



# POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
**AUGUST 31, 2022**

Prepared by: City of El Paso, Office of the Comptroller

# Table of Contents

Transmittal Letter	2
Financial Reporting Awards	3
District Map With Elected Officials	4
City Manager & Leadership	5
Property Tax	6
Budget Process	7
Revenues - General Fund	8
Expenditures - General Fund	9
Fund Balance - General Fund	10
Debt Working For You	11
Capital Projects Fund	12
Federal and State Grants	13
COVID-19 Related Funding	14
Citywide Achievements	15
Sun City Beats - Did You Know?	16
All-America City	17
Our Commitment	18

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Office of the Comptroller

[elpasotexas.gov/office-of-the-comptroller](https://elpasotexas.gov/office-of-the-comptroller)



## More Information

[Annual Comprehensive Financial Report](#)



[Annual Single Audit Report](#)



# Letter from City of El Paso

Dear City of El Paso Residents,

As we conclude another fiscal year we take this opportunity to share the financial highlights that were key to maintain and improve our City as an exceptional place to live.

The City continues to recover from the outbreak of the COVID-19 pandemic, City leaders focus on core and essential services, finding innovative ways to deliver them by building resilience in dealing with health, financial and operational impacts. The tax rate for the current year remained the same as fiscal year 2021 and will decrease for fiscal year 2023.

This past fiscal year the City continued to execute its strategic plan and was able to achieve many of its goals including investing \$10 million in street infrastructure in order to expand and beautify our roads, secured grant funding in the amount of \$32 million to expand international bridges service capacity and \$12 million for the Ysleta Port of Entry pedestrian improvements. The City also Invested in public safety operations by working diligently on the signature projects related to the Public Safety Bond authorization. As of the date of this report, major signature projects such as the Eastside Regional Command Center and Fire Station 36 are under construction. Our capital improvement department has been working on completing several projects within the year. Approximately 50 projects were completed, benefiting the overall community not only by providing street reconstruction projects, pedestrian enhancements, parks, libraries, and facilities improvements, but providing jobs that support our economy and way of living. The City estimates that capital projects have generated approximately 44,329 jobs since the year 2011 and in fiscal year 2022 it created 6,500 new jobs supported by construction and redevelopment. Over 172 Quality of Life projects have been completed through the date of this report and we are currently working on the construction of the Mexican American Cultural Center and the Children's Museum. Both projects are projected to open to the public in the summer of 2023.

The City's 2022 General Fund balanced increased is the result of strategically planning the use of resources while ensuring budget savings in non-essential cost. General Fund recorded \$23 million excess of sales tax revenue over original budget and \$11.1 million of excess franchise fees. Out of this excess, \$12.7 million was utilized to continue funding the operating and debt stabilization fund, the pension stabilization fund and provide capital for information technology and parks and recreation needs.

The City of El Paso expended nearly \$150 million in federal grants and approximately \$9 million in state grants during the year. Grant funding is used to enhance, continue and or start programs needed in the community. Grant funds are extremely important as these funds are utilized to pay for City programs and projects that might otherwise go unfunded. Some of the programs and projects include helping homelessness prevention, transportation and construction efforts, quality of life programs, parks & library renovations and respond to health and safety measures such as to the migrant crisis our community has been experiencing.

We continue to work towards preserving the financial stability of the City, improving the quality of life of our residents and ensuring the City continues to be an excellent place to live. The information herein included has been obtained from our Annual Comprehensive Financial Report (ACFR) which can be found in our City's website. The ACFR includes the City's results of operations and has been audited by an independent Certified Public Accounting Firm.

We hope you enjoy this report and we thank you for the opportunity to be transparent and for entrusting us with the management of the City's finances.



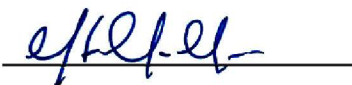
Tommy Gonzalez

*City Manager*



Robert Cortinas

*Chief Financial Officer*



Margarita Munoz, CGFM

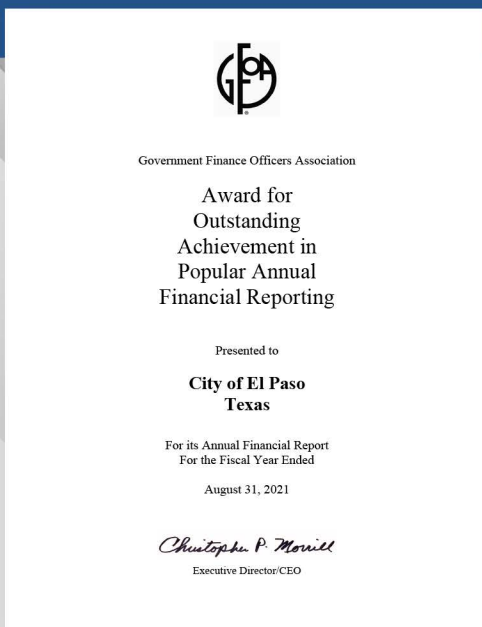
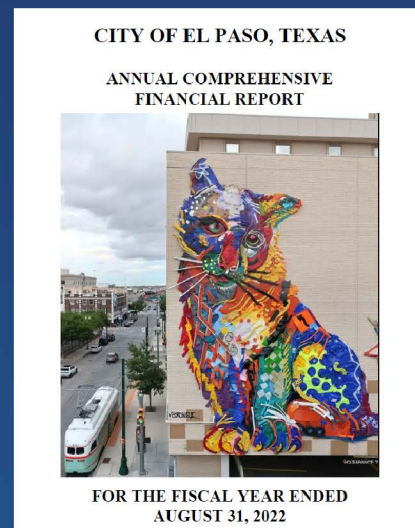
*Comptroller*

# Financial Reporting Awards



The City of El Paso, Texas Annual Comprehensive Financial Report for the fiscal year ended August 31, 2021 was awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

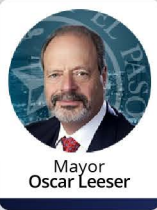
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.



The Popular Annual Financial Report (PAFR) presented to you, incorporates information from the ACFR in a way that is understandable and accessible to all citizens regardless of their background in accounting and finance. Our City is committed to transparency and keeping our citizens informed. As of the issuance date of this report, the City has earned from GFOA the *Certificate of Achievement for Excellence in Financial Reporting* for 24 consecutive years and the *Distinguished Budget Presentation Award* for 28 consecutive years. Our first PAFR release took place in fiscal year 2021 and it has earned the GFOA *Award for Outstanding Achievement in Popular Annual Financial Reporting*.

# District Map With Elected Officials

Holding office as of the issuance date of this report



Mayor  
Oscar Leeser

## District Representatives



District 1  
Brian Kennedy



District 5  
Isabel Salcido



District 2  
Alexandra Anello



District 6  
Art Fierro



District 3  
Cassandra Hernandez



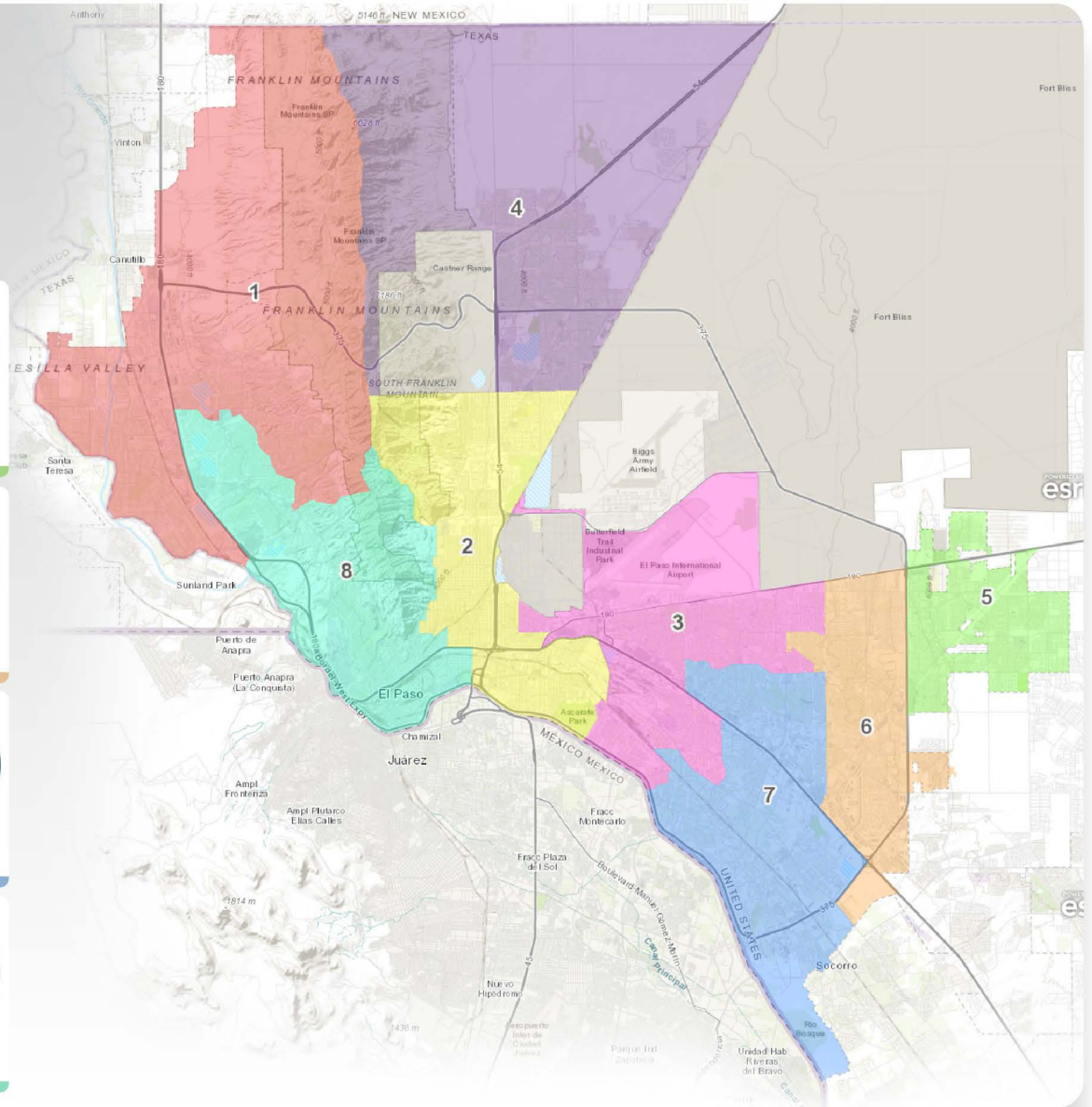
District 7  
Henry Rivera



District 4  
Joe Molinar



District 8  
Chris Canales



## Capital Projects Highlights by District

### District 1

- River Bend Phase III
- Robinson Phase II

### District 2

- Alabama Bridge Reconstruction
- Newman Park Metal Shade Canopy

### District 3

- Riverside Park Improvements
- Seville Futsal Court and Park Amenities

### District 4

- Student Memorial Park Improvements
- Northgate (Metro 31) Transit Oriented Development - Floodplain Mitigation

### District 5

- Ventanas Destiny Metal Shade Canopy
- Esperanza Acosta Moreno Library Improvements

### District 6

- Sports Field Lighting - Capistrano Ball Field
- Pueblo Viejo Park Improvements

### District 7

- E.L. Williams Park Improvement - Additional Amenities
- Rio del Norte Intersection Improvements

### District 8

- Chamizal Pedestrian Enhancements Phase II
- Armijo Branch Library Improvements

# City Manager & Leadership



**Tommy Gonzalez**  
City Manager



**Dionne Mack**  
Deputy City Manager



**Robert Cortinas**  
Deputy City Manager  
& Chief Financial Officer



**Tracey Jerome**  
Senior Deputy City Manager



**Mario D'Agostino**  
Deputy City Manager



**Karla Nieman**  
City Attorney



**Sam Rodriguez**  
Chief Operations Officer



**Ellen Smyth**  
Chief Transit &  
Field Operations Officer



**Laura Cruz-Acosta**  
Strategic Communications

# Property Tax

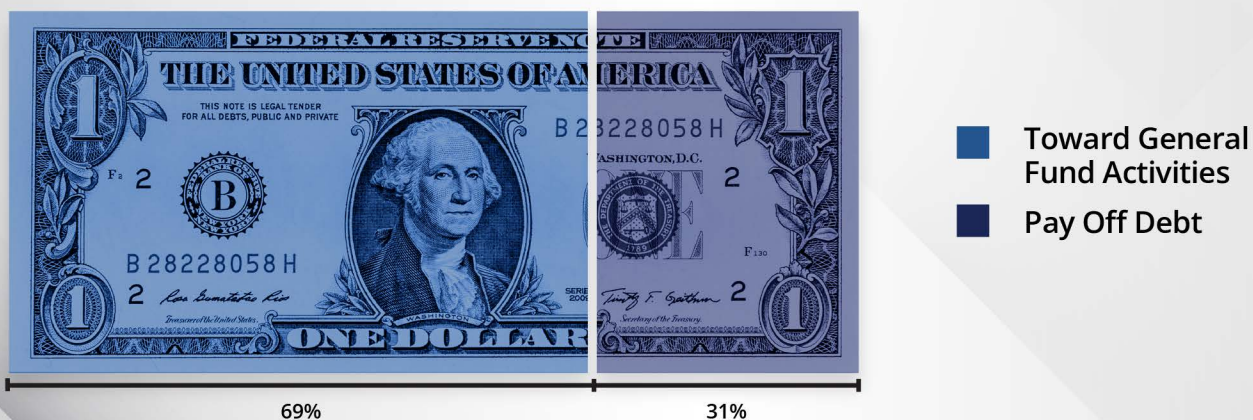
Pays debt service and maintenance and operations so the City can function. The following are tax dollars at work for the benefit of the El Paso community.

## How Your Property Taxes Are Allocated Per Dollar:

Tax Rate Per \$100 Valuation \$0.907301



## How The City Used Their Portion in Fiscal Year 2022:



Debt  
Service  
Fund

Debt payment  
is 100% funded  
by property taxes

### General Fund Activities



General Government



Public Safety



Public Works



Public Health



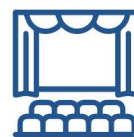
Community Development



Parks



Libraries



Culture



Recreation

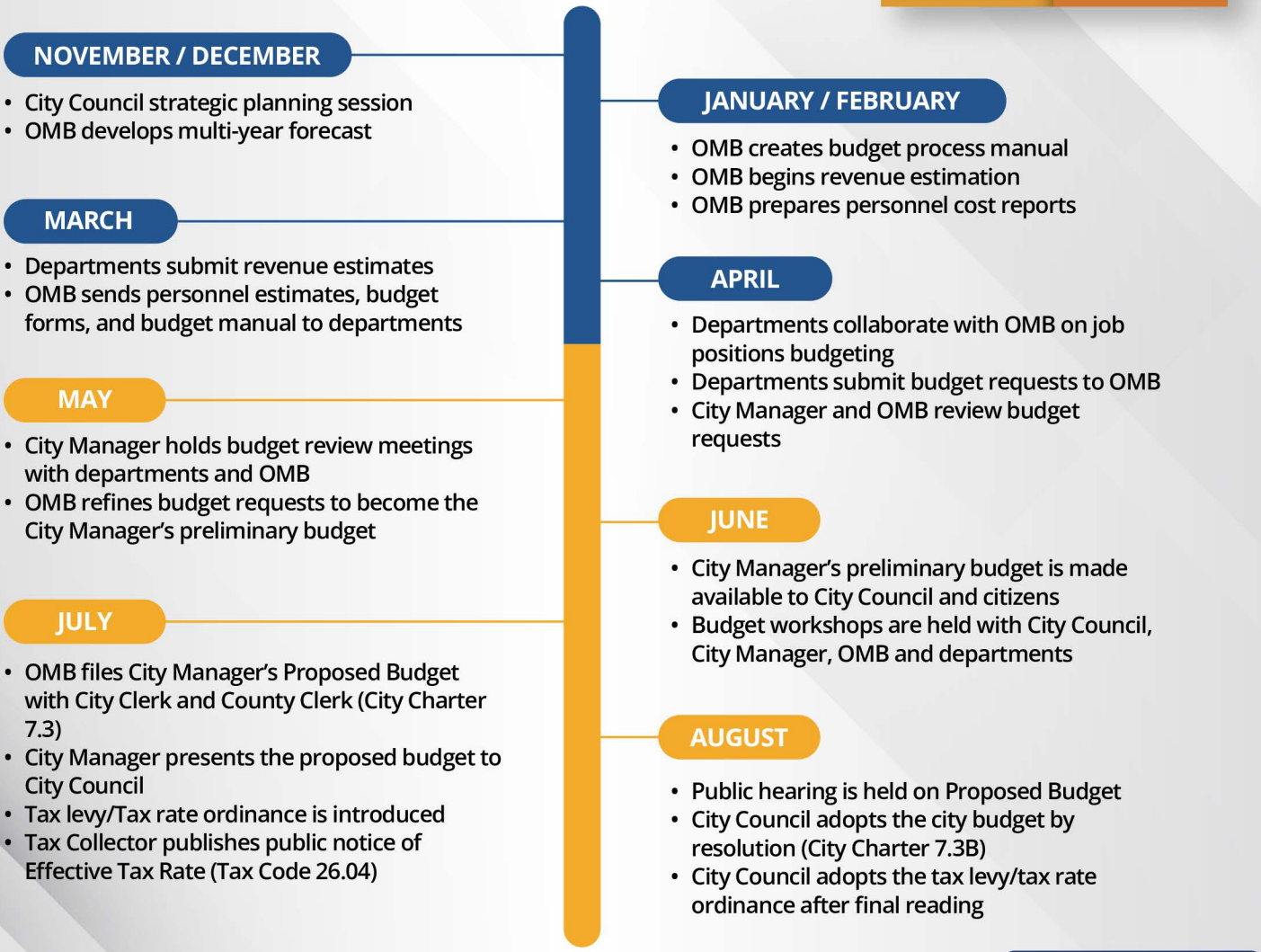


Economic Development

# Budget Process

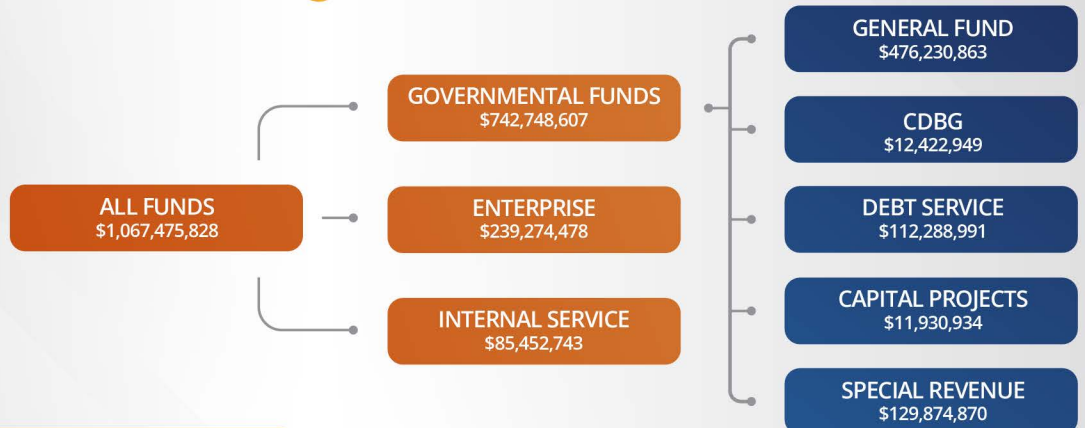
## How the Budget Cycle Helps

The Office of Management and Budget (OMB) develops and administers the budget process as a sound basis for planning, decision-making, and managing control of City resources for our community.



## Expenditure Budget Fiscal Year 2022

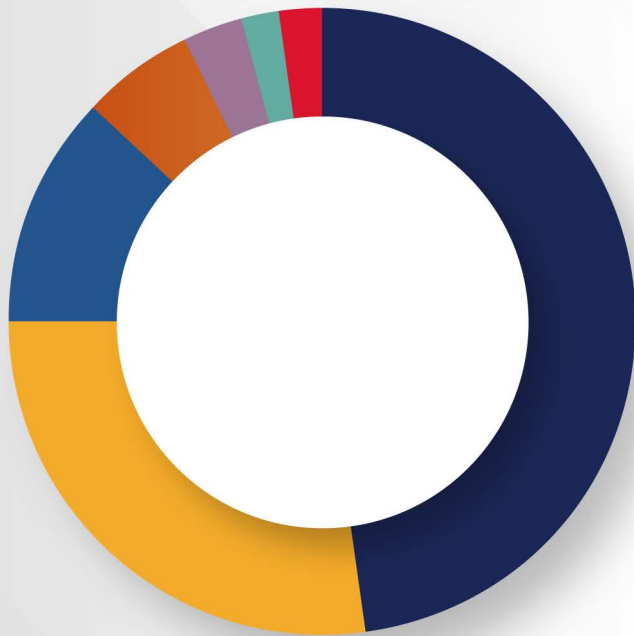
(Sep 1, 2021 – Aug 31, 2022)



[Fiscal Year 2022 Budget Book](#)



# Revenues – General Fund



**Total Amount of Revenues:  
\$494,174,376**

- 48 % Property Taxes
- 27 % Sales Taxes
- 12 % Franchise Fees
- 6 % Charges for Services
- 3 % Licenses and Permits
- 2 % Rents and Other
- 2 % Fines and Forfeitures

## Where the Money Comes From

The General Fund is the Operating fund for the City. In fiscal year 2022 (FY22), the City reported revenues of \$494 million. Property taxes continue to be the largest revenue source, followed by sales tax and franchise fees.

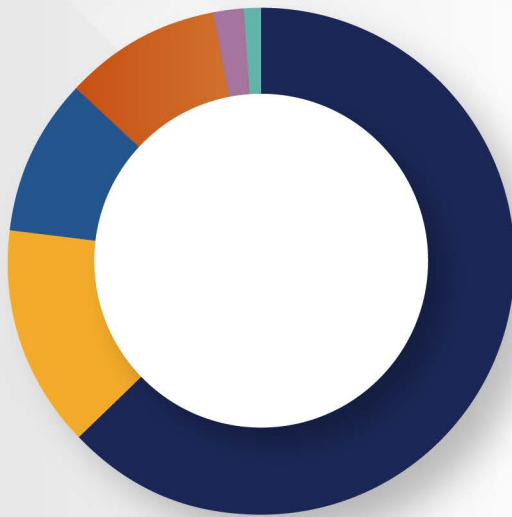
## How We Compared to Last Year

Property tax revenues increased by \$11.2 million due to an increase in property values combined with an increase of properties in the City of El Paso. The property tax rate did not change from the prior year. An increase in prices due to inflation caused sales tax revenue to increase by \$16.4 million from the prior year.

REVENUES	VARIANCE FY22 - FY21	FY22	FY21	FY20
Property Taxes	\$11,206,276	\$236,394,480	\$225,188,204	\$213,422,017
Sales Taxes	16,388,425	130,484,429	114,096,004	99,591,904
Franchise Fees	7,971,978	60,832,018	52,860,040	50,281,690
Charges for Services	4,114,867	30,467,689	26,352,822	25,510,531
Licenses and Permits	(205,931)	13,753,054	13,958,985	13,564,194
Rents and Other	919,235	11,036,444	10,117,209	8,084,044
Fines and Forfeitures	377,636	7,540,489	7,162,853	6,770,924
Intergovernmental Revenues	(518,171)	1,357,980	1,876,151	1,649,614
Penalties and Interest-Delinquent Taxes	(182,545)	1,460,492	1,643,037	1,458,170
Investment Earnings*	688,158	846,370	158,212	916,668
Sale of General Capital Assets	(26,933)	931	27,864	0
<b>Total Revenues</b>	<b>\$40,732,995</b>	<b>\$494,174,376</b>	<b>\$453,441,381</b>	<b>\$421,249,756</b>

\* Investment Earnings for fiscal year 2022 does not include an unrealized loss of \$3,496,390 reported in the ACFR for the purpose of recognizing changes in fair market value.

# Expenditures - General Fund



- 63% Public Safety
- 14% General Government
- 10% Culture and Recreation
- 10% Public Works
- 2% Economic Development
- 1% Public Health

## Where the Money Goes

EXPENDITURES	VARIANCE FY22 - FY21	FY22	FY21	FY20
Public Safety	\$172,863	\$273,244,602	\$273,071,739	\$251,960,895
General Government	10,060,520	61,669,985	51,609,465	49,073,946
Culture and Recreation	5,285,500	42,297,401	37,011,901	40,452,276
Public Works	3,627,589	41,640,969	38,013,380	37,598,336
Economic Development	542,207	8,888,461	8,346,254	8,652,886
Public Health	256,699	6,004,034	5,747,335	5,922,371
Capital Outlay*	(529,350)	740,876	1,270,226	2,146,930
Community and Human Development	12,980	682,597	669,617	835,188
<b>Total Expenditures</b>	<b>\$19,429,008</b>	<b>\$435,168,925</b>	<b>\$415,739,917</b>	<b>\$396,642,828</b>

\*Capital Outlay for fiscal year 2022 does not include the accounting entry for GASB 87 implementation of leases in the amount of \$5,004,376 as it does not affect the total amount of resources available to the City.

Presentation of expenditures by function in FY22 differs from the ACFR because it includes payments for leases necessary to provide services to the community that were reported in the ACFR as principal and interest in compliance with GASB 87 implementation.

### Where the Money Goes - Priorities

The City prioritizes public safety, which ensures that residents of El Paso experience lower rates of crime and traffic fatalities, as well as prompt responses from emergency services. Additionally, the City allocates ordinary and necessary resources toward covering expenses related to administration, including utility costs, payroll for city employees, professional services, lease payments for equipment and buildings, and various other expenses necessary to provide top-quality services to the community.

### How We Compared to Last Year

The City is committed to ensuring Public Safety by keeping expenses at a similar level to those of 2021. To attract and retain top talent, the City has made strategic adjustments to salaries and benefits. Additionally, investments in information technology are being made to maintain a secure network and meet other administrative needs for efficient City operations.

# Fund Balance – General Fund

## Restricted Funds

These are funds that the City sets aside as a cash reserve in order to provide coverage for unexpected expenditures in accordance with the City Charter. The City maintains a cash reserve of 5% of the prior year's adopted General Fund operating expenditure budget.

2020 \$21,429,890

2021 \$22,897,246

2022 \$22,099,714

## Committed Funds

The budget stabilization fund serves as a reserve of surplus revenues to be used with the purpose of:

- Minimizing future tax rate
- Protecting against raising charges for services and fees
- Providing available funding for specific circumstances as needed to maintain the same levels of service

2020 \$14,004,647

2021 \$16,818,794

2022 \$72,376,924

## Unassigned Funds

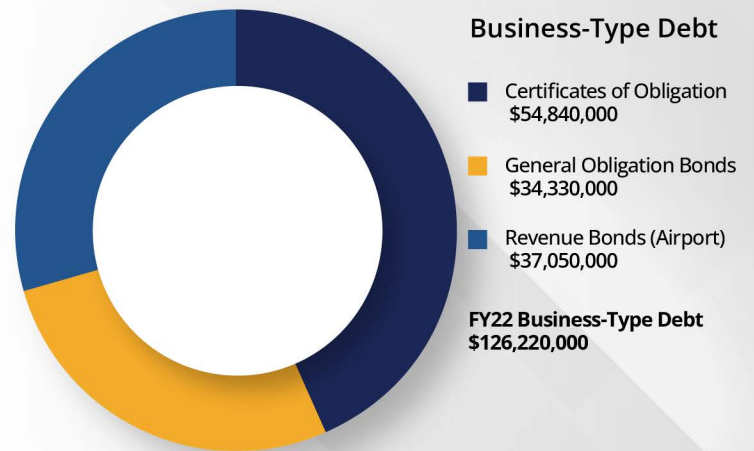
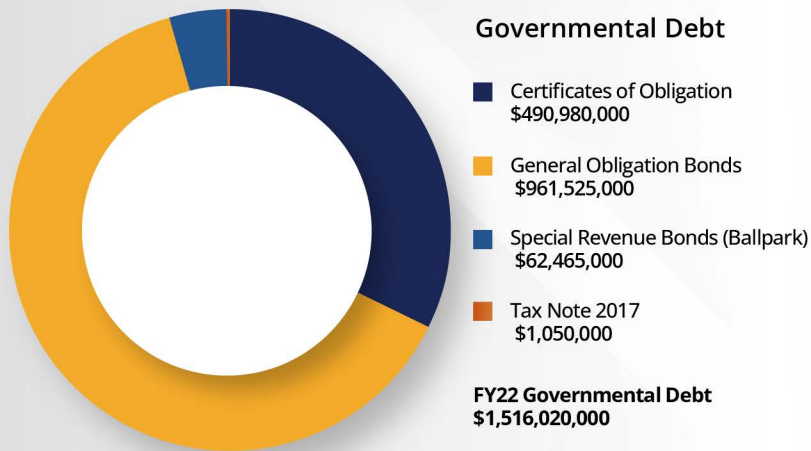
This is the residual fund balance after restrictions and commitments have been taken into account. The City strives to maintain adequate General Fund balance to ensure liquidity in anticipation of economic downturns or natural disasters. It is a best practice for a municipality to maintain an unassigned fund balance sufficient for 60 days to cover operating expenditures. As of August 31, 2022, the City's unassigned fund balance was sufficient to cover operating costs for 43 days. The City has been able to grow its unassigned fund balance from \$9.2 million in fiscal year 2014 to \$50.8 million in fiscal year 2022.

2020 \$32,396,508

2021 \$60,183,708

2022 \$50,780,166

# Debt Working For You



## Legend

*Governmental Debt* is mainly property tax supported and is issued to pay for community needs such as maintaining and constructing new streets; providing quality of life amenities such as parks, recreation facilities, museums, the zoo and libraries; and constructing and equipping facilities for public safety.

*Business-type Debt* are bonds that were issued for Mass Transit, International Airport, International Bridges and Environmental Services departments to serve their capital needs in order to continue providing excellent services to the community. The repayment of that debt comes directly from the operating fund of each entity and it is not property tax supported.

## Bond Highlights

- New debt in the amount of \$157.5 million was issued during the year to cover the cost of police and fire facilities, equipment, invest in infrastructure and complete recreation related projects
- In FY22, thirty-eight projects financed with bonds were completed

## Quick Debt Facts

- On average the City pays a little over \$100 million annually in debt service payments that are property tax supported
- It takes the City about 26 years to pay a bond
- The City invests all bond money in capital assets that are necessary to provide the community with excellent services and to build the beautiful City where we live

## Capital Assets Total Value = \$2,070,006,271\*



Land  
\$246,427,741



Artwork  
\$979,637



Intangibles  
\$2,563,008



Buildings  
\$492,404,792



Infrastructure  
\$376,432,084



Improvements  
other than Buildings  
\$382,094,071



Vehicles and  
Major Equipment  
\$137,158,952



Data Processing  
Equipment and Software  
\$13,111,839



Construction  
In Progress  
\$418,834,147

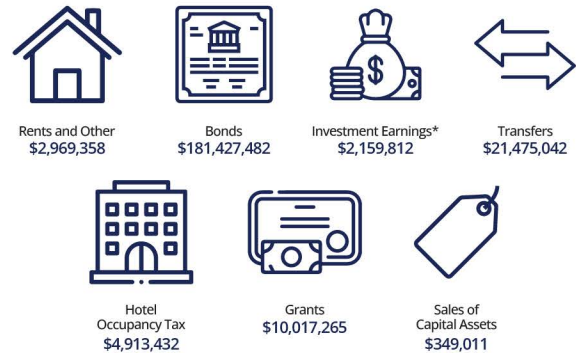
\*Excludes Right-to-Use Assets associated with GASB 87 Lease Standard as it does not represent assets owned by the City.

# Capital Project Fund

Total Amount  
of Capital Revenues  
**\$223,311,402**

Total Amount  
of Capital Expenditures  
**\$119,546,000**

## How Our Capital Projects are Funded



\* Investment Earnings for FY22 does not include an unrealized loss of \$11,365,961 reported in the ACFR for the purpose of recognizing changes in fair market value.

## How Our Funding is Used



## Major Projects Completed

- COVID Laboratory
- Chamizal Community Center Park
- Riverside Park Improvements
- Seville Recreation Improvements
- Sport Field Lighting
- Street Median Parkway and Landscaping
- PD HQ Parking Garage Improvements
- New Haven Street Reconstruction
- James Street Reconstruction
- Rich Beem Street Lighting
- Brian Ray Street Reconstruction
- Chamizal Pedestrian Enhancements Phase II
- Davis Bridge Reconstruction
- Fire Station 5 and 37 Exhaust System
- Aztec and Mescalero Traffic Circle
- Travis White Park Improvements
- Terramar Street Reconstruction
- Student Memorial Park Improvements
- Aircraft Rescue and Fire Fighting Remodel

## Major Projects in Progress

- Children's Museum
- Fire Station 36
- Grandview Recreation Center
- Liz Gonzales Park
- Mexican American Cultural Center
- Montana Rapid Transit System
- Nolan Richardson Recreation Center
- Various Fire Station Renovations
- Westside Branch Library Improvements
- Zoo Improvements
- Eastside Regional Command Center

# Federal and State Grants

## VISION BLOCKS\*

### RECREATIONAL, CULTURAL & EDUCATIONAL OPPORTUNITIES

- Libraries
- Museums And Cultural Affairs
- Parks And Recreation
- El Paso Zoo

### HIGH PERFORMING GOVERNMENT

- Human Resources
- Information Technology
- Purchasing and Strategic Sourcing
- Tax Office

### VIBRANT REGIONAL ECONOMY

- Airport
- International Bridges
- Economic Development
- Metropolitan Planning Organization (MPO)

### SAFE & BEAUTIFUL NEIGHBORHOODS

- Capital Improvement
- Community and Human Development
- Fire
- Police
- Environmental Services
- Mass Transit
- Municipal Court
- Public Health
- Streets and Maintenance

\*Departments included in vision blocks are only those with grant expenditures in FY22. MPO is not a department of the City, it is a component unit.

## WHY THE DIFFERENCE?

Most of the decrease in federal grant expenditures can be attributed to \$119 million of Coronavirus Aid, Relief, and Economic Security (CARES) funds being utilized and exhausted in fiscal year 2021, as opposed to the \$23 million of Coronavirus State and Local Fiscal Recovery funds expended in fiscal year 2022. The increase in state grant expenditures was caused by several projects resuming, including the Northeast Regional Park Project and the KBH Desalination Plant.

## How Do Grants Help?

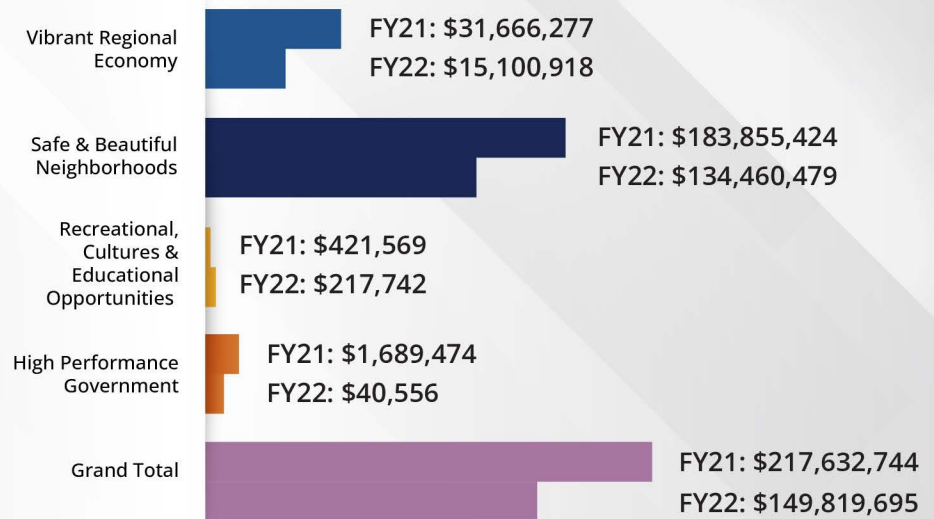
Grant funds are extremely important as these funds are utilized to pay for City programs and projects that might otherwise go unfunded. The City receives entitlement grants, which the City qualifies for, on an annual basis. City departments also apply for various grants each year. After being awarded and meeting certain requirements, departments are able to charge expenditures to the grant.

Grant funding assists the City in keeping tax rates low while enhancing the quality of life for its citizens. Each department within the City, receiving these grants, has a grants management team that ensures funding is being used efficiently and appropriately.

## Federal Grant Expenditures

Fiscal Year 2021 Total Amount: \$217,632,744

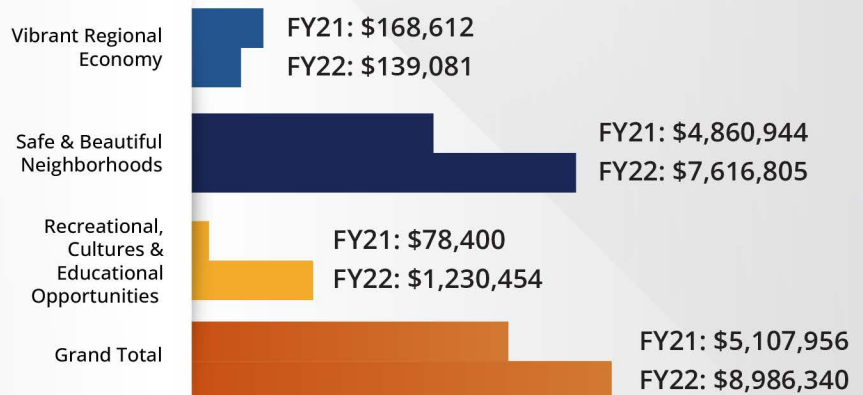
Fiscal Year 2022 Total Amount: \$149,819,695



## State Grant Expenditures

Fiscal Year 2021 Total Amount: \$5,107,956

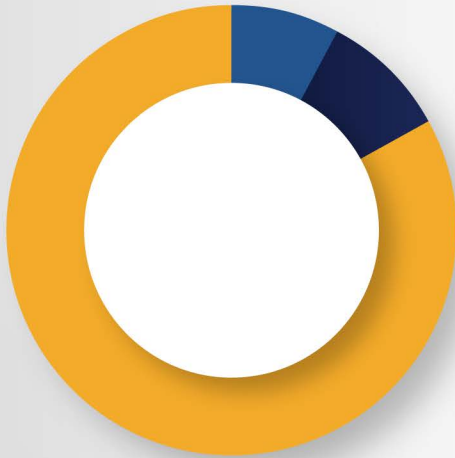
Fiscal Year 2022 Total Amount: \$8,986,340



# COVID-19 Related Funding

In FY22, the City received \$77.17 million of the \$154.3 million awarded for the Coronavirus Local Fiscal Recovery Fund (CSLFRF) that was appropriated through the American Rescue Plan Act (ARPA). The first half was disbursed in fiscal year 2021. The primary use of CSLFRF funds is to respond and recover from the public health emergency of the COVID-19 pandemic.

## Coronavirus State and Local Fiscal Recovery Fund (Approved Funding)



- Community Response and Recovery  
**\$12 million**
- Economic Response and Recovery  
**\$14 million**
- Public Health and Safety Response  
**\$128.3 million**

**Total \$154.3 million**

## Coronavirus State and Local Fiscal Recovery Fund

Spent in Fiscal Year 2021  
**\$14,841,060**

Spent in Fiscal Year 2022  
**\$23,049,842**

For use through December 2026  
**\$116,454,233**



### Public Health and Safety Response

Covers a vast array of health programs and services provided to the public, such as vaccinations, testing, contact tracing; as well as public safety salaries and radio communications infrastructure.



### Economic Response and Recovery

Assistance programs designed to help the community's small businesses by increasing access to capital, addressing workforce needs, and supporting strong partnerships to optimize growth.



### Community Response and Recovery

Provides a wide array of financial assistance to disproportionately impacted communities, such as rental and utility assistance, and broadband infrastructure.

# Citywide Achievements



## High Performing Government

- 2022** National Government Experience Award - GovX
- 2022** All-America City Finalist for Fifth Year in a Row - National League of Cities
- 2022** E. David Spong Lifetime Achievement Award - Foundation for the Malcolm Baldrige National Quality Award
- 2021** Distinguished Budget Presentation Award - Government Finance Officers Association (GFOA)
- 2021** Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association (GFOA)
- 2021** Award for Outstanding Achievement in Popular Annual Financial Reporting - Government Finance Officers Association (GFOA)

## Safe and Beautiful Neighborhoods

- 2022** Accredited Center of Excellence (ACE) - The International Academies of Emergency Dispatch® (IAEDTM)
- 2022** Silver Level Healthy Community Award - Texas Department of State Health Services (DSHS)
- 2022** Texas Emergency Management Leadership Award - Texas Department of Emergency Management



## Recreational, Cultural and Educational Opportunities

- 2022** City's Desert Blossom Art Piece Selected as Top 100 Public Art Pieces - CODAworx



# Sun City Beats - Did You Know?



## Library

- El Paso Public Library (EPPL) was established in 1894 by teacher Mary I. Stanton.
- A stand-alone library building opened in 1904 in large part by a donation from the Andrew Carnegie Foundation.
- Main public library was also a nuclear bomb shelter. Rations and supplies were kept in the lower basement until the 1970s.
- EPPL currently contains over 844,788 items in their collection in hardcopy and digital format. Those items include books, magazines, music, videos, audio books, eBooks and more.
- Library cards are free to the residents of the City of El Paso and can be obtained by non-city residents for a minimal annual charge.



## Zoo

- Little Bit, a sea lion at our El Paso Zoo, is the only U.S. Military Veteran animal currently at any zoo. The U.S. Navy trains bottlenose dolphins and sea lions to detect, locate, mark and recover objects in coastal areas and the open sea. Little Bit was honorably discharged in 2015.
- The El Paso Zoo actively participates in the interagency fostering program that helps boost the genetic diversity of the Mexican wolf. On May 12, 2022, Tazanna and Tulio gave birth to a litter of five pups. 3 of the pups were placed in wild dens and raised by the pack. 2 remain at our zoo and can be seen adventuring out more and more each day!



## Parks

- The El Paso Parks and Recreation Department features 3,650 acres of park space, with 315 parks, 1,504 acres of open space and 31 miles of hike and bike trails.
- Memorial Park is highly recognized for its history since it sits on the original smelter site of the Federal Copper Company. It is an award recipient of the Lone Star Legacy Award given by the Texas Recreation and Park Society.
- The El Paso Parks and Recreation Department also has a specially designated splash park for dogs located at 9301 Alameda Avenue.



## Museums

- The El Paso Museum of History is home to the only interactive digital wall of its kind in the United States and one of four in the world! There are over 16,000+ community uploads available to view.
- The El Paso Museum of Art is home to the second largest Retablo collection in the United States with 946 works.
- The El Paso Museum of Archeology has one of the largest Casas Grandes collections in the Southwest.

# All-America City

The preparation of this report is made possible by the dedicated service of the employees of the Office of the Comptroller. Each member of the department has our sincere appreciation for their hard work and dedication in creating the Popular Annual Financial Report with the El Paso community in mind.



# Our Commitment

## OUR MISSION

Deliver exceptional services to support a high quality of life and place for our community

## OUR VISION

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government

## OUR VALUES

Integrity, Respect, Excellence, Accountability, People

# POPULAR ANNUAL FINANCIAL REPORT

