions	10,802,246	9,943,357	22,081,292	10,994,492	21,955,766	17,793,068	31,705,810	19,772,814	24,671,357	6,806,671
Total business-type activities program revenues	94,044,734	99,196,142	111,991,884	114,862,932	123,853,170	132,492,738	141,848,057	135,249,690	146,705,291	140,677,759
Total primary government activities program revenues	194,005,795	211,736,603	220,512,739	238,772,628	212,770,584	225,311,593	249,372,977	268,541,733	287,121,695	279,528,452
Net (Expense) Revenue										
Governmental activities	(257,942,496)	(243,416,168)	(304,915,787)	(291,889,865)	(336,456,098)	(365,120,417)	(336,771,411)	(346,338,981)	(342,349,787)	(337,082,237)
Business-type activities	(6,007,935)	(6,586,583)	(14,886,546)	(2,161,494)	(5,651,355)	(1,277,591)	(11,520,725)	(3,919,589)	(891,509)	(16,111,231)
Total primary government net expense	(263,950,431)	(250,002,751)	(290,029,241)	(294,051,359)	(330,804,743)	(366,398,008)	(348,292,136)	(350,258,570)	(343,241,296)	(353,193,468)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Ad valorem taxes	132,122,616	136,847,063	142,815,161	149,201,403	159,778,240	177,326,938	183,557,317	188,616,415	197,181,922	206,164,170
Sales taxes	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351	74,537,354	77,797,143	82,895,661	83,803,598
Franchise taxes	28,343,827	30,630,964	32,867,495	37,626,413	41,999,260	42,324,317	43,282,691	41,643,400	47,708,179	47,603,858
Gain on disposal of capital assets	-	-	-	1,474,788	1,844,241	1,986,385	596,134	1,048,337	474,204	65,589
Transfers	21,996,686	21,191,700	20,540,179	20,958,294	20,735,493	22,215,213	19,406,603	20,758,814	18,534,404	17,873,183
Investment earnings	1,781,773	1,740,215	2,791,459	4,330,894	6,805,242	3,637,149	1,684,376	695,637	252,460	272,491
Total Governmental activities	238,754,465	248,665,300	260,136,315	281,666,113	304,480,700	325,162,353	323,064,475	330,559,746	347,046,830	355,782,889
Business-type activities:										
Taxes										
Sales taxes	24,086,524	25,747,419	26,679,844	29,710,436	31,608,166	33,524,434	32,541,098	33,388,336	35,812,504	36,294,778
Investment earnings	872,646	926,350	1,970,016	3,325,583	3,901,695	2,513,155	953,273	261,553	236,058	278,386
Gain on disposal of capital assets	-	-	-	289,927	8,149	172,619	12,940	14,022	122,328	(60,456)
Transfers	(21,996,686)	(21,191,700)	(20,540,179)	(20,958,294)	(20,735,493)	(22,215,213)	(19,406,603)	(20,758,814)	(18,534,404)	(17,873,183)
Total business-type activities	2,962,484	5,482,069	8,109,681	12,367,652	14,782,517	13,994,995	14,100,708	12,905,097	17,636,486	18,639,525
Total primary government	241,716,949	254,147,369	268,245,996	294,033,765	319,263,217	339,157,348	337,165,183	343,464,843	364,683,316	374,422,414
Change in Net Assets										
Governmental activities	(19,188,031)	5,249,132	(44,779,472)	(10,223,752)	(31,975,398)	(39,958,064)	(13,706,936)	(15,779,235)	4,697,043	18,700,652
Business-type activities	(3,045,451)	(1,104,514)	22,996,227	10,206,158	20,433,872	15,272,586	25,621,433	8,985,508	16,744,977	2,528,204
Total	(22,233,482)	4,144,618	(21,783,245)	(17,594)	(11,541,526)	(24,685,478)	(11,914,497)	(6,793,727)	21,442,020	21,228,946

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
General Fund										
Nonspendable	-	-	-	-	-	-	-	-	2,878,463	3,355,895
Restricted	-	-	-	-	-	-	-	-	16,000,000	16,000,000
Committed	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Assigned	-	-	-	-	-	-	-	-	1,206,409	1,206,000
Unassigned	-	-	-	-	-	-	-	-	21,248,272	20,697,776
Reserved	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	22,047,051	17,363,518	17,202,918	15,790,210	22,602,463	19,098,542	19,765,158	22,303,546	-	-
Total general fund	<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>	<u>42,333,144</u>	<u>42,259,671</u>
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	-	-	41,991,410	29,970,681
Committed	-	-	-	-	-	-	-	-	9,624,521	7,099,623
Unassigned	-	-	-	-	-	-	-	-	(78,314)	(658,491)
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	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	5,577,479	510,765	499,449	842,041	1,388,518	2,528,122	210,206	220,285	-	-
Capital projects funds (Deficit)	58,944,445	31,014,149	13,147,988	19,383,110	19,687,079	8,910,475	(1,923,167)	14,202,947	-	-
Total all other governmental funds	<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>	<u>51,537,617</u>	<u>36,411,813</u>

* GASB Statement No. 54 was implemented in fiscal Year 2011

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Property Taxes	131,142,591	136,314,193	143,354,730	149,919,202	160,955,530	179,171,076	181,827,479	189,413,013	195,692,297	204,475,315
Sales Taxes	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351	74,537,354	77,797,143	82,895,661	83,803,598
Franchise Fees	28,343,827	30,630,964	-	34,683,663	44,753,181	40,726,042	43,847,569	41,045,692	48,792,624	47,488,491
Charges for Services	16,070,790	17,974,604	-	28,701,760	35,626,913	35,024,809	27,350,326	35,598,930	32,707,594	35,460,588
Fines and Forfeits	15,757,528	16,435,462	15,158,118	13,823,031	15,022,482	14,913,358	15,495,022	13,331,211	14,488,102	13,693,850
Licenses and Permits	7,027,975	8,656,832	10,119,783	10,622,692	12,247,930	12,397,740	11,142,329	14,070,414	13,385,089	12,480,350
Intergovernmental Revenues	46,095,348	43,692,655	51,519,022	57,411,949	40,979,531	35,616,877	44,789,387	62,282,226	71,946,473	71,351,964
County Participation	-	-	-	2,083,180	1,832,806	2,173,641	1,927,829	468,873	438,658	522,500
Interest	1,812,000	1,757,841	2,872,379	3,860,994	7,601,551	3,556,642	1,524,590	695,637	252,460	279,383
Rents and Other	9,559,643	17,142,729	-	9,628,008	5,792,472	4,185,507	3,637,303	4,172,020	4,962,315	2,365,059
Federal Tax Credit - Build America Bonds	-	-	-	-	-	-	-	785,097	1,885,064	2,281,309
Net Increase(Decrease) in the Fair Value of Investments	-	(17,626)	-	(276,034)	(12,500)	70,507	159,786	-	-	(6,892)
Total Revenues	310,319,265	330,843,012	284,146,053	378,532,766	398,118,120	405,518,550	406,238,974	438,875,159	467,446,337	474,195,515
Expenditures:										
General Government	26,244,962	27,316,891	28,606,052	26,752,926	28,372,232	33,348,474	33,948,460	32,187,985	29,761,804	30,217,350
Public Safety	157,049,358	165,893,165	169,556,821	176,661,936	283,911,882	195,823,226	304,389,128	202,352,627	205,894,506	214,353,521
Public Works	35,757,909	36,449,919	-	37,739,911	24,727,919	23,146,710	23,026,748	22,546,990	20,109,111	16,550,945
Public Health	22,359,589	21,555,610	-	24,906,214	26,202,064	24,231,993	18,943,820	21,896,971	20,822,385	17,945,544
Facilities Maintenance	-	-	-	-	14,862,618	15,305,363	15,889,876	13,199,006	22,578,339	24,668,278
Parks	14,165,341	14,891,894	15,134,311	16,519,085	17,669,603	18,182,874	18,751,833	20,213,999	10,960,660	11,502,661
Library	5,704,701	5,666,299	5,682,907	6,384,195	7,820,910	8,574,514	8,446,529	8,285,587	8,513,778	8,725,468
Non Departmental	881,312	891,060	1,771,003	1,485,256	5,168,597	5,540,947	4,030,705	5,132,818	5,441,674	5,967,334
Culture and Recreation	9,337,744	9,584,066	9,029,232	9,413,589	11,854,062	12,125,397	13,304,250	18,132,534	17,976,423	19,157,061
Economic Development	2,197,676	2,085,509	2,236,143	2,545,525	2,646,778	2,139,743	2,352,538	2,070,444	7,820,674	13,036,303
Mass Transportation	-	-	-	33,675	-	-	-	-	-	-
Solid Waste	47,471	10,022	25,634	195,848	-	-	88,357	374,229	-	-
Environmental Code Compliance	-	-	-	-	-	-	-	-	1,403,482	2,403,145
Community and Human Development	13,982,901	13,183,487	18,967,948	16,554,438	12,286,722	9,589,694	12,843,354	16,947,930	26,009,482	19,732,283
Capital Outlay	72,936,309	71,435,776	91,455,484	106,981,475	101,415,992	89,386,189	95,448,695	80,064,511	91,207,390	92,305,613
Debt Service:										
Principal	20,426,627	20,767,718	19,416,716	25,390,920	27,149,797	29,647,506	31,052,868	29,236,352	30,565,843	34,604,324
Interest	18,153,214	19,315,221	16,690,016	19,277,245	20,633,814	32,109,109	34,187,775	40,508,881	42,971,955	43,498,282
Arbitrage Rebate	279,702	-	-	-	-	-	-	-	-	-
Payment to Refunding to Bond Escrow Agent	-	-	1,508,975	-	1,360,000	-	448,428	-	-	762,138
Fiscal Fees	255,053	49,584	1,980,921	678,607	4,022,146	1,960,367	2,334,575	645,710	705,811	603,413
Total Expenditures	399,779,869	409,096,221	382,062,163	471,520,845	590,105,136	501,112,106	619,487,939	513,796,574	542,743,317	556,033,663
Excess (Deficiency) of revenues over expenditures	(89,460,604)	(78,253,209)	(97,916,110)	(92,988,079)	(191,987,016)	(95,593,556)	(213,248,965)	(74,921,415)	(75,296,980)	(81,838,148)
Other Financing Sources(Uses):										
Transfers from Other funds	24,446,476	23,567,019	25,419,672	34,116,535	33,517,166	34,849,405	24,987,947	24,884,388	25,898,830	20,405,547
Transfers Out	(2,199,791)	(2,375,319)	(4,879,493)	(13,158,241)	(12,781,673)	(12,634,192)	(5,581,344)	(4,125,574)	(7,364,426)	(2,532,364)
Face Amount of Bonds Issued	40,549,000	-	17,315,000	56,350,000	176,240,000	56,455,000	169,160,000	65,895,000	69,280,000	32,775,000
Face Amount of Commercial Paper Issued	13,000,000	20,500,000	39,500,000	20,000,000	-	-	-	-	-	-
Face Amount of Refunding Bonds Issued	-	29,265,000	152,190,000	-	95,190,000	-	16,020,000	-	-	5,860,000
Premium on Issuance of Bonds	132,763	2,047,876	10,228,013	2,190,648	5,707,251	1,448,213	3,793,396	2,903,204	57,868	3,162,848
Payment to Refunding to Bond Escrow Agent	-	(31,312,876)	(160,486,753)	-	(98,303,289)	-	(17,292,108)	-	-	(6,090,257)
Proceeds from Sale of Capital Assets	282,175	218,744	2,594,325	1,716,985	2,057,596	1,986,385	597,434	1,048,337	555,777	209,102
Loan Proceeds	-	-	-	-	-	-	11,100,876	3,984,677	-	12,849,000
Total other financing sources (uses)	76,210,623	41,910,444	81,880,764	101,215,927	201,627,051	82,104,811	202,786,201	95,375,129	88,428,049	66,638,876
Net change in fund balance	(13,249,981)	(36,342,765)	(16,035,346)	8,227,848	9,640,035	(13,488,745)	(10,462,764)	20,453,714	13,131,069	(15,199,272)
Debt service as a percentage of noncapital expenditures	11.15%	11.62%	11.60%	11.40%	9.24%	13.92%	11.87%	15.04%	15.70%	16.79%

City of El Paso
Assessed Value and Actual Value of Taxable Property
Last Ten 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
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
2011	21,406,568,964	8,932,627,921	2,003,452,781	32,342,649,666	2,637,355,590	29,705,294,076	1.327405
2012	21,523,966,671	9,690,750,314	2,181,622,777	33,396,339,762	2,767,034,262	30,629,305,500	1.373723

Source: El Paso Central Appraisal District

City of El Paso
 Direct and Overlapping Property Tax Rates
 Last Ten 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
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
2011	0.429236	0.229168	0.361196	0.192363	0.115442	1.327405	1.422100	1.235000	1.209794	1.330000
2012	0.442148	0.216256	0.408870	0.192363	0.114086	1.373723	1.422100	1.235000	1.274794	1.330000

* Formerly Thomason Hospital

Source: City of El Paso Consolidated Tax Office

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

Taxpayer	2012			2011			2010			2009			2008		
	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	\$ 422,701,481	1.38%	1	\$ 365,773,766	1.23%	1	\$ 437,864,181	1.48%	1	\$ 551,898,344	1.92%	1	\$ 484,120,783	1.85%
Sierra Providence Phy. Rehab.	2	236,236,986	0.77%												
El Paso Electric Co	3	216,671,496	0.71%	3	193,543,531	0.65%	4	177,389,488	0.60%	3	163,056,121	0.57%	3	156,901,556	0.60%
Simon Property Group	4	195,470,413	0.64%	5	182,874,385	0.62%	3	181,907,499	0.62%	2	183,991,161	0.64%	2	183,343,167	0.70%
River Oaks Properties, LTD	5	156,237,485	0.51%	4	185,268,519	0.62%	2	194,452,799	0.66%	4	162,897,474	0.57%	5	126,809,506	0.49%
Southwestern Bell Telephone	6	86,836,263	0.28%	6	100,291,294	0.34%	5	107,972,696	0.37%	6	117,617,702	0.41%	4	134,774,323	0.52%
Wal-Mart Stores Texas LLC	7	86,063,228	0.28%												
El Paso Outlet Center LLC	8	82,501,813	0.27%	10	50,922,114	0.17%	9	54,639,866	0.19%	10	43,911,665	0.15%			
Las Palmas Dunhill LLC	9	70,601,474	0.23%												
Texas Gas Service	10	66,182,411	0.22%	7	59,059,170	0.20%	10	53,331,350	0.18%	7	50,915,990	0.18%	8	49,585,780	0.19%
Tenet Hospitals L.P.				2	235,064,997	0.79%	6	77,541,744	0.26%	5	145,765,632	0.51%	6	90,943,244	0.35%
Cardinal Health 5 LLC				8	53,890,353	0.18%	7	71,978,445	0.24%						
Freeport-Mcmoran				9	52,294,195	0.18%									
Phelps Dodge Refining Group							8	54,871,102	0.19%	8	50,393,506	0.18%	7	64,418,453	0.25%
E I Du Pont Nemours & Co.										9	47,085,968	0.16%			
SFPP LP													9	36,242,542	0.14%
Time Warner Entertainment													10	35,190,910	0.13%
Hoover Co															
Texas Cable PTNRS LP															
Chevron U.S.A. Inc.															
Elcon Inc.															
T O T A L :		\$ 1,619,503,050	5.29%		\$ 1,478,982,324	4.98%		\$ 1,411,949,170	4.78%		\$ 1,517,533,563	5.28%		\$ 1,362,330,264	5.22%
Total Taxable Value:		\$ 30,629,305,500			\$ 29,705,294,076			\$ 29,532,322,376			\$ 28,720,179,301			\$ 26,112,240,496	

Taxpayer	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 **
Western Refining Company LP	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%
Sierra Providence Phy. Rehab.															
El Paso Electric Co	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%
Simon Property Group	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%
River Oaks Properties, LTD	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%
Southwestern Bell Telephone	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%
Wal-Mart Stores Texas LLC															
El Paso Outlet Center LLC															
Las Palmas Dunhill LLC															
Texas Gas Service	10	44,735,970	0.19%	10	40,003,890	0.19%	9	53,313,050	0.27%			0.00%			0.00%
Tenet Hospitals L.P.	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															
Freeport-Mcmoran															
Phelps Dodge Refining Group	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%
E I Du Pont Nemours & Co.															
SFPP LP															
Time Warner Entertainment															
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%			0.00%	10	43,123,211	0.25%
Chevron U.S.A. Inc.													3	106,817,743	0.62%
Elcon Inc.													10	46,752,306	0.26%
T O T A L :		\$ 1,132,566,289	4.81%		\$ 878,819,917	4.17%		\$ 876,529,103	4.43%		\$ 877,748,900	4.81%		\$ 882,600,712	5.13%
Total Taxable Value:		\$ 23,564,621,029			\$ 21,049,729,593			\$ 19,771,024,642			\$ 18,237,647,873			\$ 17,205,865,441	

Total Taxable Value:
** Real and Personal Property
Source: El Paso Central Appraisal District

City of El Paso
Property Tax Levies and Collections
Last Ten 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
2003	127,389,296	124,077,174	97.40%	2,929,949	127,007,123	99.70%
2004	131,298,376	128,160,345	97.61%	2,724,081	130,884,426	99.68%
2005	137,734,528	134,787,009	97.86%	2,403,368	137,190,377	99.60%
2006	146,635,617	143,887,888	98.13%	2,230,396	146,118,284	99.65%
2007	158,386,697	154,736,687	97.70%	3,139,486	157,876,173	99.68%
2008	175,451,542	171,835,488	97.94%	2,916,682	174,752,170	99.60%
2009	192,047,333	187,626,344	97.70%	3,460,270	191,086,614	99.50%
2010	197,879,934	193,767,422	97.92%	2,632,686	196,400,108	99.25%
2011	205,378,587	201,023,534	97.88%	2,046,520	203,070,054	98.88%
2012	214,165,086	209,993,596	98.05%	-	209,993,596	98.05%

Source: City of El Paso Consolidated Tax Office

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

Line Title	2004	2005	2006	2007	2008	2009	2010	2011
Personal income	15,957,191	17,099,830	18,409,671	19,654,556	21,314,594	22,073,477	23,046,767	24,695,912
Population (persons) 2/	702,433	708,683	720,756	727,828	738,416	751,296	803,995	820,790
Per capita personal income (dollars)	22,717	24,129	25,542	27,004	28,865	29,381	28,665	30,088
Earnings by place of work	12,906,338	13,635,289	14,627,346	15,316,408	16,069,599	16,300,650	17,330,276	18,515,223
less: Contributions for government social insurance 3/	1,179,837	1,245,932	1,313,767	1,393,671	1,463,623	1,528,667	1,636,976	1,567,031
Employee and self-employed contributions for government social insurance	602,116	637,364	682,735	726,524	770,077	797,537	836,740	699,714
Employer contributions for government social insurance	577,721	608,568	631,032	667,147	693,546	731,130	800,236	867,317
plus: Adjustment for residence 4/	(568,162)	(573,252)	(598,712)	(598,712)	(648,909)	(539,210)	(561,046)	(597,126)
equals: Net earnings by place of residence	11,158,339	11,816,105	12,714,867	13,264,023	13,957,067	14,232,773	15,132,254	16,351,066
plus: Dividends, interest, and rent 5/	1,687,410	1,866,370	2,078,992	2,418,813	2,935,510	2,926,514	2,425,549	2,650,141
plus: Personal current transfer receipts	3,111,442	3,417,355	3,615,812	3,971,720	4,422,017	4,914,190	5,488,964	5,694,705
Wage and salary disbursements	8,062,101	8,431,884	9,082,161	9,777,598	10,265,608	10,458,021	11,006,403	11,624,191
Supplements to wages and salaries	2,143,816	2,324,365	2,516,058	2,690,631	2,913,606	3,184,152	3,530,854	3,959,849
Employer contributions for employee pension and insurance funds	1,566,095	1,715,797	1,885,026	2,023,484	2,220,060	2,453,022	2,730,618	3,092,532
Employer contributions for government social insurance	577,721	608,568	631,032	667,147	693,546	731,130	800,236	867,317
Proprietors' income 6/	2,700,421	2,879,040	3,029,127	2,848,179	2,890,385	2,658,477	2,793,019	2,931,183
Farm proprietors' income	13,636	15,862	3,760	4,632	1,144	533	13,643	17,392
Nonfarm proprietors' income	2,686,785	2,863,178	3,025,367	2,843,547	2,889,241	2,657,944	2,779,376	2,913,791
Farm earnings	22,999	26,066	11,774	14,060	11,357	10,717	23,122	28,677
Nonfarm earnings	12,883,339	13,609,223	14,615,572	15,302,348	16,058,242	16,289,933	17,307,154	18,486,546
Private earnings	9,268,944	9,704,674	10,273,473	10,486,308	10,712,652	10,442,514	10,875,588	11,317,615
Forestry, fishing, and related activities	17,942	20,429	21,503	19,848	19,142	18,969	20,602	27,614
Forestry and logging	342	665	535	529	444	485	559	567
Fishing, hunting, and trapping	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Agriculture and forestry support activities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Mining	13,880	17,909	21,340	20,868	40,029	33,239	9,129	10,864
Oil and gas extraction	(D)	10,416	10,938	11,589	24,021	(D)	3,972	4,594
Mining (except oil and gas)	(D)	2,905	3,441	3,176	4,798	(D)	1,922	2,336
Support activities for mining	(D)	4,588	6,961	6,103	11,210	8,554	3,235	3,934
Utilities	89,811	98,698	107,053	107,443	107,621	112,209	114,875	120,613
Construction	715,122	788,624	819,817	975,771	963,499	885,573	1,330,340	1,250,228
Construction of buildings	255,350	294,103	300,444	354,937	332,836	287,290	466,763	456,307
Heavy and civil engineering construction	65,085	71,596	89,928	108,957	131,413	148,586	125,526	113,818
Specialty trade contractors	394,687	422,925	429,445	511,877	499,250	449,697	738,051	680,103
Manufacturing	1,376,171	1,321,977	1,506,146	1,384,801	1,343,425	1,228,443	1,058,945	1,196,438
Durable goods manufacturing	737,649	691,416	717,515	656,112	689,306	616,860	577,719	668,684
Wood product manufacturing	18,404	13,925	13,105	11,205	8,849	7,702	8,651	(D)
Nonmetallic mineral product manufacturing	81,269	100,912	124,267	93,842	85,296	83,782	56,245	55,938
Primary metal manufacturing	86,694	81,770	79,352	80,436	82,879	61,583	68,765	78,130
Fabricated metal product manufacturing	89,497	112,258	138,985	144,242	149,170	136,783	152,948	159,709
Machinery manufacturing	48,845	47,290	45,006	42,467	37,105	31,843	42,232	51,641
Computer and electronic product manufacturing	85,810	76,373	76,403	61,828	43,245	46,613	42,341	41,202
Electrical equipment and appliance manufacturing	112,981	101,905	88,901	79,517	80,870	100,090	84,875	138,789
Motor vehicles, bodies and trailers, and parts manufacturing	(D)	(D)	(D)	(D)	(D)	(D)	26,919	28,364
Other transportation equipment manufacturing	(D)	(D)	(D)	(D)	(D)	(D)	37,742	(D)
Furniture and related product manufacturing	22,887	22,075	21,564	16,846	13,927	12,515	13,013	12,947
Miscellaneous manufacturing	38,477	40,918	42,746	41,714	37,108	34,230	43,988	53,050
Nondurable goods manufacturing	638,522	630,561	788,631	728,689	654,119	611,583	481,226	527,754
Food manufacturing	79,899	78,269	84,081	78,349	82,848	81,616	78,548	79,231
Beverage and tobacco product manufacturing	19,649	19,388	18,544	18,493	19,187	20,027	20,794	21,789
Textile mills	18,363	16,088	14,346	16,783	17,662	10,964	13,492	15,825
Textile product mills	(D)	(D)	(D)	(D)	(D)	(D)	(D)	1,529
Apparel manufacturing	101,420	78,275	59,637	53,965	54,369	51,021	42,283	41,855
Leather and allied product manufacturing	29,073	33,157	35,521	33,479	33,771	34,274	34,528	38,877
Paper manufacturing	40,753	43,659	45,626	49,760	50,271	48,176	39,359	37,738

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

Line Title	2004	2005	2006	2007	2008	2009	2010	2011
Printing and related support activities	26,661	27,693	29,834	28,769	26,322	22,948	22,743	22,873
Petroleum and coal products manufacturing	(D)	(D)	(D)	(D)	(D)	(D)	(D)	170,401
Chemical manufacturing	130,655	130,225	159,198	141,858	130,864	112,581	46,541	49,900
Plastics and rubber products manufacturing	75,040	63,010	66,622	62,850	55,727	43,085	48,054	47,736
Wholesale trade	614,359	640,558	695,975	746,884	739,784	666,255	683,200	715,369
Retail trade	995,040	1,035,968	1,074,548	1,139,120	1,074,969	1,031,193	1,197,863	1,272,440
Motor vehicle and parts dealers	235,286	256,929	260,733	275,556	260,391	231,454	303,894	324,982
Furniture and home furnishings stores	31,110	33,392	36,713	37,847	35,342	30,705	33,527	33,029
Electronics and appliance stores	47,899	32,736	29,213	30,775	30,278	25,559	28,374	28,592
Building material and garden supply stores	56,840	68,584	80,311	82,481	73,578	70,503	73,816	71,491
Food and beverage stores	120,393	121,268	126,681	122,650	125,417	128,516	138,800	141,312
Health and personal care stores	72,606	76,298	81,569	84,471	84,413	87,806	93,918	124,746
Gasoline stations	47,562	49,335	50,710	77,028	51,302	50,616	52,651	45,959
Clothing and clothing accessories stores	71,497	75,698	83,226	89,746	87,992	87,079	101,798	106,739
Sporting goods, hobby, book and music stores	24,911	26,231	27,283	25,901	23,797	23,220	26,397	27,337
General merchandise stores	179,627	181,343	189,363	201,873	207,391	203,950	215,499	235,446
Miscellaneous store retailers	64,415	70,870	64,103	63,154	57,624	54,863	74,244	77,156
Nonstore retailers	42,894	43,284	44,643	47,638	37,444	36,922	54,945	55,651
Transportation and warehousing	749,435	818,882	867,714	912,978	913,520	867,800	888,105	940,470
Air transportation	23,938	28,520	30,374	32,920	34,950	32,208	36,683	41,242
Rail transportation	84,120	89,846	92,041	90,874	90,479	82,885	80,721	89,093
Water transportation	276	122	285	335	405	(D)	(D)	(D)
Truck transportation	363,421	399,242	439,396	482,649	430,992	407,911	392,278	390,655
Transit and ground passenger transportation	38,915	41,555	37,447	33,009	30,863	26,642	24,286	26,026
Pipeline transportation	(D)	(D)	(D)	(D)	(D)	127,142	163,666	200,173
Scenic and sightseeing transportation	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Support activities for transportation	79,495	92,358	95,072	98,522	105,118	93,967	85,332	88,033
Couriers and messengers	35,487	41,972	41,970	44,834	44,091	47,557	51,210	55,537
Warehousing and storage	51,363	47,635	46,560	44,264	55,916	47,710	52,143	47,846
Information	281,993	244,203	268,844	287,054	304,507	281,701	277,073	271,320
Publishing industries, except Internet	41,260	34,959	39,613	38,957	35,013	28,889	27,041	23,747
Motion picture and sound recording industries	14,768	(D)	4,531	(D)	(D)	(D)	(D)	(D)
Broadcasting, except Internet	54,593	52,741	58,785	62,623	65,246	61,180	49,331	31,143
Internet publishing and broadcasting 7/	-	(D)	(D)	(NA)	(NA)	(NA)	(NA)	(NA)
Telecommunications	150,833	130,282	141,707	148,501	170,681	159,791	168,212	182,081
ISPs, search portals, and data processing	(D)	21,119	23,659	29,793	26,501	22,867	24,647	26,619
Other information services 7/	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Finance and insurance	378,495	409,897	425,294	441,806	454,050	453,296	463,393	465,467
Monetary authorities - central bank	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Credit intermediation and related activities	198,831	218,595	207,188	221,439	226,021	225,800	234,113	238,566
Securities, commodity contracts, investments	31,493	32,400	41,758	41,600	40,016	33,431	53,357	52,235
Insurance carriers and related activities	137,143	147,052	163,698	160,000	168,291	174,123	163,743	162,790
Funds, trusts, and other financial vehicles	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Real estate and rental and leasing	851,157	914,837	982,217	700,977	807,556	777,218	594,089	653,102
Real estate	440,063	503,061	468,178	325,094	337,901	353,307	135,554	173,875
Rental and leasing services	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Lessors of nonfinancial intangible assets	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Professional, scientific, and technical services	409,448	455,258	503,107	541,924	579,530	578,884	588,990	610,083
Management of companies and enterprises	35,241	33,943	35,270	51,791	31,182	33,056	10,748	16,604
Administrative and waste management services	462,045	487,625	560,191	609,777	678,393	692,364	705,976	693,269
Administrative and support services	442,178	465,914	538,829	587,698	657,759	671,411	682,509	669,970
Waste management and remediation services	19,867	21,711	21,362	22,079	20,634	20,953	23,467	23,299
Educational services	72,043	75,168	81,849	89,291	93,547	95,197	106,955	117,018
Health care and social assistance	1,317,469	1,416,158	1,366,855	1,466,242	1,548,573	1,665,877	1,698,403	1,778,238
Ambulatory health care services	692,963	738,625	768,154	834,387	935,295	997,308	988,162	1,031,730

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

Line Title	2004	2005	2006	2007	2008	2009	2010	2011
Hospitals	405,794	418,070	342,064	354,968	345,177	382,882	428,376	457,115
Nursing and residential care facilities	76,473	75,656	83,986	106,782	90,829	94,954	99,460	107,308
Social assistance	142,239	183,807	172,651	170,105	177,272	190,733	182,405	182,085
Arts, entertainment, and recreation	54,702	54,458	57,058	56,623	54,958	56,071	49,797	48,345
Performing arts and spectator sports	(D)	(D)	(D)	(D)	23,863	25,485	18,011	19,611
Museums, historical sites, zoos, and parks	(D)	(D)	(D)	(D)	430	604	489	559
Amusement, gambling, and recreation	29,967	28,202	30,652	29,787	30,665	29,982	31,297	28,175
Accommodation and food services	400,609	406,182	410,059	435,657	454,456	468,047	510,437	543,099
Accommodation	44,605	42,791	40,160	46,612	44,357	46,758	43,665	46,064
Food services and drinking places	356,004	363,391	369,899	389,045	410,099	421,289	466,772	497,035
Other services, except public administration	433,982	463,900	468,633	497,453	503,911	497,122	566,668	587,034
Repair and maintenance	131,163	142,847	148,667	156,355	153,978	150,312	190,448	200,596
Personal and laundry services	97,319	111,686	100,236	105,484	101,475	100,526	109,047	114,831
Membership associations and organizations	175,324	178,610	186,322	198,453	209,048	210,252	234,847	236,595
Private households	30,176	30,757	33,408	37,161	39,410	36,032	32,326	35,012
Government and government enterprises	3,614,395	3,904,549	4,342,099	4,816,040	5,345,590	5,847,419	6,431,566	7,168,931
Federal, civilian	740,514	785,410	842,915	930,735	1,035,362	1,122,282	1,232,131	1,324,115
Military	864,483	998,363	1,278,836	1,504,349	1,803,601	2,087,420	2,443,205	3,042,101
State and local	2,009,398	2,120,776	2,220,348	2,380,956	2,506,627	2,637,717	2,756,230	2,802,715
State government	307,201	332,050	357,972	373,431	401,194	444,059	474,663	486,090
Local government	1,702,197	1,788,726	1,862,376	2,007,525	2,105,433	2,193,658	2,281,567	2,316,625

1. The estimates of earnings for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007 forward are based on the 2007 NAICS.
 2. Census Bureau midyear population estimates. Estimates for 2001-2009 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.
 (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

<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)

	<u>Calendar Year</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>	<u>2011</u>	<u>2012*</u>
Agriculture, Forrestry, Fishing	17	161	166	473	205	113	93	253	1,290	659
Mining	132	40	24	-	15	13	39	403	142	42
Construction	99,011	112,206	118,304	132,651	136,255	146,606	142,794	131,688	125,556	68,606
Manufacturing	148,023	151,906	165,985	168,140	187,616	184,715	156,361	123,465	128,046	69,657
Transportation, Communications & Utilities **	181,554	198,571	194,493	229,346	232,043	241,012	224,418	236,777	235,577	105,429
Wholesale Trade	195,552	236,296	237,256	253,011	283,054	287,643	301,133	302,515	301,374	148,759
Retail Trade	2,577,507	2,741,186	2,966,533	3,188,524	3,358,384	3,407,941	3,246,489	3,458,050	3,569,452	1,761,631
Finance, Insurance & Real Estate	76,153	84,249	98,610	112,040	102,498	95,936	84,763	82,522	81,316	40,823
Services **	870,096	908,032	983,950	1,052,362	1,116,597	1,165,328	1,165,965	1,106,523	1,300,410	668,158
Public Administration	-	1,202	2,911	2,621	3,711	4,058	3,914	4,609	5,058	2,746
Nonclassifiable Establishments	-	-	-	-	-	-	-	-	-	-
Other **	5,982	4,857	58	36	-	-	47	20	17	27
Total	<u><u>4,154,027</u></u>	<u><u>4,438,706</u></u>	<u><u>4,768,290</u></u>	<u><u>5,139,204</u></u>	<u><u>5,420,378</u></u>	<u><u>5,533,365</u></u>	<u><u>5,326,016</u></u>	<u><u>5,446,825</u></u>	<u><u>5,748,238</u></u>	<u><u>2,866,537</u></u>

* Based on two calendar quarters of 2012

** Industries varied in category beginning FY07

Source: Texas Comptroller of Public Accounts

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

Governmental Activities								
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligations	Note Payable	Commercial Paper	Total Government	Percentage of Actual Property Value	Per Capita
2003	174,625	1,600	185,496	-	20,000	381,721	2.145%	541.70
2004	162,330	-	176,403	-	40,500	379,233	2.085%	528.76
2005	262,955	-	70,387	-	79,500	412,842	2.082%	565.70
2006	303,150	-	61,046	-	99,500	463,696	2.203%	614.10
2007	520,415	-	88,000	-	-	608,415	2.582%	792.40
2008	554,630	-	80,631	-	-	635,261	2.433%	829.73
2009	637,485	-	135,648	11,101	-	784,234	2.731%	1,041.87
2010	612,835	-	197,966	14,076	-	824,877	2.793%	958.69
2011	586,965	-	263,632	12,994	-	863,591	2.907%	965.64
2012	564,070	-	275,434	24,516	-	864,020	2.821%	1,091.88

Business-type Activities							
Fiscal Year	Revenue Bonds	Certificates of Obligations	Contractual Obligations	Note Payable	Total Primary Government	Percentage of Actual Property Value	Per Capita
2003	35,930	24,998	241	10,129	453,019	2.546%	642.88
2004	38,660	21,756	-	9,255	448,904	2.468%	625.90
2005	33,930	18,478	-	8,585	473,835	2.390%	649.30
2006	32,010	15,159	-	8,094	518,959	2.465%	687.30
2007	30,030	12,510	-	7,383	658,338	2.794%	857.42
2008	27,565	12,439	-	12,753	688,018	2.635%	898.32
2009	25,025	9,977	-	11,686	830,922	2.893%	1,104.79
2010	23,100	18,943	-	10,577	877,497	2.971%	1,016.58
2011	37,800	24,648	-	15,105	941,144	3.168%	1,023.95
2012	36,100	32,186	-	13,264	945,570	3.087%	1,152.02

City of El Paso
Ratios of Net General Bonded Debt Outstanding
Last Ten 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
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
2011	800,647	29,706,294	875,245	6,208	869,037	2.925%	1,085.42
2012	820,790	30,629,306	871,690	8,739	862,951	2.817%	1,051.37

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, 2012
 (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	\$ 86,570	72.37%	\$ 62,651
El Paso County	235,836	88.68%	209,139
El Paso County Hospital District*	251,250	88.70%	222,859
El Paso Community College District	57,335	88.70%	50,856
El Paso Independent School District	445,189	99.52%	443,052
Socorro Independent School District	475,776	77.74%	369,868
Ysleta Independent School District	227,928	99.96%	227,837
<u>City direct Debt</u>	871,690	100.00%	871,690
Total direct and overlapping debt			<u><u>\$ 2,457,952</u></u>

* Known as University Medical Center of El Paso

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

City of El Paso
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 30,629,305,500
Debt limit (10 percent of assessed value)	3,062,930,550
Debt applicable to limit:	
General obligation bonds & other property tax supported debt	921,053,737
Less: Special Revenue Bonds	(49,363,737)
Amount set aside for repayment of general obligation debt	<u>(5,600,756)</u>
Total net debt applicable to limit	<u><u>\$ 866,089,244</u></u>

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	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	2,970,629,408	3,062,930,550
Total net debt applicable to limit	<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>	<u>869,036,686</u>	<u>866,089,244</u>
Legal debt margin	<u><u>1,430,476,539</u></u>	<u><u>1,549,304,299</u></u>	<u><u>1,668,539,024</u></u>	<u><u>1,739,990,276</u></u>	<u><u>1,980,252,837</u></u>	<u><u>2,094,619,037</u></u>	<u><u>2,128,816,221</u></u>	<u><u>2,101,592,722</u></u>	<u><u>2,196,841,306</u></u>
Total net debt applicable to the limit as a percentage of debt limit	21.9%	21.9%	20.7%	26.2%	24.2%	27.1%	27.9%	29.3%	28.3%

Source: City of El Paso Financial Statements 2003-2012

City of El Paso
Pledged Revenue Bond Coverage
Last Ten Fiscal years

Revenue Bond Coverage

El Paso International Airport						
Fiscal Year	Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2011	34,709,262	27,167,291	7,541,971	1,060,000	305,100	5.52
2012	36,035,489	27,406,774	8,628,715	1,100,000	1,108,829	3.91

Department of Environmental Services

Fiscal Year	Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2011	50,528,757	29,727,918	20,800,839	570,000	808,588	15.09
2012	53,660,619	35,879,654	17,780,965	600,000	780,088	12.88

Other Enterprise Funds

Fiscal Year	Gross Revenue	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2011	16,475,270	3,370,509	13,104,761	-	-	N/A
2012	25,852,206	66,551,586	(40,699,380)	-	-	N/A

Source: City of El Paso Financial Statements 2003-2012

¹ Does not include depreciation.

City of El Paso
Principal Employers
Last Six Fiscal Years

Employer	2012(a)			2011(c)			2010 (c)			2009 (c)			2008 (c)			2007 (a)		
	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	Employees	Rank	Percentage of Total City Employment
Fort Bliss	32,371	1	10.87%	13,000	1	3.98%	15,000	1	5.33%	6,376	3	2.36%	6,006	4	2.14%	10,000	1	3.66%
El Paso Independent School District	8,600	2	2.89%	10,000	2	3.06%	10,000	2	3.55%	8,995	1	3.32%	8,859	1	3.15%	9,000	2	3.29%
Ysleta Independent School District	7,155	3	2.40%	7,849	3	2.40%	8,601	3	3.06%	8,482	2	3.13%	8,767	2	3.12%	7,200	3	2.63%
T&T	5,587	4	1.88%	5,182	6	1.59%	8,260	4	2.94%	5,500	5	2.03%	4,876	6	1.74%	4,200	7	1.54%
City of El Paso	5,500	5	1.85%	6,272	4	1.92%	6,203	5	2.20%	6,143	4	2.27%	6,229	3	2.22%	6,000	5	2.19%
Socorro Independent School District	4,891	6	1.64%	6,122	5	1.88%	5,388	6	1.91%	5,388	6	1.99%	5,433	5	1.93%	5,041	6	1.84%
Wal-Mart	3,526	7	1.18%	4,080	9	1.25%	4,011	9	1.43%	4,770	7	1.76%	4,800	7	1.71%			
University of Texas at El Paso	3,000	8	1.01%	5,081	7	1.56%	4,929	7	1.75%	4,742	8	1.75%	4,365	8	1.55%	3,400	8	1.24%
Sierra Providence Health Network	3,980	9	1.34%													6,587	4	2.41%
University Medical Center	2,310	10	0.78%															
El Paso Community College				4,585	8	1.40%	4,249	8	1.51%	2,969	9	1.10%	2,997	9	1.07%			
County of El Paso				2,847	10	0.87%	2,474	10	0.88%	2,271	10	0.84%	2,976	10	1.06%			
Echostar Communications Corporation																2,900	9	1.06%
Del Sol/ Las Palmas																2,300	10	0.84%
T O T A L :	76,920		25.82%	65,018		19.92%	69,115		24.56%	55,636		20.56%	55,308		19.69%	56,628		20.70%

Total employed (b) 297,900 (b) 326,400 (b) 281,404 270,600 280,900 273,500

Note: Information for 2002-2005 not available

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

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

(c) Source: Office of Management and Budget, City of El Paso, October 2008, 2009, 2010, 2011

City of El Paso
Demographics and Economic Statistics
Last Ten 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.	
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%
2011	312,800,424	0.6831%	25,883,999	5.0108%	39,945	37,706	94.39%	9.6%
2012	315,249,622	0.7830%	26,403,743	2.0080%	41,560	40,147	96.60%	8.7%

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.ephomesearch.com projections

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

	2012			2011			2010			2009			2008			2007			2006			2005			2004			2003		
Funding Source	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	Non uniformed	Police	Fire
General Fund	2,176	982	801	1,827	1,014	796	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
Community Development Block Grants	56	-	-	38	-	-	46	-	-	51	-	-	47	-	-	45	-	-	41	-	-	42	-	-	50	-	-	53	-	-
Capital Projects Fund	15	-	-	5	-	-	5	-	-	4	-	-	2	-	-	4	-	-	3	-	-	-	-	-	3	-	-	3	-	-
Federal Grants	11	15	22	38	15	4	27	15	4	24	14	3	23	15	4	25	17	2	28	32	2	30	46	-	39	75	-	36	111	-
Federal Grants-ARRA	41	-	-	12	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Grants	9	11	-	9	11	-	7	12	-	11	9	1	16	9	-	20	10	-	17	9	-	16	11	2	16	11	2	18	8	2
Other Grants	1	-	-	2	-	-	2	-	-	1	-	-	1	-	-	1	-	-	1	-	-	2	-	-	1	-	-	10	-	-
Public Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153	-	-	157	-	-	150	-	-	149	-	-	156	-	-
Public Health-Grants	152	-	-	192	-	-	201	-	-	200	-	-	183	-	-	210	-	-	222	-	-	219	-	-	223	-	-	219	-	-
Nongrants	46	-	-	30	1	-	33	1	-	19	1	-	88	1	-	102	-	-	90	-	-	131	-	-	119	-	-	308	-	-
Supply and Support Funds	67	-	-	83	-	-	82	-	-	79	-	-	68	-	-	69	-	-	71	-	-	74	-	-	83	-	-	88	-	-
Self Insurance Funds	15	-	-	14	-	-	13	-	-	10	-	-	10	-	-	12	-	-	8	-	-	8	-	-	8	-	-	8	-	-
El Paso International Airport	219	22	30	221	22	28	223	22	30	227	21	28	223	22	29	230	23	28	223	19	29	210	11	22	206	17	-	203	20	-
International Bridges	52	-	-	54	-	-	54	-	-	54	-	-	52	-	-	46	-	-	46	-	-	43	-	-	43	-	-	48	-	-
Environmental Services	404	-	-	341	-	-	343	-	-	295	-	-	289	-	-	255	-	-	250	-	-	257	-	-	252	-	-	270	-	-
Mass Transit	620	-	-	622	-	-	627	-	-	608	-	-	569	-	-	564	-	-	556	-	-	567	-	-	567	-	-	597	-	-
Private Purpose Trusts	-	-	-	1	-	-	1	-	-	3	-	-	2	-	-	3	-	-	4	-	-	4	-	-	4	-	-	2	-	-
CRRMA Agency Fund	1	-	-	1	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CEPF	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	4	-	-	5	-	-
	<u>3,889</u>	<u>1,030</u>	<u>853</u>	<u>3,494</u>	<u>1,063</u>	<u>828</u>	<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>
# change from prior year	<u>395</u>	<u>(33)</u>	<u>25</u>	<u>18</u>	<u>(12)</u>	<u>1</u>	<u>(19)</u>	<u>(28)</u>	<u>(9)</u>	<u>85</u>	<u>(20)</u>	<u>29</u>	<u>(61)</u>	<u>35</u>	<u>16</u>	<u>139</u>	<u>33</u>	<u>(14)</u>	<u>22</u>	<u>(21)</u>	<u>28</u>	<u>(42)</u>	<u>9</u>	<u>(15)</u>	<u>(405)</u>	<u>(55)</u>	<u>(5)</u>	<u>438</u>	<u>(16)</u>	<u>1</u>
% change from prior year	<u>11.31%</u>	<u>-3.10%</u>	<u>3.02%</u>	<u>0.52%</u>	<u>-1.12%</u>	<u>0.03%</u>	<u>-0.56%</u>	<u>-2.49%</u>	<u>-1.12%</u>	<u>2.49%</u>	<u>-1.78%</u>	<u>3.59%</u>	<u>-1.76%</u>	<u>3.22%</u>	<u>2.02%</u>	<u>4.17%</u>	<u>3.13%</u>	<u>-1.74%</u>	<u>0.66%</u>	<u>-1.95%</u>	<u>3.60%</u>	<u>-1.25%</u>	<u>0.84%</u>	<u>-1.89%</u>	<u>-10.78%</u>	<u>-4.90%</u>	<u>-0.63%</u>	<u>13.20%</u>	<u>-1.41%</u>	<u>0.13%</u>

Activity	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety	2,374	2,345	2,341	2,366	2,372	2,328	2,219	2,212	2,231	2,298
Public Works	353	376	372	383	429	467	425	426	463	488
Public Health	261	310	316	318	302	372	379	369	372	375
Parks Department	437	292	274	305	297	282	349	389	376	614
General Government	340	246	249	264	260	275	336	331	331	375
Library	194	165	159	166	174	174	154	127	130	149
Culture and Recreation	168	155	150	148	121	136	46	40	44	51
Community and Human Development	44	58	63	57	58	58	55	53	62	60
Facilities Maintenance	158	36	35	37	-	-	-	-	-	-
Planning	24	15	15	47	47	13	14	13	12	13
Economic Development	11	38	40	15	14	14	9	7	10	14
Supply and Support Funds	67	83	82	79	68	69	71	74	83	88
Self Insurance Funds	15	3	6	10	10	12	8	8	8	8
Mass Transit	620	619	627	608	569	564	556	567	567	597
Environmental Services	446	317	315	296	289	255	250	257	252	270
El Paso International Airport	203	268	275	276	274	281	271	243	223	223
International Bridges	52	54	54	54	52	46	46	43	43	48
Private Purpose Trusts	-	-	-	-	-	-	-	-	-	-
CRRMA Agency Fund	1	1	1	1	-	-	-	-	-	-
CEPF	4	4	4	4	4	4	4	4	4	5
Total	<u>5,772</u>	<u>5,385</u>	<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>

City of El Paso
 Operating Indicators by Function/Program
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Public Safety										
Police										
Number of dispatch calls	461,353	471,691	483,369	468,818	482,388	536,979	523,725	517,528	477,546	466,771
Number of citations issued	330,453	370,192	322,985	313,241	347,491	350,543	349,249	345,477	336,458	306,783
Fire										
Number of service calls-Fire	-	-	-	-	23,023	21,933	21,861	21,765	24,032	22,745
Number of service calls-EMS	-	-	-	-	48,373	48,549	50,296	49,494	47,422	49,331
Public Works										
Capital improvement plan										
Number of Capital improvement projects	-	-	-	-	-	-	-	-	-	-
Department of Transportation										
Number of miles of street resurfacing	44.6	45.3	47.4	15.4	36.6	20.0	15.3	12.3	11.9	20.9
Public Health										
Number of clients served	-	-	-	-	-	-	267,536	285,480	310,008	247,481
Parks										
Number of athletic field permits issued	-	-	-	-	12,000	14,689	20,368	13,783	9,682	5,618
Number of users	-	-	-	-	30,000	30,000	34,000	36,362	38,960	43,000
Library										
Average monthly circulation	125,722	121,035	118,843	116,009	128,391	141,521	134,184	123,380	122,569	141,052
Culture and Recreation										
Number of museums	3	3	3	3	3	3	3	3	3	3
Number of users	75,000	67,186	75,000	158,000	141,090	143,848	137,802	167,328	133,753	136,500
Community and Economic Development										
Development Services										
Number of permits issued	31,750	21,898	25,367	33,607	34,651	35,300	37,869	44,071	28,722	29,045
International Airport Operations										
Number of Takeoff and Landings	114,381	116,273	112,115	103,084	99,903	100,571	96,437	102,731	94,983	95,514
Solid waste disposal operations										
Refuse collection (tons)	378,209	329,781	429,887	412,642	558,363	36,250	419,952	457,284	456,502	428,824
Recyclables collected (tons)	-	-	-	-	-	33,868	33,609	36,628	35,263	34,928
Mass transit operations										
Number of passengers	10,875,862	10,376,862	12,345,370	12,779,948	12,216,938	12,912,642	12,867,324	14,174,578	15,799,858	16,402,270
International bridges operations										
Number of pedestrian crossings	6,084,103	5,763,169	5,928,891	5,216,116	5,666,248	5,355,550	5,138,953	5,150,718	4,455,679	4,030,990
Number of vehicle crossings	4,694,108	4,779,077	4,945,067	5,107,828	4,801,968	4,454,192	3,882,659	3,630,336	3,808,965	3,724,722
Component Unit										
El Paso Water Utility										
Customers (retail)	162,810	167,753	171,607	174,922	178,031	182,315	185,062	188,927	191,625	-
Water pumped (million gallons)	36,999	34,663	35,173	35,457	35,636	35,476	37,067	37,368	38,833	-

* GASB Statement No. 54 was implemented in fiscal Year 2011

City of El Paso
Capital Asset Statistics by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
Public Safety										
Police										
Number of police vehicles	775	763	724	680	701	732	719	729	758	762
Number of stations	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ	5 Regions and HQ
Fire										
Number of fire engines	42	42	60	62	65	65	66	66	66	68
Number of fire stations	31	31	32	33	34	34	34	34	34	35
Public Works										
Department of Transportation										
Paved streets (lane miles)	1,501	1,598	1,678	1,756	1,830	1,909	2,014	2,098	2,126	2,176
Traffic signals	558	570	572	578	587	598	612	629	636	642
Public Health										
not applicable										
Parks										
Number of parks	-	164	200	176	175	176	200	214	212	239
Number of swimming pools	-	14	14	14	14	14	14	14	14	15
Number of recreation centers	-	15	16	17	17	19	15	15	15	16
Library										
Number of branch libraries	12	12	13	13	13	14	13	13	13	13
Book stock	1,009,028	1,028,536	1,045,725	846,620	1,018,721	932,654	902,521	900,191	579,503	627,484
Culture and Recreation										
Number of exhibits	4	4	6	12	25	26	30	26	36	34
Community and Economic Development										
not applicable										
International Airport Operations										
Number of hangars	-	-	-	-	223	222	244	231	221	233
Solid waste disposal operations										
Number of collection trucks	70	70	70	70	102	104	110	108	96	110
Mass transit operations										
Number of buses	174	174	178	178	149	153	159	159	166	166
International bridges operations										
not applicable										
Component Unit										
El Paso Water Utility										
miles of water mains	2,303	2,354	2,383	2,402	2,432	2,468	2,489	2,506	2,530	-

* GASB Statement No. 54 was implemented in fiscal Year 2011