

City of El Paso, Texas



Comprehensive Annual Financial Report
For the Fiscal Year Ended
August 31, 2007

CITY OF EL PASO, TEXAS
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INTRODUCTORY SECTION



JOHN COOK
MAYOR



JOYCE WILSON
CITY MANAGER

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

OFFICE OF THE CITY MANAGER

February 29, 2008

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

We submit the City of El Paso, Texas (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2007. This report was prepared by the City's staff and audited by the firm of KPMG LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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

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

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

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

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

GENERAL INFORMATION

Location

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

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

Financial Reporting Entity

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

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

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

El Paso Water Utilities

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

City Employees’ Pension Fund

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

Firemen and Policemen’s Pension Fund (FPPF)

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

Debt Administration

During the fiscal year, the City issued \$40,000,000 in general obligation bonds and refunded its entire commercial paper program into general obligation bonds in the amount of \$95,190,000. At August 31, 2007, the City had \$620,925,000 of debt issues outstanding for which property taxes may be levied for principal and interest payments. These issues include \$520,415,000 of general obligation bonds and \$100,510,000 of certificates of obligation. \$101,240,000 of the City's \$520,415,000 million in general obligation bonds is pension obligation bonds that were issued by the City in July 2007 in order to address the underfunding of the Firemen and Policemen's Pension. Additionally, the City has \$37,412,916 in revenue bonds and notes payable for which airport, bridge system and solid waste disposal system revenues are pledged to make principal and interest payments. For more detailed information about the City's general long-term debt see Note 8 to the financial statements.

As voted by the citizens, there remained \$56,655,000 of bonds authorized but not issued available for sale as of August 31, 2007. In addition, the City also authorized the issuance of an additional \$110,000,000 of pension obligation bonds in the year 2009 to address the underfunding of the Firemen and Policemen's Pension.

The debt service property tax rate during the reporting period was \$0.190907 per \$100 of assessed value, while the M&O rate was \$0.481420 for a total rate of \$0.67326. In 2006, the overall rate remained the same as the 2005 rate of \$0.696677. The total tax rate for fiscal years 2002 through 2004 had remained constant at \$0.719833. The 2007 operating tax rate of \$0.481420 remains well within the \$1.85 tax rate limit established by the City Charter.

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

Pension Trust Funds Operations

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

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

The FPPF's most recent actuarial study is dated January 1, 2006 and indicates the actuarially computed value of benefits exceed fund assets by \$317,987,000. The City has issued \$101,240,000 in Pension Obligation Bonds in order to partially address this underfunding with another \$110,000,000 in Pension Obligation Bonds to be issued prior to July 2009.

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

Risk Management

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

FINANCIAL CONDITION

The City of El Paso is positioned to take advantage of tremendous growth as a result of the Military Base Realignment and Closure (BRAC) process completed in late 2005. 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. In 2007, 3,800 soldiers assigned to Fort Bliss, Texas, returned to El Paso from Iraq and an additional 948 soldiers joined them in late 2007. This resulting seven percent increase in population will be in addition to an already healthy normal growth projection.

In 2007, the City received word that an additional 7,000 soldiers will arrive in El Paso in 2013. The increases in population will spur substantial demand driven growth in all portions of the service and retail sectors of the economy.

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

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

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

Strategic planning efforts are underway within the City and the region in an effort to appropriately focus economic development and workforce efforts to attract new businesses, while expanding and retaining the current business base. The City of El Paso’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 is being implemented as a way to draw in new businesses and revitalize the current businesses in Downtown El Paso.

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

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

Given the population growth attributable to the BRAC Process, continued steady normal population growth patterns and focused business attraction and expansion efforts, the economic outlook for El Paso’s future is extremely bright. 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”.

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, 2006. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

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

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

Respectfully submitted,


Joyce Wilson
City Manager


William Studer
Deputy City Manager – Financial and Administrative Services


Carmen Arrieta-Candelaria
Chief Financial Officer/Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Paso
Texas

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

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.



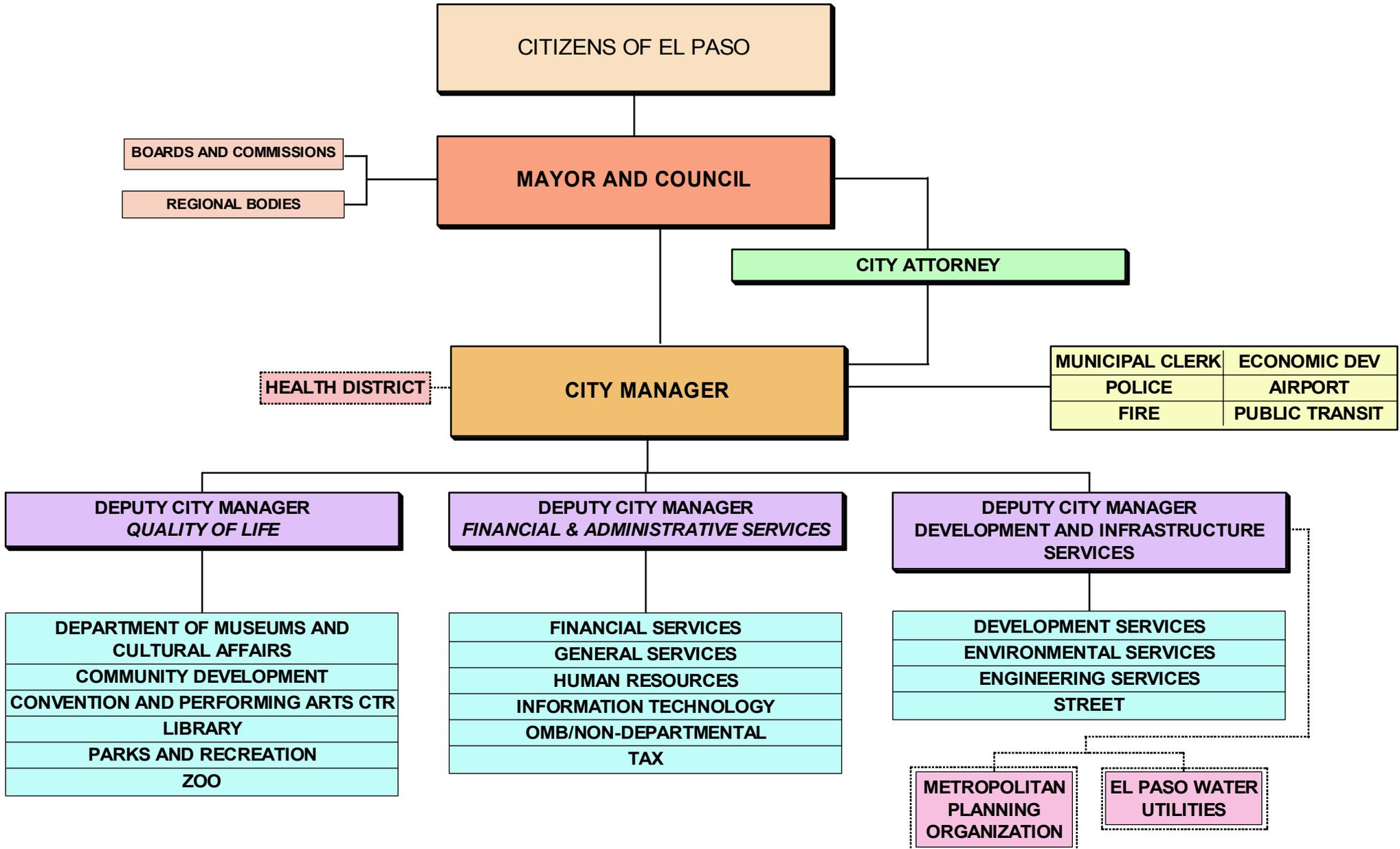
Charles S. Cox

President

Jeffrey R. Emswiler

Executive Director

CITY OF EL PASO



LIST OF PRINCIPAL OFFICIALS

JOHN COOK

MAYOR

ANN MORGAN LILLY

DISTRICT NO. 1

RACHEL QUINTANA

DISTRICT NO. 5

SUSANNAH M. BYRD

DISTRICT NO. 2

EDDIE HOLGUIN, JR.

DISTRICT NO. 6

J. ALEXANDRO LOZANO

DISTRICT NO. 3

STEVE ORTEGA

DISTRICT NO. 7

MELINA CASTRO

DISTRICT NO. 4

BETO O'ROURKE

DISTRICT NO. 8

JOYCE WILSON

CITY MANAGER

PAT ADAUTO

DEPUTY CITY MANAGER - DEVELOPMENT AND INFRASTRUCTURE SERVICES

DEBORAH HAMLYN

DEPUTY CITY MANAGER - QUALITY OF LIFE

WILLIAM STUDER

DEPUTY CITY MANAGER - FINANCIAL AND ADMINISTRATIVE SERVICES

DEPARTMENT DIRECTORS

Patrick Abeln

El Paso International Airport

Yolanda Alameda

Museums and Cultural Affairs

Charles McNabb

City Attorney

Robert Galvan, M.D.

El Paso City/County Health Dept.

Vacant

Development Services

William Lilly

Community Development

Carmen Arrieta-Candelaria

Financial Services

Kathryn Dodson

Economic Development

R. Alan Shubert

Engineering Services

Roberto Rivera

El Paso Fire Department

Jeffrey Belles

General Services

Linda Thomas

Human Resources

Gerald Gordier

Information Technology

Carol Brey-Casiano

El Paso Public Library System

Richarda Momsen

Municipal Clerk

Edmund Archuleta

El Paso Water Utilities

Roy Gilyard

Metropolitan Planning Organization

David R. Almonte

Office of Management and Budget

Nanette Smejkal

Parks and Recreation

Steve Marshall

El Paso Zoo

Richard Wiles

El Paso Police Department

Juan Sandoval

Tax

Ellen A. Smyth

Environmental Services

Daryl Cole

Streets

Tim Omick

Sun Metro-Public Transit

FINANCIAL SECTION





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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas (the City), as of and for the year ended August 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Service Board – City of El Paso (El Paso Water Utilities), which represents 100% of the assets, net assets, and revenues of the discretely presented component unit in the accompanying statement of net assets and statement of activities. We did not audit the financial statements of the Firemen and Policemen's Pension Fund (FPPF), a component unit, which represents 51.7%, 55.8%, and 37.7% of the assets, net assets and revenues, respectively, of the aggregate remaining fund information. The financial statements of El Paso Water Utilities and of FPPF were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for El Paso Water Utilities and FPPF, are based on the reports of the other auditors.

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

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of August 31, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages xii through xxix, the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on page 67, and the Schedule of Funding Progress on page 68 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

February 29, 2008

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2007

As management of the City of El Paso (City), we offer readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2007. This document is designed to:

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

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

FINANCIAL HIGHLIGHTS

- ◆ On a government-wide basis, the Primary Government total assets exceeded its liabilities at August 31, 2007 by \$394.7 million. There is a \$96.9 million unrestricted net asset deficit.
- ◆ The Primary Government's total net assets decreased by \$8.5 million. Governmental activities decreased net assets by \$28.7 million while increases from business-type activities totaled \$20.1 million. The Primary Government's total expenses were \$8.5 million more than the \$535 million generated in charges for services, grants, taxes and other revenues.
- ◆ The cost of the Primary Government's governmental activities was \$425.4 million for the 2007 fiscal year.
- ◆ As of August 31, 2007, the City's governmental funds reported combined ending fund balances of \$84.2 million, an increase of \$9.6 million compared with the prior year. Approximately 74% of the combined fund balances or \$62.4 million is unreserved and available for the discrete purposes for which these funds are collected.
- ◆ The unreserved, undesignated fund balance in the General Fund was \$21.6 million or 5.7% of total General Fund current year expenditures.
- ◆ In fiscal year 2007, the City issued \$271.4 million in debt to finance capital projects, refund commercial paper debt and increase funding to the Fire and Police Pension Fund. There was a net increase of \$82.9 million in long-term liabilities from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how cash and other financial assets can readily be converted as available resources, as well as on the balances at the end of the fiscal year that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers—either outside customers or internal cost centers of the City. Proprietary funds provide a more detailed report of the same type of information as shown in the government-wide financial statements. The City maintains two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, mass transit, sanitation and international bridge operations.
- Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal services funds to account for its employee health benefits and welfare programs, risk management, fleet services, printing and mail services. As these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide separate information for the enterprise funds (i.e., El Paso International Airport, Solid Waste Management and Sun Metro (Mass Transit)) since they are considered major funds of the City. In 2007, the City has presented other enterprise funds under the category of Nonmajor Enterprise Funds. The International Bridges fund is the only remaining enterprise fund, however, it does not meet the criteria of a major fund established in GASB Statement No. 34. All internal service funds are combined into a single aggregated presentation on the proprietary fund financial statements. Individual fund data for the internal services funds is provided in the form of combining statements and schedules.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

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Required Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Condensed Schedule of Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 187,999	184,919	91,807	94,618	279,806	279,537
Capital assets	641,717	593,676	289,828	254,537	931,545	848,213
Total assets	829,716	778,595	381,635	349,155	1,211,351	1,127,750
Other liabilities	35,170	28,156	10,403	8,178	45,573	36,334
Long-term liabilities	680,731	607,962	90,353	80,210	771,084	688,172
Total liabilities	715,901	636,118	100,756	88,388	816,657	724,506
Net assets:						
Invested in capital assets, net of related debt	139,848	140,935	249,478	217,502	389,326	358,437
Restricted	76,566	68,733	25,723	26,038	102,289	94,771
Unrestricted	(102,599)	(67,192)	5,678	17,227	(96,921)	(49,965)
Total net assets	\$ 113,815	142,476	280,879	260,767	394,694	403,243

Analysis of the City's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of El Paso, assets exceeded liabilities by \$394.7 million at August 31, 2007.

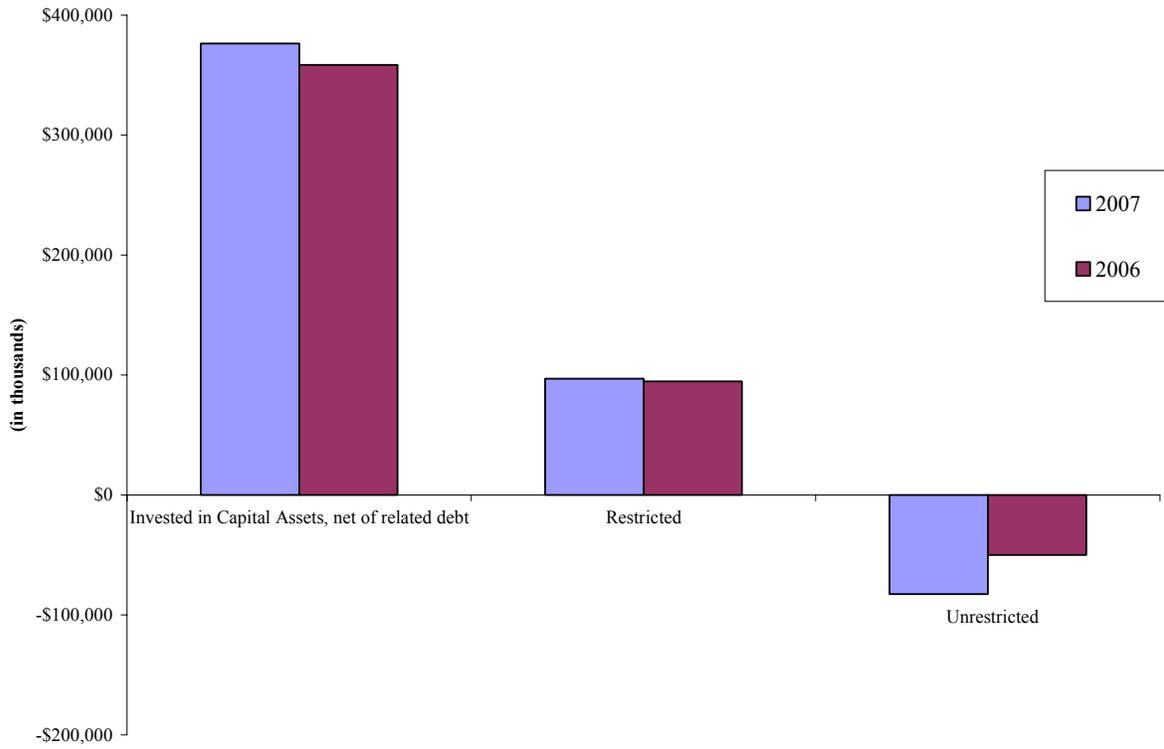
The largest portion of the City's net assets, 98.6%, reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets, 25.9%, represents resources that are subject to external restrictions on how they may be used. These restricted net assets include reserves for debt service, reserves for amounts restricted by other funding agencies, as well as a \$16 million cash reserve required by the City Charter. Restricted net assets increased 7.9% over the prior year.

Generally, all net assets generated by governmental activities are either externally restricted or invested in capital assets. Unrestricted governmental activities net assets showed a \$96.9 million deficit at the end of this year. This deficit indicates that the City has long-term commitments that exceed its net assets.

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Primary Government Net Assets at August 31



Unrestricted net assets in business-type activities totaled \$5.6 million, decreasing \$11.5 million from 2006.

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Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended August 31, 2007. Governmental activities decreased the City of El Paso's net assets by \$28.6 million offset by an increase in the business-type activities of the City of \$20.1 million resulting in a net asset decrease of \$8.5 million.

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 49,522	55,258	93,092	87,912	142,614	143,170
Operating grants and contributions	32,231	53,903	8,483	15,956	40,714	69,859
Capital grants and contributions	10,554	14,749	21,956	10,994	32,510	25,743
General revenues:						
Property taxes	159,778	149,201			159,778	149,201
Sales tax	73,318	68,074	31,608	29,710	104,926	97,784
Franchise taxes	41,999	37,626			41,999	37,626
Investment earnings	6,730	4,331	3,902	3,326	10,632	7,657
Gain on disposal of capital assets	1,844	1,475	8	290	1,852	1,765
Total revenues	<u>375,976</u>	<u>384,617</u>	<u>159,049</u>	<u>148,188</u>	<u>535,025</u>	<u>532,805</u>
Expenses:						
Governmental activities:						
General government	35,819	32,237			35,819	32,237
Public safety	207,469	202,416			207,469	202,416
Public works	65,297	64,770			65,297	64,770
Public health	26,908	26,017			26,908	26,017
Parks	20,272	18,962			20,272	18,962
Library	9,223	7,156			9,223	7,156
Culture and recreation	15,856	13,084			15,856	13,084
Community and economic development	20,209	31,901			20,209	31,901
Interest on long-term debt	24,320	19,256			24,320	19,256
Business-type activities:						
International airport operations			32,461	31,496	32,461	31,496
Industrial park and other operation			3,756	2,325	3,756	2,325
Solid waste disposal operations			29,062	32,011	29,062	32,011
Mass transit operations			49,391	47,271	49,391	47,271
International bridge operations			3,531	3,921	3,531	3,921
Total expenses	<u>425,373</u>	<u>415,799</u>	<u>118,201</u>	<u>117,024</u>	<u>543,574</u>	<u>532,823</u>
Excess (deficiency) before transfers	(49,397)	(31,182)	40,848	31,164	(8,549)	(18)
Transfers	20,736	20,958	(20,736)	(20,958)	-	-
Increase (decrease) in net assets	<u>(28,661)</u>	<u>(10,224)</u>	<u>20,112</u>	<u>10,206</u>	<u>(8,549)</u>	<u>(18)</u>
Net assets - September 1	142,476	152,700	260,767	250,561	403,243	403,261
Net assets - August 31	<u>\$ 113,815</u>	<u>142,476</u>	<u>280,879</u>	<u>260,767</u>	<u>394,694</u>	<u>403,243</u>

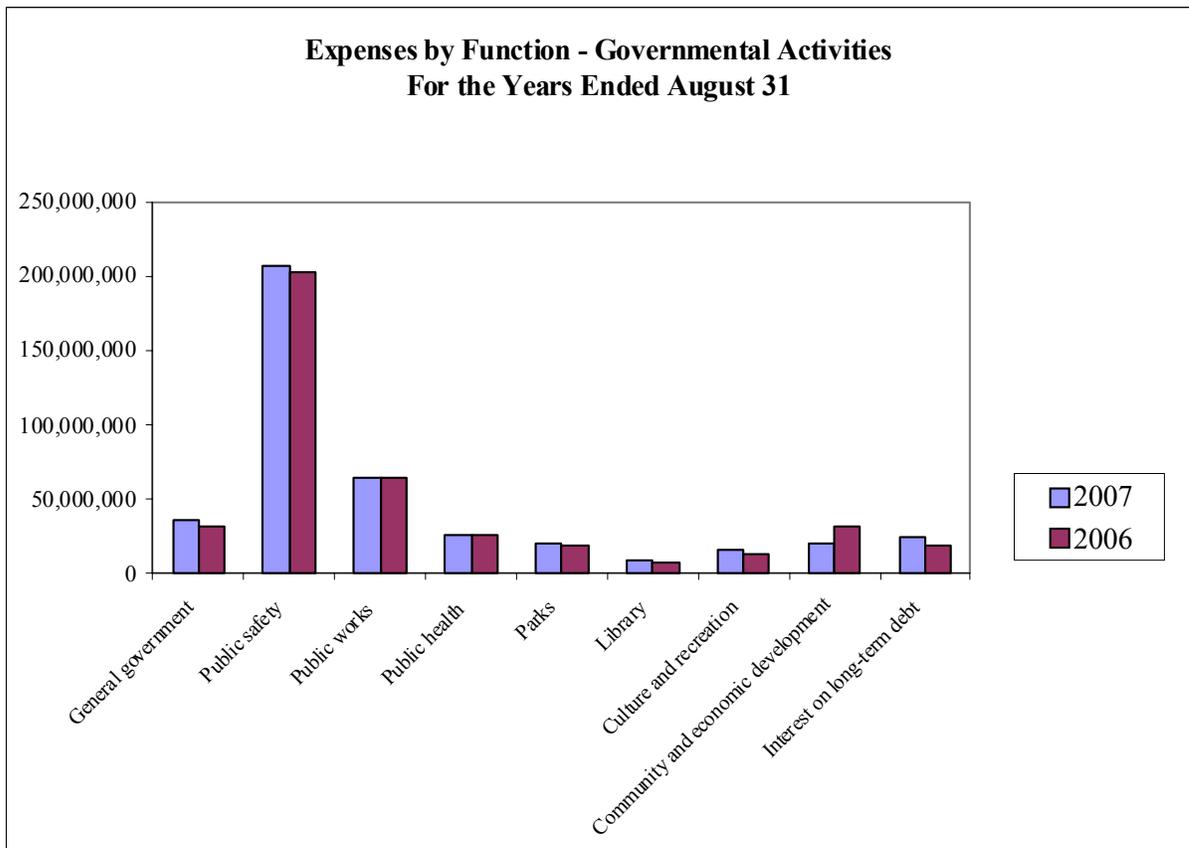
Program Revenues and Expenses – Governmental Activities

Revenues for governmental activities totaled \$376 million, a decrease of \$8.6 million or 2.2% from 2006. Taxes, in the form of property, sales and franchise taxes, represent 73.2% of the City's governmental activities revenues and charges for services make up another 13.2% with the remaining funds coming from state and federal aid, interest earnings and other miscellaneous revenues.

The ad valorem tax rate changed from the 2006 rate to \$.672326 per \$100. Overall, property taxes increased \$10.6 million, approximating the increase in the taxable valuation of 11.9%. Sales taxes increased \$5.2 million or 7.7% because of an increase in taxable sales over 2006. Franchise taxes increased \$4.4 million or 11.6%. Operating and capital grants and contributions decreased \$25.9 million, primarily due to decreased grant expenditures related to CDBG, Plaza Theatre Grant, and FEMA.

The cost of programs and services was \$425.4 million, an increase of \$9.6 million or 2.3% from 2006. Personnel expenses increased 2.8% or \$8.4 million. Expenses restricted by grants and contributions decreased \$25.9 million. The net pension obligation expense increased \$18.4 million. Interest on long-term debt increased \$5 million due to refunding of bonds from 2005. 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.

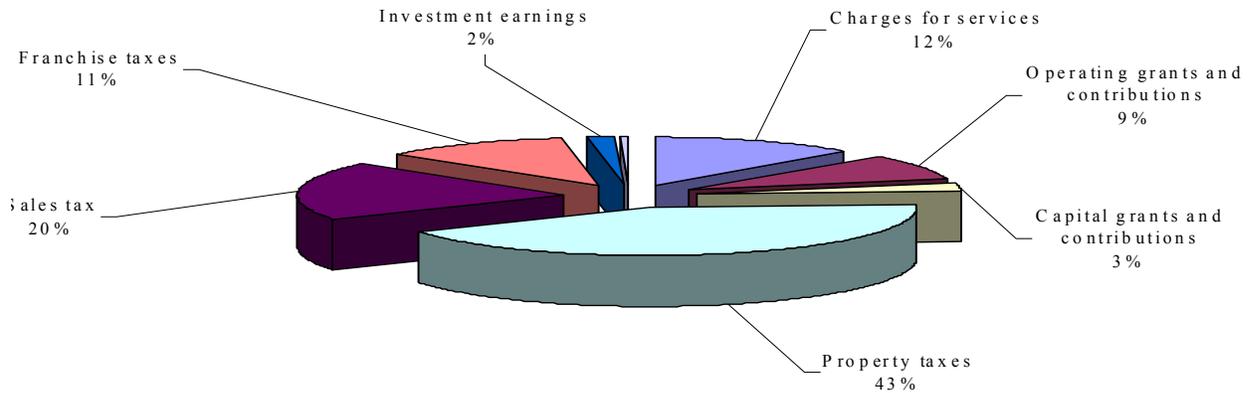
The following chart compares the City's governmental activities expenses to the prior year.



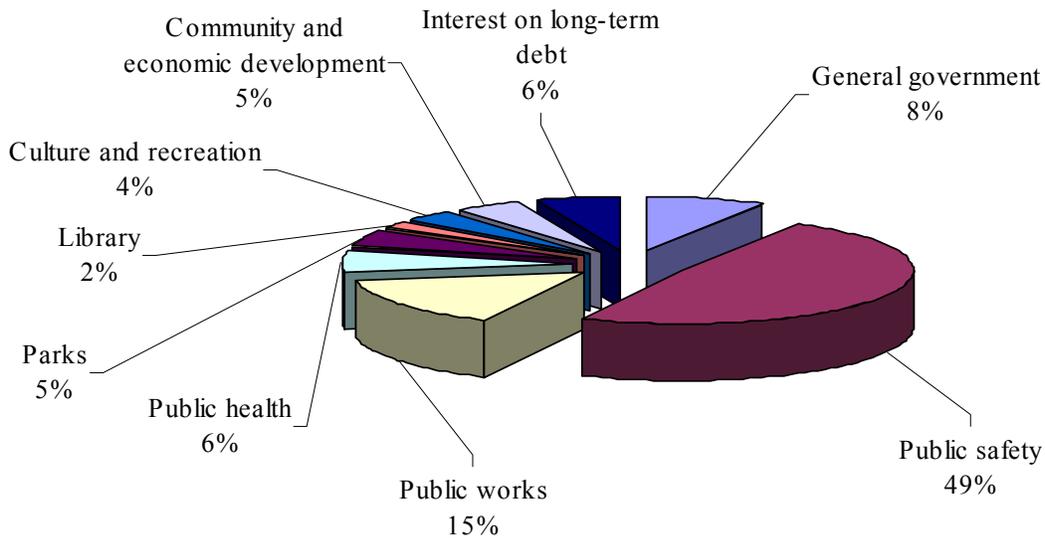
CITY OF EL PASO, TEXAS
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The following charts break down the City's governmental activities revenues by source and expenses by function for the current fiscal year. General revenues such as taxes and investment earnings are not reflected in program revenues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

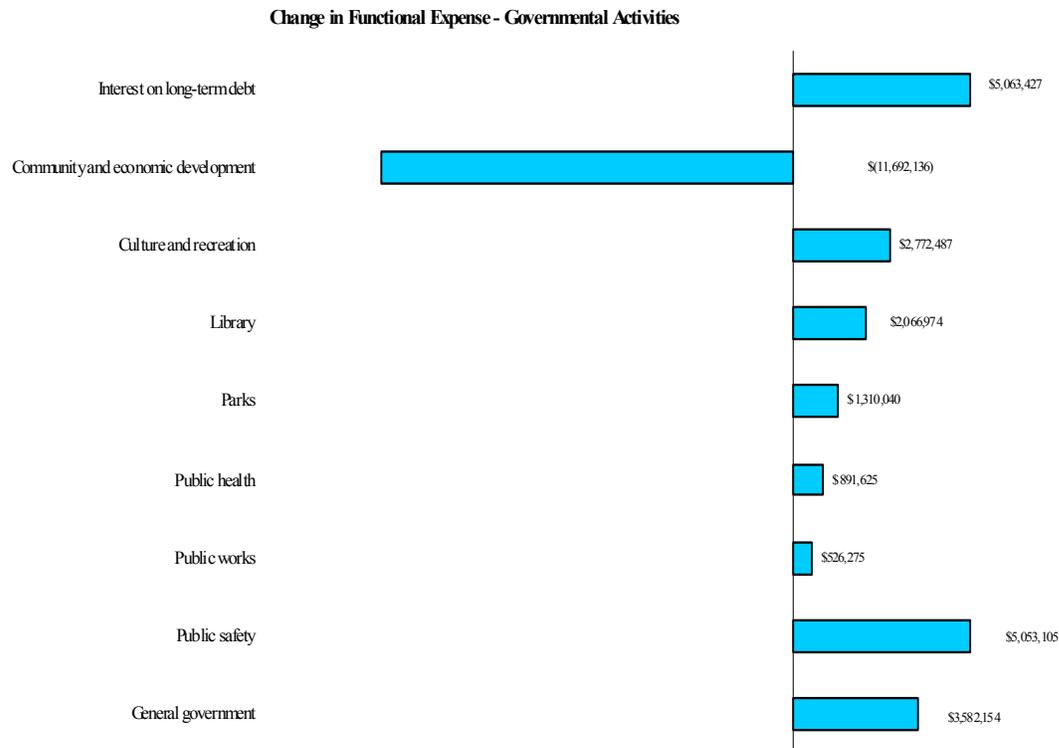
**Revenues by Source - Governmental Activities
 For the year ended August 31, 2007**



**Expenses by Function - Governmental Activities
 For the year ended August 31, 2007**



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



Program Revenues and Expenses – Business-type Activities

Total revenues increased \$10.8 million to \$159 million while total expenses for business-type activities increased \$1.2 million to \$118.2 million.

El Paso International Airport

Overall, revenues related to airport operations increased \$2.9 million while expenses increased \$2.4 million.

Operating Airport Revenues

Program revenues specifically related to international airport operations increased by \$1.9 million. Terminal Building Operation revenues increased 18.4% from a variety of activities within the terminal. The revenue generated by the usage of terminal space by the airlines increased because of an increase in the rental rate. This will offset increases in terminal operating expenses. A new concessions contract was awarded during fiscal year 2007 and as a result new restaurants and food choices were introduced resulting in higher food and beverage revenue.

Parking Lot Operations revenue increased, due to capacity, 10.24% in fiscal year 2007 over fiscal year 2006. The Airport has extended the long term parking lot to accommodate approximately 2,500 more parking spaces.

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Industrial park operations and other operations revenue increased by \$.841 million. There are two new cost centers that are being reported in fiscal year 2007. Corresponding revenues for these two cost centers represent the majority of the increase in revenues in 2007. The Butterfield Trail Golf Course was created to record the activities of the new Fazio designed golf course owned by the Airport and managed by Kemper Sports. The second cost center is that of the Foreign Trade Zone. The Foreign Trade Zone was previously recorded in the City's general fund. Responsibility for the Foreign Trade Zone which is located on Airport property was transferred to the Airport beginning fiscal year 2007.

Operating Airport Expenses

Overall, operating expenses increased \$2.4 million. This is primarily due to an increase in personnel and outside contractual expenses. Personnel expenses have increased \$1.9 million or 14.2% primarily due to increases in salaries and benefits from cost of living increases for uniformed employees, filling of vacancies, and reclassification of various positions citywide. There are two new cost centers being reported in fiscal year 2007 as noted previously. Correspondingly, \$1,025,152 in expenses were allocated to these two new centers.

Depreciation expense decreased slightly in fiscal year 2007 due to the complete depreciation of various improvements.

Non-operating Revenues and Expenses

Investment interest increased \$319,889 and passenger facility charge revenue increased \$.177 million.

Capital contributions increased \$7.2 million, primarily due to the completion of construction projects completed in 2007. Some of these projects were the Butterfield Trail Golf Course and Resort, the design phase of the Terminal Renovation and Expansion, and the Bag Makeup Expansion.

Transfers out were aligned to prior year.

Environmental services

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

Revenues increased \$2.6 million or 7.4%. Increased refuse collection fees and a new environmental fee generated the additional revenue.

Expenses decreased \$2.9 million primarily as a result of a decrease in landfill closure and post-closure costs partially due to a new curbside recycling program.

Mass transit

Mass Transit operating revenues increased slightly in 2007 as compared to 2006. This \$.2 million revenue increase reflects the Mass Transit's stable ridership with no increase in fees in 2007.

Overall, expenses increased \$2.12 million. This was primarily due to an increase in personnel and outside contract expenses related to competency increases and staffing of transit operations and the hiring of a new transit management team in 2007, respectively. Supplies and materials increased primarily due to an increase in the purchasing of necessary bus parts and repair and maintenance of busses. Other operating expenses increased in 2007 due to an increase in settlements and towing expenses. These costs were offset by a one-time federal tax refund for fuel related expenses.

The FTA subsidy and related capital contributions decreased collectively by \$3.9 million due to decreased FTA drawdowns related to preventive maintenance and construction projects.

Nonmajor Enterprise Funds

This fund represents activity related to the City's international bridges. In 2007, collections at the bridges generated \$14.1 million in revenues as compared to \$14.3 million in 2006. This slight decrease in collections is due to less vehicular and pedestrian traffic crossing the City's bridges. The City believes that this decrease is due to the increased security at the U.S. borders due to homeland security issues as well as the ongoing construction project at its Paso Del Norte bridge which has reduced the number of lanes available. The City anticipates that lengthier wait times may have a slight detrimental effect on the traffic crossing its bridges in the next eighteen to twenty-four months.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

Governmental funds

At the end of the current fiscal year, the City of El Paso's governmental funds reported combined ending fund balances of \$84.2 million, an increase of \$9.6 million from 2006. Approximately 71.2% of this total amount or \$60 million constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (i.e., \$16 million to provide a cash reserve, \$2.8 million to provide for inventory, \$3.1 million for debt service reserve and \$2.4 million to pay for subsequent years expenditures and contingencies).

General Fund

The General Fund is the general operating fund of the City. The fund balance for the General Fund totaled \$41.4 million, increasing \$6.5 million from the prior year. The unreserved and undesignated portion of fund balance increased by \$6.8 million, to \$21.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 5.7% of total fund expenditures while total fund balance represents 11%.

In June 2007, the City issued \$101,240,000 in Pension Obligation Bonds to partially fund the Unfunded Actuarial Accrued Liability of the FPPF which increased both expenditures and other financing sources in like amounts. For purposes of the analysis of the general fund, these amounts are not included in the following explanation of changes in both revenues and transfers from other funds and the expenditures and transfers to other funds.

Revenues and Transfers from Other Funds increased \$27.7 million or 10.5%.

- Property taxes increased a net \$5.8 million due to an increase in assessed valuation which was offset by a decrease in the general fund property tax rate.
- Sales taxes increased \$4.5 million due to increase in taxable sales and volume.
- Franchise taxes increased \$9.9 million due to an increase in franchise activity.
- Fines and forfeits increased \$1 million due to an increase in workforce effort at the department level.
- Charges for services increased \$1.6 million due to an increase in engineering charges to capital projects as well as slight increase in the fire ambulance collections.
- Investment interest increased \$3.7 million due to increasing market rates as well as diversification efforts by staff to increase returns on City's investment portfolio.
- Licenses and permits increased \$1.3 million due to an increase in issued licenses and permits from the prior year.

Expenditures and Transfers to Other Funds increased \$19.8 million or 7.4%.

- Personnel expenditures increased \$12.1 million primarily due to classification and pay plan reforms that were implemented in September 2006. For fiscal year 2007 and beyond, the

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City will have in place a fully modernized classification system and pay plan that can be regularly and routinely updated to reflect current market conditions. This is the first major overhaul of the City's classification and pay system in 37 years – and a major organizational accomplishment for 2006. Funding has been programmed to continue support for the enhanced tuition reimbursement program for employees wishing to pursue higher education opportunities. Increases by function/activity were:

- Public Safety \$9.2 million
 - Library \$.8 million
 - Public Works \$.6
 - Parks \$.6
 - General Government \$.5
 - Culture and Recreation \$.3
 - Community and Human Development \$.1
- Retiree health benefit increased by \$2.2 million in 2007 with no comparable expenditure in 2006.
 - Utilities increased \$.5 million and facility maintenance costs increased \$.7 million because of the increase in the number of City facilities which were brought on board by voter approved Quality of Life bond obligations.
 - Supplies and materials increased \$1.4 million due to an increase in library and public safety expenditures.
 - Professional services increased \$1.1 million primarily due to outside legal counsel.
 - Settlements decreased \$.8 million as a result of less litigation settlements in 2007 as compared to 2006.
 - Information Technology department costs increased \$1.6 or 16%, in order to address current software licensing and maintenance contract requirements.
 - Parks increased \$.4 million due to the addition of new parks to the City's park system.
 - The library expenditures increased \$.2 million due to the launch of a book replacement program.

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 US Department of Housing and Urban Development (HUD) and program revenues of the revolving loan funds (RLF) that were initially funded by HUD. Expenditures decreased \$11.1 million dollars from 2006. This is primarily due to a \$7.4 million decrease in CDBG expenditures as well as a decrease of \$3.7 million in Empowerment Zone Funds. In fiscal year 2006, the City also incurred \$370,150 of expenses related to the Plaza Theatre HUD Economic Development Initiative that were not incurred in 2007. These decreases were offset by increases in Home Entitlement Program (HOME) expenditures of over \$1 million and Emergency Shelter Grant expenditures of \$11,351.

Debt Service Fund

Fund balance for debt service increased \$2.2 million from 2006. This increase is a result of an increase of 1.4% in the debt service property tax rate and 11.95% in taxable assessed value for real and personal property. The City's debt management policy requires the fund balance remain in excess of the debt service portion of the largest taxpayer's tax levy for the year. This policy requires that fund balance should exceed \$604,491. The policy also requires that a plan, without causing

large variances in the tax rate, should be adopted to reduce the fund balance should it exceed 25% of the current year's expenditure budget.

Capital Projects Fund

Capital Projects Fund expenditures totaled \$92 million for the 2007 fiscal year, an increase of \$4.6 million over the prior year. This increase is related to the numerous Storm 2006 projects as well as the remaining Quality of Life and 2004 Bond Election projects that have been completed in 2007.

\$35 million in combination tax and revenue bonds and \$40 in General Obligation Bonds were issued in 2007. Other revenues generated amounted to \$13.8 million resulting in a fund balance increase of \$.3 million from the prior year.

Nonmajor Governmental Funds

Overall, revenues in this category decreased \$6.7 million or 12.2%, while expenditures decreased \$3.4 million or 6%. Transfers in decreased \$.7 million and transfers out decreased \$.6 million.

Federal Grants

Expenditures for Federal Grants decreased approximately \$5 million from fiscal year 2006 to fiscal year 2007. The following outlines the major changes from one year to the next:

- The City incurred \$3.2 million for Presidential Emergency Declarations in 2006 that were not incurred in 2007. This was the result of costs incurred for evacuees from Hurricanes Katrina and Rita that the City accepted care for in 2006. FEMA reimbursed the City for 100% of these costs. The City expended \$3.5 million less in Homeland Security Grants in the current fiscal year due to equipment purchased in 2006 and these type of expenditures not being incurred in 2007.
- The City incurred \$1.5 in costs related to damage from Storm 2006. FEMA reimbursed the City 75% of these costs.
- The City expended \$301,595 in the City's first Department of Defense BRAC award to address growth issues related to the expansion of troops at Fort Bliss.

State Grants

Expenditures decreased \$.3 million primarily due to a decrease in capital expenditures related to Texas Commission on Environmental Quality grant received by the City's Mass Transit Department.

Other Grants

Other grants, primarily local and private, increased \$164,658. This was primarily due to three grants that were not received in 2007. These grants were the Public Service Board Turf Management Program, UTEP Environmental Grant and the HOGG Foundation.

Health District

Health District expenditures increased a net of \$2,765 from fiscal year 2006 to 2007. Although expenditures remained constant from one year to the next, there were some changes within certain categories. The Health District's retiree health benefit contribution increased by \$209,645 and personnel expenditures also increased by \$259,687. Vaccine-related expenditures increased by \$1.231 million due to an increase in immunizations citywide. This was offset by decreases in grant match expenditures of \$444,161 and capital expenditures of \$1.31 million, primarily related to certain health facilities renovations that were completed in 2006.

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Non-Grants

Overall, the Non-Grants category aggregately increased \$1.71 million. This is primarily due to the following:

- Increase of \$512,000 in park user fees and parkland dedication funds.
- Increase in expenditures related to Palo Verde Performance Reward funds in the amount of \$915,126. There is no comparable expense in 2006.
- Increase of \$255,000 in expenditures in the Museum Restricted Fund.

Proprietary funds

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

Unrestricted net assets of the respective proprietary funds are shown on the Statement of Net Assets for these funds. These funds had a net asset increase in 2007 and 2006 as follows:

	2007	2006
El Paso International Airport	\$ 13,627,063	5,412,833
International Bridges	485,031	289,243
Environmental Services	4,089,237	(937,501)
Mass Transit	1,910,558	5,441,583
Net asset increase	<u>\$ 20,111,889</u>	<u>10,206,158</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The City originally budgeted for no change in the fund balance. During the year, the City Council increased appropriations by approximately \$5.6 million and budgeted an additional \$1.2 million in resources. The majority of these revisions were to fund urgent capital asset needs. Actual revenues and transfers were \$8.5 million more than the revised estimate while actual expenditures were \$2.4 million less than the revised budget. This resulted in a net increase of \$6.5 million in fund balance at the end of 2007.

City Council voted to reduce its property tax rate to \$.672326 per \$100 in taxable value. General Fund property tax rate was reduced by \$0.026951 (5.3% decrease) and increased the debt service property tax rate by \$.0026 (1.3% increase) for 2008. The taxable assessed valuation increased approximately 11.9% from 2007.

CAPITAL ASSETS

The City of El Paso's investment in capital assets for its governmental and business-type activities as of August 31, 2007 amounts to \$931.5 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 all purchased assets with a cost of \$5,000 or more.

Historically, a government's largest group of assets (infrastructure – roads, bridges, traffic signals) have not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be

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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.

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

	Governmental Activities	Business-Type Activities	Total
Land	\$ 148,612,979	10,336,285	158,949,264
Buildings	171,570,715	97,107,631	268,678,346
Equipment	28,288,229	39,777,228	68,065,457
Improvements	2,088,494	97,539,128	99,627,622
Infrastructure	159,676,515	-	159,676,515
Construction in Progress	131,480,568	45,067,967	176,548,535
Total	<u>\$ 641,717,500</u>	<u>289,828,239</u>	<u>931,545,739</u>

This year's major capital expenditures included:

Land	\$ 10,735,255
Vehicles, Equipment, Other	5,979,495
Buildings	2,146,252
Flood Control	405,161
Health District	122,489
Infrastructure	8,305,973
Libraries	503,662
Parks	770,373
Plaza Theatre	1,672,207
Quality of Life - Parks	7,423,223
Quality of Life - Zoo	9,100,059
Streets	7,643,568
Zoo	46,500
Storm 2006	28,172,626

DEBT ADMINISTRATION

At the end of the fiscal year, the City of El Paso had total debt payable of \$672,705,159. Of this amount, \$620,925,000 is comprised of bonded debt backed by the full faith and credit of the government. Revenue Bonds of \$30,030,000 and Notes Payable of \$7,382,916 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 a Capital Lease obligation of \$14,367,243 to acquire buses and is payable to the Banc of America Leasing & Capital LLC.

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

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 520,415,000		520,415,000
Revenue Bonds Payable	-	30,030,000	30,030,000
Certificate of Obligations	88,000,293	12,509,707	100,510,000
Master Equipment Lease/Purchase Agreement	-	14,367,243	14,367,243
Notes Payable	-	7,382,916	7,382,916
Unamortized (Discount) premium	17,440,789	(465,619)	16,975,170
Deferred Amount on Refunding	(4,584,038)	-	(4,584,038)
Total	<u>\$ 621,272,044</u>	<u>63,824,247</u>	<u>685,096,291</u>

During the fiscal year, the City issued \$141,240,000 in general obligation bonds, \$95,190,000 in refunding general obligation bonds, \$35,000,000 in certificates of obligation bonds and entered into a \$15,000,000 Master Equipment Lease/Purchase agreement.

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

	Standard & Poor's	Fitch Ratings
General Obligations	AA	AA-
Revenue Bonds Payable	A-	
Certificate of Obligations	AA	AA-

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic Factors

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

The City of El Paso is positioned to take advantage of tremendous growth as a result of the Military Base Realignment and Closure (BRAC) process completed in late 2005. 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. In 2007, 3,800 soldiers assigned to Fort Bliss, Texas, returned to El Paso from Iraq and an additional 948 soldiers joined them in late 2007. This resulting seven percent increase in population will be in addition to an already healthy normal growth projection.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2007

In 2007, the City received word that an additional 7,000 soldiers will arrive in El Paso in 2013. The increases in population will spur substantial demand driven growth in all portions of the service and retail sectors of the economy.

General Fund Budget

Fiscal year 2008 appropriations increased \$6.5 million or 2.3% to \$291.6 million from 2007 actual expenditures and transfers. Appropriations for personnel expenditures increased \$10.8 million or 5.3% from 2007. Appropriations, by activity, were increased (decreased) as follows (in millions):

Estimated revenue and transfers increased \$.5 from 2007 actual revenues and transfers. Revenues and transfers were increased (decreased) as follows (in millions):

The City's taxable assessed value for real and personal property increased 11.4% for the fiscal year 2008 tax levy. City Council decreased the General Fund rate 5.8% to \$.453294 per \$100 of taxable value and increased the debt service rate 14.1% to \$.217803 per \$100 of taxable value. This results in an overall tax rate decrease of .17% to \$.671097 per \$100 of taxable value.

REQUEST FOR INFORMATION

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

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

CITY OF EL PASO, TEXAS

STATEMENT OF NET ASSETS

August 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities February 28, 2007
ASSETS				
Cash and Cash Equivalents (Note 2)	\$ 50,268,981	12,201,876	62,470,857	7,825,317
Investments (Note 2)	20,800,000	17,331,360	38,131,360	-
Receivables, net of allowances (Note 4)	90,622,696	17,421,155	108,043,851	14,434,047
Other Current Assets	-	-	-	167,624
Prepaid Items	951	956,296	957,247	1,787,359
Internal Balances (Note 6)	10,833,097	(10,833,097)	-	-
Due from Component Unit	864,068	2,987,675	3,851,743	-
Inventory	3,548,144	2,985,592	6,533,736	3,110,223
Restricted Cash and Cash Equivalents (Note 2)	-	36,241,423	36,241,423	101,080,294
Restricted Investments (Note 2)	-	11,958,164	11,958,164	10,778,489
Restricted Trade and Other Receivables (Note 4)	-	556,249	556,249	1,742,031
Unamortized Bond Issue Expense	5,335,940	-	5,335,940	5,856,483
Net Pension Asset	5,724,675	-	5,724,675	-
Capital Assets, not being depreciated (Note 5)	280,093,547	43,971,712	324,065,259	218,983,183
Capital Assets being depreciated, Net (Note 5)	361,623,953	245,856,527	607,480,480	800,429,876
Total assets	829,716,052	381,634,932	1,211,350,984	1,166,194,926
LIABILITIES				
Liabilities:				
Accounts Payable	7,201,338	6,016,271	13,217,609	22,078,194
Accrued Payroll	8,524,764	1,795,095	10,319,859	-
Due to Other Government Agencies	73,615	-	73,615	-
Due to Primary Government	-	-	-	3,426,898
Taxes and Fees Payable	1,634,085	289,885	1,923,970	-
Accrued Interest Payable	6,862,766	490,818	7,353,584	9,973,305
Unearned Revenue	1,585,065	769,594	2,354,659	-
Other Current Liabilities	-	-	-	8,058,507
Construction Contracts and Retainage Payable	9,288,424	1,041,774	10,330,198	3,715,296
Long-term Liabilities-Current (Note 8)	80,303,442	11,243,641	91,547,083	22,881,295
Long-term Liabilities-Non-current (Note 8)	600,427,870	79,108,911	679,536,781	455,609,454
Total liabilities	715,901,369	100,755,989	816,657,358	525,742,949
NET ASSETS				
Invested in Capital Assets, net of related debt	139,848,416	249,477,785	389,326,201	579,931,473
Restricted for:				
Debt Service	5,070,512	8,885,438	13,955,950	46,297,141
Cash Reserve	16,000,000	-	16,000,000	-
Community and Economic Development	37,370,298	-	37,370,298	-
Airport Operations	-	13,649,379	13,649,379	-
Public Safety	6,264,725	-	6,264,725	-
Parks	4,074,541	-	4,074,541	-
Municipal Courts	3,956,867	-	3,956,867	-
Passenger Facilities	-	3,187,893	3,187,893	-
Culture and Recreation	2,465,955	-	2,465,955	-
Zoo	804,593	-	804,593	-
Public Health	512,659	-	512,659	-
Library	45,632	-	45,632	-
Unrestricted	(102,599,515)	5,678,448	(96,921,067)	14,223,363
Total net assets	\$ 113,814,683	280,878,943	394,693,626	640,451,977

CITY OF EL PASO, TEXAS
STATEMENT OF ACTIVITIES
For the year ended August 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units El Paso Water Utilities - February 28, 2007
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General government	\$ 35,819,019	5,968,933	2,198,971	6,220	(27,644,895)		(27,644,895)	
Public safety	207,468,617	3,507,046	5,158,469	2,509,869	(196,293,233)		(196,293,233)	
Public works	65,296,644	22,729,186	883,024	303,324	(41,381,110)		(41,381,110)	
Public health	26,908,285	4,287,063	16,869,239	381,181	(5,370,802)		(5,370,802)	
Parks	20,272,370	3,979,702	16,424	142,339	(16,133,905)		(16,133,905)	
Library	9,223,454	267,553	300,224	290,457	(8,365,220)		(8,365,220)	
Culture and recreation	15,856,297	1,135,146	23,190	12,567	(14,685,394)		(14,685,394)	
Community and economic development	20,209,095	7,647,176	6,781,505	6,907,719	1,127,305		1,127,305	
Interest on long-term debt	24,319,731	-	-	-	(24,319,731)		(24,319,731)	
Total governmental activities	425,373,512	49,521,805	32,231,046	10,553,676	(333,066,985)		(333,066,985)	
Business-type Activities:								
International airport operations	32,461,434	26,770,747	-	15,171,023	-	9,480,336	9,480,336	
Industrial park operations and other operations	3,755,998	7,000,610	-	-	-	3,244,612	3,244,612	
Solid waste disposal operations	29,062,025	37,445,758	-	-	-	8,383,733	8,383,733	
Mass transit operations	49,391,220	7,781,901	8,483,199	6,784,743	-	(26,341,377)	(26,341,377)	
International bridges operations	3,531,138	14,093,206	-	-	-	10,562,068	10,562,068	
Total business-type activities	118,201,815	93,092,222	8,483,199	21,955,766		5,329,372	5,329,372	
Total Primary Government	\$ 543,575,327	142,614,027	40,714,245	32,509,442	(333,066,985)	5,329,372	(327,737,613)	
Component Units:								
Water	\$ 90,138,008	89,934,746	-	16,962,322				16,759,060
Wastewater and reclaimed water	46,705,793	45,348,889	-	12,866,993				11,510,089
Total Component Units	\$ 136,843,801	135,283,635	-	29,829,315				28,269,149

General revenues:

Taxes:

Property taxes, levied for general purposes	114,829,658	-	114,829,658	-
Property taxes, levied for debt service	44,948,582	-	44,948,582	-
Franchise taxes	41,999,260	-	41,999,260	-
Sales taxes	73,318,224	31,608,166	104,926,390	-
Investment earnings	6,729,913	3,901,695	10,631,608	6,260,084
Gain on disposal of capital assets	1,844,241	8,149	1,852,390	258,748
Transfers	20,735,493	(20,735,493)	-	-
Total general revenues and transfers	304,405,371	14,782,517	319,187,888	6,518,832
Change in net assets	(28,661,614)	20,111,889	(8,549,725)	34,787,981
Net assets - beginning	142,476,297	260,767,055	403,243,352	602,471,055
Prior period adjustment	-	-	-	3,192,941
Net assets - beginning, restated	142,476,297	260,767,055	403,243,352	605,663,996
Net assets - ending	\$ 113,814,683	280,878,944	394,693,627	640,451,977

CITY OF EL PASO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2007

	General	Community Development Block Grants	Debt Service	Capital Projects	Non Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 12,974,550	1,488,988	3,003,854	20,048,461	10,435,185	47,951,038
Investments	5,600,000	800,000	1,200,000	8,000,000	4,000,000	19,600,000
Receivables - Net of Allowances						
Taxes	16,776,683	-	2,255,480	-	-	19,032,163
Interest	1,083,944	404,315	-	-	-	1,488,259
Trade	486,567	-	-	-	236,806	723,373
Notes	-	34,134,656	-	-	-	34,134,656
Other	25,129,987	-	-	716,269	-	25,846,256
Due from Other Government Agencies	-	1,016,354	-	53,000	8,325,250	9,394,604
Prepaid Items	951	-	-	-	-	951
Due from Other Funds	10,833,097	-	-	-	5,057,555	15,890,652
Due from Component Unit	864,068	-	-	-	-	864,068
Inventory	2,749,504	-	-	-	46,662	2,796,166
Total Assets	\$ 76,499,351	37,844,313	6,459,334	28,817,730	28,101,458	177,722,186
LIABILITIES						
Accounts Payable	\$ 4,379,381	552,014	304	-	1,876,383	6,808,082
Accrued Payroll	7,408,556	84,269	-	5,074	895,184	8,393,083
Due to Other Funds	159,499	-	-	-	4,898,056	5,057,555
Taxes Payable	1,634,085	-	-	-	-	1,634,085
Unearned Revenue	15,907,680	37,102,465	-	-	1,585,065	54,595,210
Deferred Ad Valorem Taxes	5,645,732	-	1,988,913	-	-	7,634,645
Due to Other Government Agencies	-	-	-	-	73,615	73,615
Construction Contracts and Retainage Payable	12,451	105,565	-	9,125,577	44,831	9,288,424
Total Liabilities	35,147,384	37,844,313	1,989,217	9,130,651	9,373,134	93,484,699
FUND BALANCES						
Reserved for:						
Debt Service	-	-	3,081,599	-	-	3,081,599
Cash Reserve	16,000,000	-	-	-	-	16,000,000
Inventory	2,749,504	-	-	-	46,662	2,796,166
Unreserved:						
Designated for Subsequent Years	-	-	1,388,518	-	-	1,388,518
Designated for Contingencies	1,000,000	-	-	-	-	1,000,000
Undesignated-Special Revenue Funds	-	-	-	-	18,681,662	18,681,662
Undesignated	21,602,463	-	-	19,687,079	-	41,289,542
Total Fund Balances	41,351,967	-	4,470,117	19,687,079	18,728,324	84,237,487
Total Liabilities and Fund Balances	\$ 76,499,351	37,844,313	6,459,334	28,817,730	28,101,458	177,722,186

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
August 31, 2007

Fund balances - total governmental funds balance sheet \$ 84,237,487

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

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

Governmental capital assets	1,307,275,517	
Accumulated depreciation	(665,773,722)	
		641,501,795

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

Unamortized bond issuance expense	5,335,940	
Unearned revenue	292,084	
Property taxes	7,634,645	
Unearned revenue from low income housing loans	37,102,465	
Unearned revenue from fines and forfeits	15,615,596	
		65,980,730

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.

(12,427,783)

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

Accrued interest payable	(6,862,766)	
Arbitrage rebate payable	(30,227)	
Claims and judgments	(500,000)	
Compensated absences	(41,863,273)	
Net pension asset	5,724,675	
Net pension obligation	(673,911)	
Deferred amount on refunding	4,584,038	
Unamortized bond issuance premium	(17,440,789)	
Bonds, notes and commercial paper payable	(608,415,293)	
		(665,477,546)

Net assets of governmental activities		\$ 113,814,683
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CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the year ended August 31, 2007

	General	Community Development Block Grants	Debt Service	Capital Projects	Non Major Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 114,476,498	-	44,662,515	-	-	159,139,013
Penalties and Interest-Delinquent taxes	1,336,297	-	480,220	-	-	1,816,517
Sales Taxes	65,374,984	-	-	2,837,167	5,106,073	73,318,224
Franchise Fees	44,580,939	-	-	-	172,242	44,753,181
Charges for Services	14,002,835	3,775,721	1,136,477	8,788,110	7,999,099	35,702,242
Fines and Forfeits	13,930,626	-	-	-	1,091,856	15,022,482
Licenses and Permits	9,960,678	-	-	-	2,287,252	12,247,930
Intergovernmental Revenues	-	13,170,103	-	944,924	26,836,889	40,951,916
County Participation	-	-	-	-	1,832,806	1,832,806
Interest	5,120,396	246,978	1,386,713	735,616	36,519	7,526,222
Rents and Other	2,067,961	23,502	-	488,981	3,239,643	5,820,087
Net Decrease in the Fair Value of Investments	(12,500)	-	-	-	-	(12,500)
Total revenues	270,838,714	17,216,304	47,665,925	13,794,798	48,602,379	398,118,120
EXPENDITURES						
Current:						
General Government	27,431,616	253,911	-	202,000	484,705	28,372,232
Public Safety	275,342,560	-	-	-	8,569,322	283,911,882
Public Works	24,225,368	-	-	501,882	669	24,727,919
Facilities Maintenance	14,862,618	-	-	-	-	14,862,618
Public Health	-	-	-	-	26,202,064	26,202,064
Parks Department	13,973,685	141,512	-	-	3,554,406	17,669,603
Library	7,488,009	-	-	-	332,901	7,820,910
Non Departmental	5,168,597	-	-	-	-	5,168,597
Culture and Recreation	5,183,559	-	-	207,945	6,462,558	11,854,062
Economic Development	948,807	-	-	-	1,697,971	2,646,778
Community and Human Development	519,526	9,913,162	-	-	1,854,034	12,286,722
Debt Service:						
Principal	-	-	27,149,797	-	-	27,149,797
Interest Expense	-	-	18,372,736	-	-	18,372,736
Interest Expense - Commercial Paper	-	-	2,261,078	-	-	2,261,078
Payment to Refunding Bond Escrow Agent	-	-	1,360,000	-	-	1,360,000
Fiscal Fees	1,239,424	-	1,302,108	1,480,614	-	4,022,146
Capital Outlay	862,427	6,907,719	-	89,612,220	4,033,626	101,415,992
Total expenditures	377,246,196	17,216,304	50,445,719	92,004,661	53,192,256	590,105,136
Excess (Deficiency) of revenues over expenditures	\$ (106,407,482)	-	(2,779,794)	(78,209,863)	(4,589,877)	(191,987,016)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	20,738,593	-	3,682,078	4,150,659	4,945,836	33,517,166
Transfers Out	(9,096,495)	-	-	(3,682,078)	(3,100)	(12,781,673)
Face Amount of Bonds Issued	101,240,000	-	-	75,000,000	-	176,240,000
Face Amount of Refunding Bonds Issued	-	-	95,190,000	-	-	95,190,000
Premium on Issuance of Bonds	-	-	4,363,746	1,343,505	-	5,707,251
Payment to Refunding Bond Escrow Agent	-	-	(98,303,289)	-	-	(98,303,289)
Proceeds from Sale of Capital Assets	-	-	-	1,701,746	355,850	2,057,596
Total other financing sources (uses)	112,882,098	-	4,932,535	78,513,832	5,298,586	201,627,051
Net change in fund balances	6,474,616	-	2,152,741	303,969	708,709	9,640,035
Fund balances - beginning of year	34,877,351	-	2,317,376	19,383,110	18,019,615	74,597,452
Fund balances - end of year	\$ 41,351,967	-	4,470,117	19,687,079	18,728,324	84,237,487

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the year ended August 31, 2007

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

Net change in fund balances - total governmental funds \$ 9,640,035

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	72,767,963	
Depreciation	<u>(24,451,169)</u>	48,316,794

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

Cost of disposed assets	(2,126,826)	
Accumulated depreciation on disposed assets	<u>1,913,471</u>	(213,355)

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

Unearned revenue	(3,837,065)	
Unearned revenue from fines and forfeits	(22,376,807)	
Unearned revenue from low income housing loans	3,105,871	
Property taxes	<u>(1,177,290)</u>	(24,285,291)

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	(271,430,000)	
Repayments	27,149,797	
Face amount of debt refunded	99,500,000	
Amount deferred on refunding	(566,716)	
Unamortized bond issuance costs	3,658,253	
Premium on issuance of bonded debt	<u>(5,707,251)</u>	(147,395,917)

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

Increase in compensated absences	(1,618,324)	
Decrease in claims and judgments	1,000,000	
Increase in accrued interest expense	(5,131,338)	
Decrease in net pension obligation	75,840,695	
Increase in net pension asset	5,724,675	
Amortization of premiums on bonds issued	<u>2,012,137</u>	77,827,845

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

7,448,275

Change in net assets of governmental activities \$ (28,661,614)

CITY OF EL PASO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
August 31, 2007

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Totals	
ASSETS						
Current assets:						
Cash and Cash Equivalents	\$ 10,439,097	709,998	11,300	1,041,481	12,201,876	2,317,943
Investments	11,200,000	-	6,131,360	-	17,331,360	1,200,000
Receivables - Net of Allowances:						
Taxes	-	-	5,156,691	-	5,156,691	-
Trade	1,612,019	699,920	736,611	-	3,048,550	3,385
Due From Component Unit	-	2,987,675	-	-	2,987,675	-
Due From Other Government Agencies	47,231	-	9,168,683	-	9,215,914	-
Prepaid Items	872,900	23,560	59,836	-	956,296	-
Due From Other Funds	-	-	-	-	-	660,636
Inventory	1,090,969	69,088	1,729,850	-	2,889,907	664,499
Fuel Inventory	10,179	-	85,506	-	95,685	87,479
Total current assets	<u>25,272,395</u>	<u>4,490,241</u>	<u>23,079,837</u>	<u>1,041,481</u>	<u>53,883,954</u>	<u>4,933,942</u>
Non-current assets:						
Restricted Cash and Cash Equivalents	24,725,794	8,408,866	-	3,106,763	36,241,423	-
Restricted Investments	-	3,600,000	6,126,619	2,231,545	11,958,164	-
Restricted Trade Receivables	556,249	-	-	-	556,249	-
Capital Assets:						
Land	1,382,217	-	8,819,349	850,007	11,051,573	-
Buildings, Improvements & Equipment, Net	156,958,497	25,993,773	58,048,907	4,855,350	245,856,527	215,705
Construction in Progress	24,922,856	216,690	7,107,374	673,219	32,920,139	-
Total non-current assets	<u>208,545,613</u>	<u>38,219,329</u>	<u>80,102,249</u>	<u>11,716,884</u>	<u>338,584,075</u>	<u>215,705</u>
TOTAL ASSETS	<u>\$ 233,818,008</u>	<u>42,709,570</u>	<u>103,182,086</u>	<u>12,758,365</u>	<u>392,468,029</u>	<u>5,149,647</u>
LIABILITIES						
Current liabilities:						
Accounts Payable	\$ 2,827,930	526,845	2,533,017	128,479	6,016,271	393,257
Accrued Payroll	502,142	334,901	905,815	52,237	1,795,095	131,681
Current Portion - Bonds, Notes and Capital						
Lease Obligations Payable	900,525	2,409,569	1,928,052	1,089,531	6,327,677	-
Due to Other Funds	-	-	10,833,097	-	10,833,097	660,636
Hydrocarbon Clean Up - Current	-	-	216,390	-	216,390	-
Taxes Payable	56,017	232,694	1,174	-	289,885	-
Interest Payable on Bonds and Notes	17,590	67,135	158,812	247,281	490,818	-
Unearned Revenue	750,818	-	18,776	-	769,594	-
Construction Contracts and Retainage Payable	1,023,050	-	18,724	-	1,041,774	-
Compensated Absences - Current	1,401,353	591,598	1,046,358	92,928	3,132,237	129,776
Landfill Closure Costs - Current	-	1,300,000	-	-	1,300,000	-
Claims and Judgments - Current	-	-	267,337	-	267,337	16,225,477
Total current liabilities	<u>7,479,425</u>	<u>5,462,742</u>	<u>17,927,552</u>	<u>1,610,456</u>	<u>32,480,175</u>	<u>17,540,827</u>
Long-term liabilities:						
Certificates of Obligation Bonds	-	11,249,048	-	-	11,249,048	-
Revenue Bonds	8,274,198	18,188,254	-	700,000	27,162,452	-
Capital Lease Obligation	-	-	12,439,191	-	12,439,191	-
Notes Payable	-	-	-	6,645,879	6,645,879	-
Hydrocarbon Clean Up	-	-	613,230	-	613,230	-
Compensated Absences	395,253	166,861	295,127	26,211	883,452	36,603
Landfill Closure Costs	-	20,009,767	-	-	20,009,767	-
Delta Transfer Station Closure Costs	-	105,892	-	-	105,892	-
Total non-current liabilities	<u>8,669,451</u>	<u>49,719,822</u>	<u>13,347,548</u>	<u>7,372,090</u>	<u>79,108,911</u>	<u>36,603</u>
TOTAL LIABILITIES	<u>16,148,876</u>	<u>55,182,564</u>	<u>31,275,100</u>	<u>8,982,546</u>	<u>111,589,086</u>	<u>17,577,430</u>
NET ASSETS						
Invested in capital assets, net of related debt	174,088,847	6,372,458	65,735,006	3,281,474	249,477,785	215,705
Restricted for:						
Debt Service	8,466,093	-	-	419,345	8,885,438	-
Airport Operations	13,649,379	-	-	-	13,649,379	-
Passenger Facilities	3,187,893	-	-	-	3,187,893	-
Unrestricted:						
Unrestricted	18,276,920	(18,845,452)	6,171,980	75,000	5,678,448	(12,643,488)
Total net assets (deficit)	<u>217,669,132</u>	<u>(12,472,994)</u>	<u>71,906,986</u>	<u>3,775,819</u>	<u>280,878,943</u>	<u>(12,427,783)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 233,818,008</u>	<u>42,709,570</u>	<u>103,182,086</u>	<u>12,758,365</u>	<u>392,468,029</u>	<u>5,149,647</u>

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)
PROPRIETARY FUNDS
For the year ended August 31, 2007

Business Type Activities - Enterprise Funds

	Business Type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds		
OPERATING REVENUES:						
Charges of Rentals and Fee	\$ 33,771,357	37,168,981	-	-	70,940,338	-
Charges of Tolls	-	-	-	14,093,206	14,093,206	-
Charges of Fares and Fee:	-	-	7,697,346	-	7,697,346	-
Sales to Department:	-	-	-	-	-	15,783,680
Premium Contributions:	-	-	-	-	-	47,584,977
General Revenue:	-	276,777	84,555	-	361,332	1,409,039
Total Operating Revenues	33,771,357	37,445,758	7,781,901	14,093,206	93,092,222	64,777,696
OPERATING EXPENSES:						
Personnel Service:	15,253,387	10,749,185	29,329,303	1,618,694	56,950,569	3,746,860
Professional Service:	621,440	444,249	191,939	-	1,257,628	198,030
Outside Contracts:	2,662,682	1,308,160	3,190,259	555,384	7,716,485	2,720,438
Fuel and Lubricants:	279,240	2,276,458	2,677,264	-	5,232,962	6,317,713
Materials and Supplies:	905,021	4,180,897	3,323,997	27,557	8,437,472	4,306,925
Communications:	181,968	96,031	119,008	18,031	415,038	14,248
Utilities:	2,114,661	26,229	568,893	27,519	2,737,302	15,929
Operating Leases:	22,874	237,529	454,913	18,981	734,297	93,291
Travel and Entertainment:	126,988	31,401	40,509	9,805	208,703	10,588
Benefits Provider:	-	-	21,014	-	21,014	38,587,017
Maintenance and Repair:	601,738	137,307	267,721	82,014	1,088,780	1,215,475
Landfill and Transfer Station Utilization:	-	969,181	-	-	969,181	-
Other Operating Expense:	638,337	1,900,729	1,807,876	4,508	4,351,450	36,474
Depreciation:	12,288,546	4,777,184	7,054,421	798,279	24,918,430	61,458
Total Operating Expenses	35,696,882	27,134,540	49,047,117	3,160,772	115,039,311	57,324,446
Operating Income (Loss):	(1,925,525)	10,311,218	(41,265,216)	10,932,434	(21,947,089)	7,453,250
NON-OPERATING REVENUES (EXPENSES):						
Interest Revenue:	2,293,966	895,484	393,769	318,476	3,901,695	-
Interest Expense:	(520,550)	(1,919,381)	(342,787)	(370,366)	(3,153,084)	(4,975)
Gain(Loss) on Sale of Equipment and Land:	8,149	(8,104)	(1,316)	-	(1,271)	-
Passenger Facility Charge:	4,575,631	-	-	-	4,575,631	-
Sales Tax:	-	-	31,608,166	-	31,608,166	-
FTA Subsidy:	-	-	8,483,199	-	8,483,199	-
Total Non-Operating Revenues (Expenses)	6,357,196	(1,032,001)	40,141,031	(51,890)	45,414,336	(4,975)
Income (Loss) Before Capital Contribution and Transfers	4,431,671	9,279,217	(1,124,185)	10,880,544	23,467,247	7,448,275
Capital Contributions:	10,595,392	-	6,784,743	-	17,380,135	-
Transfers Out:	(1,400,000)	(5,189,980)	(3,750,000)	(10,395,513)	(20,735,493)	-
Change in net asset:	13,627,063	4,089,237	1,910,558	485,031	20,111,889	7,448,275
Total Net Assets(Deficit)-beginning	204,042,069	(16,562,230)	69,996,428	3,290,788	260,767,055	(19,876,058)
Total Net Assets(Deficit)-ending	\$ 217,669,132	(12,472,993)	71,906,986	3,775,819	280,878,944	(12,427,783)

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2007

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 33,652,270	37,026,820	7,121,009	14,093,206	91,893,305	64,780,538
Payments to Suppliers	(7,763,297)	(10,891,197)	(12,444,801)	(670,605)	(31,769,900)	(54,891,991)
Payments to Employees	(15,027,314)	(10,780,771)	(29,122,648)	(1,604,833)	(56,535,566)	(3,800,580)
Net cash provided (used) by operating activities	10,861,659	15,354,852	(34,446,440)	11,817,768	3,587,839	6,087,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	(1,400,000)	(5,189,980)	(3,750,000)	(10,395,513)	(20,735,493)	-
Proceeds from Other Funds	-	-	10,833,097	-	10,833,097	(2,617,514)
Proceeds to Other Funds	-	-	-	-	-	113,311
Sales Tax	-	-	31,151,572	-	31,151,572	-
Passenger Facility Charge	4,575,631	-	-	-	4,575,631	-
Net cash provided (used) by noncapital financing activities	3,175,631	(5,189,980)	38,234,669	(10,395,513)	25,824,807	(2,504,203)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Capital Debt	-	-	15,000,000	-	15,000,000	-
Capital Contributions from Federal Government	10,595,392	-	8,673,202	-	19,268,594	-
Purchases of Capital Assets	(29,286,616)	(11,887,591)	(16,960,008)	(81,341)	(58,215,556)	-
Payment of Closure and Transfer Station costs	-	(111,411)	-	-	(111,411)	-
Principal Paid on Capital Debt	(575,000)	(3,713,161)	(632,757)	(1,051,969)	(5,972,887)	(60,846)
Interest Paid on Capital Debt	(421,825)	(1,966,659)	(183,975)	(415,821)	(2,988,280)	(4,975)
Other Receipts (Payments)	8,149	(8,104)	(1,316)	-	(1,271)	-
Net cash provided (used) by capital and related financing activities	(19,679,900)	(17,686,926)	5,895,146	(1,549,131)	(33,020,811)	(65,821)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	45,515,573	17,702,035	2,006,398	5,037,873	70,261,879	-
Purchases of Investments	(11,200,000)	(3,600,000)	(12,257,979)	(1,600,000)	(28,657,979)	(1,200,000)
Interest	2,293,966	895,484	393,769	318,476	3,901,695	-
Net cash provided (used) by investing activities	36,609,539	14,997,519	(9,857,812)	3,756,349	45,505,595	(1,200,000)
Net increase (decrease) in cash and cash equivalents	30,966,929	7,475,465	(174,437)	3,629,473	41,897,430	2,317,943
Cash and Cash Equivalents - beginning of the year	4,197,962	1,643,399	185,737	518,771	6,545,869	
Cash and Cash Equivalents - end of the year	\$ 35,164,891	9,118,864	11,300	4,148,244	48,443,299	2,317,943

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2007

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH						
PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (1,925,525)	10,311,218	(41,265,216)	10,932,434	(21,947,089)	7,453,250
Adjustments to Reconcile Operating Income to Net Cash						
Provided (Used) by Operating Activities:						
Landfill and Transfer Station Utilization	-	969,181	-	-	969,181	-
Depreciation Expense	12,288,546	4,777,184	7,054,421	798,279	24,918,430	61,458
Change in Assets and Liabilities:						
Receivables, Net	(374,630)	(429,355)	(660,278)	-	(1,464,263)	2,842
Inventories	(190,064)	(13,204)	-	-	(203,268)	(23,432)
Other Assets	(791,107)	8,765	(210,359)	-	(992,701)	-
Accounts and other payables	1,628,366	(237,351)	379,104	73,194	1,843,313	(367,062)
Accrued Expenses	226,073	(31,586)	255,888	13,861	464,236	(1,039,089)
Net cash provided by operating activities	<u>\$ 10,861,659</u>	<u>15,354,852</u>	<u>(34,446,440)</u>	<u>11,817,768</u>	<u>3,587,839</u>	<u>6,087,967</u>

CITY OF EL PASO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
August 31, 2007

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trusts</u>	<u>Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 21,473,782	6,370,667	2,961,078
Investments:			
United States Government Securities	23,321,566	2,800,000	-
Corporate Bonds	7,457,586	-	-
Corporate Stocks	329,207,638	-	-
Bank Collective Investment Funds	178,609,682	-	-
Foreign Exchange Contract	220,450	-	-
Fixed Income Securities	234,875,573	-	-
Domestic Equities	270,445,441	-	-
International Equities	196,009,195	-	-
Receivables - Net of Allowances			
Commission Credits Receivable	87,383	-	-
Due from Brokers For Securities Sold	1,362,292	-	-
Employer Contributions	999,366	-	-
Employee Contributions	693,266	-	-
Accrued Interest and Dividends	996,267	-	-
Special Assessment PID #1	-	-	551,604
Delinquent Property Taxes-Other Taxing Entities	-	-	49,929,259
Prepaid Items	19,156	-	-
Due from Other Funds	-	-	4,662,096
Capital Assets:			
Buildings, Improvements & Equipment, Net	1,710,985	-	-
Total assets	<u>1,267,489,628</u>	<u>9,170,667</u>	<u>58,104,037</u>
LIABILITIES			
Accounts Payable	3,547,781	17,839	759,282
Taxes Payable	-	33	-
Accrued Payroll	-	3,899	-
Payable to Bondholders - PID #1	-	-	551,604
Amount Available to Pay Bonds - PID #1	-	-	16,792
Due to Other Funds	-	4,662,096	-
Prepaid Property Taxes-Other Taxing Entities	-	-	1,823,775
Deferred Revenue - Commission Credits	87,383	-	-
Property Taxes Subject to Refund-Other Taxing Entities	-	-	5,023,325
Foreign Exchange Contract	215,409	-	-
Uncollected Property Taxes-Other Taxing Entities	-	-	49,929,259
Total liabilities	<u>3,850,573</u>	<u>4,683,867</u>	<u>58,104,037</u>
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,263,639,055</u>	<u>4,486,800</u>	

CITY OF EL PASO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the year ended August 31, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trusts</u>
ADDITIONS (REDUCTIONS)		
Contributions:		
Employer	\$ 34,163,761	-
Employee	23,880,285	-
Other	844	-
Total contributions	<u>58,044,890</u>	<u>-</u>
Rental vehicle sales tax	-	2,781,029
Miscellaneous	-	371,632
Investment earnings (loss):		
Net increase in fair value of investments	159,816,023	-
Interest	2,667,705	3,405
Dividends	4,441,035	-
Securities lending income	3,727,753	-
Securities lending fees	(3,477,627)	-
Increase in commission credits receivable	46,965	-
Investment advisor fees	(4,343,696)	-
Net investment (loss)	<u>162,878,158</u>	<u>3,405</u>
Other Income (Loss):		
Rental Income	861	-
Total other income (loss)	<u>861</u>	<u>-</u>
Total additions (reductions)	<u>220,923,909</u>	<u>3,156,066</u>
DEDUCTIONS		
Benefits paid to participants	67,961,335	-
Refunds of contributions	4,242,800	-
Administrative expenses	2,083,915	-
Benefits paid for other purposes	-	3,053,266
Total deductions	<u>74,288,050</u>	<u>3,053,266</u>
Change in net assets	146,635,859	102,800
Net assets - beginning of the year	<u>1,117,003,196</u>	<u>4,384,000</u>
Net assets - end of the year	<u>\$ 1,263,639,055</u>	<u>4,486,800</u>

NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2007
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CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

City Employees' Pension Fund (CEPF)

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

Firemen and Policemen’s Pension Fund (FPPF)

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

El Paso Water Utilities (EPWU)

As specified by City Ordinance No. 752, adopted May 22, 1952, complete management and control of EPWU is vested in a five-member board of trustees known as the Public Service Board (PSB). The PSB consists of the Mayor and four residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council. EPWU is reported discretely as a component unit in the accompanying financial statements and the financial information included in these statements is as of EPWU’s latest fiscal year end, February 28, 2007.

EPWU reported a prior period adjustment as a result of management’s decision to change the method of depreciating vehicles to an approach which results in a more precise calculation of depreciation expense and to correct an error in the amount of interest expense capitalized. These changes increased net assets by \$3,192,941 from the amount previously reported as of August 31, 2006.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

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

Related Organizations

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

El Paso Housing Authority

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

El Paso County 911 District

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

Not-for-Profit Corporations

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

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

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

El Paso Property Finance Authority, Inc.

Incorporated March 12, 1987, pursuant to the Texas Non-Profit Corporation Act, for the purpose of establishing a Permanent Public Improvements Program. Its board consists of six directors who serve two-year terms or until a successor is appointed. This corporation had no assets or liabilities and had no financial transactions during fiscal year 2007.

El Paso Housing Finance Corporation

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

City of El Paso Industrial Development Authority

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

B. Basic Financial Statements

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

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

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

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

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

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

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

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

Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement Number 34. 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, reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

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

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

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

The City uses the following fund categories:

Governmental Funds

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

The City reports the following major governmental funds:

General Fund

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

Community Development Block Grant Fund

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

Debt Service Fund

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

Capital Projects Fund

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

The City reports the following nonmajor governmental fund:

Special Revenue Funds

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

Proprietary Funds

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

Enterprise Funds

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

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

The City reports on the following major enterprise funds:

El Paso International Airport (Airport)

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

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).

The City reports the following nonmajor enterprise fund:

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 Fund

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

Private Purpose Trust Fund

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

Agency Funds

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

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

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheet. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers grant revenues to be available if they are collected within one year after year-end and all other revenues to be available if they are collected within 60 days after year-end except for franchise fee revenue collected within 75 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage liabilities are recorded only when the liability has matured.

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

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

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

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

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

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

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

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

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

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

E. Cash, Cash Equivalents and Investments

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

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

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

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

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

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

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

H. Insurance

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

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

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

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

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

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

I. Unearned Revenue and Uncollectible Loans

Unearned revenue represents amounts that have been collected or billed in advance of revenue recognition criteria. It consists primarily of \$15,615,596 in fines and forfeits in the General Fund and \$37,102,465 in low-income housing loans in the Community Development Block Grants Fund. Cash of \$2,617,954, accrued interest receivable of \$404,315 amounts payable of \$54,460, notes receivable of \$47,195,114 less an allowance for estimated uncollectible notes receivable in the amount of \$13,060,458 and unearned revenue of \$37,102,465 are reported for these low-income housing loans in the Governmental Funds Balance Sheet.

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

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

2. Transactions Between Funds

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

K. Federal and State Grants

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Revenues are recognized when the expenditures of Federal and State grant funds are made and all eligibility requirements have been met. Amounts owed to the City at August 31, 2007 for grants and entitlements are reflected as "Due From Other Government Agencies." The City expects to collect these balances during the subsequent fiscal year.

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

L. Compensated Absences

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

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

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

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

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. In these statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Restrictions and Designations of Fund Balances/Net Assets

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

Restrictions

Restricted net assets of the Airport Fund were \$25,303,365 and relate to funds restricted by the FAA for future airport maintenance and for debt service requirements.

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

Restricted for Employee Retirement

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

Restricted for Debt Service

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

Restricted for Cash Reserve

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Designations

Designated for Subsequent Year's Expenditures

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

Designated for Contingencies

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

O. Statement of Cash Flows

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

P. Claims and Judgments

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

Q. Solid Waste Landfill Closure and Post-closure Cost

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

R. Fiscal-year Inconsistencies

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

Primary Government - Due From Component Unit	
Governmental funds:	
General Fund	\$ 864,068
Proprietary funds:	
Department of Solid Waste Management	2,987,675
Due From Component Unit at August 31, 2007	<u>\$ 3,851,743</u>
Component unit - EPWU - Due To Primary Government - at February 28, 2007	<u>\$ 3,426,898</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fiscal-year Inconsistencies (Continued)

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 entity-wide financial statements. The following amounts are reported in these statements:

	<u>Firemen Division</u>	<u>Policemen Division</u>
Primary government:		
Employer Contributions to FPPF:		
General Fund	\$ 7,795,764	10,684,182
Nonmajor Governmental Funds	40,964	528,744
El Paso International Airport	<u>313,786</u>	<u>270,397</u>
Employer Contributions to FPPF	<u>\$8,150,514</u>	<u>11,483,323</u>
Fiduciary Funds - FPPF		
Employer Contribution from City	<u>\$8,020,937</u>	<u>11,567,974</u>

On June 15, 2007 subsequent to the fiscal year end of the FPPF, the City issued \$101,240,000 in Pension Obligation Bonds and transferred the net proceeds of \$100,000,576 to the FPPF in order to partially fund the Unfunded Actuarial Accrued Liability of \$317,987,301. The City's Net Pension Obligation associated with the FPPF of \$94,275,901 was reduced by the net proceeds of \$100,000,576 to arrive at the Net Pension Asset recorded in these statements of \$5,724,675. The Pension Obligation Bonds are the sole obligation of the City's General Fund.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH, DEPOSITS AND INVESTMENTS

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

	Primary Government	Private Purpose Trusts	Agency Funds	Subtotal - City Treasury	Component Unit - EPWU	Pension Trust Funds
Cash and Cash Equivalents	\$ 62,470,857	6,370,667	2,961,078	71,802,602	7,825,317	(1) 21,473,782
Restricted Cash and Cash Equivalents	36,241,423			36,241,423	101,080,294	
Cash and Cash Equivalents	98,712,280	6,370,667	2,961,078	108,044,025	108,905,611	21,473,782
Investments	38,131,360	2,800,000		40,931,360		1,240,147,131
Restricted Investments	11,958,164			11,958,164	10,778,489	
Investments	50,089,524	2,800,000		52,889,524	10,778,489	1,240,147,131
	<u>\$ 148,801,804</u>	<u>9,170,667</u>	<u>2,961,078</u>	<u>160,933,549</u>	<u>119,684,100</u>	<u>1,261,620,913</u>

(1) Carrying amount of cash at February 28, 2007 was \$1,799,404. The bank balance total led \$4,477,917 secured by \$100,00 FDIC Insurance and surety bond of \$30,000,000.

Pooled Cash and Investments

The City maintains a cash and investment pool (Pool) that is available for use by the Primary Government and Private Purpose Trusts. Each fund's portion of the Pool is proportionately reported in these statements as "Cash and cash equivalents" and "Investments." Participation in the Pool is restricted and does not include cash on hand (petty cash and change funds) and other funds that are restricted because of statutory or contractual considerations. A fund may overdraw its account in the Pool, with the overdraft reported as a liability (Due to other funds) on the balance sheet. Earnings from the Pool are allocated to the funds based upon each fund's daily balance in the Pool in accordance with the City's investment policy. Cash and Cash Equivalents and Investments of the City Treasury at August 31, 2007 were:

	Cash and Cash Equivalents	Investments	City Treasury	Non-Pool	Pool
Governmental Funds:					
General	\$ 12,974,550	5,600,000	18,574,550	40,845	18,533,705
Community Development					
Block Grants	1,488,988	800,000	2,288,988	100	2,288,888
Debt Service	3,003,854	1,200,000	4,203,854		4,203,854
Capital Projects	20,048,461	8,000,000	28,048,461		28,048,461
Nonmajor Governmental Funds	10,435,185	4,000,000	14,435,185	1,100	14,434,085
Internal Service Funds	2,317,943	1,200,000	3,517,943		3,517,943
Enterprise Funds:					
El Paso International Airport	35,164,891	11,200,000	46,364,891	7,288,728	39,076,163
Environmental Services	9,118,864	3,600,000	12,718,864	750	12,718,114
Mass Transit	11,300	12,257,979	12,269,279	12,269,279	
Nonmajor Enterprise Funds	4,148,244	2,231,545	6,379,789	855,933	5,523,856
Fiduciary Funds:					
Private Purpose Trusts	6,370,667	2,800,000	9,170,667		9,170,667
Agency Funds	2,961,078		2,961,078	2,944,286	16,792
	<u>\$ 108,044,025</u>	<u>52,889,524</u>	<u>160,933,549</u>	<u>23,401,021</u>	<u>137,532,528</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Pooled Cash and Investments (Continued)

Cash and cash equivalents and investments of the City Treasury:

	Pool	Non-Pool	Carrying/Market Value	Bank Balance	
Cash in bank (1)	\$ (3,197,619)	2,944,286	(253,333)	5,154,858	
Cash on hand		106,091	106,091		
External investment pools:					
TexPool	19,894,297		19,894,297	19,894,297	
LOGIC	8,239,891		8,239,891	8,239,891	
Texas Term	23,211,495		23,211,495	23,211,495	
TexSTAR	38,532,882		38,532,882	38,532,882	
Wells Fargo Government Investment Fund	5,556,560	7,461,120	13,017,680	13,017,680	
Repurchase agreement	5,295,022		5,295,022	5,295,022	
Cash and cash equivalents	<u>97,532,528</u>	<u>10,511,497</u>	<u>108,044,025</u>		% of Investment Portfolio
Mutual Fund - Columbia Cash Reserve		12,257,978	12,257,978	Held by City's agent in City's name.	23.2%
Mutual Fund - JPMorgan Funds		631,546	631,546		1.2%
\$40,000,000 par value Federal Home Loan Note - 3.03% coupon, called 9/7/08	40,000,000		40,000,000		75.6%
	<u>\$ 137,532,528</u>	<u>23,401,021</u>	<u>160,933,549</u>		

(1) Held by financial institution. Insured by FDIC \$100,000. Remainder secured by a pledge of \$13,404,722 of U.S. Government securities held by the City's agent in the City's name.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – City Treasury

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

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

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

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

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

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.

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – City Treasury (Continued)

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

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

At August 31, 2007, investments of the City Treasury are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. agencies	\$ 40,000,000	40,000,000		AAA / S&P
External investment pools	102,896,245	102,498,803	397,442	AAA / S&P
Mutual funds	12,889,524	12,889,524		AAA / S&P
Repurchase agreements	5,295,022	5,295,022		Unrated
	<u>\$ 161,080,791</u>	<u>160,683,349</u>	<u>397,442</u>	

Investments – Component Unit - EPWU

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

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

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Component Unit - EPWU

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 2007, 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.

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, 2007

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

At February 28, 2007 investments of EPWU are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. agencies	\$ 18,678,274	15,677,336	3,000,938	AAA / S&P
Investment pools	51,307,422	51,307,422		AAA / S&P
Mutual bond funds	31,476,670	31,476,670		AAA / S&P
Mutual bond funds	16,422,330	16,422,330		Unrated
	<u>\$ 117,884,696</u>	<u>114,883,758</u>	<u>3,000,938</u>	

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

The following table presents the fair value of investments that represents 5% or more of EPWU's investment portfolio at February 28, 2007. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are not included.

Federal Agency Discount Notes:	
Federal Home Loan Mortgage Corp.	\$ 12,818,683

Investments – Pension Trust Funds - CEPF

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

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

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

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

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

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

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – CEPF (Continued)

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

At August 31, 2007, investments of CEPF are as follows:

Investment type	Fair Value	Maturity in years				Rating / Agency
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasuries	\$ 13,715,850	3,660,869	1,860,699	3,953,393	4,240,890	
U.S. agencies	9,605,716				9,605,716	Unrated
Corporate bonds	7,457,586	351,272	2,226,866	1,449,555	3,429,893	A, BAA or better / Moody's
Mutual bond funds	111,299,975	111,299,975				Unrated
	<u>\$ 142,079,127</u>	<u>115,312,116</u>	<u>4,087,565</u>	<u>5,402,948</u>	<u>17,276,499</u>	

CEPF held corporate bonds in the aggregate fair value of \$7,457,586. At August 31, 2007, \$3,993,332 in corporate bonds had Moody's Investment Services ratings of A or better. The remaining \$3,464,254 had ratings of BAA or better. All corporate bonds held at August 31, 2007 were rated as investment grade by Moody's Investment Services.

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, 2007. These investments are in bank collective investment funds, which consist of diversified portfolios of investments as described above.

	Shares/ par value	Fair value
EB Stock Index Fund – Mellon Capital Management Corporation	40,493	\$ 67,309,708
EB MCM Government Bond Index Fund – Mellon Capital Management Corporation	336,874	111,299,975
FMTC International Growth Fund – Fidelity Investments	1,749,310	27,431,648

CEPF's exposure to foreign currency risk at August 31, 2007 was as follows:

Investment	Currency	Fair value
Cash and equivalents	(1)	\$ 399,484
Corporate stocks	Australian dollar	7,479,426
Corporate stocks	British pound	23,884,119
Corporate stocks	European euro	40,573,510
Corporate stocks	Japanese yen	24,943,616
Corporate stocks	Swiss franc	2,542,307
Corporate stocks	Swedish krona	11,718,862
Corporate stocks	(2)	6,915,568
Total		<u>\$ 118,456,892</u>

(1) Investments in cash and cash equivalents ranging from \$2,400 to \$125,000 were held in Australian dollars, British pounds, Danish kroner, European euros, Hong Kong dollars, Japanese yen, Norwegian kroner, Singapore dollars and Swiss francs.

(2) Investments in corporate stocks ranging from \$237,000 to \$1,742,000 were held in Canadian dollars, Danish kroner, Hong Kong dollars, Norwegian kroner and Singapore dollars.

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – CEPF (Continued)

Security Lending Transactions

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

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

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

Fair value of securities loaned by type of investment at August 31, 2007 was as follows:

U.S. government securities	\$ 13,174,025
Corporate bonds	225,913
Corporate stocks	<u>49,650,057</u>
Total	<u>\$ 63,049,995</u>

Investments – Pension Trust Funds – FPPF

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

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

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

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

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

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments – Pension Trust Funds – FPPF (Continued)

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

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

Emerging Markets Equity Manager - expected to rank in the top half of a universe of other actively managed equity funds with similar objectives and risk profiles and maintain an acceptable risk level, as measured by standard deviation, which is not expected to exceed 1.5 times the annualized deviation of the S&P/Citicorp Emerging Markets BMI Index.

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

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

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

At December 31, 2006, the Fund held bond mutual funds in the aggregate fair value of \$234,875,573. These investments are unrated.

As of December 31, 2006, the Fund had the following investments and maturities.

Investment type	Maturities by Years	
	Fair value	Less than 1
Bond mutual fund	\$ 234,875,573	234,875,573

Foreign Currency Risk

The Fund's exposure to foreign currency risk at December 31, 2006, was as follows:

Investment	Currency	Fair Value
Corporate stocks	Australian dollar	\$ 767,771
Corporate stocks	British pound	21,492,607
Corporate stocks	Canadian dollar	2,079,018
Corporate stocks	European euro	42,095,170
Corporate stocks	Hong Kong dollar	4,634,498
Corporate stocks	Japanese yen	7,672,101
Corporate stocks	Norwegian krone	3,005,019
Corporate stocks	South Korean won	6,175,062
Corporate stocks	Swiss franc	6,346,449
	Total	<u>\$ 94,267,695</u>

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

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

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

Securities Lending

In November 2006, the Fund has entered into an agreement with its new custodian bank, The Northern Trust Company (the Lending Agent) which replaced the agreement with its former custodian bank, Mellon Bank, N.A. (the Lending Agent) under which Fund-owned investments are lent to one or more borrowers for a fee. The types of securities that governments lend include U.S. government and agency securities, domestic and foreign corporate equity and fixed income securities, and foreign government fixed-income securities. Parameters are established by the Fund's investment guidelines for securities lending transaction along with the Securities Lending Authorization Agreement. The Lending Agent is responsible for collecting all required collateral in the form of U.S. dollar cash, securities issued or guaranteed by the United States Government or its agencies or instrumentalities, or irrevocable letters of credit issued by banks independent of the borrowers. The Lending Agent may invest on behalf of the Fund any and all cash collateral as agreed upon by both parties. The Fund's policy is to match the maturities of the collateral investments and the securities loans and at year-end all securities loans could be terminated on demand by either the entity or the borrower and substantially all cash collateral is invested in overnight or on-demand investments. There were no losses from securities lending transactions during the period resulting from a default of a borrower or the lending agent.

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

As of December 31, 2006, \$76,907,575 of Fund owned investments were loaned to borrowers.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 3. PROPERTY TAXES

Levy, Assessment and Collection

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. A receivable for property taxes is recognized and recorded at the levy date. The adjusted assessed value for the roll as of January 1, 2006, upon which the 2007 levy was based, was \$23,564,621,029.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 97.70% of the current tax levy (October 2006) was collected. The statutory lien date is January 1.

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

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

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

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

The tax rate to finance general governmental purposes, other than the payment of principal and interest on general obligation long-term debt, for the year ended August 31, 2007, was \$.481420 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.341629 per \$100 assessed valuation and could levy \$312,310,877 in additional taxes from the assessed valuation of \$23,564,621,029 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, 2007 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property taxes receivable	\$ 7,763,527	2,734,951
Less allowance for uncollectibles	1,361,110	479,471
Net property taxes receivable	<u>\$ 6,402,417</u>	<u>2,255,480</u>
Unearned ad valorem taxes	<u>\$ 5,645,732</u>	<u>1,988,913</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 4. RECEIVABLES

Receivables are summarized below:

	Governmental activities						Total
	General Fund	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	
		Fund					
Property taxes	\$ 7,763,527		2,734,951				10,498,478
Sales taxes	10,374,266						10,374,266
Trade	1,588,008				236,806	21,351	1,846,165
Interest	1,083,944	404,315					1,488,259
Other	7,394,810			716,269			8,111,079
Bond proceeds receivable							0
Fines and forfeits	84,709,975						84,709,975
Due from other government agencies		1,016,354		53,000	8,325,250		9,394,604
Notes receivable - low income housing loans		47,195,114					47,195,114
Allowance for doubtful accounts	(69,437,349)	(13,060,458)	(479,471)			(17,966)	(82,995,244)
Receivables, net of allowances	<u>\$ 43,477,181</u>	<u>35,555,325</u>	<u>2,255,480</u>	<u>769,269</u>	<u>8,562,056</u>	<u>3,385</u>	<u>90,622,696</u>

	Business-type activities			
	El Paso International Airport	Environmental Services	Mass Transit	Total
Unrestricted:				
Sales taxes	\$ -		5,156,691	5,156,691
Trade	2,586,416	1,081,417	736,611	4,404,444
Due from other government agencies	47,231		9,168,683	9,215,914
Allowance for doubtful accounts	(974,397)	(381,497)		(1,355,894)
Receivables, net of allowances	<u>1,659,250</u>	<u>699,920</u>	<u>15,061,985</u>	<u>17,421,155</u>
Restricted:				
Trade	556,249			556,249
Receivables, net of allowances	<u>\$ 2,215,499</u>	<u>699,920</u>	<u>15,061,985</u>	<u>17,977,404</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 5. CAPITAL ASSETS

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

	<u>Balances September 1, 2006</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances August 31, 2007</u>
Governmental Activities: ¹					
Capital assets not being depreciated					
Land	\$138,091,079	10,735,255		(213,355)	148,612,979
Construction in progress	86,948,952	(17,877,749)	62,409,365	-	131,480,568
Total capital assets not being depreciated	<u>225,040,031</u>	<u>(7,142,494)</u>	<u>62,409,365</u>	<u>(213,355)</u>	<u>280,093,547</u>
Capital assets being depreciated					
Buildings	271,931,284	276,975			272,208,259
Improvements other than buildings	20,178,552				20,178,552
Vehicles and major equipment	90,952,014		9,729,773	(1,913,471)	98,768,316
Data processing equipment and software	11,661,172		628,825		12,289,997
Other capital assets	2,845,308				2,845,308
Infrastructure	616,011,238	6,865,519			622,876,757
Total capital assets, being depreciated	<u>1,013,579,568</u>	<u>7,142,494</u>	<u>10,358,598</u>	<u>(1,913,471)</u>	<u>1,029,167,189</u>
Less accumulated depreciation for:					
Buildings	93,061,661		7,575,883		100,637,544
Improvements other than buildings	17,746,871		343,187		18,090,058
Vehicles and major equipment	65,686,919		8,039,104	(1,913,471)	71,812,552
Data processing equipment and software	8,487,161		2,470,371		10,957,532
Other capital assets	2,845,308		-		2,845,308
Infrastructure	457,116,160		6,084,082		463,200,242
Total accumulated depreciation	<u>644,944,080</u>	<u>-</u>	<u>24,512,627</u>	<u>(1,913,471)</u>	<u>667,543,236</u>
Total capital assets, being depreciated, net	<u>368,635,488</u>	<u>7,142,494</u>	<u>(14,154,029)</u>	<u>-</u>	<u>361,623,953</u>
Governmental activities capital assets, net	<u>\$593,675,519</u>	<u>-</u>	<u>48,255,336</u>	<u>(213,355)</u>	<u>641,717,500</u>

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

Governmental Activities ¹	
General government	\$ 1,616,063
Public safety	6,472,635
Public Works	8,686,571
Public health	611,315
Parks	2,065,328
Library	469,720
Culture and recreation	4,498,714
Community and economic development	30,823
Total depreciation expense - governmental activities	<u>24,451,169</u>
Internal service funds	61,458
Depreciation Expense	<u>\$ 24,512,627</u>

¹ The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2007, Internal Service Funds capital asset cost was \$1,788,947. Depreciation expense of \$61,458 resulted in an ending accumulated depreciation balance of \$1,573,242 to arrive at a net book value of \$215,705.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 5. CAPITAL ASSETS (Continued)

	Balance September 1, 2006	Transfers	Increases	Decreases	Balance August 31, 2007
Business-type activities:					
El Paso International Airport					
Capital assets not being depreciated:					
Land	\$ 1,382,217				1,382,217
Construction in progress	20,345,258	(26,192,384)	30,769,982		24,922,856
Total capital assets not being depreciated	21,727,475	(26,192,384)	30,769,982		26,305,073
Capital assets being depreciated:					
Buildings	114,150,487	6,067,402			120,217,889
Improvements other than buildings	151,796,870	19,813,958			171,610,828
Vehicles and major equipment	11,265,896	311,024		40,465	11,536,455
Total capital assets being depreciated	277,213,253	26,192,384		40,465	303,365,172
Less accumulated depreciation for:					
Buildings	41,570,040		3,794,509		45,364,549
Improvements other than buildings	83,663,925	949,056	7,623,295		92,236,277
Vehicles and major equipment	8,924,628	(949,056)	870,742	40,464	8,805,849
Total accumulated depreciation	134,158,593		12,288,546	40,464	146,406,675
Total capital assets, being depreciated, net	143,054,660	26,192,384	(12,288,546)	1	156,958,497
El Paso International Airport capital assets, net	\$ 164,782,135		18,481,436	1	183,263,570
Environmental Services					
Capital assets not being depreciated:					
Construction in progress	\$ 7,005,686	(19,039,250)	12,250,254		216,690
Total capital assets not being depreciated	7,005,686	(19,039,250)	12,250,254		216,690
Capital assets being depreciated:					
Buildings	512,100	549,985		77,647	984,438
Improvements other than buildings	7,079,765	7,087,538			14,167,303
Vehicles and major equipment	31,149,388	11,401,727			42,551,115
Total capital assets being depreciated	38,741,253	19,039,250		77,647	57,702,856
Less accumulated depreciation for:					
Buildings	334,371		85,286	69,544	350,113
Improvements other than buildings	6,957,561		872,911		7,830,472
Vehicles and major equipment	19,709,511		3,818,987		23,528,498
Total accumulated depreciation	27,001,443		4,777,184	69,544	31,709,083
Total capital assets, being depreciated, net	11,739,810	19,039,250	(4,777,184)	8,103	25,993,773
Environmental Services capital assets, net	\$ 18,745,496		7,473,070	8,103	26,210,463
Mass Transit					
Capital assets not being depreciated:					
Land	\$ 8,104,061		715,288		8,819,349
Construction in progress	7,148,382	(1,648,531)	1,744,957	137,434	7,107,374
Total capital assets not being depreciated	15,252,443	(1,648,531)	2,460,245	137,434	15,926,723
Capital assets being depreciated:					
Buildings	25,601,629				25,601,629
Improvements other than buildings	26,145,590	1,506,117	6,750		27,658,457
Vehicles and major equipment	62,540,180	142,414	14,518,967	12,800,159	64,401,402
Total capital assets being depreciated	114,287,399	1,648,531	14,525,717	12,800,159	117,661,488
Less accumulated depreciation for:					
Buildings	7,960,483		851,932		8,812,415
Improvements other than buildings	9,905,968		1,570,005	11,744	11,464,229
Vehicles and major equipment	47,609,860		4,632,484	12,906,407	39,335,937
Total accumulated depreciation	65,476,311		7,054,421	12,918,151	59,612,581
Total capital assets, being depreciated, net	48,811,088	1,648,531	7,471,296	(117,992)	58,048,907
Mass Transit capital assets, net	\$ 64,063,531		9,931,541	19,442	73,975,630

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 5. CAPITAL ASSETS (Continued)

	Balance September 1, 2006	Transfers	Increases	Decreases	Balance August 31, 2007
Business-type activities (CONTINUED):					
Nonmajor Enterprise Funds					
Capital assets not being depreciated:					
Land	\$ 850,007				850,007
Construction in progress	441,878		231,341		673,219
Total capital assets not being depreciated	<u>1,291,885</u>		<u>231,341</u>		<u>1,523,226</u>
Capital assets being depreciated:					
Buildings	11,130,729				11,130,729
Improvements other than buildings					
Vehicles and major equipment	2,955,859				2,955,859
Total capital assets being depreciated	<u>14,086,588</u>				<u>14,086,588</u>
Less accumulated depreciation for:					
Buildings	5,777,221		600,401		6,377,622
Improvements other than buildings	2,655,738		197,878		2,853,616
Vehicles and major equipment					
Total accumulated depreciation	<u>8,432,959</u>		<u>798,279</u>		<u>9,231,238</u>
Total capital assets, being depreciated, net	<u>5,653,629</u>		<u>(798,279)</u>		<u>4,855,350</u>
Nonmajor Enterprise Funds capital assets, net	<u>\$ 6,945,514</u>		<u>(566,938)</u>		<u>6,378,576</u>
All business-type activities:					
Capital assets not being depreciated:					
Land	\$ 10,336,285		715,288		11,051,573
Construction in progress	34,941,204	(46,880,165)	44,996,534	137,434	32,920,139
Total capital assets not being depreciated	<u>45,277,489</u>	<u>(46,880,165)</u>	<u>45,711,822</u>	<u>137,434</u>	<u>43,971,712</u>
Capital assets being depreciated:					
Buildings	151,394,945	6,617,387		77,647	157,934,685
Improvements other than buildings	185,022,225	28,407,613	6,750		213,436,588
Vehicles and major equipment	107,911,323	11,855,165	14,518,967	12,840,624	121,444,831
Total capital assets being depreciated	<u>444,328,493</u>	<u>33,077,203</u>	<u>16,896,139</u>	<u>12,918,271</u>	<u>492,816,104</u>
Less accumulated depreciation for:					
Buildings	55,642,115		5,332,128	69,544	60,904,699
Improvements other than buildings	103,183,192	949,057	10,264,089	11,744	114,384,594
Vehicles and major equipment	76,243,999	(949,057)	9,322,213	12,946,871	71,670,284
Total accumulated depreciation	<u>235,069,306</u>		<u>24,918,430</u>	<u>13,028,159</u>	<u>246,959,577</u>
Total capital assets, being depreciated, net	<u>209,259,187</u>	<u>46,880,165</u>	<u>(8,022,291)</u>	<u>(109,888)</u>	<u>245,856,527</u>
All business-type activities capital assets, net	<u>\$ 254,536,676</u>		<u>35,319,109</u>	<u>27,546</u>	<u>289,828,239</u>

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

International airport operations	\$ 12,288,546
Solid waste operations	4,777,184
Mass transit operations	7,054,421
International bridges operations	798,279
	<u>\$ 24,918,430</u>

Interest expense in 2007 is \$3,153,084. Interest cost as a component of the cost of construction in progress, is reported in accordance with Statements of Financial Accounting Standards Number 34 and Number 62. No interest was capitalized in 2007.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 5. CAPITAL ASSETS (Continued)

Construction Commitments

As of August 31, 2007	<u>Fund Equity and Other Sources Available</u>	<u>Remaining Commitment</u>
Governmental funds	\$ 43,794,405	51,165,191
Proprietary funds	3,083,138	3,083,138
Total	<u>\$ 46,877,543</u>	<u>54,248,329</u>

Component Unit – EPWU

Capital asset activity for EPWU was as follows:

	Balance March 1, 2006	Additions	Deletions	Balance February 28, 2007
Capital assets, not being depreciated:				
Land and right-of-way	\$ 6,893,608	1,875,249		8,768,856
Land not in service	56,345,890	1,996,259	369,333	57,972,816
Construction work in progress	153,205,901	116,966,534	117,930,924	152,241,511
Total capital assets, not being depreciated	<u>216,445,399</u>	<u>120,838,042</u>	<u>118,300,257</u>	<u>218,983,183</u>
Capital assets, being depreciated				
Wastewater plant	519,791,996	16,396,031	10,292	536,177,735
Water plant	592,757,275	114,543,292	467,249	706,833,318
Equipment and tools	25,201,190	1,082,294	146,443	26,137,041
Vehicles	11,481,015	1,299,683	162,287	12,618,411
Buildings and shops	9,400,342	1,813,675		11,214,017
Total capital assets, being depreciated	<u>1,158,631,818</u>	<u>135,134,975</u>	<u>786,271</u>	<u>1,292,980,522</u>
Less accumulated depreciation for:				
Wastewater plant	208,280,098	15,202,914	10,292	223,472,720
Water plant	211,362,916	18,599,061	467,249	229,494,728
Equipment and tools	23,920,203	1,276,710	146,443	25,050,470
Vehicles	8,949,505	1,046,635	162,287	9,833,853
Buildings and shops	4,270,661	428,214		4,698,875
Total accumulated depreciation	<u>456,783,383</u>	<u>36,553,534</u>	<u>786,271</u>	<u>492,550,646</u>
Total capital assets, being depreciated, net	<u>701,848,435</u>	<u>98,581,441</u>	<u>-</u>	<u>800,429,876</u>
Utility Plant	<u>\$ 918,293,833</u>	<u>219,419,483</u>	<u>118,300,257</u>	<u>1,019,413,059</u>

Land not in service is essentially unimproved land that EPWU has purchased for its surface and ground water rights. EPWU owns a total of 103,950.07 acres of land which includes 29,799.74 acres in El Paso County, 73,281.88 acres in Hudspeth, Presidio, Jeff Davis and Culberson counties and 868.45 acres in New Mexico.

EPWU unit was committed to open contracts relating to construction projects totaling \$183,075,932 as of February 28, 2007.

Interest expense totaled \$19,395,159 of which \$1,709,518 was capitalized in 2007.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

Interfund receivable and payable balances at August 31, 2007 were as follows:

Due To:	Due From:				Total
	Governmental Activities:			Business-type Activities	
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Mass Transit	
Governmental Activities:					
General Fund	\$ -			10,833,097 (1)	10,833,097
Nonmajor Governmental Funds	159,499 (2)	4,898,056 (1)			5,057,555
Internal Service Funds			660,636 (1)		660,636
Total	<u>159,499</u>	<u>4,898,056</u>	<u>660,636</u>	<u>10,833,097</u>	

All amounts are expected to be repaid within one year.

(1) Overdraft in Pooled Cash and Investments - no right of offset to other cash accounts.

(2) General Fund share of Health District deficit

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

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

B. Transfers

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

Transfers out:	Transfers from Other Funds:				Total
	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	
Governmental Activities:					
General Fund	\$ -		4,150,659 (6)	4,945,836 (4)	9,096,495
Capital Projects		3,682,078 (5)			3,682,078
Other Governmental Funds	3,100 (7)				3,100
Total Governmental Activities	<u>3,100</u>	<u>3,682,078</u>	<u>4,150,659</u>	<u>4,945,836</u>	<u>12,781,673</u>
Business-type Activities:					
El Paso International Airport	1,400,000 (1)				1,400,000
Environmental Services	5,189,980 (3)				5,189,980
Mass Transit	3,750,000 (1)				3,750,000
Nonmajor Enterprise Fund	10,395,513 (2)				10,395,513
Total Business-type Activities	<u>20,735,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,735,493</u>
Total	<u>\$ 20,738,593</u>	<u>3,682,078</u>	<u>4,150,659</u>	<u>4,945,836</u>	<u>33,517,166</u>
(1) Indirect cost (PILOT)					
Airport	1,400,000				
Mass Transit	3,750,000				
(2) Transfer of unrestricted net assets to General Fund	10,395,513				
(3) Cost recovery for street usage	4,773,980				
Graffiti clean up	416,000				
	<u>5,189,980</u>				
(4) Transfer to Health District	4,814,139				
Discretionary Fund	128,947				
Parks Department Westside Recreation Center grand opening	750				
District 3 - Summer Camp Program at Thomas Manor School	1,000				
District 7 - Summer Camp Program at Thomas Manor School	1,000				
	<u>4,945,836</u>				
(5) CVB share of debt	1,572,861				
Transfer unexpended bond proceeds from Capital Projects	2,109,217				
	<u>3,682,078</u>				
(6) Interest earnings on \$16mm cash reserve	736,960				
Vehicle inventory tax	76,544				
Taxes not subject to refund	237,155				
Vehicle replacement fund	3,000,000				
Shawver and Hawkins pool project	100,000				
	<u>4,150,659</u>				
(7) Council special projects					
National CD Week at Estrella/Rivera Park	100				
Anticipated legal department expenditures	3,000				
	<u>3,100</u>				

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

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, 2007 amounted to \$2,833,491.

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, 2007 was \$14,930,713 including percentage contingent rents of \$3,204,273.

The following is a schedule of airport revenue from future minimum rentals on non-cancelable operating leases as of August 31, 2007:

<u>YEAR ENDING</u>	
2008	\$ 13,988,247
2009	13,536,902
2010	10,714,290
2011	6,953,912
2012	6,560,867
2013 - 2017	32,289,652
2018 - 2022	28,547,148
2023 - 2027	17,359,813
2028 - 2032	11,790,064
2033 - 2037	5,340,043
2038 - 2042	1,305,549
2043 - 2047	575,882
TOTAL	<u>\$ 148,962,369</u>

Historical costs of these leased assets and related accumulated depreciation were \$108,779,600 and \$44,873,984, respectively, as of August 31, 2007.

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2007****NOTE 7. OPERATING LEASES (Continued)****B. Component Unit - EPWU****1. Leasing Arrangements with EPWU as Lessor**

EPWU, as lessor, leases real properties under various long-term lease agreements under the operating method of accounting for leases. Minimum future rentals to be received on non-cancelable leases as of February 28, 2007 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2008	\$ 1,246,182
2009	1,212,862
2010	1,191,008
2011	930,358
2012	701,247
2013 - 2017	3,410,220
2018 - 2022	2,051,970
2023 - 2027	541,312
2028 - 2032	340,063
2033 - 2037	277,375
Total Minimum Future Rentals	<u>\$ 11,902,597</u>

2. Leasing Arrangements with EPWU as Lessee

EPWU leases computer equipment and copiers under various long-term lease agreements under the operating method of accounting for leases. Rental expense for the year ended February 28, 2007 was \$375,528. Minimum future payments as of February 28, 2007 for each of the next six years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2008	\$ 225,294
2009	199,552
2010	175,634
2011	86,136
2012	23,524
2013	1,252
	<u>\$ 711,392</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 \$.190906 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 2007 total assessed valuation base equals approximately \$2,356,462,103. The City's legal debt margin was \$1,740,007,220. General obligation debt sold to fund fixed assets of proprietary funds is reported as an obligation of these proprietary funds, although they are not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding general obligation debt. However, the City intends for the proprietary funds to meet the debt service requirements.

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

2. Revenue Bonds

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

3. Notes Payable

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

4. Long-Term Debt

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

	Interest Rates		Amount
	at Issue date	August 31, 2007	
Governmental activities	3.00 - 7.00%	2.50 - 8.00%	\$ 608,415,293
Business-type activities	3.00 - 5.30%	3.00 - 6.00%	49,922,623
			<u>\$ 658,337,916</u>

5. Bonded and Other Indebtedness Issued during Fiscal Year Ended August 31, 2007

In fiscal year 2007, the City entered into Master Equipment Lease/Purchase Agreements with Banc of America Public Capital Group for the acquisition of Mass Transit Buses. The acquisition agreements are for \$5,000,000 and \$10,000,000 at interest rates of 4.25% and 3.6795% and expiration dates of June 27, 2014 and November 3, 2013, respectively. Annual payments of principal and interest are \$ 416,652 and \$816,732, respectively. The initial payments are due December 27, 2007 and May 3, 2007, respectively. The final payments are due June 27, 2014 and November 3, 2013, respectively.

On February 15, 2007, the City issued \$95,190,000 of general obligation bonds to liquidate \$99,500,000 of commercial paper debt related to projects approved by the 2000 election that authorized the issuance of general obligation bonds. These bonds were issued at a premium of \$4,363,746 with issuance costs of \$1,250,457. The general obligation bonds bear interest at rates from 4.00% to 5.00% with the first interest payment due February 15, 2008 and final maturity of August 15, 2032.

On May 1, 2007, the City issued \$40,000,000 in general obligation bonds. These bonds were issued at a premium of \$644,477 with issuance costs of \$774,566 at interest rates between 4.00% and 5.00% with a final maturity of August 15, 2032. The first interest payment is due February 15, 2008. Proceeds from the bonds are to be used to purchase equipment, park, library, zoo, history museum, fire station facilities, and street improvements.

On May 1, 2007, the City issued \$35,000,000 in combination tax and revenue certificates of obligation bonds. These bonds were issued at a premium of \$699,028 with issuance costs of \$694,366 at interest rates between 4.00% and 5.00% with a final maturity of August 15, 2032. The first interest payment is due February 15, 2008. Proceeds from the bonds are to be used for the purpose of paying contractual obligations to be incurred for constructing, resurfacing and improving various streets, roads, thoroughfares, sidewalks and pathways within the City.

On June 15, 2007, the City issued \$101,240,000 in general obligation pension bonds. The issuance cost of these bonds was \$1,239,424. They were issued at interest rates between 5.512% and 6.018% with a final maturity of August 15, 2035. The first interest payment is due February 15, 2008. Proceeds from the bonds were used to partially fund the unfunded actuarial accrued liability in the City's Firemen and Policemen Pension Fund.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

6. Bonds Authorized and Unissued

Authorized and unissued bonds consisted of general obligation bonds of \$56,655,000. The following is a schedule of authorized but unissued bonds at August 31, 2007.

Purpose	Amount Authorized		Approved by City Council for Issuance as Commercial Paper (2)		Remaining Authorization August 31, 2006	Issued 2007	Remaining Authorization August 31, 2007
	May 6, 2000	February 7, 2004	CP Notes Series A	CP Notes Series B			
Parks	75,000,000		31,313,000		30,318,769	22,097,073	8,221,696
Library	26,095,000		8,052,000		2,806,101	2,789,361	16,740
Zoo	33,360,000		7,985,000		20,539,765	3,588,311	16,951,454
Museum	6,650,000		2,650,000		1,932,177	1,525,255	406,922
Parks		4,560,000		995,000	95,467		95,467
Storm Drainage, Erosion & Flood Control		1,380,000		145,000	115,134		115,134
Street & Transportation Improvement & Equipment		79,620,000		34,650,000	38,620,527	9,810,000	28,810,527
Fire Facilities & Equipment		11,595,000		4,325,000	1,614,565	190,000	1,424,565
Public Health Facilities Improvements & Equipment		950,000		440,000	167,239		167,239
Improvements to Existing City Facilities		200,000		25,000	40,885		40,885
Zoo Facilities Improvements & Equipment		150,000		150,000	-		-
Library Facilities & Equipment		535,000		345,000	190,000		190,000
Police Facilities & Equipment		7,355,000		4,260,000	84,043		84,043
Equipment & Vehicles		7,205,000		4,665,000	130,328		130,328
	<u>141,105,000</u>	<u>113,550,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>96,655,000</u>	<u>40,000,000</u>	<u>56,655,000</u>

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

7. Debt Service Requirements

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

Year Ending August 31	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 28,419,341	33,337,271	1,260,659	579,787	29,680,000	33,917,058
2009	31,052,869	28,944,872	1,272,131	524,544	32,325,000	29,469,416
2010	27,711,929	27,532,342	1,318,071	467,432	29,030,000	27,999,774
2011	29,903,928	26,269,925	1,366,072	406,658	31,270,000	26,676,583
2012	28,563,773	24,771,123	1,416,227	340,273	29,980,000	25,111,396
2013-2017	121,449,397	104,606,577	2,300,603	1,078,048	123,750,000	105,684,625
2018-2022	107,607,228	76,529,073	2,407,772	491,252	110,015,000	77,020,325
2023-2027	112,541,828	47,875,379	1,168,172	70,638	113,710,000	47,946,017
2028-2032	100,390,000	21,195,994	-	-	100,390,000	21,195,994
2033-2035	20,775,000	2,549,225	-	-	20,775,000	2,549,225
Total	<u>\$ 608,415,293</u>	<u>393,611,781</u>	<u>12,509,707</u>	<u>3,958,632</u>	<u>620,925,000</u>	<u>397,570,413</u>

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

7. Debt Service Requirements (Continued)

Revenue Bond Requirements

Year Ending August 31	Business-type Activities	
	Principal	Interest
2008	2,465,000	1,398,713
2009	2,540,000	1,295,948
2010	1,925,000	1,186,643
2011	1,630,000	1,113,688
2012	1,700,000	1,042,788
2013-2017	8,370,000	3,982,163
2018-2022	4,430,000	2,459,438
2023-2027	5,660,000	1,230,131
2028-2031	1,310,000	67,134
Total	<u>\$ 30,030,000</u>	<u>13,776,646</u>

Capital Lease Obligation

Year Ending August 31,	Business-type Activities	
	Principal	Interest
2008	\$ 1,928,052	538,716
2009	2,003,298	463,471
2010	2,081,495	385,274
2011	2,162,758	304,011
2012	2,247,209	219,559
2013-2014	3,944,429	172,376
Total	<u>\$ 14,367,243</u>	<u>2,083,407</u>

Notes Payable

Year Ending August 31,	Business-type Activities	
	Principal	Interest
2008	\$ 737,037	326,365
2009	764,429	293,973
2010	793,000	260,402
2011	822,799	225,603
2012	853,879	189,523
2013-2017	2,961,773	395,933
2018-2022	450,000	56,250
	<u>\$ 7,382,916</u>	<u>1,748,049</u>

8. Advanced Refundings and Defeased Debt

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

At August 31, 2007, the remaining outstanding balance of legally defeased bonds is \$136,110,000.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

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

	Balance September 1, 2006	Additions	Refunding	Reductions	Balance August 31, 2007	Due Within One Year
Governmental Activities:						
Bonds/Commercial Paper Payable:						
General Obligation Bonds (1)	\$ 303,150,000	141,240,000	95,190,000	19,165,000	520,415,000	22,240,000
Certificates of Obligation (1)	61,045,936	35,000,000	-	8,045,643	88,000,293	6,179,341
Commercial Paper - Short Term Obligation (1)	99,500,000	-	(99,500,000)	-	-	-
Less: Unamortized Premium	13,745,675	1,343,505	4,363,746	2,012,137	17,440,789	1,778,552
Deferred Amount on Refunding	(5,150,754)	-	-	(566,716)	(4,584,038)	566,716
Total Bonds/Commercial Paper Payable	472,290,857	177,583,505	53,746	28,656,064	621,272,044	30,764,609
Compensated Absences-Governmental Activities (5)	40,244,949	33,142,264	-	31,523,940	41,863,273	32,653,353
Compensated Absences-Internal Service (4)	170,359	128,900	-	132,880	166,379	129,776
Compensated Absences	40,415,308	33,271,164	-	31,656,820	42,029,652	32,783,129
Arbitrage Rebate Liability (1)	30,227	-	-	-	30,227	30,227
Accrued Health Claims (2)	17,210,846	38,587,017	-	39,572,385	16,225,478	16,225,477
Net Pension Obligation (3)	76,514,606	18,435,206	-	94,275,901	673,911	-
Claims and Judgements (3)	1,500,000	692,078	-	1,692,078	500,000	500,000
Governmental Activities long-term liabilities	\$ 607,961,844	268,568,970	53,746	195,853,248	680,731,312	80,303,442
The City estimates payment of long-term liabilities from funds as follows:						
(1) Debt Service Fund						
(2) Self Insurance Fund						
(3) General Fund						
(4) Supply and Support Fund \$132,045 and Self Insurance Fund \$37,966						
(5) General Fund \$39,586,218, Community Development Block Grant \$119,742, Capital Projects Fund \$6,798, Federal Grants \$785,806, State Grants \$306,649, Other Grants \$925, Health District \$943,545, Non-Grants \$142,707						
Business-type Activities:						
El Paso International Airport:						
Bonds Payable:						
Revenue Bonds	\$ 10,645,000	-	-	575,000	10,070,000	1,000,000
Less: Unamortized Discount	(994,752)	-	-	(99,475)	(895,277)	(99,475)
Total Bonds Payable	9,650,248	-	-	475,525	9,174,723	900,525
Compensated Absences	1,656,317	1,432,216	-	1,291,927	1,796,606	1,401,353
Total El Paso International Airport	11,306,565	1,432,216	-	1,767,452	10,971,329	2,301,878
International Bridges:						
Bonds/Notes Payable:						
Certificates of Obligation	63,690	-	-	31,196	32,494	32,494
Revenue Bonds	1,330,000	-	-	310,000	1,020,000	320,000
Notes Payable	8,093,689	-	-	710,773	7,382,916	737,037
Total Bonds/Notes Payable	9,487,379	-	-	1,051,969	8,435,410	1,089,531
Compensated Absences	90,334	99,266	-	70,461	119,139	92,928
Total International Bridges	9,577,713	99,266	-	1,122,430	8,554,549	1,182,459
Environmental Services:						
Certificates of Obligation	15,095,374	-	-	2,618,161	12,477,213	1,228,165
Revenue Bonds	20,035,000	-	-	1,095,000	18,940,000	1,145,000
Less: Unamortized Discount	468,153	-	-	38,495	429,658	36,404
Total Bonds/Notes Payable	35,598,527	-	-	3,751,656	31,846,871	2,409,569
Landfill Closure and Post-Closure	20,454,232	969,181	-	113,646	21,309,767	1,300,000
Delta Transfer Station Post-Closure	103,657	2,235	-	-	105,892	-
Compensated Absences	648,768	615,730	-	506,039	758,459	591,598
Total Environmental Services	56,805,184	1,587,146	-	4,371,341	54,020,989	4,301,167
Mass Transit:						
Compensated Absences	1,220,954	1,072,875	-	952,344	1,341,485	1,046,358
Claims and Judgements	218,104	267,337	-	218,104	267,337	267,337
Hydrocarbon Clean-up	1,081,949	-	-	252,329	829,620	216,390
Master Equipment Lease/Purchase Agreement	-	15,000,000	-	632,757	14,367,243	1,928,052
Total Mass Transit	2,521,007	16,340,212	-	2,055,534	16,805,685	3,458,137
Business-type activities Long-term liabilities	\$ 80,210,469	19,458,840	-	9,316,757	90,352,552	11,243,641

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

10. Long-Term-Debt Outstanding

	Date Issued	Amount Issued	Interest Rate Range	August 31, 2006	Issued	Refunding	Reduction	August 31, 2007
Certificates of Obligation Bonds:								
Series 1995-A	12/01/95	\$ 10,975,000	5.000 to 7.000%	\$ 500,000	-	-	500,000	-
Series 1997-A	03/15/97	7,200,000	4.950 to 6.875%	300,000	-	-	300,000	-
Series 1998-A	03/01/98	21,090,000	4.250 to 5.500%	2,450,000	-	-	2,020,000	430,000
Series 1998	03/01/98	18,250,000	4.250 to 5.500%	860,000	-	-	-	860,000
Series 1998-B	11/17/98	31,350,000	4.250 to 5.000%	1,920,000	-	-	940,000	980,000
Series 2000	04/01/00	39,235,000	5.100 to 5.875%	1,140,000	-	-	1,140,000	-
Series 2001	01/15/01	26,850,000	4.500 to 5.500%	3,195,000	-	-	750,000	2,445,000
Series 2001-A	12/01/02	33,970,000	3.250 to 5.250%	13,215,000	-	-	1,225,000	11,990,000
Series 2003	04/03/03	44,010,000	3.000 to 5.000%	35,310,000	-	-	3,230,000	32,080,000
Series 2005 Combination Tax and Revenue Bonds (Plaza Theatre)	08/15/05	17,315,000	2.950 to 4.970%	17,315,000	-	-	590,000	16,725,000
Series 2007	05/01/07	35,000,000	4.000 to 5.000%	-	35,000,000	-	-	35,000,000
Total Certificate of Obligation Bonds				76,205,000	35,000,000	-	10,695,000	100,510,000
General Obligation Bonds:								
Series 1995	12/01/95	19,105,000	5.000 to 6.000%	660,000	-	-	660,000	-
Series 1995-B	12/01/95	9,245,000	6.000 to 6.550%	190,000	-	-	190,000	-
Series 1997	03/15/97	22,375,000	5.000 to 7.000%	1,200,000	-	-	1,200,000	-
Series 1998	03/01/98	9,740,000	4.250 to 5.500%	895,000	-	-	435,000	460,000
Series 1998-A	10/15/98	8,805,000	4.250 to 5.000%	565,000	-	-	275,000	290,000
Series 1999	01/15/99	27,275,000	3.500 to 5.000%	24,015,000	-	-	2,375,000	21,640,000
Series 2000	02/15/00	10,325,000	5.100 to 5.300%	5,670,000	-	-	1,315,000	4,355,000
Series 2002 Refunding bonds	05/15/02	55,090,000	3.500 to 5.750%	37,190,000	-	-	10,360,000	26,830,000
Series 2003	08/15/03	29,265,000	2.500 to 5.000%	24,375,000	-	-	1,990,000	22,385,000
Series 2005 Refunding bonds	04/01/05	152,190,000	3.500 to 5.250%	152,040,000	-	-	-	152,040,000
Series 2006	04/15/06	56,350,000	3.625 to 5.000%	56,350,000	-	-	365,000	55,985,000
Series 2007 Refunding bonds	02/15/07	95,190,000	4.000 to 5.000%	-	-	95,190,000	-	95,190,000
Series 2007A	05/01/07	40,000,000	4.000 to 5.000%	-	40,000,000	-	-	40,000,000
Series 2007 Pension Bonds	06/15/07	101,240,000	5.512 to 6.018%	-	101,240,000	-	-	101,240,000
Total General Obligation Bonds				303,150,000	141,240,000	95,190,000	19,165,000	520,415,000
Commercial Paper			variable	99,500,000	-	-	99,500,000	-
Total tax supported debt				\$ 478,855,000	176,240,000	95,190,000	129,360,000	620,925,000
Capital Lease Obligation -		15,000,000	3.679 to 4.25%	\$ -	15,000,000	-	632,757	14,367,243
Notes payable:								
Federal Loan (International Bridge Revenues)	12/01/91	3,000,000	variable	\$ 1,550,000	-	-	100,000	1,450,000
SIB Loan (International Bridge Revenues)	10/04/99	3,634,000	4.30%	6,543,689	-	-	610,773	5,932,916
Total Notes payable				\$ 8,093,689	-	-	710,773	7,382,916
Revenue bonds:								
1997 (International Bridge revenues)	05/01/98	3,010,000	3.950 to 4.850%	\$ 1,330,000	-	-	310,000	1,020,000
2003 (Airport Revenues)	09/15/03	18,000,000	3.000 to 4.625%	10,645,000	-	-	575,000	10,070,000
2004 (Solid Waste Disposal System Revenues)	07/14/04	22,120,000	3.000 To 5.125%	20,035,000	-	-	1,095,000	18,940,000
Total Revenue Bonds				\$ 32,010,000	-	-	1,980,000	30,030,000

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU

1. Revenue Bonds

Water and Sewer Revenue Bonds, in the amount of \$436,375,000 at February 28, 2007, are equally and ratably secured by and payable from an irrevocable first lien on and pledge of the net revenue of EPWU.

2. Changes in Long-Term-Debt

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

	Dated	Original Amount	Interest Rates	Balance Outstanding Mar. 1, 2006	Additions During Year	Deletions During Year	Balance Outstanding Feb. 28, 2005	Due Within One Year
Revenue Bonds:								
1990-B	12/01/90	8,000,000	no interest	8,000,000	-	-	8,000,000	-
1995	12/01/95	22,880,000	3.60 to 5.10%	15,195,000	-	15,195,000	-	-
1997	03/04/97	22,000,000	2.85 to 4.55%	15,965,000	-	14,945,000	1,020,000	1,020,000
1997-A	07/24/97	10,000,000	3.00 to 4.75%	6,955,000	-	6,485,000	470,000	470,000
1997-B Jr Lien	07/24/97	602,000	4.92 to 6.25%	115,000	-	115,000	-	-
1998	05/20/98	15,455,000	5.35%	9,640,000	-	1,180,000	8,460,000	1,245,000
1998-A	08/18/98	16,125,000	4.00 to 5.00%	9,930,000	-	1,455,000	8,475,000	1,525,000
1999-A	09/23/99	211,000	4.84 to 5.89%	174,000	-	8,000	166,000	9,000
1999-B	09/23/99	106,000	4.84 to 5.89%	88,000	-	4,000	84,000	4,000
1999-C	12/02/99	15,480,000	4.30 to 5.75%	3,485,000	-	630,000	2,855,000	660,000
1999-D	12/20/99	15,190,000	3.20%	12,930,000	-	615,000	12,315,000	640,000
2000	12/19/00	13,210,000	4.875 to 5.750%	4,570,000	-	470,000	4,100,000	495,000
2001	08/01/01	16,265,000	2.45 to 4.50%	14,535,000	-	620,000	13,915,000	640,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	55,415,000	-	2,230,000	53,185,000	2,345,000
2002	01/01/02	7,520,000	0.15 to 3.35%	6,600,000	-	315,000	6,285,000	320,000
2003 Refunding	08/15/03	89,745,000	4.99%	85,755,000	-	4,300,000	81,455,000	4,530,000
2003-A	08/15/03	1,000,000	no interest	950,000	-	50,000	900,000	50,000
2003-B	12/01/03	10,000,000	0 to 4.19%	10,000,000	-	5,000	9,995,000	5,000
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%	35,180,000	-	550,000	34,630,000	935,000
2004 A Refunding	11/15/04	14,360,000	2.5 to 5.25%	14,360,000	-	465,000	13,895,000	480,000
2005-A	03/01/05	45,660,000	3.00 to 5.00%	45,660,000	-	-	45,660,000	340,000
2005-B	04/01/05	36,515,000	4.00 to 5.25%	36,515,000	-	-	36,515,000	-
2005 -C	04/01/05	10,000,000	1.95 to 3.8%	10,000,000	-	-	10,000,000	380,000
2006	12/15/06	37,745,000	3.75 to 5%	-	37,745,000	-	37,745,000	3,900,000
2006A	11/15/06	45,200,000	4 to 5%	-	45,200,000	-	45,200,000	1,375,000
1995 Homestead		975,000	6.35 to 6.8%	-	975,000	95,000	880,000	100,000
1995A Homestead		175,000	5.25%	-	175,000	5,000	170,000	5,000
Total Revenue Bonds:				402,017,000	84,095,000	49,737,000	436,375,000	21,473,000
Deferred Gain on refunding bond issues				9,363,104	1,332,028	531,952	10,163,180	9,511
Commercial Paper Payable				40,000,000	30,000,000	49,000,000	21,000,000	-
Self Insurance Claims				1,314,865	694,620	694,620	1,314,865	-
Land Notes Payable		10,372,878	3.95 to 5.00%	11,009,584	-	1,371,880	9,637,704	1,398,784
Total Component Unit - EPWU				\$ 463,704,553	116,121,648	101,335,452	478,490,749	22,881,295

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU (Continued)

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

Year Ending last day of February	Principal		Interest		Total	
	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes
2008	21,473,000	1,398,784	19,446,659	478,766	40,919,659	1,877,550
2009	21,394,000	600,827	19,033,670	409,222	40,427,670	1,010,049
2010	21,715,000	630,457	18,047,675	379,592	39,762,675	1,010,049
2011	22,771,000	661,552	16,992,729	348,497	39,763,729	1,010,049
2012	23,497,000	694,186	15,886,903	315,863	39,383,903	1,010,049
2013 - 2017	98,555,000	3,865,676	65,717,791	1,036,368	164,272,791	4,902,044
2018 - 2022	104,905,000	1,786,222	42,325,534	135,055	147,230,534	1,921,277
2023 - 2027	85,010,000		18,985,699		103,995,699	-
2028 - 2032	37,055,000		3,406,052		40,461,052	-
Totals	\$ 436,375,000	9,637,704	219,842,712	3,103,363	656,217,712	12,741,067

4. Land Notes Payable

During the fiscal year ended February 28, 2007, EPWU purchased one parcel of land totaling 3,004.33 acres in order to obtain the water rights attached to the land. A note was issued for \$2,478,574 with an interest rate of 5.00%. The note is for a period of three years and payable in annual installments of \$826,191 with payments due in May.

5. Debt Covenants

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

6. Commercial Paper

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

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

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

B. Component Unit – EPWU (Continued)

6. Commercial Paper (Continued)

Since the commercial paper represents activity that is the result of EPWU's long-term financing plan, the amounts outstanding are presented as long term. The commercial paper can be sold in \$100,000 increments and matures from 1 to 270 days. As of February 28, 2007, the following amounts were outstanding:

<u>February 28, 2007</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$ 11,000,000	March 8, 2007	3.59%
5,000,000	March 9, 2007	3.63%
4,000,000	March 5, 2007	3.55%
1,000,000	March 6, 2007	3.46%
<u>\$ 21,000,000</u>		

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

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

During fiscal year 2004, the City hired independent consultants to prepare a revised estimate of the total closure and post-closure costs for the landfills. The estimated total closure and post-closure costs, adjusted by an inflation factor specified by the TCEQ, is \$67.0 million at August 31, 2007. The recognized portion of the total liability, \$21.3 million, is computed based on the percentage of landfill capacity used, approximately 31.8%, as of August 31, 2007. The remaining estimated total current cost of closure and post-closure care remaining to be recognized is \$44.9 million.

Clint Landfill (TCEQ Permit 1482) – This landfill is currently accepting solid waste and capacity used is 100% at August 31, 2007. The estimated closure and post-closure cost liability of \$12.4 million is included in the recorded liability. Approximately \$163,722 of closure costs were paid during the fiscal year.

Clint Landfill (TCEQ Permit 2284) – This landfill is currently accepting solid waste and capacity used is 5.21% at August 31, 2007. The estimated closure and post-closure cost liability of \$1.3 million is included in the recorded liability.

McCombs Landfill (TCEQ Permit 729A) – This landfill is currently accepting solid waste and capacity used is 26.7% at August 31, 2007. The estimated closure and post-closure cost liability of \$7.6 million is included in the recorded liability. Estimated remaining useful life is 27 years.

TCEQ review of the revised closure/post-closure cost estimate is pending. Management believes TCEQ will accept the new estimate. At August 31, 2007, the estimated total liability is \$67.0 million, reflecting an inflation factor applied to the previous liability as prescribed by TCEQ.

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

Sections 330.280-286 of Title 30 of the *Texas Administrative Code* requires landfill owners to demonstrate financial assurance that they will have sufficient financial resources to satisfy closure and post-closure care expenses at such time as these become payable. The regulations provide various means by which a municipality may demonstrate financial assurance. For the year ended August 31, 2006, the City met all of the financial tests required by the TCEQ and will

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

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

D. Solid Waste Transfer Station

The City owns and operates a transfer process facility for solid waste near Delta Street in El Paso (Delta Transfer Station – TCEQ Permit 728). Beginning in March 2000, Section 330.282 of Title 30, the *Texas Administrative Code*, administered by the TCEQ, required “a detailed written cost estimate, in current dollars, showing the cost of hiring a third party to close the process facility by cleaning up the litter and debris from the site and the equipment, hauling the litter and debris to an approved landfill and to render the facility closed by dismantling vital operational parts and locking up the facility.” At August 31, 2007, the estimated total cost of closure of the Delta Transfer Station is \$105,937 and is recognized as a liability in these financial statements. The TCEQ, pending review and acceptance of this estimate, utilizes the previous estimate of \$275,705.

E. Arbitrage Rebate Payable

The City's financial advisor has determined that the City may have earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations that may have to be rebated to the Federal government. This estimated amount, \$30,227 at August 31, 2007, is recorded as a liability in the Basic Financial Statements.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 9. RESTRICTED NET ASSETS

Airport

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

International Bridges

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

Component Unit - EPWU

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

Business-type Activities

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

Restricted for debt service:		
El Paso International Airport	\$	8,466,093
International Bridges		419,345
Restricted by Federal Aviation Administration:		
El Paso International Airport		13,649,379
Restricted for passenger facilities:		
El Paso International Airport		3,187,893
Total restricted net assets	\$	<u>25,722,710</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 10. RISK MANAGEMENT

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

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

A. Internal Service Funds

Provisions under various types of risk are presented below:

Internal Service Funds account for certain self-insured activities. These include Workers' Compensation, Group Health and Unemployment Compensation. The premiums are recognized as revenues in the Internal Service Funds and as expenditures or expenses in the Governmental and Proprietary fund types, as appropriate. Accruals for unpaid claims and claims incurred but not reported are reflected in the accompanying Basic Financial Statements as Claims and Judgments. This provision is based upon City experience, including recoveries, since the inception of the insurance programs and represents the loss and an allocated loss expense. The total estimated claims payable at August 31, 2007 is \$16,225,477 of which \$11,496,699 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, 2007, 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 2006 and 2007 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2005	\$ 13,344,331	4,988,457	-	18,332,788
Incurred claims	7,106,357	31,804,121	245,532	39,156,010
Payment on claims	(7,570,241)	(32,462,179)	(245,532)	(40,277,952)
Claims liability at August 31, 2006	12,880,447	4,330,399	-	17,210,846
Incurred claims	5,203,938	33,194,673	188,406	38,587,017
Payment on claims	(6,587,686)	(32,796,294)	(188,406)	(39,572,386)
Claims liability at August 31, 2007	\$ 11,496,699	4,728,778	-	16,225,477

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.

NOTE 10. RISK MANAGEMENT (Continued)

C. Property and Casualty Insurance

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

D. Workers' Compensation Insurance

The City self-insures against workers' compensation claims.

E. Group Health and Life Insurance

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

F. Unemployment Compensation Insurance

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

G. Component Unit - EPWU

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

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

At February 28, 2007, accrued liabilities for these claims follow:

Health Insurance - current liability	\$ 288,091
Workers' Compensation - long-term liability	1,314,865
	<u>\$ 1,602,956</u>

Changes in accrued liabilities for these claims follow:

Claims liability at February 29, 2005	\$ 1,493,821
Incurring claims	3,887,756
Payment on claims	<u>(3,804,672)</u>
Claims liability at February 28, 2006	1,576,905
Incurring claims	2,863,575
Payment on claims	<u>(2,837,524)</u>
Claims liability at February 28, 2007	<u>\$ 1,602,956</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, 2007. Accruals have not been made for these lawsuits because of the remote possibility the plaintiff's will prevail. The City estimates this exposure to be between \$1,147,000 and \$4,427,000 including amounts for damage to private property resulting from the flooding experienced in July 2006. The City believes that resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Environmental

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

The estimated total clean-up cost for the entire project is \$7,782,935. The City has expended approximately \$4,955,815 to date, net of reimbursement from the TCEQ Petroleum Storage Tank Remediation Fund of approximately \$1,997,500. The City paid \$252,329 during the current fiscal year. The City anticipates the clean-up process will be completed in fiscal year 2008. As of August 31, 2007, the City has a liability recorded in the Mass Transit Fund of \$829,620 for the remaining liability.

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

C. Grants

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

D. Other Bond Issues

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

At August 31, 2007, 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.

On November 19, 1991, the City issued \$13,975,000 in City of El Paso International Airport Special Facilities Revenue Refunding Bonds (Marriott Corporation Project). These bonds refunded a 1981 issue and extended principal payments to March 1, 2016 with interest at 7.75% per annum. At August 31, 2007, all of these bonds remained outstanding (the first principal payment is not scheduled until March 1, 2012).

E. Unfunded Pension Liabilities

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 11. COMMITMENTS AND CONTINGENCIES (Continued)

E. 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.

F. Component Unit - EPWU

Through the ordinary course of its operations, EPWU becomes subject to various claims and litigation. As of February 28, 2007, EPWU was named in a number of legal actions with aggregate estimated possible damages ranging from \$130,000 to \$700,000, which have not been accrued. Management and legal counsel are of the opinion that settlement of these claims and pending litigation will not have a materially adverse effect on the financial condition of EPWU.

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

NOTE 12. COST SHARING ARRANGEMENTS

Health District

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

The agreement requires the City to fund 70% and the County to fund 30% of the Health District's expenditures after deducting revenues. For fiscal year 2007, the City's share is \$4,814,139, which is reported as a Transfer from Other Funds by the Health District and Transfer to Other Funds by the City's General Fund while the County's share is \$1,832,806, which is reported as revenue, County Participation by the Health District. At August 31, 2007, the Health District reported \$159,499 Due from Other Funds and \$73,615 as Due to Other Governmental Agencies for amounts due from the City and to the County, respectively, under this agreement.

Effective January 1, 2008 this agreement was terminated and the Health District was restructured as a City department whose activities will generally be reported in the General Fund. The County no longer funds 30% of the activities.

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Retirees pay premiums ranging from \$151.08 per month to \$1,100.58 per month depending on the coverage elected. The City's adopted budget policy is that retirees must pay 45% of the cost of coverage. The cost of retiree health care benefits is recognized as an expense in the Internal Service Self-Insurance Fund as liabilities are incurred. Of 2,066 retirees eligible, there were 875 retirees covered under this plan at August 31, 2007. Dependent coverage was provided for 370 of the retirees. Total benefits paid for retirees during fiscal year 2007 were \$5,645,919.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 14. PENSION PLANS

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

Firemen and Policemen's Pension Funds

8201 Lockheed Drive
Suite 229
El Paso, TX 79925

City Employees' Pension Fund

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

A. Membership

Membership of each plan consisted of the following:

	August 31, 2007	December 31, 2006	
		FPPF- Firemen Division	FPPF- Policemen Division
Retirees and beneficiaries receiving benefits	1,902	563	752
Terminated plan members entitled to but not yet receiving benefits	79	2	3
Active plan members	4,063	804	1,085
Total	<u>6,044</u>	<u>1,369</u>	<u>1,840</u>

B. City Employees' Pension Fund

1. Plan Description

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

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

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

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

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

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

2. Basis of Accounting

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

3. Method Used to Value Investments

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

4. Concentration of Investments

The following table presents the fair value of investments that represent 5% or more of the CEPF's net assets available for benefits at August 31, 2007. These investments are in bank collective investment funds that consist of diversified portfolios of investments.

	<u>Shares</u>	<u>Fair Value</u>
EB Stock Index Fund		
Mellon Capital Management Corporation	40,493	\$ 67,309,708
EB MCM Intermediate Government Bond Index Fund		
Mellon Capital Management Corporation	336,874	111,299,975
FMTC International Growth Fund		
Fidelity Investments	1,749,310	27,431,648

5. Contributions

Contribution rates for the CEPF are based upon local statutes and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over thirty years. The City contributes 11.65% and employees contribute 7.75% of covered payroll.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 14. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

6. Securities Lending

The CEPF entered into securities lending transactions during fiscal 2006 with brokers/dealers for which fees were paid to the CEPF. The CEPF Board may legally and contractually authorize the use of CEPF's securities for lending transactions. Parameters are set with CEPF's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and securities be collateralized using U.S. Treasuries at 102% of the fair value of the securities. U.S. Treasuries used as collateral are marked to market on a daily basis to ensure that 102% collateralization of the fair value of investments is always maintained. The CEPF may not pledge or sell the collateral securities except on default of the borrower. Because of this, CEPF administration believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to CEPF by the investment managers or broker/dealers. There is no cost associated with securities lending. As of August 31, 2007, securities loaned to others, at fair value, consisted of:

United States government securities	\$	13,174,025
Corporate bonds		225,913
Corporate stocks		49,650,057
Total	\$	<u>63,049,995</u>

7. Employer Contributions and Actuarial Information

Contributions were made as follows:

Year ended:	Amount	Stated % of Covered Payroll	Percentage of Annual Required Contribution
<u>August 31, 2007</u>			
Employer contributions	\$ 14,574,850	11.65%	100%
Employee contributions	9,763,642	7.75%	
Total contributions	<u>\$ 24,338,492</u>		
<u>August 31, 2006</u>			
Employer contributions	\$ 13,239,686	10.25%	100%
Employee contributions	8,872,231	6.75%	
Total contributions	<u>\$ 22,111,917</u>		
<u>August 31, 2005</u>			
Employer contributions	\$ 12,707,913	10.25%	100%
Employee contributions	8,492,888	6.75%	
Total contributions	<u>\$ 21,200,801</u>		

The latest actuarial valuation date was September 1, 2006.

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

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

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

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

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

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

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

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

2. Basis of Accounting

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

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 14. PENSION PLANS (Continued)

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

3. Method Used to Value Investments

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

4. Contributions Required and Contributions Made

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

5. Securities Lending

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

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

At December 31, 2006, \$76,907,575 of FPPF owned investments were loaned to others.

6. Employer Contributions and Actuarial Information

Year ended December 31, 2006					
Employer contribution	\$ 8,020,937	18.00%	\$ 11,567,974	18.00%	\$ 19,588,911
Employee contribution	6,630,782	15.28%	7,485,861	11.89%	14,116,643
Other contribution	844	N/A			844
Total contribution	<u>\$ 14,652,563</u>		<u>\$ 19,053,835</u>		<u>\$ 33,706,398</u>
Year ended December 31, 2005					
Employer contribution	\$ 7,794,328	18.00%	\$ 11,083,081	18.00%	\$ 18,877,409
Employee contribution	6,309,061	15.28%	7,087,854	11.89%	13,396,915
Total contribution	<u>\$ 14,103,389</u>		<u>\$ 18,170,935</u>		<u>\$ 32,274,324</u>
Eighteen months ended December 31, 2004					
Employer contribution	\$ 7,133,709	18.00%	\$ 10,655,294	18.00%	\$ 17,789,003
Employee contribution	5,853,139	15.28%	6,855,723	11.89%	12,708,862
Other contribution	225				225
Total contribution	<u>\$ 12,987,073</u>		<u>\$ 17,511,017</u>		<u>\$ 30,498,090</u>

The latest actuarial valuation date was January 31, 2006.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2007

NOTE 15. FUND DEFICITS

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

	Supply and Support Funds	Self- Insurance Funds	Department of Environmental Services
Net asset deficit	<u>\$ (95,194)</u>	<u>(12,332,589)</u>	<u>(12,472,994)</u>

The deficits result primarily from the recognition of certain future liabilities and will be funded through increased rates in future periods. Deficits in all three funds were reduced during 2007.

NOTE 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

<u>General Fund</u>	
Department:	
General government:	
Human Resources	\$ (6,767)
Public safety:	
Fire Department	(217,256)
Public works:	
Administration	(534,855)
Streets	(671,112)

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

NOTE 17. SUBSEQUENT EVENTS

The City purchases financial guaranty insurance policies to insure payment of principal and interest on bonds issued and has purchased policies from MBIA, Ambac and FGIC. On January 18, 2008 Fitch Ratings downgraded the Insurer Financial Strength rating of Ambac from AAA to AA and on January 31, 2008 Fitch Ratings and Standard & Poor's Ratings Services downgraded the Insurer Financial Strength rating of FGIC from AAA to AA. The City believes there is no material financial consequence as a result of these downgrades.

EPWU – Component Unit

On June 19, 2007, the City of El Paso adopted an ordinance establishing a Municipal Drainage Utility System. El Paso Water Utilities Public Service Board shall have complete authority and control of the management and operation of the System on behalf of the City. The System is necessary and essential to ensure that the collection of storm water runoff and management and control of the storm water runoff adequately protects the health, safety, and welfare of the citizens of the City. It is intended that the transfer of the System personnel, physical assets and real property provided for in the transition process shall be completed by March 1, 2008, but in no event later than June 1, 2008.

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



CITY OF EL PASO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 For the year ended August 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Resources (inflows):				
Property taxes	\$ 113,190,446	113,930,289	114,476,498	546,209
Penalties and Interest-Delinquent taxes	1,394,742	1,394,742	1,336,297	(58,445)
Sales taxes	62,041,323	62,041,323	65,374,984	3,333,661
Franchise fees	40,892,116	40,892,116	44,580,939	3,688,823
Licenses and permits	9,602,699	9,602,699	9,960,678	357,979
Fines and forfeits	13,767,713	13,767,713	13,930,626	162,913
Charges for services	16,225,561	16,225,561	14,002,835	(2,222,726)
Rents and other	1,273,449	1,718,449	2,067,961	349,512
Interest	2,000,000	2,000,000	5,107,896	3,107,896
Transfers from other funds	21,479,070	21,495,161	20,738,593	(756,568)
Face Amount of Pension Obligation				
Bonds Issued		101,240,000	101,240,000	-
Amounts available for appropriation from current year resources	<u>281,867,119</u>	<u>384,308,053</u>	<u>392,817,307</u>	<u>8,509,254</u>
Charges to appropriations (outflows):				
General government:				
Mayor and Council	1,274,651	1,146,171	1,119,078	27,093
City Manager	1,708,295	1,710,088	1,685,883	24,205
Municipal Clerk	858,719	867,803	712,642	155,161
Financial Services	2,692,732	2,724,491	2,670,897	53,594
Information Technology	9,813,715	9,240,649	8,474,133	766,516
City Attorney	4,584,688	4,662,919	4,330,061	332,858
Office of Management and Budget	1,211,376	1,093,249	1,042,581	50,668
Planning	2,006,647	1,923,326	1,887,912	35,414
Personnel	1,915,413	1,981,508	1,988,275	(6,767)
Tax Office	3,800,878	3,611,187	3,589,300	21,887
Public safety:				
Police Department	101,348,324	152,484,878	152,217,758	267,120
Fire Department	66,124,918	118,574,894	118,792,150	(217,256)
Municipal Court	4,274,637	4,398,834	4,332,652	66,182
Public works:				
Administration	1,047,929	1,479,074	1,427,581	51,493
Facilities Maintenance	13,833,502	14,276,270	14,862,618	(586,348)
Engineering	3,596,200	4,032,648	3,739,342	293,306
Building Services	3,402,844	3,012,976	3,017,508	(4,532)
Streets	16,027,888	15,979,526	16,515,638	(536,112)
Parks department	14,863,650	14,456,218	13,973,685	482,533
Library	7,423,889	7,796,302	7,736,858	59,444
Culture and recreation:				
Art Museum	1,261,344	1,244,453	1,249,150	(4,697)
Arts Resources	246,990	287,758	290,990	(3,232)
History Museum	444,854	421,713	419,321	2,392
Wilderness Park Museum	230,577	231,964	228,575	3,389
Zoo	3,098,587	3,119,474	3,055,194	64,280
Economic development	1,242,577	1,059,171	956,342	102,829
Community and human development	563,770	536,826	522,051	14,775
Nondepartmental:				
Operating contingency	1,200,000	924,046	140,097	783,949
Salary reserve	2,606,107	(1,308,018)	-	(1,308,018)
Non Departmental	4,132,891	6,256,526	6,267,924	(11,398)
Transfers to other funds	5,028,527	10,488,016	9,096,495	1,391,521
Total charges to appropriations	<u>281,867,119</u>	<u>388,714,940</u>	<u>386,342,691</u>	<u>2,372,249</u>
Increase (Decrease) in fund balance	-	(4,406,887)	6,474,616	10,881,503
Budgetary fund balance, September 1	34,877,351	34,877,351	34,877,351	-
Budgetary fund balance, August 31	<u>\$ 34,877,351</u>	<u>30,470,464</u>	<u>41,351,967</u>	<u>10,881,503</u>

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

CITY OF EL PASO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2007

SCHEDULES OF FUNDING PROGRESS (UNAUDITED):

	Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) entry age	Unfunded AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
(dollars expressed in thousands)							
City Employees Pension Plan (CEPF)	9/1/2006	\$ 471,232	\$ 568,602	\$ 97,370	82.9%	\$ 123,982	78.5%
	9/1/2004	429,153	512,168	83,014	83.8%	121,111	68.5%
	9/1/2002	406,923	455,860	48,937	89.3%	113,682	43.0%
Firemen and Policemen's Pension Fund (FPPF):							
Firemen Division	1/1/2006	215,036	374,484	159,448	57.4%	38,326	416.0%
	1/1/2004	194,959	330,727	135,768	58.9%	31,486	431.2%
	7/1/2003	189,078	297,165	108,087	63.6%	27,775	389.1%
Policemen Division	1/1/2006	388,533	547,072	158,539	71.0%	53,275	297.6%
	1/1/2004	350,347	472,812	122,465	74.1%	49,935	245.2%
	7/1/2003	332,873	426,306	93,433	78.1%	46,881	199.3%

SCHEDULES OF EMPLOYER CONTRIBUTIONS AND NET PENSION OBLIGATION (NPO):

	Year	Annual Required Contribution (ARC)	Interest on NPO	Adjustment to ARC	Annual Pension Cost	Contributions Made	Increase in NPO	Net Pension Obligation (Asset)
City Employees Pension Plan (CEPF)	8/31/2007	\$ 15,672,702	(25,237)	17,904	15,665,369	14,675,989	989,380	673,911
	8/31/2006	13,239,686	(24,577)	16,315	13,231,424	13,239,686	(8,262)	(315,468)
	8/31/2005	12,707,913	(23,933)	15,887	12,699,868	12,707,913	(8,045)	(307,206)
Firemen and Policemen's Pension Fund (FPPF):								
Firemen Division	12/31/2006	15,343,321	3,261,583	(2,273,831)	16,331,073	8,020,937	8,310,136	49,079,920
	12/31/2005	13,807,421	2,696,112	(1,664,266)	14,839,267	7,770,878	7,068,389	40,769,784
	12/31/2004	13,019,605	2,159,133	(1,332,798)	13,845,940	7,133,709	6,712,231	33,701,395
Policemen Division	12/31/2006	20,153,124	2,859,585	(1,993,576)	21,019,133	11,567,974	9,451,159	45,195,981
	12/31/2005	18,427,235	2,200,023	(1,358,039)	19,269,219	11,024,694	8,244,525	35,744,822
	12/31/2004	17,422,817	1,609,348	(993,425)	18,038,740	10,655,294	7,383,446	27,500,297

NOTES TO SCHEDULES OF FUNDING PROGRESS

	City Employees Pension Plan (CEPF)	Firemen and Policemen's Pension Fund (FPPF)
Actuarial valuation date	September 1, 2006	January 1, 2006
Actuarial Cost Method	Entry age	Entry age
Method Used to Value Assets	Five-year smoothed market	Five-year smoothed market
Assumed Inflation Rate	4.00%	4.00%
Assumed Investment Return	8.00%	8.00%
Assumed Projected Salary Increases	4.75% - 7.75%	5.50% - 10.00%
Assumed Postretirement Benefit Increases	None	3.00%
Amortization Method	Level percent open	Level percent open
Remaining Amortization Period	75 years	30 years

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

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

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**



GENERAL FUND



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 85,832	78,704	78,704		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,535	5,504	1,031	84.22%
Other Operating Expenditures	10,000	2,930	2,930		100.00%
Transfers Out	-	14,198	14,198		100.00%
COUNCIL DISTRICT 01	119,793	119,793	118,762	1,031	99.14%
Salaries and Wages	85,832	69,780	69,780		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,622	6,622		100.00%
Other Operating Expenditures	10,000	10,668	10,668		100.00%
Transfers Out	-	16,121	16,121		100.00%
COUNCIL DISTRICT 02	119,793	120,617	120,617		100.00%
Salaries and Wages	85,832	74,818	74,818		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,731	6,731		100.00%
Other Operating Expenditures	10,000	2,272	2,272		100.00%
Transfers Out	-	18,565	18,565		100.00%
COUNCIL DISTRICT 03	119,793	119,812	119,812		100.00%
Salaries and Wages	85,832	72,518	72,518		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,600	6,600		100.00%
Other Operating Expenditures	10,000	694	694		100.00%
Transfers Out	-	22,620	22,620		100.00%
COUNCIL DISTRICT 04	119,793	119,858	119,858		100.00%
Salaries and Wages	85,832	68,252	68,252		100.00%
Employee Benefits	17,361	17,587	17,587		100.00%
Outside Contracts	6,600	6,374	5,961	413	93.52%
Other Operating Expenditures	10,000	2,484	2,484		100.00%
Transfers Out	-	25,096	25,096		100.00%
COUNCIL DISTRICT 05	119,793	119,793	119,380	413	99.66%
Salaries and Wages	85,832	83,440	83,440		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,535	5,653	882	86.50%
Other Operating Expenditures	10,000	4,350	4,350		100.00%
Transfers Out	-	8,042	8,042		100.00%
COUNCIL DISTRICT 06	119,793	119,793	118,911	882	99.26%
Salaries and Wages	85,832	76,532	76,532		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,600	6,600		100.00%
Other Operating Expenditures	10,000	7,466	7,466		100.00%
Transfers Out	-	11,834	11,834		100.00%
COUNCIL DISTRICT 07	119,793	119,858	119,858		100.00%
Salaries and Wages	85,832	76,184	76,184		100.00%
Employee Benefits	17,361	17,426	17,426		100.00%
Outside Contracts	6,600	6,477	6,477		100.00%
Other Operating Expenditures	10,000	4,743	4,743		100.00%
Transfers Out	-	15,221	15,221		100.00%
COUNCIL DISTRICT 08	119,793	120,051	120,051		100.00%
Salaries and Wages	-	(3,064)	(3,064)		100.00%
MAYOR PRO TEM	\$ -	(3,064)	(3,064)		100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 215,714	221,995	221,995		100.00%
Employee Benefits	17,493	17,605	17,605		100.00%
Outside Contracts	1,800	7,200	6,750	450	93.75%
Interfund Services	10,000	8,500	2,323	6,177	27.33%
Operating Leases	3,600	2,600	1,284	1,316	49.38%
Fuel and Lubricants	3,000	3,000	2,333	667	77.77%
Supplies and Materials	19,800	17,482	15,692	1,790	89.76%
Communications	6,900	6,900	4,721	2,179	68.42%
Travel	29,000	26,000	17,737	8,263	68.22%
Other Operating Expenditures	9,000	10,075	6,150	3,925	61.04%
OFFICE OF THE MAYOR	316,307	321,357	296,590	24,767	92.29%
Salaries and Wages	933,226	911,136	911,136		100.00%
Employee Benefits	68,565	73,724	73,724		100.00%
Outside Contracts	21,000	14,392	14,213	179	98.76%
Interfund Services	2,750	5,250	4,639	611	88.36%
Operating Leases	9,000	9,000	5,543	3,457	61.59%
Supplies and Materials	16,500	19,022	14,922	4,100	78.45%
Communications	9,000	8,701	6,851	1,850	78.74%
Travel	19,000	19,000	18,111	889	95.32%
Other Operating Expenditures	12,600	12,600	9,745	2,855	77.34%
CITY MANAGER	1,091,641	1,072,825	1,058,884	13,941	98.70%
Salaries and Wages	168,083	176,308	176,308		100.00%
Employee Benefits	17,633	17,698	17,698		100.00%
Outside Contracts	15,000	11,562	10,521	1,041	91.00%
Interfund Services	1,750	6,750	6,289	461	93.17%
Supplies and Materials	500	478	478		100.00%
Communications	1,000	599	599		100.00%
PUBLIC INFORMATION OFFICE	203,966	213,395	211,893	1,502	99.30%
Salaries and Wages	340,979	351,271	351,271		100.00%
Employee Benefits	17,009	17,897	17,897		100.00%
Outside Contracts	31,000	31,000	23,182	7,818	74.78%
Interfund Services	400	400	191	209	47.75%
Supplies and Materials	6,900	5,600	5,031	569	89.84%
Travel	7,500	8,700	8,623	77	99.11%
Other Operating Expenditures	8,900	9,000	8,911	89	99.01%
INTERNAL AUDIT	412,688	423,868	415,106	8,762	97.93%
Salaries and Wages	384,841	368,075	368,075		100.00%
Employee Benefits	14,795	14,795	14,795		100.00%
Outside Contracts	400,158	434,158	295,918	138,240	68.16%
Interfund Services	5,500	5,500	3,798	1,702	69.05%
Operating Leases	18,750	9,000	4,694	4,306	52.16%
Supplies and Materials	10,575	12,175	7,955	4,220	65.34%
Travel	7,100	7,100	3,594	3,506	50.62%
Other Operating Expenditures	17,000	17,000	13,813	3,187	81.25%
MUNICIPAL CLERK-CITY CLERK	858,719	867,803	712,642	155,161	82.12%
Salaries and Wages	314,964	348,122	348,122		100.00%
Employee Benefits	7,888	7,888	7,888		100.00%
Professional Services	115,000	76,023	76,023		100.00%
Supplies and Materials	2,450	2,493	711	1,782	28.52%
Travel	1,000	1,000		1,000	
Other Operating Expenditures	300	300	275	25	91.67%
FINANCIAL ACCT & REPORTING	441,602	435,826	433,019	2,807	99.36%
Salaries and Wages	-	(3,837)	(3,837)		100.00%
GRANT ACCOUNTING	\$ -	(3,837)	(3,837)		100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 173,401	173,770	173,770		100.00%
Employee Benefits	9,704	9,704	9,704		100.00%
TREASURY SERVICES	183,105	183,474	183,474		100.00%
Salaries and Wages	480,499	471,085	471,085		100.00%
Employee Benefits	32,774	32,774	32,774		100.00%
FISCAL OPERATIONS	513,273	503,859	503,859		100.00%
Salaries and Wages	603,346	706,603	706,603		100.00%
Employee Benefits	38,012	38,012	38,012		100.00%
Outside Contracts	2,500	800	800		100.00%
Interfund Services	9,500	4,360	4,256	104	97.61%
Operating Leases	11,900	10,100	5,943	4,157	58.84%
Supplies and Materials	9,000	12,371	13,020	(649)	105.25%
Communications	2,350	450	381	69	84.67%
Travel	2,500	-	-		
Other Operating Expenditures	3,000	2,400	2,361	39	98.38%
PURCHASING ADMINISTRATION	682,108	775,096	771,376	3,720	99.52%
Salaries and Wages	-	(7,508)	(7,508)		100.00%
PAYROLL	-	(7,508)	(7,508)		100.00%
Salaries and Wages	-	(7,998)	(7,998)		100.00%
Other Operating Expenditures	-	398	398		100.00%
ACCOUNTS PAYABLE & RECEIVABLE	-	(7,600)	(7,600)		100.00%
Salaries and Wages	77,185	31,793	31,793		100.00%
Employee Benefits	1,475	1,475	1,475		100.00%
Outside Contracts	5,000	7,000	7,000		100.00%
Interfund Services	900	-	-		
Supplies and Materials	3,600	50	49	1	98.00%
Communications	500	-	-		
Travel	1,000	600	236	364	39.33%
GRANTS ADMINISTRATION	89,660	40,918	40,553	365	99.11%
Salaries and Wages	-	(22,272)	(22,272)		100.00%
CONTRACTING	-	(22,272)	(22,272)		100.00%
Salaries and Wages	216,653	186,127	186,127		100.00%
Employee Benefits	20,030	20,030	20,030		100.00%
Professional Services	52,000	30,777	13,315	17,462	43.26%
Outside Contracts	1,000	274	(529)	803	-193.07%
Interfund Services	2,500	3,427	3,427		100.00%
Operating Leases	550	550	374	176	68.00%
Fuel and Lubricants	2,500	2,500	2,288	212	91.52%
Supplies and Materials	3,150	3,970	2,754	1,216	69.37%
Communications	2,000	1,250	1,207	43	96.56%
Other Operating Expenditures	800	1,317	773	544	58.69%
CAPITAL ASSETS MANAGEMENT	301,183	250,222	229,766	20,456	91.82%
Salaries and Wages	-	(5,186)	(5,186)		100.00%
CONSTRUCTION BIDDING	\$ -	(5,186)	(5,186)		100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 248,804	260,912	260,912		100.00%
Employee Benefits	10,124	10,189	10,189		100.00%
Contractual Services	-	15,000	14,537	463	96.91%
Professional Services	111,023	150,000	150,000		100.00%
Outside Contracts	44,500	42,069	39,864	2,205	94.76%
Interfund Services	22,850	24,735	24,769	(34)	100.14%
Operating Leases	5,500	5,700	5,087	613	89.25%
Supplies and Materials	26,800	37,616	34,628	2,988	92.06%
Communications	1,000	2,313	2,098	215	90.70%
Travel	5,000	5,000	5,000		100.00%
Capital Expenditures	-	21,234	1,590	19,644	7.49%
Other Operating Expenditures	6,200	6,731	6,579	152	97.74%
FINANCIAL SVCS CFO	481,801	581,499	555,253	26,246	95.49%
Salaries and Wages	359,200	285,730	285,730		100.00%
Employee Benefits	19,092	23,074	22,897	177	99.23%
Interfund Services	500	500		500	
Operating Leases	1,000	-			
Supplies and Materials	1,650	3,150	2,773	377	88.03%
Travel	6,000	6,000	3,721	2,279	62.02%
Other Operating Expenditures	3,000	2,600	375	2,225	14.42%
INFORMATION TECHNOLOGY ADMIN	390,442	321,054	315,496	5,558	98.27%
Salaries and Wages	267,006	93,911	93,911		100.00%
Employee Benefits	7,656	7,656	7,656		100.00%
Professional Services	8,250	5,750	5,667	83	98.56%
Outside Contracts	120,815	210,815	208,796	2,019	99.04%
Interfund Services	2,760	760	126	634	16.58%
Supplies and Materials	5,500	6,000	5,834	166	97.23%
Communications	260	260	144	116	55.38%
Travel	3,365	2,365	1,857	508	78.52%
Other Operating Expenditures	3,000	3,000	2,069	931	68.97%
GEOGRAPHIC INFORMATION SYSTEMS	418,612	330,517	326,060	4,457	98.65%
Salaries and Wages	-	(4,803)	(4,803)		100.00%
E-COMMERCE GROUP	-	(4,803)	(4,803)		100.00%
Salaries and Wages	1,414,772	1,629,196	1,629,196		100.00%
Employee Benefits	98,354	98,354	98,354		100.00%
Professional Services	38,000	38,000	23,735	14,265	62.46%
Outside Contracts	3,419,423	3,368,943	2,903,359	465,584	86.18%
Interfund Services	5,900	11,500	8,537	2,963	74.23%
Operating Leases	3,000	3,000	2,759	241	91.97%
Fuel and Lubricants	3,000	4,000	4,141	(141)	103.53%
Supplies and Materials	70,250	55,150	55,149	1	100.00%
Communications	9,350	9,350	9,149	201	97.85%
Travel	7,635	7,635	3,343	4,292	43.79%
Other Operating Expenditures	35,000	8,400	4,862	3,538	57.88%
Capital Expenditures	40,000	52,480	45,551	6,929	86.80%
INFORMATION SERVICES	\$ 5,144,684	5,286,008	4,788,135	497,873	90.58%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 408,783	356,679	356,679		100.00%
Employee Benefits	31,418	31,418	31,418		100.00%
Professional Services	-	82,500		82,500	
Outside Contracts	1,335,176	1,116,426	1,093,766	22,660	97.97%
Interfund Services	2,500	2,500	1,218	1,282	48.72%
Operating Leases	29,850	28,850	23,862	4,988	82.71%
Fuel and Lubricants	3,000	3,500	3,461	39	98.89%
Supplies and Materials	11,150	22,900	19,879	3,021	86.81%
Maintenance and Repairs	2,000	2,000	1,433	567	71.65%
Communications	2,032,900	1,513,964	1,513,443	521	99.97%
Travel	3,000	7,000	4,000	3,000	57.14%
Other Operating Expenditures	200	200	86	114	43.00%
Capital Expenditures	-	139,936		139,936	
PUBLIC SAFETY TECHNOLOGY	3,859,977	3,307,873	3,049,245	258,628	92.18%
Salaries and Wages	2,420,811	2,449,229	2,449,229		100.00%
Employee Benefits	93,142	92,099	92,099		100.00%
ATTORNEYS AND PARALEGALS	2,513,953	2,541,328	2,541,328		100.00%
Salaries and Wages	314,358	301,028	301,028		100.00%
Employee Benefits	19,116	19,116	19,116		100.00%
LEGAL SECRETARIAL STAFF	333,474	320,144	320,144		100.00%
Salaries and Wages	110,193	48,552	48,552		100.00%
Employee Benefits	11,519	11,519	11,519		100.00%
Capital Expenditures	-	2,435	1,207	1,228	49.57%
LEGAL SUPPORT STAFF	121,712	62,506	61,278	1,228	98.04%
Outside Contracts	3,500	1,500	1,430	70	95.33%
Interfund Services	7,800	14,800	14,459	341	97.70%
Operating Leases	33,000	31,000	11,580	19,420	37.35%
Supplies and Materials	39,000	37,000	33,421	3,579	90.33%
Travel	16,000	16,000	9,537	6,463	59.61%
Other Operating Expenditures	11,500	13,592	13,463	129	99.05%
LEGAL OPERATING EXPENSE	110,800	113,892	83,890	30,002	73.66%
Professional Services	112,000	113,000	67,847	45,153	60.04%
Other Non-Operating Expenditures	829,049	729,049	505,221	223,828	69.30%
TRIAL OPER EXP & DAMAGES SETT	941,049	842,049	573,068	268,981	68.06%
Professional Services	558,700	775,000	742,898	32,102	95.86%
Outside Contracts	5,000	8,000	7,455	545	93.19%
Transfers Out	219,000	219,000		219,000	
OUTSIDE COUNSEL SERVICES	782,700	1,002,000	750,353	251,647	74.89%
Salaries and Wages	1,063,890	944,763	944,763		100.00%
Employee Benefits	33,936	34,001	34,001		100.00%
Outside Contracts	68,000	68,000	31,378	36,622	46.14%
Interfund Services	11,700	11,700	5,036	6,664	43.04%
Operating Leases	7,500	7,500	5,639	1,861	75.19%
Supplies and Materials	10,050	11,650	9,602	2,048	82.42%
Communications	1,000	1,000	71	929	7.10%
Travel	12,000	12,000	10,786	1,214	89.88%
Other Operating Expenditures	3,300	2,635	1,305	1,330	49.53%
OFFICE OF MGMT & BUDGET	\$ 1,211,376	1,093,249	1,042,581	50,668	95.37%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 244,428	196,004	196,004		100.00%
Employee Benefits	16,582	28,311	28,311		100.00%
Professional Services	-	10,500		10,500	
Outside Contracts	7,800	27,401	28,397	(996)	103.63%
Interfund Services	31,750	29,750	21,982	7,768	73.89%
Operating Leases	2,250	2,149	2,148	1	99.95%
Supplies and Materials	7,140	6,640	5,545	1,095	83.51%
Communications	800	4,800	3,444	1,356	71.75%
Travel	11,580	6,580	5,255	1,325	79.86%
Other Operating Expenditures	5,733	5,733	5,551	182	96.83%
PLANNING ADMINISTRATION	328,063	317,868	296,637	21,231	93.32%
Salaries and Wages	459,449	381,318	381,318		100.00%
Employee Benefits	43,688	43,688	43,688		100.00%
Outside Contracts	8,630	26,968	21,112	5,856	78.29%
Supplies and Materials	5,368	4,580	4,007	573	87.49%
ZONING ZBA HISTORIC	517,135	456,554	450,125	6,429	98.59%
Salaries and Wages	231,303	250,909	250,909		100.00%
Employee Benefits	22,755	22,755	22,755		100.00%
Outside Contracts	-	1,000	588	412	58.80%
Supplies and Materials	4,781	3,781	3,422	359	90.51%
PLANNING-LONG RANGE	258,839	278,445	277,674	771	99.72%
Salaries and Wages	347,926	283,238	283,238		100.00%
Employee Benefits	15,129	15,129	15,129		100.00%
Professional Services	3,750	-			
Outside Contracts	-	3,750	3,750		100.00%
Supplies and Materials	1,090	1,090	1,083	7	99.36%
PLANNING SUBDIVISIONS	367,895	303,207	303,200	7	100.00%
Salaries and Wages	473,419	505,956	505,956		100.00%
Employee Benefits	46,240	46,240	46,240		100.00%
Outside Contracts	1,500	2,260	223	2,037	9.87%
Interfund Services	1,210	450		450	
Supplies and Materials	2,521	2,521	2,379	142	94.37%
Communications	1,200	3,200	1,191	2,009	37.22%
Travel	6,682	4,682	2,784	1,898	59.46%
Other Operating Expenditures	1,943	1,943	1,503	440	77.35%
PLAN REVIEW	534,715	567,252	560,276	6,976	98.77%
Salaries and Wages	247,740	242,310	242,310		100.00%
Employee Benefits	9,835	9,835	9,900	(65)	100.66%
Outside Contracts	30,300	64,789	64,355	434	99.33%
Interfund Services	10,500	10,500	19,086	(8,586)	181.77%
Supplies and Materials	2,700	3,800	3,713	87	97.71%
Communications	2,600	1,600	1,549	51	96.81%
Travel	100	100	36	64	36.00%
Other Operating Expenditures	5,350	5,050	4,986	64	98.73%
Capital Expenditures	-	12,000	12,000		100.00%
HUMAN RESOURCES ADMIN	309,125	349,984	357,935	(7,951)	102.27%
Salaries and Wages	48,954	42,189	42,189		100.00%
Employee Benefits	2,545	2,545	2,545		100.00%
Supplies and Materials	1,000	1,000	1,000		100.00%
Other Operating Expenditures	300	300	283	17	94.33%
CLASSIFICATION & COMPENSATION	\$ 52,799	46,034	46,017	17	99.96%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 483,095	430,745	430,745		100.00%
Employee Benefits	27,289	27,289	27,289		100.00%
Professional Services	30,000	37,966	37,929	37	99.90%
Outside Contracts	9,300	9,600	9,450	150	98.44%
Interfund Services	5,300	5,300	4,927	373	92.96%
Operating Leases	15,000	16,325	16,325		100.00%
Supplies and Materials	7,350	7,193	7,187	6	99.92%
Other Operating Expenditures	3,300	3,300	3,128	172	94.79%
RECRUITMENT & EXAMINATIONS	580,634	537,718	536,980	738	99.86%
Salaries and Wages	243,441	264,431	264,431		100.00%
Employee Benefits	16,511	16,511	16,511		100.00%
Outside Contracts	-	4,163	4,163		100.00%
Interfund Services	2,000	2,000	2,000		100.00%
Supplies and Materials	2,850	2,850	2,691	159	94.42%
Travel	100	100	7	93	7.00%
Other Operating Expenditures	215,610	231,448	231,372	76	99.97%
ORGANIZATIONAL DEVELOPMENT	480,512	521,503	521,175	328	99.94%
Salaries and Wages	-	(14,728)	(14,728)		100.00%
HRIS AND CERTIFICATION	-	(14,728)	(14,728)		100.00%
Salaries and Wages	453,060	501,517	501,517		100.00%
Employee Benefits	35,633	35,633	35,633		100.00%
Outside Contracts	350	350	350		100.00%
Supplies and Materials	3,300	3,497	3,396	101	97.11%
PAYROLL AND RECORDS	492,343	540,997	540,896	101	99.98%
Salaries and Wages	923,223	917,532	917,532		100.00%
Employee Benefits	86,222	86,287	86,287		100.00%
Professional Services	2,439,967	2,246,967	2,241,648	5,319	99.76%
Outside Contracts	158,216	158,216	147,187	11,029	93.03%
Interfund Services	138,000	138,000	137,599	401	99.71%
Operating Leases	3,500	3,500	876	2,624	25.03%
Supplies and Materials	34,050	33,985	32,899	1,086	96.80%
Communications	1,000	1,000	782	218	78.20%
Travel	15,000	15,000	14,383	617	95.89%
Other Operating Expenditures	1,700	1,684	1,293	391	76.78%
Other Non-Operating Expenditures	-	16	16		100.00%
Capital Expenditures	-	9,000	8,798	202	97.76%
TAX OFFICE COLLECTIONS	3,800,878	3,611,187	3,589,300	21,887	99.39%
Salaries and Wages	69,100,947	121,559,255	121,559,255		100.00%
Employee Benefits	8,873,929	8,866,729	8,874,152	(7,423)	100.08%
Professional Services	47,000	17,000	4,782	12,218	28.13%
Outside Contracts	321,500	310,500	274,105	36,395	88.28%
Interfund Services	5,000	5,000	161	4,839	3.22%
Supplies and Materials	18,600	24,300	20,154	4,146	82.94%
Maintenance and Repairs	300	600	260	340	43.33%
Other Operating Expenditures	221,500	226,500	223,560	2,940	98.70%
Grant Match	534,921	289,921	189,154	100,767	65.24%
CHIEF'S OFFICE	79,123,697	131,299,805	131,145,583	154,222	99.88%
Salaries and Wages	29,707	34,097	34,097		100.00%
Employee Benefits	1,791	1,791	1,791		100.00%
Interfund Services	200	200	72	128	36.00%
Operating Leases	78,448	78,448	78,448		100.00%
Supplies and Materials	6,600	9,570	9,351	219	97.71%
Other Operating Expenditures	3,000	30	30		100.00%
INTERNAL AFFAIRS	\$ 119,746	124,136	123,789	347	99.72%

CITY OF EL PASO, TEXAS

General Fund

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Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 1,672,883	1,456,619	1,456,619		100.00%
Employee Benefits	111,948	111,948	112,013	(65)	100.06%
Professional Services	38,060	14,060	12,723	1,337	90.49%
Outside Contracts	4,000	20,100	17,962	2,138	89.36%
Interfund Services	3,000	8,000	7,266	734	90.83%
Supplies and Materials	337,809	320,709	300,174	20,535	93.60%
TRAINING	2,167,700	1,931,436	1,906,757	24,679	98.72%
Salaries and Wages	107,785	95,026	95,026		100.00%
Employee Benefits	4,933	4,933	4,933		100.00%
Professional Services	116,600	116,600	117,345	(745)	100.64%
Outside Contracts	36,100	24,100	23,170	930	96.14%
Interfund Services	5,000	5,000	4,304	696	86.08%
Supplies and Materials	11,500	23,500	22,786	714	96.96%
STAFF SERVICES	281,918	269,159	267,564	1,595	99.41%
Salaries and Wages	187,987	252,276	252,276		100.00%
Employee Benefits	9,955	10,155	10,155		100.00%
Outside Contracts	3,000	3,000	1,447	1,553	48.23%
Interfund Services	200	200	73	127	36.50%
Supplies and Materials	7,200	7,200	6,898	302	95.81%
PLANNING AND RESEARCH	208,342	272,831	270,849	1,982	99.27%
Outside Contracts	75,500	72,500	71,747	753	98.96%
Interfund Services	1,600,000	1,600,000	2,006,127	(406,127)	125.38%
Fuel and Lubricants	1,666,693	1,666,693	1,545,641	121,052	92.74%
Supplies and Materials	1,015	1,015	1,177	(162)	115.96%
Maintenance and Repairs	30,400	33,400	30,152	3,248	90.28%
VEHICLE OPERATIONS	3,373,608	3,373,608	3,654,844	(281,236)	108.34%
Salaries and Wages	4,463,478	4,538,399	4,538,399		100.00%
Employee Benefits	297,480	297,480	297,545	(65)	100.02%
Professional Services	100	600	625	(25)	104.17%
Outside Contracts	-	3,900	3,153	747	80.85%
Interfund Services	1,200	1,200	422	778	35.17%
Supplies and Materials	79,000	73,905	54,147	19,758	73.27%
Communications	-	-	592	(592)	
Other Operating Expenditures	200	895	3,479	(2,584)	388.72%
COMMUNICATIONS	4,841,458	4,916,379	4,898,362	18,017	99.63%
Salaries and Wages	1,904,836	1,887,537	1,887,537		100.00%
Employee Benefits	142,821	142,821	142,821		100.00%
Outside Contracts	16,433	13,833	12,465	1,368	90.11%
Interfund Services	64,400	64,400	66,614	(2,214)	103.44%
Supplies and Materials	15,630	18,230	18,928	(698)	103.83%
Communications	7,600	7,600	6,028	1,572	79.32%
RECORDS	2,151,720	2,134,421	2,134,393	28	100.00%
Interfund Services	8,000	2,500	66	2,434	2.64%
Supplies and Materials	760,000	720,500	582,272	138,228	80.81%
POLICE SUPPLY	768,000	723,000	582,338	140,662	80.54%
Salaries and Wages	587,986	552,623	552,623		100.00%
Employee Benefits	59,141	59,141	59,141		100.00%
Outside Contracts	131,500	131,500	129,313	2,187	98.34%
Interfund Services	200	200	91	109	45.50%
Operating Leases	90,000	90,000	66,827	23,173	74.25%
Supplies and Materials	3,975	23,975	13,776	10,199	57.46%
Communications	75,150	75,150	75,168	(18)	100.02%
Other Operating Expenditures	2,506,000	1,956,000	1,952,704	3,296	99.83%
FINANCIAL SERVICES	\$ 3,453,952	2,888,589	2,849,643	38,946	98.65%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 96,125	103,234	103,234		100.00%
Employee Benefits	9,177	9,177	9,177		100.00%
Outside Contracts	99,125	88,775	68,990	19,785	77.71%
Interfund Services	4,500	4,500	2,973	1,527	66.07%
Operating Leases	27,730	27,730	20,676	7,054	74.56%
Supplies and Materials	90,736	101,086	97,154	3,932	96.11%
Other Operating Expenditures	200	200	112	88	56.00%
SPECIAL SERVICES	327,593	334,702	302,316	32,386	90.32%
Salaries and Wages	540,501	397,149	397,149		100.00%
Employee Benefits	49,960	49,960	49,960		100.00%
Outside Contracts	-	600	388	212	64.67%
Interfund Services	7,500	5,300	4,681	619	88.32%
Supplies and Materials	33,200	34,800	34,426	374	98.93%
CENTRAL REGIONAL COMMAND	631,161	487,809	486,604	1,205	99.75%
Salaries and Wages	247,504	219,596	219,596		100.00%
Employee Benefits	22,022	22,022	22,022		100.00%
Outside Contracts	1,400	1,400	1,204	196	86.00%
Interfund Services	2,000	2,000	1,814	186	90.70%
Supplies and Materials	21,300	21,300	20,519	781	96.33%
MISSION VALLEY REGIONAL COMMAND	294,226	266,318	265,155	1,163	99.56%
Salaries and Wages	246,799	231,229	231,229		100.00%
Employee Benefits	14,607	14,607	14,607		100.00%
Outside Contracts	750	750	718	32	95.73%
Interfund Services	4,500	4,500	3,281	1,219	72.91%
Supplies and Materials	18,400	18,400	18,466	(66)	100.36%
Other Operating Expenditures	200	200	193	7	96.50%
NORTHEAST REGIONAL COMMAND	285,256	269,686	268,494	1,192	99.56%
Salaries and Wages	244,997	197,777	197,777		100.00%
Employee Benefits	21,845	21,845	21,845		100.00%
Outside Contracts	2,426	3,426	3,201	225	93.43%
Interfund Services	7,200	6,200	5,882	318	94.87%
Supplies and Materials	34,498	34,498	33,366	1,132	96.72%
Other Operating Expenditures	300	300	300		100.00%
PEBBLE HILLS REGIONAL COMMAND	311,266	264,046	262,371	1,675	99.37%
Salaries and Wages	171,494	152,136	152,136		100.00%
Employee Benefits	6,532	6,532	6,532		100.00%
Outside Contracts	150	-			
Interfund Services	3,800	3,200	3,072	128	96.00%
Supplies and Materials	21,075	21,675	21,597	78	99.64%
Other Operating Expenditures	200	350	350		100.00%
WESTSIDE REGIONAL COMMAND	203,251	183,893	183,687	206	99.89%
Salaries and Wages	1,142,548	1,044,348	1,044,348		100.00%
Employee Benefits	111,222	111,222	111,222		100.00%
Professional Services	10,000	10,000	3,910	6,090	39.10%
Outside Contracts	32,500	14,253	10,770	3,483	75.56%
Interfund Services	3,000	3,000	2,385	615	79.50%
Operating Leases	2,640	1,320	1,320		100.00%
Other Operating Expenditures	-	-	56	(56)	
Supplies and Materials	60,000	79,567	77,395	2,172	97.27%
OPERATIONAL SUPPORT	\$ 1,361,910	1,263,710	1,251,406	12,304	99.03%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 604,604	561,163	561,163		100.00%
Employee Benefits	52,258	52,258	52,258		100.00%
Professional Services	1,140	1,140	485	655	42.54%
Outside Contracts	42,450	40,425	24,445	15,980	60.47%
Interfund Services	1,300	2,040	1,027	1,013	50.34%
Operating Leases	101,760	93,260	89,832	3,428	96.32%
Supplies and Materials	24,890	45,075	26,220	18,855	58.17%
Communications	2,420	7,020	4,592	2,428	65.41%
Travel	3,450	3,450	3,022	428	87.59%
Other Operating Expenditures	40,500	25,500	24,875	625	97.55%
DIRECTED INVESTIGATIONS	874,772	831,331	787,919	43,412	94.78%
Salaries and Wages	265,127	346,398	346,398		100.00%
Employee Benefits	26,721	26,721	26,721		100.00%
Professional Services	130,000	133,000	100,505	32,495	75.57%
Outside Contracts	51,000	49,000	40,944	8,056	83.56%
Interfund Services	3,000	3,000	1,447	1,553	48.23%
Operating Leases	48,000	47,925	22,548	25,377	47.05%
Supplies and Materials	41,400	42,400	35,570	6,830	83.89%
Other Operating Expenditures	3,500	1,575	1,551	24	98.48%
CRIMINAL INVESTIGATIONS	568,748	650,019	575,684	74,335	88.56%
Salaries and Wages	983,151	51,153,191	51,153,191		100.00%
Employee Benefits	85,600	85,600	85,600		100.00%
Professional Services	200,000	150,000	150,000		100.00%
Outside Contracts	1,528,839	1,528,839	1,557,146	(28,307)	101.85%
Interfund Services	31,000	31,000	31,705	(705)	102.27%
Operating Leases	22,500	21,980	18,065	3,915	82.19%
Supplies and Materials	31,550	30,540	32,563	(2,023)	106.62%
Maintenance and Repairs	-	-	219	(219)	
Communications	9,000	9,000	9,245	(245)	102.72%
Travel	25,000	39,487	42,212	(2,725)	106.90%
Other Operating Expenditures	80,000	64,797	64,291	506	99.22%
Grant Match	86,000	86,000	86,000		100.00%
FIRE DEPARTMENT ADMINISTRATION	3,082,640	53,200,434	53,230,237	(29,803)	100.06%
Salaries and Wages	1,158,923	939,427	939,427		100.00%
Employee Benefits	114,973	114,973	114,973		100.00%
Professional Services	802,916	802,916	780,205	22,711	97.17%
Outside Contracts	9,800	9,800	8,952	848	91.35%
Operating Leases	6,000	6,000	6,000		100.00%
Fuel and Lubricants	5,000	5,000	4,929	71	98.58%
Supplies and Materials	25,000	26,010	25,998	12	99.95%
FIRE FIGHTING TRAINING	2,122,612	1,904,126	1,880,484	23,642	98.76%
Salaries and Wages	44,465,263	47,394,712	47,394,712		100.00%
Employee Benefits	5,174,405	5,174,405	5,174,405		100.00%
Professional Services	250,000	230,000	211,274	18,726	91.86%
Outside Contracts	21,000	21,000	18,212	2,788	86.72%
Operating Leases	475,000	475,000	481,282	(6,282)	101.32%
Supplies and Materials	289,500	289,500	306,440	(16,940)	105.85%
Travel	6,500	6,500	5,724	776	88.06%
Other Operating Expenditures	-	1,236	1,512	(276)	122.33%
FD EMERGENCY OPERATIONS	50,681,668	53,592,353	53,593,561	(1,208)	100.00%
Salaries and Wages	236,694	254,867	254,867		100.00%
Employee Benefits	23,187	23,187	23,187		100.00%
Supplies and Materials	18,600	20,141	20,140	1	100.00%
SPECIAL OPERATIONS	\$ 278,481	298,195	298,194	1	100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 2,739,713	2,623,593	2,623,593		100.00%
Employee Benefits	294,022	294,022	294,022		100.00%
Outside Contracts	4,500	4,500	4,458	42	99.07%
Supplies and Materials	12,300	12,300	12,832	(532)	104.33%
Other Operating Expenditures	2,000	2,000	2,000		100.00%
FIRE PREVENTION	3,052,535	2,936,415	2,936,905	(490)	100.02%
Salaries and Wages	524,707	562,257	562,257		100.00%
Employee Benefits	58,739	58,739	58,739		100.00%
Supplies and Materials	7,000	7,000	6,872	128	98.17%
Maintenance and Repairs	2,500	2,500	2,478	22	99.12%
Communications	18,000	18,000	18,000		100.00%
FIRE COMMUNICATIONS	610,946	648,496	648,346	150	99.98%
Outside Contracts	115,300	91,164	90,557	607	99.33%
Supplies and Materials	931,000	952,826	1,130,864	(178,038)	118.69%
Maintenance and Repairs	44,500	45,269	45,268	1	100.00%
SCBA AND LOGISTIC	1,090,800	1,089,259	1,266,689	(177,430)	116.29%
Salaries and Wages	525,903	415,275	415,275		100.00%
Employee Benefits	49,836	49,836	49,836		100.00%
Outside Contracts	180,000	170,000	169,791	209	99.88%
Interfund Services	80,000	80,000	88,735	(8,735)	110.92%
Fuel and Lubricants	834,077	823,115	823,593	(478)	100.06%
Supplies and Materials	325,850	340,812	370,521	(29,709)	108.72%
Maintenance and Repairs	11,500	11,500	7,818	3,682	67.98%
Communications	3,000	3,000	2,931	69	97.70%
Other Operating Expenditures	12,500	18,500	16,956	1,544	91.65%
MAINTENANCE	2,022,666	1,912,038	1,945,456	(33,418)	101.75%
Salaries and Wages	-	(166)	(166)		100.00%
AIRPORT FIREFIGHTERS	-	(166)	(166)		100.00%
Salaries and Wages	2,907,801	2,718,975	2,718,975		100.00%
Employee Benefits	274,769	274,769	273,469	1,300	99.53%
FIRE SUPPORT PERSONNEL	3,182,570	2,993,744	2,992,444	1,300	99.96%
Salaries and Wages	2,458,330	2,587,852	2,587,852		100.00%
Employee Benefits	218,670	218,670	218,735	(65)	100.03%
Professional Services	5,000	5,000		5,000	
Outside Contracts	250,000	210,000	169,523	40,477	80.73%
Interfund Services	165,500	249,500	263,516	(14,016)	105.62%
Operating Leases	71,000	71,000	63,475	7,525	89.40%
Fuel and Lubricants	625	625	184	441	29.44%
Supplies and Materials	35,100	35,100	23,125	11,975	65.88%
Communications	1,000	29,500	28,467	1,033	96.50%
Utilities	27,300	37,050	33,743	3,307	91.07%
Travel	2,500	2,500	1,318	1,182	52.72%
Other Operating Expenditures	8,675	7,700	4,638	3,062	60.23%
Other Non-Operating Expenditures	146,000	74,475	79,111	(4,636)	106.22%
MUNICIPAL CLERK ADMIN	3,389,700	3,528,972	3,473,687	55,285	98.43%
Salaries and Wages	788,695	773,620	773,620		100.00%
Employee Benefits	54,342	54,342	54,598	(256)	100.47%
Outside Contracts	18,000	18,400	18,400		100.00%
Supplies and Materials	3,900	3,900	2,647	1,253	67.87%
Travel	20,000	19,600	9,700	9,900	49.49%
MUNICIPAL CLERK JUDICIARY	884,937	869,862	858,965	10,897	98.75%
Outside Contracts	487,000	464,165	464,264	(99)	100.02%
Supplies and Materials	10,000	12,500	12,483	17	99.86%
Maintenance and Repairs	58,000	75,400	75,423	(23)	100.03%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
BLDG MAINT POLICE FACILITIES	\$ 555,000	552,065	552,170	(105)	100.02%
Salaries and Wages	\$ 1,454,618	1,423,439	1,423,439		100.00%
Employee Benefits	198,934	198,934	198,934		100.00%
Outside Contracts	974,752	892,152	892,754	(602)	100.07%
Interfund Services	39,150	29,150	30,620	(1,470)	105.04%
Operating Leases	2,500	2,500	2,499	1	99.96%
Fuel and Lubricants	40,000	40,000	45,671	(5,671)	114.18%
Supplies and Materials	58,200	67,750	67,743	7	99.99%
Maintenance and Repairs	180,000	145,000	149,178	(4,178)	102.88%
Communications	4,000	4,000	4,000		100.00%
Utilities	9,973,048	9,973,048	10,688,951	(715,903)	107.18%
Travel	2,400	2,400	2,400		100.00%
Other Operating Expenditures	3,900	4,350	4,345	5	99.89%
CITY WIDE BLDG MAINT NOC	12,931,502	12,782,723	13,510,534	(727,811)	105.69%
Outside Contracts	174,500	168,837	167,583	1,254	99.26%
Maintenance and Repairs	60,000	60,145	61,838	(1,693)	102.81%
BUILDING MAINT FIRE FACILITIES	234,500	228,982	229,421	(439)	100.19%
Outside Contracts	-	600,000	459,040	140,960	76.51%
Transfers Out	-	100,000	100,000		100.00%
BUILDING MAINT LEASED FAC	-	700,000	559,040	140,960	79.86%
Outside Contracts	65,000	66,454	64,305	2,149	96.77%
Supplies and Materials	7,500	15,221	15,379	(158)	101.04%
Maintenance and Repairs	40,000	30,825	31,769	(944)	103.06%
LIBRARY MAINTENANCE COSTS	112,500	112,500	111,453	1,047	99.07%
Salaries and Wages	913,941	1,059,152	1,059,152		100.00%
Employee Benefits	76,025	76,025	75,201	824	98.92%
Outside Contracts	3,000	76,842	76,493	349	99.55%
Interfund Services	15,000	15,000	13,172	1,828	87.81%
Operating Leases	18,800	18,800	18,730	70	99.63%
Fuel and Lubricants	-	29	29		100.00%
Supplies and Materials	21,163	70,822	22,400	48,422	31.63%
Travel	-	261	261		100.00%
Capital Expenditures	-	162,143	162,143		100.00%
DEVELOPMENT SERVICES ADMIN	1,047,929	1,479,074	1,427,581	51,493	96.52%
Salaries and Wages	506,169	734,299	734,299		100.00%
Employee Benefits	32,031	30,101	29,439	662	97.80%
Outside Contracts	400	400	254	146	63.50%
Interfund Services	4,500	4,500	3,410	1,090	75.78%
Operating Leases	5,700	5,700	2,816	2,884	49.40%
Supplies and Materials	7,400	30,394	25,244	5,150	83.06%
Communications	225	225	75	150	33.33%
Travel	5,000	5,000	4,637	363	92.74%
Other Operating Expenditures	14,900	14,900	10,369	4,531	69.59%
Capital Expenditures	-	274,919	272,558	2,361	99.14%
ENGINEERING ADMIN	576,325	1,100,438	1,083,101	17,337	98.42%
Salaries and Wages	-	(734)	(734)		100.00%
ENGINEERING DESIGN	\$ -	(734)	(734)		100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 932,921	619,291	619,291		100.00%
Employee Benefits	94,195	94,195	94,195		100.00%
Outside Contracts	400	400	215	185	53.75%
Interfund Services	42,200	40,650	24,815	15,835	61.05%
Operating Leases	5,700	5,700	2,981	2,719	52.30%
Fuel and Lubricants	52,030	32,030	20,588	11,442	64.28%
Supplies and Materials	17,150	19,206	16,511	2,695	85.97%
Communications	8,600	11,200	11,149	51	99.54%
Travel	4,000	4,000	1,845	2,155	46.13%
Other Operating Expenditures	4,500	4,500	3,480	1,020	77.33%
ENGINEERING CONSTRUCTION	1,161,696	831,172	795,070	36,102	95.66%
Salaries and Wages	317,096	295,630	295,630		100.00%
Employee Benefits	21,970	21,970	21,970		100.00%
Professional Services	-	4,300	4,000	300	93.02%
Interfund Services	620	620	520	100	83.87%
Supplies and Materials	8,030	16,685	11,756	4,929	70.46%
Communications	150	150	143	7	95.33%
Travel	3,000	-			
Other Operating Expenditures	7,400	10,400	4,076	6,324	39.19%
ENGINEERING PROGRAM MANAGEMENT	358,266	349,755	338,095	11,660	96.67%
Salaries and Wages	836,947	813,913	813,913		100.00%
Employee Benefits	58,534	58,534	58,534		100.00%
Professional Services	20,000	217,000	16,993	200,007	7.83%
Outside Contracts	5,550	5,550	2,154	3,396	38.81%
Interfund Services	1,500	1,500	407	1,093	27.13%
Supplies and Materials	7,650	10,650	8,931	1,719	83.86%
Communications	4,200	4,200	2,819	1,381	67.12%
Travel	6,500	6,500	2,405	4,095	37.00%
Other Operating Expenditures	4,300	4,300	3,755	545	87.33%
ENGINEERING TRAFFIC	945,181	1,122,147	909,911	212,236	81.09%
Salaries and Wages	346,944	367,057	367,057		100.00%
Employee Benefits	24,679	24,679	24,679		100.00%
Interfund Services	250	250		250	
Supplies and Materials	2,200	2,200	1,901	299	86.41%
Travel	3,000	3,000		3,000	
Other Operating Expenditures	1,600	1,600	70	1,530	4.38%
ENGINEERING CIP	378,673	398,786	393,707	5,079	98.73%
Salaries and Wages	134,476	208,556	208,556		100.00%
Employee Benefits	7,177	7,177	7,177		100.00%
Professional Services	2,500	-			
Outside Contracts	850	850	215	635	25.29%
Interfund Services	450	450	479	(29)	106.44%
Operating Leases	8,500	5,900	284	5,616	4.81%
Supplies and Materials	17,250	5,095	2,041	3,054	40.06%
Travel	2,856	1,056	704	352	66.67%
Other Operating Expenditures	2,000	2,000	736	1,264	36.80%
ENGINEERING DESIGN & PROGRAM M	176,059	231,084	220,192	10,892	95.29%
Salaries and Wages	711,500	590,195	590,195		100.00%
Employee Benefits	37,099	37,099	37,099		100.00%
Outside Contracts	650	-			
Interfund Services	9,800	7,263	7,263		100.00%
Supplies and Materials	20,220	19,952	19,892	60	99.70%
Communications	200	54	54		100.00%
PLAN REVIEW	\$ 779,469	654,563	654,503	60	99.99%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 781,881	830,937	830,937		100.00%
Employee Benefits	123,484	123,484	123,484		100.00%
Outside Contracts	20,000	20,502	20,502		100.00%
Interfund Services	44,300	27,592	27,592		100.00%
Fuel and Lubricants	23,100	22,644	22,644		100.00%
Supplies and Materials	8,830	8,774	8,774		100.00%
Other Operating Expenditures	7,875	7,373	7,273	100	98.64%
COMMERCIAL INSPECTIONS	1,009,470	1,041,306	1,041,206	100	99.99%
Salaries and Wages	806,041	508,010	508,010		100.00%
Employee Benefits	90,402	90,402	90,402		100.00%
Outside Contracts	-	4,060	4,060		100.00%
Interfund Services	27,000	19,810	19,810		100.00%
Fuel and Lubricants	32,726	32,725	32,725		100.00%
Supplies and Materials	30,450	14,001	13,419	582	95.84%
RESIDENTIAL INSPECTIONS	986,619	669,008	668,426	582	99.91%
Salaries and Wages	123,859	191,650	191,650		100.00%
Employee Benefits	6,663	6,663	6,663		100.00%
Professional Services	10,300	12,600	12,600		100.00%
Outside Contracts	11,300	10,134	9,264	870	91.42%
Interfund Services	55,000	45,714	45,714		100.00%
Operating Leases	4,100	4,060	4,060		100.00%
Fuel and Lubricants	27,000	14,881	14,881		100.00%
Supplies and Materials	19,535	19,571	19,571		100.00%
Communications	32,960	51,945	58,089	(6,144)	111.83%
Travel	10,850	10,503	10,503		100.00%
Other Operating Expenditures	15,715	15,400	15,400		100.00%
BLDG INSPECTION & PERMIT ADMIN	317,282	383,121	388,395	(5,274)	101.38%
Salaries and Wages	283,030	240,651	240,651		100.00%
Employee Benefits	15,581	15,581	15,581		100.00%
Outside Contracts	-	4,303	4,303		100.00%
Interfund Services	1,680	-	-		
Fuel and Lubricants	5,250	-	-		
Supplies and Materials	1,943	1,940	1,940		100.00%
Communications	2,520	2,503	2,503		100.00%
SUBDIVISION INSPECTION	310,004	264,978	264,978		100.00%
Salaries and Wages	147,762	174,908	174,908		100.00%
Employee Benefits	25,001	25,001	25,001		100.00%
Interfund Services	940,000	940,000	1,390,413	(450,413)	147.92%
Fuel and Lubricants	530,000	530,000	789,976	(259,976)	149.05%
STREETS EQUIPMENT SUPPORT	1,642,763	1,669,909	2,380,298	(710,389)	142.54%
Salaries and Wages	649,153	748,076	748,076		100.00%
Employee Benefits	53,628	53,628	53,628		100.00%
Operating Leases	5,000	5,000	4,845	155	96.90%
STREETS CONTRACT MANAGEMENT	707,781	806,704	806,549	155	99.98%
Salaries and Wages	206,915	170,564	170,564		100.00%
Employee Benefits	14,130	14,130	14,130		100.00%
Outside Contracts	678,365	431,289	363,360	67,929	84.25%
STREETS MEDIANS	\$ 899,410	615,983	548,054	67,929	88.97%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 744,843	741,848	741,848		100.00%
Employee Benefits	48,678	48,678	48,678		100.00%
Outside Contracts	2,000	964	964		100.00%
Interfund Services	7,100	8,636	8,692	(56)	100.65%
Supplies and Materials	109,100	100,133	99,217	916	99.09%
Communications	17,000	36,196	33,434	2,762	92.37%
Travel	10,600	10,600	9,578	1,022	90.36%
Other Operating Expenditures	22,000	11,271	12,882	(1,611)	114.29%
ADMIN SUPPORT AND DATA MGMT	961,321	958,326	955,293	3,033	99.68%
Salaries and Wages	1,081,734	985,388	985,388		100.00%
Employee Benefits	149,549	149,549	149,549		100.00%
Outside Contracts	157,000	167,000	146,766	20,234	87.88%
Operating Leases	33,560	33,560	32,579	981	97.08%
Supplies and Materials	22,500	18,500	14,071	4,429	76.06%
Maintenance and Repairs	84,000	68,000	64,160	3,840	94.35%
Capital Expenditures	-	175,000	40,000	135,000	22.86%
STREETS STORM WATER FLOOD MGMT	1,528,343	1,596,997	1,432,513	164,484	89.70%
Salaries and Wages	3,193,215	3,247,933	3,247,933		100.00%
Employee Benefits	553,284	553,284	553,284		100.00%
Outside Contracts	1,016,300	926,300	884,665	41,635	95.51%
Operating Leases	57,800	87,800	74,342	13,458	84.67%
Supplies and Materials	169,300	169,300	348,100	(178,800)	205.61%
Maintenance and Repairs	563,000	710,076	646,601	63,475	91.06%
Travel	7,000	7,000	7,633	(633)	109.04%
Other Operating Expenditures	23,000	23,000	9,228	13,772	40.12%
STREETS & FACILITIES MAINT	5,582,899	5,724,693	5,771,786	(47,093)	100.82%
Salaries and Wages	779,357	725,050	725,050		100.00%
Employee Benefits	120,261	120,261	120,261		100.00%
Supplies and Materials	165,950	158,430	158,400	30	99.98%
Maintenance and Repairs	150,400	147,920	136,408	11,512	92.22%
SIGNS AND MARKINGS	1,215,968	1,151,661	1,140,119	11,542	99.00%
Salaries and Wages	1,062,389	1,037,878	1,037,878		100.00%
Employee Benefits	159,690	159,690	159,690		100.00%
Outside Contracts	5,500	5,500	4,227	1,273	76.85%
Supplies and Materials	4,000	4,000	3,840	160	96.00%
Maintenance and Repairs	148,000	174,002	156,339	17,663	89.85%
Communications	200	200	200		100.00%
TRAFFIC SIGNALS	1,379,779	1,381,270	1,362,174	19,096	98.62%
Salaries and Wages	97,414	69,791	69,791		100.00%
Employee Benefits	4,040	4,040	4,040		100.00%
Interfund Services	250	250		250	
Operating Leases	200	200	102	98	51.00%
Supplies and Materials	4,150	4,150	3,067	1,083	73.90%
Maintenance and Repairs	25,000	25,000	24,912	88	99.65%
PARKING METER OPERATIONS	131,054	103,431	101,912	1,519	98.53%
Salaries and Wages	440,903	379,514	379,514		100.00%
Employee Benefits	44,206	44,206	44,206		100.00%
Professional Services	12,700	8,700	8,667	33	99.62%
Interfund Services	300	300	994	(694)	331.33%
Supplies and Materials	24,500	22,500	19,387	3,113	86.16%
Maintenance and Repairs	91,600	97,600	97,056	544	99.44%
Other Operating Expenditures	750	750		750	
STREET GRAFFITI PROGRAM	\$ 614,959	553,570	549,824	3,746	99.32%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 726,769	720,140	720,140		100.00%
Employee Benefits	152,392	152,392	152,392		100.00%
Interfund Services	370,000	430,000	469,989	(39,989)	109.30%
Fuel and Lubricants	109,450	109,450	123,118	(13,668)	112.49%
Supplies and Materials	5,000	5,000	1,477	3,523	29.54%
STREET SWEEPING OPERATIONS	1,363,611	1,416,982	1,467,116	(50,134)	103.54%
Salaries and Wages	516,908	526,167	526,167		100.00%
Employee Benefits	44,028	44,028	43,851	177	99.60%
Outside Contracts	130,000	130,000	136,003	(6,003)	104.62%
Interfund Services	1,000	1,000	1,142	(142)	114.20%
Supplies and Materials	-	-	30	(30)	
Capital Expenditures	-	28,000		28,000	
PARKS ADMINISTRATION	691,936	729,195	707,193	22,002	96.98%
Salaries and Wages	2,590,452	2,399,689	2,399,689	0	100.00%
Employee Benefits	312,311	316,645	316,645		100.00%
Professional Services	-	4,000	3,263	737	81.58%
Outside Contracts	-	(138,720)		(138,720)	
Interfund Services	65,100	50,100	41,702	8,398	83.24%
Operating Leases	72,000	87,000	86,819	181	99.79%
Fuel and Lubricants	88,800	68,800	46,844	21,956	68.09%
Supplies and Materials	9,824	(987)	5,958	(6,945)	-603.65%
Other Operating Expenditures	17,000	17,611	17,611		100.00%
RECREATION CTR ADMINISTRATION	3,155,487	2,804,138	2,918,531	(114,393)	104.08%
Salaries and Wages	243,126	262,932	262,932		100.00%
Employee Benefits	24,096	24,096	24,096		100.00%
ACQUATICS ADMINISTRATION	267,222	287,028	287,028		100.00%
Salaries and Wages	1,726,697	1,719,543	1,719,543	(0)	100.00%
Employee Benefits	228,476	228,476	228,476		100.00%
Professional Services	-	9,000	7,824	1,176	86.93%
Outside Contracts	522,200	505,200	466,652	38,548	92.37%
Interfund Services	66,110	66,110	61,363	4,747	92.82%
Operating Leases	3,300	3,300	3,119	181	94.52%
Fuel and Lubricants	266,400	85,449	82,647	2,802	96.72%
Supplies and Materials	147,500	152,851	133,231	19,620	87.16%
Maintenance and Repairs	329,900	309,501	298,755	10,746	96.53%
Communications	-	-	23	(23)	
Travel	4,100	4,725	1,873	2,852	39.64%
Other Operating Expenditures	6,500	5,875	3,798	2,077	64.65%
FACILITIES MAINTENANCE	3,301,183	3,090,030	3,007,304	82,726	97.32%
Salaries and Wages	2,777,440	2,844,548	2,844,548		100.00%
Employee Benefits	364,186	364,186	364,186		100.00%
Outside Contracts	1,520,203	1,361,437	1,200,045	161,392	88.15%
Interfund Services	195,350	195,350	213,394	(18,044)	109.24%
Operating Leases	300	300	208	92	69.33%
Fuel and Lubricants	88,800	264,200	234,954	29,246	88.93%
Supplies and Materials	344,500	343,500	341,419	2,081	99.39%
Maintenance and Repairs	273,403	289,466	276,551	12,915	95.54%
Communications	23,000	25,200	23,342	1,858	92.63%
Utilities	1,843,990	1,843,990	1,543,110	300,880	83.68%
Travel	8,000	9,000	7,781	1,219	86.46%
Other Operating Expenditures	8,650	4,650	4,091	559	87.98%
LAND MANAGEMENT	\$ 7,447,822	7,545,827	7,053,629	492,198	93.48%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 1,069,091	1,157,902	1,157,902		100.00%
Employee Benefits	76,351	76,351	76,335	16	99.98%
Professional Services	1,000	1,000	1,000		100.00%
Outside Contracts	267,686	274,386	273,551	835	99.70%
Interfund Services	17,600	17,600	19,094	(1,494)	108.49%
Operating Leases	5,955	5,955	3,912	2,043	65.69%
Fuel and Lubricants	10,000	10,000	11,102	(1,102)	111.02%
Supplies and Materials	22,400	25,550	26,942	(1,392)	105.45%
Communications	18,300	14,800	14,270	530	96.42%
Travel	5,592	8,892	8,020	872	90.19%
Other Operating Expenditures	8,510	9,210	8,113	1,097	88.09%
Capital Expenditures	-	288,000	248,849	39,151	86.41%
LIBRARY ADMINISTRATION	1,502,485	1,889,646	1,849,090	40,556	97.85%
Salaries and Wages	461,855	370,074	370,074		100.00%
Employee Benefits	33,515	33,515	33,515		100.00%
Professional Services	36,000	36,000	36,000		100.00%
Outside Contracts	425	325	225	100	69.23%
Interfund Services	400	400	239	161	59.75%
Operating Leases	400	400	129	271	32.25%
Supplies and Materials	565,250	564,850	562,939	1,911	99.66%
Communications	200	200		200	
Travel	200	200		200	
CATALOGING ORDERING & PROCESS	1,098,245	1,005,964	1,003,121	2,843	99.72%
Salaries and Wages	126,263	191,773	191,773		100.00%
Employee Benefits	19,982	19,982	19,982		100.00%
Outside Contracts	724	724	724		100.00%
Operating Leases	630	630	536	94	85.08%
Supplies and Materials	4,600	4,600	4,577	23	99.50%
Travel	225	225		225	
MEMORIAL BRANCH OPERATIONS	152,424	217,934	217,592	342	99.84%
Salaries and Wages	149,698	136,056	136,056		100.00%
Employee Benefits	3,583	3,583	3,583		100.00%
Outside Contracts	300	300	150	150	50.00%
Operating Leases	550	550	518	32	94.18%
Supplies and Materials	3,173	3,173	3,022	151	95.24%
Travel	262	262		262	
ARMIJO BRANCH OPERATIONS	157,566	143,924	143,329	595	99.59%
Salaries and Wages	366,179	371,627	371,627		100.00%
Employee Benefits	14,045	14,045	14,045		100.00%
Outside Contracts	4,617	4,617	4,616	1	99.98%
Operating Leases	2,200	2,200	1,918	282	87.18%
Supplies and Materials	7,500	7,500	7,501	(1)	100.01%
Travel	1,125	1,125	908	217	80.71%
RICHARD BURGESS BRANCH OPER	395,666	401,114	400,615	499	99.88%
Salaries and Wages	237,097	191,731	191,731		100.00%
Employee Benefits	10,244	10,244	10,244		100.00%
Outside Contracts	150	150	150		100.00%
Operating Leases	630	630	383	247	60.79%
Supplies and Materials	3,575	3,575	3,534	41	98.85%
Travel	900	900	599	301	66.56%
CIELO VISTA BRANCH OPER	\$ 252,596	207,230	206,641	589	99.72%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 178,812	203,061	203,061		100.00%
Employee Benefits	11,659	11,659	11,659		100.00%
Outside Contracts	1,143	1,143	1,143		100.00%
Operating Leases	700	700	697	3	99.57%
Supplies and Materials	3,300	3,300	3,295	5	99.85%
Travel	475	475		475	
CLARDY FOX BRANCH OPER	196,089	220,338	219,855	483	99.78%
Salaries and Wages	265,646	232,731	232,731		100.00%
Employee Benefits	12,680	12,680	12,680		100.00%
Outside Contracts	3,466	3,662	3,663	(1)	100.03%
Operating Leases	1,200	1,200	791	409	65.92%
Supplies and Materials	5,990	5,990	6,002	(12)	100.20%
Travel	750	750	741	9	98.80%
IRVING SCHWARTZ BRANCH OPER	289,732	257,013	256,608	405	99.84%
Salaries and Wages	311,400	289,817	289,817		100.00%
Employee Benefits	17,649	17,649	17,649		100.00%
Contractual Services	-	2,750	2,750		100.00%
Outside Contracts	4,356	1,945	1,944	1	99.95%
Operating Leases	935	935	817	118	87.38%
Supplies and Materials	5,200	5,500	5,500		100.00%
Travel	1,200	1,200	1,199	1	99.92%
LOWER VALLEY BRANCH OPER	340,740	319,796	319,676	120	99.96%
Salaries and Wages	228,784	236,744	236,744		100.00%
Employee Benefits	14,721	14,721	14,721		100.00%
Outside Contracts	1,839	4,378	4,379	(1)	100.02%
Operating Leases	800	800	582	218	72.75%
Supplies and Materials	6,500	6,500	6,352	148	97.72%
Travel	787	787	752	35	95.55%
WESTSIDE BRANCH OPERATIONS	253,431	263,930	263,530	400	99.85%
Salaries and Wages	230,800	224,171	224,171		100.00%
Employee Benefits	25,421	25,421	25,421		100.00%
Outside Contracts	1,218	1,218	1,068	150	87.68%
Operating Leases	1,350	1,350	1,086	264	80.44%
Supplies and Materials	5,891	5,891	5,727	164	97.22%
Travel	1,500	1,500	1,495	5	99.67%
YSLETA BRANCH OPERATIONS	266,180	259,551	258,968	583	99.78%
Salaries and Wages	325,472	361,967	361,967		100.00%
Employee Benefits	12,253	12,253	12,253		100.00%
Outside Contracts	4,131	2,131	150	1,981	7.04%
Operating Leases	2,000	2,000	816	1,184	40.80%
Supplies and Materials	7,300	7,800	7,846	(46)	100.59%
Travel	1,000	2,500	2,371	129	94.84%
EASTSIDE REGIONAL BRANCH	352,156	388,651	385,403	3,248	99.16%
Salaries and Wages	1,617,296	1,677,329	1,677,329		100.00%
Employee Benefits	88,097	88,097	88,097		100.00%
Outside Contracts	13,496	9,522	5,325	4,197	55.92%
Interfund Services	300	300	119	181	39.67%
Operating Leases	3,726	3,726	2,704	1,022	72.57%
Supplies and Materials	15,477	18,777	18,870	(93)	100.50%
Communications	5,500	5,500	5,500		100.00%
Travel	187	387	362	25	93.54%
MAIN LIBRARY	\$ 1,744,079	1,803,638	1,798,306	5,332	99.70%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 387,360	382,433	382,433		100.00%
Employee Benefits	21,036	21,036	21,036		100.00%
Outside Contracts	4,304	4,304	1,690	2,614	39.27%
Operating Leases	1,000	1,000	950	50	95.00%
Supplies and Materials	7,800	7,800	7,488	312	96.00%
Travel	1,000	1,000	527	473	52.70%
WESTSIDE REGIONAL LIBRARY	422,500	417,573	414,124	3,449	99.17%
Salaries and Wages	612,605	652,012	652,012		100.00%
Employee Benefits	58,456	62,737	62,737		100.00%
Professional Services	1,250	460	460		100.00%
Outside Contracts	75,293	85,916	86,521	(605)	100.70%
Interfund Services	9,500	12,156	12,156		100.00%
Operating Leases	2,500	1,959	1,959		100.00%
Fuel and Lubricants	1,750	1,497	1,497		100.00%
Supplies and Materials	10,350	10,346	10,346		100.00%
Maintenance and Repairs	12,500	12,493	12,493		100.00%
Communications	1,800	2,366	2,471	(105)	104.44%
Other Operating Expenditures	54,000	38,590	45,102	(6,512)	116.87%
ART MUSEUM ADMINISTRATION	840,004	880,532	887,754	(7,222)	100.82%
Salaries and Wages	142,515	105,856	105,856		100.00%
Employee Benefits	10,805	6,589	6,589		100.00%
Outside Contracts	2,000	2,635	2,635		100.00%
Interfund Services	1,000	1,025	1,025		100.00%
Supplies and Materials	1,600	1,599	1,599		100.00%
Travel	350	-	-		
ART MUSEUM EDUCATION	158,270	117,704	117,704		100.00%
Salaries and Wages	207,990	175,359	175,359		100.00%
Employee Benefits	12,980	12,980	12,980		100.00%
Outside Contracts	25,200	40,984	38,391	2,593	93.67%
Supplies and Materials	2,000	1,997	1,997		100.00%
Maintenance and Repairs	2,900	2,900	2,900		100.00%
Communications	12,000	11,997	12,065	(68)	100.57%
ART MUSEUM CURATORIAL	263,070	246,217	243,692	2,525	98.97%
Salaries and Wages	193,436	194,204	194,204		100.00%
Employee Benefits	5,193	5,193	8,425	(3,232)	162.24%
Community Service Projects	48,361	48,361	48,361		100.00%
Capital Expenditures	-	40,000	40,000		100.00%
ACR ADMIN	246,990	287,758	290,990	(3,232)	101.12%
Salaries and Wages	390,828	367,687	367,687		100.00%
Employee Benefits	19,416	19,416	19,416		100.00%
Professional Services	625	1,625	1,339	286	82.40%
Outside Contracts	14,000	16,752	16,455	297	98.23%
Interfund Services	1,400	1,400	898	502	64.14%
Operating Leases	675	675	422	253	62.52%
Supplies and Materials	7,435	5,499	4,934	565	89.73%
Maintenance and Repairs	450	450	199	251	44.22%
Communications	6,650	6,150	5,923	227	96.31%
Travel	2,575	1,609	1,607	2	99.88%
Other Operating Expenditures	800	450	441	9	98.00%
HISTORY MUSEUM ADMINISTRATION	\$ 444,854	421,713	419,321	2,392	99.43%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Salaries and Wages	\$ 193,780	195,167	195,167		100.00%
Employee Benefits	14,237	14,237	14,237		100.00%
Outside Contracts	5,000	5,685	4,960	725	87.25%
Interfund Services	200	200	195	5	97.50%
Operating Leases	115	111	111		100.00%
Supplies and Materials	2,560	3,018	2,939	79	97.38%
Maintenance and Repairs	2,600	2,541		2,541	
Communications	395	395	356	39	90.13%
Utilities	8,090	8,617	8,617		100.00%
Travel	3,600	1,993	1,993		100.00%
MUSEUM OF ARCHAEOLOGY	230,577	231,964	228,575	3,389	98.54%
Salaries and Wages	2,647,691	2,610,809	2,610,809		100.00%
Employee Benefits	301,431	311,509	311,509		100.00%
Outside Contracts	149,465	104,815	78,096	26,719	74.51%
Supplies and Materials	-	46,841	27,609	19,232	58.94%
Other Non-Operating Expenditures	-	7,500	7,500		100.00%
Capital Expenditures	-	38,000	19,671	18,329	51.77%
ZOO GENERAL OPERATIONS	3,098,587	3,119,474	3,055,194	64,280	97.94%
Salaries and Wages	-	(5,740)	(5,740)		100.00%
FOREIGN TRADE ZONE	-	(5,740)	(5,740)		100.00%
Salaries and Wages	661,110	600,911	600,911		100.00%
Employee Benefits	24,568	31,991	31,939	52	99.84%
Outside Contracts	508,499	344,966	244,728	100,238	70.94%
Interfund Services	1,700	3,639	3,634	5	99.86%
Operating Leases	5,000	2,328	1,922	406	82.56%
Supplies and Materials	9,950	20,235	20,230	5	99.98%
Communications	6,150	9,864	9,223	641	93.50%
Travel	21,600	22,886	22,751	135	99.41%
Other Operating Expenditures	4,000	20,556	19,209	1,347	93.45%
Transfers Out	-	50,000		50,000	
Capital Expenditures	-	7,535	7,535		100.00%
ECONOMIC DEV ADMINISTRATION	1,242,577	1,114,911	962,082	152,829	86.29%
Salaries and Wages	-	(133)	(133)		100.00%
Grant Match	134,684	134,684	135,309	(625)	100.46%
CD AGING SERVICES	134,684	134,551	135,176	(625)	100.46%
Salaries and Wages	45,238	45,164	45,164		100.00%
Employee Benefits	4,544	4,544	4,544		100.00%
Interfund Services	2,100	2,100		2,100	
RELOCATION SERVICES GEN FUND	51,882	51,808	49,708	2,100	95.95%
Salaries and Wages	328,408	305,793	305,793		100.00%
Employee Benefits	10,796	10,796	10,796		100.00%
Outside Contracts	14,000	11,000	1,333	9,667	12.12%
Interfund Services	5,000	3,800	2,349	1,451	61.82%
Operating Leases	3,000	1,000	1,000		100.00%
Supplies and Materials	8,000	11,775	10,395	1,380	88.28%
Communications	1,000	1,000	379	621	37.90%
Travel	6,000	5,700	5,519	181	96.82%
Other Operating Expenditures	1,000	1,300	1,300		100.00%
Capital Expenditures	-	2,525	2,525		100.00%
NEIGH SEVC CONSERVATION PROG	377,204	354,689	341,389	13,300	96.25%
Salaries and Wages	-	(4,222)	(4,222)		100.00%
QOL GRANTS WRITING	\$ -	(4,222)	(4,222)		100.00%

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2007

Object	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
Employee Benefits	\$ 2,209,836	2,209,836	2,209,836		100.00%
Professional Services	-	1,358,924	1,353,600	5,324	99.61%
Outside Contracts	600,000	608,652	608,652		100.00%
Operating Leases	75,000	75,000	61,566	13,434	82.09%
Supplies and Materials	5,455	5,455	1,071	4,384	19.63%
Other Operating Expenditures	4,623,707	413,628	1,072,634	(659,006)	259.32%
Community Service Projects	325,000	325,000	225,000	100,000	69.23%
Other Non-Operating Expenditures	100,000	96,216	95,819	397	99.59%
Grant Match	-	40,000	40,000		100.00%
Transfers Out	4,809,527	7,432,319	4,814,139	2,618,180	64.77%
SPECIAL ITEMS	12,748,525	12,565,030	10,482,317	2,082,713	83.42%
Transfers Out	-	-	736,960	(736,960)	
CASH RESERVE FUND	-	-	736,960	(736,960)	
Transfers Out	-	2,555,000	3,313,699	(758,699)	129.69%
Outside Contracts	-	739,843	739,843		100.00%
GENERAL CITY REVENUES	-	3,294,843	4,053,542	(758,699)	123.03%
	\$ 281,867,119	388,714,940	386,342,691	2,372,249	99.39%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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



CITY OF EL PASO, TEXAS

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

August 31, 2007

	Special Revenue Funds					Total
	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	
ASSETS						
Cash and Cash Equivalents	\$ -	-	481,369	-	9,953,816	10,435,185
Investments	-	-	-	-	4,000,000	4,000,000
Receivables - Net of Allowances						
Trade	-	-	-	22	236,784	236,806
Due From Other Government Agencies	2,952,813	1,405,850	42,048	3,924,539	-	8,325,250
Due From Other Funds	-	-	-	159,499	4,898,056	5,057,555
Inventory	-	-	-	46,662	-	46,662
TOTAL ASSETS	\$ 2,952,813	1,405,850	523,417	4,130,722	19,088,656	28,101,458
LIABILITIES						
Accounts Payable	\$ 134,337	62,196	180,663	477,822	1,021,365	1,876,383
Accrued Payroll	158,272	81,668	-	551,229	104,015	895,184
Due to Other Funds	1,674,347	708,312	-	2,515,397	-	4,898,056
Unearned Revenue	985,857	553,674	45,534	-	-	1,585,065
Due To Other Government Agencies	-	-	-	73,615	-	73,615
Construction Contracts and Retainage Payable	-	-	16,424	-	28,407	44,831
TOTAL LIABILITIES	2,952,813	1,405,850	242,621	3,618,063	1,153,787	9,373,134
FUND BALANCES						
Reserved for:						
Inventory	-	-	-	46,662	-	46,662
Unreserved:						
Undesignated	-	-	280,796	465,997	17,934,869	18,681,662
TOTAL FUND BALANCES	-	-	280,796	512,659	17,934,869	18,728,324
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,952,813	1,405,850	523,417	4,130,722	19,088,656	28,101,458

CITY OF EL PASO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

For the year ended August 31, 2007

	Special Revenue Funds					Total
	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	
Revenues						
Sales Taxes	\$ -	-	-	-	5,106,073	5,106,073
Franchise Fees					172,242	172,242
Charges for Services	62,569	-	-	2,408,424	5,528,106	7,999,099
Fines and Forfeits	-	-	-	39,463	1,052,393	1,091,856
Licenses and Permits	-	4,105	-	2,283,827	(680)	2,287,252
Intergovernmental Revenues	7,799,573	3,499,830	119,872	15,417,614	-	26,836,889
County Participation	-	-	-	1,832,806	-	1,832,806
Interest	(7,960)	-	-	11,867	32,612	36,519
Rents and Other	14,946	16,000	6,000	(405,188)	3,607,885	3,239,643
Total revenues	7,869,128	3,519,935	125,872	21,588,813	15,498,631	48,602,379
Expenditures						
Current:						
General Government	(53,545)	301,595	-	-	236,655	484,705
Public Safety	4,090,019	2,300,876	17,671	-	2,160,756	8,569,322
Public Works	-	669	-	-	-	669
Public Health	-	-	-	26,202,064	-	26,202,064
Parks Department	-	-	94,871	-	3,459,535	3,554,406
Library	-	318,196	869	-	13,836	332,901
Culture and Recreation	827	35,757	3,835	-	6,422,139	6,462,558
Economic Development	-	-	-	-	162	162
Planning	1,697,809	-	-	-	-	1,697,809
Community and Human Development	846,849	-	84,638	-	922,547	1,854,034
Capital Outlay	1,287,169	562,842	177,178	387,542	1,618,895	4,033,626
Total expenditures	7,869,128	3,519,935	379,062	26,589,606	14,834,525	53,192,256
Excess (Deficiency) of revenues over (under) expenditures	-	-	(253,190)	(5,000,793)	664,106	(4,589,877)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	4,814,139	131,697	4,945,836
Transfers Out	-	-	-	-	(3,100)	(3,100)
Other Sources (Uses)	-	-	-	-	355,850	355,850
Total other financing sources (uses):				4,814,139	484,447	5,298,586
Net change in fund balances	-	-	(253,190)	(186,654)	1,148,553	708,709
Fund balances - beginning of year	-	-	533,986	699,313	16,786,316	18,019,615
Fund balances - end of year	\$ -	-	280,796	512,659	17,934,869	18,728,324

SPECIAL REVENUE FUNDS



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

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

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

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

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

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

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2007

		Special Revenue Funds					
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G010602	G010602 MAYOR'S HOMELESS MEALS	-	-	-	-	4,542	4,542
G010603	THE MAYOR'S 100 TEENS PROGRAM	-	-	-	-	9,925	9,925
G080801	BRAC OEA FY08	-	301,595	-	-	-	301,595
G210011	COPS UNIVERSAL HIRING AWARD	543,534	-	-	-	-	543,534
G210215	COPS IN SCHOOLS	(1)	-	-	-	-	(1)
G210429	HIDTA INTELLIGENCE FY'04	468	-	-	-	-	468
G210432	HIDTA GRAB FY'04	393	-	-	-	-	393
G210435	COPS IN SCHOOL '04	123,561	-	-	-	-	123,561
G210436	LLEBG FY'04 GRANT	91,838	-	-	-	-	91,838
G210514	G210514 TXDOT IMPAIRED DRIVER	-	(360)	-	-	-	(360)
G210515	210515 HUMAN TRAFFICKING GRANT	248,383	-	-	-	-	248,383
G210525	G210525 HIDTA STING 2005	9,440	-	-	-	-	9,440
G210526	G210526 HIDTA INTEL 2005	745	-	-	-	-	745
G210527	G210527 HIDTA STASH HOUSE 2005	784	-	-	-	-	784
G210528	G210528 HIDTA MULTI 2005	19,925	-	-	-	-	19,925
G210530	G210530 HIDTA TRANSPRT. 2005	955	-	-	-	-	955
G210602	G210602 ATPAFY'06	-	(18,241)	-	-	-	(18,241)
G210603	G210603 DART FY'06	-	(3,275)	-	-	-	(3,275)
G210605	G210605 TXDOT COMP STEP FY'06	-	63,991	-	-	-	63,991
G210606	G210606 VADG FY'06	-	(5,204)	-	-	-	(5,204)
G210607	G210607 TXDOT CLICK IT/ TICKET	-	6,929	-	-	-	6,929
G210609	G210609 TXDOT SAFE COMM FY'06	-	7,935	-	-	-	7,935
G210616	G210616 HIDTA STING - RDI 2005	5,517	-	-	-	-	5,517
G210617	G210617 HIDTA STASH HOUSE-DHI	8	-	-	-	-	8
G210619	G210619 COPS SEC OUR SCHOOLS	42,503	-	-	-	-	42,503
G210620	INTERNET CRIMES AGAINST CHILDR	446	-	-	-	-	446
G210624	G210624 EPFOUNDATION CODE BLUE	1,000	-	-	-	-	1,000
G210625	G210625 HIDTA STING FY06	728,428	-	-	-	-	728,428
G210626	G210626 HIDTA INTEL FY06	108,870	-	-	-	-	108,870
G210627	G210627 HIDTA STASH HOUSE FY06	209,409	-	-	-	-	209,409
G210628	G210628 HIDTA MULTI FY06	161,103	-	-	-	-	161,103
G210629	G210629 HIDTA ENTERPRISE FY06	6,546	-	-	-	-	6,546
G210630	G210630 HIDTA TRANSP FY06	18,160	-	-	-	-	18,160
G210631	G210631 HIDTA FUGITIVE FY06	7,819	-	-	-	-	7,819
G210702	G210702 ATPA FY 2007	-	886,382	-	-	-	886,382
G210703	G210703 DART FY'07	-	68,881	-	-	-	68,881
G210704	G210704 CRT FY'07	-	85,529	-	-	-	85,529
G210705	G210705 TXDOT SAFE COMM FY07	-	98,221	-	-	-	98,221
G210706	G210706 OVAG FY'07	-	74,853	-	-	-	74,853
G210707	G210707 TXDOT COMM STEP FY07	-	574,436	-	-	-	574,436
G210708	G210708 TXDOT IMPAIRED FY07	-	5,699	-	-	-	5,699
G210709	G210709 TXDOT HOLIDAYS FY07	-	13,688	-	-	-	13,688
G210710	G210710 BUFFERZONE GRANT FY07	49,739	-	-	-	-	49,739
G210711	G210711 SHOCAP FY'07	-	15,740	-	-	-	15,740
G210713	G210713 BULLETPROOF GRANT FY07	10,111	-	-	-	-	10,111
G210714	G210714TOBACCO COMPLIANCE FY07	-	-	17,671	-	-	17,671
G210716	G210716 COPS STEP SCHOOLS FY06	-	51,527	-	-	-	51,527
G210718	G210718 VCLG FY'07	-	37,307	-	-	-	37,307
G210719	G210719 TPA-TECH&PROG FY07	17,364	-	-	-	-	17,364
G210721	OPERATION WRANGLER III	-	132,691	-	-	-	132,691
G210722	OCDETF 07 0413	5,829	-	-	-	-	5,829
G210723	OCDETF 07 0404H	2,000	-	-	-	-	2,000
G210724	G210724 TXDOT-UNDERAGE DRINKNG	-	53,087	-	-	-	53,087
G210725	HIDTA STING 2007	514,865	-	-	-	-	514,865
G210726	G210726 INTEL 2007	43,210	-	-	-	-	43,210
G210727	G210727 STASH HOUSE 2007	230,507	-	-	-	-	230,507
G210728	G210728 MULTI 2007	21,573	-	-	-	-	21,573
G210729	G210729 HIDTA ENTERPRISE FY07	8,090	-	-	-	-	8,090
G210730	G210730 HIDTA TRANS FY07	3,921	-	-	-	-	3,921
G210731	G210731 FUGITIVE 2007	\$ 5,470	-	-	-	-	5,470

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2007

Special Revenue Funds							
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G210732	G210732 HIDTA STING-DHI FY06	\$ 38,835	-	-	-	-	38,835
G210733	G210733 HIDTA S.HOUSE DHI FY06	10,680	-	-	-	-	10,680
G210734	G210734 OPERATION WRANGLER 07	41,381	-	-	-	-	41,381
G210802	G210802 ATPA GRANT FY08	-	6,956	-	-	-	6,956
G210803	G210803 DART FY08	-	205	-	-	-	205
G210809	G210809 CLICK IT TICKETFY07	-	10,708	-	-	-	10,708
G220402	MMRS SUSTAINMENT	-	35,047	-	-	-	35,047
G220501	220501 EMERGENCY MGMT FY'05	-	(259)	-	-	-	(259)
G220502	G220502 FIREFIGHTER GRNT PROG	(49,076)	-	-	-	-	(49,076)
G220503	G220503 FEMA FIRE SAFETY FOR S	-	2,174	-	-	-	2,174
G220504	G220504 MMRS CAPABLT Y ASSESSMN	-	70,571	-	-	-	70,571
G220505	G220505 TEEK 2004 SHSP	-	(1,536)	-	-	-	(1,536)
G220506	G220506 MMRS'03 CONTRACT	-	76,915	-	-	-	76,915
G220601	G220601 EMERGENCY MGMT FY'06	513	39,130	-	-	-	39,643
G220603	G220603 FIRE SPECIAL OPS -EPA	-	(218)	-	-	-	(218)
G220604	G220604 FEMA-HURRICANE KATRINA	376	-	-	-	-	376
G220701	G220701 EMPG FY2007	234,200	596	-	-	-	234,796
G220706	G220706 HSGP FY07	1,660,226	-	-	-	-	1,660,226
G220802	G220802 STATE HOMELAND SEC '06	92,005	-	-	-	-	92,005
G320301	TX FOREST SVC. ARBORIST	-	669	-	-	-	669
G340604	G340604 RGCOG PASS THRU FY06	-	8,353	-	-	-	8,353
G340701	G340701 COG-DMD SURVEILLANCE	-	3,000	-	-	-	3,000
G340702	G340702 COG-KEPB TOOL SHEEDS	-	34,477	-	-	-	34,477
G410202	CDC-TB-OUTREACH - FY02	-	-	-	112	-	112
G410325	G410325 PUBLIC HEALTH PREP F03	-	-	-	92,424	-	92,424
G410422	TDH BIO TERRORISM LAB	-	-	-	(4,173)	-	(4,173)
G410425	PUBLIC HEALTH PREP FY04	-	-	-	(92,424)	-	(92,424)
G410519	WHOLE AIR MONITORING FY'05	-	-	-	(1,211)	-	(1,211)
G410527	G410527 TITLE V CARRYOVER	-	-	-	373	-	373
G410602	G410602 TB/PC OUTREACH FY06	-	-	-	103,826	-	103,826
G410606	G410606 IMMUNIZATIONS LOCAL'06	-	-	-	6,251	-	6,251
G410607	G410607 TB PRVNTION & CONTROL	-	-	-	2,003	-	2,003
G410608	G410608 CHS-POPLTION BASED '06	-	-	-	515	-	515
G410609	G410609 ENVRNMTL HLTH GROUP'06	-	-	-	(4,614)	-	(4,614)
G410611	G410611 RLSS-LPHS FY06 DSHS	-	-	-	429	-	429
G410612	G410612 HIV/SURV STATE FY06	-	-	-	41	-	41
G410613	G410613 CHS-FEE FOR SRVCS 06	-	-	-	7,356	-	7,356
G410614	G410614 CHS-FAMILY PLNNG FY06	-	-	-	(4,449)	-	(4,449)
G410616	G410616 PASS THRU FY06 TCEQ	-	-	-	730	-	730
G410617	G410617 AQ COMPLIANCE FY06 TCE	-	-	-	67,685	-	67,685
G410618	G410618 AIR POLLUTION EPA FY06	-	-	-	472	-	472
G410619	G410619 WHOLE AIR MONTRNG TCEQ	-	-	-	(10)	-	(10)
G410620	G410620 STD/HIV FED FY06 DSHS	-	-	-	42,051	-	42,051
G410621	G410621 TCEQ PM SAMPLING FY06	-	-	-	194	-	194
G410622	G410622 BIO TERRORISM LAB'06	-	-	-	377,032	-	377,032
G410623	G410623 HIV/SURV FED FY06 DSHS	-	-	-	13,351	-	13,351
G410624	G410624 BORDER AIR MNTRNG FY06	-	-	-	327	-	327
G410625	G410625 OPHP/BIOTERRISM FY06	-	-	-	862,006	-	862,006
G410626	G410626 211 AREA INFO CNTR '06	-	-	-	81,815	-	81,815
G410628	G410628 EPA JUAREZ MONTRNG 06	-	-	-	244	-	244
G4106AD	G4106AD WIC ADMIN FY06 DSHS	-	-	-	448,349	-	448,349
G4106BF	G4106BF WIC BREASTFEEDING FY06	-	-	-	23,519	-	23,519
G4106NE	G4106NE WIC NUTRITION FY06 DSH	-	-	-	135,243	-	135,243
G410701	G410701 EPI-LEAD SURV FY07 DSH	-	-	-	28,858	-	28,858
G410702	G410702 TB/PC OUTREACH FY07	-	-	-	176,956	-	176,956
G410703	G410703 PASODEL NORTE DISASTER	-	-	-	18,936	-	18,936
G410704	G410704 PDN SEXUAL HLTH PROG	-	-	-	87,117	-	87,117
G410705	G410705 TENET NETWORK-DENTAL	-	-	-	4,999	-	4,999
G410706	G410706 IMMUNIZATIONS FY07 DSH	-	-	-	1,450,675	-	1,450,675
G410707	G410707 TB PREV & CONTROL FY07	\$ -	-	-	455,474	-	455,474

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the year ended August 31, 2007

Special Revenue Funds							
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G410708	G410708 CHS POP BASED FY07 DSH	\$ -	-	-	256,167	-	256,167
G410709	G410709 ENVIRON HLTH GRP FY07	-	-	-	2,053	-	2,053
G410711	G410711 RLSS-LPHS FY07 DSHS	-	-	-	188,745	-	188,745
G410712	G410712 HIV/SURV STATE FY07	-	-	-	31,591	-	31,591
G410713	G410713 CHS-FEE FOR SRVC FY07	-	-	-	174,309	-	174,309
G410714	G410714 CHS-FAMILY PLNNG FY07	-	-	-	8,379	-	8,379
G410716	G410716 PASS THRU FY07 TCEQ	-	-	-	150,892	-	150,892
G410717	G410717 AQ COMPLIANCE FY07 TCE	-	-	-	496,929	-	496,929
G410718	G410718 AIR POLLUTION FY07 EPA	-	-	-	263,001	-	263,001
G410719	G410719 WHOLE AIR MONT FY07 TC	-	-	-	271,115	-	271,115
G410720	G410720 STD/HIV FED FY07 DSHS	-	-	-	97,015	-	97,015
G410721	G410721 TCEQ PM SAMPLE FY07 TC	-	-	-	45,730	-	45,730
G410723	G410723 HIV/SURV FED FY07 DSHS	-	-	-	10,558	-	10,558
G410724	G410724 BORDER AIR MONT FY07	-	-	-	31,758	-	31,758
G410725	G410725 OPHP/BIO PAN FLU	-	-	-	151,613	-	151,613
G410726	G410726 2-1-1 AREA INFO CENTER	-	-	-	74,936	-	74,936
G410727	G410727 CARRYOVER TITTELEV FY07	-	-	-	149,492	-	149,492
G410728	G410728 JUAREZ MONIT FY07 EPA	-	-	-	9,785	-	9,785
G410730	410730-ADA FOUNDATION - AMERICAN DENTA	-	-	-	4,526	-	4,526
G410731	MEDICAL INSTITUE	-	-	-	8,876	-	8,876
G4107AD	G4107AD WIC ADMIN FY07 DSHS	-	-	-	3,961,609	-	3,961,609
G4107BF	G4107BF WIC BREASTFEEDING FY07	-	-	-	247,028	-	247,028
G4107NE	G4107NE WIC NUTRITION FY07 DSH	-	-	-	1,155,049	-	1,155,049
G410806	TDH IMMUNIZATION-FY08-DSHS	-	-	-	377	-	377
G410808	CHS POP BASED-FY08-DSHS	-	-	-	25	-	25
G410812	TDF HIV SURVEILLANCE - STATE-	-	-	-	21	-	21
G410813	TDF BUREAU W&C FEES-FY08	-	-	-	2	-	2
G410816	TCEQ PASS THRU-FY08-TCEQ	-	-	-	139	-	139
G410817	TCEQ AIR QUALITY-FY08-TCEQ	-	-	-	1,433	-	1,433
G410818	EPA AIR POLLUTION-FY08-TCEQ	-	-	-	144	-	144
G410819	WHOLE AIR MONITORING-FY08-TCEQ	-	-	-	1,141	-	1,141
G410821	TCEQ PM SAMPLING-FY08-TCEQ	-	-	-	26	-	26
G410822	BIO TERRORISM LAB FY08	-	-	-	958	-	958
G410825	OPHP BIOTERRORISM FY08	-	-	-	2,410	-	2,410
G4108AD	ADMIN WIC ADMIN-FY08	-	-	-	457	-	457
G510502	G510502 TURF MGMT PROGRAM	-	-	240,089	-	-	240,089
G510603	TURF MGMT PROGRM FY '06	-	-	14,700	-	-	14,700
G530206	BEGIN AT BIRTH GRANT	-	-	18,129	-	-	18,129
G530411	E-RATE LIBRARY FUNDS	-	15,413	-	-	-	15,413
G530603	G530603 TSLAC FY'06	-	1,455	-	-	-	1,455
G530607	G530607 LONE STAR FY'06	-	42,532	-	-	-	42,532
G530609	G530609 TANG GRANT FY'06	-	(790)	-	-	-	(790)
G530610	G530610 GATES FOUNDATION GRANT	-	72,107	-	-	-	72,107
G530703	G530703 TSLAC SYSTEM FY'07	-	379,698	-	-	-	379,698
G530709	G530709 TANG GRANT FY'07	-	61,572	-	-	-	61,572
G530711	G530711 NEA- THE BIG READ FY07	-	16,351	-	-	-	16,351
G530803	TSLAC FY08	-	214	-	-	-	214
G540006	MUSEUM GENERAL RESTRICTED	-	-	-	-	168,111	168,111
G540007	MUSEUM INSTRUCTION	-	-	-	-	89,003	89,003
G540010	HISTORY MUSEUM SPECIAL REVENUE	-	-	-	-	8,100	8,100
G540108MU01	OLGA RODERICK	-	-	-	-	3,959	3,959
G540109	SCHOOL SERVICES PRIVATE AWARDS	-	-	1,960	-	-	1,960
G540502	G540502 ARTS EDUCATION GRANT	-	11,060	-	-	-	11,060
G540702	G540702 TCA EXHIBITS FY07	-	4,533	-	-	-	4,533
G540703	CURATORIAL PROJECTS	-	-	-	-	5,437	5,437
G550701	G550701 TCA CORE SUPPORT FY07	-	2,630	-	-	-	2,630
G550702	G550702 TCA SUB GRANT FY07	-	17,534	-	-	-	17,534
G550704	MAAA REGIONAL TOURING PROGRAM	-	-	1,875	-	-	1,875
G580801	MUSEUMS COLLECTIONS MONITORING	827	-	-	-	-	827
G710201	PASO DEL NORTE AGELESS HEALTH	\$ 51,395	-	-	-	557	51,952

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the year ended August 31, 2007

		Special Revenue Funds					
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G710301	CD SAMSA GRANT FY03	\$ 1	-	-	-	-	1
G710502	G710502 HOGG FOUNDATION GRANT	-	-	84,638	-	-	84,638
G7106FGCITY	G7106FGCITY FSTRGRNPRNT CITY06	13,080	-	-	-	-	13,080
G7106FGFEDR	G7106FGFEDR FSTRGRNDPRNT FED06	34,371	-	-	-	-	34,371
G7106RSCITY	G7106RSCITY RTRD SNRS CITY'06	49,865	-	-	-	-	49,865
G7106RSFEDR	G7106RSFEDR RTR SNR FED FY'06	(4,908)	-	-	-	-	(4,908)
G7107FGCDBG	G7107FGCDBG CD FUNDED FY'07	28,786	-	-	-	-	28,786
G7107FGCITY	G7107FGCITY CITY FUNDED FY'07	44,051	-	-	-	-	44,051
G7107FGFEDR	G7107FGFEDR FED FUNDED FY'07	453,743	-	-	-	-	453,743
G7107FGSTAT	G7107FGSTAT STATE FUNDED FY'07	3,211	-	-	-	-	3,211
G7107RSCITY	G7107RSCITY RSVP CITY FY07	63,005	-	-	-	-	63,005
G7107RSFEDR	G7107RSFEDR RSVP FED FUND FY07	82,127	-	-	-	-	82,127
G7107RSSTAT	G7107RSSTAT RSVP STATE FY'07	28,122	-	-	-	-	28,122
G780003	TIP- PLANNING FUNDS FY2004+	194,647	-	-	-	-	194,647
G780204	BORDER IMPROVEMENT PROGRAM	83,739	-	-	-	-	83,739
G780401	FHWA/TS DOT/MPO FY04	729	-	-	-	-	729
G780404	G780404 BIP NEW MEXICO	13,870	-	-	-	-	13,870
G780405	G780405 BIP LOCAL PRIVATE	9,712	-	-	-	-	9,712
G780406	G780406 BIP AIRPORT	16,664	-	-	-	-	16,664
G780407	G780407 BIP CITY	2,761	-	-	-	-	2,761
G780501	FHWA / NMSHTD / MPO FY'05	815	-	-	-	-	815
G780503	FHWA / TXDOT / MPO FY'05	67,439	-	-	-	-	67,439
G780504	FHWA BORDER WIZARD '05	13,331	-	-	-	-	13,331
G780505	G780505 NM SPECIAL STUDIES	5,346	-	-	-	-	5,346
G780601	G780601 FHWA/NMSHTD/MPO FY'06	2,260	-	-	-	-	2,260
G780603	G780603 FHWA/TXDOT/MPO FY'06	86,814	-	-	-	-	86,814
G780701	G780701 FHWA/NMDOT/MPO FY07	58,180	-	-	-	-	58,180
G780703	G780703 FHWA/TXDOT/MPO FY07	1,146,970	-	-	-	-	1,146,970
P500201	PARK USER FEE GEN. ADMINISTRAT	-	-	-	-	252,027	252,027
P500202	PARK USER FEE SPORTS	-	-	-	-	487,860	487,860
P500203	PARK USER FEE AQUATICS	-	-	-	-	1,016,024	1,016,024
P500204	PARK USE GUS & GOLDIE MARKETIN	-	-	-	-	28,093	28,093
P500205	PARK USER SPECIAL PROMO.SEC.	-	-	-	-	64,671	64,671
P500207	PARK AGENCY ARMIJO	-	-	-	-	24,930	24,930
P500208	PARK AGENCY CAROLINA REC CTR	-	-	-	-	114,123	114,123
P500209	PARK AGENCY MISSOURI	-	-	-	-	26,005	26,005
P500210	PARK AGENCY NATIONS TOBIN	-	-	-	-	52,247	52,247
P500211	PARK AGENCY NORHTEAST	-	-	-	-	130,919	130,919
P500212	PARK AGENCY PAVO REAL	-	-	-	-	102,494	102,494
P500213	PARK AGENCY SAN JUAN	-	-	-	-	54,629	54,629
P500214	PARK AGENCY WESTSIDE	-	-	-	-	176,916	176,916
P500215	PARK AGENCY RAY GILMORE CTR	-	-	-	-	29,510	29,510
P500216	PARK AGENCY SEVILLE COMMUNITY	-	-	-	-	8,413	8,413
P500217	PARK AGENCY GOLDEN AGE SENIOR	-	-	-	-	117,448	117,448
P500218	PARK AGENCY MEM. PARK SENIOR C	-	-	-	-	42,751	42,751
P500219	PARK AGENCY SACRAMENTO SENIOR	-	-	-	-	24,087	24,087
P500220	PARK AGENCY SAN JUAN SENIOR CT	-	-	-	-	27,602	27,602
P500221	PARK AGENCY S. EL PASO SR. CT.	-	-	-	-	42,785	42,785
P500222	PARK AGENCY WASHINGTON SENIOR	-	-	-	-	27,733	27,733
P500223	PARK AGENCY WELLINGTON CHEW	-	-	-	-	27,557	27,557
P500224	PARK AGENCY LINCOLN CTR	-	-	-	-	873	873
P500225	PARK AGENCY CENTER FOR THE HAN	-	-	-	-	143,752	143,752
P500226	PARK AGENCY EAST SIDE SENIOR C	-	-	-	-	48,324	48,324
P500227	PARK AGENCY SPE. EVENTS SR. CT	-	-	-	-	12,144	12,144
P500228	PARK AGENCY POLLY HARRIS SR. C	-	-	-	-	21,293	21,293
P500229	PARK AGENCY YOUTH OUTREACH PRG	-	-	-	-	68,857	68,857
P500230	PARK AGENCY CHIHUAHUTTA COMM.	-	-	-	-	821	821
P500231	FEDERAL CONFISCATED FUNDS	-	-	-	-	1,114,580	1,114,580
P500232	STATE CONFISCATED FUNDS	-	-	-	-	686,754	686,754
P500233	TREASURY CONFISCATED FUNDS	\$ -	-	-	-	153	153

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the year ended August 31, 2007

		Special Revenue Funds					
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
P500234	PD DONATED FUNDS	\$ -	-	-	-	39,467	39,467
P500235	ABANDONED AUTO TRUST- RESTRICT	-	-	-	-	204,940	204,940
P500236	GARAGE KEEPERS LIEN-RESTRICTIO	-	-	-	-	643,608	643,608
P500238	CONTINUING EDUCATION TRAINING	-	-	-	-	56,837	56,837
P500239	BREATH ALCOHOL TESTING	-	-	-	-	53,263	53,263
P500243	PARK AGENCY PETER MRTNZ SR. CR	-	-	-	-	30,979	30,979
P500247	PARK AGENCY NOLAN RICHARSON RE	-	-	-	-	38,188	38,188
P500251	EASTWOOD REC CENTER	-	-	-	-	156,315	156,315
P500252	MARTY ROBINS REC CENTER	-	-	-	-	149,298	149,298
P500253	P500253 WESTSIDE REC USER FEE	-	-	-	-	41,029	41,029
P507000	P507000 PALO VERDE -PROJ BRAVO	-	-	-	-	915,126	915,126
P507001	P507001 PV-ENERGY REBATE PROG	-	-	-	-	162	162
P507002	P507002 PV- DARK SKIES PROG	-	-	-	-	752	752
P518000057	CAPISTRANO DEDICATED REVENUE	-	-	-	-	4,375	4,375
P518000065	CRESTMONT DEDICATED REVENUE	-	-	-	-	1,419	1,419
P518000082	INDIAN RIDGE 10 DEDICATED REVE	-	-	-	-	1,560	1,560
P518000084	LANCASTER DEDICATED REVENUE	-	-	-	-	20,241	20,241
P518000087	LOGAN DEDICATED REVENUE	-	-	-	-	16,934	16,934
P518000111	PAUL HARVEY DEDICATED REVENUE	-	-	-	-	126	126
P518000816	MODEST GOMEZ DED. REVENUE	-	-	-	-	3,251	3,251
P518000826	CAPISTRANO/SHAWVER DEDICATION	-	-	-	-	732	732
P518000858	TIERRA DEL ESTE #1 PARK	-	-	-	-	23,943	23,943
P518000860	LITTLE RIVER PARK	-	-	-	-	13,133	13,133
P518000863	SOUTH DAKOTA RIDGE	-	-	-	-	32,945	32,945
P518000905	E-7 PARK ZONE	-	-	-	-	1,382	1,382
PBE04PA102	GALATZAN REC CTR	-	-	-	-	4,390	4,390
PBE04ST130	SGNL & FLASH INSTAL DIST 8	-	42,291	-	-	-	42,291
PBR06001	STANTON BRIDGE CANOPY	-	7,964	-	-	-	7,964
PBR06002	SANTA FE (PDN) BRIDGE CANOPIES	-	41,656	-	-	-	41,656
PD10422	D10422 FY95 D1 SPEC PROJ ROLLO	-	-	-	-	25	25
PD20423	D20423 D2 FY95 COUNCIL ROLLOVE	-	-	-	-	2,570	2,570
PD30424	D30424 D3 FY95 COUNCIL ROLLOVE	-	-	-	-	4,813	4,813
PD40425	D40425 NE MUNI CENTER ROLLOVER	-	-	-	-	10,811	10,811
PD50426	DICK SHINAUT PARK CONCRETE SLA	-	-	-	-	15,280	15,280
PD60427	D60427 D6 FY95 COUNCIL ROLLOVE	-	-	-	-	7,033	7,033
PD70428	D70428 D7 FY95 COUNCIL ROLLOVE	-	-	-	-	6,290	6,290
PD80429	D80429 D8 FY95 COUNCIL ROLLOVE	-	-	-	-	1,757	1,757
PED00001	ECONOMIC DEVELOPMENT	-	-	-	-	26,076	26,076
PEN06001	LIONS PLAZITA IMPROVEMENTS	-	65,516	-	-	-	65,516
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	-	-	-	53,074	-	53,074
PLIB00002	PLIB00002 ESPERANZA MORENO LIB	-	-	-	-	990	990
PMC0001	MUNI TECHNOLOGY REV FUND PRJCT	-	-	-	-	215,085	215,085
PPL0302	OEA ANNEXATION PLAN	(53,545)	-	-	-	-	(53,545)
PPW0046026YR2	MEMORIAL PARK AND POOL	-	-	-	-	39,000	39,000
PPW0203	CITY-CNTY HEALTH ADMIN PH 2	-	-	-	2,535	-	2,535
PQLPA184	PIP4 MAJOR DEVELOPMENT	-	-	-	-	47,918	47,918
PQLPA186A	CITYWIDE PARKS BID PKG 6A	-	-	-	-	9,353	9,353
PQLPA186B	CITYWIDE PARKS BID PACKAGE 6B	-	-	-	-	4,573	4,573
PQLPA188	PIP8 PLYGRND AND TREE PLANTING	-	-	-	-	7,292	7,292
PSTM06 PW104-0	SAN MARCOS ROAD	8,865	-	-	-	-	8,865
PSTM06 PW129-0	OLD SPANISH TRAIL CHANNEL	2,443	-	-	-	-	2,443
PSTM06 PW130	PERSHING	23,735	-	-	-	-	23,735
PSTM06 PW131-0	CLARK STREET	4,270	-	-	-	-	4,270
PSTM06 PW135	WEDGEWOOD PONDING	19,955	-	-	-	-	19,955
PSTM06 PW26-0	LINDBERG DONIPH TO MONTROYA DRA	\$ 6,478	-	-	-	-	6,478

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the year ended August 31, 2007

		Special Revenue Funds					
Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
PSTM06 PW277	DICK SHINAUT	\$ 2,536	-	-	-	-	2,536
PSTM06 PW503	DONIPHAN INTAKE & DIS PH 1 & 2	1,864	-	-	-	-	1,864
PSTM06 PW521	MONTOYA DRAIN	29,921	-	-	-	-	29,921
	CDC Non monetary assistance-vaccines	-	-	-	3,365,282	-	3,365,282
	NO GRANT ASSIGNED	-	-	-	-	6,381	6,381
	ART RESTRICTED FUND	-	-	-	-	36,452	36,452
	CONVENTION & PERF ARTS CENTER	-	-	-	-	5,292,193	5,292,193
	DONATIONS	-	-	-	-	16,702	16,702
	LIBRARY	-	-	-	-	15,687	15,687
	MUNICIPAL COURT SECURITY	-	-	-	-	367,317	367,317
	OTHER	-	-	-	-	146,694	146,694
	ZOO OPERATIONS	-	-	-	-	833,829	833,829
		<u>\$ 7,869,128</u>	<u>3,519,935</u>	<u>379,062</u>	<u>15,601,662</u>	<u>14,834,525</u>	<u>42,204,312</u>

DEBT SERVICE FUND

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



CITY OF EL PASO, TEXAS

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

DEBT SERVICE FUND

For the year ended August 31, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		Positive (Negative)
Budgetary fund balance, September 1	\$ 2,317,376	2,317,376	2,317,376	-
Resources (inflows):				
Property taxes	44,688,314	44,688,314	44,662,515	(25,799)
Penalties and Interest-Delinquent taxes	-	-	480,220	480,220
Interest received	-	-	1,386,713	1,386,713
Parking meter revenue	1,000,592	1,000,592	1,136,477	135,885
Face amount of refunding bonds issued	-	95,190,000	95,190,000	-
Premium on issuance of bonds	-	4,363,746	4,363,746	-
Transfers from other funds	5,016,351	3,682,078	3,682,078	-
Amounts available for appropriation	<u>53,022,633</u>	<u>151,242,106</u>	<u>153,219,125</u>	<u>1,977,019</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	29,270,000	27,149,796	27,149,797	(1)
Interest	18,584,165	18,372,736	18,372,736	-
Interest - Commercial Paper	3,283,500	2,171,643	2,261,078	(89,435)
Fiscal fees	67,000	1,317,457	1,302,108	15,349
Payment to refunding bond escrow agent:				
Refunding bond proceeds	-	98,303,289	98,303,289	-
From current assets	-	1,360,000	1,360,000	-
Total charges to appropriations	<u>51,204,665</u>	<u>148,674,921</u>	<u>148,749,008</u>	<u>(74,087)</u>
Budgetary fund balance, June 31	<u>\$ 1,817,968</u>	<u>2,567,185</u>	<u>4,470,117</u>	<u>1,902,932</u>

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

CAPITAL PROJECTS FUND

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



CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
G7131CD0022	SAN JUAN SENIOR CENTER REMODLN	\$ 3,369
G7131CD0024	RAWLINGS DENTAL CENTER	210,088
P501208	CITYWIDE COMMUNICATION SYSTEM	381,507
P501467	MISSION TRAIL IMPROVEMENTS (LO	4,825
P501540	PLAYGROUND EQUIPMENT	24,711
P501545	MSC IMPROVEMENTS - FY98 CO	23,180
P501552	TSL 508.3 MEMORIAL PK LIB RENO	37,712
P501554	TMC/CBD SIGNALIZATION UPGRADE	5,943
P501566	CIVIC CENTER CAPITAL IMPROVEME	1,721,817
P502002	P502002 CVB ROOF REHAB	35,397
P540001	CITY AUCTIONS	82,603
P540008	CONTRACTUAL OBLIGATIONS FY98	11,432
P540009	CONTRACTUAL OBLIGATIONS FY99	89,127
P540010CTY	CAPITAL OUTLAY	2,197,612
P540010LEG	CAPITAL OUTLAY	52,824
P540010LIB	CAPITAL OUTLAY	348,481
PAPACQTNSY03	ACQUISITIONS	5,484
PAPACQTNSY06	ACQUISITIONS	9,001
PAPCOLLASMY03	COLLECTION ASSESSMENT	3,226
PAPCOMPROJY03	CITYWIDE COMMUNITY PROJECTS	57
PAPCOMPROJY06	CITYWIDE COMMUNITY PROJECTS	907
PAPNEIGHPY03	NEIGHBORHOODS PROJECT	27
PBE04FC102	CARLSON/ELLIOT PUMP STN	4,343
PBE04FC104	ROCKY BLUFF DRAIN	9,008
PBE04FI101	FIRE STATION #18	11,297
PBE04FI103	FIRE STATION #33	223,280
PBE04FI104	FIRE STATION #34	645,781
PBE04FI105	FIRE STATION #35	413,933
PBE04HE101	HENDERSON HLTH CTR	7,499
PBE04HE102	YSLETA HLTH CTR	22,469
PBE04LI101	LOWER VALLEY BRANCH	9,280
PBE04LI102	MEMORIAL PRK BRANCH	13,361
PBE04PA102	GALATZAN REC CTR	91,301
PBE04PA103	GENERAL PRK IMPRVMT	936,861
PBE04PA104	LEO CANCELLAR POOL2	20,238
PBE04PA105	NATIONS TOBIN ROOF	82,332
PBE04PA106	PAVO REAL REC CTR ROOF	190,076
PBE04PA107	RANCHOS DEL SOL PARK	880
PBE04PA109	SHAWVER POOL PHAS 2	274,850
PBE04PA110	SUNRISE	24,766
PBE04ST102	ALABAMA	5,890
PBE04ST103A	BILLY THE KID PHS 2	593,606
PBE04ST104	BOWEN	82,452
PBE04ST106	CEDAR GROVE PH 11 THRU 12	190,822
PBE04ST107	CEDAR GROVE P 1-9	800,877
PBE04ST108	DORBANDT ST & DNGE (EAST)	56,475
PBE04ST109	GENERAL ST IMPROVEMENTS DIST 6	34,050
PBE04ST110	GEORGE DIETER MEDIAN	58,938
PBE04ST112	INDIAN PLACE	182,353
PBE04ST113	LADRILLO STREET & DRAINAGE	1,770
PBE04ST114A	LANDSCAPE & PKWY IMP D-4 DYER	299,744
PBE04ST114C	LANDSCPE & PKWY D-4 MEDIANS	\$ 969,965

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PBE04ST115	LEE BLVD PHASE II	\$ 101,591
PBE04ST117	MONTOYA HEIGHTS P 1	1,342,576
PBE04ST118	MONTOYA HEIGHTS PHASE 2	33,399
PBE04ST119	MONTWOOD DISTRICT 5 & 7	353,609
PBE04ST121	MONTWOOD MEDIAN	202,860
PBE04ST122	NORTH PARK DRAINAGE	43,785
PBE04ST124	OPEN SPACE ENHANCEM	195
PBE04ST124A	POLLARD STREET PEDESTRIAN WAY	52,077
PBE04ST124B	VAN BUREN DAM	9,353
PBE04ST124C	LOUISIANA ST. DRAINAGE AREAS	7,031
PBE04ST126	PEBBLE HILLS	(161,195)
PBE04ST127	ROSEWAY	15,118
PBE04ST128	SIGN REPLACEMENT	11,277
PBE04ST129	SGNL & FLASH INSTAL DIST 7	30,000
PBE04ST130	SGNL & FLASH INSTAL DIST 8	67,900
PBE04ST131	SGNL & FLASH INSTAL CITY WIDE	95,189
PBE04ST132	STREET RESURFACING CITY WIDE	367,480
PBE04ST132A	CITYWIDE STREET RESURFACING 06	2,274,950
PBE04ST133	STREET RESURFACING DIST 2	148,254
PBE04ST134	STREET RESURFACING DIST 7	56,004
PBE04ST135	STREET RESURFACING DIST 8	166,880
PBE04ST136	UNPAVED RIGHT OF WAY CITY WIDE	31,802
PBE04ST137	UNPAVED RIGHT OF WAY DIST 2	1,256,520
PBE04ST138	UNPAVED RIGHT OF WAY DIST 8	137,467
PBE04ST138A	ALAMITO (3RD ST & ST VRAIN ST)	70,009
PBE04ST139	UPPER VALLEY RD ST & DRNG	36,783
PBE04ST140	VERDELAND	11,188
PBE04ST141	WENDA	1,317,363
PBR05001	ZARAGOSA BRIDGE DCL	484
PBR06002	SANTA FE (PDN) BRIDGE CANOPIES	10,414
PBR07001	FRED WILSON BRIDGE EVAL & REP	97,277
PCP06FC001	CEBEDA/I-10 FLOOD CONTROL	2,778
PCP06FC002	STORMWATER DRAINAGE CP06	93
PCP06FC002B	CARNEGIE DESIGN	81,769
PCP06MF001	ADA COMPLIANCE CP06	7,231
PCP06MF001A	ADA CONNECTIVITY W/2006 RESURF	526,777
PCP06MF001B	SIDEWALK CONECTIVITY	69,138
PCP06MF001C	SIDEWALK DATA ACQUISITION PROG	12,214
PCP06MF002	EMERG CITY FACILITY REHAB CP06	14,857
PCP06NA001D3A	NEIGH INITI HAWKINS MED ILLUMI	50,000
PCP06ST003	LITTLE FLOWER ST & DNG	136,750
PCP06ST005	MCCOMBS/RAILROAD ST & DRAINAGE	65,920
PCP06ST006	RUSHING/TRANSMOUNTAIN ST & DNG	2,483
PCP06ST008	PELICANO/LOMALAND ST & DRNG	67,852
PCP06ST010	CARNEGIE ST & DRNG PHASE I	20,945
PCP06ST011	STREET RESURFACING 2007	2,362,869
PCP06ST012	CONCRETE INTERSECTIONS CP06	160,247
PCP06ST012B	ARTCRAFT @ UP VAL & WESTSIDE	4,990
PCP06ST013	SIGNAL/FLASHER INSTALL CP06	1,188,862
PCP06ST014	UNPAVED ROW CP06	12,248
PCP06ST015	ARTERIAL STREET LIGHTING CP06	8,630
PCP06ST016	MAST ARM REPLACEMENT CP06	\$ 88,888

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PCP06ST018	TRAFFIC MGMT INFO SYST MX CP06	\$ 2,000,000
PCP06ST019	LANE MARKINGS CP06	169,328
PCP06ST021	LOOP DETECTORS CP06	350,768
PCP06ST022	TXDOT MATCHES CP06	395,331
PCP06ST022A	MULTI-USE BICYCLE PATHS	238,588
PCP06TX001	ALAMEDA TRAF SIG INTERCONNECT	41,250
PCP07CAP001	CAPITAL ACQUISITIONS	532,510
PCP07HE001	ANIMAL SHELTER REPAIRS	51,909
PCP07ST001	CALIFORNIA STREET PAVING	21,245
PCP07ZO001	ZOO IMPROVEMENTS	42,176
PEN06001	LIONS PLAZITA IMPROVEMENTS	16,379
PFC06001	RESLER CANYON IMPROVEMENTS	212,128
PFI05001	FIRE FACILITIES MASTER PLAN	701
PFI06001	CENTRAL FIRE STATION HVAC	61,626
PFL07001	RAMONA IMPROVEMENTS	5,180
PFLESVC01	EQUIPMENT REPLACEMENT	4,494,383
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	6,916
PHI05001	HIST MUS EXHIBIT AREA	820,308
PMB0001130	CITY DEPTS NOC	60,261
PMB0001280	PRINT SHOP CO EQUIP	6,640
PMB0002130	CITY EQUIPMENT NOC	32,773
PMB0003130	FY 02 CERT OB EQUIP-CITY EQUIP	4,912
PMB0005001	BE CAP ACQ PARKS	24,012
PMB0005004	BE CAP ACQ FIRE	343,351
PMB0005007	BE CAP ACQ ZOO	8,223
PMB0005008	BE CAP ACQ LIBRARY	63,297
PMB0005011	BE CAP ACQ P.S. COM	14,212
PMF05002	FACILITY CONDITION ASSESSMENT	505,747
PMF05003	CITY HALL 5TH FLOOR RENOVATION	50,850
PMF05004	CITY HALL 7TH FLOOR RENOVATION	305,902
PMF06001	CITY HALL UPGRADES FY 2006	432,694
PMF07002	POSTAGE	1,134
PPA05001	COHEN STADIUM LESSOR IMPV	22,783
PPA06001	CITYWIDE SWINGS	175,165
PPD05001	POLICE FACILITIES MASTER PLAN	109,100
PPW0007130	CAROLINA BRIDGE RECONSTRUCTION	45,850
PPW0015	LIBRARY BOOK PROCESSING CENTER	24,137
PPW0028002	KIMBERLY HEIGHTS SPECIAL ASSES	6,200
PPW0028008	GOMEZ RD. EXTENSION	274,071
PPW0029002	MS4 FOR WATER QUALITY PHASE 1	658
PPW0033001	FIRST TRAFFIC CONTROL PROJECT	9,359
PPW0035005	SYNCHRONIZATION	44,993
PPW0035007	SAN ANTONIO PLAZA	111,425
PPW0035011	CBD PHASE 3 DESIGN	26,887
PPW0041	STREET LIGHT CONVERSION	899
PPW0046001	MISSION HILLS	3,846
PPW0046004	NORTHEAST REGIONAL PARK	429,707
PPW0046005A	VISTA DEL VALLE CTR TRACK/IRRI	22,093
PPW0046008	CLEVELAND SQUARE	107,858
PPW0046017	PONDER	2,270
PPW0046023	BLACKIE CHESHER	4,966
PPW0046023YR2	BLACKIE CHESHER FENCING	\$ 4,857

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PPW0046026YR2	MEMORIAL PARK AND POOL	\$ 100,365
PPW0046027YR2	EASTWOOD PARK NEW REC CTR	3,258
PPW0046028YR2	MARTY ROBBINS REC CENTER (NEW)	9,773
PPW0046029YR2	HACIENDA HEIGHTS AND POOL	7,633
PPW0046044	VISTA DEL SOL	5
PPW0046046	MCKELLIGON CANYON	34,840
PPW0050	ADA COMPLIANCE PHASE 1	33,333
PPW0051	ANIMAL SHELTER	3,916
PPW0052	FLASHER INSTALLATIONS	137,401
PPW0053	DODGE (HAWKINS) EXPANSION	29,293
PPW0054	ZARAGOZA OVERPASS	85,753
PPW0055	LEE TREVINO - EXTENSION OF ROW	174,146
PPW0056001	LIB PRJTS 00 ELEC-WESTSIDE LIB	2,631
PPW0056002	MAIN LIBRARY REMODELING	230,047
PPW0056003YR2	BOOKS AND LIBRARY MATERIALS	77,642
PPW0056005YR2	EAST SIDE REGIONAL LIBRARY BRC	266,484
PPW0056006YR2	LOWER VALLEY LIBRARY (NEW)	4,501
PPW0057004YR2	ZOO CONVERT POOL & SR.CTR.	21
PPW0057005YR2	ZOO STORAGE BLDG. MISC STORAGE	3,304
PPW0057006YR2	ADMINISTRATION BLDG. ADD/RENOV	464
PPW0057007YR2	ANIMAL QUARANTINE	535
PPW0058001	HISTORY MUSEUM (NEW)	27,373
PPW0203	CITY-CNTY HEALTH ADMIN PH 2	29,995
PPW0204	UNION PACIFIC DEPOT 2002	15
PPW0310	PLAZA THEATRE	1,672,208
PPWAR03001	FY03 CO'S ARTWORK-2%	144,901
PPWBR03004	ZARAGOZA POE BATHRM ADDNS.	1,316
PPWFL03047	GSA STORM SEWER RELOCATION	405,162
PPWST03001	CBD PHASE 3	7,639,099
PPWST03022	EDGEMERE EXTENSION	4,178
PPWST03034	MONTANA MEDIAN LANDSCAPING	292
PQLLI104	QOL LIBRARY CONTINGENCY	53,530
PQLPA101	ARLINGTON PARK	767
PQLPA102	BUENA VISTA PARK	111
PQLPA104	CHELSEA POOL	942
PQLPA105	CHIHUAHUITA PARK	97
PQLPA106	CIELO VISTA PARK	230
PQLPA107	COLONIA VERDE PARK	50
PQLPA108	CORK PARK	158
PQLPA109	DE VARGAS PARK	248
PQLPA110	DELGADO PARK	819
PQLPA111	DICK SHINAUT PARK	170
PQLPA112	DOLPHIN PARK	138
PQLPA113	DUNN PARK	56
PQLPA114	EASTSIDE MAINTENANCE YARD	552
PQLPA115	ESTRELLA-RIVERA PARK	43,794
PQLPA116	FRANKLIN PARK	84
PQLPA117	GRACE CHOPE PARK	348
PQLPA118	GRANDVIEW PARK & POOL	11,034
PQLPA119	H.T. PONSFORD PARK	147
PQLPA120	HAWKINS PARK & POOL	1,771
PQLPA122	IRWIN J LAMBKA PARK	\$ 114

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PQLPA123	J.P. SHAWVER PARK	\$ 297
PQLPA124	JUDGE GALATZAN PARK	671
PQLPA125	LINCOLN PARK	1,571
PQLPA126	LORETTO-LINCOLN PARK	876
PQLPA127	MADLINE PARK	1,037
PQLPA128	MCARTHUR PARK	57
PQLPA129	MESA TERRACE PARK	117
PQLPA130	MILAGRO PARK	63
PQLPA131	MODESTO GOMEZ PARK	244
PQLPA132	MONTWOOD HEIGHTS PARK	4,582
PQLPA135	MURCHISON PARK	1,170
PQLPA136	WESTSIDE REC CENTER (NEW)	58,339
PQLPA137	FORT BLISS SOCCER FACILITY	143,783
PQLPA138	NEWMAN PARK	381
PQLPA140	PACIFIC PARK	1,079
PQLPA141	PALM GROVE PARK	910
PQLPA142	PALO VERDE PARK	8
PQLPA143	PASEO DE LOS HEROES PARK	890
PQLPA144	PAVO REAL PARK & POOL	1,535,230
PQLPA145	PEBBLE HILLS PARK	270
PQLPA146	PECAN GROVE 1 & 2	2,827
PQLPA147	PICO NORTE PARK	114
PQLPA148	RAYNOLDS MEDIAN	150
PQLPA149	ROGER BROWN BALLFIELD	628
PQLPA150	ROSE GARDEN	1,556
PQLPA151	SCENIC DRIVE PARK	1,276
PQLPA152	MONTALVO (SHEARMAN) PARK	4,373
PQLPA153	SKYLINE YOUTH PARK	99
PQLPA154	SNOW HEIGHTS PARK	185
PQLPA156	SUE YOUNG PARK	316
PQLPA157	SUFFOLK PARK	63
PQLPA158	SUMMIT-FILLMORE PARK	91
PQLPA159	SUNRISE PARK	508
PQLPA160	SUNSET HEIGHTS PARK	144
PQLPA161	THOMAS MANOR PARK	407
PQLPA162	TODD WARE PARK	267
PQLPA163	TOM LEA (LOWER) PARK	2,034
PQLPA164	TOM LEA (UPPER) PARK	449
PQLPA165	TRANS MTN OPTIMIST DSRT DOWNS	53
PQLPA166	TYRONE PARK	15
PQLPA167	VETERAN (W/O BALL FLD LGHT)PRK	182,602
PQLPA169	WASHINGTON PARK	166
PQLPA170	WELLINGTON CHEW PARK	1,035
PQLPA171	WESTSIDE REGIONAL PARK (ALL P)	73,617
PQLPA172	WEST SPORT COMPLEX	1,479,627
PQLPA174	YSLETA PARK	50,159
PQLPA179	TRAVIS WHITE PARK PARKING LOT	94,314
PQLPA182	PARK IMPROVEMENT PACK 2	2,920
PQLPA183	PIP3 POOL RENOVATIONS	513,605
PQLPA184	PIP4 MAJOR DEVELOPMENT	444,984
PQLPA185	PIP5 SHELTER RENOVATIONS	7,686
PQLPA186	PIP6A IRRIGATION AND SITE WORK	\$ 16,644

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PQLPA186A	CITYWIDE PARKS BID PKG 6A	\$ 746,317
PQLPA186B	CITYWIDE PARKS BID PACKAGE 6B	443,661
PQLPA187	PIP7 IRRIG AND TREE PLANTING	19,326
PQLPA188	PIP8 PLYGRND AND TREE PLANTING	(666)
PQLPA190	PIP10 WESTSIDE COMMUNITY PARK	1,877,705
PQLZO101	ZOO NEW ENTRY & PUBLIC ACT CTR	1,769
PQLZO102	ZOO OLD EXH REPT & BIOME BLDG	1,218
PQLZO103	ZOO PARKING LOT	229,948
PQLZO104	ZOO AFRICA EXPANSION	205,934
PQLZO106	ZOO WESTERN EXPANSION	8,730,676
PST05002	MAST ARM REPLACEMENT	57,760
PST05003	LANE MARKINGS	130,628
PST05006	EL PASO DR INTX IMPV	2,500
PST06002	ALBERTA & CONCEPCION IMPV	891,560
PST06002A	MED CTR OF THE AMERICAS INFRAS	362,484
PST06004	TRAFFIC CALMING DEVICES/SIGNAL	57,115
PST07001	STREET RESURFACING 2007	714
PSTM06 PW102-0	LANDFILL SLOPE EROSION REPAIRS	123,558
PSTM06 PW110-0	TOMPKINS AND DYER	19,593
PSTM06 PW111-0	FRANKLIN SUMMIT DRNG EASEMENT	118,544
PSTM06 PW119-0	COLONIA ESCONDIDA	64,008
PSTM06 PW122-0	NORTHWESTERN	4,392
PSTM06 PW24-0	WALLENBERG AND MESA HILLS	287,466
PSTM06 PW25-0	OCOTILLO/CHARL ANN	28,333
PSTM06 PW26-0	LINDBERG DONIPH TO MONTOYA DRA	311,087
PSTM06 PW27-0	BLUFF CANYON	25,925
PSTM06 PW29-0	RESLER EXT N. OF HELEN OF TROY	17,797
PSTM06 PW32-0	HELEN OF TROY (RESLER TO REDD)	12,906
PSTM06 PW35-0	624 DE LEON	5,630
PSTM06 PW36-0	COPPER 2630	6,865
PSTM06 PW37-0	THUNDERBIRD VALLEY CHANNEL	707,821
PSTM06 PW42-0	PARAGON SANTA FE CHANNEL FESTI	235,123
PSTM06 PW43-0	CORONADO CHANNEL	2,529,529
PSTM06 PW500	FAIRBANKS BTN NS FRWAY & ELECT	108,980
PSTM06 PW501	HIGHLANDS SEDIMENT BASIN	33,430
PSTM06 PW503	DONIPHAN INTAKE & DIS PH 1 & 2	2,000
PSTM06 PW505	BANDOLERO CHANNEL	5,887
PSTM06 PW506	GOV'T HILLS OUTFALL/DURAZNO NE	181,997
PSTM06 PW508	DON HASKINS AND ROJAS	12,673
PSTM06 PW509	BASIN A PUMP STATION DISCHARGE	181,832
PSTM06 PW510	BESSEMER	12,381
PSTM06 PW51-0	PINE SPRINGS	19,760
PSTM06 PW511	CANTERBURY CHAN RGE CREST&STAN	1,119
PSTM06 PW512	CHAN NO. 2 BUTTRFLD TRAIL APTS	325,658
PSTM06 PW513	CHIHUAHUITA NEIGHBORHOOD	135,208
PSTM06 PW514	CLARDY FOX PUMP STATION	116,349
PSTM06 PW515	CROSSROADS POND	12,837
PSTM06 PW516	JOYCE CIRCLE	5,643
PSTM06 PW517	LINCOLN CHANNEL	67,361
PSTM06 PW518	LOS SIGLOS CT & LUCAS MARCELO	92,383
PSTM06 PW519	MAMIE/ELMWOOD	11,251
PSTM06 PW520	MODESTO CHAN RIVER OUTFALL	\$ 575,032

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

Project	Name/Description	Capital Projects
PSTM06 PW52-0	ROBINSON	\$ 38,219
PSTM06 PW521	MONTOYA DRAIN	30,348
PSTM06 PW522	MOWAD SUBDIVISION	5,352,483
PSTM06 PW524	NORTH SOUTH FREEWAY CHANNEL	90,597
PSTM06 PW525	NORTHGATE DIVERSION CHANNEL	165,563
PSTM06 PW527	PERSHING DAM UPPER & LOWER BAS	81,108
PSTM06 PW529	PUMP STATIONS ASSESS & REPAIR	39,454
PSTM06 PW530	RAMONA ADDITION	15,131
PSTM06 PW531	THORNTON	237,268
PSTM06 PW532	DELTA AND MANNY MARTINEZ	18,222
PSTM06 PW534	INTERSECTION EROSION REPAIR	43,993
PSTM06 PW535	NORHT MESA (4100)	20,170
PSTM06 PW537	COPPER QUEEN	116,058
PSTM06 PW538	AMERICAS 10 DAM	49,085
PSTM06 PW539	CHANNEL NO. 1-BELVIDERE CHAN	27,233
PSTM06 PW540	DALLAS OUTFALL	174,199
PSTM06 PW543	FORT BLISS SUMP	28,674
PSTM06 PW545	MESA DRAIN	151,997
PSTM06 PW547	PLAYA DRAIN	206,000
PSTM06 PW549	RANGE DAM	58,797
PSTM06 PW550	TEXAS A&M/RESERACH DR CHANNEL	57,972
PSTM06 PW55-0	STONEY HILL	5,597
PSTM06 PW553	AGRICULTURAL DRAINS REHAB	1,648,708
PSTM06 PW554	CEBADA PUMP STATION	290,919
PSTM06 PW555	CAPITAL EQUIPMENT	3,473,214
PSTM06 PW556	SAIPAN	4,482,146
PSTM06 PW557	FIESTA	418,577
PSTM06 PW56-0	OJO DE AGUA CHANNEL & THORN IN	144,807
PSTM06 PW57-0	SCHUSTER SLOPE IMPROVEMENTS	134,976
PSTM06 PW59-0	HENRY BRENNAN	24,228
PSTM06 PW63-0	RIM ROAD/SCENIC DRIVE	1,184
PSTM06 PW64-0	MCKELLIGON CANYON	242,265
PSTM06 PW67-0	HIGH RIDGE CHANNEL	323,038
PSTM06 PW69-0	MOUNTAIN WALK	45,569
PSTM06 PW70-0	CASTELLANO DRIVE	58,935
PSTM06 PW82-0	PELLICANO & PENDALE AT ROJAS	7,746
PSTM06 PW84-0	JAMES WATT @ LEE TREVINO	218,634
PSTM06 PW87-0	CEDAR OAK AT PENDALE	53,464
PSTM06FC001	STORM 2006 MASTER	719,453
PSTM06FC001A	GLORY RD STORM SEWER RELOCATIO	1,705,319
PSTM06FC001B	MASTER DRAINAGE STUDY	1,226,773
PSTM06FC003B	INSPECT/ASS RET/DET POND PH 2	5,490
PSTM06FC004A	INSPECT/ASSESS CONDUITS PH 1	13,890
PSTM06FC004B	INSPECT/ASSESS CONDUITS PH 2	3,500
PSTM06FC004C	INSPECT/ASSESS CONDUITS PH 3	\$ 38,383

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the year ended August 31, 2007

<u>Project</u>	<u>Name/Description</u>	<u>Capital Projects</u>
PPA07001	SHAWVER & HAWKINS POOL COOLING	\$ 1,925
PCP06ST014B	TURNER STREET IMPROVEMENTS	526
PBE04PA108	ROGER BROWN	3,656
PBE04ST116	MARSHALL	4,953
PMB0001220	EQUIP MAINT CO EQUIP	111
PCP06ST012A	UV RIVER RUN@COUNTRY C. TRAFFI	8,700
PPW0005	RESLER, FRED WILSON LANDSCAPIN	16,000
PSTM06 PW41-0	WESTSIDE IMPROVEMENTS PHASE II	76
	Total Expenditures and transfers	<u>\$ 95,686,739</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, 2007

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
ASSETS			
Cash and Cash Equivalents	\$ -	2,317,943	2,317,943
Investments	-	1,200,000	1,200,000
Receivables - Net of Allowances			
Trade	3,385	-	3,385
Due From Other Funds	-	660,636	660,636
Inventory	664,499	-	664,499
Fuel Inventory	87,479	-	87,479
Capital Assets:			
Buildings, Improvements & Equipment, Net	215,705	-	215,705
TOTAL ASSETS	<u>971,068</u>	<u>4,178,579</u>	<u>5,149,647</u>
LIABILITIES			
Accounts Payable	171,674	221,583	393,257
Accrued Payroll	102,426	29,255	131,681
Due to Other Funds	660,636	-	660,636
Compensated Absences	131,526	34,853	166,379
Claims and Judgments	-	16,225,477	16,225,477
TOTAL LIABILITIES	<u>1,066,262</u>	<u>16,511,168</u>	<u>17,577,430</u>
NET ASSETS			
Invested in capital assets, net of related debt	215,705		215,705
Unrestricted	<u>(310,899)</u>	<u>(12,332,589)</u>	<u>(12,643,488)</u>
Total net assets	(95,194)	(12,332,589)	(12,427,783)
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 971,068</u>	<u>4,178,579</u>	<u>5,149,647</u>

CITY OF EL PASO, TEXAS

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

INTERNAL SERVICE FUNDS

For the year ended August 31, 2007

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
OPERATING REVENUES:			
Sales to Departments	\$ 15,783,680	-	15,783,680
Premium Contributions	-	47,584,977	47,584,977
General Revenues	32,237	1,376,802	1,409,039
TOTAL OPERATING REVENUES	15,815,917	48,961,779	64,777,696
OPERATING EXPENSES:			
Personnel Services	3,136,403	610,457	3,746,860
Outside Contracts	232,790	2,487,648	2,720,438
Professional Services	-	198,030	198,030
Fuel and Lubricants	6,317,713	-	6,317,713
Materials and Supplies	4,289,894	17,031	4,306,925
Communications	13,202	1,046	14,248
Utilities	15,929	-	15,929
Operating Leases	93,286	5	93,291
Travel and Entertainment	8,917	1,671	10,588
Benefits Provided	-	38,587,017	38,587,017
Maintenance and Repairs	1,212,230	3,245	1,215,475
Other Operating Expenses	33,458	3,016	36,474
Depreciation	61,458	-	61,458
TOTAL OPERATING EXPENSES	15,415,280	41,909,166	57,324,446
OPERATING INCOME(LOSS)	400,637	7,052,613	7,453,250
NON-OPERATING REVENUES (EXPENSES):			
Interest Expense	(4,975)	-	(4,975)
TOTAL NON-OPERATING REVENUES	(4,975)	-	(4,975)
INCOME (LOSS)	395,662	7,052,613	7,448,275
Change in net assets	395,662	7,052,613	7,448,275
Total Net Assets-beginning	(490,856)	(19,385,202)	(19,876,058)
Total Net Assets-ending	\$ (95,194)	(12,332,589)	(12,427,783)

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended August 31, 2007

	<u>SUPPLY AND SUPPORT</u>	<u>SELF INSURANCE</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 15,818,759	48,961,779	64,780,538
Payments to suppliers	(12,667,134)	(42,224,857)	(54,891,991)
Payments to employees	(3,199,115)	(601,465)	(3,800,580)
Net cash provided by operating activities	<u>(47,490)</u>	<u>6,135,457</u>	<u>6,087,967</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds (to) from other funds	<u>113,311</u>	<u>(2,617,514)</u>	<u>(2,504,203)</u>
Net cash provided (used) by noncapital financing activities	<u>113,311</u>	<u>(2,617,514)</u>	<u>(2,504,203)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(60,846)	-	(60,846)
Interest paid on capital debt	(4,975)	-	(4,975)
Net cash (used) by capital and related financing activities	<u>(65,821)</u>	<u>-</u>	<u>(65,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	-	(1,200,000)	(1,200,000)
Net cash provided by investing activities	<u>-</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>
Net increase (decrease) in cash and cash equivalents	-	2,317,943	2,317,943
Balances - beginning of the year	-	-	-
Balances - end of the year	<u>\$ -</u>	<u>2,317,943</u>	<u>2,317,943</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 400,637	7,052,613	7,453,250
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	61,458	-	61,458
Change in assets and liabilities:			
Receivables, net	2,842	-	2,842
Inventories	(23,432)	-	(23,432)
Accounts and other payables	(426,283)	59,221	(367,062)
Accrued expenses	(62,712)	(976,377)	(1,039,089)
Net cash provided by operating activities	<u>\$ (47,490)</u>	<u>6,135,457</u>	<u>6,087,967</u>

PENSION TRUST FUNDS



CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
August 31, 2007

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (as of December 31, 2006)		Total
		Firemen Division	Policemen Division	
ASSETS				
Cash and Cash Equivalents	\$ 11,140,811	3,679,987	6,652,984	21,473,782
Investments:				
United States Government Securities	23,321,566	-	-	23,321,566
Corporate Bonds	7,457,586	-	-	7,457,586
Corporate Stocks	329,207,638	-	-	329,207,638
Bank Collective Investment Funds	178,609,682	-	-	178,609,682
Foreign Exchange Contract	220,450	-	-	220,450
Fixed Income Securities	-	83,648,646	151,226,927	234,875,573
Domestic Equities	-	96,316,508	174,128,933	270,445,441
International Equities	-	69,806,764	126,202,431	196,009,195
Receivables - Net of Allowances				
Commission Credits Receivable	87,383	-	-	87,383
Due from Brokers For Securities Sold	1,362,292	-	-	1,362,292
Employer Contributions	563,843	161,889	273,634	999,366
Employee Contributions	375,089	137,425	180,752	693,266
Accrued Interest and Dividends	996,256	-	11	996,267
Prepaid Items	19,156	-	-	19,156
Capital Assets:				
Buildings, Improvements & Equipment, Net	-	737,570	973,415	1,710,985
Total assets	553,361,752	254,488,789	459,639,087	1,267,489,628
LIABILITIES				
Accounts Payable	2,724,202	317,757	505,822	3,547,781
Deferred Revenue - Commission Credits	87,383	-	-	87,383
Foreign Exchange Contract	215,409	-	-	215,409
Total liabilities	3,026,994	317,757	505,822	3,850,573
NET ASSETS				
Held in Trust for Pension Benefits and Other Purposes	\$ 550,334,758	254,171,032	459,133,265	1,263,639,055

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the year ended August 31, 2007

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (for the year ended December 31, 2006)		Total
		Firemen Division	Policemen Division	
ADDITIONS (REDUCTIONS)				
Contributions:				
Employer	\$ 14,574,850	8,020,937	11,567,974	34,163,761
Employee	9,763,642	6,630,782	7,485,861	23,880,285
Other	-	844	-	844
Total contributions	<u>24,338,492</u>	<u>14,652,563</u>	<u>19,053,835</u>	<u>58,044,890</u>
Investment earnings (loss):				
Net increase in fair value of investments	58,337,028	36,215,597	65,263,398	159,816,023
Interest	2,647,484	7,035	13,186	2,667,705
Dividends	4,256,079	65,910	119,046	4,441,035
Securities lending income	3,727,753	-	-	3,727,753
Securities lending fees	(3,477,627)	-	-	(3,477,627)
Investment advisor fees	(1,778,283)	(918,592)	(1,646,821)	(4,343,696)
Increase in commission credits receivable	46,965	-	-	46,965
Net investment (loss)	<u>63,759,399</u>	<u>35,369,950</u>	<u>63,748,809</u>	<u>162,878,158</u>
Other Income (Loss)				
Rental Income	-	-	861	861
Total other income (loss)	<u>-</u>	<u>-</u>	<u>861</u>	<u>861</u>
Total additions (reductions)	<u>88,097,891</u>	<u>50,022,513</u>	<u>82,803,505</u>	<u>220,923,909</u>
DEDUCTIONS				
Benefits paid to participants	30,189,990	16,135,998	21,635,347	67,961,335
Refunds of contributions	2,213,943	655,228	1,373,629	4,242,800
Administrative expenses	723,690	643,496	716,729	2,083,915
Total deductions	<u>33,127,623</u>	<u>17,434,722</u>	<u>23,725,705</u>	<u>74,288,050</u>
Change in net assets	54,970,268	32,587,791	59,077,800	146,635,859
Net assets - beginning of the year	495,364,490	221,583,241	400,055,465	1,117,003,196
Net assets - end of the year	<u>\$ 550,334,758</u>	<u>254,171,032</u>	<u>459,133,265</u>	<u>1,263,639,055</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 City Tax Department, which collects property taxes for other taxing entities.

CITY OF EL PASO, TEXAS

Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the year ended August 31, 2007

	August 31, 2006	Debits	Credits	August 31, 2007
ASSETS				
Cash and Cash Equivalents	\$ 1,142,125	568,342,052	566,523,099	2,961,078
Uncollected Property Taxes	48,862,402	605,413,845	604,346,988	49,929,259
Special Assessment - PID #1	-	551,604	-	551,604
Due from Other Funds	5,662,096	-	1,000,000	4,662,096
Total assets	<u>\$ 55,666,623</u>	<u>1,174,307,501</u>	<u>1,171,870,087</u>	<u>58,104,037</u>
LIABILITIES				
Prepaid Property Taxes	\$ 1,129,297	-	694,478	1,823,775
Payable to Bondholders - PID #1	-	-	551,604	551,604
Amount Available for Bond Payments	-	-	16,792	16,792
Payable to Other Taxing Entities	843,545	566,523,099	566,438,836	759,282
Property Taxes Subject to Refund	4,831,379	-	191,946	5,023,325
Uncollected Taxes	48,862,402	604,346,988	605,413,845	49,929,259
Total Liabilities	<u>\$ 55,666,623</u>	<u>1,170,870,087</u>	<u>1,173,307,501</u>	<u>58,104,037</u>

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



CITY OF EL PASO, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE¹
 August 31, 2007

Governmental funds capital assets:	
Land	\$ 148,611,479
Land improvements	20,178,552
Buildings	272,208,259
Machinery and equipment	112,116,174
Infrastructure	622,876,757
Construction in progress	131,480,568
Total governmental funds capital assets	<u>1,307,471,789</u>
Investments in governmental funds capital assets by source:	
General fund	293,609,960
Capital projects fund	1,013,861,829
Total governmental funds capital assets	<u>\$ 1,307,471,789</u>

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

CITY OF EL PASO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
August 31, 2007

<u>Function and Activity</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
Mayor and Council	\$ -	-	-	298,621	-	-	298,621
City Clerk	-	-	-	439,909	-	-	439,909
Legal	-	-	-	5,000	-	-	5,000
OMB	-	-	-	452,839	-	-	452,839
Comptroller	-	-	-	27,011	-	-	27,011
Tax Office	-	-	-	-	-	-	-
Purchasing	-	-	-	104,772	-	-	104,772
Planning	-	-	-	93,770	-	-	93,770
Personnel	-	-	-	310,948	-	-	310,948
OMB-Communications	-	-	-	163,549	1,964,625	-	2,128,174
Information Services	-	-	-	3,562,711	-	-	3,562,711
Other - unclassified	148,611,479	365,700	57,084,534	3,084,500	8,487,987	131,480,568	349,114,768
Total general government	<u>148,611,479</u>	<u>365,700</u>	<u>57,084,534</u>	<u>8,543,630</u>	<u>10,452,612</u>	<u>131,480,568</u>	<u>356,538,523</u>
Public Safety:							
Police	-	453,625	10,457,600	29,282,172	-	-	40,193,397
Fire	-	1,055,130	12,825,669	29,308,787	-	-	43,189,586
Municipal Court	-	-	-	834,573	-	-	834,573
Total public safety	<u>-</u>	<u>1,508,755</u>	<u>23,283,269</u>	<u>59,425,532</u>	<u>-</u>	<u>-</u>	<u>84,217,556</u>
Public Works:							
Administration	-	258,525	350,400	2,205,404	-	-	2,814,329
Street Department	-	53,200	478,500	19,295,499	596,461,842	-	616,289,041
Engineering	-	-	-	548,908	-	-	548,908
Building Services	-	-	-	137,127	-	-	137,127
Total public works	<u>-</u>	<u>311,725</u>	<u>828,900</u>	<u>22,186,938</u>	<u>596,461,842</u>	<u>-</u>	<u>619,789,405</u>
Health Department	-	599,710	7,602,383	6,700,262	-	-	14,902,355
Parks Department	-	15,182,823	36,833,579	9,074,799	15,962,303	-	77,053,504
Library	-	451,525	12,407,606	1,127,001	-	-	13,986,132
Culture and Recreation:							
Plaza Theatre	-	716,039	38,067,148	714,040	-	-	39,497,227
Art Museum	-	132,800	7,340,000	212,542	-	-	7,685,342
Arts Resources	-	-	-	-	-	-	-
History Museum	-	35,875	293,000	-	-	-	328,875
Civic Center	-	253,000	73,155,116	2,084,978	-	-	75,493,094
Zoo	-	507,000	14,222,024	1,981,459	-	-	16,710,483
Total culture and recreation	<u>-</u>	<u>1,644,714</u>	<u>133,077,288</u>	<u>4,993,019</u>	<u>-</u>	<u>-</u>	<u>139,715,021</u>
Community and economic development:							
Community & Human Development	-	113,600	1,090,700	64,993	-	-	1,269,293
Economic Development	-	-	-	-	-	-	-
Total community and economic development	<u>-</u>	<u>113,600</u>	<u>1,090,700</u>	<u>64,993</u>	<u>-</u>	<u>-</u>	<u>1,269,293</u>
Total governmental funds capital assets	<u>\$ 148,611,479</u>	<u>20,178,552</u>	<u>272,208,259</u>	<u>112,116,174</u>	<u>622,876,757</u>	<u>131,480,568</u>	<u>1,307,471,789</u>

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

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

For the year ended August 31, 2007

Function and Activity	Governmental Funds Capital Assets September 1, 2006	Additions, net of Transfers	Deductions	Governmental Funds Capital Assets August 31, 2007
General Government:				
Mayor and Council	\$ 298,621	-	-	298,621
City Clerk	439,909	-	-	439,909
Legal	5,000	-	-	5,000
OMB	452,839	-	-	452,839
Comptroller	27,011	-	-	27,011
Tax Office	-	-	-	-
Purchasing	104,772	-	-	104,772
Planning	93,770	-	-	93,770
Personnel	310,948	-	-	310,948
OMB-Communications	2,128,174	-	-	2,128,174
Information Services	3,601,897	-	39,186	3,562,711
Other - unclassified	292,073,179	57,361,338	319,749	349,114,768
Total general government	<u>299,536,120</u>	<u>57,361,338</u>	<u>358,935</u>	<u>356,538,523</u>
Public Safety:				
Police	35,678,557	4,921,378	406,538	40,193,397
Fire	43,706,011	310,835	827,260	43,189,586
Municipal Court	788,974	45,599	-	834,573
Total public safety	<u>80,173,542</u>	<u>5,277,812</u>	<u>1,233,798</u>	<u>84,217,556</u>
Public Works:				
Administration	2,814,329	-	-	2,814,329
Street Department	613,907,921	2,489,222	108,102	616,289,041
Engineering	569,562	-	20,654	548,908
Building Services	240,521	-	103,394	137,127
Total public works	<u>617,532,333</u>	<u>2,489,222</u>	<u>232,150</u>	<u>619,789,405</u>
Health Department	14,849,958	187,885	135,488	14,902,355
Parks Department	70,786,939	6,405,834	139,269	77,053,504
Library	13,770,510	230,808	15,186	13,986,132
Culture and Recreation:				
Plaza Theatre	38,781,188	716,039	-	39,497,227
Art Museum	7,697,342	-	12,000	7,685,342
Arts Resources	-	-	-	-
History Museum	328,875	-	-	328,875
Civic Center	75,443,099	49,995	-	75,493,094
Zoo	16,710,483	-	-	16,710,483
Total culture and recreation	<u>138,960,987</u>	<u>766,034</u>	<u>12,000</u>	<u>139,715,021</u>
Community and economic development:				
Community & Human Development	1,220,263	49,030	-	1,269,293
Economic Development	-	-	-	-
Total community and economic development	<u>1,220,263</u>	<u>49,030</u>	<u>-</u>	<u>1,269,293</u>
Total governmental funds capital assets	<u>\$ 1,236,830,652</u>	<u>72,767,963</u>	<u>2,126,826</u>	<u>1,307,471,789</u>

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

STATISTICAL SECTION
(unaudited)



City of El Paso Statistical Section

This part of the City of Statistical'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	126
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment with which the city's financial activities take place	131
<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.	133

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for fiscal year 2007. The city implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 149,010,953	126,666,660	124,115,981	130,003,295	140,935,012	139,848,416
Restricted	59,250,860	68,610,583	57,817,272	59,196,922	68,733,626	76,565,782
Unrestricted	<u>3,156,607</u>	<u>(3,046,854)</u>	<u>15,546,268</u>	<u>(36,500,168)</u>	<u>(67,192,341)</u>	<u>(102,599,515)</u>
Total governmental activities net assets	<u>\$ 211,418,420</u>	<u>192,230,389</u>	<u>197,479,521</u>	<u>152,700,049</u>	<u>142,476,297</u>	<u>113,814,683</u>
 Business-type activities						
Invested in capital assets, net of related debt	\$ 175,314,768	173,824,992	206,129,774	215,569,993	217,502,256	249,477,785
Restricted	36,458,279	32,816,326	22,536,194	23,721,769	26,038,264	25,722,710
Unrestricted	<u>19,675,417</u>	<u>22,027,866</u>	<u>(1,101,298)</u>	<u>11,269,135</u>	<u>17,226,535</u>	<u>5,678,448</u>
Total business-type activities net assets	<u>\$ 231,448,464</u>	<u>228,669,184</u>	<u>227,564,670</u>	<u>250,560,897</u>	<u>260,767,055</u>	<u>280,878,943</u>
 Primary government						
Invested in capital assets, net of related debt	\$ 324,325,721	300,491,652	330,245,755	345,573,288	358,437,268	389,326,201
Restricted	95,709,139	101,426,909	80,353,466	82,918,691	94,771,890	102,288,492
Unrestricted	<u>22,832,024</u>	<u>18,981,012</u>	<u>14,444,970</u>	<u>(25,231,033)</u>	<u>(49,965,806)</u>	<u>(96,921,067)</u>
Total governmental activities net assets	<u>\$ 442,866,884</u>	<u>420,899,573</u>	<u>425,044,191</u>	<u>403,260,946</u>	<u>403,243,352</u>	<u>394,693,626</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2003-2007

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
General government	\$ 26,712,552	33,524,492	39,267,475	41,324,544	32,236,865	35,819,019
Public safety	168,101,107	166,270,434	175,113,112	211,655,591	202,415,512	207,468,617
Public works	64,029,296	60,320,589	54,184,948	62,590,505	64,770,369	65,296,644
Public health	18,323,647	23,207,396	21,013,400	22,917,380	26,016,660	26,908,285
Parks	15,061,696	16,775,398	16,020,341	17,324,834	18,962,330	20,272,370
Library	6,513,052	7,545,588	5,828,037	7,581,934	7,156,480	9,223,454
Culture & recreation	10,532,736	11,235,927	11,348,870	10,842,574	13,083,810	15,856,297
Community & economic development	19,082,055	21,962,296	15,167,888	23,449,341	31,901,231	20,209,095
Interest on long-term debt	21,146,790	17,061,437	18,012,558	15,749,939	19,256,304	24,319,731
Total governmental activities expenses	<u>349,502,931</u>	<u>357,903,557</u>	<u>355,956,629</u>	<u>413,436,642</u>	<u>415,799,561</u>	<u>425,373,512</u>
Business-type activities:						
International airport operations	27,700,793	28,600,500	28,818,394	32,202,892	31,495,679	32,461,434
Industrial park and other operations					2,325,816	3,755,998
International bridges operations	2,814,122	2,843,756	3,029,436	3,550,111	3,920,870	3,531,138
Solid waste disposal operations	21,834,341	24,340,677	28,703,259	15,498,416	32,011,444	29,062,025
Mass transit operations	40,295,111	44,267,736	45,231,636	45,853,919	47,270,617	49,391,220
Total business-type activities expenses	<u>92,644,367</u>	<u>100,052,669</u>	<u>105,782,725</u>	<u>97,105,338</u>	<u>117,024,426</u>	<u>118,201,815</u>
Total primary government expenses	<u>\$ 442,147,298</u>	<u>457,956,226</u>	<u>461,739,354</u>	<u>510,541,980</u>	<u>532,823,987</u>	<u>543,575,327</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	1,672,984	2,739,751	3,693,791	3,814,092	4,305,508	5,968,933
Public safety	23,386,121	31,389,279	35,591,997	28,741,771	18,447,269	3,507,046
Public works	7,302,614	7,620,905	11,280,055	15,374,828	15,896,953	22,729,186
Public health	2,561,363	3,537,388	4,349,549	2,390,038	4,523,753	4,287,063
Parks	2,673,863	2,811,911	3,038,679	2,739,742	4,804,378	3,979,702
Library	209,915	227,565		25,701	258,451	267,553
Culture and recreation	1,077,759	1,062,427	1,156,533	1,061,798	1,044,959	1,135,146
Community and economic development	2,934,863	4,476,487	2,829,346	188,986	5,976,060	7,647,176
Operating grants and contributions	40,685,867	39,087,412	37,667,385	43,994,501	53,903,277	32,231,046
Capital grants and contributions	9,662,029	7,007,936	12,933,126	10,189,398	14,749,088	10,553,676
Total governmental activities program revenues	<u>92,167,378</u>	<u>99,961,061</u>	<u>112,540,461</u>	<u>108,520,855</u>	<u>123,909,696</u>	<u>92,306,527</u>
Business-type activities:						
Charges for services:						
International airport operations	25,611,417	18,747,995	21,694,995	24,203,962	24,408,554	26,770,747
Industrial park and other operations		7,526,512	5,883,050	5,917,634	6,471,173	7,000,610
International bridges operations	10,516,331	11,116,917	12,000,216	14,192,515	14,613,388	14,093,206
Solid waste disposal operations	25,630,336	27,230,865	29,423,203	28,609,380	34,867,563	37,445,758
Mass transit operations	7,196,770	6,821,455	7,047,775	7,123,105	7,551,341	7,781,901
Operating grants and contributions	10,667,890	11,798,744	13,203,546	9,863,996	15,956,421	8,483,199
Capital grants and contributions	16,721,304	10,802,246	9,943,357	22,081,292	10,994,492	21,955,766
Total business-type activities program revenues	<u>96,344,048</u>	<u>94,044,734</u>	<u>99,196,142</u>	<u>111,991,884</u>	<u>114,862,932</u>	<u>123,531,187</u>
Total primary government activities program revenues	<u>\$ 188,511,426</u>	<u>194,005,795</u>	<u>211,736,603</u>	<u>220,512,739</u>	<u>238,772,628</u>	<u>215,837,714</u>
Net (Expense)/ Revenue						
Governmental activities	\$ (257,335,553)	(257,942,496)	(243,416,168)	(304,915,787)	(291,889,865)	(333,066,985)
Business-type activities	3,699,681	(6,007,935)	(6,586,583)	14,886,546	(2,161,494)	5,329,372
Total primary government net expense	<u>\$ (253,635,872)</u>	<u>(263,950,431)</u>	<u>(250,002,751)</u>	<u>(290,029,241)</u>	<u>(294,051,359)</u>	<u>(327,737,613)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Ad valorem taxes	\$ 127,981,301	132,122,616	136,847,063	142,815,161	149,201,403	159,778,240
Sales taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224
Franchise taxes	28,209,095	28,343,827	30,630,964	32,867,495	37,626,413	41,999,260
Gain on disposal of capital assets					1,474,788	1,844,241
Transfers	19,679,913	21,996,686	21,191,700	20,540,179	20,958,294	20,735,493
Investment earnings	4,070,326	1,781,773	1,740,215	2,791,459	4,330,894	6,729,913
Total Government activities	<u>232,090,965</u>	<u>238,754,465</u>	<u>248,665,300</u>	<u>260,136,315</u>	<u>281,666,113</u>	<u>304,405,371</u>
Business-type activities:						
Taxes						
Sales taxes	23,482,957	24,086,524	25,747,419	26,679,844	29,710,436	31,608,166
Investment earnings	2,462,781	872,646	926,350	1,970,016	3,325,583	3,901,695
Gain on disposal of capital assets					289,927	8,149
Transfers	(19,679,913)	(21,996,686)	(21,191,700)	(20,540,179)	(20,958,294)	(20,735,493)
Total business-type activities	<u>6,265,825</u>	<u>2,962,484</u>	<u>5,482,069</u>	<u>8,109,681</u>	<u>12,367,652</u>	<u>14,782,517</u>
Total primary government	<u>\$ 238,356,790</u>	<u>241,716,949</u>	<u>254,147,369</u>	<u>268,245,996</u>	<u>294,033,765</u>	<u>319,187,888</u>
Change in Net Assets						
Governmental activities	\$ (25,244,588)	(19,188,031)	5,249,132	(44,779,472)	(10,223,752)	(28,661,614)
Business-type activities	9,965,506	(3,045,451)	(1,104,514)	22,996,227	10,206,158	20,111,889
Total	<u>\$ (15,279,082)</u>	<u>(22,233,482)</u>	<u>4,144,618</u>	<u>(21,783,245)</u>	<u>(17,594)</u>	<u>(8,549,725)</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2003-2007

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

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund						
Reserved	\$ 19,896,947	19,275,629	18,985,448	19,134,781	19,087,141	18,749,504
Unreserved	<u>25,184,462</u>	<u>22,047,051</u>	<u>17,363,518</u>	<u>17,202,918</u>	<u>15,790,210</u>	<u>22,602,463</u>
Total general fund	<u>\$ 45,081,409</u>	<u>41,322,680</u>	<u>36,348,966</u>	<u>36,337,699</u>	<u>34,877,351</u>	<u>41,351,967</u>
All Other Governmental Funds						
Reserved	\$ -	-	-	2,125,539	1,526,873	3,128,261
Unreserved, reported in:						
Special Revenue funds	9,462,100	11,236,359	12,864,318	14,258,929	17,968,077	18,681,662
Debt service funds	11,601,478	5,577,479	510,765	499,449	842,041	1,388,518
Capital projects funds	<u>64,185,957</u>	<u>58,944,445</u>	<u>31,014,149</u>	<u>13,147,988</u>	<u>19,383,110</u>	<u>19,687,079</u>
Total all other governmental funds	<u>\$ 85,249,535</u>	<u>75,758,283</u>	<u>44,389,232</u>	<u>30,031,905</u>	<u>39,720,101</u>	<u>42,885,520</u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2003-2007

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues						
Property Taxes	\$ 128,068,036	131,142,591	136,314,193	143,354,730	149,919,202	160,955,530
Sales Taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224
Franchise Fees	28,209,095	28,343,827	30,630,964	32,867,495	34,683,663	44,753,181
Charges for Services	12,985,789	16,070,790	17,974,604	20,181,184	28,701,760	35,626,913
Fines and Forfeits	15,821,180	15,757,528	16,435,462	15,158,118	13,823,031	15,022,482
Licenses and Permits	6,892,974	7,027,975	8,656,832	10,119,783	10,622,692	12,247,930
Intergovernmental Revenues	50,347,895	46,095,348	43,692,655	51,519,022	57,411,949	40,979,531
County Participation					2,083,180	1,832,806
Interest	5,449,322	1,812,000	1,757,841	2,872,379	3,860,994	7,601,551
Rents and Other	6,418,091	9,559,643	17,142,729	7,643,562	9,628,008	5,792,472
Net Increase (Decrease) in the Fair Value of Investments			(17,626)	177,142	(276,034)	(12,500)
Total Revenues	<u>\$ 306,342,712</u>	<u>310,319,265</u>	<u>330,843,012</u>	<u>345,015,436</u>	<u>378,532,766</u>	<u>398,118,120</u>
Expenditures						
General Government	\$ 24,213,546	26,244,962	27,316,891	28,606,052	26,752,926	28,372,232
Public Safety	150,524,772	157,049,358	165,893,165	169,556,821	176,661,936	283,911,882
Public Works	34,150,067	35,757,909	36,449,919	37,250,657	37,739,911	24,727,919
Public Health	17,093,640	22,359,589	21,555,610	21,951,974	24,906,214	26,202,064
Facilities Maintenance						14,862,618
Parks	13,117,106	14,165,341	14,891,894	15,134,311	16,519,085	17,669,603
Library	5,206,120	5,704,701	5,666,299	5,682,907	6,384,195	7,820,910
Non Departmental	285,193	881,312	891,060	1,771,003	1,485,256	5,168,597
Culture and Recreation	8,398,177	9,337,744	9,584,066	9,029,232	9,413,589	11,854,062
Economic Development	749,087	2,197,676	2,085,509	2,236,143	2,545,525	2,646,778
Mass Transportation					33,675	
Solid Waste		47,471	10,022	25,634	195,848	
Community and Human Development	18,448,475	13,982,901	13,183,487	18,967,948	16,554,438	12,286,722
Capital Outlay	72,946,560	72,936,309	71,435,776	91,455,484	106,981,475	101,415,992
Debt Service:						
Principal	17,045,330	20,426,627	20,767,718	19,416,716	25,390,920	27,149,797
Interest	19,367,689	18,153,214	19,315,221	16,690,016	19,277,245	20,633,814
Arbitrage Rebate	93,847	279,702				
Payment to Refunding to Bond Escrow Agent	1,790,000			1,508,975		1,360,000
Fiscal Fees	948,784	255,053	49,584	1,980,921	678,607	4,022,146
Total Expenditures	<u>\$ 384,378,393</u>	<u>399,779,869</u>	<u>409,096,221</u>	<u>441,264,794</u>	<u>471,520,845</u>	<u>590,105,136</u>
Excess (Deficiency) of revenues over expenditures	\$ (78,035,681)	(89,460,604)	(78,253,209)	(96,249,358)	(92,988,079)	(191,987,016)
Other Financing Sources (Uses)						
Transfers from Other funds	\$ 20,852,055	24,446,476	23,567,019	25,419,672	34,116,535	33,517,166
Transfers Out	(1,172,142)	(2,199,791)	(2,375,319)	(4,879,493)	(13,158,241)	(12,781,673)
Face Amount of Bonds Issued	25,409,000	40,549,000		17,315,000	56,350,000	176,240,000
Face Amount of Commercial Paper Issued	5,000,000	13,000,000	20,500,000	39,500,000	20,000,000	
Face Amount of Refunding Bonds Issued	55,090,000		29,265,000	152,190,000		95,190,000
Premium on Issuance of Bonds	3,479,377	132,763	2,047,876	10,228,013	2,190,648	5,707,251
Payment to Refunding to Bond Escrow Agent	(58,004,579)		(31,312,876)	(160,486,753)		(98,303,289)
Proceeds from Sale of Capital Assets	503,985	282,175	218,744	2,594,325	1,716,985	2,057,596
Total other financing sources (uses)	<u>\$ 51,157,696</u>	<u>76,210,623</u>	<u>41,910,444</u>	<u>81,880,764</u>	<u>101,215,927</u>	<u>201,627,051</u>
Net change in fund balance	<u>\$ (26,877,985)</u>	<u>(13,249,981)</u>	<u>(36,342,765)</u>	<u>(14,368,594)</u>	<u>8,227,848</u>	<u>9,640,035</u>
Debt service as a percentage of noncapital expenditures	11.91%	11.30%	11.64%	10.69%	11.57%	10.28%

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: City of El Paso Financial Statements 2003-2007

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

Fiscal Year Ended August 31,	Residential Property	Commercial Property	Industrial Property	Actual Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 11,146,866,901	5,262,399,538	2,937,150,177	19,346,416,616	2,090,140,761	17,256,275,855	1.394234
2003	11,380,139,780	5,658,223,160	2,560,603,267	19,598,966,207	1,804,376,401	17,794,589,806	1.433300
2004	11,813,277,667	5,776,039,066	2,357,113,674	19,946,430,407	1,757,517,194	18,188,913,213	1.454415
2005	13,174,534,808	6,058,031,409	2,440,355,008	21,672,921,225	1,843,419,090	19,829,502,135	1.452701
2006	14,280,033,787	6,598,225,436	2,070,795,198	22,949,054,421	1,899,324,828	21,049,729,593	1.448908
2007	15,837,328,729	7,392,991,333	2,221,565,699	25,451,885,761	1,887,264,732	23,564,621,029	1.370714

* GASB Statement No. 34 was implemented in fiscal year 2002.
 Source: Central Appraisal District

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

Fiscal Year	City Direct Rates							Overlapping Rates			
	City of El Paso		County of El Paso	Thomason Hospital	El Paso Community College	Total Direct	Canutillo	El Paso	Socorro	Ysleta	
	Basic Rate	Debt Service Rate					Independent School District	Independent School District	Independent School District	Independent School District	
2002	\$ 0.542100	0.177733	0.361434	0.185468	0.127499	1.394234	1.606870	1.571579	1.558769	1.549581	
2003	0.542100	0.177733	0.396610	0.185468	0.131389	1.433300	1.710000	1.571579	1.615500	1.555755	
2004	0.542100	0.177733	0.410817	0.187128	0.136637	1.454415	1.700000	1.571100	1.602500	1.570482	
2005	0.524662	0.172015	0.432259	0.187128	0.136637	1.452701	1.741537	1.653500	1.637700	1.757438	
2006	0.508371	0.188306	0.432259	0.187128	0.132844	1.448908	1.734946	1.673500	1.627582	1.735903	
2007	0.481420	0.190906	0.391390	0.186000	0.120998	1.370714	1.664996	1.523500	1.493689	1.540000	

* GASB Statement No. 34 was implemented in fiscal year 2002.
 Source: City of El Paso Consolidated Tax Office

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

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 **			
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%
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%
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%
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%
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%
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%
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%
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%
Chevron U.S.A. Inc.										3	91,710,781	0.50%	3	106,817,743	0.62%
Elcon Inc.										10	46,752,306	0.26%			
T O T A L :		<u>\$ 1,132,566,289</u>	<u>4.81%</u>		<u>\$ 878,819,917</u>	<u>4.17%</u>		<u>\$ 876,529,103</u>	<u>4.43%</u>		<u>\$ 877,748,900</u>	<u>4.81%</u>		<u>\$ 882,600,712</u>	<u>5.13%</u>
Total Taxable Value:		<u>\$ 23,564,621,029</u>			<u>\$ 21,049,729,593</u>			<u>\$ 19,771,024,642</u>			<u>\$ 18,237,647,873</u>			<u>\$ 17,205,865,441</u>	

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

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

Fiscal Year Ended August 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 123,853,497	\$ 120,757,156	97.50%	\$ 2,566,088	\$ 123,323,244	99.57%
2003	127,389,296	124,077,174	97.40%	2,713,461	126,790,635	99.53%
2004	131,298,376	128,160,345	97.61%	2,393,235	130,553,580	99.43%
2005	137,734,528	134,787,009	97.86%	1,791,718	136,578,727	99.16%
2006	146,635,617	143,887,888	98.13%	1,159,199	145,047,087	98.92%
2007	158,386,697	154,736,687	97.70%		154,736,687	97.70%

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: El Paso City Tax Office

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

	2002	2003	2004	2005	2006
Total Personal Income	11,448,252	11,907,890	12,669,675	10,794,814	11,613,970
Farm Earnings	11,801	14,903	17,397	14,132	14,509
Nonfarm Earnings	11,436,451	11,892,987	12,652,278	10,780,682	11,599,461
Private Earnings	8,319,393	8,494,799	9,040,943	6,892,915	7,383,328
Agricultural services, forestry, fishing	14,578	15,693	17,938	9,455	10,899
Mining	30,861	32,300	12,126	5,871	5,028
Construction	544,181	582,243	630,598	439,367	503,250
Manufacturing	1,531,859	1,505,079	1,500,991		1,171,997
Durable Goods	768,422	812,264	820,402	617,551	661,379
Nondurable goods	763,437	692,815	680,589	429,114	510,618
Transportation and public utilities	727,807	698,571	786,877	671,766	724,512
Wholesale trade	494,275	524,253	581,866	508,349	561,413
Retail trade	912,726	960,828	982,120	838,789	880,785
Services	4,063,106	4,175,832	4,528,427	3,022,004	3,525,444
Government and government enterprises	3,117,058	3,398,188	3,611,335	3,887,767	4,216,133
Federal, civilian	637,473	658,304	736,387	785,249	835,926
Military	695,905	807,179	868,826	1,003,021	1,155,323
State and local	1,783,680	1,932,705	2,006,122	2,099,497	2,224,884

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

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

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006 *	2007 *
Agriculture, Forrestry, Fishing	7,154	8,154	9,630	9,518	9,910	11,275	10,923	12,098	5,560	5,560
Mining	9	215	25	6	4	167	67	8	0	0
Construction	87,482	94,040	98,111	96,568	85,559	87,954	96,527	98,518	46,368	63,575
Manufacturing	133,384	115,588	106,934	84,600	83,080	92,199	117,628	128,429	60,691	90,585
Transportation, Communications & Utilities **	223,701	243,592	251,443	251,681	265,433	239,929	228,909	220,176	123,775	114,409
Wholesale Trade	338,454	321,306	340,709	332,874	348,844	360,149	379,352	397,299	202,837	134,301
Retail Trade	2,398,471	2,716,354	2,845,217	2,894,402	2,996,404	3,078,627	3,262,524	3,422,177	1,715,550	1,576,276
Finance, Insurance & Real Estate	5,931	6,486	5,509	6,432	6,908	6,155	6,064	5,507	2,413	55,167
Services **	353,623	406,459	414,732	396,907	411,951	427,425	452,932	499,078	246,213	548,400
Public Administration	173	618	796	477	289	429	637	772	0	1,038
Nonclassifiable Establishments	935	876	852	1,003	879	958	1,032	918	0	0
Other **	0	0	0	3	5	1	2,758	117,128	117,721	70,534
Total	<u><u>3,549,317</u></u>	<u><u>3,913,688</u></u>	<u><u>4,073,958</u></u>	<u><u>4,074,471</u></u>	<u><u>4,209,266</u></u>	<u><u>4,305,268</u></u>	<u><u>4,559,353</u></u>	<u><u>4,902,108</u></u>	<u><u>2,521,128</u></u>	<u><u>2,659,845</u></u>

* Based on two (2) quarters for calendar year 2006 and 2007

** Industries varied in category for FY07

Source: Texas Comptroller of Public Accounts

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

Governmental Activities							
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligations	Commercial Paper	Total Government Activities	Percentage of Actual Property Value	Per Capita
2002	\$ 187,225	3,100	151,615	7,000	348,940	2.028%	504.14
2003	174,625	1,600	185,496	20,000	381,721	2.157%	541.70
2004	162,330		176,403	40,500	379,233	2.079%	528.76
2005	262,955		70,387	79,500	412,842	2.088%	565.70
2006	303,150		61,046	99,500	463,696	2.203%	614.10
2007	520,415		88,000		608,415	0.003%	792.40

Business-Type Activities							
Fiscal Year	Revenue Bonds	Certificates of Obligations	Contractual Obligations	Note Payable	Total Primary Government	Percentage of Actual Property Value	Per Capita
2002	\$ 39,555	24,568	467	5,245	418,775	2.433%	605.03
2003	35,930	24,998	241	10,129	453,019	2.560%	642.88
2004	38,660	21,756		9,255	448,904	2.455%	625.90
2005	33,930	18,478		8,585	473,835	2.391%	649.30
2006	32,010	15,159		8,094	518,959	2.466%	687.30
2007	30,030	12,510		7,383	658,338	0.003%	857.42

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

Source: City of El Paso Financial Statements 2003-2007

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

General Bonded Debt Outstanding							
Fiscal Year	Population	Taxable Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2002	692,152	\$ 17,256,276	366,982	11,601	355,381	2.059%	523.55
2003	704,671	17,794,590	386,980	5,577	381,403	2.143%	541.22
2004	717,211	18,188,913	400,990	511	400,479	2.202%	558.38
2005	729,791	19,829,502	431,320	2,625	428,695	2.162%	587.42
2006	755,085	21,049,730	478,855	2,317	476,538	2.264%	634.17
2007	767,814	23,564,621	620,925	4,470	616,455	2.616%	802.87

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

Population amount was taken from the City of El Paso Development Services, Planning Division Demographic Report

Source: Bonded debt and tax collections are taken from the 2003-2007 State of Texas Financial Statements.

City of El Paso
Direct and Overlapping Governmental Activities Debt
As of August 31, 2007
(dollars in millions)

<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	\$ 65,935	86.71%	\$ 57,172
El Paso County	100,010	90.86%	90,869
El Paso County Hospital District	158,295	90.86%	143,827
El Paso County College District	-	90.86%	-
El Paso County School District	316,593	100.00%	316,593
Socorro Independent School District	367,938	76.44%	281,252
Ysleta Independent School District	258,750	100.00%	258,750
<u>City direct Debt</u>	760,785	100.00%	<u>760,785</u>
Total direct and overlapping debt			<u><u>\$ 1,909,248</u></u>

* GASB Statement No. 34 was implemented in fiscal year 2002.
Source: Texas Bond Review Board Website

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

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 23,564,621,029
Debt limit (10 percent of assessed value)	2,356,462,103
Debt applicable to limit:	
General obligation bonds & other property tax supported debt	658,337,916
Less: Special Revenue Bonds	(37,412,916)
Amount set aside for repayment of general obligation debt	(4,470,117)
Total net debt applicable to limit	<u><u>\$ 616,454,883</u></u>

	<u>Fiscal Year</u>					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 1,724,697,692	1,774,098,599	1,830,955,774	1,983,249,286	2,104,972,959	2,356,462,103
Total net debt applicable to limit	<u>355,171,890</u>	<u>378,956,115</u>	<u>400,479,235</u>	<u>433,944,987</u>	<u>436,433,935</u>	<u>616,454,883</u>
Legal debt margin	<u><u>\$ 1,369,525,802</u></u>	<u><u>1,395,142,484</u></u>	<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>1,740,007,220</u></u>
Total net debt applicable to the limit as a percentage of debt limit	20.6%	21.4%	21.9%	21.9%	20.7%	26.2%

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

City of El Paso
Pledged Revenue Bond Coverage
Last six years

Revenue Bond Coverage

El Paso International Airport						
Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
2002	\$ 25,611,418	19,202,056	6,409,362	3,195,000	2,190,836	1.19
2003	26,550,468	15,606,206	10,944,262	3,365,000	2,023,099	2.03
2004	27,578,045	17,263,487	10,314,558	4,479,023	920,977	1.91
2005	30,121,596	20,144,373	9,977,223	3,420,000	575,425	2.50
2006	30,879,727	20,899,485	9,980,242	560,000	438,625	9.99
2007	33,771,357	23,408,336	10,363,021	575,000	421,825	10.40

Department of Environmental Services						
Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
2002	\$ 25,630,336	18,068,598	7,561,738	2,774,201	938,252	2.04
2003	27,255,280	19,913,561	7,341,719	3,406,474	1,188,536	1.60
2004	29,447,618	21,470,299	7,977,319	3,454,703	1,171,229	1.72
2005	28,609,380	8,267,450	20,341,930	4,275,349	2,099,361	3.19
2006	34,867,563	23,986,740	10,880,823	4,348,891	1,917,273	1.74
2007	37,445,758	22,975,513	14,470,245	3,713,161	1,966,660	2.55

Other Enterprise Funds						
Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
2002	\$ 10,521,134	2,086,471	8,434,663	245,000	116,909	23.31
2003	11,116,917	2,525,761	8,591,156	260,000	106,113	23.47
2004	12,000,216	2,143,803	9,856,413	297,606	100,890	24.73
2005	14,192,515	2,264,489	11,928,026	313,754	87,528	29.72
2006	14,613,388	2,481,045	12,132,343	329,950	73,240	30.09
2007	14,415,189	2,684,476	11,730,713	341,196	58,193	29.37

Source: City of El Paso Financial Statements 2002-2007

City of El Paso
Principal Employers
Last Two Fiscal Years

<u>Employer</u>	<u>2007 (a)</u>			<u>2006 (b)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Fort Bliss	10,000	1	3.66%	6,803	2	2.57%
El Paso Independent School District	9,000	2	3.29%	8,663	1	3.27%
Ysleta Independent School District	7,200	3	2.63%	6,500	3	2.45%
Sierra Providence Health Network	6,587	4	2.41%	3,761	7	1.42%
City of El Paso	6,000	5	2.19%	6,264	4	2.37%
Socorro Independent School District	5,041	6	1.84%	3,995	6	1.51%
T&T	4,200	7	1.54%			
University of Texas at El Paso	3,400	8	1.24%	4,871	5	1.84%
Echostar Communications Corporation	2,900	9	1.06%			
Del Sol/ Las Palmas	2,300	10	0.84%			
El Paso Community College				3,728	8	1.41%
Wal-Mart				3,706	9	1.40%
County of El Paso				2,700	10	1.02%
TOTAL :	<u>56,628</u>		<u>20.70%</u>	<u>50,991</u>		<u>19.26%</u>
 Total employed (c)		<u>273,500</u>		<u>264,800</u>		

Note: Information for 2003-2005 not available
(a) Source: www.elpasoredco.org website
(b) Source: El Paso, Texas - Wikipedia website
(c) Source: U.S. Dept of Labor

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

Year	Population (1)				Per Capita Personal income (2)		
	U.S.	Change from prior Period	State of Texas	Change from prior Period	U.S.	State of Texas	Texas as a Percentage of U.S.
2002	\$ 287,941,220		21,723,220		\$ 30,795	28,793	93.50%
2003	290,788,976	0.9890%	22,103,374	1.7510%	31,466	29,340	93.24%
2004	293,655,404	0.9860%	22,490,022	1.7510%	33,090	30,664	92.67%
2005	296,507,061	0.9710%	22,928,508	1.9540%	34,471	32,460	94.17%
2006	299,398,484	0.9750%	23,507,783	2.5260%	36,276	34,257	94.43%
2007	not available		not available		not available	not available	

Data Sources:

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

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

	2007			2006			2005			2004			2003			2002		
	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire
General Fund	1728	1038	761	1,611	995	774	1,554	1,008	753	1,585	964	790	1,733	983	795	1,588	947	794
Community Development Block Grants	45			41			42			50			53			52		
Capital Projects Fund	4			3						3			3			4		
Federal Grants	25	17	2	28	32	2	30	46		39	75		36	111		29	149	
State Grants	20	10		17	9		16	11	2	16	11	2	18	8	2	13	21	2
Other Grants	1			1			2			1			10			13		
Health District	153			157			150			149			156			147		
Health District-Grants	210			222			219			223			219			192		
Non Grants	102			90			131			119			308			168		
Supply and Support Funds	69			71			74			83			88			87		
Self Insurance Funds	12			8			8			8			8			8		
El Paso International Airport	230	23	28	223	19	29	210	11	22	206	17		203	20		172	21	
International Bridges	46			46			43			43			48			42		
Environmental Services	255			250			257			252			270			240		
Mass Transit	564			556			567			567			597			558		
Private Purpose Trusts	3			4			3			4			2			2		
CEPF	4			4			4			4			5			4		
	<u>3,471</u>	<u>1,088</u>	<u>791</u>	<u>3,332</u>	<u>1,055</u>	<u>805</u>	<u>3,310</u>	<u>1,076</u>	<u>777</u>	<u>3,352</u>	<u>1,067</u>	<u>792</u>	<u>3,757</u>	<u>1,122</u>	<u>797</u>	<u>3,319</u>	<u>1,138</u>	<u>796</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>												
Public Safety	2,328	2,219	2,212	2,231	2,298	2,264												
Public Works	467	425	426	463	488	461												
Public Health	372	379	369	372	375	339												
General Government	275	336	331	331	375	347												
Parks Department	282	349	389	376	614	470												
Library	174	154	127	130	149	112												
Culture and Recreation	136	46	40	44	51	47												
Community and Human Development	58	55	53	62	60	58												
Economic Development	14	9	7	10	14	12												
Planning	13	14	13	12	13	11												
Supply and Support Funds	69	71	74	83	88	87												
Self Insurance Funds	12	8	8	8	8	8												
El Paso International Airport	281	271	243	223	223	193												
International Bridges	46	46	43	43	48	42												
Solid Waste Management	255	250	257	252	270	240												
Mass Transit	564	556	567	567	597	558												
CEPF	4	4	4	4	5	4												
Total	5,350	5,192	5,163	5,211	5,676	5,253												

Source: Financial Services Department Payroll Division