

Comprehensive Annual



Financial Report



City of El Paso, Texas
For the Fiscal Year Ended
August 31, 2008

City of El Paso, Texas

Comprehensive Annual Financial Report For the Fiscal Year Ended August 31, 2008

Prepared by Financial Services Department

CITY OF EL PASO, TEXAS
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INTRODUCTORY SECTION





February 27, 2009

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, 2008. This report was prepared by the City's staff and audited by the firm of BKD LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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

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

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susannah M. Byrd

District 3
Emma Acosta

District 4
Melina Castro

District 5
Rachel Quintana

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Beto O'Rourke

City Manager
Joyce A. Wilson

Additionally, because the City receives federal awards, it is responsible for ensuring adequate internal control is in place to comply with applicable laws, regulations, contracts and grants related to those programs. A separate report, including a schedule of expenditures of federal awards, findings and questioned costs and the independent 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 – 644,638), the remainder of El Paso County (estimated population – 135,975) and Ciudad Juarez, Mexico (estimated population - 1,563,973) has a population in excess of 2.3 million. El Paso is the sixth largest city in Texas and the largest American city on the border with Mexico. The City's corporate limits encompass approximately 247.4 square miles. The City of El Paso, Texas,

incorporated in 1873, operates under a Home Rule Charter with a Council-Manager form of government.

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

Financial Reporting Entity

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

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

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

El Paso Water Utilities

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

City Employees' Pension Fund (CEPF)

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

Firemen and Policemen's Pension Fund (FPPF)

Uniformed fire fighters and police officers participate in the FPPF, which is divided into two divisions: the firemen division and policemen division. The plan is a single-employer defined benefit retirement plan established under

legal authority of State Statutes and the City Charter and is administered by a Board of Trustees (FPPF Board). Although not under the direct control of the City, the FPPF serves only City employees and, because of the scope of service, is included in the City's financial statements as a Pension Trust Fund.

Debt Administration

During the fiscal year, the City issued \$56,455,000 in general obligation bonds, the remaining authorization of general obligation bonds from its 2000 and 2004 bond authorizations. At August 31, 2008, the City had \$ 647,700,000 of debt issues outstanding for which property taxes may be levied for principal and interest payments. These issues include \$554,630,000 of general obligation bonds and \$93,070,000 of certificates of obligation. Additionally, the City has \$55,793,141 in revenue bonds, capital lease obligations and notes payable for which airport, bridge system and solid waste disposal system revenues are pledged to make principal and interest payments. For more detailed information about the City's general long-term debt see Note 8 to the financial statements.

\$101,240,000 of the City's \$647.7 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. As voted by the citizens, the City is 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 \$0.217803 per \$100 of assessed value, while the M&O rate was \$0.453294 for a total rate of \$0.671097. In 2007, the overall tax rate was .001229 more than the 2008 rate. 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 2008 operating tax rate of \$0.453294 remains well within the \$1.85 tax rate limit established by the City Charter and the 2008 overall tax rate remains well within the \$2.50 maximum ad valorem tax rate pursuant to Article XI, Section 5, of the Texas Constitution.

The City has obtained, without insurance, an "AA" rating from Standard and Poor's and "AA-" rating from Fitch Ratings in its last bond issuance in January 2009.

Pension Trust Funds Operations

Two pension and retirement funds exist for the employees of the City. They are the City Employees' Pension Plan (CEPF) and the Firemen and Policemen's Pension Fund (FPPF), which is comprised of two divisions - Firemen Division and Policemen Division. 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, 2008 and indicates the actuarially computed value of benefits exceed fund assets by \$78,776,027. In 2007, the City increased both the employee and City contributions in order to correct this underfunding.

The FPPF's most recent actuarial study is dated January 1, 2008 and indicates the actuarially computed value of benefits exceed fund assets by \$212,601,463. In 2007, the City issued \$101,240,000 in Pension Obligation Bonds in order to partially address the 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

As the sixth largest city in Texas, El Paso's estimated 2009 population of 644,600 has grown by over 14% from its 2000 census level. Population growth will also be impacted 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. About two-thirds of the additional troops are expected to live off-base, spurring citywide residential development with an emphasis on affordable housing although other higher value master planned developments are underway or in the planning stages.

The City's large \$29 billion tax base is diverse and starting to grow beyond the typically modest rates of the past, increasing by over \$2 billion in each of the last three fiscal years. Furthermore, the relocation of air cavalry and armored aviation units to Fort Bliss is attracting high-technology companies for both services and research and development. Major additions to the City's retail, commercial and healthcare sectors helped unemployment rates trend downward to record lows in 2007. In December 2008, the City's unemployment rate fell below the national

average for the first time in thirty-five years. In addition, the City is still creating jobs, adding 2,600 jobs to the local economy between December 2007 and December 2008.

The City's financial position has stabilized in recent years under a Council-Manager form of government approved by voters in February 2004. The City's 2008 general fund activities reflect a \$3.2 million decrease in fund balance, due in part to a planned one-time investment in capital equipment. Despite this operating deficit, undesignated general fund reserves, plus the \$16 million cash reserve required by the City charter, totaled \$38.1 million as of August 31, 2008 or 12.5% of spending in fiscal year 2008. In fiscal year 2007, the general fund reflected a \$6.5 million increase in fund balance, with undesignated general fund reserves of \$41,351,967 at August 31, 2007, or approximately 11% of spending.

Although the nationwide economic downturn has caused concern about the City's financial position both internally and externally, the City has not experienced the foreclosures or unemployment rates that are hampering some of its other larger City counterparts. The City was ranked the 5th best housing market in the United States by Forbes Magazine in an article of "America's 25 Strongest Housing Markets" in January 2009, and as noted previously, the City has a record low unemployment rate. The City, however, has experienced its share of revenue projection shortfalls. While the fiscal 2009 budget was adopted as balanced, it is now under review due to decreasing revenue projections. Across the board budget cuts and an ongoing hiring freeze are expected to narrow this budget gap by the end of its 2009 fiscal year.

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

Given the population growth attributable to the BRAC Process, continued steady normal population growth patterns and focused business attraction and expansion efforts, the economic outlook for El Paso's future is stable and, in contrast to its municipal counterparts, appears poised to continue to grow and flourish. The City has an abundance of natural, cultural, educational and recreational attributes, in addition to an extremely favorable cost of living and great climate. Through effective strategic planning and management of resources, the City will be positioned to meet its growing service demands while maintaining a solid financial foundation and achieving its vision of "establishing El Paso as the premier community of the Southwest".

The Mayor and Council 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

As a key part of the City's pursuit to become a high-performing, customer focused organization, the City worked to develop a Customer Service Mission Statement that embraced the core values of the City that include Excellence, Integrity, Respect and Accountability. The following mission statement was created to demonstrate the Mayor, City Council, City Manager and City staff's commitment to providing quality customer service through innovative solutions intended to create successful partnerships and relationships with each and every person we serve.



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, 2007. This was the tenth 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.

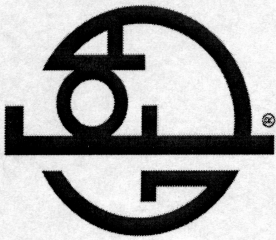
We would also like to thank the Mayor, City Council and City Department Directors for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Joyce Wilson
City Manager

William F. Studer
Deputy City Manager - Administrative Services

Carmen Arrieta-Candelaria
Chief Financial Officer/Comptroller



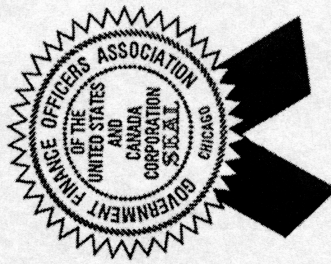
The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Financial Services
City of El Paso, Texas



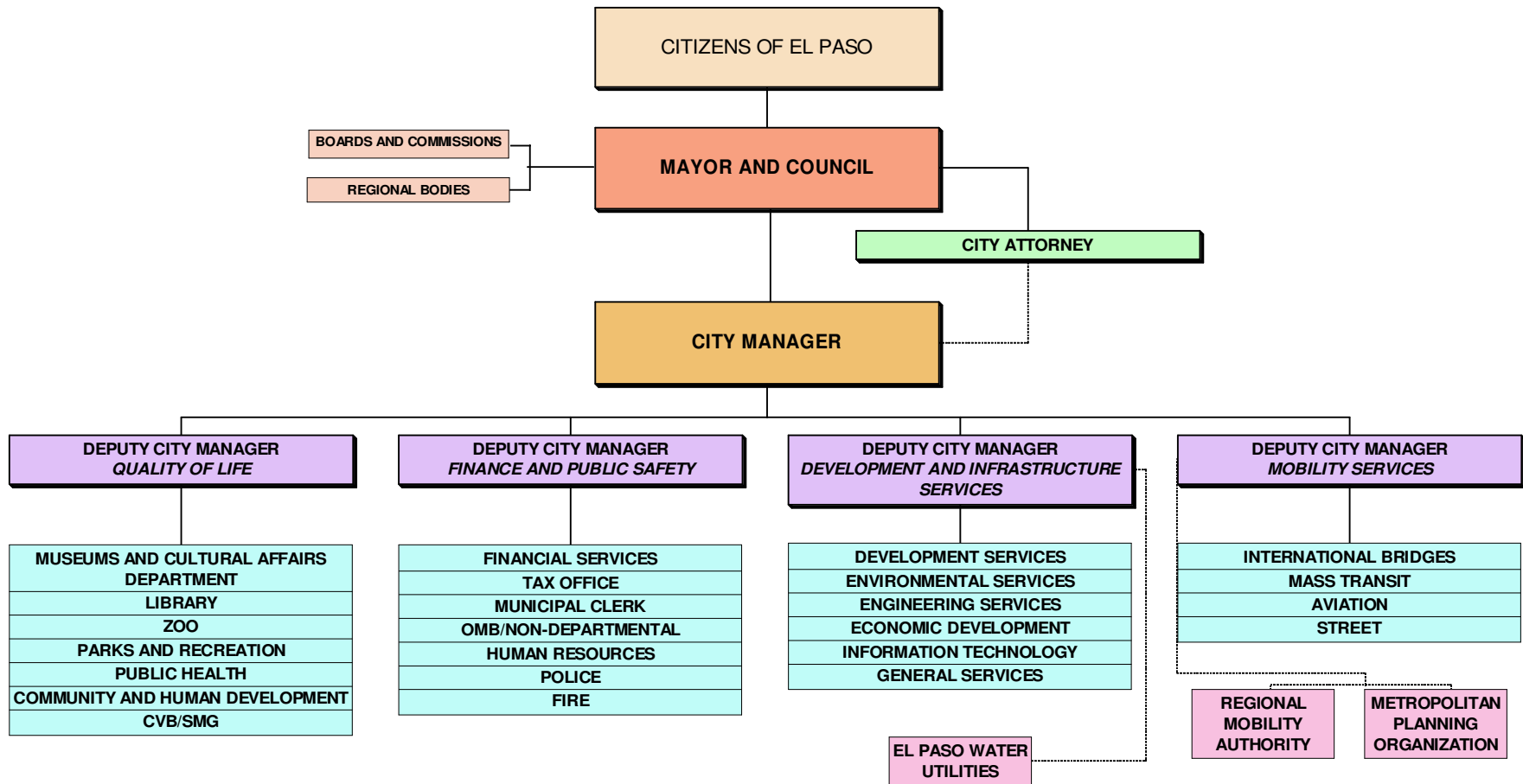
The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Date September 12, 2008

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

EMMA ACOSTA

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

JANE SHANG

DEPUTY CITY MANAGER - MOBILITY SERVICES

DEPARTMENT DIRECTORS

Patrick Abeln

El Paso International Airport

Sean McGlynn

Museums and Cultural Affairs

Charles McNabb

City Attorney

Michael Hill

El Paso City/County Health Dept.

Victor Q. Torres

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

Gregory K. Allen

El Paso Police Department

Juan Sandoval

Tax

Ellen A. Smyth

Environmental Services

Daryl Cole

Streets

Tim Omick

Sun Metro-Public Transit

Said Larbi-Cherif

International Bridges

FINANCIAL SECTION



Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas (the City), as of and for the year ended August 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Service Board – El Paso Water Utilities, the discretely presented component unit of the City. We also did not audit the financial statements of the El Paso Firemen and Policemen's Pension Fund (FPPF), a component unit of the City, which statements reflect total assets and net additions of \$889,889,003 and \$221,287,460, respectively, and represent 57.8% and 61.7% of the aggregate remaining fund information's total assets and revenues/net additions, respectively, at August 31, 2008 and for the year then ended. The financial statements of these entities were audited by other accountants whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for such entities, are based solely on the reports of the other accountants.

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

In our opinion, based on our audit and the reports of the other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas, as of August 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in *Note 1*, in 2008, the City changed its method of accounting for postemployment benefits other than pensions and its method of disclosures of pension information by implementing Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*.

The accompanying management's discussion and analysis, budgetary information and schedules of funding progress related to pension and other postemployment benefit plans as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other accountants have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other accountants, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying information in the introductory and statistical sections as listed in the table of contents has not been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, accordingly, we express no opinion on it.

BKD, LLP

February 27, 2009

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

August 31, 2008

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, 2008. 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, 2008 by \$370 million. There is a \$133.6 million unrestricted net asset deficit.
- ◆ The Primary Government's total net assets decreased by \$25 million. Governmental activities decreased net assets by \$40 million while increases from business-type activities totaled \$15 million. The Primary Government's total expenses were \$25 million more than the \$564 million generated in charges for services, grants, taxes and other revenues.
- ◆ The cost of the Primary Government's governmental activities was \$458 million for the 2008 fiscal year.
- ◆ As of August 31, 2008, the City's governmental funds reported combined ending fund balances of \$70.7 million, a decrease of \$13.5 million compared with the prior year. Approximately 69% of the combined fund balances or \$48.8 million is unreserved and available for the discrete purposes for which these funds are collected.
- ◆ The unreserved fund balance in the General Fund was \$19.1 million or 6.4% of total General Fund current year expenditures.
- ◆ In fiscal year 2008, the City issued \$56.4 million in debt to finance capital projects. There was a net increase of \$62.5 million in long-term liabilities from the prior year.

CITY OF EL PASO, TEXAS
 MANAGEMENT’S DISCUSSION AND ANALYSIS
 August 31, 2008
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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The City maintains numerous governmental funds, as needed, to insure proper accountability. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Development Block Grants Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the remaining Special Revenue funds are combined into a single column, titled Nonmajor Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided following the required supplementary information in the form of combining financial statements and schedules. These fund financial statements follow the basic financial statements in this CAFR.

Proprietary Funds

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

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

The proprietary funds financial statements provide separate information for the enterprise funds (i.e., El Paso International Airport, Solid Waste Management (Environmental Services) and Sun Metro (Mass Transit)) since they are considered major funds of the City. In 2008, 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 service funds are provided in the form of combining statements and schedules.

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

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Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Condensed Schedule of Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 168,455	187,999	93,854	91,807	262,309	279,806
Capital assets	674,901	641,717	311,685	289,828	986,586	931,545
Total assets	843,356	829,716	405,539	381,635	1,248,895	1,211,351
Other liabilities	33,827	35,170	11,517	10,403	45,344	45,573
Long-term liabilities	735,672	680,731	97,870	90,353	833,542	771,084
Total liabilities	769,499	715,901	109,387	100,756	878,886	816,657
Net assets:						
Invested in capital assets, net of related debt	139,690	139,848	264,969	249,478	404,659	389,326
Restricted	78,827	76,566	20,104	25,723	98,931	102,289
Unrestricted	(144,660)	(102,599)	11,078	5,678	(133,582)	(96,921)
Total net assets	\$ 73,857	113,815	296,151	280,879	370,008	394,694

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 MANAGEMENT'S DISCUSSION AND ANALYSIS
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Analysis of the City's Net Assets

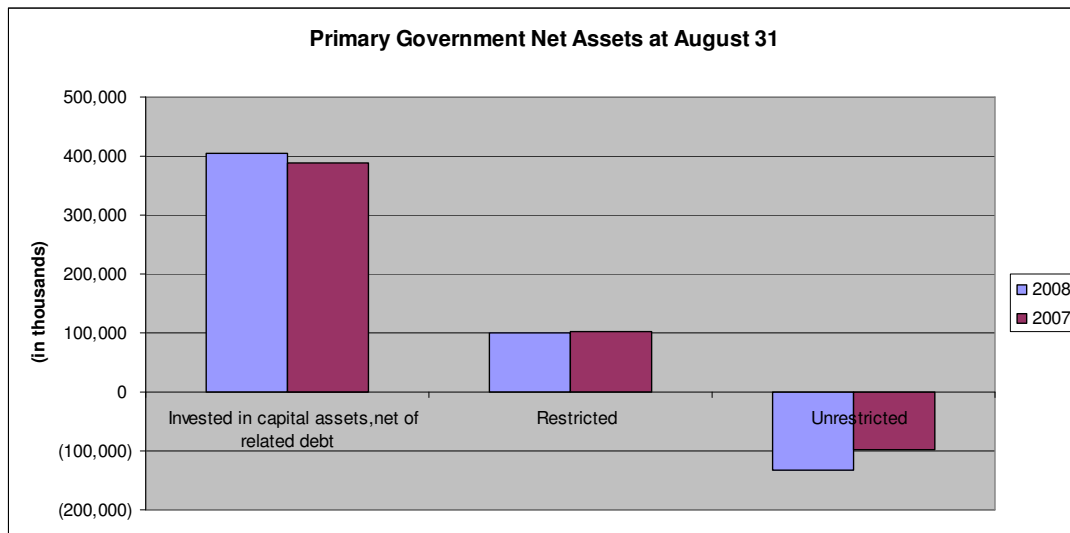
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of El Paso, assets exceeded liabilities by \$370 million at August 31, 2008.

The largest portion of the City's net assets, \$405 million, reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets, \$98.9 million, represents resources that are subject to external restrictions on how they may be used. These restricted net assets include net assets for debt service, amounts restricted by other funding agencies, as well as a \$16 million cash reserve required by the City Charter. Restricted net assets decreased 3.3% 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 \$133.6 million deficit at the end of this year. This deficit indicates that the City has long-term commitments that exceed its net assets.

Unrestricted net assets in business-type activities totaled \$11 million, increasing \$5.4 million from 2007.



CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Analysis of the City's Operations

The following table provides a summary of the City's activities for the year ended August 31, 2008. Governmental activities decreased the City of El Paso's net assets by \$40 million offset by an increase in the business-type activities of the City of \$15 million resulting in a net asset decrease of \$25 million.

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

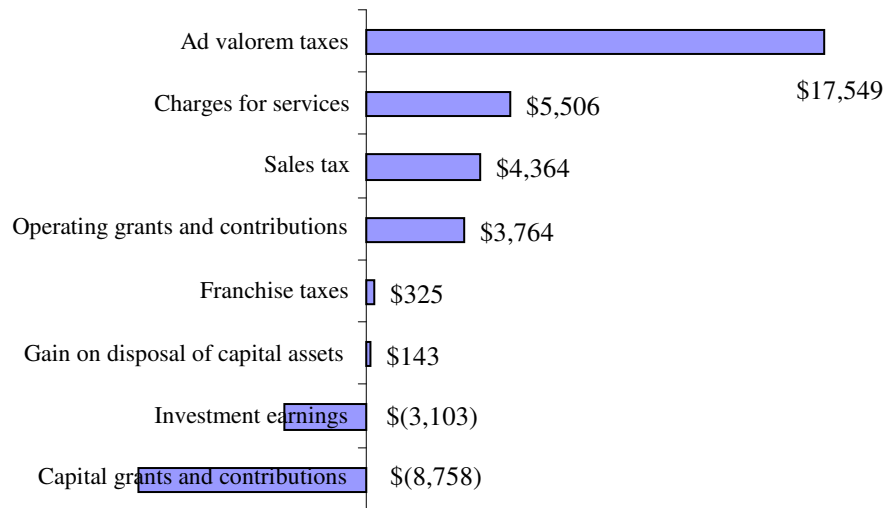
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 55,028	49,522	102,019	93,092	157,047	142,614
Operating grants and contributions	35,995	32,231	12,680	8,483	48,675	40,714
Capital grants and contributions	1,796	10,554	17,793	21,956	19,589	32,510
General revenues:						
Ad valorem taxes	177,327	159,778	-	-	177,327	159,778
Sales tax	77,682	73,318	33,524	31,608	111,206	104,926
Franchise taxes	42,324	41,999	-	-	42,324	41,999
Investment earnings	3,627	6,730	2,513	3,902	6,140	10,632
Gain on disposal of capital assets	1,987	1,844	173	8	2,160	1,852
Total revenues	<u>395,766</u>	<u>375,976</u>	<u>168,702</u>	<u>159,049</u>	<u>564,468</u>	<u>535,025</u>
Expenses:						
Governmental activities:						
General government	43,886	35,819	-	-	43,886	35,819
Public safety	227,056	207,469	-	-	227,056	207,469
Public works	68,682	65,297	-	-	68,682	65,297
Public health	25,261	26,908	-	-	25,261	26,908
Parks	21,846	20,272	-	-	21,846	20,272
Library	10,346	9,223	-	-	10,346	9,223
Culture and recreation	16,395	15,856	-	-	16,395	15,856
Community and economic development	15,634	20,209	-	-	15,634	20,209
Interest on long-term debt	28,833	24,320	-	-	28,833	24,320
Business-type activities:						
El Paso International Airport	-	-	38,327	32,461	38,327	32,461
Industrial park and other operations	-	-	4,644	3,756	4,644	3,756
International Bridges	-	-	3,929	3,531	3,929	3,531
Solid Waste Management	-	-	34,251	29,062	34,251	29,062
Mass Transit	-	-	50,064	49,391	50,064	49,391
Total expenses	<u>457,939</u>	<u>425,373</u>	<u>131,215</u>	<u>118,201</u>	<u>589,154</u>	<u>543,574</u>
Excess (deficiency) before transfers	(62,173)	(49,397)	37,487	40,848	(24,686)	(8,549)
Transfers	22,215	20,736	(22,215)	(20,736)	-	-
Increase (decrease) in net assets	<u>(39,958)</u>	<u>(28,661)</u>	<u>15,272</u>	<u>20,112</u>	<u>(24,686)</u>	<u>(8,549)</u>
Net assets - September 1	113,815	142,476	280,879	260,767	394,694	403,243
Net assets - August 31	<u>\$ 73,857</u>	<u>113,815</u>	<u>296,151</u>	<u>280,879</u>	<u>370,008</u>	<u>394,694</u>

CITY OF EL PASO, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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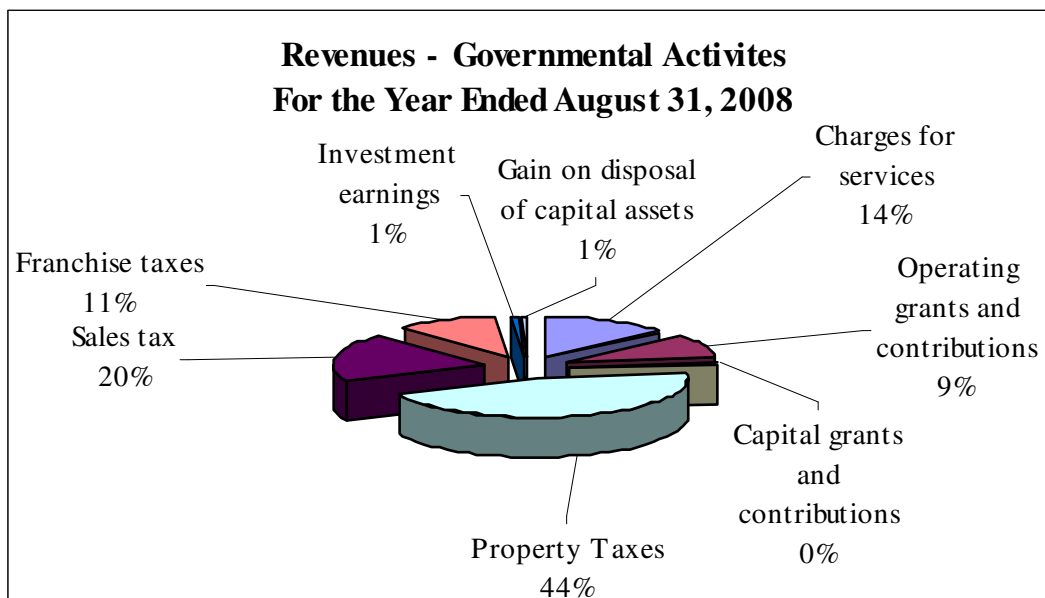
Program Revenues and Expenses – Governmental Activities

Governmental activities cover a range of typical City services and are directly supported by charges for these services, grants and contributions. In general, revenues generated by charges for services are inadequate to support the cost of the services with public safety creating the greatest burden on the taxpayer. Consequently, general revenues cover any net expense after program-specific revenues are applied. These general revenues include taxes, investment earnings and gains on sales of capital assets.

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



Revenues for governmental activities totaled \$395.8 million, an increase of \$19.8 million or 5.3% from 2007.



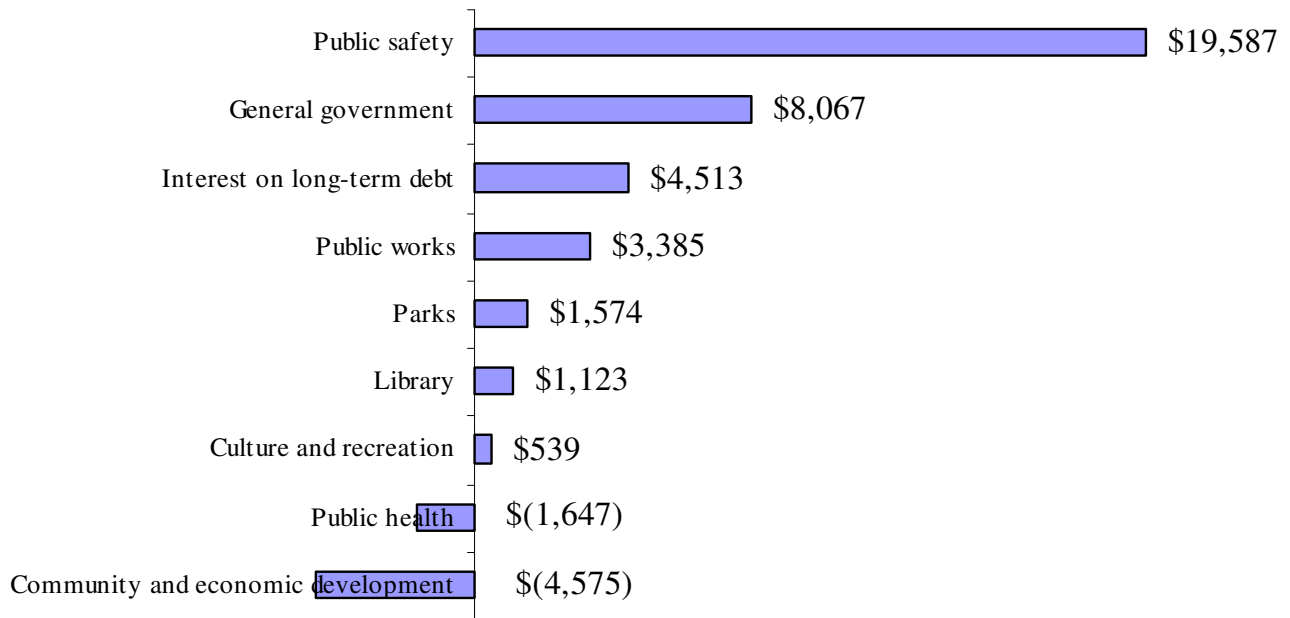
CITY OF EL PASO, TEXAS
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The ad valorem tax rate decreased 0.183% from 2007. Ad valorem property taxes increased \$17.5 million (11%) approximating the increase in the taxable valuation of 10.8%. Sales taxes increased \$4.4 million or 7.7%, franchise taxes increased \$.33 million or .8%. Operating and capital grants and contributions decreased \$5 million due to decreased expenditures (see below) related to CDBG, Plaza Theatre Donation and FEMA.

The cost of programs and services was \$458 million, an increase of \$32.6 million or 7.7% from 2007. Expenses related to grants and contributions decreased \$5 million (see above). The net pension obligation expense increased \$19.5 million, other post-employment benefits expense increased \$8.1 million due to a change in accounting principles, compensated absence expense increased \$3.5 million and interest on long-term debt increased \$4.5 primarily due to debt issued in 2007.

The following chart (in thousands) shows changes in governmental activities' expenses from 2007:



Program Revenues and Expenses – Business-type Activities

Total revenues increased \$9.6 million (6.1%) to \$169 million while total expenses increased \$13 million (11%) to \$131.2 million and Transfers Out increased \$1.5 million to \$22.2 million (7.1%). The increase in expenses includes \$3 million in Other Post-employment Benefits (OPEB) expenses and Net Pension Obligation (NPO) expenses.

El Paso International Airport

Overall, revenues increased \$1.5 million while expenses increased \$5.2 million including OPEB and NPO of \$1 million. Nonoperating revenues decreased \$1.1 million and nonoperating expenses increased \$1.6 million. Capital contributions decreased \$4.9 million and transfers out increased \$188 thousand.

Program revenues specifically related to international airport operations increased by \$1.5 million. Terminal Building Operation revenues increased 2.5%. However, there was a significant increase in food and beverage and gift shop/newsstand revenues. The increase is

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attributable to a change in the concessionaire contract and the introduction of new restaurant and retail shop options.

Revenue derived from hotels increased 8.1% as hotels reported higher room sales as compared to fiscal 2007 and due to the opening of Guest House Suites. The addition of this hotel increases the total number of hotels on Airport property to seven.

The Butterfield Trail Golf Club (BTGC), the new Fazio designed golf course owned by the Airport and managed by Kemper Sports, had its grand opening in June, 2007. The 195.6% increase in revenue as compared to fiscal year 2007 reflects the full year operation of the golf course. This also explains the 237% increase in expenses at the golf course.

Operating expenses increased \$5.2 million. This is primarily due to three factors. Personnel expenses have increased \$1.2 million primarily due to the recording of OPEB and NPO. Outside Contracts expenses increased \$2.5 million primarily from the recording of the first full year of operation of the Butterfield Trail Golf Club. Depreciation expense increased in fiscal year 2008 due to the completion and capitalization of the Reconstruction of Runway 8R-26L Project. This runway was reconstructed before it was fully depreciated. The net book value was recorded as a loss from the disposal of an asset, a non-operating expense.

Nonoperating Revenues and Expenses

Investment interest decreased \$1.0 million and passenger facility charge revenue decreased \$142 thousand.

The Airport received Capital Contributions from the Federal Aviation Administration \$5.7 million, which is a decrease of \$4.8 million and reflects the completion of various capital improvements.

The Airport received title to a building with a market value of \$1.2 million at the termination of a lease. The market value was classified as Contributed Capital.

Transfers increased by \$187,500 or 13.4% due to the inclusion of an Economic Development charge.

Environmental services

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

Revenues increased \$4.3 million or 11.4%. No changes were made to the fee schedule.

Expenses increased \$5.5 million. This includes \$615 thousand in expenses to record OPEB and NPO and \$742 thousand in environment grants previously reported in the Health District. Other significant increases were:

- Personnel costs increased by \$1.4 million as a result of an increase in personnel and continuing alignment with the City's classification and compensation policies.
- Fuel increased \$1 million (47.7%).
- Depreciation increased \$1.1 million.
- Landfill and transfer station utilization increased \$600 thousand.

Mass transit

Mass Transit operating revenues increased \$ 585 thousand (7.51%) reflecting an increase in ridership with no increase in fees.

Expenses increased \$504 thousand (1.03%) including \$1.2 million in expenses to record OPEB and NPO. Personnel expenses increased \$700 thousand (2.4%) as a result of the continuing implementation of the City's class and compensation policies. Fuel increased \$642 thousand (24%). The remainder of operating expense, including management fees paid to First Transit, decreased over 12% due to improved efficiency throughout the entire organization.

The FTA entitlement increased by \$3.2 million and related capital contributions increased by \$1.1 million. Generally, FTA funds only a portion (usually 80%) of the cost of the asset. The difference (usually 20%) is funded with transportation sales tax revenues. In 2007, the City entered into a financing arrangement with Banc of America Public Capital Group to provide the remaining portion of the asset cost. This arrangement allowed Mass Transit to update its fleet with new and refurbished buses and reduce maintenance costs while improving fuel efficiency.

Nonmajor Enterprise Funds

This fund represents activity related to the City's international bridges. Collections at the bridges increased \$2.6 million (18.3%) with no increase in fees. This increase is due to an increase in vehicular and pedestrian traffic crossing the City's bridges.

Expenses increased \$301,354 or 9.53%. Personnel expenses increased \$352,998 (21.8%) as a result of a transfer of approximately 6 employees (8.8% increase in number of workforce) from the General Fund Street Department and the continuing implementation of the City's class and compensation policies.

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 \$70.7 million, a decrease of \$13.5 million from 2007. Approximately 71.2% of this total amount or \$45.3 million constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (i.e., \$16 million to provide a cash reserve, \$3 million to provide for inventory, \$3 million for debt service and \$3.5 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 \$38.1 million, decreasing \$3.3 million from the prior year. Unreserved and undesignated fund balance decreased by \$3.5 million, to \$18.1 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 6.4% of total fund expenditures while total fund balance represents 12.8%.

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The following comparisons exclude the 2007 issuance of Pension Obligation Bonds made to partially fund the net pension obligation of the Fire and Police Pension Fund.

Revenues increased \$3.9 million and Transfers In increased \$4.8 million or a net \$8.7 million (3%) from 2007. There was no change in sales tax/franchise fee rates or the City's fee schedule from 2007.

Property taxes increased \$6 million or 5.2%. Assessed valuation increased 10.8% while the general fund property tax rate decreased 5.8%.

Sales taxes increased \$3.8 million. Franchise taxes decreased \$4.5 million because these revenues were not considered available in accordance with the City's revenue recognition policy.

Investment earnings decreased \$3.3 million as the yield on government securities decreased. Amounts invested during the year were comparable to 2007.

Revenue from the County of El Paso increased \$1.4 million. This was reported in the Health District in 2007.

Overall, expenditures increased \$21.7 million while transfers out decreased \$3.3 million for a net increase of \$18.4 million or 6.5%. The decrease in transfers out was due to the Health District reorganization in January 2008.

Personnel expenditures increased \$14.4 million. The \$6.6 million (9.2%) increase in civilian workforce expenditures was due to an increase in the workforce, 6% at year end, and the continuing implementation of the City's classification and compensation policies. The \$7.8 million (6.4%) increase for uniformed personnel was due to an increase in staffing, 2.8% at year end, and the increase negotiated in their labor contract.

Self Insurance Fund charges, including Retiree health benefits increased \$1.5 million as the City continues to decrease the Self Insurance Funds accumulated deficits.

Utilities increased \$450 thousand. Electricity decreased \$236 thousand while water increased \$654 thousand, partially as a result of the Storm Water District fee.

Parks expenditures increased \$1.1 million due to the maintenance for new parks added to the City's park system during 2007.

Public Health department's expenditures of \$5.6 million for the period January through August 2008 are reported in the general fund due to the reorganization of the Health Department into a City department.

Community Development Block Grants

The Community Development Block Grants Fund is the only Special Revenue Fund designated as a major fund for reporting purposes. These activities are funded by the U. S. Department of Housing and Urban Development (HUD) and program revenues of the revolving loan funds (RLF) that were initially funded by HUD. Recognition of these revenues is dependent upon the City expending these funds in accordance with the entitlement grants and is earned as expended. Expenditures decreased \$4.5 million dollars from 2007. A \$2.1 million decrease in low/moderate activities occurred as the spending rate required by HUD, was achieved in 2007. A \$1.1 decrease in Empowerment Zone activities occurred because only administrative expenditures were made in 2008. The City is waiting for HUD to approve a modified implementation plan. Approximately \$3 million remains in the previously approved line of credit. A \$1.3 decrease in RLF activity occurred as City loan guidelines for investor owned properties were being modified.

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Debt Service Fund

Ad valorem property tax revenues increased \$12.1 million (26.9%) as a result of an increase of 14.1% in the debt service ad valorem property tax rate combined with a 10.8% increase in taxable assessed value for real and personal property. Principal and interest payments increased \$14 million. The City's adopted budget utilized \$1.5 million of fund balance however, actual revenues exceeded the budget by \$500 thousand and \$1.9 million was transferred in from the Capital Projects Fund to close capital projects, as required by debt covenants. Fund balance for the debt service fund increased \$1 million from 2007.

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, \$1,054,415 in 2008. 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 \$80 million, a decrease of \$12 million over the prior year. Net proceeds of debt issued in 2008 decreased \$18.9 million while other funding sources (Hotel/Motel Tax, Interest and other) decreased \$4.4 million resulting in a fund balance decrease of \$10.8 million from the prior year.

Nonmajor Governmental Funds

Overall, revenues in these funds increased \$800 thousand or 1.67%, while expenditures decreased \$4.4 million or 8.23%. Transfers in decreased \$.7 million and transfers out decreased \$.6 million.

Federal Grants

Expenditures for Federal Grants increased approximately \$660 thousand from fiscal year 2007. The City is dependent upon funding by the U. S. Congress. Expenditures for HIDTA increased \$181 thousand, expenditures for BRAC increased \$35 thousand and expenditures for Homeland Security activities increased \$409 thousand.

State Grants

Expenditures increased \$1.6 million primarily due to new initiative from the Governor's Office, Local Border Security Program of \$1.3 million and a first time award from TXDot, Safe Routes to School of \$317 thousand.

Other Grants

Other grants, funded by local and/or nonpublic sources, decreased \$251 thousand.

Health District

Health District (District) expenditures decreased \$8 million from 2007. Operating expenditures of the District were recorded in the General Fund beginning January 1, 2008 after the City Council dissolved the District and Public Health became a City department. Operating expenditures in the amount of \$5.6 million were recorded as General Fund activity and \$4.4 million in expenditures were recorded as Health District activity. Combined expenditures decreased \$1 million dollars from 2007 due primarily to a reduction in personnel. Grant funded activities decreased \$1.4 million from 2008 including \$742 thousand in environmental grants reported in the Environmental Service Fund in 2008.

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Nongrants

Overall, expenditures in Non-Grants funds increased \$1.6 million. Generally, funding for these activities occurs over several fiscal years and expenditures are made as accumulated funding allows. Increases in expenditures were made as follows:

\$200 thousand from zoo operations.

\$900 thousand from confiscated funds.

\$340 thousand from Office of Economic Adjustment for planning related to BRAC.

\$170 thousand from municipal court fees for technology.

Proprietary funds

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

Net assets of the respective proprietary funds are shown on the Statement of Net Assets for these funds. These funds had a net asset increase in 2008 and 2007 as follows:

	2008	2007
El Paso International Airport	\$ 2,168,830	13,627,063
Environmental Services	3,943,461	4,089,237
Mass Transit	8,350,673	1,910,558
International Bridges	809,622	485,031
Net asset increase	<u>\$ 15,272,586</u>	<u>20,111,889</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 \$12.2 million. Approximately \$4 million of these revisions were to fund urgent capital asset needs, \$6 million to fund the Public Health Department activities and \$2 million to fund personnel cost increases. Actual revenues and transfers were \$7.7 million more than the revised revenue estimate while actual expenditures were \$1.2 million less than the revised appropriations resulting in a net decrease of \$3.2 million in fund balance.

City Council voted to reduce the property tax rate to \$.671097 (decrease of 0.1828%) per \$100 in taxable value. This reduced the General Fund property tax rate \$0.026951 (5.8% decrease) and increased the debt service property tax rate by \$.026897 (14.1% increase). The taxable assessed valuation increased approximately 10.8% 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, 2008 amounts to \$986.6 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

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

August 31, 2008

that have initial useful lives greater than one year and exceed the government's capitalization threshold (see Note 5). The City has capitalized assets with a cost of \$5,000 or more.

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

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

	Governmental Activities	Business-Type Activities	Total
Land	\$ 151,193,663	10,960,419	162,154,082
Artwork	-	965,317	965,317
Buildings	179,045,630	93,048,441	272,094,071
Equipment	25,696,425	57,460,251	83,156,676
Improvements	1,754,357	105,436,157	107,190,514
Infrastructure	162,234,043	-	162,234,043
Construction in Progress	154,976,764	43,814,377	198,791,141
Total	<u>\$ 674,900,882</u>	<u>311,684,962</u>	<u>986,585,844</u>

This year's major additions included:

Land	\$ 3,457,916
Runway	17,650,728
Buses and vehicle locator system	12,079,531
Libraries - Buildings	11,205,195
Vehicles, Equipment, Other	10,949,471
Parks	10,661,068
LNG Fueling station	2,555,441
Plaza Theatre	1,826,222
Zoo - Buildings and exhibits	664,668

DEBT ADMINISTRATION

At the end of the fiscal year, the City of El Paso had total debt payable of \$703,493,142. Of this amount, \$647,700,000 is bonded debt backed by the full faith and credit of the government. Revenue Bonds of \$27,565,000 and Notes Payable of \$12,752,879 are secured solely by fees for services rendered. The Notes Payable pertain to financing agreements between the City of El Paso and the State Infrastructure Bank, as well as the Federal Highway Administration to provide funding for design, construction and improvement of the International Bridges. This debt also includes Capital Lease obligations of \$12,439,190 to acquire buses and \$3,036,072 to acquire planning software and licenses.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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**OUTSTANDING DEBT AT YEAR-END
BONDS, NOTES PAYABLE AND MASTER EQUIPMENT LEASE/PURCHASE
AGREEMENTS**

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 554,630,000	-	554,630,000
Revenue Bonds Payable	-	27,565,000	27,565,000
Certificate of Obligations	81,820,952	11,249,048	93,070,000
Capital Lease Obligations	-	15,475,263	15,475,263
Notes Payable		12,752,879	12,752,879
Unamortized (Discount) premium	16,978,993	(400,843)	16,578,150
Deferred Amount on Refunding	(4,017,322)	-	(4,017,322)
Total	<u>\$ 649,412,623</u>	<u>66,641,347</u>	<u>716,053,970</u>

During the fiscal year, the City issued \$56,455,000 in general obligation bonds.

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

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

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 City continues to benefit from growth resulting from 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. Also in 2007, the City received word that an additional 7,000 soldiers will arrive in El Paso in 2013.

According to the National Association of Realtors, home prices in El Paso increased 5.3% in the fourth calendar quarter of 2008 over the same quarter in 2007. However, foreclosures increased to 208 in January of 2009 as compared to 60 in January 2008 according to RealtyTrac Corp.

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

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Compared to the same periods last year:

- Sales tax receipts for sales reported September through December 2008 decreased \$725,876 or 3.01%.
- Franchise fees for the quarters ended September 30 and December 31 2008 increased \$406,504 or 2.5%.
- Property tax collections for the five months ended January 31, 2009 increased \$11,134,660 or 8.6%.

Management can not determine at this time what effect the current economic downturn will have on the City. Accordingly, the 2009 General Fund appropriations have been reduced approximately \$5.7 million dollars and a hiring freeze was put in place in the third quarter of 2008.

General Fund Budget

Fiscal year 2009 appropriations increased \$13.5 million or 5.1% to \$318.1 million from 2008 actual expenditures and transfers. Appropriations for personnel expenditures increased \$10.6 million from 2008. Appropriations, by activity, were increased(decreased) as follows (in millions):

• Police Department	\$(.2)
• Fire Department	2.3
• Information Technology	1.2
• Other General Government	3.7
• Public Works	.6
• Parks	6.4
• Library	.3
• Museums	.1
• Zoo	.2
• Community and Economic Development	.5
• Non-departmental	(1.6)

Estimated revenue and transfers increased \$25 million from 2008 actual revenues and transfers. Revenues and transfers were increased(decreased) as follows (in millions):

• Property taxes	\$9.4
• Sales taxes	7.2
• Franchise taxes	(1.4)
• Investment interest	(2.7)
• Charges for services	6.9
• Transfer from International Bridges	.6
• Rents, Licenses, Fines and other	5.0

The City's taxable assessed value for real and personal property increased 10.5% for the fiscal year 2009 tax levy. City Council decreased the General Fund rate 5.4% to \$.429 per \$100 of taxable value and decreased the debt service rate 6.3% to \$.204 per \$100 of taxable value. This results in an overall tax rate decrease of 5.7% to \$.633 per \$100 of taxable value.

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

August 31, 2008

REQUEST FOR INFORMATION

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

Financial Services

Attention: Financial Accounting and Reporting Division

2 Civic Center Plaza – 7th Floor

El Paso, Texas 79901-1196

(915) 541-4436

e-mail: ketonfw@ci.el-paso.tx.us

CITY OF EL PASO, TEXAS

STATEMENT OF NET ASSETS

August 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities - February 29, 2008
ASSETS				
Cash and Cash Equivalents	\$ 57,750,367	33,474,620	91,224,987	7,645,220
Investments	27,009,405	2,235,001	29,244,406	-
Receivables, net of allowances	74,170,387	11,547,537	85,717,924	17,460,567
Other Current Assets	-	-	-	81,937
Prepaid Items	335	433,601	433,936	1,778,120
Due from Component Unit	797,229	3,215,364	4,012,593	-
Inventory	3,792,720	3,114,367	6,907,087	3,080,416
Restricted Cash and Cash Equivalents	-	20,618,830	20,618,830	64,039,613
Restricted Investments	-	19,214,586	19,214,586	10,192,271
Restricted Trade and Other Receivables	-	-	-	345,860
Unamortized Bond Issue Costs	4,934,101	-	4,934,101	6,119,439
Capital Assets, not being depreciated	307,803,427	55,740,113	363,543,540	170,607,212
Capital Assets being depreciated, Net	367,097,455	255,944,849	623,042,304	917,388,511
TOTAL ASSETS	843,355,426	405,538,868	1,248,894,294	1,198,739,166
LIABILITIES				
Accounts Payable	9,612,694	5,547,733	15,160,427	14,836,036
Accrued Payroll	9,354,114	1,926,976	11,281,090	-
Due to Other Government Agencies	73,615	-	73,615	-
Due to Primary Government	-	-	-	3,634,331
Taxes and Fees Payable	1,623,392	301,432	1,924,824	-
Accrued Interest Payable	3,299,848	582,388	3,882,236	10,431,385
Unearned Revenue	-	1,913,151	1,913,151	-
Other Current Liabilities	-	-	-	12,731,988
Construction Contracts and Retainage Payable	9,863,043	1,245,211	11,108,254	3,544,181
Long-term Liabilities-Current	85,806,618	13,023,653	98,830,271	18,305,342
Long-term Liabilities-Non-current	649,865,483	84,846,795	734,712,278	483,883,990
TOTAL LIABILITIES	769,498,807	109,387,339	878,886,146	547,367,253
NET ASSETS				
Invested in Capital Assets, net of related debt	139,689,930	264,968,805	404,658,735	601,284,395
Restricted for:				
Debt Service	4,584,020	9,983,969	14,567,989	45,721,211
Cash Reserve	16,000,000	-	16,000,000	-
Community and Economic Development	40,554,006	-	40,554,006	-
Airport Operations	-	4,241,920	4,241,920	-
Public Safety	6,556,447	-	6,556,447	-
Parks	5,279,679	-	5,279,679	-
Municipal Courts	2,519,180	-	2,519,180	-
Passenger Facilities	-	5,878,548	5,878,548	-
Culture and Recreation	1,590,966	-	1,590,966	-
Museums	914,496	-	914,496	-
Zoo	538,153	-	538,153	-
Public Health	474	-	474	-
Library	290,016	-	290,016	-
Unrestricted	(144,660,748)	11,078,287	(133,582,461)	4,366,307
TOTAL NET ASSETS	\$ 73,856,619	296,151,529	370,008,148	651,371,913

CITY OF EL PASO, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit El Paso Water Utilities - February 29, 2008
	Expenses	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	\$ 43,886,275	4,998,092	2,222,630	-	(36,665,553)	-	(36,665,553)	-
Public safety	227,056,341	9,849,732	8,870,921	1,795,839	(206,539,849)	-	(206,539,849)	-
Public works	68,682,326	20,296,636	(658,872)	-	(49,044,562)	-	(49,044,562)	-
Public health	25,260,921	4,509,889	16,533,120	-	(4,217,912)	-	(4,217,912)	-
Parks	21,845,479	4,794,272	134,959	-	(16,916,248)	-	(16,916,248)	-
Library	10,345,730	401,564	456,314	-	(9,487,852)	-	(9,487,852)	-
Culture and recreation	16,395,281	1,189,897	(124,958)	-	(15,330,342)	-	(15,330,342)	-
Community and economic development	15,634,017	8,988,255	8,560,565	-	1,914,803	-	1,914,803	-
Interest on long-term debt	28,832,902	-	-	-	(28,832,902)	-	(28,832,902)	-
Total governmental activities	457,939,272	55,028,337	35,994,679	1,795,839	(365,120,417)	-	(365,120,417)	-
Business-type Activities:								
International airport operations	38,326,755	28,547,013	250,000	8,888,194	-	(641,548)	(641,548)	-
Industrial park operations and other operations	4,644,735	6,724,676	-	1,025,000	-	3,104,941	3,104,941	-
Solid waste disposal operations	34,250,866	41,703,614	741,955	-	-	8,194,703	8,194,703	-
Mass transit operations	50,063,983	8,366,568	11,688,463	7,879,874	-	(22,129,078)	(22,129,078)	-
International bridges operations	3,928,808	16,677,381	-	-	-	12,748,573	12,748,573	-
Total business-type activities	131,215,147	102,019,252	12,680,418	17,793,068	-	1,277,591	1,277,591	-
Total Primary Government	\$ 589,154,419	157,047,589	48,675,097	19,588,907	(365,120,417)	1,277,591	(363,842,826)	-
Component Unit:								
Water	\$ 103,989,897	103,460,263	-	5,700,872	-	-	-	5,171,238
Wastewater and reclaimed water	48,411,680	46,246,662	-	3,749,945	-	-	-	1,584,927
Total Component Unit	\$ 152,401,577	149,706,925	-	9,450,817	-	-	-	6,756,165
General revenues:								
Taxes:								
Property taxes, levied for general purposes					120,417,193	-	120,417,193	-
Property taxes, levied for debt service					56,909,745	-	56,909,745	-
Franchise taxes					42,324,317	-	42,324,317	-
Sales taxes					77,682,351	33,524,434	111,206,785	-
Investment earnings					3,627,149	2,513,155	6,140,304	3,677,147
Gain on disposal of capital assets					1,986,385	172,619	2,159,004	486,624
Transfers					22,215,213	(22,215,213)	-	-
Total general revenues and transfers					325,162,353	13,994,995	339,157,348	4,163,771
Change in net assets					(39,958,064)	15,272,586	(24,685,478)	10,919,936
Net assets - beginning					113,814,683	280,878,943	394,693,626	640,451,977
Net assets - ending					\$ 73,856,619	296,151,529	370,008,148	651,371,913

CITY OF EL PASO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2008

	<u>General</u>	<u>Community Development Block Grants</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 21,102,693	2,392,252	3,371,291	12,415,362	9,019,100	48,300,698
Investments	9,859,829	1,119,464	1,577,675	5,810,059	4,220,184	22,587,211
Receivables - Net of Allowances						
Taxes	16,240,245	-	2,163,179	-	-	18,403,424
Interest	463,220	19,635	-	-	-	482,855
Trade	438,786	-	-	-	225,487	664,273
Notes	-	37,241,800	-	-	-	37,241,800
Other	8,805,267	-	-	334,601	-	9,139,868
Due from Other Government Agencies	2,425	1,021,788	-	-	7,175,801	8,200,014
Prepaid Items	335	-	-	-	-	335
Due from Other Funds	-	-	-	-	6,151,767	6,151,767
Due from Component Unit	797,229	-	-	-	-	797,229
Inventory	3,015,895	-	-	-	-	3,015,895
TOTAL ASSETS	\$ 60,725,924	41,794,939	7,112,145	18,560,022	26,792,339	154,985,369
LIABILITIES						
Accounts Payable	\$ 6,455,136	488,550	3	-	1,421,854	8,365,543
Accrued Payroll	8,461,095	87,338	-	2,673	684,810	9,235,916
Due to Other Funds	-	-	-	-	6,151,767	6,151,767
Taxes Payable	1,623,392	-	-	-	-	1,623,392
Unearned Revenue	1,907,860	41,211,858	-	-	13,126	43,132,844
Deferred Ad Valorem Taxes	4,158,104	-	1,632,403	-	-	5,790,507
Due to Other Government Agencies	-	-	-	-	73,615	73,615
Construction Contracts and Retainage Payable	5,900	7,193	-	9,646,874	203,076	9,863,043
Total Liabilities	22,611,487	41,794,939	1,632,406	9,649,547	8,548,248	84,236,627
FUND BALANCES						
Reserved for:						
Debt Service	-	-	2,951,617	-	-	2,951,617
Cash Reserve	16,000,000	-	-	-	-	16,000,000
Inventory	3,015,895	-	-	-	-	3,015,895
Unreserved:						
Designated for Subsequent Years	-	-	2,528,122	-	-	2,528,122
Designated for Contingencies	1,000,000	-	-	-	-	1,000,000
Undesignated-Special Revenue Funds	-	-	-	-	18,244,091	18,244,091
Undesignated	18,098,542	-	-	8,910,475	-	27,009,017
TOTAL FUND BALANCES	38,114,437	-	5,479,739	8,910,475	18,244,091	70,748,742
TOTAL LIABILITIES AND FUND BALANCES	\$ 60,725,924	41,794,939	7,112,145	18,560,022	26,792,339	154,985,369

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
August 31, 2008

Fund balances - total governmental funds balance sheet \$70,748,742

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 (excluding internal service funds)	1,362,790,400	
Accumulated depreciation	(688,053,370)	
		674,737,030

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

Unamortized bond issuance costs	4,934,101	
Unearned revenue	305,210	
Property taxes	5,790,507	
Unearned revenue from franchise fees	1,598,275	
Unearned revenue from low income housing loans	41,211,858	
		53,839,951

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. (4,280,005)

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	(3,299,848)	
Arbitrage rebate payable	(30,227)	
Claims and judgments	(500,000)	
Compensated absences	(45,355,165)	
Net pension obligation	(14,478,818)	
Other postemployment benefits	(8,112,418)	
Deferred amount on refunding	4,017,322	
Unamortized bond issuance premium	(16,978,993)	
Bonds, notes and commercial paper payable	(636,450,952)	
		(721,189,099)

Net assets of governmental activities		\$73,856,619
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CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2008

	General	Community Development Block Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 120,524,215	-	56,744,336	-	111,520	177,380,071
Penalties and Interest-Delinquent taxes	1,269,086	-	521,919	-	-	1,791,005
Sales Taxes	69,200,080	-	-	3,029,443	5,452,828	77,682,351
Franchise Fees	40,073,546	-	-	-	652,496	40,726,042
Charges for Services	15,036,673	4,206,469	1,140,429	5,830,691	8,810,547	35,024,809
Fines and Forfeits	13,686,439	-	-	-	1,226,919	14,913,358
Licenses and Permits	10,243,173	-	-	-	2,154,567	12,397,740
Intergovernmental Revenues	-	8,101,855	-	-	27,515,022	35,616,877
County Participation	1,421,493	-	-	-	752,148	2,173,641
Interest	1,752,220	381,389	817,523	567,856	37,654	3,556,642
Rents and Other	1,485,587	-	-	-	2,699,920	4,185,507
Net Increase in the Fair Value of Investments	70,507	-	-	-	-	70,507
TOTAL REVENUES	274,763,019	12,689,713	59,224,207	9,427,990	49,413,621	405,518,550
EXPENDITURES						
Current:						
General Government	30,387,663	232,969	-	133,421	2,594,421	33,348,474
Public Safety	186,083,208	-	-	-	9,740,018	195,823,226
Public Works	23,133,937	-	-	10,961	1,812	23,146,710
Facilities Maintenance	15,305,363	-	-	-	-	15,305,363
Public Health	5,567,409	-	-	-	18,664,584	24,231,993
Parks Department	15,004,476	135,499	-	-	3,042,899	18,182,874
Library	8,135,231	-	-	-	439,283	8,574,514
Non Departmental	5,540,947	-	-	-	-	5,540,947
Culture and Recreation	5,525,934	-	-	227,804	6,371,659	12,125,397
Economic Development	1,597,050	-	-	-	542,693	2,139,743
Community and Human Development	565,714	7,417,205	-	-	1,606,775	9,589,694
Debt Service:						
Principal	-	-	28,419,341	-	-	28,419,341
Interest Expense	-	-	33,337,274	-	-	33,337,274
Fiscal Fees	-	-	14,398	1,945,969	-	1,960,367
Capital Outlay	944,588	4,904,040	-	77,728,507	5,809,054	89,386,189
TOTAL EXPENDITURES	297,791,520	12,689,713	61,771,013	80,046,662	48,813,198	501,112,106
Excess(Deficiency) of revenues over expenditures	(23,028,501)	-	(2,546,806)	(70,618,672)	600,423	(95,593,556)
OTHER FINANCING SOURCES(USES):						
Transfers In	25,539,199	-	3,556,428	3,516,548	2,237,230	34,849,405
Transfers Out	(5,748,228)	-	-	(3,561,978)	(3,323,986)	(12,634,192)
Face Amount of Bonds Issued	-	-	-	56,455,000	-	56,455,000
Premium on Issuance of Bonds	-	-	-	1,448,213	-	1,448,213
Proceeds from Sale of Capital Assets	-	-	-	1,984,285	2,100	1,986,385
TOTAL OTHER FINANCING SOURCES(USES)	19,790,971	-	3,556,428	59,842,068	(1,084,656)	82,104,811
Net change in fund balances	(3,237,530)	-	1,009,622	(10,776,604)	(484,233)	(13,488,745)
Fund balances - beginning of year	41,351,967	-	4,470,117	19,687,079	18,728,324	84,237,487
Fund balances - end of year	<u>\$ 38,114,437</u>	<u>-</u>	<u>5,479,739</u>	<u>8,910,475</u>	<u>18,244,091</u>	<u>70,748,742</u>

CITY OF EL PASO, TEXAS
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2008

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

Net change in fund balances - total governmental funds \$ (13,488,745)

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	57,362,532	
Depreciation	<u>(24,127,297)</u>	33,235,235

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

Cost of disposed assets	(1,847,649)	
Accumulated depreciation on disposed assets	<u>1,847,649</u>	-

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

Unearned revenue from fines and forfeits	(15,615,596)	
Unearned revenue from franchise fees	1,598,275	
Unearned revenue from low income housing loans	4,109,393	
Unearned revenue	13,126	
Property taxes	<u>(1,844,138)</u>	(11,738,940)

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	(56,455,000)	
Repayments	28,419,341	
Amount deferred on refunding	(566,716)	
Unamortized bond issuance costs	(401,839)	
Premium on issuance of bonded debt	<u>(1,448,213)</u>	(30,452,427)

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	(3,491,892)	
Decrease in accrued interest payable	3,562,918	
Increase in net pension obligation	(13,804,907)	
Decrease in net pension asset	(5,724,675)	
Increase in other postemployment benefits	(8,112,418)	
Amortization of premiums on bonds issued	<u>1,910,009</u>	(25,660,965)

Internal service funds are used by management to charge the costs of health insurance, worker's compensation, unemployment benefits, postage, copy center and equipment maintenance to individual funds. The net revenue of the internal service funds is reported by function within governmental activities. 8,147,778

Change in net assets of governmental activities \$ (39,958,064)

CITY OF EL PASO, TEXAS
BALANCE SHEET
PROPRIETARY FUNDS
August 31, 2008

Business-type Activities - Enterprise Funds

	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
ASSETS						
Current assets:						
Cash and Cash Equivalents	\$ 20,566,883	6,819,463	4,782,415	1,305,859	33,474,620	9,449,669
Investments	-	-	2,235,001	-	2,235,001	4,422,194
Receivables - Net of Allowances:						
Taxes	-	-	5,326,253	-	5,326,253	-
Trade	2,484,650	786,723	845,428	-	4,116,801	38,153
Due From Component Unit	-	3,215,364	-	-	3,215,364	-
Due From Other Government Agencies	748,568	321,350	1,034,565	-	2,104,483	-
Prepaid Items	317,534	82,662	33,405	-	433,601	-
Due From Other Funds	-	-	-	-	-	5,497
Inventory	1,217,238	68,157	1,729,850	-	3,015,245	629,265
Fuel Inventory	13,616	-	85,506	-	99,122	147,560
Total current assets	25,348,489	11,293,719	16,072,423	1,305,859	54,020,490	14,692,338
Noncurrent assets:						
Restricted Cash and Cash Equivalents	8,060,354	3,602,863	-	8,955,613	20,618,830	-
Restricted Investments	11,624,738	4,877,020	223,133	2,489,695	19,214,586	-
Capital Assets:						
Land	1,382,217	-	8,728,195	850,007	10,960,419	-
Buildings, Improvements & Equipment, Net	161,591,394	24,983,883	65,996,729	4,338,160	256,910,166	163,852
Construction in Progress	29,814,738	5,516,901	7,572,238	910,500	43,814,377	-
Total noncurrent assets	212,473,441	38,980,667	82,520,295	17,543,975	351,518,378	163,852
TOTAL ASSETS	\$ 237,821,930	50,274,386	98,592,718	18,849,834	405,538,868	14,856,190
LIABILITIES						
Current liabilities:						
Accounts Payable	\$ 3,500,813	622,168	1,311,087	113,665	5,547,733	1,229,650
Accrued Payroll	518,786	383,558	959,085	65,547	1,926,976	118,198
Current Portion - Bonds, Notes and Capital						
Lease Obligations Payable	900,525	3,242,572	2,003,298	1,407,160	7,553,555	-
Due to Other Funds	-	-	-	-	-	5,497
Hydrocarbon Clean Up - Current	-	-	173,282	-	173,282	-
Taxes Payable	52,933	248,494	5	-	301,432	-
Interest Payable on Bonds and Notes	16,286	88,416	132,490	345,196	582,388	-
Unearned Revenue	1,894,106	-	19,045	-	1,913,151	-
Construction Contracts and Retainage Payable	460,471	481,284	286,373	17,083	1,245,211	-
Compensated Absences - Current	1,754,430	652,055	1,140,373	124,490	3,671,348	161,583
Landfill Closure Costs - Current	-	1,300,000	-	-	1,300,000	-
Claims and Judgments - Current	-	-	325,468	-	325,468	17,407,672
Total current liabilities	9,098,350	7,018,547	6,350,506	2,073,141	24,540,544	18,922,600
Noncurrent liabilities:						
Certificates of Obligation Bonds	-	9,976,917	-	-	9,976,917	-
Revenue Bonds	7,373,673	16,956,251	-	20,000	24,349,924	-
Capital Lease Obligation	-	2,299,339	10,435,892	-	12,735,231	-
Notes Payable	-	-	-	12,025,719	12,025,719	-
Compensated Absences	494,839	223,307	321,644	35,113	1,074,903	45,575
Landfill Closure Costs	-	21,605,983	-	-	21,605,983	-
Delta Transfer Station Closure Costs	-	108,131	-	-	108,131	-
Net Pension Obligation	472,035	40,534	95,099	6,976	614,644	12,854
Other Post Employment Benefits	545,071	574,910	1,131,918	103,444	2,355,343	155,166
Total noncurrent liabilities	8,885,618	51,785,372	11,984,553	12,191,252	84,846,795	213,595
TOTAL LIABILITIES	17,983,968	58,803,919	18,335,059	14,264,393	109,387,339	19,136,195
NET ASSETS						
Invested in capital assets, net of related debt	184,514,149	6,505,588	69,857,972	4,091,096	264,968,805	163,852
Restricted for:						
Debt Service	9,564,624	-	-	419,345	9,983,969	-
Airport Operations	4,241,920	-	-	-	4,241,920	-
Passenger Facilities	5,878,548	-	-	-	5,878,548	-
Unrestricted	15,638,721	(15,035,121)	10,399,687	75,000	11,078,287	(4,443,857)
TOTAL NET ASSETS(DEFICIT)	219,837,962	(8,529,533)	80,257,659	4,585,441	296,151,529	(4,280,005)
TOTAL LIABILITIES AND NET ASSETS	\$ 237,821,930	50,274,386	98,592,718	18,849,834	405,538,868	14,856,190

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)
PROPRIETARY FUNDS
For the Year Ended August 31, 2008

	Businesstype Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES:						
Charges of Rentals and Fees	\$ 35,271,689	41,307,773	23,014	-	76,602,476	-
Charges of Tolls	-	-	-	16,677,381	16,677,381	-
Charges of Fares and Fees	-	-	8,343,354	-	8,343,354	-
Sales to Departments	-	10,514	-	-	10,514	18,352,386
Premium Contributions	-	-	-	-	-	48,411,013
General Revenues	-	385,327	200	-	385,527	1,158,880
Total Operating Revenues	35,271,689	41,703,614	8,366,568	16,677,381	102,019,252	67,922,279
OPERATING EXPENSES:						
Personnel Services	16,410,004	12,819,029	31,256,300	2,082,112	62,567,445	3,979,139
Contractual Services	-	-	24,661	-	24,661	-
Professional Services	614,086	125,972	363,733	3,500	1,107,291	207,106
Outside Contracts	5,125,620	1,988,377	2,526,576	597,041	10,237,614	3,723,956
Fuel and Lubricants	413,746	3,362,578	3,319,714	-	7,096,038	9,056,402
Materials and Supplies	837,332	4,580,741	3,539,261	39,045	8,996,379	3,705,546
Communications	178,497	168,852	130,518	17,835	495,702	14,703
Utilities	2,086,431	45,773	548,938	35,428	2,716,570	5,982
Operating Leases	17,632	9,650	323,847	1,359	352,488	92,541
Travel and Entertainment	98,704	47,428	37,657	10,424	194,213	8,947
Benefits Provided	-	1,123	21,965	-	23,088	37,238,854
Maintenance and Repairs	695,656	267,598	293,023	97,600	1,353,877	1,938,289
Landfill and Transfer Station Utilization	-	1,598,455	-	-	1,598,455	-
Other Operating Expenses	415,400	1,728,283	860,349	-	3,004,032	33,548
Depreciation	13,972,934	5,889,589	6,305,047	577,782	26,745,352	51,854
Total Operating Expenses	40,866,042	32,633,448	49,551,589	3,462,126	126,513,205	60,056,867
Operating Income (Loss)	(5,594,353)	9,070,166	(41,185,021)	13,215,255	(24,493,953)	7,865,412
NONOPERATING REVENUES (EXPENSES):						
Interest Revenue	1,292,937	638,737	282,698	298,783	2,513,155	282,366
Interest Expense	(502,746)	(1,518,104)	(512,394)	(466,682)	(2,999,926)	-
Gain(Loss) on Sale of Equipment and Land	(1,602,702)	(99,314)	172,619	-	(1,529,397)	-
Passenger Facility Charge	4,433,432	-	-	-	4,433,432	-
Sales Tax	-	-	33,524,434	-	33,524,434	-
FTA Subsidy	-	-	11,688,463	-	11,688,463	-
Total NonOperating Revenues (Expenses)	3,620,921	(978,681)	45,155,820	(167,899)	47,630,161	282,366
Income (Loss) Before Capital Contributions and Transfers	(1,973,432)	8,091,485	3,970,799	13,047,356	23,136,208	8,147,778
Capital Contributions	5,729,762	741,955	7,879,874	-	14,351,591	-
Transfers Out	(1,587,500)	(4,889,979)	(3,500,000)	(12,237,734)	(22,215,213)	-
Change in net assets	2,168,830	3,943,461	8,350,673	809,622	15,272,586	8,147,778
Total Net Assets(Deficit)-beginning	217,669,132	(12,472,994)	71,906,986	3,775,819	280,878,943	(12,427,783)
Total Net Assets(Deficit)-ending	\$ 219,837,962	(8,529,533)	80,257,659	4,585,441	296,151,529	(4,280,005)

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended August 31, 2008

	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	\$ 36,095,511	41,083,572	8,256,582	16,677,381	102,113,046	67,887,511
Payments to Suppliers	(9,384,561)	(12,289,222)	(13,783,948)	(817,046)	(36,274,777)	(54,032,134)
Payments to Employees	(14,923,591)	(12,038,025)	(29,855,481)	(1,917,918)	(58,735,015)	(3,783,823)
Proceeds from Other Funds	-	-	-	-	-	655,139
Proceeds to Other Funds	-	-	(10,833,097)	-	(10,833,097)	(655,139)
Net cash provided (used) by operating activities	<u>11,787,359</u>	<u>16,756,325</u>	<u>(46,215,944)</u>	<u>13,942,417</u>	<u>(3,729,843)</u>	<u>10,071,554</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	(1,587,500)	(4,889,979)	(3,500,000)	(12,237,734)	(22,215,213)	-
Sales Tax	-	-	33,354,872	-	33,354,872	-
FTA Subsidy	-	-	20,857,146	-	20,857,146	-
Net cash provided (used) by noncapital financing activities	<u>(1,587,500)</u>	<u>(4,889,979)</u>	<u>50,712,018</u>	<u>(12,237,734)</u>	<u>31,996,805</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Capital Debt	-	3,778,027	-	6,107,000	9,885,027	-
Passenger Facility Charge	4,433,432	-	-	-	4,433,432	-
Capital Contributions from Federal Government	4,704,762	-	6,845,578	-	11,550,340	-
Purchases of Capital Assets	(25,339,946)	(9,820,244)	(14,486,516)	(280,790)	(49,927,496)	-
Payment of Landfill Closure and Transfer Station costs	-	(1)	-	-	(1)	-
Principal Paid on Capital Debt	(1,000,000)	(2,373,164)	(1,928,053)	(1,089,531)	(6,390,748)	-
Interest Paid on Capital Debt	(404,575)	(1,531,523)	(538,716)	(368,767)	(2,843,581)	-
Proceeds from Sale of Capital Assets	615	22,304	300,205	-	323,124	-
Net cash provided (used) by capital and related financing activities	<u>(17,605,712)</u>	<u>(9,924,601)</u>	<u>(9,807,502)</u>	<u>4,367,912</u>	<u>(32,969,903)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	11,200,000	3,600,000	12,257,979	2,231,545	29,289,524	1,200,000
Purchases of Investments	(11,624,738)	(4,877,020)	(2,458,134)	(2,489,695)	(21,449,587)	(4,422,194)
Interest	1,292,937	638,737	282,698	298,783	2,513,155	282,366
Net cash provided (used) by investing activities	<u>868,199</u>	<u>(638,283)</u>	<u>10,082,543</u>	<u>40,633</u>	<u>10,353,092</u>	<u>(2,939,828)</u>
Net increase (decrease) in cash and cash equivalents	(6,537,654)	1,303,462	4,771,115	6,113,228	5,650,151	7,131,726
Cash and Cash Equivalents - beginning of the year	35,164,891	9,118,864	11,300	4,148,244	48,443,299	2,317,943
Cash and Cash Equivalents - end of the year	<u>\$ 28,627,237</u>	<u>10,422,326</u>	<u>4,782,415</u>	<u>10,261,472</u>	<u>54,093,450</u>	<u>9,449,669</u>

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended August 31, 2008

Businesstype Activities - Enterprise Funds

	El Paso International Airport	Environmental Services	Mass Transit	Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (5,594,353)	9,070,166	(41,185,021)	13,215,255	(24,493,953)	7,865,412
Adjustments to Reconcile Operating Income to Net Cash						
Provided (Used) by Operating Activities:						
Landfill and Transfer Station Utilization	-	1,598,455	-	-	1,598,455	-
Depreciation Expense	13,972,934	5,889,589	6,305,047	577,782	26,745,352	51,854
Increase in Other Post Employment Benefits	545,071	574,910	1,131,918	103,444	2,355,343	137,815
Increase in Net Pension Obligation	472,035	40,534	95,099	6,976	614,644	30,205
Change in Assets and Liabilities:						
Receivables, Net	(316,382)	(635,842)	(108,817)	-	(1,061,041)	(34,768)
Inventories	(129,706)	931	-	-	(128,775)	(24,847)
Other Assets	555,366	(59,102)	26,431	-	522,695	655,139
Accounts and other payables	1,813,087	111,124	(12,712,534)	(14,814)	(10,803,137)	181,253
Accrued Expenses	469,307	165,560	231,933	53,774	920,574	1,209,491
Net cash provided by operating activities	<u>\$ 11,787,359</u>	<u>16,756,325</u>	<u>(46,215,944)</u>	<u>13,942,417</u>	<u>(3,729,843)</u>	<u>10,071,554</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Building acquired from lease termination	<u>\$ 1,025,000</u>				<u>1,025,000</u>	

CITY OF EL PASO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
August 31, 2008

	Pension Trust Funds	Private-Purpose Trusts	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 20,993,443	6,125,221	3,191,249
Investments:			
United States Government Securities	-	2,866,440	-
Corporate Stocks	252,109,773	-	-
Bank Collective Investment Funds	218,184,920	-	-
Foreign Exchange Contract	410,574	-	-
Investment in Real Estate Fund	36,917,670	-	-
Fixed Income Securities	311,369,826	-	-
Domestic Equities	257,786,417	-	-
International Equities	310,821,088	-	-
Receivables - Net of Allowances			
Commission Credits Receivable	31,405	-	-
Due from Brokers For Securities Sold	1,114,538	-	-
Employer Contributions	1,388,291	-	-
Employee Contributions	1,034,888	-	-
Accrued Interest and Dividends	567,155	-	-
Special Assessment PID #1	-	-	507,933
Delinquent Property Taxes-Other Taxing Entities	-	-	48,550,831
Prepaid Items	21,736	-	-
Due from Other Funds	-	-	4,662,096
Capital Assets:			
Buildings, Improvements & Equipment, Net	1,727,685	-	-
Total Assets	\$ 1,414,479,409	8,991,661	56,912,109
LIABILITIES			
Accounts Payable	\$ 8,253,262	19,022	1,700,164
Taxes Payable	-	33	-
Accrued Payroll	-	3,623	-
Payable to Bondholders - PID #1	-	-	507,933
Amount Available to Pay Bonds - PID #1	-	-	18,711
Due to Other Funds	-	4,662,096	-
Prepaid Property Taxes-Other Taxing Entities	-	-	1,330,647
Deferred Revenue - Commission Credits	31,405	-	-
Property Taxes Subject to Refund-Other Taxing Entities	-	-	4,803,823
Foreign Exchange Contract	411,186	-	-
Uncollected Property Taxes-Other Taxing Entities	-	-	48,550,831
Total liabilities	8,695,853	4,684,774	56,912,109
NET ASSETS:			
Held in Trust for Pension Benefits and Other Purposes	\$ 1,405,783,556	4,306,887	

CITY OF EL PASO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended August 31, 2008

	Pension Trust Funds	Private-Purpose Trusts
ADDITIONS (REDUCTIONS):		
Contributions:		
Employer	\$ 135,451,263	-
Employee	28,444,838	-
Other	4,420	-
Total contributions	<u>163,900,521</u>	<u>-</u>
Rental vehicle sales tax	-	2,805,245
Miscellaneous	-	293,046
Investment income:		
Net appreciation in fair value of investments	43,387,397	-
Interest	6,073,058	251,401
Dividends	12,075,362	-
Securities lending income	2,302,901	-
Securities lending fees	(1,824,788)	-
Decrease in commission credits receivable	(15,560)	-
Investment advisor fees	(5,141,368)	-
Net investment income	<u>56,857,002</u>	<u>251,401</u>
Other Income (Loss):		
Rental and Other Income	23,233	-
Total other income (loss)	<u>23,233</u>	<u>-</u>
Total additions (reductions)	<u>220,780,756</u>	<u>3,349,692</u>
DEDUCTIONS:		
Benefits paid to participants	72,330,291	-
Refunds	3,733,327	-
Administrative expenses	2,572,637	-
Expended for other purposes	-	3,529,605
Total deductions	<u>78,636,255</u>	<u>3,529,605</u>
Change in net assets	142,144,501	(179,913)
Net assets - beginning of the year	1,263,639,055	4,486,800
Net assets - end of the year	<u>\$ 1,405,783,556</u>	<u>4,306,887</u>

NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2008
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The City of El Paso, Texas (City) was incorporated in 1873. The government of the City is operated by authority of its charter exercising all powers conferred upon constitutional home rule cities in the State of Texas and exercises these powers as a municipal corporation, subject to the Constitution and the laws of the State of Texas. The city charter was amended in February 2004 to adopt a Council/City Manager form of government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Change in Accounting Principles

Effective September 1, 2007, the City implemented the following new financial accounting and reporting standards issued by GASB:

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*

Statement No. 45 establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans, improves the relevance and usefulness of financial reporting, and supersedes portions of statements No. 12 and 27. The financial impact of the implementation on the City during the year is further discussed in footnote 13. The adoption of GASB 45 had no effect on beginning net assets of the City as of September 1, 2007 and decreased net assets for the year ended August 31, 2008 by \$8,267,584 for governmental type activities and \$2,355,343 for business type activities.

Statement No. 50: *Pension Disclosures – An Amendment of GASB Statements No. 25 and No. 27*

Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other post employment benefits (OPEB) and in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information by pension plans and employers that provide pension benefits. The implementation had no financial impact on the City during the current year.

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-

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

City Employees' Pension Fund (CEPF) (Continued)

employer defined benefit retirement plan established under legal authority of the City Charter and administered by a Board of Trustees (CEPF Board). The CEPF Board is comprised of the Mayor, two citizens designated by the Mayor who are not officers or employees of the City, four elected City employees, a retiree and two City district representatives. The CEPF is included in the accompanying financial statements under Pension Trust Funds and the financial information included in these statements is as of August 31, 2008.

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. The FPPF is included in the accompanying financial statements under Pension Trust Funds and the financial information included in these statements is as of December 31, 2007.

El Paso Water Utilities (EPWU)

As specified by City Ordinance No. 752, adopted May 22, 1952, complete management and control of EPWU is vested in a five-member board of trustees known as the Public Service Board (PSB). EPWU is financially accountable to the City.

The PSB consists of the Mayor and four residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council. EPWU is reported discretely as a component unit in the accompanying financial statements and the financial information included in these statements is as of EPWU's latest fiscal year end, February 29, 2008.

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

CEPF - City Employees' Pension Fund

City of El Paso Employees' Pension Fund
Two Civic Center Plaza
El Paso, Texas 79901

FPPF - Firemen and Policemen's Pension Fund

El Paso Firemen & Policemen's Pension Fund
1155 Westmoreland, Suite 223
El Paso, Texas 79925

EPWU - El Paso Water Utilities

El Paso Water Utilities
P. O. Box 511
El Paso, Texas 79961

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

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

El Paso Housing Authority

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

El Paso County 911 District

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

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 authorized bonds for projects, of which \$23 million remain outstanding. The bonds specifically provide they are not a debt of the City and the City is not responsible for payment of these bonds, therefore there is no financial benefit/obligation to the City resulting from these projects and no amounts related to these bonds have been accrued in these financial statements.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Related Organizations (Continued)

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 2008.

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.

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

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.

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

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

C. Fund Accounting

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

The City uses the following fund categories:

Governmental Funds

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

The City reports the following major governmental funds:

General Fund

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

Community Development Block Grants Fund (CDBG)

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

Debt Service Fund

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

Capital Projects Fund

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

The City reports the following nonmajor governmental funds:

Special Revenue Funds (excluding CDBG)

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

Proprietary Funds

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Enterprise Funds

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

The City reports on the following major enterprise funds:

El Paso International Airport (Airport)

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

Environmental Services

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

Mass Transit

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

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.

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

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

Pension Trust Funds

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

Private Purpose Trust Funds

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

Agency Funds

Agency funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations and other governmental units. Agency funds include property taxes collected for other taxing entities, special assessment for the payment of bonds issued for the Public Improvement District #1 and the Camino Real Regional Mobility Authority.

D. Measurement Focus and Basis of Accounting

In the governmentwide statements, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year 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

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

available if they are collected within 60 days after year-end except for franchise fee revenues collected within 75 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage liabilities are recorded only when the liability has matured.

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

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

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

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

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

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

GASB Statement Number 20 requires that governments’ proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The City has elected not to implement FASB

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

Statements and Interpretations issued after November 30, 1989. However, EPWU has elected to implement such pronouncements.

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

E. Cash, Cash Equivalents and Investments

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

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

Primary Government

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

Component Unit – EPWU

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

F. Inventories and Prepaid Items

Inventories of materials and supplies consist primarily of expendable items held for consumption. They are stated at the lower of cost (based on a first-in, first-out method) or market for all governmental and proprietary funds and on the statement of net assets for governmental activities and business-type 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventories and Prepaid Items

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

G. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for the enterprise funds. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend 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
Buildings and improvements	5 to 50 years
Vehicles and major equipment	3 to 12 years
Data processing	3 to 5 years
Infrastructure	12 to 100 years
Other capital assets	5 to 15 years

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**G. Capital Assets (Continued)****Component Unit – EPWU**

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

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

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

H. Insurance

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

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

Additionally, the City maintains insurance policies acquired from independent insurance carriers for property insurance, errors and omissions insurance and auto liability insurance coverage for some of the City's fleet of vehicles.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**I. Unearned Revenue and Uncollectible Loans**

In the governmental and proprietary funds unearned revenue represents amounts reported in accordance with the City's revenue recognition criteria. It consists primarily of \$1,598,275 in franchise fees reported in the General Fund and \$41,211,858 related to \$43,846,467 in low-income housing loans reported in the Community Development Block Grants Fund and \$1,894,106 in a long-term right of way reported in the El Paso International Airport Fund.

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

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

2. Transactions Between Funds

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

K. Federal and State Grants

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Revenues are recognized when the expenditures of Federal and State grant funds are made and all eligibility requirements have been met. Amounts owed to the City at August 31, 2008 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, Reservations and Designations of Fund Balances/Net Assets

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

Restrictions

Restricted net assets of the Airport Fund were \$19,685,092 and relate to funds restricted by the FAA for future airport maintenance/renovation 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.

Reserved for Debt Service

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**N. Restrictions, Reservations and Designations of Fund Balances/Net Assets (Continued)****Reserved for Cash Reserve**

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

Designations**Designated for Subsequent Year's Expenditures**

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

Designated for Contingencies

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

O. Statement of Cash Flows

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

P. Claims and Judgments

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

Q. Solid Waste Landfill Closure and Post-closure Cost

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

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****R. Fiscal-year Inconsistencies**

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

Primary Government - Due From Component Unit	
Governmental funds:	
General Fund	\$ 797,229
Proprietary funds:	
Environmental Services	3,215,364
Due From Component Unit at August 31, 2008	<u>\$ 4,012,593</u>
Component unit - EPWU - Due To Primary	
Government - at February 29, 2008	<u>\$ 3,634,331</u>

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

	<u>Firemen Division</u>	<u>Policemen Division</u>
Primary government:		
Employer Contributions to FPPF:		
General Fund	\$ 9,095,994	12,475,504
Nonmajor Governmental Funds	46,702	35,983
El Paso International Airport	348,395	295,764
Employer Contributions to FPPF	<u>\$ 9,491,091</u>	<u>12,807,251</u>
Fiduciary Funds - FPPF		
Employer Contribution from City	<u>\$8,777,204</u>	<u>12,105,808</u>

S. Use of Estimates

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

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 2. CASH AND INVESTMENTS

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

	Primary Government	Private Purpose Trusts	Agency Funds	Subtotal - City Treasury	Component Unit - EPWU (1)	Pension Trust Funds
Cash and Cash Equivalents	\$ 91,224,987	6,125,221	3,191,249	100,541,457	7,645,220	20,993,443
Restricted Cash and Cash Equivalents	20,618,830	-	-	20,618,830	64,039,613	-
Cash and Cash Equivalents	\$ 111,843,817	6,125,221	3,191,249	121,160,287	71,684,833	20,993,443
Investments	29,244,406	2,866,440	-	32,110,846	-	1,387,600,268
Restricted Investments	19,214,586	-	-	19,214,586	10,192,271	-
Investments	\$ 48,458,992	2,866,440	-	51,325,432	10,192,271	1,387,600,268
	\$ 160,302,809	8,991,661	3,191,249	172,485,719	81,877,104	1,408,593,711

(1) Carrying amount of cash at February 29, 2008 was \$(1,710,819). The bank balance was \$2,253,398 secured by \$100,000 FDIC Insurance and a 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, 2008 were:

	Cash and Cash Equivalents	Investments	City Treasury	Non-Pool	Pool
Governmental Funds:					
General	\$ 21,102,693	9,859,829	30,962,522	33,476	30,929,046
Community Development					
Block Grants	2,392,252	1,119,464	3,511,716	100	3,511,616
Debt Service	3,371,291	1,577,675	4,948,966		4,948,966
Capital Projects	12,415,362	5,810,059	18,225,421		18,225,421
Nonmajor Governmental Funds	9,019,100	4,220,184	13,239,284	1,100	13,238,184
Internal Service Funds	9,449,669	4,422,194	13,871,863		13,871,863
Enterprise Funds:					
El Paso International Airport	28,627,237	11,624,738	40,251,975	3,786,640	36,465,335
Environmental Services	10,422,326	4,877,020	15,299,346	750	15,298,596
Mass Transit	4,782,415	2,458,134	7,240,549	229,633	7,010,916
Nonmajor Enterprise Funds	10,261,472	2,489,695	12,751,167	6,981,907	5,769,260
Fiduciary Funds:					
Private Purpose Trusts	6,125,221	2,866,440	8,991,661		8,991,661
Agency Funds	3,191,249		3,191,249	3,191,249	
	\$ 121,160,287	51,325,432	172,485,719	14,224,855	158,260,864

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

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)	\$ 10,296,777	3,191,249	13,488,026	7,130,780	
Cash on hand	-	94,031	94,031		
External investment pools:					
TEXPOOL	7,650,288	-	7,650,288	7,650,288	
LOGIC	10,041,223	-	10,041,223	10,041,223	
Texas Term	71,981,669	-	71,981,669	71,981,669	
TexSTAR	2,779,148	-	2,779,148	2,779,148	
Wells Fargo Government Investment Fund	5,059,980	10,065,922	15,125,902	15,125,902	
Cash and cash equivalents	<u>107,809,085</u>	<u>13,351,202</u>	<u>121,160,287</u>		% of Investment Portfolio
Mutual Fund - Columbia Cash Reserve	-	650,520	650,520	Held by City's agent in City's name.	1.3%
Mutual Fund - JPMorgan Funds	-	223,133	223,133		0.4%
\$10,415,000 par value Federal Home Loan Note - 2.95% coupon maturing 11/27/09	10,389,379	-	10,389,379		20.2%
\$40,000,000 par value Federal Home Loan Note - 4.05% coupon, maturing 7/14/10	40,062,400	-	40,062,400		78.1%
Investments	<u>50,451,779</u>	<u>873,653</u>	<u>51,325,432</u>		
	<u>\$ 158,260,864</u>	<u>14,224,855</u>	<u>172,485,719</u>		

(1) Held by financial institution. Insured by FDIC \$100,000. Remainder secured by a pledge of \$20,547,793 of U.S. Government securities held by the City's agent in the City's name.

NOTE 2. CASH AND INVESTMENTS (Continued)**Investments – City Treasury**

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

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

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

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

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

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

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

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008****NOTE 2. CASH AND INVESTMENTS (Continued)****Investments – City Treasury (Continued)**

Credit Risk – The investment policy authorizes the following securities:

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

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

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

At August 31, 2008, 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	\$ 50,451,779	—	50,451,779	AAA / S&P
External investment pools	107,578,230	107,578,230	—	AAA / S&P
Mutual funds	873,653	873,653	—	AAA / S&P
	<u>\$ 158,903,662</u>	<u>108,451,883</u>	<u>50,451,779</u>	

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

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

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

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

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

Fixed-income portfolios – The annual standard deviation of returns for the CEPF's domestic fixed-income portfolio shall not exceed 1.33% of the annual standard deviation of the Lehman Brothers Aggregate Bond Index. This index has since changed their name to Barclay's Capital Aggregate Index.

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

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

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

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

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

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

(a) Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The CEPF's investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2008, the CEPF's deposit balances were exposed to custodial credit risk in the amount of \$6,224,823 because the deposits were uninsured and uncollateralized.

(b) Investments

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

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Mutual bond funds	<u>\$169,009,880</u>	<u>\$169,009,880</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The CEPF's investment policy maintains that corporate obligations be rated at least BBB by Standard and Poor's or equivalent rating by a recognized rating agency. However, up to 20% of the corporate bond portfolio may be invested in corporate obligations rated BBB- by Standard and Poor's or an equivalent rating by a recognized agency. At August 31, 2008 the Fund had no corporate bond obligations.

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

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Fund will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The CEPF's investment policy does not specifically address this type of risk. As of August 31, 2008 all securities are held by an agent in the CEPF's name with the exception of the bank collective investments funds that are uninsured and the underlying securities are held by various counterparties not in the name of the Fund exposing the balances in the amount of \$218,184,920 as of August 31, 2008, to custodial credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the CEPF's investment in a single issuer. The CEPF's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table presents the fair value of investments that represents 5% or more of the CEPF's net assets available for benefits at August 2008. These investments were in bank collective investment funds, which consist of diversified portfolios of investments as described above.

	<u>Shares/ par value</u>	<u>Fair value</u>
August 31, 2008:		
EB Daily Valued Large Cap Stock Index Fund - Mellon Capital Management Corporation	35,908	\$ 30,922,177
EB Aggregate Bond Index Fund - Mellon Capital Management Corporation	482,099	169,009,880
PRISA Prudential Real Estate	696	27,363,100

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The CEPF's investment policy allows 10% to 20% of equity securities be invested in foreign markets. The CEPF's exposure to foreign currency risk at August 31, 2008 was as follows:

<u>Investment</u>	<u>Currency</u>	Fair value
Cash and equivalents	(1)	\$ 842,604
Corporate stocks	Australian dollar	1,962,821
Corporate stocks	British pound	12,010,419
Corporate stocks	European euro	21,778,348
Corporate stocks	Japanese yen	11,831,992
Corporate stocks	Swiss franc	6,572,220
Corporate stocks	Swedish krona	885,752
Corporate stocks	(2)	3,265,000
Total		<u>\$ 59,149,156</u>

- (1) Investments in cash and cash equivalents ranging from \$700 to \$242,000 were held in Australian dollars, British pounds, Danish kroner, European euros, Japanese yen, New Zealand dollars, Norwegian kroner, Singapore dollars, Swedish kronas, and Swiss francs at August 31, 2008.
- (2) Investments in corporate stocks ranging from \$133,000 to \$679,000 were held in Canadian Dollar, Danish kroner, Hong Kong dollars, New Zealand Dollar, Norwegian kroner, and Singapore dollars at August 31, 2008.

Security Lending Transactions

State statutes and board of trustees' policies permit the Fund to lend its securities to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The CEPF's custodian lends securities of the type on loan at year-end for collateral in the form of U.S. issuer securities of 102% and non U.S. issuer securities of 105%. All securities loans can be terminated on demand by either the Fund 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 Fund cannot determine. The Fund cannot pledge or sell collateral securities received unless the borrower defaults.

Custodial credit risk for securities lending transactions is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the years ended August 31, 2008 and 2007, the Fund had no credit risk exposure to borrowers because the amounts the Fund owes the

NOTE 2. CASH AND INVESTMENTS (Continued)

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

borrowers exceed the amounts the borrowers owe the Fund. Fair value of securities loaned by type of investment at August 31 was as follows:

At August 31, 2008, the fair value of securities loaned comprised of corporate stocks valued at \$38,871,982.

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

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

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

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

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

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 2008, 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

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

certificates of deposits in banks will be registered in EPWU's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in EPWU's name.

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

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

At February 29, 2008 investments of EPWU are as follows:

Investment type	Fair Value	Maturity in years		Rating / Agency
		Less than 1	1 - 5	
U.S. agencies	\$ 23,601,090	18,610,205	4,990,885	AAA / S&P
Investment pools	19,188,851	19,188,851		AAA / S&P
Mutual bond funds	29,631,304	29,631,304		AAA / S&P
Mutual bond funds	11,166,678	11,166,678		Unrated
	<u>\$ 83,587,923</u>	<u>78,597,038</u>	<u>4,990,885</u>	

The following table presents the fair value of investments that represents 5% or more of EPWU's investment portfolio at February 29, 2008. 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

NOTE 3. PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. A receivable for property taxes is recognized and recorded at the levy date. The adjusted assessed value for the roll as of January 1, 2007, upon which the 2008 levy was based, was \$26,112,240,496.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 98.4% of the current tax levy (October 2007) 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, 2008, was \$.453294 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.396706 per \$100 assessed valuation and could levy \$364,711,230 in additional taxes from the assessed valuation of \$26,112,240,496 before the legislative limit is reached.

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

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008**

NOTE 3. PROPERTY TAXES (Continued)

The balance of delinquent property taxes receivable and property tax assessments included in unearned revenues at August 31, 2008 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property taxes receivable	\$ 7,601,182	2,944,979
Less allowance for uncollectibles	2,073,110	781,800
Net property taxes receivable	<u>\$ 5,528,072</u>	<u>2,163,179</u>
Unearned ad valorem taxes	<u>\$ 4,158,104</u>	<u>1,632,403</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 4. RECEIVABLES

Receivables and due from other government agencies are summarized below:

Governmental activities							
	General Fund	Community Development Block Grants Fund	Debt Service	Capital Projects	Nonmajor Funds	Internal Service Funds	Total
Property Taxes	\$ 7,601,182	-	2,944,979	-	-	-	10,546,161
Sales Taxes	10,712,173	-	-	-	-	-	10,712,173
Trade	1,540,108	-	-	334,601	225,487	56,119	2,156,315
Interest	463,220	275,107	-	-	-	-	738,327
Franchise fees	6,485,170	-	-	-	-	-	6,485,170
Other	198,946	-	-	-	-	-	198,946
Fines and forfeits	2,119,582	-	-	-	-	-	2,119,582
Due from Other							
Government Agencies	2,425	1,021,788	-	-	7,175,801	-	8,200,014
Notes receivable - low income housing loans	-	43,846,467	-	-	-	-	43,846,467
Allowance for doubtful accounts	(3,172,863)	(6,860,139)	(781,800)	-	-	(17,966)	(10,832,768)
	<u>\$ 25,949,943</u>	<u>38,283,223</u>	<u>2,163,179</u>	<u>334,601</u>	<u>7,401,288</u>	<u>38,153</u>	<u>74,170,387</u>

Business-type activities				
	El Paso International Airport	Environmental Services	Mass Transit	Total
Sales Taxes	\$ -	-	5,326,253	5,326,253
Trade	3,663,732	1,111,664	845,428	5,620,824
Due from other government agencies	748,568	321,350	1,034,565	2,104,483
Allowance for doubtful accounts	(1,179,082)	(324,941)	-	(1,504,023)
Receivables, net of allowances	<u>\$ 3,233,218</u>	<u>1,108,073</u>	<u>7,206,246</u>	<u>11,547,537</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 5. CAPITAL ASSETS

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

	<u>Balances September 1, 2007</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances August 31, 2008</u>
Governmental Activities: ¹					
Capital assets not being depreciated					
Land	\$148,612,979	2,580,684	-	-	151,193,663
Buildings not in use	-	1,633,000	-	-	1,633,000
Construction in progress	<u>131,480,568</u>	<u>(27,815,067)</u>	<u>51,311,263</u>	-	<u>154,976,764</u>
Total capital assets not being depreciated	<u>280,093,547</u>	<u>(23,601,383)</u>	<u>51,311,263</u>	-	<u>307,803,427</u>
Capital assets being depreciated					
Buildings	272,208,259	13,696,083	-	-	285,904,342
Improvements other than buildings	20,178,552	-	-	-	20,178,552
Vehicles and major equipment	98,768,316	(15,424,489)	5,875,371	(1,847,649)	87,371,549
Data processing equipment and software	12,289,997	2,126,540	175,899	-	14,592,436
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	<u>622,876,757</u>	<u>10,759,913</u>	-	-	<u>633,636,670</u>
Total capital assets, being depreciated	<u>1,029,167,189</u>	<u>11,158,047</u>	<u>6,051,270</u>	<u>(1,847,649)</u>	<u>1,044,528,857</u>
Less accumulated depreciation for:					
Buildings	100,637,544	-	7,854,168	-	108,491,712
Improvements other than buildings	18,090,058	-	334,137	-	18,424,195
Vehicles and major equipment	71,812,552	(13,194,577)	6,814,886	(1,847,649)	63,585,212
Data processing equipment and software	10,957,532	451,893	1,272,923	-	12,682,348
Other capital assets	2,845,308	-	-	-	2,845,308
Infrastructure	<u>463,200,242</u>	<u>299,348</u>	<u>7,903,037</u>	-	<u>471,402,627</u>
Total accumulated depreciation	<u>667,543,236</u>	<u>(12,443,336)</u>	<u>24,179,151</u>	<u>(1,847,649)</u>	<u>677,431,402</u>
Total capital assets, being depreciated, net	<u>361,623,953</u>	<u>23,601,383</u>	<u>(18,127,881)</u>	-	<u>367,097,455</u>
Governmental activities capital assets, net	<u>\$641,717,500</u>	-	<u>33,183,382</u>	-	<u>674,900,882</u>

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

Governmental Activities¹	
General government	\$ 417,705
Public safety	5,680,923
Public Works	9,762,126
Public health	575,287
Parks	2,383,942
Library	690,848
Culture and recreation	4,580,740
Community and economic development	<u>35,726</u>
Total depreciation expense - governmental activities	24,127,297
Internal service funds	<u>51,854</u>
Depreciation Expense	<u>\$ 24,179,151</u>

¹ The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2008, Internal Service Funds capital asset cost was \$1,788,947. Depreciation expense of \$51,854 resulted in an ending accumulated depreciation balance of \$1,625,095 to arrive at a net book value of \$163,852.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 5. CAPITAL ASSETS (Continued)

	Balance September 1, 2007	Transfers	Increases	Decreases	Balance August 31, 2008
Business-type activities:					
El Paso International Airport					
Capital assets not being depreciated:					
Land	\$ 1,382,217	-	-	-	1,382,217
Artwork	-	965,317	-	-	965,317
Construction in progress	24,922,856	(19,101,461)	23,993,343	-	29,814,738
Total capital assets not being depreciated	26,305,073	(18,136,144)	23,993,343	-	32,162,272
Capital assets being depreciated:					
Buildings	120,217,889	276,934	1,025,000	2,380,318	119,139,505
Improvements other than buildings	171,610,828	16,611,656	43,188	12,964,335	175,301,337
Vehicles and major equipment	11,536,455	1,309,571	39,495	402,159	12,483,362
Total capital assets being depreciated	303,365,172	18,198,161	1,107,683	15,746,812	306,924,204
Less accumulated depreciation for:					
Buildings	45,364,549	-	3,989,762	2,318,318	47,035,993
Improvements other than buildings	92,236,277	(703,376)	9,023,071	11,423,022	89,132,950
Vehicles and major equipment	8,805,849	765,393	960,101	402,159	10,129,184
Total accumulated depreciation	146,406,675	62,017	13,972,934	14,143,499	146,298,127
Total capital assets, being depreciated, net	156,958,497	18,136,144	(12,865,251)	1,603,313	160,626,077
El Paso International Airport capital assets, net	\$ 183,263,570	-	11,128,092	1,603,313	192,788,349
Environmental Services					
Capital assets not being depreciated:					
Construction in progress	\$ 216,690	(5,001,317)	10,301,528	-	5,516,901
Total capital assets not being depreciated	216,690	(5,001,317)	10,301,528	-	5,516,901
Capital assets being depreciated:					
Buildings	984,438	77,647	-	-	1,062,085
Improvements other than buildings	14,167,303	25,475	-	-	14,192,778
Vehicles and major equipment	42,551,115	4,898,196	-	1,203,462	46,245,849
Total capital assets being depreciated	57,702,856	5,001,318	-	1,203,462	61,500,712
Less accumulated depreciation for:					
Buildings	350,113	504	20,738	-	371,355
Improvements other than buildings	7,830,472	916,648	1,733,992	916,648	9,564,464
Vehicles and major equipment	23,528,498	(917,151)	4,134,859	165,196	26,581,010
Total accumulated depreciation	31,709,083	1	5,889,589	1,081,844	36,516,829
Total capital assets, being depreciated, net	25,993,773	5,001,317	(5,889,589)	121,618	24,983,883
Environmental Services capital assets, net	\$ 26,210,463	-	4,411,939	121,618	30,500,784
Mass Transit					
Capital assets not being depreciated:					
Land	\$ 8,819,349	36,432	-	127,586	8,728,195
Construction in progress	7,107,374	(14,289,301)	14,754,165	-	7,572,238
Total capital assets not being depreciated	15,926,723	(14,252,869)	14,754,165	127,586	16,300,433
Capital assets being depreciated:					
Buildings	25,601,629	-	-	440,141	25,161,488
Improvements other than buildings	27,658,457	2,860,365	-	1,945	30,516,877
Vehicles and major equipment	64,401,402	11,446,468	-	4,674,190	71,173,680
Total capital assets being depreciated	117,661,488	14,306,833	-	5,116,276	126,852,045
Less accumulated depreciation for:					
Buildings	8,812,415	141,154	609,067	440,141	9,122,495
Improvements other than buildings	11,464,229	(251,106)	1,833,338	1,945	13,044,516
Vehicles and major equipment	39,335,937	163,916	3,862,642	4,674,190	38,688,305
Total accumulated depreciation	59,612,581	53,964	6,305,047	5,116,276	60,855,316
Total capital assets, being depreciated, net	58,048,907	14,252,869	(6,305,047)	-	65,996,729
Mass Transit capital assets, net	\$ 73,975,630	-	8,449,118	127,586	82,297,162

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 5. CAPITAL ASSETS (Continued)

	Balance September 1, 2007	Transfers	Increases	Decreases	Balance August 31, 2008
Business-type activities (CONTINUED):					
Nonmajor Enterprise Funds					
Capital assets not being depreciated:					
Land	\$ 850,007	-	-	-	850,007
Construction in progress	673,219	(60,592)	297,873	-	910,500
Total capital assets not being depreciated	1,523,226	(60,592)	297,873	-	1,760,507
Capital assets being depreciated:					
Buildings	11,130,729	-	-	-	11,130,729
Improvements other than buildings	-	60,592	-	-	60,592
Vehicles and major equipment	2,955,859	-	-	-	2,955,859
Total capital assets being depreciated	14,086,588	60,592	-	-	14,147,180
Less accumulated depreciation for:					
Buildings	6,377,622	-	537,901	-	6,915,523
Improvements other than buildings	2,853,616	-	39,881	-	2,893,497
Total accumulated depreciation	9,231,238	-	577,782	-	9,809,020
Total capital assets, being depreciated, net	4,855,350	60,592	(577,782)	-	4,338,160
Nonmajor Enterprise Funds capital assets, net	\$ 6,378,576	-	(279,909)	-	6,098,667
All business-type activities:					
Capital assets not being depreciated:					
Land	\$ 11,051,573	36,432	-	127,586	10,960,419
Artwork	-	965,317	-	-	965,317
Construction in progress	32,920,139	(38,452,671)	49,346,909	-	43,814,377
Total capital assets not being depreciated	43,971,712	(37,450,922)	49,346,909	127,586	55,740,113
Capital assets being depreciated:					
Buildings	157,934,685	354,581	1,025,000	2,820,459	156,493,807
Improvements other than buildings	213,436,588	19,558,088	43,188	12,966,280	220,071,584
Vehicles and major equipment	121,444,831	17,654,235	39,495	6,279,811	132,858,750
Total capital assets being depreciated	492,816,104	37,566,904	1,107,683	22,066,550	509,424,141
Less accumulated depreciation for:					
Buildings	60,904,699	141,658	5,157,468	2,758,459	63,445,366
Improvements other than buildings	114,384,594	(37,834)	12,630,282	12,341,615	114,635,427
Vehicles and major equipment	71,670,284	12,158	8,957,602	5,241,545	75,398,499
Total accumulated depreciation	246,959,577	115,982	26,745,352	20,341,619	253,479,292
Total capital assets, being depreciated, net	245,856,527	37,450,922	(25,637,669)	1,724,931	255,944,849
All business-type activities capital assets, net	\$ 289,828,239	-	23,709,240	1,852,517	311,684,962

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

International airport operations	\$ 13,972,934
Solid waste operations	5,889,589
Mass transit operations	6,305,047
International bridges operations	577,782
	<u>\$ 26,745,352</u>

Interest expense for business-type activities in 2008 is \$2,999,926. 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 2008

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 5. CAPITAL ASSETS (Continued)

Construction Commitments

As of August 31, 2008	Fund Equity and Other Sources Available	Remaining Commitment
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, 2007	Additions	Deletions	Balance February 29, 2008
Capital assets, not being depreciated:				
Land and right-of-way	3,885,964	348,079	30,968	4,203,075
Land not in service	57,972,816	-	2,743	57,970,073
Construction work in progress	152,241,511	93,873,933	137,681,380	108,434,064
Total capital assets, not being depreciated	<u>214,100,291</u>	<u>94,222,012</u>	<u>137,684,123</u>	<u>170,607,212</u>
Capital assets, being depreciated				
Wastewater plant	536,177,735	21,052,523	81,032	557,149,226
Water plant	706,833,318	125,615,075	717,141	831,731,252
Irrigation water rights contracts	4,882,892	2,560,157	-	7,443,049
Equipment and tools	26,137,041	2,223,271	410,486	27,949,826
Vehicles	12,618,411	1,448,184	442,741	13,623,854
Buildings and shops	11,214,017	385,677	-	11,599,694
Total capital assets, being depreciated	<u>1,297,863,414</u>	<u>153,284,887</u>	<u>1,651,400</u>	<u>1,449,496,901</u>
Less accumulated depreciation for:				
Wastewater plant	223,472,720	15,670,300	81,032	239,061,988
Water plant	229,494,728	21,911,718	717,141	250,689,305
Irrigation water rights contracts	-	300,885	-	300,885
Equipment and tools	25,050,470	1,742,756	410,486	26,382,740
Vehicles	9,833,853	1,100,607	442,741	10,491,719
Buildings and shops	4,698,875	482,878	-	5,181,753
Total accumulated depreciation	<u>492,550,646</u>	<u>41,209,144</u>	<u>1,651,400</u>	<u>532,108,390</u>
Total capital assets, being depreciated, net	<u>805,312,768</u>	<u>112,075,743</u>	<u>-</u>	<u>917,388,511</u>
Utility Plant	<u>1,019,413,059</u>	<u>206,297,755</u>	<u>137,684,123</u>	<u>1,087,995,723</u>

Utility Plant includes assets totaling \$100,477,564 located on Fort Bliss property. A long term lease is expected to be entered into next fiscal year concerning these assets. The assets are currently being depreciated over their estimated economic life.

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 \$118,639,066 as of February 29, 2008.

Interest expense totaled \$20,415,001 of which \$1,927,570 was capitalized in 2008.

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008****NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS****A. Interfund Receivables and Payables**

Interfund receivable and payable balances at August 31, 2008 were as follows:

Due To:	Governmental Activities:		Total
	Nonmajor Governmental Funds	Internal Service Funds	
Governmental Activities:			
Nonmajor Governmental Funds	\$ 6,151,767 (1)	-	6,151,767
Internal Service Funds	-	5,497 (1)	5,497
Total Governmental Activities	<u>6,151,767</u>	<u>5,497</u>	<u>6,157,264</u>
Total	<u>\$ 6,151,767</u>	<u>5,497</u>	<u>6,157,264</u>

(1) Overdraft in Pooled Cash

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

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 In				
	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
Governmental Activities:					
General Fund	\$ -	-	3,516,548 (6)	2,231,680 (4)	5,748,228
Capital Projects	-	3,556,428 (5)	-	5,550 (8)	3,561,978
Nonmajor Governmental Funds	3,323,986 (7)	-	-	-	3,323,986
Total Governmental Activities	3,323,986	3,556,428	3,516,548	2,237,230	12,634,192
Business-type Activities:					
El Paso International Airport	1,587,500 (1)	-	-	-	1,587,500
International Bridges	12,237,734 (2)	-	-	-	12,237,734
Environmental Services	4,889,979 (3)	-	-	-	4,889,979
Mass Transit	3,500,000 (1)	-	-	-	3,500,000
Total Business-type Activities	22,215,213	-	-	-	22,215,213
Total	\$ 25,539,199	3,556,428	3,516,548	2,237,230	34,849,405

(1) Indirect cost (PILOT)

Airport	\$ 1,587,500
Mass Transit	\$ 3,500,000

(2) Transfer of unrestricted net assets to General Fund

\$ 12,237,734

(3) Cost recovery for street usage

\$ 4,889,979

(4) Transfer to Health District

\$ 1,751,547

Council Special Projects

90,067

City of El Paso Annexation Assessment & Strategy-Phase II

390,000

Park User Fee Admin

66

\$ 2,231,680

(5) CVB share of debt payments

\$ 1,572,434

Transfer unexpended funds from Capital Projects

1,983,994

\$ 3,556,428

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

\$ 516,548

Vehicle replacement fund

3,000,000

\$ 3,516,548

(7) Transfer unexpended net assets

\$ 3,323,986

(8) City grant match for MPO

\$ 5,550

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008****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, 2008 amounted to \$2,660,290.

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, 2008 was \$14,603,781 including percentage contingent rents of \$3,637,123.

The following is a schedule of airport revenue from future minimum rentals on non-cancelable operating leases as of August 31, 2008:

<u>YEAR ENDING</u>	
2009	\$ 14,081,745
2010	10,734,666
2011	7,243,628
2012	6,815,585
2013	6,671,976
2014 - 2018	32,495,082
2019 - 2023	27,203,858
2024 - 2028	17,425,245
2029 - 2033	11,176,923
2034 - 2038	3,867,114
2039 - 2043	1,110,296
2044 - 2048	<u>377,233</u>
TOTAL	<u>\$ 139,203,351</u>

Historical costs of these leased assets and related accumulated depreciation were \$107,606,692 and \$47,328,119, respectively, as of August 31, 2008.

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

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 29, 2008 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2009	\$ 1,368,182
2010	1,261,343
2011	1,016,828
2012	795,666
2013	755,243
2014 - 2018	3,438,607
2019 - 2023	1,655,580
2024 - 2028	339,662
2029 - 2033	340,063
2034 - 2038	238,775
Total Minimum Future Rentals	<u>\$ 11,209,949</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 29, 2008 was \$425,807. Minimum future payments (which end in 2013) as of February 29, 2008 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2009	\$ 456,865
2010	392,173
2011	242,106
2012	33,646
2013	1,253
	<u>\$ 1,126,043</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 \$.217803 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 2008 total assessed valuation base equals approximately \$2,611,224,049. The City's legal debt margin was \$1,980,252,837. 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 obtained 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.

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

4. Long-Term Debt

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

	Interest Rates		Balance
	at Issue date	August 31, 2008	
Governmental activities	2.50 - 8.00%	2.50 - 8.00%	\$ 636,450,952
Business-type activities	1.99 - 6.00%	1.99 - 6.00%	67,042,189
			<u>\$ 703,493,141</u>

5. Bonded and Other Indebtedness Incurred during Fiscal Year Ended August 31, 2008

On February 15, 2008, the City issued \$56,455,000 in general obligation bonds. These bonds were issued at a premium of \$1,448,213 with issuance costs of \$1,134,166 at interest rates between 3.50% and 5.00% with a final maturity of August 15, 2024. The first interest payment is due February 15, 2009. Proceeds from the bonds are to be used to purchase equipment, park, library, zoo, history museum, fire station facilities, and street improvements.

On March 25, 2008, the City signed a \$3,833,224 Municipal Lease-Purchase Agreement with Government Capital Corporation to acquire software and licenses, primarily for land management purposes. The interest rate is 1.99%. Annual payments of \$797,151 are due annually beginning March 25, 2008 with the final payment due March 25, 2012.

On August 28, 2008, the City entered into a \$5,000,000 State Energy Conservation Office Loan Agreement with the Texas Comptroller of Public Accounts. Proceeds from this loan are to be utilized for the purpose of completion of an energy conservation project, which is to be completed by August 15, 2009. The first interest and principal payment is due after all proceeds have been disbursed to the City. The interest rate of this loan is 3.00% per annum.

On August 29, 2008, the City signed a \$9,767,057 Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. The purpose of this agreement is to provide energy savings to the City utilizing equipment designed and installed by Johnson Controls Inc., under an Energy Savings Performance Contract. The interest rate is 4.5157%. Interest and principal payments are due quarterly and the first payment of \$386,423 is due March 1, 2010. Principal and interest payments range between \$262,080 and \$386,423.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

6. Bonds Authorized and Unissued

There were no authorized, unissued bonds at August 31, 2008.

Purpose	Amount Authorized		Approved by City Council for Issuance as Commercial Paper		Remaining Authorization		Remaining Authorization August 31, 2008
	May 6, 2000 (1)	February 7, 2004	CP Notes Series A	CP Notes Series B	August 31, 2007	Issued 2008	
Parks	\$ 75,000,000	\$ -	31,313,000	-	8,221,696	8,221,696	-
Library	26,095,000	-	8,052,000	-	16,740	16,740	-
Zoo	33,360,000	-	7,985,000	-	16,951,454	16,951,454	-
Museum	6,650,000	-	2,650,000	-	406,922	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	28,810,527	28,810,527	-
Fire Facilities & Equipment		11,595,000		4,325,000	1,424,565	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>56,655,000</u>	<u>56,655,000</u>	<u>-</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 and Certificate of Obligation Bonds)

Year Ending August 31	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 31,052,869	32,646,557	1,272,131	524,544	32,325,000	33,171,101
2010	28,711,929	30,171,167	1,318,071	467,432	30,030,000	30,638,599
2011	31,318,928	28,873,750	1,366,072	406,659	32,685,000	29,280,409
2012	30,028,773	27,325,423	1,416,227	340,273	31,445,000	27,665,696
2013	27,248,753	25,858,857	536,247	271,932	27,785,000	26,130,789
2014-2018	126,658,338	110,097,153	2,226,662	945,612	128,885,000	111,042,765
2019-2023	123,498,214	80,235,348	2,371,852	389,910	125,870,066	80,625,258
2024-2028	119,788,148	48,360,181	741,786	32,484	120,529,934	48,392,665
2029-2033	103,895,000	18,759,812	-	-	103,895,000	18,759,812
2034-2035	14,250,000	1,298,985	-	-	14,250,000	1,298,985
Total	<u>\$ 636,450,952</u>	<u>403,627,233</u>	<u>11,249,048</u>	<u>3,378,846</u>	<u>647,700,000</u>	<u>407,006,079</u>

NOTE 8. LONG-TERM OBLIGATIONS (Continued)**B. Primary Government (Continued)****Revenue Bond Requirements**

Year Ending August 31	Business-type Activities	
	Principal	Interest
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	1,775,000	967,413
2014-2018	7,395,000	3,590,838
2019-2023	4,655,000	2,237,938
2024-2028	5,945,000	942,681
Total	<u>\$ 27,565,000</u>	<u>12,377,937</u>

Capital Lease Obligations

Year Ending August 31	Business-type Activities	
	Principal	Interest
2009	\$ 2,740,031	523,889
2010	2,832,890	431,031
2011	2,929,105	334,815
2012	3,028,807	235,113
2013	2,334,976	131,793
2014	1,609,454	40,583
Total	<u>\$ 15,475,263</u>	<u>1,697,224</u>

Notes Payable

Year Ending August 31	Business-type Activities	
	Principal	Interest
2009	\$ 1,067,160	544,360
2010	1,108,143	498,377
2011	1,150,862	450,658
2012	1,195,393	401,127
2013	1,241,812	349,708
2014-2018	4,184,028	1,022,115
2019-2023	2,805,481	345,109
	<u>\$ 12,752,879</u>	<u>3,611,454</u>

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

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, 2008, the remaining outstanding balance of legally defeased bonds is \$133,135,000.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

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

	Balance September 1, 2007	Additions	Reductions	Balance August 31, 2008	Due Within One Year
Governmental Activities:					
Bonds/Commercial Paper Payable:					
General Obligation Bonds	\$ 520,415,000	56,455,000	22,240,000	554,630,000	27,265,000
Certificates of Obligation	88,000,293	-	6,179,341	81,820,952	3,787,869
Plus Unamortized Premium	17,440,789	1,448,213	1,910,009	16,978,993	1,843,954
Less Deferred Amount on Refunding	(4,584,038)	-	(566,716)	(4,017,322)	(566,716)
Total Bonds Payable	621,272,044	57,903,213	29,762,634	649,412,623	32,330,107
Compensated Absences	42,029,652	36,315,800	32,783,129	45,562,323	35,538,612
Arbitrage Rebate Liability	30,227	-	-	30,227	30,227
Accrued Health Claims	16,225,478	37,238,854	36,056,660	17,407,672	17,407,672
Net Pension Obligation	673,911	23,339,289	9,521,528	14,491,672	-
Other Postemployment Benefits	-	8,267,584	-	8,267,584	-
Claims and Judgments	500,000	1,121,965	1,121,965	500,000	500,000
Governmental Activities long-term liabilities	\$ 680,731,312	163,303,434	108,375,499	735,672,101	85,806,618
Business-type Activities:					
El Paso International Airport:					
Bonds Payable:					
Revenue Bonds	\$ 10,070,000	-	1,000,000	9,070,000	1,000,000
Less Unaccrued Discount	(895,277)	-	(99,475)	(795,802)	(99,475)
Total Bonds Payable	9,174,723	-	900,525	8,274,198	900,525
Compensated Absences	1,796,606	1,854,016	1,401,353	2,249,269	1,754,430
Net Pension Obligation	-	2,860,856	2,388,821	472,035	-
Other Postemployment Benefits	-	545,071	-	545,071	-
Total El Paso International Airport	\$ 10,971,329	5,259,943	2,301,878	11,540,573	2,654,955
Environmental Services:					
Bonds/Notes Payable:					
Certificates of Obligation	\$ 12,477,213	-	1,228,165	11,249,048	1,272,131
Revenue Bonds	18,940,000	-	1,145,000	17,795,000	1,200,000
Capital Lease Obligation	-	3,833,224	797,152	3,036,072	736,733
Plus Unamortized Premium	429,658	-	34,699	394,959	33,708
Total Bonds/Notes Payable	31,846,871	3,833,224	3,205,016	32,475,079	3,242,572
Landfill Closure and Postclosure	21,309,767	1,596,216	-	22,905,983	1,300,000
Delta Transfer Station Postclosure	105,892	2,239	-	108,131	-
Compensated Absences	758,459	708,501	591,598	875,362	652,055
Net Pension Obligation	-	202,187	161,653	40,534	-
Other Postemployment Benefits	-	574,910	-	574,910	-
Total Environmental Services	\$ 54,020,989	6,917,277	3,958,267	56,979,999	5,194,627
Mass Transit:					
Capital Lease Obligation	\$ 14,367,243	-	1,928,053	12,439,191	2,003,298
Compensated Absences	1,341,485	1,166,890	1,046,358	1,462,017	1,140,373
Claims and Judgments	267,337	356,120	297,989	325,468	325,468
Hydrocarbon Clean-up	829,620	-	656,338	173,282	173,282
Net Pension Obligation	-	6,535,024	6,439,925	95,099	-
Other Postemployment Benefits	-	1,131,918	-	1,131,918	-
Total Mass Transit	\$ 16,805,685	9,189,952	3,928,738	15,626,974	3,642,421
International Bridges:					
Bonds/Notes Payable:					
Certificates of Obligation	32,494	-	32,494	-	-
Revenue Bonds	1,020,000	-	320,000	700,000	340,000
Notes Payable	7,382,916	6,107,000	737,037	12,752,879	1,067,160
Total Bonds/Notes Payable	8,435,410	6,107,000	1,089,531	13,452,879	1,407,160
Compensated Absences	119,139	133,392	92,928	159,603	124,490
Net Pension Obligation	-	479,400	472,424	6,976	-
Other Postemployment Benefits	-	103,444	-	103,444	-
Total International Bridges	\$ 8,554,549	6,823,236	1,182,459	13,722,902	1,531,650
Business-type activities Long-term liabilities	\$ 90,352,552	28,190,408	11,371,342	97,870,448	13,023,653

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

A. Primary Government (Continued)

10. Long-Term-Debt Outstanding

	Date Issued	Amount	Interest Rate Range	September 1, 2007	Issued	Reduction	August 31, 2008
Certificates of Obligation							
SER IES 199 8-A	03/01/98	\$ 21,090,000	4.250 to 5.500%	\$ 430,000	-	430,000	-
SER IES 199 8	03/01/98	18,250,000	4.250 to 5.500%	860,000	-	860,000	-
SER IES 199 8-B	11/17/98	31,350,000	4.250 to 5.000%	980,000	-	980,000	-
SER IES 200 1	01/15/01	26,850,000	4.500 to 5.500%	2,445,000	-	780,000	1,665,000
SER IES 200 1-A	12/01/01	33,970,000	3.250 to 5.250%	11,990,000	-	1,275,000	10,715,000
SER IES 200 3	04/03/03	44,010,000	3.000 to 5.000%	32,080,000	-	2,505,000	29,575,000
SER IES 200 5 - Plaza Theatre (1)	08/15/05	17,315,000	2.950 to 4.970%	16,725,000	-	610,000	16,115,000
SER IES 200 7	05/01/07	35,000,000		35,000,000	-	-	35,000,000
Total Certificate of Obligation Bonds				100,510,000	-	7,440,000	93,070,000
General Obligations							
SER IES 199 8	03/01/98	9,740,000	4.250 to 5.500%	460,000	-	460,000	-
SER IES 199 8-A	10/15/98	8,805,000	4.250 to 5.000%	290,000	-	290,000	-
SER IES 199 9	01/15/99	27,275,000	3.500 to 5.000%	21,640,000	-	2,770,000	18,870,000
SER IES 200 0	02/15/00	10,325,000	5.100 to 5.300%	4,355,000	-	1,380,000	2,975,000
SER IES 200 0-A	04/01/00	4,195,000	5.250 to 5.750%	-	-	-	-
SER IES 200 2 REFUNDING BONDS	05/15/02	55,090,000	3.500 to 5.750%	26,830,000	-	5,135,000	21,695,000
SER IES 200 3	08/15/03	29,265,000	2.500 to 5.000%	22,385,000	-	5,680,000	16,705,000
SER IES 200 5 REFUNDING BONDS	04/01/05	152,190,000	3.500 to 5.250%	152,040,000	-	5,225,000	146,815,000
SER IES 200 6	04/15/06	56,350,000		55,985,000	-	1,300,000	54,685,000
SER IES 200 7 REFUNDING	02/15/07	35,190,000		95,190,000	-	-	95,190,000
SER IES 200 7A	05/01/07	40,000,000		40,000,000	-	-	40,000,000
SER IES 200 7 PENSION BONDS	06/15/07	101,240,000		101,240,000	-	-	101,240,000
SER IES 200 8	02/15/08	56,455,000		-	56,455,000	-	56,455,000
Total General Obligation Bonds				520,415,000	56,455,000	22,240,000	554,630,000
TOTAL TAX SUPPORTED DEBT				\$ 620,925,000	56,455,000	29,680,000	647,700,000
NOTES PAYABLE-International Bridges:							
FED LOAN	12/01/91	3,000,000	variable	\$ 1,450,000	-	100,000	1,350,000
SIB LOAN	10/04/99	3,634,000	4.30%	5,932,916	-	637,037	5,295,879
SIB LOAN	01/01/08	6,107,000	4.10%	-	6,107,000	-	6,107,000
TOTAL NOTES PAYABLE				\$ 7,382,916	6,107,000	737,037	12,752,879
CAPITAL LEASE OBLIGATION PAYABLE:							
Environmental Services				\$ -	3,833,224	797,152	3,036,072
Mass Transit		15,000,000	3.679 TO 4.25%	14,367,243	-	1,928,053	12,439,190
TOTAL CAPITAL LEASE OBLIGATION PAYABLE				\$ 14,367,243	3,833,224	2,725,205	15,475,262
REVENUE BONDS:							
RB 199 7 - International Bridges	05/01/98	3,010,000	3.950 to 4.850%	\$ 1,020,000	-	320,000	700,000
RB 200 3 - El Paso International Airport	09/15/03	18,000,000	3.000 to 4.625%	10,070,000	-	1,000,000	9,070,000
RB 200 4 - Solid Waste Management	07/14/04	22,120,000	3.000 To 5.125%	18,940,000	-	1,145,000	17,795,000
TOTAL REVENUE BONDS				\$ 30,030,000	-	2,465,000	27,565,000
PID REVENUE BOND							
RB 200 6 Thunder Canyon	04/15/07	400,000	4.79%	\$ 400,000	400,000	200,000	380,000

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 8. LONG-TERM OBLIGATIONS (Continued)

C. Component Unit – EPWU

1. Revenue Bonds

Water and Sewer Revenue Bonds, in the amount of \$465,542,000 at February 29, 2008, 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 March 1	Additions During Year	Deletions During Year	Balance Outstanding February 29	Due Within One Year
Revenue Bonds:								
1990-B	12/01/90	\$ 8,000,000	no interest	\$ 8,000,000	-	-	8,000,000	-
1997	03/04/97	22,000,000	2.85 to 4.55%	1,020,000	-	1,020,000	-	-
1997-A	07/24/97	10,000,000	3.00 to 4.75%	470,000	-	470,000	-	-
1998	05/20/98	15,455,000	5.35%	8,460,000	-	8,460,000	-	-
1998-A	08/18/98	16,125,000	4.00 to 5.00%	8,475,000	-	8,475,000	-	-
1999-A	09/23/99	211,000	4.84 to 5.89%	166,000	-	9,000	157,000	9,000
1999-B	09/23/99	106,000	4.84 to 5.89%	84,000	-	4,000	80,000	5,000
1999-C	12/02/99	15,480,000	4.30 to 5.75%	2,855,000	-	1,355,000	1,500,000	-
1999-D	12/20/99	15,190,000	3.20%	12,315,000	-	640,000	11,675,000	660,000
2000	12/19/00	13,210,000	4.875 to 5.750%	4,100,000	-	1,015,000	3,085,000	-
2001	08/01/01	16,265,000	2.45 to 4.50%	13,915,000	-	640,000	13,275,000	665,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	53,185,000	-	2,345,000	50,840,000	2,465,000
2002	01/01/02	7,520,000	0.15 to 3.35%	6,285,000	-	320,000	5,965,000	325,000
2003 Refunding	08/15/03	89,745,000	4.99%	81,455,000	-	4,530,000	76,925,000	4,770,000
2003-A	08/15/03	1,000,000	no interest	900,000	-	50,000	850,000	50,000
2003-B	12/01/03	10,000,000	0 to 4.19%	9,995,000	-	5,000	9,990,000	5,000
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%	34,630,000	-	935,000	33,695,000	980,000
2004 A Refunding	11/15/04	14,360,000	2.5 to 5.25%	13,895,000	-	480,000	13,415,000	490,000
2005-A	03/01/05	45,660,000	3.00 to 5.00%	45,660,000	-	340,000	45,320,000	350,000
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	-	380,000	9,620,000	385,000
2006	12/15/06	37,745,000	3.75 to 5%	37,745,000	-	3,900,000	33,845,000	3,560,000
2006A	11/15/06	45,200,000	4 to 5%	45,200,000	-	1,375,000	43,825,000	2,435,000
2007	08/02/07	35,500,000	4 to 5%	-	35,500,000	-	35,500,000	-
2008	02/20/08	30,520,000	3.5 to 5%	-	30,520,000	-	30,520,000	-
1995 Homestead		975,000	6.35 to 6.8%	880,000	-	100,000	780,000	110,000
1995A Homestead		175,000	5.25%	170,000	-	5,000	165,000	5,000
Total Revenue Bonds:				436,375,000	66,020,000	36,853,000	465,542,000	17,269,000
Deferred Gain on refunding bond issues				10,163,180	1,620,845	(353,575)	12,137,600	435,515
Land Notes Payable		10,372,878	3.95 to 5.00%	9,637,704	-	1,398,784	8,238,920	600,827
Commercial Paper Payable				21,000,000	44,000,000	51,000,000	14,000,000	-
Other Post Employment Benefits				1,671,700	377,715	1,293,985	-	-
Self Insurance Claims				1,314,865	584,608	922,646	976,827	-
Total Component Unit - EPWU				\$ 478,490,749	113,897,153	90,198,570	502,189,332	18,305,342

Interest costs incurred on revenue bonds totaled \$20,415,001 of which \$1,927,570 was capitalized.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

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 Principal and Interest
	Revenue Bonds	Land Note	Total	Revenue Bonds	Land Note	Total	
2009	\$ 17,269,000	600,827	17,869,827	20,724,855	409,222	21,134,077	39,003,904
2010	23,940,000	630,457	24,570,457	20,386,831	379,592	20,766,423	45,336,880
2011	22,151,000	661,552	22,812,552	19,342,778	348,497	19,691,275	42,503,827
2012	23,992,000	694,186	24,686,186	18,284,164	315,863	18,600,027	43,286,213
2013	23,228,000	728,434	23,956,434	17,229,960	281,616	17,511,576	41,468,010
2014-2018	114,346,000	4,008,579	118,354,579	71,323,921	844,063	72,167,984	190,522,563
2019-2023	114,571,000	914,885	115,485,885	44,527,847	45,744	44,573,591	160,059,476
2024-2028	96,635,000	-	96,635,000	18,347,515	-	18,347,515	114,982,515
2029-2033	29,410,000	-	29,410,000	2,718,246	-	2,718,246	32,128,246
Totals	\$ 465,542,000	8,238,920	473,780,920	232,886,117	2,624,597	235,510,714	709,291,634

4. Land Notes Payable

During the fiscal year ended February 29, 2004, EPWU purchased two parcels of land totaling 8,865.15 acres in order to obtain the water rights attached to the land. Notes were issued for \$9,971,186 and \$2,478,574 with interest rates of 5.00% (adjusted annually by the change in rate of a 10 year U.S. Treasury Bill) and 3.95%, respectively. The \$9,971,186 note is for a period of 15 years and includes a lease back of the property for a period of 15 years and annual lease payment of \$400,000. The \$2,478,574 note is for a period of 10 years.

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

NOTE 8. LONG-TERM OBLIGATIONS (Continued)**B. Component Unit – EPWU (Continued)****6. Commercial Paper (Continued)**

maintain a portion of its debt in variable rates. Since the commercial paper represents activity that is the result of EPWU's long-term financing plan, the amounts outstanding are presented as long term. The commercial paper can be sold in \$100,000 increments and matures from 1 to 270 days. As of February 29, 2008, the following amounts were outstanding:

		<u>Maturity Date</u>	<u>Coupon Rate</u>
\$	5,000,000	March 11, 2008	3.59%
	1,000,000	March 11, 2008	3.63%
	8,000,000	March 17, 2008	3.55%
	<u>\$ 14,000,000</u>		

C. Solid Waste Landfill Closure and Postclosure Care Cost

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

During fiscal year 2004, the City hired independent consultants to prepare a revised estimate of the total closure and postclosure costs for the landfills. The estimated total closure and postclosure costs, adjusted by an inflation factor specified by the TCEQ, is \$68.9 million at August 31, 2008. The recognized portion of the total liability, \$22.9 million, is computed based on the percentage of landfill capacity used, approximately 31.8%, as of August 31, 2008. The remaining estimated total current cost of closure and postclosure care remaining to be recognized is \$46 million.

Clint Landfill (TCEQ Permit 1482) – This landfill is currently accepting solid waste and capacity used is 100% at August 31, 2008. The estimated closure and postclosure cost liability of \$13.3 million net of amounts expended of \$460.5 thousand is included in the recorded liability. Approximately \$83,494 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 8.54% at August 31, 2008. The estimated closure and postclosure cost liability of \$2.3 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, 2008. The estimated closure and postclosure cost liability of \$7.8 million is included in the recorded liability. TCEQ review of the revised closure and postclosure cost estimate is pending. Management believes TCEQ will accept the estimate.

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

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

Sections 330.280-286 of Title 30 of the *Texas Administrative Code* requires landfill owners to demonstrate financial assurance that they will have sufficient financial resources to satisfy closure and postclosure care expenses at such time as these become payable. The regulations provide various means by which a municipality may demonstrate financial assurance. For the year ended August 31, 2006, the City met all of the financial tests required by the TCEQ and will demonstrate financial assurance to the TCEQ by way of the City's most recent bond rating and/or financial ratios computed using 2008 audited financial statements.

D. Solid Waste Transfer Station

The City owns and operates a transfer process facility for solid waste near Delta Street in El Paso (Delta Transfer Station – TCEQ Permit 728). Beginning in March 2000, Section 330.282 of Title 30, the *Texas Administrative Code*, administered by the TCEQ, required “a detailed written cost estimate, in current dollars, showing the cost of hiring a third party to close the process facility by cleaning up the litter and debris from the site and the equipment, hauling the litter and debris to an approved landfill and to render the facility closed by dismantling vital operational parts and locking up the facility.” At August 31, 2008, the estimated total cost of closure of the Delta Transfer Station is \$108,131 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, 2008, is recorded as a liability in the statement of net assets.

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.

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	\$	9,564,624
International Bridges		419,345
Restricted by Federal Aviation Administration:		
El Paso International Airport		4,241,920
Restricted for passenger facilities:		
El Paso International Airport		5,878,548
Total restricted net assets	\$	<u>20,104,437</u>

Component Unit - EPWU

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

NOTE 10. RISK MANAGEMENT

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

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

A. Internal Service Funds

Provisions under various types of risk are presented below:

Internal Service Funds account for certain self-insured activities. These include Workers' Compensation, Group Health and Unemployment Compensation. The premiums are recognized as revenues in the Internal Service Funds and as expenditures or expenses in the Governmental and Proprietary fund types, as appropriate. Accruals for unpaid claims and claims incurred but not reported are reflected in the accompanying proprietary funds balance sheet as Claims and Judgments. This provision is based upon City experience, including recoveries, since the inception of the insurance programs and represents the loss and an allocated loss expense. The total estimated claims payable at August 31, 2008 is \$17,407,672 of which \$12,310,494 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, 2008, 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 2007 and 2008 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2006	\$ 12,880,447	4,330,399	-	17,210,846
Incurred claims	3,820,190	33,593,053	188,406	37,601,649
Payment on claims	(5,203,938)	(33,194,673)	(188,406)	(38,587,017)
Claims liability at August 31, 2007	11,496,699	4,728,779	-	16,225,478
Incurred claims	7,179,204	29,897,859	161,791	37,238,854
Payment on claims	(6,365,409)	(29,529,460)	(161,791)	(36,056,660)
Claims liability at August 31, 2008	\$ 12,310,494	5,097,178	-	17,407,672

B. General Liability Insurance

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

NOTE 10. RISK MANAGEMENT (Continued)

B. General Liability Insurance (Continued)

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

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

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

C. Property and Casualty Insurance

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

D. Workers' Compensation Insurance

The City self-insures against workers' compensation claims.

E. Group Health and Life Insurance

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

F. Unemployment Compensation Insurance

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

G. Component Unit - EPWU

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

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

CITY OF EL PASO, TEXAS
NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2008

NOTE 10. RISK MANAGEMENT (Continued)

G. Component Unit - EPWU (Continued)

At February 29, 2008, accrued liabilities for these claims follow:

Health Insurance - current liability	\$ 282,423
Workers' Compensation - long-term liability	<u>976,827</u>
	<u>\$ 1,259,250</u>

Changes in accrued liabilities for these claims follow:

Claims liability at February 28, 2006	\$ 1,576,905
Incurred claims	2,863,575
Payment on claims	<u>(2,837,524)</u>
Claims liability at February 28, 2007	1,602,956
Incurred claims	3,786,324
Payment on claims	<u>(4,130,030)</u>
Claims liability at February 29, 2008	<u>\$ 1,259,250</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, 2008. 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 \$485,000 and \$870,000. The City believes that resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Environmental

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 \$5,519,420 to date, net of reimbursement from the TCEQ Petroleum Storage Tank Remediation Fund of approximately \$1,997,500. The City paid \$563,605 during the current fiscal year. The City anticipates the clean-up process will be completed in fiscal year 2009. As of August 31, 2008, the City has a liability recorded in the Mass Transit Fund of \$173,282 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, 2008, 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

NOTE 11. COMMITMENTS AND CONTINGENCIES (Continued)**D. Other Bond Issues (Continued)**

against the general credit or taxing powers of the City. At August 31, 2008, the outstanding liability of these bonds is \$380,000.

On November 19, 1991, the City issued \$13,975,000 in City of El Paso International Airport Special Facilities Revenue Refunding Bonds (Marriott Corporation Project). These bonds refunded a 1981 issue and extended principal payments to March 1, 2016 with interest at 7.75% per annum. At August 31, 2008, 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, 2008, the latest actuarial valuation reflected unfunded liabilities of \$114,013,651 for the FPPF-Firemen Division and \$98,587,812 for the FPPF-Policemen Division.

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

F. Component Unit - EPWU

Through the ordinary course of its operations, EPWU becomes subject to various claims and litigation. As of February 29, 2008, EPWU was named in a number of legal actions with aggregate estimated possible damages to be less than \$500,000, which have not been accrued. Management and legal counsel are of the opinion that settlement of these claims and pending litigation will not have a materially adverse effect on the financial condition of EPWU.

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

NOTE 12. COST SHARING ARRANGEMENTS**Health District**

Effective January 1, 2008 the agreement between the City and the County of El Paso, Texas (County) for the operation of the City-County Health District (Health District) 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.

Operating expenditures for the Health District for the period starting September 1 through December 31, 2007, were \$7,974,353 and reported in Special Revenue Funds. From January 1 through August 31, 2008, operating expenditures for the Health Department were \$5,567,899 and reported in the General Fund.

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS

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

Funding Policy: The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage is the same as the coverage provided to active City employees. Retirees pay premiums ranging from \$166.56 per month to \$1,213.39 per month depending on the coverage elected. The City's adopted budget policy maintains that retirees must pay 45% of the cost of premiums and the City will fund the remaining 55%. Retirees are responsible for the full cost of coverage for their dependents who participate in the plan. The cost of retiree healthcare benefits is recognized on a pay-as-you-go financing method and is recorded as an expense in the Internal Service Self-Insurance Fund as liabilities are incurred. Of 1,992 retirees eligible, there were 904 retirees covered under this plan at August 31, 2008. Dependent coverage was provided for 407 of the retirees. Total benefits paid by the City for retirees during the fiscal year were \$3,118,958. Retirees contributed \$2,102,750 or 40% of the total current year cost.

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

CITY OF EL PASO, TEXAS**NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2008****NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

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

Annual required contribution	\$ 13,741,885
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	13,741,885
Total annual employer contribution (pay-as-you-go)	<u>(3,118,958)</u>
Increase in net OPEB obligation	10,622,927
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	<u>\$ 10,622,927</u>

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

Normal cost	\$ 5,005,526
Interest	225,253
Amortization cost	<u>8,511,106</u>
Annual required contribution (ARC)	<u>\$ 13,741,885</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

Fiscal Year Ended August 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$13,741,885	22.7%	\$10,622,927

Funded Status and Funding Progress: As of September 1, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$138,636,551, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$138,636,551. The covered payroll (annual payroll of active employees covered by the plan) was \$234,513,187 and the ratio of the UAAL to the covered payroll was 59.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. However, since this is the first year of implementation there is no trend information to report.

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

In the September 1, 2007, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return based on the City's rate of return on investments for 2007, and an annual healthcare cost trend rate of 10% for 2007 and then reduced by decrements of one percent annually to an ultimate rate of 5% after five years. Both rates included a 4.5% inflation assumption. The UAAL is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at August 31, 2008, was thirty years.

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 (CEPF Board and FPPF Board, respectively). The CEPF was established in accordance with authority granted by Chapter 2.64 of the El Paso City Code and is a component unit (fiduciary fund type) of the City. The FPPF was established in accordance with authority granted by Article 6243b of *Vernon's Annotated Texas Statutes* and is a component unit (fiduciary fund type) of the City. Each pension plan issues stand-alone financial statements that may be obtained from the respective funds' administrative offices.

Firemen and Policemen's Pension Funds	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, 2008	December 31, 2007	
	CEPF	FPPF-Firemen Division	FPPF-Policemen Division
Retirees and beneficiaries receiving benefits	1,963	592	782
Terminated plan members entitled to but not yet receiving benefits	91	1	3
Active plan members	4,122	798	1,104
Total	<u>6,176</u>	<u>1,391</u>	<u>1,889</u>

B. City Employees' Pension Fund

1. Plan Description

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

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

Through August 31, 2008 and 2007, the City is the only contributing employer. The CEPF pays

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

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

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

Participation is mandatory for classified employees (except permanent part-time employees). For nonclassified employees, participation is mandatory for employees hired after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the CEPF. Participants who leave the plan before completion of five years of service receive a refund of their contributions. Participants leaving the plan with more than five years of service may receive a refund of their contributions plus interest at 5.5% compounded annually.

Participants become vested after reaching 40 years of age and 10 years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, or (ii) 30 years of service, regardless of age. Participants who have both completed 10 years of service and attained age 40 may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, or 2.5% of the average monthly base salary and longevity pay received by the employee during the year immediately prior to retirement, or 2.5% of the monthly base salary and longevity pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus .2083 of 1% of such average for each additional completed or fractional part of a month of service. A reduced pension benefit is available to surviving spouses and dependents. The plan includes no automatic increase in retirement benefits; however, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad hoc cost of living or other increases in retirement benefits.

2. Basis of Accounting

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

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

NOTE 14. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

2. Basis of Accounting (Continued)

In 2008, the Plan implemented the provisions of GASB Statement No. 50 (GASB 50), *Pension Disclosures (an amendment to GASB Statements No. 25 and No. 27)*, which amended the financial note disclosures and required supplementary information presented by pension plans in their audited financial statements. Implementation of GASB 50 had no effect on net assets held in trust for benefits as of September 1, 2007 or on the net increase (decrease) in net assets held in trust for benefits for the year ended August 31, 2008.

3. Method Used to Value Investments

Investments are stated at fair value in the accompanying statements of net assets available for benefits. The fair value of marketable investments, including U.S. government securities and corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at balance sheet dates (fair value). The fair value of investments in bank collective investment funds is determined by the investment funds based on the market values of the underlying securities in the funds. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the

Office of Comptroller of the Currency and by other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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

4. Concentration of Investments

The following table presents the fair value of investments that represent 5% or more of the CEPF's net assets available for benefits at August 31, 2008. These investments are in bank collective investment funds which consist of diversified portfolios of investments as described above

	<u>Shares</u>	<u>Fair Value</u>
EB Stock Index Fund		
Mellon Capital Management Corporation	35,908	\$ 30,922,177
EB MCM Government Bond Index Fund		
Mellon Capital Management Corporation	482,099	169,009,880
INTECH Risk Management Large Cap		
Inteck Institutional Management	696	27,363,100

NOTE 14. PENSION PLANS (Continued)**B. City Employees' Pension Fund (Continued)****5. Contributions Required and Contributions Made**

Contribution rates for the CEPF are based upon local statutes and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over 40 years. As of the most recent actuarial valuation, the contribution rate was 17% of annual covered payroll.

Contributions for the year ended August 31, 2008 were made as follows:

	Amount	Stated percentage of covered payroll
Employer contribution	\$ 16,505,427	11.65%
Employee contributions	11,169,467	7.75%
Total contributions	\$ 27,674,894	19.40%

6. Securities Lending

The CEPF enters into securities lending transactions with broker/dealers for which fees are paid to the CEPF. The Board may legally and contractually authorize the use of the CEPF's securities for lending transactions. Parameters are established by the CEPF's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and that securities be collateralized using U.S. issuer securities at 102% and non U.S. issuer securities at 105% of the fair value of the securities. U.S. issuer securities used as collateral are marked to market on a daily basis to ensure that the collateralization requirements of the fair value of investments is always maintained. The CEPF may not pledge or sell the collateral securities except on default of the borrower. Because of this, the CEPF administration believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the CEPF by the investment managers or broker/dealers.

At August 31 the fair value of securities loaned to others was \$38,871,982 of Corporate stocks.

NOTE 14. PENSION PLANS (Continued)

B. City Employees' Pension Fund (Continued)

7. Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 16,236,240
Interest on net pension obligation	62,004
Adjustment to annual required contribution	<u>(43,987)</u>
Annual pension cost	16,254,257
Contributions made	<u>16,505,427</u>
Decrease in net pension obligation	(251,170)
Net pension obligation - beginning of year	<u>775,050</u>
Net pension obligation - end of year	<u><u>\$ 523,880</u></u>

The City's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for 2008 is as follows:

Fiscal Year Ended August 31	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
2008	\$16,254,257	101.5%	\$523,880
2007	15,665,369	93.0%	775,050
2006	13,231,424	100.1%	(315,468)

8. Funded Status and Funding Progress:

As of September 1, 2008, the most recent actuarial valuation date, the plan was 87.5% funded. The actuarial accrued liability for benefits was \$631,591,455, and the actuarial value of assets was \$552,815,428, resulting in an unfunded actuarial accrued liability (UAAL) of \$78,776,027. The covered payroll (annual payroll of active employees covered by the plan) was \$136,507,894 and the ratio of the UAAL to the covered payroll was 57.7%.

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

NOTE 14. PENSION PLANS (Continued)**B. City Employees' Pension Fund (Continued)****9. Actuarial Methods and Assumptions:**

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

For the September 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses), projected salary increases of 4.5% to 7.75%, which includes an inflation rate of 4.0% and no costs of living increases. The remaining amortization period at September 1, 2008, was 16 years using a level percent, open basis, amortization period. Factors that significantly affected the identification of trends were changes in contribution rates for employee and employer contributions from 6.75% to 7.75% and 10.25% to 11.65%, respectively.

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

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

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

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

contributions are refunded.

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

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

2. Basis of Accounting

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

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.

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.

NOTE 14. PENSION PLANS (Continued)**C. Firemen and Policemen's Pension Fund (Continued)****6. Annual Pension Cost and Net Pension Obligation**

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

Fireman Division:

Annual required contribution	\$ 15,794,257
Interest on net pension obligation	3,926,394
Adjustment to annual required contribution	<u>(2,737,307)</u>
Annual pension cost	16,983,344
Contributions made	<u>63,775,744</u>
Decrease in net pension obligation	(46,792,400)
Net pension obligation - beginning of year	<u>49,079,920</u>
Net pension obligation - end of year	<u><u>\$ 2,287,520</u></u>

Policeman Division:

Annual required contribution	\$ 20,800,595
Interest on net pension obligation	3,615,678
Adjustment to annual required contribution	<u>(2,520,691)</u>
Annual pension cost	21,895,582
Contributions made	<u>54,796,647</u>
Decrease in net pension obligation	(32,901,065)
Net pension obligation - beginning of year	<u>45,195,981</u>
Net pension obligation - end of year	<u><u>\$ 12,294,916</u></u>

The City's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for 2008 is as follows:

Fireman Division

<u>Fiscal Year</u> <u>Ended</u> <u>December 31,</u>	<u>Annual Pension</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual Pension</u> <u>Cost Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2007	\$15,794,257	403.8%	\$2,287,520
2006	15,343,321	52.3%	49,079,920
2005	13,807,421	56.3%	40,769,784

NOTE 14. PENSION PLANS (Continued)**C. Firemen and Policemen's Pension Fund (Continued)****6. Annual Pension Cost and Net Pension Obligation (Continued)***Policeman Division*

Fiscal Year Ended December 31,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2007	\$ 20,800,595	263.4%	\$ 12,294,916
2006	20,153,124	57.4%	45,195,981
2005	18,427,235	59.8%	35,744,822

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

As of December 31, 2007, the most recent actuarial valuation date, the plan was 73.6% funded. The actuarial accrued liability for benefits was \$431,938,611 and the actuarial value of assets was \$317,924,960, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,013,651. The covered payroll (annual payroll of active employees covered by the plan) was \$41,165,230 and the ratio of the UAAL to the covered payroll was 276.7%.

Policeman Division:

As of December 31, 2007, the most recent actuarial valuation date, the plan was 83.9% funded. The actuarial accrued liability for benefits was \$613,942,215 and the actuarial value of assets was \$515,354,403, resulting in an unfunded actuarial accrued liability (UAAL) of \$98,587,812. The covered payroll (annual payroll of active employees covered by the plan) was \$56,840,063 and the ratio of the UAAL to the covered payroll was 173.4%.

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

NOTE 14. PENSION PLANS (Continued)

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

8. Actuarial Methods and Assumptions

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

For the January 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses), projected salary increases of 5.5% to 10.5%, which includes an inflation rate of 4.0% and a cost of living adjustment of 3%. The remaining amortization period at January 1, 2008, was 30 years using a level percent, open basis, amortization period. Factors that significantly affected the identification of trends were changes in contribution rates for the Policeman Division employees from 11.89% to 13.89% effective July 1, 2007.

NOTE 15. FUND DEFICITS

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

	Supply and Support Fund	Self-Insurance Funds	Environmenta l Services
Net asset deficit	<u>\$ (29,462)</u>	<u>(4,250,543)</u>	<u>(8,503,380)</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 in 2008.

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:

General Fund	
Department:	
General government:	
Human Resources	\$ (52,505) (1)
Tax Office	(634,644) (2)
Public safety:	
Police Department	(2,212,783) (3)
Fire Department	(220,134) (4)
Nondepartmental:	
Operating contingency, salary reserve	(795,734) (5)

(1) Tuition reimbursement program

(2) Accrual of July and August 2008 - Payment to CAD

(3) Available appropriations to offset the items totalled \$19,283 - Prisoner custody \$1,611,209, Fuel \$402,342 and Fleet Services \$218,515

(4) Available appropriations to offset these items totalled \$97,331 - fuel \$317,465.

(5) Other appropriations to offset these items totalled \$243,075 - appropriations exceeding were Salary reserve \$984,946, Operating contingency \$47,963 and Capital outlay \$5,900.

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

NOTE 17. SUBSEQUENT EVENTS

On February 23, 2009 the City of El Paso issued \$57,615,000 in Combination Tax and Revenue Certificates of Obligation Bonds dated January 15, 2009. These bonds were issued at a premium of \$2,325,930 with issuance costs of \$1,140,876 to construct, resurface and improve streets, roads, thoroughfares, sidewalks, pathways and related municipal facilities. Interest rates are 3% to 5.5% and the first payment due is on February 15, 2010. Final payment is due August 15, 2026.

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 be completed by March 1, 2008, but in no event later than June 1, 2008.

NOTE 17. SUBSEQUENT EVENTS (Continued)

Current Economic Conditions

The current economic environment presents local governments with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in grant revenue, tax revenue, etc, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the City.

Current economic conditions have made it difficult for many taxpayers to continue supporting the local economy through the purchasing of goods and services. The result could cause a significant decline in tax revenue that could have an adverse impact on the City's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values, allowances for accounts receivable and the valuation of intangibles that could negatively impact the City's ability to meet debt covenants or maintain sufficient liquidity.

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



CITY OF EL PASO, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

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

GENERAL FUND

For the Year Ended August 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	% of Budget
	Original	Final	Actual Amounts		
Resources (inflows):					
Property taxes	\$ 117,647,580	118,572,601	120,524,215	1,951,614	101.65%
Penalties and Interest-Delinquent taxes	1,319,891	1,319,891	1,269,086	(50,805)	96.15%
Sales taxes	68,297,908	68,297,908	69,200,080	902,172	101.32%
Franchise fees	40,815,451	40,815,451	40,073,546	(741,905)	98.18%
Licenses and permits	10,249,157	10,249,157	10,243,173	(5,984)	99.94%
Fines and forfeits	12,812,012	12,812,012	13,686,439	874,427	106.83%
Charges for services	13,931,831	13,931,831	15,036,673	1,104,842	107.93%
County Participation	-	-	1,421,493	1,421,493	
Rents and other	1,163,844	1,163,844	1,485,587	321,743	127.64%
Interest	2,423,320	2,423,320	1,822,727	(600,593)	75.22%
Transfers In	22,999,796	22,999,796	25,539,199	2,539,403	111.04%
Amounts available for appropriation from current year resources	291,660,790	292,585,811	300,302,218	7,716,407	102.64%
Charges to appropriations (outflows):					
General government:					
Mayor and Council	1,341,808	1,175,601	1,131,098	44,503	96.21%
City Manager	1,817,566	1,861,128	1,800,364	60,764	96.74%
Municipal Clerk	595,046	532,074	519,740	12,334	97.68%
Financial Services	2,795,576	2,966,104	2,935,397	30,707	98.96%
Information Technology	9,709,938	10,452,804	9,800,690	652,114	93.76%
City Attorney	4,755,157	4,970,854	4,940,864	29,990	99.40%
Office of Management and Budget	1,319,424	1,161,223	1,129,364	31,859	97.26%
Planning	2,138,057	1,947,627	1,930,700	16,927	99.13%
Human Resources	2,022,538	2,181,294	2,233,799	(52,505)	102.41%
Tax Office	3,927,129	3,901,505	4,536,149	(634,644)	116.27%
Public safety:					
Police Department	104,934,305	107,260,386	109,473,169	(2,212,783)	102.06%
Fire Department	68,877,904	72,068,093	72,288,226	(220,133)	100.31%
Municipal Court	4,583,917	4,387,715	4,371,813	15,902	99.64%
Public works:					
Development Services Administration	656,810	1,240,839	1,233,450	7,389	99.40%
Facilities Maintenance	14,802,742	15,372,081	15,305,363	66,718	99.57%
Engineering	3,751,113	3,841,050	3,782,104	58,946	98.47%
Building Permits and Inspections	3,701,443	3,270,979	3,200,843	70,136	97.86%
Street Department	15,155,144	15,223,035	14,942,853	280,182	98.16%
Public Health	-	5,913,079	5,567,896	345,183	94.16%
Parks department	16,389,792	15,574,797	15,033,137	541,660	96.52%
Library	7,952,769	8,314,540	8,197,111	117,429	98.59%
Culture and recreation:					
Art Museum	1,177,289	1,159,642	1,154,866	4,776	99.59%
History Museum	495,428	493,608	482,925	10,683	97.84%
Archeology Museum	210,031	218,007	215,330	2,677	98.77%
Cultural Affairs	368,156	417,302	398,995	18,307	95.61%
Zoo	3,340,471	3,302,473	3,295,103	7,370	99.78%
Community and human development	582,835	579,163	565,714	13,449	97.68%
Nondepartmental:					
Operating contingency	1,000,000	481,811	529,774	(47,963)	109.95%
Salary reserve	2,012,203	(984,946)	-	(984,946)	
Non Departmental	3,885,138	5,434,808	5,197,633	237,175	95.64%
Transfers to other funds	5,409,527	8,439,861	5,748,228	2,691,633	68.11%
Total charges to appropriations	291,660,790	304,762,415	303,539,748	1,222,667	99.60%
Increase (Decrease) in fund balance	-	(12,176,604)	(3,237,530)	8,939,074	
Budgetary fund balance, September 1	41,351,967	41,351,967	41,351,967	-	
Budgetary fund balance, August 31	\$ 41,351,967	29,175,363	38,114,437	8,939,074	

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

CITY OF EL PASO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 Schedules of Funding Progress (in thousands) (Unaudited)
 August 31, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / (c))
Other Postemployment Benefits⁽⁴⁾:						
9/1/2007	\$ -	138,637	138,637	-	234,513	59.1%
City Employee Pension Fund (CEPF)⁽¹⁾:						
9/1/2008	\$ 552,815	631,591 ⁽²⁾	78,776	87.5%	\$ 136,508	57.7%
9/1/2006	471,232	568,602	97,370	82.9%	123,982	78.5%
9/1/2004	429,153	512,168	83,015	83.8%	121,111	68.5%
Firemen and Policemen's Pension Fund (FPPF)						
<i>Firemen Division:</i>						
12/31/2007	\$ 317,925	431,939	114,014	73.6%	\$ 41,165	277.0%
12/31/2006	215,036	374,484	159,448	57.4%	38,326	416.0%
12/31/2005	194,959	330,727	135,768	58.9%	31,486	431.2%
<i>Policemen Division:</i>						
12/31/2007	\$ 515,354	613,942 ⁽³⁾	\$ 98,588	83.9%	\$ 56,840	173.4%
12/31/2006	388,533	547,072	158,539	71.0%	53,275	297.6%
12/31/2005	350,347	472,812	122,465	74.1%	49,935	245.2%

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

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

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

⁽⁴⁾ First year of implementation, historical trend information is not available.

**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, 2008

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
01010001 COUNCIL DISTRICT 01-WAGES	\$ 97,479	87,647	87,647		100.00%
01010001 COUNCIL DISTRICT 01-OTHER OPERATING EXPENDITURES	30,504	37,189	36,395	794	97.86%
01010002 COUNCIL DISTRICT 02-WAGES	97,479	76,184	76,184		100.00%
01010002 COUNCIL DISTRICT 02-OTHER OPERATING EXPENDITURES	30,504	40,308	39,528	780	98.06%
01010003 COUNCIL DISTRICT 03-WAGES	97,479	59,448	59,448		100.00%
01010003 COUNCIL DISTRICT 03-OTHER OPERATING EXPENDITURES	30,504	40,518	40,319	199	99.51%
01010004 COUNCIL DISTRICT 04-WAGES	97,479	83,439	83,439		100.00%
01010004 COUNCIL DISTRICT 04-OTHER OPERATING EXPENDITURES	30,504	40,316	40,308	8	99.98%
01010005 COUNCIL DISTRICT 05-WAGES	97,479	72,802	72,802		100.00%
01010005 COUNCIL DISTRICT 05-OTHER OPERATING EXPENDITURES	30,504	40,513	40,444	69	99.83%
01010006 COUNCIL DISTRICT 06-WAGES	97,479	101,968	101,968		100.00%
01010006 COUNCIL DISTRICT 06-OTHER OPERATING EXPENDITURES	30,504	22,263	19,386	2,877	87.08%
01010007 COUNCIL DISTRICT 07-WAGES	97,479	87,091	87,091		100.00%
01010007 COUNCIL DISTRICT 07-OTHER OPERATING EXPENDITURES	30,504	37,608	37,616	(8)	100.02%
01010008 COUNCIL DISTRICT 08-WAGES	97,479	90,254	90,254		100.00%
01010008 COUNCIL DISTRICT 08-OTHER OPERATING EXPENDITURES	30,504	34,508	34,063	445	98.71%
01010014 OFFICE OF THE MAYOR-WAGES	224,480	221,289	221,289		100.00%
01010014 OFFICE OF THE MAYOR-OTHER OPERATING EXPENDITURES	93,464	92,389	53,050	39,339	57.42%
03010021 ATTORNEYS AND PARALEGALS-WAGES	2,675,297	2,666,650	2,666,650		100.00%
03010021 ATTORNEYS AND PARALEGALS-OTHER OPERATING EXPENDITURES	76,115	77,115	77,115		100.00%
03010022 LEGAL SECRETARIAL STAFF-WAGES	355,967	359,121	359,121		100.00%
03010022 LEGAL SECRETARIAL STAFF-OTHER OPERATING EXPENDITURES	19,159	19,159	19,159		100.00%
03010023 LEGAL SUPPORT STAFF-WAGES	87,741	71,702	71,702		100.00%
03010023 LEGAL SUPPORT STAFF-CAPITAL EXPENDITURES	-	1,229	1,229		100.00%
03010023 LEGAL SUPPORT STAFF-OTHER OPERATING EXPENDITURES	5,529	5,529	5,529		100.00%
03010024 LEGAL OPERATING EXPENSE-OTHER OPERATING EXPENDITURES	83,800	58,238	56,016	2,222	96.18%
03010025 TRIAL OPER EXP & DAMAGES SETT-OTHER OPERATING EXPENDITURE	976,049	927,429	900,621	26,808	97.11%
03010026 OUTSIDE COUNSEL SERVICES-OTHER OPERATING EXPENDITURES	475,500	784,682	783,722	960	99.88%
04010020 OFFICE OF MGMT & BUDGET-WAGES	1,168,481	1,001,680	1,001,680		100.00%
04010020 OFFICE OF MGMT & BUDGET-OTHER OPERATING EXPENDITURES	150,943	159,543	127,684	31,859	80.03%
06010022 TAX OFFICE COLLECTIONS-WAGES	985,826	962,202	962,202		100.00%
06010022 TAX OFFICE COLLECTIONS-OTHER OPERATING EXPENDITURES	2,941,303	2,939,303	3,573,947	(634,644)	121.59%
08010034 PLANNING ADMINISTRATION-WAGES	245,934	216,767	216,767		100.00%
08010034 PLANNING ADMINISTRATION-OTHER OPERATING EXPENDITURES	63,074	64,104	61,171	2,933	95.42%
08010037 ZONING ZBA HISTORIC-WAGES	461,785	409,504	409,504		100.00%
08010037 ZONING ZBA HISTORIC-OTHER OPERATING EXPENDITURES	52,850	52,850	49,342	3,508	93.36%
08010315 PLANNING-LONG RANGE-WAGES	231,140	248,583	248,583		100.00%
08010315 PLANNING-LONG RANGE-OTHER OPERATING EXPENDITURES	26,029	26,029	25,070	959	96.32%
08010334 PLANNING SUBDIVISIONS-WAGES	351,878	377,372	377,372		100.00%
08010334 PLANNING SUBDIVISIONS-OTHER OPERATING EXPENDITURES	32,045	32,045	28,995	3,050	90.48%
08010335 PLAN REVIEW-WAGES	\$ 600,074	448,155	448,155		100.00%

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Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
08010335 PLAN REVIEW-OTHER OPERATING EXPENDITURES	\$ 73,248	72,218	65,741	6,477	91.03%
09010027 HUMAN RESOURCES ADMIN-WAGES	305,532	349,540	349,540		100.00%
09010027 HUMAN RESOURCES ADMIN-OTHER OPERATING EXPENDITURES	56,793	70,220	64,497	5,723	91.85%
09010028 CLASSIFICATION & COMPENSATION-WAGES	-	(998)	(998)		100.00%
09010029 RECRUITMENT & EXAMINATIONS-WAGES	502,988	537,978	537,978		100.00%
09010029 RECRUITMENT & EXAMINATIONS-OTHER OPERATING EXPENDITURES	103,134	103,134	103,730	(596)	100.58%
09010030 ORGANIZATIONAL DEVELOPMENT-WAGES	296,329	250,653	250,653		100.00%
09010030 ORGANIZATIONAL DEVELOPMENT-OTHER OPERATING EXPENDITURE	259,687	415,687	473,675	(57,988)	113.95%
09010342 PAYROLL AND RECORDS-WAGES	455,588	412,593	412,593		100.00%
09010342 PAYROLL AND RECORDS-OTHER OPERATING EXPENDITURES	42,487	42,487	42,131	356	99.16%
10010017 FINANCIAL ACCT & REPORTING-WAGES	326,763	353,303	353,303		100.00%
10010017 FINANCIAL ACCT & REPORTING-OTHER OPERATING EXPENDITURES	119,803	59,291	58,231	1,060	98.21%
10010019 TREASURY SERVICES-WAGES	178,876	183,547	183,547		100.00%
10010019 TREASURY SERVICES-OTHER OPERATING EXPENDITURES	10,440	10,440	10,440		100.00%
10010020 FISCAL OPERATIONS-WAGES	477,400	539,645	539,645		100.00%
10010020 FISCAL OPERATIONS-OTHER OPERATING EXPENDITURES	40,811	40,811	40,811		100.00%
10010021 PURCHASING ADMINISTRATION-WAGES	641,085	753,754	753,754		100.00%
10010021 PURCHASING ADMINISTRATION-OTHER OPERATING EXPENDITURE	74,004	74,147	62,618	11,529	84.45%
10010274 GRANTS ADMINISTRATION-WAGES	84,559	85,419	85,419		100.00%
10010274 GRANTS ADMINISTRATION-OTHER OPERATING EXPENDITURES	4,362	3,562	3,241	321	90.99%
10010316 CAPITAL ASSETS MANAGEMENT-WAGES	234,521	123,672	123,672		100.00%
10010316 CAPITAL ASSETS MANAGEMENT-OTHER OPERATING EXPENDITURES	68,898	63,343	52,200	11,143	82.41%
10010705 FINANCIAL SVCS CFO-WAGES	278,108	295,619	295,619		100.00%
10010705 FINANCIAL SVCS CFO-CAPITAL EXPENDITURES	-	17,820	16,160	1,660	90.68%
10010705 FINANCIAL SVCS CFO-OTHER OPERATING EXPENDITURES	255,946	361,731	356,737	4,994	98.62%
11010009 MUNICIPAL CLERK-CITY CLERK-WAGES	249,200	244,228	244,228		100.00%
11010009 MUNICIPAL CLERK-CITY CLERK-OTHER OPERATING EXPENDITURES	345,846	287,846	275,512	12,334	95.72%
11010011 MUNICIPAL CLERK ADMIN-WAGES	2,682,274	2,619,393	2,619,393		100.00%
11010011 MUNICIPAL CLERK ADMIN-OTHER OPERATING EXPENDITURES	895,017	842,468	829,100	13,368	98.41%
11010332 MUNICIPAL CLERK JUDICIARY-WAGES	917,282	850,510	850,510		100.00%
11010332 MUNICIPAL CLERK JUDICIARY-OTHER OPERATING EXPENDITURES	89,344	75,344	72,810	2,534	96.64%
15010704 CITY MANAGER-WAGES	1,006,184	1,039,585	1,039,585		100.00%
15010704 CITY MANAGER-OTHER OPERATING EXPENDITURES	128,549	124,484	94,521	29,963	75.93%
15010705 PUBLIC INFORMATION OFFICE-WAGES	183,641	204,634	204,634		100.00%
15010705 PUBLIC INFORMATION OFFICE-OTHER OPERATING EXPENDITURES	32,710	32,710	27,805	4,905	85.00%
15010716 INTERNAL AUDIT-WAGES	382,238	375,471	375,471		100.00%
15010716 INTERNAL AUDIT-OTHER OPERATING EXPENDITURES	84,244	84,244	58,348	25,896	69.26%
21010050 CHIEF'S OFFICE-WAGES	72,627,149	75,695,938	75,695,938		100.00%
21010050 CHIEF'S OFFICE-CAPITAL EXPENDITURES	-	50,000	50,000		100.00%
21010050 CHIEF'S OFFICE-OTHER OPERATING EXPENDITURES	9,996,470	9,788,886	9,983,033	(194,147)	101.98%
21010051 INTERNAL AFFAIRS-WAGES	\$ 58,656	66,948	66,948		100.00%

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21010051 INTERNAL AFFAIRS-OTHER OPERATING EXPENDITURES	\$ 121,936	111,936	90,518	21,418	80.87%
21010052 TRAINING-WAGES	1,471,832	1,786,785	1,786,785		100.00%
21010052 TRAINING-OTHER OPERATING EXPENDITURES	602,860	568,760	567,162	1,598	99.72%
21010053 PD PERSONNEL-WAGES	167,532	157,751	157,751		100.00%
21010053 PD PERSONNEL-OTHER OPERATING EXPENDITURES	168,071	153,571	131,965	21,606	85.93%
21010054 PLANNING AND RESEARCH-WAGES	183,896	154,224	154,224		100.00%
21010054 PLANNING AND RESEARCH-OTHER OPERATING EXPENDITURES	31,794	28,794	25,257	3,537	87.72%
21010055 VEHICLE OPERATIONS-OTHER OPERATING EXPENDITURES	3,589,267	3,589,267	4,204,705	(615,438)	117.15%
21010058 COMMUNICATIONS-WAGES	4,666,632	4,509,281	4,509,281		100.00%
21010058 COMMUNICATIONS-OTHER OPERATING EXPENDITURES	430,776	430,776	424,812	5,964	98.62%
21010059 RECORDS-WAGES	1,965,977	1,987,809	1,987,809		100.00%
21010059 RECORDS-OTHER OPERATING EXPENDITURES	188,537	194,537	189,001	5,536	97.15%
21010060 POLICE SUPPLY-OTHER OPERATING EXPENDITURES	768,000	434,900	390,572	44,328	89.81%
21010061 FINANCIAL SERVICES-WAGES	562,054	539,430	539,430		100.00%
21010061 FINANCIAL SERVICES-OTHER OPERATING EXPENDITURES	2,226,663	2,221,563	3,826,252	(1,604,689)	172.23%
21010062 SPECIAL SERVICES-WAGES	100,909	101,944	101,944		100.00%
21010062 SPECIAL SERVICES-OTHER OPERATING EXPENDITURES	242,943	232,943	214,106	18,837	91.91%
21010063 CENTRAL REGIONAL COMMAND-WAGES	548,215	509,145	509,145		100.00%
21010063 CENTRAL REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	88,249	88,249	82,871	5,378	93.91%
21010064 MISSION VALLEY REGIONAL COMMAND-WAGES	284,758	241,697	241,697		100.00%
21010064 MISSION VALLEY REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	41,684	41,684	40,129	1,555	96.27%
21010066 NORTHEAST REGIONAL COMMAND-WAGES	256,069	267,092	267,092		100.00%
21010066 NORTHEAST REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	37,575	37,575	37,049	526	98.60%
21010067 PEBBLE HILLS REGIONAL COMMAND-WAGES	254,806	217,559	217,559		100.00%
21010067 PEBBLE HILLS REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	70,724	70,724	67,704	3,020	95.73%
21010068 WESTSIDE REGIONAL COMMAND-WAGES	183,306	165,641	165,641		100.00%
21010068 WESTSIDE REGIONAL COMMAND-OTHER OPERATING EXPENDITURES	37,784	37,784	35,054	2,730	92.77%
21010069 OPERATIONAL SUPPORT-WAGES	1,336,837	1,048,448	1,048,448		100.00%
21010069 OPERATIONAL SUPPORT-OTHER OPERATING EXPENDITURES	195,085	180,085	171,706	8,379	95.35%
21010071 DIRECTED INVESTIGATIONS-WAGES	615,637	602,103	602,103		100.00%
21010071 DIRECTED INVESTIGATIONS-OTHER OPERATING EXPENDITURES	289,789	285,789	271,402	14,387	94.97%
21010072 CRIMINAL INVESTIGATIONS-WAGES	207,967	334,518	334,518		100.00%
21010072 CRIMINAL INVESTIGATIONS-OTHER OPERATING EXPENDITURES	313,866	326,250	283,558	42,692	86.91%
22010090 FIRE DEPARTMENT ADMINISTRATION-WAGES	1,014,644	996,429	996,429		100.00%
22010090 FIRE DEPARTMENT ADMINISTRATION-OTHER OPERATING EXPENDITURES	2,181,706	2,077,172	2,044,664	32,508	98.43%
22010096 FIRE FIGHTING TRAINING-WAGES	1,543,867	1,676,746	1,676,746		100.00%
22010096 FIRE FIGHTING TRAINING-OTHER OPERATING EXPENDITURES	1,158,276	875,048	903,864	(28,816)	103.29%
22010100 FD EMERGENCY OPERATIONS-WAGES	46,014,997	49,516,375	49,516,375		100.00%
22010100 FD EMERGENCY OPERATIONS-OTHER OPERATING EXPENDITURES	6,607,016	6,551,263	6,524,821	26,442	99.60%
22010101 SPECIAL OPERATIONS-WAGES	228,124	302,717	302,717		100.00%
22010101 SPECIAL OPERATIONS-OTHER OPERATING EXPENDITURES	\$ 42,581	42,581	42,582	(1)	100.00%

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22010104 FIRE PREVENTION-WAGES	\$ 2,855,999	2,641,305	2,641,305		100.00%
22010104 FIRE PREVENTION-OTHER OPERATING EXPENDITURES	339,261	338,695	338,159	536	99.84%
22010311 FIRE COMMUNICATIONS-WAGES	544,505	574,823	574,823		100.00%
22010311 FIRE COMMUNICATIONS-OTHER OPERATING EXPENDITURES	90,751	91,317	91,317		100.00%
22010319 SCBA AND LOGISTIC-OTHER OPERATING EXPENDITURES	-	83		83	
22010320 LOGISTICS-WAGES	376,060	421,885	421,885		100.00%
22010320 LOGISTICS-OTHER OPERATING EXPENDITURES	2,653,254	2,667,686	2,918,571	(250,885)	109.40%
22010321 AIRPORT FIREFIGHTERS-WAGES		5	5		100.00%
22010330 FIRE SUPPORT PERSONNEL-WAGES	2,935,620	3,002,720	3,002,720		100.00%
22010330 FIRE SUPPORT PERSONNEL-OTHER OPERATING EXPENDITURES	291,243	291,243	291,243		100.00%
31010325 FACILITY MAINTENANCE-OTHER OPERATING EXPENDITURES	560,000	560,000	557,206	2,794	99.50%
31010326 FACILITY PERSONNEL-WAGES	1,676,279	1,637,736	1,637,736		100.00%
31010326 FACILITY PERSONNEL-OTHER OPERATING EXPENDITURES	12,205,463	12,393,268	12,354,354	38,914	99.69%
31010327 FACILITY SUPPORT-OTHER OPERATING EXPENDITURES	237,500	237,500	235,803	1,697	99.29%
31010328 FACILITY SPECIAL PROJECTS-OTHER OPERATING EXPENDITURES	-	420,077	398,196	21,881	94.79%
31010350 FACILITY UTILITIES-OTHER OPERATING EXPENDITURES	123,500	123,500	122,068	1,432	98.84%
32010150 STREETS EQUIPMENT SUPPORT-WAGES	163,895	167,435	167,435		100.00%
32010150 STREETS EQUIPMENT SUPPORT-OTHER OPERATING EXPENDITURES	1,490,478	1,490,478	1,998,543	(508,065)	134.09%
32010152 STREETS CONTRACT MANAGEMENT-WAGES	735,800	669,281	669,281		100.00%
32010152 STREETS CONTRACT MANAGEMENT-OTHER OPERATING EXPENDITUR	69,601	69,601	69,601		100.00%
32010155 STREETS MEDIANS-WAGES	222,234	191,036	191,036		100.00%
32010155 STREETS MEDIANS-OTHER OPERATING EXPENDITURES	594,567	509,567	498,841	10,726	97.90%
32010159 ADMIN SUPPORT AND DATA MGMT-WAGES	772,554	778,647	778,647		100.00%
32010159 ADMIN SUPPORT AND DATA MGMT-OTHER OPERATING EXPENDITURE	220,750	226,750	222,509	4,241	98.13%
32010160 STREETS STORM WATER FLOOD MGMT-WAGES	608,693	352,765	352,765		100.00%
32010160 STREETS STORM WATER FLOOD MGMT-OTHER OPERATING EXPENDIT	112,334	112,334	112,334		100.00%
32010200 STREETS & FACILITIES MAINT-WAGES	3,294,182	3,315,754	3,315,754		100.00%
32010200 STREETS & FACILITIES MAINT-OTHER OPERATING EXPENDITURES	2,294,598	2,288,598	1,529,336	759,262	66.82%
32010287 SIGNS AND MARKINGS-WAGES	781,333	807,886	807,886		100.00%
32010287 SIGNS AND MARKINGS-OTHER OPERATING EXPENDITURES	387,477	587,477	551,899	35,578	93.94%
32010288 TRAFFIC SIGNALS-WAGES	1,121,073	1,135,967	1,135,967		100.00%
32010288 TRAFFIC SIGNALS-OTHER OPERATING EXPENDITURES	323,239	323,239	318,922	4,317	98.66%
32010313 PARKING METER OPERATIONS-WAGES	-	(3,372)	(3,372)		100.00%
32010313 PARKING METER OPERATIONS-OTHER OPERATING EXPENDITURES	-	-	74	(74)	
32010362 STREET GRAFFITI PROGRAM-WAGES	460,431	438,323	438,323		100.00%
32010362 STREET GRAFFITI PROGRAM-CAPITAL EXPENDITURES	-	11,500	9,888	1,612	85.98%
32010362 STREET GRAFFITI PROGRAM-OTHER OPERATING EXPENDITURES	177,358	165,858	158,814	7,044	95.75%
32010363 STREET SWEEPING OPERATIONS-WAGES	697,659	740,023	740,023		100.00%
32010363 STREET SWEEPING OPERATIONS-OTHER OPERATING EXPENDITURES	626,888	843,888	878,347	(34,459)	104.08%
33010034 DEVELOPMENT SERVICES ADMIN-WAGES	548,532	1,089,401	1,089,401		100.00%
33010034 DEVELOPMENT SERVICES ADMIN-OTHER OPERATING EXPENDITURES \$	108,278	151,438	144,049	7,389	95.12%

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35010043 ENGINEERING ADMIN-WAGES	\$ 488,351	771,503	771,503		100.00%
35010043 ENGINEERING ADMIN-CAPITAL EXPENDITURES	-	23,119	14,584	8,535	63.08%
35010043 ENGINEERING ADMIN-OTHER OPERATING EXPENDITURES	94,183	98,598	95,889	2,709	97.25%
35010045 DESIGN DIVISION-WAGES	164,257	148,337	148,337		100.00%
35010045 DESIGN DIVISION-OTHER OPERATING EXPENDITURES	27,522	27,757	25,281	2,476	91.08%
35010046 CONSTRUCTION INSPECTION-WAGES	410,108	394,403	394,403		100.00%
35010046 CONSTRUCTION INSPECTION-OTHER OPERATING EXPENDITURES	128,479	128,629	108,187	20,442	84.11%
35010047 PROJECT ENGINEERING-WAGES	537,204	386,980	386,980		100.00%
35010047 PROJECT ENGINEERING-OTHER OPERATING EXPENDITURES	54,952	44,552	40,915	3,637	91.84%
35010048 ENGINEERING TRAFFIC-WAGES	999,227	834,656	834,656		100.00%
35010048 ENGINEERING TRAFFIC-CAPITAL EXPENDITURES	-	850	850		100.00%
35010048 ENGINEERING TRAFFIC-OTHER OPERATING EXPENDITURES	136,336	291,336	278,727	12,609	95.67%
35010050 ENGINEERING CIP-WAGES	204,099	263,665	263,665		100.00%
35010050 ENGINEERING CIP-OTHER OPERATING EXPENDITURES	32,413	26,413	23,072	3,341	87.35%
35010051 PROJECT DEVELOPMENT-WAGES	151,172	114,931	114,931		100.00%
35010051 PROJECT DEVELOPMENT-OTHER OPERATING EXPENDITURES	20,101	16,151	13,517	2,634	83.69%
35010052 CONTRACT ADMINISTRATION-WAGES	290,311	256,772	256,772		100.00%
35010052 CONTRACT ADMINISTRATION-OTHER OPERATING EXPENDITURES	12,398	12,398	9,835	2,563	79.33%
36010116 PLAN REVIEW-WAGES	737,733	612,627	612,627		100.00%
36010116 PLAN REVIEW-OTHER OPERATING EXPENDITURES	76,625	94,935	74,819	20,116	78.81%
36010117 COMMERCIAL INSPECTIONS-WAGES	912,033	863,626	863,626		100.00%
36010117 COMMERCIAL INSPECTIONS-OTHER OPERATING EXPENDITURES	197,254	202,379	189,086	13,293	93.43%
36010118 RESIDENTIAL INSPECTIONS-WAGES	823,542	612,740	612,740		100.00%
36010118 RESIDENTIAL INSPECTIONS-OTHER OPERATING EXPENDITURES	165,255	178,320	172,440	5,880	96.70%
36010318 BLDG INSPECTION & PERMIT ADMIN-WAGES	185,516	219,692	219,692		100.00%
36010318 BLDG INSPECTION & PERMIT ADMIN-CAPITAL EXPENDITURES	-	-	(9)	9	
36010318 BLDG INSPECTION & PERMIT ADMIN-OTHER OPERATING EXPENDITUR	207,070	171,923	146,675	25,248	85.31%
36010334 SUBDIVISION INSPECTION-WAGES	332,939	262,614	262,614		100.00%
36010334 SUBDIVISION INSPECTION-OTHER OPERATING EXPENDITURES	63,476	52,123	46,533	5,590	89.28%
39010348 INFORMATION TECHNOLOGY ADMIN-WAGES	448,096	449,906	449,906		100.00%
39010348 INFORMATION TECHNOLOGY ADMIN-CAPITAL EXPENDITURES	-	55,500	47,238	8,262	85.11%
39010348 INFORMATION TECHNOLOGY ADMIN-OTHER OPERATING EXPENDITUR	44,849	45,849	40,534	5,315	88.41%
39010349 GEOGRAPHIC INFORMATION SYSTEMS-WAGES	143,796	151,609	151,609		100.00%
39010349 GEOGRAPHIC INFORMATION SYSTEMS-OTHER OPERATING EXPENDITUR	318,497	311,247	281,542	29,705	90.46%
39010350 MEDIA PRODUCTION-WAGES	95,465	101,734	101,734		100.00%
39010350 MEDIA PRODUCTION-OTHER OPERATING EXPENDITURES	550	3,550	2,582	968	72.73%
39010351 INFORMATION SERVICES-WAGES	1,837,365	2,009,261	2,009,261		100.00%
39010351 INFORMATION SERVICES-CAPITAL EXPENDITURES	-	439,819	365,939	73,880	83.20%
39010351 INFORMATION SERVICES-OTHER OPERATING EXPENDITURES	3,311,440	3,160,127	2,636,560	523,567	83.43%
39010352 TELECOMMUNICATIONS-WAGES	436,141	429,289	429,289		100.00%
39010352 TELECOMMUNICATIONS-CAPITAL EXPENDITURES	\$ -	139,937	139,936	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, 2008

Function/Activity		Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
39010352	TELECOMMUNICATIONS-OTHER OPERATING EXPENDITURES	\$ 3,073,739	3,154,976	3,144,560	10,416	99.67%
41010127	ENVIRONMENT_FOOD-WAGES	-	579,012	579,012		100.00%
41010127	ENVIRONMENT_FOOD-OTHER OPERATING EXPENDITURES	-	103,901	92,408	11,493	88.94%
41010132	ANIMAL SERVICES-WAGES	-	1,219,277	1,219,277		100.00%
41010132	ANIMAL SERVICES-OTHER OPERATING EXPENDITURES	-	545,612	446,416	99,196	81.82%
41010135	STD CLINICS-WAGES	-	148,526	148,526		100.00%
41010135	STD CLINICS-OTHER OPERATING EXPENDITURES	-	53,998	47,082	6,916	87.19%
41010140	DENTAL-WAGES	-	264,325	264,325		100.00%
41010140	DENTAL-CAPITAL EXPENDITURES	-	488	487	1	99.80%
41010140	DENTAL-OTHER OPERATING EXPENDITURES	-	91,557	61,936	29,621	67.65%
41010142	ADULT IMMUNIZATION SERVICES-WAGES	-	142,339	142,339		100.00%
41010142	ADULT IMMUNIZATION SERVICES-OTHER OPERATING EXPENDITURES	-	127,338	98,815	28,523	77.60%
41010146	LABORATORY-WAGES	-	256,141	256,141		100.00%
41010146	LABORATORY-OTHER OPERATING EXPENDITURES	-	176,625	148,907	27,718	84.31%
41010150	EPIDEMIOLOGY-WAGES	-	66,757	66,757		100.00%
41010150	EPIDEMIOLOGY-OTHER OPERATING EXPENDITURES	-	22,716	18,235	4,481	80.27%
41010157	HEALTH ADMINISTRATION-WAGES	-	230,384	230,384		100.00%
41010157	HEALTH ADMINISTRATION-OTHER OPERATING EXPENDITURES	-	519,830	487,772	32,058	93.83%
41010162	HEALTH SUPPORT SERVICES-WAGES	-	346,040	346,040		100.00%
41010162	HEALTH SUPPORT SERVICES-OTHER OPERATING EXPENDITURES	-	718,550	635,911	82,639	88.50%
41010163	HEALTH INFORMATION SERVICES-OTHER OPERATING EXPENDITURES	-	169,465	152,685	16,780	90.10%
41010344	HUMAN RESOURCES-WAGES	-	258	258		100.00%
41010354	HEALTH EDUCATION PROGRAM-WAGES	-	108,887	108,887		100.00%
41010354	HEALTH EDUCATION PROGRAM-OTHER OPERATING EXPENDITURES	-	21,053	15,296	5,757	72.65%
51010214	PARKS & RECREATION ADMIN-WAGES	584,137	599,174	599,174		100.00%
51010214	PARKS & RECREATION ADMIN-CAPITAL EXPENDITURES	-	28,749	28,749		100.00%
51010214	PARKS & RECREATION ADMIN-OTHER OPERATING EXPENDITURES	182,851	162,409	111,356	51,053	68.57%
51010216	RECREATION & SENIOR CTRS-WAGES	2,855,267	2,829,571	2,829,571		100.00%
51010216	RECREATION & SENIOR CTRS-OTHER OPERATING EXPENDITURES	719,227	553,733	472,184	81,549	85.27%
51010230	ACQUATICS ADMINISTRATION-WAGES	201,770	201,591	201,591		100.00%
51010230	ACQUATICS ADMINISTRATION-OTHER OPERATING EXPENDITURES	17,471	40,471	40,262	209	99.48%
51010256	FACILITIES MAINTENANCE-WAGES	1,793,596	1,827,327	1,827,327		100.00%
51010256	FACILITIES MAINTENANCE-OTHER OPERATING EXPENDITURES	1,591,952	1,579,896	1,418,277	161,619	89.77%
51010262	PARK MAINTENANCE-WAGES	3,134,330	2,814,684	2,814,684		100.00%
51010262	PARK MAINTENANCE-CAPITAL EXPENDITURES	-	-	(88)	88	
51010262	PARK MAINTENANCE-OTHER OPERATING EXPENDITURES	5,309,191	4,937,192	4,690,050	247,142	94.99%
52010245	ZOO GENERAL OPERATIONS-WAGES	2,966,340	2,882,836	2,882,836		100.00%
52010245	ZOO GENERAL OPERATIONS-CAPITAL EXPENDITURES	-	20,506	15,465	5,041	75.42%
52010245	ZOO GENERAL OPERATIONS-OTHER OPERATING EXPENDITURES	374,131	399,131	396,802	2,329	99.42%
53010201	LIBRARY ADMINISTRATION-WAGES	1,007,226	1,235,769	1,235,769		100.00%
53010201	LIBRARY ADMINISTRATION-CAPITAL EXPENDITURES	\$ -	65,000	61,880	3,120	95.20%

CITY OF EL PASO, TEXAS
General Fund
Schedule of Expenditures - Budget and Actual
Legal Level of Budgetary Control
For the Year Ended August 31, 2008

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
53010201 LIBRARY ADMINISTRATION-OTHER OPERATING EXPENDITURES	\$ 505,668	596,118	572,427	23,691	96.03%
53010202 CATALOGING ORDERING & PROCESS-WAGES	505,115	492,224	492,224		100.00%
53010202 CATALOGING ORDERING & PROCESS-OTHER OPERATING EXPENDITURES	751,389	746,389	694,622	51,767	93.06%
53010204 MEMORIAL BRANCH OPERATIONS-WAGES	200,903	197,203	197,203		100.00%
53010204 MEMORIAL BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	24,537	24,537	22,366	2,171	91.15%
53010206 ARMIJO BRANCH OPERATIONS-WAGES	160,507	157,154	157,154		100.00%
53010206 ARMIJO BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	9,474	9,474	7,625	1,849	80.48%
53010207 RICHARD BURGESS BRANCH OPER-WAGES	426,991	427,482	427,482		100.00%
53010207 RICHARD BURGESS BRANCH OPER-OTHER OPERATING EXPENDITURES	46,461	46,461	45,374	1,087	97.66%
53010208 CIELO VISTA BRANCH OPER-WAGES	170,669	157,075	157,075		100.00%
53010208 CIELO VISTA BRANCH OPER-OTHER OPERATING EXPENDITURES	9,025	9,025	9,025		100.00%
53010209 CLARDY FOX BRANCH OPER-WAGES	219,660	216,699	216,699		100.00%
53010209 CLARDY FOX BRANCH OPER-OTHER OPERATING EXPENDITURES	18,470	18,470	17,032	1,438	92.21%
53010210 IRVING SCHWARTZ BRANCH OPER-WAGES	263,369	246,516	246,516		100.00%
53010210 IRVING SCHWARTZ BRANCH OPER-OTHER OPERATING EXPENDITURES	17,748	17,748	13,545	4,203	76.32%
53010211 MARQUEZ MISSION VALLEY LIB-WAGES	314,052	295,306	295,306		100.00%
53010211 MARQUEZ MISSION VALLEY LIB-OTHER OPERATING EXPENDITURES	25,207	25,207	24,784	423	98.32%
53010212 WESTSIDE BRANCH OPERATIONS-WAGES	248,273	167,146	167,146		100.00%
53010212 WESTSIDE BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	28,836	28,836	26,499	2,337	91.90%
53010213 YSLETA BRANCH OPERATIONS-WAGES	181,972	213,377	213,377		100.00%
53010213 YSLETA BRANCH OPERATIONS-OTHER OPERATING EXPENDITURES	32,531	32,531	30,456	2,075	93.62%
53010214 EASTSIDE REGIONAL BRANCH-WAGES	421,014	399,137	399,137		100.00%
53010214 EASTSIDE REGIONAL BRANCH-OTHER OPERATING EXPENDITURES	45,110	45,110	41,849	3,261	92.77%
53010329 MAIN LIBRARY-WAGES	1,695,372	1,833,986	1,833,986		100.00%
53010329 MAIN LIBRARY-OTHER OPERATING EXPENDITURES	140,478	140,478	123,945	16,533	88.23%
53010361 WESTSIDE REGIONAL LIBRARY-WAGES	444,254	431,624	431,624		100.00%
53010361 WESTSIDE REGIONAL LIBRARY-OTHER OPERATING EXPENDITURES	38,458	38,458	34,984	3,474	90.97%
54010249 ART MUSEUM ADMINISTRATION-WAGES	606,007	630,309	630,309		100.00%
54010249 ART MUSEUM ADMINISTRATION-OTHER OPERATING EXPENDITURES	207,603	195,603	191,318	4,285	97.81%
54010250 ART MUSEUM EDUCATION-WAGES	129,426	96,641	96,641		100.00%
54010250 ART MUSEUM EDUCATION-OTHER OPERATING EXPENDITURES	10,918	10,918	10,934	(16)	100.15%
54010331 ART MUSEUM CURATORIAL-WAGES	167,819	170,655	170,655		100.00%
54010331 ART MUSEUM CURATORIAL-OTHER OPERATING EXPENDITURES	55,516	55,516	55,009	507	99.09%
55010299 ACR ADMIN-WAGES	299,252	294,458	294,458		100.00%
55010299 ACR ADMIN-CAPITAL EXPENDITURES	-	6,198	5,820	378	93.90%
55010299 ACR ADMIN-OTHER OPERATING EXPENDITURES	68,904	116,646	98,717	17,929	84.63%
56010252 HISTORY MUSEUM ADMINISTRATION-WAGES	396,784	394,964	394,964		100.00%
56010252 HISTORY MUSEUM ADMINISTRATION-OTHER OPERATING EXPENDITURES	98,644	98,644	87,961	10,683	89.17%
58010251 MUSEUM_OF_ARCHAEOLOGY-WAGES	175,263	179,979	179,979		100.00%
58010251 MUSEUM_OF_ARCHAEOLOGY-OTHER OPERATING EXPENDITURES	34,768	38,028	35,351	2,677	92.96%
71010276 RELOCATION SERVICES_GEN FUND-WAGES	\$ 46,597	46,275	46,275		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, 2008

Function/Activity	Adopted Budget	Adjusted Budget	Actuals	Variance with Final Budget Positive (Negative)	% Budget Utilized
71010276 RELOCATION SERVICES_GEN FUND-OTHER OPERATING EXPENDITURE	\$ 6,987	7,032	7,032		100.00%
71010277 NEIGH SEVC CONSERVATION PROG-WAGES	354,428	351,078	351,078		100.00%
71010277 NEIGH SEVC CONSERVATION PROG-OTHER OPERATING EXPENDITURE	174,823	174,778	161,329	13,449	92.31%
72010268 ECONOMIC DEV ADMINISTRATION-WAGES	973,418	875,483	875,483		100.00%
72010268 ECONOMIC DEV ADMINISTRATION-OTHER OPERATING EXPENDITURE	978,116	728,395	721,567	6,828	99.06%
99010273 SPECIAL ITEMS-CAPITAL EXPENDITURES	-	180,560	186,460	(5,900)	103.27%
99010273 SPECIAL ITEMS-OTHER OPERATING EXPENDITURES	12,306,868	9,065,820	6,757,473	2,308,347	74.54%
99010309 CASH RESERVE FUND-OTHER OPERATING EXPENDITURES	-	-	516,548	(516,548)	
99010335 GENERAL CITY REVENUES-OTHER OPERATING EXPENDITURES	-	4,035,021	3,925,021	110,000	97.27%
	<u>\$ 291,660,790</u>	<u>304,762,415</u>	<u>303,539,748</u>	<u>1,222,667</u>	99.60%

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.



SPECIAL REVENUE FUNDS



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

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

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

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

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

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

CITY OF EL PASO, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

August 31, 2008

	Special Revenue Funds					Total
	Federal Grants	State Grants	Other Grants	Public Health	Non-Grants	
ASSETS						
Cash and Cash Equivalents	\$ -	-	185,094	-	8,834,006	9,019,100
Investments	-	-	54,649	-	4,165,535	4,220,184
Receivables - Net of Allowances						
Trade	-	173,868	-	39,903	11,716	225,487
Due From Other Government Agencies	2,971,449	2,292,796	34,048	1,877,508	-	7,175,801
Due From Other Funds	-	-	-	-	6,151,767	6,151,767
TOTAL ASSETS	\$ 2,971,449	2,466,664	273,791	1,917,411	19,163,024	26,792,339
LIABILITIES						
Accounts Payable	\$ 86,529	129,741	4,528	255,388	945,668	1,421,854
Accrued Payroll	150,173	153,426	1,405	261,553	118,253	684,810
Due to Other Funds	2,734,747	2,090,165	-	1,326,855	-	6,151,767
Unearned Revenue	-	-	13,126	-	-	13,126
Due To Other Government Agencies	-	-	-	73,615	-	73,615
Construction Contracts and Retainage Payable	-	93,332	-	-	109,744	203,076
TOTAL LIABILITIES	2,971,449	2,466,664	19,059	1,917,411	1,173,665	8,548,248
FUND BALANCES						
Unreserved:						
Undesignated	-	-	254,732	-	17,989,359	18,244,091
TOTAL FUND BALANCES	-	-	254,732	-	17,989,359	18,244,091
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,971,449	2,466,664	273,791	1,917,411	19,163,024	26,792,339

CITY OF EL PASO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended August 31, 2008

	Special Revenue Funds					
	Federal Grants	State Grants	Other Grants	Public Health	Nongrants	Total
Revenues						
Property Taxes	\$ -	-	-	-	111,520	111,520
Sales Taxes	-	-	-	-	5,452,828	5,452,828
Franchise Fees	-	-	-	-	652,496	652,496
Charges for Services	-	224,513	-	2,342,217	6,243,817	8,810,547
Fines and Forfeits	-	-	-	29,015	1,197,904	1,226,919
Licenses and Permits	-	510	-	2,154,057	-	2,154,567
Intergovernmental Revenues	8,523,217	4,784,181	59,757	14,134,479	13,388	27,515,022
County Participation	-	-	-	977,148	(225,000)	752,148
Interest	-	-	-	-	37,654	37,654
Rents and Other	-	87,027	42,500	19,405	2,550,988	2,699,920
Total revenues	8,523,217	5,096,231	102,257	19,656,321	16,035,595	49,413,621
Expenditures						
Current:						
General Government	1,611,884	339,938	-	-	642,599	2,594,421
Public Safety	3,653,109	3,311,319	329	-	2,775,261	9,740,018
Public Works	-	(761)	2,573	-	-	1,812
Public Health	-	-	-	18,664,584	-	18,664,584
Parks Department	-	-	(16,558)	-	3,059,457	3,042,899
Library	-	412,317	1,881	-	25,085	439,283
Culture and Recreation	4,481	80,641	114,003	-	6,172,534	6,371,659
Economic Development	(868)	-	-	-	543,561	542,693
Community and Human Development	815,545	-	8,422	-	782,808	1,606,775
Capital Outlay	2,444,616	952,777	17,671	(65,943)	2,459,933	5,809,054
Total expenditures	8,528,767	5,096,231	128,321	18,598,641	16,461,238	48,813,198
Excess (Deficiency) of revenues over (under) expenditures	(5,550)	-	(26,064)	1,057,680	(425,643)	600,423
OTHER FINANCING SOURCES(USES):						
Transfers In	5,550	-	-	1,751,547	480,133	2,237,230
Transfers Out	-	-	-	(3,323,986)	-	(3,323,986)
Other Sources (Uses)	-	-	-	2,100	-	2,100
Total other financing sources (uses):	5,550	-	-	(1,570,339)	480,133	(1,084,656)
Net change in fund balances	-	-	(26,064)	(512,659)	54,490	(484,233)
Fund balances - beginning of year	-	-	280,796	512,659	17,934,869	18,728,324
Fund balances - end of year	\$ -	-	254,732	-	17,989,359	18,244,091

CITY OF EL PASO, TEXAS
Schedule of Expenditures - Special Revenue Funds
For the Year Ended August 31, 2008

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	\$ -	-	-	-	7,160	7,160
G010603	THE MAYOR'S 100 TEENS PROGRAM	-	-	-	-	4,456	4,456
G080801	BRAC OEA FY08	-	339,938	-	-	-	339,938
G210011	COPS UNIVERSAL HIRING AWARD	32,490	-	-	-	-	32,490
G210435	COPS IN SCHOOL '04	6,193	-	-	-	-	6,193
G210514	G210514 TXDOT IMPAIRED DRIVER	-	(7,908)	-	-	-	(7,908)
G210515	210515 HUMAN TRAFFICKING GRANT	65,033	-	-	-	-	65,033
G210525	G210525 HIDTA STING 2005	11,949	-	-	-	-	11,949
G210602	G210602 ATPAFY06	-	(2,136)	-	-	-	(2,136)
G210608	G210608 TPA GRANT	22,587	-	-	-	-	22,587
G210612	G210612 COPS AFIS 0222	246,661	-	-	-	-	246,661
G210613	G210613 COPS AFIS 0221	246,661	-	-	-	-	246,661
G210614	G210614 COPS AFIS 0432	59,091	-	-	-	-	59,091
G210616	G210616 HIDTA STING - RDI 2005	656	-	-	-	-	656
G210620	INTERNET CRIMES AGAINST CHILDR	(30)	-	-	-	-	(30)
G210625	G210625 HIDTA STING FY06	49,380	-	-	-	-	49,380
G210626	G210626 HIDTA INTEL FY06	2,262	-	-	-	-	2,262
G210627	G210627 HIDTA STASH HOUSE FY06	2,356	-	-	-	-	2,356
G210628	G210628 HIDTA MULTI FY06	11,190	-	-	-	-	11,190
G210630	G210630 HIDTA TRANSP FY06	2,607	-	-	-	-	2,607
G210702	G210702 ATPA FY 2007	-	50,576	-	-	-	50,576
G210703	G210703 DART FY'07	-	(2,349)	-	-	-	(2,349)
G210704	G210704 CRT FY'07	-	(160)	-	-	-	(160)
G210705	G210705 TXDOT SAFE COMM FY07	-	5,227	-	-	-	5,227
G210706	G210706 OVAG FY'07	-	(2,140)	-	-	-	(2,140)
G210707	G210707 TXDOT COMM STEP FY07	-	19,883	-	-	-	19,883
G210708	G210708 TXDOT IMPAIRED FY07	-	(12)	-	-	-	(12)
G210709	G210709 TXDOT HOLIDAYS FY07	-	5,009	-	-	-	5,009
G210710	G210710 BUFFERZONE GRANT FY07	26,650	-	-	-	-	26,650
G210714	G210714TOBACCO COMPLIANCE FY07	-	-	329	-	-	329
G210716	G210716 COPS STEP SCHOOLS FY06	-	82,536	-	-	-	82,536
G210717	G210717 CMG -AFIS FY06	-	100,000	-	-	-	100,000
G210718	G210718 VCLG FY'07	-	(1,415)	-	-	-	(1,415)
G210719	G210719 TPA-TECH&PROG FY07	24,540	-	-	-	-	24,540
G210721	OPERATION WRANGLER III	-	(41,630)	-	-	-	(41,630)
G210722	OCDEF 07 0413	1,690	-	-	-	-	1,690
G210724	G210724 TXDOT-UNDERAGE DRINKNG	-	16,639	-	-	-	16,639
G210725	HIDTA STING 2007	763,467	-	-	-	-	763,467
G210726	G210726 INTEL 2007	86,727	-	-	-	-	86,727
G210727	G210727 STASH HOUSE 2007	190,627	-	-	-	-	190,627
G210728	G210728 MULTI 2007	166,208	-	-	-	-	166,208
G210729	G210729 HIDTA ENTERPRISE FY07	11,780	-	-	-	-	11,780
G210730	G210730 HIDTA TRANS FY07	8,959	-	-	-	-	8,959
G210731	G210731 FUGITIVE 2007	12,599	-	-	-	-	12,599
G210734	G210734 OPERATION WRANGLER 07	28	-	-	-	-	28
G210802	G210802 ATPA GRANT FY08	-	1,152,318	-	-	-	1,152,318
G210803	G210803 DART FY08	-	86,004	-	-	-	86,004
G210805	G210805 SAFE COMMUNITIES FY08	-	103,858	-	-	-	103,858
G210806	G210806 OVAG FY08	-	77,972	-	-	-	77,972
G210807	G210807 COMP STEP 08	-	652,319	-	-	-	652,319
G210808	G210808 CLICK IT OR TICKETFY08	-	18,049	-	-	-	18,049
G210809	G210809 CLICK IT TICKETFY07	-	16,329	-	-	-	16,329
G210811	G210811 SHOCAP FY08	-	18,603	-	-	-	18,603
G210813	G210813 BULLET PROOF VEST FY07	18,199	-	-	-	-	18,199
G210815	LSBP FY 2008	-	1,166,733	-	-	-	1,166,733
G210820	COPS SECURE OUR SCHOOLS FY08	85,476	-	-	-	-	85,476
G210824	210824 TXDOT UNDERAGE DRINKING	-	8,966	-	-	-	8,966
G210825	STING DHE 07	177,010	-	-	-	-	177,010
G210826	STASH HOUSE DHE 07	64,405	-	-	-	-	64,405
G210827	ENTERPRISE DHE 07	6,397	-	-	-	-	6,397
G210828	TRANSPORTATION DHE 07	9,072	-	-	-	-	9,072
G210829	G210829 BORDER STAR 3	373,641	-	-	-	-	373,641
G210830	G210830 OCDEF 08 0217	6,072	-	-	-	-	6,072
G210831	G210831 OCDEF 08 0433H	12,571	-	-	-	-	12,571
G210902	ABTPA FY 2009	\$ -	26,541	-	-	-	26,541

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the Year Ended August 31, 2008

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G210903	G210903 VAWA (DART) FY09	\$ -	2,594	-	-	-	2,594
G210911	G210911 JABG-SHOCAP YR#10	-	3,176	-	-	-	3,176
G210926	G210926 INTELLIGENCE FY08	62,382	-	-	-	-	62,382
G210928	G210928 MULTI FY08	24,736	-	-	-	-	24,736
G210930	G210930 TRANSPORTATION FY08	3,402	-	-	-	-	3,402
G210931	G210931 FUGITIVE 08	1,200	-	-	-	-	1,200
G210932	G210932 STING FY08	409,843	-	-	-	-	409,843
G210933	G210933 STASH HOUSE FY08	212,169	-	-	-	-	212,169
G210939	G210939 ENTERPRISE FY08	6,617	-	-	-	-	6,617
G220502	G220502 FIREFIGHTER GRNT PROG	(380)	-	-	-	-	(380)
G220505	G220505 TEEK 2004 SHSP	-	10	-	-	-	10
G220506	G220506 MMRS'03 CONTRACT	-	388	-	-	-	388
G220602	G220602 TEEK HMLAND SEC LETPP	-	(10)	-	-	-	(10)
G220607	G220607 OPS & SAFETY PROG FY06	846,404	-	-	-	-	846,404
G220701	G220701 EMPG FY2007	33,951	-	-	-	-	33,951
G220706	G220706 HSGP FY07	15,989	-	-	-	-	15,989
G220801	EMERGENCY MGMT FY08	289,087	-	-	-	-	289,087
G220802	G220802 STATE HOMELAND SEC '06	497,489	-	-	-	-	497,489
G220803	G220803 EMERGENCY NOTIFIC SYS	368	-	-	-	-	368
G220804	G220804 SW TX-NM FUSION CENTER	41,964	-	-	-	-	41,964
G220805	TEXAS PEER TO PEER	3,645	-	-	-	-	3,645
G220806	G220806 ENH EMGNCY PLAN & COOR	88,992	-	-	-	-	88,992
G220807	G220807 ENH EMERGENCY OPER CTR	20,052	-	-	-	-	20,052
G220808	G220808 PUBLIC SAFETY DIGITAL	666,992	-	-	-	-	666,992
G220809	MGMT & ADMINISTRATION	13,075	-	-	-	-	13,075
G220810	G220810 LETPP	819	-	-	-	-	819
G220811	G220811 MMRS	53,712	-	-	-	-	53,712
G229903	MMRS - MEDICAL RESPONSE SYSTEM	-	12,508	-	-	-	12,508
G320301	TX FOREST SVC. ARBORIST	-	(761)	-	-	-	(761)
G329601	GRAFITTI CLEAN UP	-	-	2,573	-	-	2,573
G410402	TB OUTREACH	-	-	-	(112)	-	(112)
G410422	TDH BIO TERRORISM LAB	-	-	-	(25,569)	-	(25,569)
G410602	G410602 TB/PC OUTREACH FY06	-	-	-	(5,697)	-	(5,697)
G410620	G410620 STD/HIV FED FY06 DSHS	-	-	-	(7)	-	(7)
G410622	G410622 BIO TERRORISM LAB'06	-	-	-	566	-	566
G410625	G410625 OPHP/BIOTERRORISM FY06	-	-	-	1,135	-	1,135
G410628	G410628 EPA JUAREZ MONTRNG 06	-	-	-	(82,388)	-	(82,388)
G4106AD	G4106AD WIC ADMIN FY06 DSHS	-	-	-	(455)	-	(455)
G410701	G410701 EPI-LEAD SURV FY07 DSH	-	-	-	(3,859)	-	(3,859)
G410702	G410702 TB/PC OUTREACH FY07	-	-	-	(3,583)	-	(3,583)
G410704	G410704 PDN SEXUAL HLTH PROG	-	-	-	(29,817)	-	(29,817)
G410705	G410705 TENET NETWORK-DENTAL	-	-	-	1	-	1
G410706	G410706 IMMUNIZATIONS FY07 DSH	-	-	-	7,762	-	7,762
G410707	G410707 TB PREV & CONTROL FY07	-	-	-	811	-	811
G410708	G410708 CHS POP BASED FY07 DSH	-	-	-	9,662	-	9,662
G410711	G410711 RLSS-LPHS FY07 DSHS	-	-	-	648	-	648
G410712	G410712 HIV/SURV STATE FY07	-	-	-	(23,053)	-	(23,053)
G410713	G410713 CHS-FEE FOR SRVC FY07	-	-	-	217	-	217
G410714	G410714 CHS-FAMILY PLNNG FY07	-	-	-	(627)	-	(627)
G410716	G410716 PASS THRU FY07 TCEQ	-	-	-	(10,826)	-	(10,826)
G410717	G410717 AQ COMPLIANCE FY07 TCE	-	-	-	3,150	-	3,150
G410718	G410718 AIR POLUTION FY07 EPA	-	-	-	(3,100)	-	(3,100)
G410719	G410719 WHOLE AIR MONT FY07 TC	-	-	-	(19,243)	-	(19,243)
G410720	G410720 STD/HIV FED FY07 DSHS	-	-	-	50,700	-	50,700
G410721	G410721 TCEQ PM SAMPLE FY07 TC	-	-	-	396	-	396
G410723	G410723 HIV/SURV FED FY07 DSHS	-	-	-	538	-	538
G410724	G410724 BORDER AIR MONT FY07	-	-	-	(2,961)	-	(2,961)
G410725	G410725 OPHP/BIO PAN FLU	-	-	-	219	-	219
G410726	G410726 2-1-1 AREA INFO CENTER	-	-	-	144,462	-	144,462
G410727	G410727 CARRYOVER TITTELEV FY07	-	-	-	201	-	201
G410728	G410728 JUAREZ MONIT FY07 EPA	-	-	-	(9,785)	-	(9,785)
G410731	MEDICAL INSTITUE	-	-	-	3,624	-	3,624
G410732	ZOONOSIS	-	-	-	3,170	-	3,170
G4107AD	G4107AD WIC ADMIN FY07 DSHS	-	-	-	403,230	-	403,230
G4107BF	G4107BF WIC BREASTFEEDING FY07	\$ -	-	-	30,711	-	30,711

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the Year Ended August 31, 2008

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G4107NE	G4107NE WIC NUTRITION FY07 DSH	\$ -	-	-	143,152	-	143,152
G410802	TB OUTREACH-FY08-DSHS	-	-	-	171,649	-	171,649
G410804	PASO DEL NORTE HEALTH FOUNDATION/TWO	-	-	-	67,064	-	67,064
G410806	TDH IMMUNIZATION-FY08-DSHS	-	-	-	1,317,699	-	1,317,699
G410807	TDH TB PREVENTION AND CONTROL-	-	-	-	480,966	-	480,966
G410808	CHS POP BASED-FY08-DSHS	-	-	-	262,908	-	262,908
G410809	ENVIRONMENTAL HEALTH GROUP-FY0	-	-	-	(4)	-	(4)
G410811	TDH OFFICE OF REGIONAL PLANNIN	-	-	-	195,167	-	195,167
G410812	TDF HIV SURVEILLANCE - STATE-	-	-	-	26,703	-	26,703
G410813	TDF BUREAU W&C FEES-FY08	-	-	-	42,480	-	42,480
G410820	STD/HIV FEDERAL-FY08-TCEQ	-	-	-	119,781	-	119,781
G410822	BIO TERRORISM LAB FY08	-	-	-	243,079	-	243,079
G410823	HIV SURVEILLANCE - FED-FY08-TC	-	-	-	15,987	-	15,987
G410825	OPHP BIOTERRORISM FY08	-	-	-	1,153,351	-	1,153,351
G410826	211 AREA INFO CENTER FY08	-	-	-	200,860	-	200,860
G410831	G410831 MEDICAL INSTITUTE FOR SEXUAL HE.	-	-	-	41,561	-	41,561
G4108AD	ADMIN WIC ADMIN-FY08	-	-	-	3,689,219	-	3,689,219
G4108BF	BF04 WIC BREASTFEEDING-FY08	-	-	-	217,269	-	217,269
G4108NE	NE04 WIC NUTRITION-FY08	-	-	-	1,196,041	-	1,196,041
G410922	G410922 BIO TERRORISM-LAB	-	-	-	6,120	-	6,120
G410925	G410925 OPHP BIO TERRORISM	-	-	-	27,273	-	27,273
G510502	G510502 TURF MGMT PROGRAM	-	-	(14,712)	-	-	(14,712)
G510604	TX FOREST SVC TREE INVNTRY	-	-	(134)	-	-	(134)
G530101	PASO DEL NORTE HEALTH FOUNDATI	-	-	930	-	-	930
G530206	BEGIN AT BIRTH GRANT	-	-	16,910	-	-	16,910
G530603	G530603 TSLAC FY'06	-	(342)	-	-	-	(342)
G530607	G530607 LONE STAR FY'06	-	(263)	-	-	-	(263)
G530609	G530609 TANG GRANT FY'06	-	(381)	-	-	-	(381)
G530703	G530703 TSLAC SYSTEM FY'07	-	(4,813)	-	-	-	(4,813)
G530711	G530711 NEA- THE BIG READ FY07	-	3,261	-	-	-	3,261
G530801	E RATE FY08	-	70,252	-	-	-	70,252
G530802	LONE STAR FY08	-	89,800	-	-	-	89,800
G530803	TSLAC FY08	-	286,220	-	-	-	286,220
G530810	TANG FY08	-	77,623	-	-	-	77,623
G530811	G530811 NEA THE BIG READ	-	19,583	-	-	-	19,583
G540006	MUSEUM GENERAL RESTRICTED	-	-	-	-	109,085	109,085
G540007	MUSEUM INSTRUCTION	-	-	-	-	62,273	62,273
G540010	HISTORY MUSEUM SPECIAL REVENUE	-	-	-	-	3,983	3,983
G540108MU01	OLGA RODERICK	-	-	-	-	6,868	6,868
G540109	SCHOOL SERVICES PRIVATE AWARDS	-	-	26,720	-	-	26,720
G540502	G540502 ARTS EDUCATION GRANT	-	1,985	-	-	-	1,985
G540701	G540701 TCA EDUCATION FY07	-	5,558	-	-	-	5,558
G540703	CURATORIAL PROJECTS	-	-	-	-	29,971	29,971
G540801	540801 TCA EDUC GRANT FY08	-	8,266	-	-	-	8,266
G540802	TCA EXHIBITS FY08	-	4,473	-	-	-	4,473
G540804	KRESS FOUNDATION CURATOR PRJ	-	-	-	-	1,880	1,880
G540805	G540805 BINATIONAL PROMOTION	-	-	33,000	-	-	33,000
G550611	G550611 BOEING FOR MUSIC UNDR	-	-	1,000	-	-	1,000
G550702	G550702 TCA SUB GRANT FY07	-	9,823	-	-	-	9,823
G550703	HERITAGE TOURISM PLAN	-	-	38,583	-	-	38,583
G550801	TCA CORE SUPPORT FY08	-	6,497	-	-	-	6,497
G550802	TCA SUB GRANT FY08	-	33,449	-	-	-	33,449
G550803	NATIONAL ENDOWMENT FOR THE ARTS FOR	-	10,001	-	-	-	10,001
G550804	MAAF FSF	-	-	9,000	-	-	9,000
G560001	E.P. COMMUNITY FOUND - WILDERN	-	-	356	-	-	356
G560801	EVENING LECTURE SERIES	4,481	-	-	-	-	4,481
G560802	G560802 MUSEUM BOEING	-	-	4,851	-	-	4,851
G580802	JM CONFERENCE PROJECT	-	-	493	-	-	493
G580803	G580803 NEH GOING PLACES	-	589	-	-	-	589
G710201	PASO DEL NORTE AGELESS HEALTH	-	-	14,222	-	-	14,222
G710502	G710502 HOGG FOUNDATION GRANT	-	-	(5,800)	-	-	(5,800)
G7107FGCITY	G7107FGCITY CITY FUNDED FY07	14,617	-	-	-	-	14,617
G7107FGFEDR	G7107FGFEDR FED FUNDED FY'07	38,154	-	-	-	-	38,154
G7107RSCITY	G7107RSCITY RSVP CITY FY07	12,622	-	-	-	-	12,622
G7107RSFEDR	G7107RSFEDR RSVP FED FUND FY07	\$ 26,551	-	-	-	-	26,551

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
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Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
G7107RSSTAT	G7107RSSTAT RSVP STATE FY'07	\$ (151)	-	-	-	-	(151)
G7108FGCDBG	FOSTERGRANDPARENTS CD FUNDED	25,597	-	-	-	-	25,597
G7108FGCITY	FOSTERGRANDPARENTS CITY FUNDED	40,606	-	-	-	-	40,606
G7108FGFEDR	FOSTERFRANDPARENTS FED FUNDED	467,386	-	-	-	-	467,386
G7108FGSTAT	FOSTERGRANDPARENTS STATE FUNDE	5,000	-	-	-	-	5,000
G7108RSCITY	RSVP CITY FUNDED	33,102	-	-	-	-	33,102
G7108RSFEDR	RSVP FEDERAL FUNDED	119,934	-	-	-	-	119,934
G7108RSSTAT	RSVP STATE FUNDED	32,127	-	-	-	-	32,127
G720201	BROWNSFIELD SITE ASSESSMENT	(868)	-	-	-	-	(868)
G780503	FHWA / TXDOT / MPO FY'05	2,451	-	-	-	-	2,451
G780504	FHWA BORDER WIZARD '05	5,393	-	-	-	-	5,393
G780601	G780601 FHWA/NMSHTD/MPO FY'06	77	-	-	-	-	77
G780603	G780603 FHWA/TXDOT/MPO FY'06	974	-	-	-	-	974
G780701	G780701 FHWA/NMDOT/MPO FY07	7,996	-	-	-	-	7,996
G780703	G780703 FHWA/TXDOT/MPO FY07	234,082	-	-	-	-	234,082
G780801	780801 NEW MEXICO FY08	42,700	-	-	-	-	42,700
G780802	780802 TEXAS GRANT FY 08	1,317,837	-	-	-	-	1,317,837
G780902	G780902 TEXAS	374	-	-	-	-	374
P500201	PARK USER FEE GEN. ADMINISTRAT	-	-	-	-	221,000	221,000
P500202	PARK USER FEE SPORTS	-	-	-	-	445,801	445,801
P500203	PARK USER FEE AQUATICS	-	-	-	-	956,012	956,012
P500204	PARK USE GUS & GOLDIE MARKETIN	-	-	-	-	2,513	2,513
P500205	PARK USER SPECIAL PROMO.SEC.	-	-	-	-	30,039	30,039
P500207	PARK AGENCY ARMUJO	-	-	-	-	29,260	29,260
P500208	PARK AGENCY CAROLINA REC CTR	-	-	-	-	77,903	77,903
P500209	PARK AGENCY MISSOURI	-	-	-	-	19,834	19,834
P500210	PARK AGENCY NATIONS TOBIN	-	-	-	-	57,491	57,491
P500211	PARK AGENCY NORHTEAST	-	-	-	-	60,314	60,314
P500212	PARK AGENCY PAVO REAL	-	-	-	-	47,420	47,420
P500213	PARK AGENCY SAN JUAN	-	-	-	-	36,581	36,581
P500214	PARK AGENCY WESTSIDE	-	-	-	-	52,967	52,967
P500215	PARK AGENCY RAY GILMORE CTR	-	-	-	-	12,354	12,354
P500216	PARK AGENCY SEVILLE COMMUNITY	-	-	-	-	8,100	8,100
P500217	PARK AGENCY GOLDEN AGE SENIOR	-	-	-	-	285,112	285,112
P500218	PARK AGENCY MEM. PARK SENIOR C	-	-	-	-	30,480	30,480
P500219	PARK AGENCY SACRAMENTO SENIOR	-	-	-	-	10,174	10,174
P500220	PARK AGENCY SAN JUAN SENIOR CT	-	-	-	-	25,219	25,219
P500221	PARK AGENCY S. EL PASO SR. CT.	-	-	-	-	20,119	20,119
P500222	PARK AGENCY WASHINGTON SENIOR	-	-	-	-	35,666	35,666
P500223	PARK AGENCY WELLINGTON CHEW	-	-	-	-	20,687	20,687
P500225	PARK AGENCY CENTER FOR THE HAN	-	-	-	-	123,598	123,598
P500226	PARK AGENCY EAST SIDE SENIOR C	-	-	-	-	44,201	44,201
P500227	PARK AGENCY SPE. EVENTS SR. CT	-	-	-	-	15,071	15,071
P500228	PARK AGENCY POLLY HARRIS SR. C	-	-	-	-	34,864	34,864
P500229	PARK AGENCY YOUTH OUTREACH PRG	-	-	-	-	5,985	5,985
P500230	PARK AGENCY CHIHUAHUTTA COMM.	-	-	-	-	536	536
P500231	FEDERAL CONFISCATED FUNDS	-	-	-	-	1,888,649	1,888,649
P500232	STATE CONFISCATED FUNDS	-	-	-	-	794,802	794,802
P500234	PD DONATED FUNDS	-	-	-	-	3,044	3,044
P500235	ABANDONED AUTO TRUST- RESTRICT	-	-	-	-	205,516	205,516
P500236	GARAGE KEEPERS LIEN-RESTRICTIO	-	-	-	-	630,593	630,593
P500238	CONTINUING EDUCATION TRAINING	-	-	-	-	49,754	49,754
P500239	BREATH ALCOHOL TESTING	-	-	-	-	69,748	69,748
P500243	PARK AGENCY PETER MRTNZ SR. CR	-	-	-	-	29,218	29,218
P500247	PARK AGENCY NOLAN RICHARSON RE	-	-	-	-	30,933	30,933
P500251	EASTWOOD REC CENTER	-	-	-	-	129,311	129,311
P500252	MARTY ROBINS REC CENTER	-	-	-	-	111,032	111,032
P500253	P500253 WESTSIDE REC USER FEE	-	-	-	-	77,657	77,657
P507000	P507000 PALO VERDE -PROJ BRAVO	-	-	-	-	781,485	781,485
P507002	P507002 PV- DARK SKIES PROG	-	-	-	-	81,924	81,924
P518000053	BORDERLAND DEDICATED REVENUE	-	-	-	-	145,014	145,014
P518000153	VALLEY CREEK PARK DED. REVENUE	-	-	-	-	50,207	50,207
P518000858	TIERRA DEL ESTE #1 PARK	-	-	-	-	12,331	12,331
P518000863	SOUTH DAKOTA RIDGE	-	-	-	-	16,482	16,482
P518000866	SOMBRAS DEL SOL #3	\$ -	-	-	-	42,600	42,600

CITY OF EL PASO, TEXAS
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Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
PBE04ST130	SGNL & FLASH INSTAL DIST 8	\$ -	12,270	-	-	-	12,270
PBR06001	STANTON BRIDGE CANOPY	-	8,625	-	-	-	8,625
PCP06NA001D5A	TIERRA DEL ESTE#1	-	-	-	-	232,928	232,928
PCP07ZO001	ZOO IMPROVEMENTS	-	-	-	-	120,000	120,000
PD20423	D20423 D2 FY95 COUNCIL ROLLOVE	-	-	-	-	4,207	4,207
PD30424	D30424 D3 FY95 COUNCIL ROLLOVE	-	-	-	-	11,965	11,965
PD40425	D40425 NE MUNI CENTER ROLLOVER	-	-	-	-	7,946	7,946
PD50426	DICK SHINAUT PARK CONCRETE SLA	-	-	-	-	1,301	1,301
PD70428	D70428 D7 FY95 COUNCIL ROLLOVE	-	-	-	-	10,455	10,455
PD80429	D80429 D8 FY95 COUNCIL ROLLOVE	-	-	-	-	7,198	7,198
PED00001	ECONOMIC DEVELOPMENT	-	-	-	-	120,801	120,801
PED00002	DOWNTOWN FACADE PROGRAM	-	-	-	-	(14,539)	(14,539)
PED00003	EP OUTLET MALL	-	-	-	-	558,100	558,100
PLIB00002	PLIB00002 ESPERANZA MORENO LIB	-	-	-	-	946	946
PMC0001	MUNI TECHNOLOGY REV FUND PRJCT	-	-	-	-	388,238	388,238
PPA08001	YUCCA PARK/READING GARDEN	-	-	-	-	31,271	31,271
PPL0302	OEA ANNEXATION PLAN	-	-	-	-	343,250	343,250
PPW0007130	CAROLINA BRIDGE RECONSTRUCTION	-	135,333	-	-	-	135,333
PPWHE04002	MEDICAL EXAMINER FCLTY RENOVAT	-	-	-	(153,406)	-	(153,406)
PQLPA184	PIP4 MAJOR DEVELOPMENT	-	-	-	-	802	802
PQLPA186B	CITY WIDE PARKS BID PACKAGE 6B	-	-	-	-	1,698	1,698
PQLPA188	PIP8 PLYGRND AND TREE PLANTING	-	-	-	-	734	734
PSTM06 PW503	DONIPHAN INTAKE & DIS PH 1 & 2	13	-	-	-	-	13
PUBARTRES	PUBLIC ART RESTRICTED	-	-	-	-	9,705	9,705
SRTSACHACONYD	ALICIA CHACON LANGUAGE SCHOOL	-	3,697	-	-	-	3,697
SRTSAOYED	AOY ES	-	7,601	-	-	-	7,601
SRTSASCARATEYD	ASCARATE ES	-	3,213	-	-	-	3,213
SRTSBEALLED	BEALL ES	-	6,776	-	-	-	6,776
SRTSBMARTINEZSD	BENITO MARTINEZ ES	-	5,699	-	-	-	5,699
SRTSBONDED	BOND ES	-	6,004	-	-	-	6,004
SRTSBONHAMED	BONHAM ES	-	6,348	-	-	-	6,348
SRTSBRADLEYED	BRADLEY ES	-	7,601	-	-	-	7,601
SRTSBURLESONED	BURLESON ES	-	6,319	-	-	-	6,319
SRTSBURNETED	BURNET ES	-	7,601	-	-	-	7,601
SRTSCADWALLERYD	CADWALLADER ES	-	3,754	-	-	-	3,754
SRTSCAPISTRANYD	CAPISTRANO ES	-	4,341	-	-	-	4,341
SRTSCEDARGROVYD	CEDAR GROVE ES	-	3,062	-	-	-	3,062
SRTSCHULBERTYD	CONSTANCE HULBERT ES	-	5,106	-	-	-	5,106
SRTSCIELOVISTED	CIELO VISTA ES	-	7,458	-	-	-	7,458
SRTSCLARDYED	CLARDY ES	-	6,618	-	-	-	6,618
SRTSCLENDENINED	CLENDENIN ES	-	5,997	-	-	-	5,997
SRTSCOLDWELLED	COLDWELL ES	-	7,307	-	-	-	7,307
SRTSCOLLINSED	COLLINS ES	-	5,157	-	-	-	5,157
SRTSCOOLEYED	COOLEY ES	-	7,601	-	-	-	7,601
SRTSCROCKETTED	CROCKETT ES	-	5,050	-	-	-	5,050
SRTSCROSBYED	CROSBY ES	-	5,676	-	-	-	5,676
SRTSDELNORTEYD	DEL NORTE HEIGHTS ES	-	3,804	-	-	-	3,804
SRTSDESERTAIRYD	DESERTAIRE ES	-	2,572	-	-	-	2,572
SRTSDOUGLASSD	DOUGLASS ES	-	5,486	-	-	-	5,486
SRTSDOWELLED	DOWELL ES	-	4,438	-	-	-	4,438
SRTSDRGREENED	DR. GREEN ES	-	6,004	-	-	-	6,004
SRTSDRNIXONED	DR. NIXON ES	-	5,288	-	-	-	5,288
SRTSEASTPOINTYD	EAST POINTE ES	-	3,223	-	-	-	3,223
SRTSEASTWOODKYD	EASTWOOD KNOLLS ES	-	2,685	-	-	-	2,685
SRTSEASTWOODYD	EASTWOOD HEIGHTS ES	-	4,104	-	-	-	4,104
SRTSEDGEMEREYD	EDGEMERE ES	-	3,348	-	-	-	3,348
SRTSFANNINED	FANNIN ES	-	4,404	-	-	-	4,404
SRTSGUERREROED	GUERRERO ES	-	6,443	-	-	-	6,443
SRTSHACIENDSYD	HACIENDA HEIGHTS ES	-	2,500	-	-	-	2,500
SRTSHANTWINESD	HURSHEL ANTWINE ES	-	4,356	-	-	-	4,356
SRTSHARTED	HART ES	-	4,972	-	-	-	4,972
SRTSHAWKINSED	HAWKINS ES	-	4,947	-	-	-	4,947
SRTSHBALLSD	HELEN BALL ES	-	4,194	-	-	-	4,194
SRTSHILLSIDEED	HILLSIDE ES	-	4,600	-	-	-	4,600
SRTSHOUSTONED	HOUSTON ES	\$ -	5,241	-	-	-	5,241

CITY OF EL PASO, TEXAS
 Schedule of Expenditures - Special Revenue Funds
 For the Year Ended August 31, 2008

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Health District	Non-Grants	Total Special Revenue Funds
SRTSHUGHEYED	HUGHEY ES	\$ -	4,549	-	-	-	4,549
SRTSJDRUGANS	JOHN DRUGAN ES	-	2,324	-	-	-	2,324
SRTSJHAMBRCSD	JANE A. HAMBRC ES	-	2,827	-	-	-	2,827
SRTSJOHNSONED	JOHNSON ES	-	3,967	-	-	-	3,967
SRTSKOHLBERGED	KOHLBERG ES	-	4,420	-	-	-	4,420
SRTSLAMARED	LAMAR ES	-	5,685	-	-	-	5,685
SRTSLANCASTERYD	LANCASTER ES	-	3,220	-	-	-	3,220
SRTSLEBARRONYD	LEBARRON PARK ES	-	2,990	-	-	-	2,990
SRTSLEED	LEE ES	-	5,103	-	-	-	5,103
SRTSLOGANED	LOGAN ES	-	5,478	-	-	-	5,478
SRTSLOMATERRAYD	LOMA TERRACE ES	-	2,664	-	-	-	2,664
SRTSMARIANMANYE	MARIAN MANOR ES	-	2,900	-	-	-	2,900
SRTSMCOOPERSD	MYRTLE COOPER ES	-	3,085	-	-	-	3,085
SRTSMESAVISTAYD	MESA VISTA ES	-	2,745	-	-	-	2,745
SRTSMESITAED	MESITA ES	-	5,620	-	-	-	5,620
SRTSMISSIONYD	MISSION VALLEY ES	-	2,717	-	-	-	2,717
SRTSMORENOED	MORENO (ANNEX) SCHOOL	-	4,505	-	-	-	4,505
SRTSNEWMANED	NEWMAN ES	-	5,529	-	-	-	5,529
SRTSNORTHLOOPYD	NORTH LOOP ES	-	3,618	-	-	-	3,618
SRTSNORTHSTARYD	NORTH STAR ES	-	3,274	-	-	-	3,274
SRTSKELEHERSD	O'SHEA KELEHER ES	-	5,079	-	-	-	5,079
SRTSPARKED	PARK ES	-	4,944	-	-	-	4,944
SRTSPARKLANDYD	PARKLAND ES	-	2,558	-	-	-	2,558
SRTSPASODALEYD	PASODALE ES	-	2,874	-	-	-	2,874
SRTSPEBBLEHILYD	PEBBLE HILLS ES	-	1,667	-	-	-	1,667
SRTSPOLKED	POLK ES	-	4,196	-	-	-	4,196
SRTSPRESAYD	PRESA ES	-	2,472	-	-	-	2,472
SRTSPUTNAMED	PUTNAM ES	-	7,069	-	-	-	7,069
SRTSRAMONAYD	RAMONA ES	-	2,489	-	-	-	2,489
SRTSRIVERAED	RIVERA ES	-	4,578	-	-	-	4,578
SRTSROBERTSED	ROBERTS ES	-	4,532	-	-	-	4,532
SRTSRUSKED	RUSK ES	-	4,719	-	-	-	4,719
SRTSSAGELANDYD	SAGELAND ES	-	3,326	-	-	-	3,326
SRTSSCHUSTERED	SCHUSTER ES	-	5,446	-	-	-	5,446
SRTSSCOTSDALEYD	SCOTSDALE ES	-	2,959	-	-	-	2,959
SRTSSOUTHLOOPYD	SOUTH LOOP ES	-	3,028	-	-	-	3,028
SRTSSTANTONED	STANTON ES	-	7,551	-	-	-	7,551
SRTSTGLENCOVEYD	GLEN COVE ES	-	3,150	-	-	-	3,150
SRTSTIERRADELYD	TIERRA DEL SOL ES	-	2,297	-	-	-	2,297
SRTSTMANORYD	THOMAS MANOR ES	-	2,904	-	-	-	2,904
SRTSTRAVISED	TRAVIS ES	-	4,744	-	-	-	4,744
SRTSVILASED	VILAS ES	-	4,659	-	-	-	4,659
SRTSVISTAHILLYD	VISTA HILLS ES	-	2,503	-	-	-	2,503
SRTSWASHINGTOYD	ROBBIN E.L. WASHINGTON ES	-	3,380	-	-	-	3,380
SRTSWESTERNHIED	WESTERN HILLS ES	-	4,721	-	-	-	4,721
SRTSWHITAKERED	WHITAKER ES	-	7,417	-	-	-	7,417
SRTSYSLETAYD	YSLETA ES	-	2,664	-	-	-	2,664
SRTSZACHWHITEED	ZACH WHITE ES	-	7,454	-	-	-	7,454
SRTZAVALAED	ZAVALA ES	-	7,572	-	-	-	7,572
G410003	CDC Non monetary assistance-vaccines	-	-	-	4,327,693	-	4,327,693
	Health District operating expenditures	-	-	-	4,365,908	-	4,365,908
	NO GRANT ASSIGNED	-	-	-	-	81,778	81,778
	ART RESTRICTED FUND	-	-	-	-	29,991	29,991
	CONVENTION & PERF ARTS CENTER	-	-	-	-	4,899,049	4,899,049
	DONATIONS	-	-	-	-	7,959	7,959
	LIBRARY	-	-	-	-	37,857	37,857
	MUNICIPAL COURT SECURITY	-	-	-	-	335,081	335,081
	OTHER	-	-	-	-	123,860	123,860
	ZOO OPERATIONS	-	-	-	-	1,023,380	1,023,380
		\$ 8,528,767	5,096,231	128,321	18,598,641	16,461,238	48,813,198

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Adopted	Final		Positive (Negative)
Budgetary fund balance, September 1	\$ 4,470,117	4,470,117	4,470,117	-
Resources (inflows):				
Property taxes	56,285,568	56,285,568	56,744,336	458,768
Penalties and Interest-Delinquent taxes	400,000	400,000	521,919	121,919
Interest received	700,000	700,000	817,523	117,523
Parking meter revenue	1,345,843	1,345,843	1,140,429	(205,414)
Transfers from other funds	3,412,880	3,556,659	3,556,428	(231)
Amounts available for appropriation	<u>66,614,408</u>	<u>66,758,187</u>	<u>67,250,752</u>	<u>492,565</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	29,680,000	28,419,341	28,419,341	-
Interest	33,917,060	33,337,273	33,337,274	(1)
Fiscal fees	54,000	54,000	14,398	39,602
Total charges to appropriations	<u>63,651,060</u>	<u>61,810,614</u>	<u>61,771,013</u>	<u>39,601</u>
Budgetary fund balance, August 31	<u>\$ 2,963,348</u>	<u>4,947,573</u>	<u>5,479,739</u>	<u>532,166</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, 2008

Project	Name/Description	Capital Projects
	BOND ISSUANCE COSTS	\$ 1,946,569
G7131CD0013	YSLETA LIBRARY BRANCH EXPAN	1,475
G7131CD0022	SAN JUAN SENIOR CENTER REMODLN	7,546
G7131CD0024	RAWLINGS DENTAL CENTER	35,921
G7132CD0025	BORDERLAND PHASE IV	5,067
P501208	CITYWIDE COMMUNICATION SYSTEM	11,313
P501313	PROCEEDS-CERT/OBLIG 1994A (1MA	(61)
P501540	PLAYGROUND EQUIPMENT	451
P501545	MSC IMPROVEMENTS - FY98 CO	2,946
P501554	TMC/CBD SIGNALIZATION UPGRADE	1,818
P501566	CIVIC CENTER CAPITAL IMPROVEME	2,135,485
P502002	P502002 CVB ROOF REHAB	25,795
P540001	CITY AUCTIONS	130,771
P540010CTY	CAPITAL OUTLAY	2,297,177
P540010LEG	CAPITAL OUTLAY	60,087
P540010LIB	CAPITAL OUTLAY	392,310
PAPACQTNSY03	ACQUISITIONS	100,238
PAPACQTNSY06	ACQUISITIONS	(9,001)
PAPADMINY03	2% FOR ARTS ADMIN 2003CO'S	151,027
PAPADMINY06	2% FOR THE ARTS 2006 COS	46,987
PAPCOLLASY03	COLLECTION ASSESSMENT	210
PAPCOMPROJY03	CITYWIDE COMMUNITY PROJECTS	77,863
PAPCOMPROJY06	CITYWIDE COMMUNITY PROJECTS	593
PAPCULTOURY03	CULTURAL TOURISM GATEWAYS PROJ	3,885
PAPENVPRESY03	ENVIRONMENTS/PRESERVATION PROJ	25,290
PAPENVPRESY06	ENVIRONMENTS/PRESERVATION PROJ	25,959
PAPMURALPY03	MURAL ART PROJECT	26,480
PAPNEIGHPY03	NEIGHBORHOODS PROJECT	90
PBE04FC102	CARLSON/ELLIOT PUMP STN	1,600
PBE04FC104	ROCKY BLUFF DRAIN	4,020
PBE04FI101	FIRE STATION #18	53,961
PBE04FI104	FIRE STATION #34	1,481
PBE04LI102	MEMORIAL PRK BRANCH	19,664
PBE04PA103	GENERAL PRK IMPRVMT	(68,765)
PBE04PA104	LEO CANCELLAR POOL2	15,648
PBE04PA107	RANCHOS DEL SOL PARK	3,811
PBE04ST102	ALABAMA	59,214
PBE04ST103A	BILLY THE KID PHS 2	16,005
PBE04ST104	BOWEN	3,010
PBE04ST106	CEDAR GROVE PH 11 THRU 12	932
PBE04ST107	CEDAR GROVE P 1-9	100,772
PBE04ST108	DORBANDT ST & DNGE (EAST)	61,128
PBE04ST108A	DORBANDT PONDING AREA	67,845
PBE04ST109A	MONTWOOD MEDIAN IMPV DIST 6	4,052
PBE04ST110	GEORGE DIETER MEDIAN	5,825
PBE04ST114A	LANDSCAPE & PKWY IMP D-4 DYER	(100,066)
PBE04ST115	LEE BLVD PHASE II	18,080
PBE04ST117	MONTOYA HEIGHTS P 1	835,298
PBE04ST118	MONTOYA HEIGHTS PHASE 2	50,993
PBE04ST119	MONTWOOD DISTRICT 5 & 7	464
PBE04ST121	MONTWOOD MEDIAN	41,569
PBE04ST122	NORTH PARK DRAINAGE	11,024
PBE04ST122A	NORTHPARK DRAINAGE PHASE 2	26,381
PBE04ST123	NORTHEAST DIV CH 2	1,977,727
PBE04ST124B	VAN BUREN DAM	59,534
PBE04ST124C	LOUISIANA ST. DRAINAGE AREAS	32,435
PBE04ST126	PEBBLE HILLS	53,549
PBE04ST127	ROSEWAY	\$ 2,982

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the Year Ended August 31, 2008

Project	Name/Description	Capital Projects
PBE04ST130	SGNL & FLASH INSTAL DIST 8	\$ (12,270)
PBE04ST132	STREET RESURFACING CITY WIDE	67,898
PBE04ST136	UNPAVED RIGHT OF WAY CITY WIDE	45,267
PBE04ST137	UNPAVED RIGHT OF WAY DIST 2	199,320
PBE04ST138	UNPAVED RIGHT OF WAY DIST 8	64,975
PBE04ST138A	ALAMITO (3RD ST & ST VRAIN ST)	106,637
PBE04ST138B	ST VRAIN ST & DNG (ALAMITO)	7,802
PBE04ST139	UPPER VALLEY RD ST & DRNG	142,731
PBR05001	ZARAGOSA BRIDGE DCL	14,041
PBR07001	FRED WILSON BRIDGE EVAL & REP	284,789
PBR08001	ZARAGOZA POE EXPANSION	4,000
PBR08002	NEW POE FEASIBILITY STUDY	4,000
PCP06FC001	CEBEDA/I-10 FLOOD CONTROL	201,182
PCP06FC002	STORMWATER DRAINAGE CP06	151,641
PCP06FC002B	CARNEGIE DESIGN	162,334
PCP06FC002D	BOWEN PHASE II	155,646
PCP06FC002E	LOMITA DRAINAGE IMPROVEMENTS	95,890
PCP06MF001	ADA COMPLIANCE CP06	162,298
PCP06MF001A	ADA CONNECTIVITY W/2006 RESURF	1,382,487
PCP06MF001B	SIDEWALK CONECTIVITY	309,933
PCP06MF001C	SIDEWALK DATA ACQUISITION PROG	176,908
PCP06MF002	EMERG CITY FACILITY REHAB CP06	32,246
PCP06NA001D1	NEIGHBORHOOD INITI DISTRICT 1	10,141
PCP06NA001D1A	MONTOYA HEIGHTS PARK	29,665
PCP06NA001D1B	VALLEY CREEK PARK	20,841
PCP06NA001D2A	MEMORIAL PARK IMPROVEMENTS	533
PCP06NA001D4A	TODD WARE PARK	2,244
PCP06NA001D4B	CHUCK HEINRICH/NORTH HILLS	22,072
PCP06NA001D5	NEIGHBORHOOD INITIA DISTRICT 5	6,000
PCP06NA001D5A	TIERRA DEL ESTE#1	1,645
PCP06NA001D6	NEIGHBORHOOD INITIA DISTRICT 6	9,075
PCP06NA001D7	NEIGHBORHOOD DISTRICT 7	21,979
PCP06NA001D7B	THOMAS MANOR PARK	1,423
PCP06NA001D8	NEIGHBORHOOD INITIA DISTRICT 8	15,449
PCP06NA001D8C	CHIHUAHUITA SERENTITY GARDEN	41,893
PCP06ST003	LITTLE FLOWER ST & DNG	361
PCP06ST005	MCCOMBS/RAILROAD ST & DRAINAGE	980,402
PCP06ST008	PELICANO/LOMALAND ST & DRNG	573,971
PCP06ST010	CARNEGIE ST & DRNG PHASE I	188,919
PCP06ST011	STREET RESURFACING 2007	4,653,131
PCP06ST012	CONCRETE INTERSECTIONS CP06	320,125
PCP06ST012A	UV RIVER RUN@COUNTRY C. TRAFFI	49,534
PCP06ST012B	ARTCRAFT @ UP VAL & WESTSIDE	10,186
PCP06ST013	SIGNAL/FLASHER INSTALL CP06	558,324
PCP06ST013A	EDGEMERE @ NOLAN RICHARDSON DR	7,693
PCP06ST013B	VISTA DEL SOL @ GENE TORRES DR	3,913
PCP06ST013C	PEBBLE HILLS AT NOLAN RICHERDSON	7,246
PCP06ST013D	VISTA DEL SOL AT BOB HOPE DR	11,455
PCP06ST013E	EDGEMERE BLVD @ EAST GLEN DR	3,913
PCP06ST013F	VISTA DEL SOL AT PETER COOPER	11,718
PCP06ST013G	SAUL KLEINFELD AT BOB MITCHELL	3,257
PCP06ST013H	HELEN OF TROY @ RESLER DR	12,140
PCP06ST013I	MESITA ELEMENTARY SCHOOL FLASH	4,150
PCP06ST013J	BROWN MIDDLE SCHOOL FLASHER	40,584
PCP06ST013K	VISTA DEL SOL ELEMENTARY SCHOO	28,145
PCP06ST013L	JANE HAMBRICK ELEMENTARY SCHOO	4,150
PCP06ST013M	HOME DEPOT JCPENNEY SIGNAL	94,192
PCP06ST013O	VISTA DEL SOL & N. ACCESS RD	\$ 101,360

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the Year Ended August 31, 2008

Project	Name/Description	Capital Projects
PCP06ST013P	ARTCRAFT AT WESTSIDE DR	\$ 6,740
PCP06ST013Q	ARTCRAFT AT UPPER VALLEY ROAD	6,740
PCP06ST014	UNPAVED ROW CP06	234,521
PCP06ST014B	TURNER STREET IMPROVEMENTS	41,457
PCP06ST014D	MONTOYA UNPAVED ROW	49,919
PCP06ST015	ARTERIAL STREET LIGHTING CP06	142,653
PCP06ST016	MAST ARM REPLACEMENT CP06	23,900
PCP06ST019	LANE MARKINGS CP06	710,392
PCP06ST021	LOOP DETECTORS CP06	143,964
PCP06ST022	TXDOT MATCHES CP06	14,778
PCP06ST022B	OREGON STREET RECONSTRUCTION	40,690
PCP06ST022C	MISSION VALLEY TRAFFIC ANALYSIS	4,000
PCP06ST022D	ZARAGOSA CORRIDOR STUDY	6,000
PCP06TX001	ALAMEDA TRAF SIG INTERCONNECT	375,000
PCP07CAP001	CAPITAL ACQUISITIONS	651,566
PCP07HE001	ANIMAL SHELTER REPAIRS	39,254
PCP07ZO001	ZOO IMPROVEMENTS	668,237
PCP08LI01	CIELO VISTA LIBRARY RELOCATION	106,349
PCP08MF01	FACILITIES REHAB MASTER	1,055
PCP08PA01	PARKS PROPORTIONALITY	100,135
PCP08PA02D1	PARKS PERIMETER LIGHTING D1	4,968
PCP08PA02D2	PARKS PERIMETER LIGHTING D2	1,440
PCP08PA02D3	PARKS PERIMETER LIGHTING D3	1,658
PCP08PA02D4	PARKS PERIMETER LIGHTING D4	1,584
PCP08PA02D5	PARKS PERIMETER LIGHTING D5	1,617
PCP08PA02D6	PARKS PERIMETER LIGHTING D6	1,545
PCP08PA02D7	PARKS PERIMETER LIGHTING D7	1,532
PCP08PA02D8	PARKS PERIMETER LIGHTING D8	1,532
PCP08PA03	PARK SIDEWALKS	15,400
PCP08ST01	FAIRBANKS MEDIAN LANDSCAPING	3,559
PCP08ST02	KNIGHTS MEDIAN LANDSCAPING	24,708
PCP08ST03	OVERWIDTH PAVING 2008	60,864
PCP08ST04D1	ST. LIGHT INSTALLATION D1	8,398
PCP08ST04D2	ST. LIGHT INSTALLATION D2	6,815
PCP08ST04D3	ST. LIGHT INSTALLATION D3	9,048
PCP08ST04D4	ST. LIGHT INSTALLATION D4	21,437
PCP08ST04D5	ST. LIGHT INSTALLATION D5	14,010
PCP08ST04D6	ST. LIGHT INSTALLATION D6	7,182
PCP08ST04D7	ST. LIGHT INSTALLATION D7	9,245
PCP08ST04D8	ST. LIGHT INSTALLATION D8	11,590
PCP08ST05	STREET RESURFACING 2008	132,470
PEN06001	LIONS PLAZITA IMPROVEMENTS	38,057
PFC06001	RESLER CANYON IMPROVEMENTS	151,796
PFI06001	CENTRAL FIRE STATION HVAC	1,089,104
PFL07001	RAMONA IMPROVEMENTS	2,778
PFLSVC01	EQUIPMENT REPLACEMENT	2,173,085
PHE0203	CITY-COUNTY HEALTH ADMIN PH 3	153,406
PHI05001	HIST MUS EXHIBIT AREA	40,226
PLI08001	CIELO VISTA BRANCH LIBRARY	17,001
PMB0001130	CITY DEPTS NOC	2,242
PMB0001220	EQUIP MAINT CO EQUIP	4,527
PMB0001280	PRINT SHOP CO EQUIP	1,360
PMB0002130	CITY EQUIPMENT NOC	39,620
PMB0005001	BE CAP ACQ PARKS	10,867
PMB0005004	BE CAP ACQ FIRE	124,178
PMB0005005	BE CAP ACQ HEALTH	14,083
PMB0005008	BE CAP ACQ LIBRARY	56,164
PMB0005011	BE CAP ACQ P.S. COM	\$ 96,564

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the Year Ended August 31, 2008

Project	Name/Description	Capital Projects
PMF05004	CITY HALL 7TH FLOOR RENOVATION	\$ 10,757
PMF06001	CITY HALL UPGRADES FY 2006	357,484
PMF07001	CITY FACILITY REHAB 2007	2,250
PMF07002	POSTAGE	9,143
PMF07003	ROOF REPAIRS AND REPLACEMENT 2007	170,315
PMF08001	911 CALL CENTER 2ND FL IMPROVEMENT	19,963
PMF08002	YMCA RENOVATION	143,633
PMT08001	PMT08001 GLORY ROAD LANDSCAP	97,734
PMT08002	PMT08002 FRANKLINE AVE TEMP TR	111,906
PPA05001	COHEN STADIUM LESSOR IMPV	208,391
PPA06001	CITYWIDE SWINGS	19,466
PPA07001	SHAWVER & HAWKINS POOL COOLING	195,969
PPA08001	YUCCA PARK/READING GARDEN	6,544
PPW0007130	CAROLINA BRIDGE RECONSTRUCTION	10,227
PPW0007160	YARBROUGH BRIDGE RECONST.	34,517
PPW0028002	KIMBERLY HEIGHTS SPECIAL ASSES	3,416
PPW0035005	SYNCHRONIZATION	27,052
PPW0035007	SAN ANTONIO PLAZA	49,593
PPW0035011	CBD PHASE 3 DESIGN	21,533
PPW0045	KEYSTONE HERITAGE PARK	75,277
PPW0046004	NORTHEAST REGIONAL PARK	126,258
PPW0046004B	NORTHEAST REG FIELD LIGHTING	22,490
PPW0046008	CLEVELAND SQUARE	27,795
PPW0046009	WESTSIDE COMMUNITY PARKS (VALL	10,002
PPW0046029YR2	HACIENDA HEIGHTS AND POOL	31,636
PPW0050	ADA COMPLIANCE PHASE 1	5,665
PPW0051	ANIMAL SHELTER	25
PPW0052	FLASHER INSTALLATIONS	9,618
PPW0053	DODGE (HAWKINS) EXPANSION	324,568
PPW0054	ZARAGOZA OVERPASS	97,187
PPW0056001	LIB PRJTS 00 ELEC-WESTSIDE LIB	7,239
PPW0056002	MAIN LIBRARY REMODELING	2,396
PPW0056005YR2	EAST SIDE REGIONAL LIBRARY BRC	2,850
PPW0056006YR2	LOWER VALLEY LIBRARY (NEW)	3,129
PPW0058001	HISTORY MUSEUM (NEW)	11,138
PPW0310	PLAZA THEATRE	154,015
PPWAR03001	FY03 CO'S ARTWORK-2%	(186,835)
PPWST03001	CBD PHASE 3	1,141,533
PPWST03022	EDGEMERE EXTENSION	22,303
PQLPA136	WESTSIDE REC CENTER (NEW)	24,906
PQLPA144	PAVO REAL PARK & POOL	825,586
PQLPA150	ROSE GARDEN	175
PQLPA171	WESTSIDE REGIONAL PARK (ALL P)	4,352
PQLPA172	WEST SPORT COMPLEX	2,316,700
PQLPA172A	WESTSIDE/EPCC (NW) PARKING LOT	389,951
PQLPA172B	WESTSIDE SPORTS COMPLEX PH II	71,443
PQLPA172C	WESTSIDE SPORTS FIELD LIGHTIN	19,542
PQLPA179	TRAVIS WHITE PARK PARKING LOT	149,231
PQLPA183	PIP3 POOL RENOVATIONS	461
PQLPA184	PIP4 MAJOR DEVELOPMENT	28,257
PQLPA185	PIP5 SHELTER RENOVATIONS	1,045
PQLPA186	PIP6A IRRIGATION AND SITE WORK	1,650
PQLPA186A	CITYWIDE PARKS BID PKG 6A	628
PQLPA186B	CITYWIDE PARKS BID PACKAGE 6B	25,056
PQLPA188	PIP8 PLYGRND AND TREE PLANTING	1,490
PQLPA190	PIP10 WESTSIDE COMMUNITY PARK	155,415
PQLZO103	ZOO PARKING LOT	83,811
PQLZO104	ZOO AFRICA EXPANSION	\$ 151,459

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the Year Ended August 31, 2008

Project	Name/Description	Capital Projects
PQLZO106	ZOO WESTERN EXPANSION	\$ 6,426,674
PST05002	MAST ARM REPLACEMENT	32,502
PST05003	LANE MARKINGS	537
PST05006	EL PASO DR INTX IMPV	1,329
PST06002	ALBERTA & CONCEPCION IMPV	733,553
PST06004	TRAFFIC CALMING DEVICES/SIGNAL	43,338
PST07001	STREET RESURFACING 2007	2,163,919
PST07002	TRAFFIC CALMING 2007	12,987
PST07003	MICRO SURFACING 2007	327,911
PST08001	AIRWAY EXT(TROWBRIDGE-BORDER)	209,352
PST08002	UPPER VALLEY TRAFFIC STUDY	339,680
PSTM06 PW102-0	LANDFILL SLOPE EROSION REPAIRS	26,968
PSTM06 PW107-0	O'ROURKE TRAIL	22,861
PSTM06 PW111-0	FRANKLIN SUMMIT DRNG EASEMENT	174,921
PSTM06 PW119-0	COLONIA ESCONDIDA	706,263
PSTM06 PW119-0A	COLONIA ESCONDIDA PHASE II	362,290
PSTM06 PW141-0	ARCO PONDING	13,891
PSTM06 PW24-0	WALLENBERG AND MESA HILLS	612,436
PSTM06 PW25-0	OCOTILLO/CHARL ANN	679,238
PSTM06 PW26-0	LINDBERG DONIPH TO MONTOYA DRA	1,971,921
PSTM06 PW26-0A	LOMITA DRAINAGE IMPROVEMENTS	598,194
PSTM06 PW26-0B	LINDBERG UPPER VALLEY PHASE IV	25,121
PSTM06 PW37-0	THUNDERBIRD VALLEY CHANNEL	120,570
PSTM06 PW41-0	WESTSIDE IMPROVEMENTS PHASEII	5,030,121
PSTM06 PW42-0	PARAGON SANTA FE CHANNEL FESTI	2,126,469
PSTM06 PW43-0	CORONADO CHANNEL	5,637,565
PSTM06 PW503	DONIPHAN INTAKE & DIS PH 1 & 2	(13)
PSTM06 PW506	GOV'T HILLS OUTFALL/DURAZNO NE	29,304
PSTM06 PW509	BASIN A PUMP STATION DISCHARGE	103,878
PSTM06 PW512	CHAN NO. 2 BUTTRFLD TRAIL APTS	77,740
PSTM06 PW513	CHIHUAHUITA NEIGHBORHOOD	78,614
PSTM06 PW514	CLARDY FOX PUMP STATION	63,931
PSTM06 PW516	JOYCE CIRCLE	614,768
PSTM06 PW517	LINCOLN CHANNEL	22,321
PSTM06 PW518	LOS SIGLOS CT & LUCAS MARCELO	18,207
PSTM06 PW520	MODESTO CHAN RIVER OUTFALL	520,909
PSTM06 PW522	MOWAD SUBDIVISION	16,383
PSTM06 PW525	NORTHGATE DIVERSION CHANNEL	33,866
PSTM06 PW527	PERSHING DAM UPPER & LOWER BAS	1,034,171
PSTM06 PW529	PUMP STATIONS ASSESS & REPAIR	617,577
PSTM06 PW531	THORNTON	176,259
PSTM06 PW534	INTERSECTION EROSION REPAIR	658
PSTM06 PW537	COPPER QUEEN	565,529
PSTM06 PW540	DALLAS OUTFALL	32,853
PSTM06 PW541	EDGEMERE & ROBERT E. LEE	3,682
PSTM06 PW542	FIBER OPTIC LINK TO CITY FACIL	1,380,511
PSTM06 PW545	MESA DRAIN	4,836
PSTM06 PW553	AGRICULTURAL DRAINS REHAB	527
PSTM06 PW554	CEBADA PUMP STATION	1,644,163
PSTM06 PW555	CAPITAL EQUIPMENT	1,882,514
PSTM06 PW556	SAIPAN	847,926
PSTM06 PW56-0	OJO DE AGUA CHANNEL & THORN IN	2,091,260
PSTM06 PW57-0	SCHUSTER SLOPE IMPROVEMENTS	31,288
PSTM06 PW63-0	RIM ROAD/SCENIC DRIVE	32,160
PSTM06 PW64-0	MCKELLIGON CANYON	1,680,410
PSTM06 PW67-0	HIGH RIDGE CHANNEL	726,632
PSTM06 PW70-0	CASTELLANO DRIVE	133,495
PSTM06 PW84-0	JAMES WATT @ LEE TREVINO	\$ 426,744

CITY OF EL PASO, TEXAS
Schedule of Capital Projects Fund Expenditures
For the Year Ended August 31, 2008

Project	Name/Description	Capital Projects
PSTM06FC001	STORM 2006 MASTER	\$ 19,039
PSTM06FC001A	GLORY RD STORM SEWER RELOCATIO	391,917
PSTM06FC001B	MASTER DRAINAGE STUDY	845,656
PSTM06FC002	GRAVITY FLOW OUTLETS TO RIO GR	1,008,589
PSTM06FC004A	INSPECT/ASSESS CONDUITS PH 1	15,746
PSTM06FC004B	INSPECT/ASSESS CONDUITS PH 2	26,504
PSTM06FC004C	INSPECT/ASSESS CONDUITS PH 3	3,648
PSTM06FC004E	SURETY DROP INLET	89,000
PZO07001	ZOO IMPROVEMENTS 2007	73,445
PSTM06 PW516A	JOYCE CIRCLE PHASE II	2,985
	Total Expenditures and transfers	<u>\$ 83,608,641</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, 2008

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
ASSETS:			
Cash and Cash Equivalents	\$ -	9,449,669	9,449,669
Investments	-	4,422,194	4,422,194
Receivables - Net of Allowances			
Trade	21,803	16,350	38,153
Due From Other Funds	-	5,497	5,497
Inventory	629,265	-	629,265
Fuel Inventory	147,560	-	147,560
Capital Assets:			
Buildings, Improvements & Equipment, Net	163,852	-	163,852
TOTAL ASSETS	962,480	13,893,710	14,856,190
LIABILITIES:			
Accounts Payable	589,452	640,198	1,229,650
Accrued Payroll	92,128	26,070	118,198
Due to Other Funds	5,497	-	5,497
Compensated Absences	159,280	47,878	207,158
Other Post Employment Benefits	135,273	19,893	155,166
Net Pension Obligation	10,312	2,542	12,854
Claims and Judgments	-	17,407,672	17,407,672
TOTAL LIABILITIES	991,942	18,144,253	19,136,195
NET ASSETS:			
Invested in capital assets, net of related debt	163,852	-	163,852
Unrestricted	(193,314)	(4,250,543)	(4,443,857)
TOTAL NET ASSETS	(29,462)	(4,250,543)	(4,280,005)
TOTAL LIABILITIES AND NET ASSETS	\$ 962,480	13,893,710	14,856,190

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, 2008

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
OPERATING REVENUES:			
Sales to Departments	\$ 18,352,386	-	18,352,386
Premium Contributions	-	48,411,013	48,411,013
General Revenues	31,827	1,127,053	1,158,880
TOTAL OPERATING REVENUES	18,384,213	49,538,066	67,922,279
OPERATING EXPENSES:			
Personnel Services	3,238,264	740,875	3,979,139
Outside Contracts	205,169	3,518,787	3,723,956
Professional Services	-	207,106	207,106
Fuel and Lubricants	9,056,402	-	9,056,402
Materials and Supplies	3,688,583	16,963	3,705,546
Communications	12,827	1,876	14,703
Utilities	5,982	-	5,982
Operating Leases	91,841	700	92,541
Travel and Entertainment	6,574	2,373	8,947
Benefits Provided	-	37,238,854	37,238,854
Maintenance and Repairs	1,932,490	5,799	1,938,289
Other Operating Expenses	28,495	5,053	33,548
Depreciation	51,854	-	51,854
TOTAL OPERATING EXPENSES	18,318,481	41,738,386	60,056,867
OPERATING INCOME(LOSS)	65,732	7,799,680	7,865,412
NON-OPERATING REVENUES (EXPENSES):			
Interest Revenue	-	282,366	282,366
TOTAL NON-OPERATING REVENUES	-	282,366	282,366
INCOME	65,732	8,082,046	8,147,778
Change in net assets	65,732	8,082,046	8,147,778
Total Net Assets-beginning	(95,194)	(12,332,589)	(12,427,783)
Total Net Assets-ending	\$ (29,462)	(4,250,543)	(4,280,005)

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2008

	<u>SUPPLY AND SUPPORT</u>	<u>SELF INSURANCE</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 18,365,795	49,521,716	67,887,511
Payments to suppliers	(14,635,433)	(39,396,701)	(54,032,134)
Payments to employees	(3,075,223)	(708,600)	(3,783,823)
Proceeds (to) from other funds	(655,139)	655,139	-
Net cash provided by operating activities	<u>-</u>	<u>10,071,554</u>	<u>10,071,554</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	-	1,200,000	1,200,000
Purchases of Investments	-	(4,422,194)	(4,422,194)
Interest	-	282,366	282,366
Net cash provided (used) by investing activities	<u>-</u>	<u>(2,939,828)</u>	<u>(2,939,828)</u>
Net increase (decrease) in cash and cash equivalents	-	7,131,726	7,131,726
Balances - beginning of the year	-	2,317,943	2,317,943
Balances - end of the year	<u>\$ -</u>	<u>9,449,669</u>	<u>9,449,669</u>
Reconciliation of operating income to net cash			
provided by operating activities:			
Operating income	\$ 65,732	7,799,680	7,865,412
Adjustments to reconcile operating income to net cash			
provided by operating activities:			
Depreciation expense	51,854	-	51,854
Increase in Other Post Employment Benefits	135,273	2,542	137,815
Net Pension Obligation	10,312	19,893	30,205
Change in assets and liabilities:			
Receivables, net	(18,418)	(16,350)	(34,768)
Inventories	(24,847)	-	(24,847)
Other assets	-	655,139	655,139
Accounts and other payables	(237,362)	418,615	181,253
Accrued expenses	17,456	1,192,035	1,209,491
Net cash provided by operating activities	<u>\$ -</u>	<u>10,071,554</u>	<u>10,071,554</u>

PENSION TRUST FUNDS



CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
August 31, 2008

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (as of December 31, 2007)		Total
		Firemen Division	Policemen Division	
ASSETS				
Cash and Cash Equivalents	\$ 14,268,021	2,556,052	4,169,370	20,993,443
Investments:				
Corporate Stocks	252,109,773	-	-	252,109,773
Bank Collective Investment Funds	218,184,920	-	-	218,184,920
Foreign exchange contract	410,574			410,574
Investment in Real Estate Fund	36,917,670	-	-	36,917,670
Fixed Income Securities	-	118,338,671	193,031,155	311,369,826
Domestic Equities	-	97,973,854	159,812,563	257,786,417
International Equities	-	118,150,644	192,670,444	310,821,088
Receivables - Net of Allowances				
Commission Credits Receivable	31,405	-	-	31,405
Due from Brokers For Securities Sold	1,114,538	-	-	1,114,538
Employer Contributions	579,323	328,188	480,780	1,388,291
Employee Contributions	385,291	278,595	371,002	1,034,888
Accrued Interest and Dividends	567,155	-	-	567,155
Prepaid Items	21,736	-	-	21,736
Capital Assets:				
Buildings, Improvements & Equipment, Net	-	748,836	978,849	1,727,685
TOTAL ASSETS	524,590,406	338,374,840	551,514,163	1,414,479,409
LIABILITIES				
Accounts Payable	7,794,665	152,749	305,848	8,253,262
Deferred Revenue - Commission Credits	31,405	-	-	31,405
Foreign Exchange Contract	411,186	-	-	411,186
TOTAL LIABILITIES	8,237,256	152,749	305,848	8,695,853
NET ASSETS:				
Held in Trust for Pension Benefits and Other Purposes	\$ 516,353,150	338,222,091	551,208,315	1,405,783,556

CITY OF EL PASO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
For the Year Ended August 31, 2008

	CEPF Pension Trust Fund	FPPF Pension Trust Fund (for the year ended December 31, 2007)		Total
		Firemen Division	Policemen Division	
ADDITIONS (REDUCTIONS)				
Contributions:				
Employer	\$ 16,505,427	63,942,043	55,003,793	135,451,263
Employee	11,169,467	7,883,174	9,392,197	28,444,838
Other	-	415	4,005	4,420
Total contributions	<u>27,674,894</u>	<u>71,825,632</u>	<u>64,399,995</u>	<u>163,900,521</u>
Investment earnings (loss):				
Net increase(decrease) in fair value of investments	(32,191,401)	27,884,587	47,694,211	43,387,397
Interest	1,390,187	1,725,801	2,957,070	6,073,058
Dividends	5,223,787	2,500,847	4,350,728	12,075,362
Securities lending income	2,302,901	-	-	2,302,901
Securities lending fees	(1,824,788)	-	-	(1,824,788)
Investment advisor fees	(3,066,724)	(786,615)	(1,288,029)	(5,141,368)
Decrease in commission credits receivable	(15,560)	-	-	(15,560)
Net investment (loss)	<u>(28,181,598)</u>	<u>31,324,620</u>	<u>53,713,980</u>	<u>56,857,002</u>
Other Income				
Rental and Other Income	-	11,616	11,617	23,233
Total other income	<u>-</u>	<u>11,616</u>	<u>11,617</u>	<u>23,233</u>
Total additions(reductions)	<u>(506,704)</u>	<u>103,161,868</u>	<u>118,125,592</u>	<u>220,780,756</u>
Benefits paid to participants	30,114,367	18,065,595	24,150,329	72,330,291
Refunds of contributions	2,513,020	313,342	906,965	3,733,327
Administrative expenses	847,517	731,872	993,248	2,572,637
Total deductions	<u>33,474,904</u>	<u>19,110,809</u>	<u>26,050,542</u>	<u>78,636,255</u>
Change in net assets	<u>(33,981,608)</u>	<u>84,051,059</u>	<u>92,075,050</u>	<u>142,144,501</u>
Net assets - beginning of the year	550,334,758	254,171,032	459,133,265	1,263,639,055
Net assets - end of the year	<u>\$ 516,353,150</u>	<u>338,222,091</u>	<u>551,208,315</u>	<u>1,405,783,556</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

Schedule of Changes in Assets and Liabilities

AGENCY FUNDS

For the Year Ended August 31, 2008

	September 1, 2007	Debits	Credits	August 31, 2008
ASSETS:				
Cash and Cash Equivalents	\$ 2,961,078	549,745,297	549,515,126	3,191,249
Uncollected Property Taxes	49,929,259	585,834,644	587,213,072	48,550,831
Special Assessment - PID #1	551,604	-	43,671	507,933
Due from Other Funds	4,662,096	-	-	4,662,096
TOTAL ASSETS	\$ 58,104,037	1,135,579,941	1,136,771,869	56,912,109
LIABILITIES:				
Prepaid Property Taxes	\$ 1,823,775	1,823,775	1,330,647	1,330,647
Payable to Bondholders - PID #1	551,604	43,671	-	507,933
Amount Available for Bond Payments	16,792	43,671	45,590	18,711
Payable to Other Entities	759,282	549,042,833	549,983,715	1,700,164
Property Taxes Subject to Refund	5,023,325	219,502	-	4,803,823
Uncollected Taxes	49,929,259	587,213,072	585,834,644	48,550,831
TOTAL LIABILITIES	\$ 58,104,037	1,138,386,524	1,137,194,596	56,912,109

STATISTICAL SECTION
(unaudited)



City of El Paso Statistical Section

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City of El Paso's financial performance and well-being have changed over time.	117
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the city's most significant local revenue source, primarily property tax.	121
<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.	127
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	132
<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.	134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for fiscal year 2008. 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 Seven Fiscal Years *
(accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
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	139,689,930
Restricted	59,250,860	68,610,583	57,817,272	59,196,922	68,733,626	76,565,782	78,827,437
Unrestricted	3,156,607	(3,046,854)	15,546,268	(36,500,168)	(67,192,341)	(102,599,515)	(144,660,748)
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>	<u>73,856,619</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	264,968,805
Restricted	36,458,279	32,816,326	22,536,194	23,721,769	26,038,264	25,722,710	20,104,437
Unrestricted	19,675,417	22,027,866	(1,101,298)	11,269,135	17,226,535	5,678,448	11,078,287
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>	<u>296,151,529</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	404,658,735
Restricted	95,709,139	101,426,909	80,353,466	82,918,691	94,771,890	102,288,492	98,931,874
Unrestricted	22,832,024	18,981,012	14,444,970	(25,231,033)	(49,965,806)	(96,921,067)	(133,582,461)
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>	<u>370,008,148</u>

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

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 26,712,552	33,524,492	39,267,475	41,324,544	32,236,865	35,819,019	43,886,275
Public safety	168,101,107	166,270,434	175,113,112	211,655,591	202,415,512	207,468,617	227,056,341
Public works	64,029,296	60,320,589	54,184,948	62,590,505	64,770,369	65,296,644	68,682,326
Public health	18,323,647	23,207,396	21,013,400	22,917,380	26,016,660	26,908,285	25,260,921
Parks	15,061,696	16,775,398	16,020,341	17,324,834	18,962,330	20,272,370	21,845,479
Library	6,513,052	7,545,588	5,828,037	7,581,934	7,156,480	9,223,454	10,345,730
Culture & recreation	10,532,736	11,235,927	11,348,870	10,842,574	13,083,810	15,856,297	16,395,281
Community & economic development	19,082,055	21,962,296	15,167,888	23,449,341	31,901,231	20,209,095	15,634,017
Interest on long-term debt	21,146,790	17,061,437	18,012,558	15,749,939	19,256,304	24,319,731	28,832,902
Total governmental activities expenses	349,502,931	357,903,557	355,956,629	413,436,642	415,799,561	425,373,512	457,939,272
Business-type activities:							
International airport operations	27,700,793	28,600,500	28,818,394	32,202,892	31,495,679	32,461,434	38,326,755
Industrial park and other operations					2,325,816	3,755,998	4,644,735
International bridges operations	2,814,122	2,843,756	3,029,436	3,550,111	3,920,870	3,531,138	3,928,808
Solid waste disposal operations	21,834,341	24,340,677	28,703,259	15,498,416	32,011,444	29,062,025	34,250,866
Mass transit operations	40,295,111	44,267,736	45,231,636	45,853,919	47,270,617	49,391,220	50,063,983
Total business-type activities expenses	92,644,367	100,052,669	105,782,725	97,105,338	117,024,426	118,201,815	131,215,147
Total primary government expenses	\$ 442,147,298	457,956,226	461,739,354	510,541,980	532,823,987	543,575,327	589,154,419
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	4,998,092
Public safety	23,386,121	31,389,279	35,591,997	28,741,771	18,447,269	3,507,046	9,849,732
Public works	7,302,614	7,620,905	11,280,055	15,374,828	15,896,953	22,729,186	20,296,636
Public health	2,561,363	3,537,388	4,349,549	2,390,038	4,523,753	4,287,063	4,509,889
Parks	2,673,863	2,811,911	3,038,679	2,739,742	4,804,378	3,979,702	4,794,272
Library	209,915	227,565		25,701	258,451	267,553	401,564
Culture and recreation	1,077,759	1,062,427	1,156,533	1,061,798	1,044,959	1,135,146	1,189,897
Community and economic development	2,934,863	4,476,487	2,829,346	188,986	5,976,060	4,258,063	8,988,255
Operating grants and contributions	40,685,867	39,087,412	37,667,385	43,994,501	53,903,277	32,231,046	35,994,679
Capital grants and contributions	9,662,029	7,007,936	12,933,126	10,189,398	14,749,088	10,553,676	1,795,839
Total governmental activities program revenues	92,167,378	99,961,061	112,540,461	108,520,855	123,909,696	88,917,414	92,818,855
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	28,547,013
Industrial park and other operations		7,526,512	5,883,050	5,917,634	6,471,173	7,000,610	6,724,676
International bridges operations	10,516,331	11,116,917	12,000,216	14,192,515	14,613,388	14,415,189	16,677,381
Solid waste disposal operations	25,630,336	27,230,865	29,423,203	28,609,380	34,867,563	37,445,758	41,703,614
Mass transit operations	7,196,770	6,821,455	7,047,775	7,123,105	7,551,341	7,781,901	8,366,568
Operating grants and contributions	10,667,890	11,798,744	13,203,546	9,863,996	15,956,421	8,483,199	12,680,418
Capital grants and contributions	16,721,304	10,802,246	9,943,357	22,081,292	10,994,492	21,955,766	17,793,068
Total business-type activities program revenues	96,344,048	94,044,734	99,196,142	111,991,884	114,862,932	123,853,170	132,492,738
Total primary government activities program revenues	\$ 188,511,426	194,005,795	211,736,603	220,512,739	238,772,628	212,770,584	225,311,593
Net (Expense)/ Revenue							
Governmental activities	\$ (257,335,553)	(257,942,496)	(243,416,168)	(304,915,787)	(291,889,865)	(336,456,098)	(365,120,417)
Business-type activities	3,699,681	(6,007,935)	(6,586,583)	14,886,546	(2,161,494)	5,651,355	1,277,591
Total primary government net expense	\$ (253,635,872)	(263,950,431)	(250,002,751)	(290,029,241)	(294,051,359)	(330,804,743)	(363,842,826)
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	177,326,938
Sales taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351
Franchise taxes	28,209,095	28,343,827	30,630,964	32,867,495	37,626,413	41,999,260	42,324,317
Gain on disposal of capital assets					1,474,788	1,844,241	1,986,385
Transfers	19,679,913	21,996,686	21,191,700	20,540,179	20,958,294	20,735,493	22,215,213
Investment earnings	4,070,326	1,781,773	1,740,215	2,791,459	4,330,894	6,805,242	3,627,149
Total Governmental activities	232,090,965	238,754,465	248,665,300	260,136,315	281,666,113	304,480,700	325,162,353
Business-type activities:							
Taxes							
Sales taxes	23,482,957	24,086,524	25,747,419	26,679,844	29,710,436	31,608,166	33,524,434
Investment earnings	2,462,781	872,646	926,350	1,970,016	3,325,583	3,901,695	2,513,155
Gain on disposal of capital assets					289,927	8,149	172,619
Transfers	(19,679,913)	(21,996,686)	(21,191,700)	(20,540,179)	(20,958,294)	(20,735,493)	(22,215,213)
Total business-type activities	6,265,825	2,962,484	5,482,069	8,109,681	12,367,652	14,782,517	13,994,995
Total primary government	\$ 238,356,790	241,716,949	254,147,369	268,245,996	294,033,765	319,263,217	339,157,348
Change in Net Assets							
Governmental activities	\$ (25,244,588)	(19,188,031)	5,249,132	(44,779,472)	(10,223,752)	(31,975,398)	(39,958,064)
Business-type activities	9,965,506	(3,045,451)	(1,104,514)	22,996,227	10,206,158	20,433,872	15,272,586
Total	\$ (15,279,082)	(22,233,482)	4,144,618	(21,783,245)	(17,594)	(11,541,526)	(24,685,478)

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

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

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund							
Reserved	\$ 19,896,947	19,275,629	18,985,448	19,134,781	19,087,141	18,749,504	19,015,895
Unreserved	25,184,462	22,047,051	17,363,518	17,202,918	15,790,210	22,602,463	19,098,542
Total general fund	<u>\$ 45,081,409</u>	<u>41,322,680</u>	<u>36,348,966</u>	<u>36,337,699</u>	<u>34,877,351</u>	<u>41,351,967</u>	<u>38,114,437</u>
All Other Governmental Funds							
Reserved	\$ -	-	-	2,125,539	1,526,873	3,128,261	2,951,617
Unreserved, reported in:							
Special Revenue funds	9,462,100	11,236,359	12,864,318	14,258,929	17,968,077	18,681,662	18,244,091
Debt service funds	11,601,478	5,577,479	510,765	499,449	842,041	1,388,518	2,528,122
Capital projects funds	64,185,957	58,944,445	31,014,149	13,147,988	19,383,110	19,687,079	8,910,475
Total all other governmental funds	<u>\$ 85,249,535</u>	<u>75,758,283</u>	<u>44,389,232</u>	<u>30,031,905</u>	<u>39,720,101</u>	<u>42,885,520</u>	<u>32,634,305</u>

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

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues:							
Property Taxes	\$ 128,068,036	131,142,591	136,314,193	143,354,730	149,919,202	160,955,530	179,171,076
Sales Taxes	52,150,330	54,509,563	58,255,358	61,122,021	68,074,321	73,318,224	77,682,351
Franchise Fees	28,209,095	28,343,827	30,630,964	32,867,495	34,683,663	44,753,181	40,726,042
Charges for Services	12,985,789	16,070,790	17,974,604	20,181,184	28,701,760	35,626,913	35,024,809
Fines and Forfeits	15,821,180	15,757,528	16,435,462	15,158,118	13,823,031	15,022,482	14,913,358
Licenses and Permits	6,892,974	7,027,975	8,656,832	10,119,783	10,622,692	12,247,930	12,397,740
Intergovernmental Revenues	50,347,895	46,095,348	43,692,655	51,519,022	57,411,949	40,979,531	35,616,877
County Participation					2,083,180	1,832,806	2,173,641
Interest	5,449,322	1,812,000	1,757,841	2,872,379	3,860,994	7,601,551	3,556,642
Rents and Other	6,418,091	9,559,643	17,142,729	7,643,562	9,628,008	5,792,472	4,185,507
Net Increase(Decrease) in the Fair Value of Investments		-	(17,626)	177,142	(276,034)	(12,500)	70,507
Total Revenues	\$ 306,342,712	310,319,265	330,843,012	345,015,436	378,532,766	398,118,120	405,518,550
Expenditures:							
General Government	\$ 24,213,546	26,244,962	27,316,891	28,606,052	26,752,926	28,372,232	33,348,474
Public Safety	150,524,772	157,049,358	165,893,165	169,556,821	176,661,936	283,911,882	195,823,226
Public Works	34,150,067	35,757,909	36,449,919	37,250,657	37,739,911	24,727,919	23,146,710
Public Health	17,093,640	22,359,589	21,555,610	21,951,974	24,906,214	26,202,064	24,231,993
Facilities Maintenance						14,862,618	15,305,363
Parks	13,117,106	14,165,341	14,891,894	15,134,311	16,519,085	17,669,603	18,182,874
Library	5,206,120	5,704,701	5,666,299	5,682,907	6,384,195	7,820,910	8,574,514
Non Departmental	285,193	881,312	891,060	1,771,003	1,485,256	5,168,597	5,540,947
Culture and Recreation	8,398,177	9,337,744	9,584,066	9,029,232	9,413,589	11,854,062	12,125,397
Economic Development	749,087	2,197,676	2,085,509	2,236,143	2,545,525	2,646,778	2,139,743
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	9,589,694
Capital Outlay	72,946,560	72,936,309	71,435,776	91,455,484	106,981,475	101,415,992	89,386,189
Debt Service:							
Principal	17,045,330	20,426,627	20,767,718	19,416,716	25,390,920	27,149,797	29,647,506
Interest	19,367,689	18,153,214	19,315,221	16,690,016	19,277,245	20,633,814	32,109,109
Arbitrage Rebate	93,847	279,702					
Payment to Refunding 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	1,960,367
Total Expenditures	\$ 384,378,393	399,779,869	409,096,221	441,264,794	471,520,845	590,105,136	501,112,106
Excess (Deficiency) of revenues over expenditures	\$ (78,035,681)	(89,460,604)	(78,253,209)	(96,249,358)	(92,988,079)	(191,987,016)	(95,593,556)
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	34,849,405
Transfers Out	(1,172,142)	(2,199,791)	(2,375,319)	(4,879,493)	(13,158,241)	(12,781,673)	(12,634,192)
Face Amount of Bonds Issued	25,409,000	40,549,000		17,315,000	56,350,000	176,240,000	56,455,000
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	1,448,213
Payment to Refunding 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	1,986,385
Total other financing sources (uses)	\$ 51,157,696	76,210,623	41,910,444	81,880,764	101,215,927	201,627,051	82,104,811
Net change in fund balance	\$ (26,877,985)	(13,249,981)	(36,342,765)	(14,368,594)	8,227,848	9,640,035	(13,488,745)
Debt service as a percentage of noncapital expenditures	11.91%	11.30%	11.64%	10.69%	11.57%	10.28%	14.40%

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

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

Fiscal Year Ended August 31,	Residential Property	Commercial Property	Industrial Property	Actual Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 11,146,866,901	5,262,399,538	2,937,150,177	19,346,416,616	2,090,140,761	17,256,275,855	1.394234
2003	11,380,139,780	5,658,223,160	2,560,603,267	19,598,966,207	1,804,376,401	17,794,589,806	1.433300
2004	11,813,277,667	5,776,039,066	2,357,113,674	19,946,430,407	1,757,517,194	18,188,913,213	1.454415
2005	13,174,534,808	6,058,031,409	2,440,355,008	21,672,921,225	1,843,419,090	19,829,502,135	1.452701
2006	14,280,033,787	6,598,225,436	2,070,795,198	22,949,054,421	1,899,324,828	21,049,729,593	1.448908
2007	15,837,328,729	7,392,991,333	2,221,565,699	25,451,885,761	1,887,264,732	23,564,621,029	1.370714
2008	17,695,257,307	7,928,400,439	2,434,538,160	28,058,195,906	1,945,955,410	26,112,240,496	1.315605

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

Source: El Paso Central Appraisal District

City of El Paso
 Direct and Overlapping Property Tax Rates
 Last Seven Fiscal Years *
 (rate per \$100 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
2008	0.453290	0.217800	0.360267	0.172281	0.111967	1.315605	1.334946	1.203500	1.168195	1.330000

* 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 Six Fiscal Years *

Taxpayer	2008		2007		2006		2005		2004		2003							
	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **						
Western Refining Company LP	1	\$ 484,120,783	1.85%	1	\$ 316,643,289	1.34%	1	\$ 152,765,190	0.73%	2	\$ 143,953,503	0.73%	8	\$ 57,219,365	0.31%	5	\$ 63,094,665	0.37%
Simon Property Group	2	183,343,167	0.70%	4	125,809,255	0.53%	3	126,006,455	0.60%	3	123,378,359	0.62%	2	165,433,746	0.91%	2	163,626,828	0.95%
El Paso Electric Co	3	156,901,556	0.60%	2	164,602,042	0.70%	4	91,353,332	0.43%	4	89,539,447	0.45%	4	85,676,781	0.47%	4	84,380,660	0.49%
Southwestern Bell Telephone	4	134,774,323	0.52%	3	146,805,322	0.62%	2	145,917,309	0.69%	1	153,413,474	0.78%	1	187,574,727	1.03%	1	182,324,239	1.06%
River Oaks Properties, LTD	5	126,809,506	0.49%	5	92,524,243	0.39%	5	80,236,379	0.38%	6	67,573,235	0.34%	7	58,472,352	0.32%	9	52,123,316	0.30%
Tenet Hospitals L.P.	6	90,943,244	0.35%	6	70,640,340	0.30%	6	64,999,721	0.31%	8	65,083,799	0.33%	9	54,759,250	0.30%	7	59,752,160	0.35%
Phelps Dodge Refining Group	7	64,418,453	0.25%	7	61,055,402	0.26%	7	64,227,070	0.31%	7	65,627,406	0.33%	5	71,199,874	0.39%	5	69,785,761	0.41%
Texas Gas Service	8	49,585,780	0.19%	10	44,735,970	0.19%	10	40,003,890	0.19%	9	53,313,050	0.27%			0.00%			0.00%
SFPP LP	9	36,242,542	0.14%															
Time Warner Entertainment Hoover Co	10	35,190,910	0.13%	8	59,999,457	0.25%	8	63,913,571	0.30%	5	67,815,126	0.34%	6	58,949,718	0.32%	8	57,572,129	0.33%
Texas Cable PTNRS LP				9	49,750,969	0.21%	9	49,397,000	0.23%	10	46,831,704	0.24%			0.00%	10	43,123,211	0.25%
Chevron U.S.A. Inc.												3	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>\$ 1,362,330,264</u>	<u>5.22%</u>		<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>\$26,112,240,496</u>			<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>	

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

** Real and Personal Property

Source: El Paso Central Appraisal District

City of El Paso
Property Tax Levies and Collections
Last Seven 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%	\$ 2,611,478	\$ 123,368,634	99.61%
2003	127,389,296	124,077,174	97.40%	2,801,863	126,879,037	99.60%
2004	131,298,376	128,160,345	97.61%	2,523,560	130,683,905	99.53%
2005	137,734,528	134,787,009	97.86%	2,068,676	136,855,685	99.36%
2006	146,635,617	143,887,888	98.13%	1,695,251	145,583,139	99.28%
2007	158,386,697	154,736,687	97.70%	2,217,861	156,954,548	99.10%
2008	175,451,542	171,835,488	97.94%		171,835,488	97.94%

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

Source: City of El Paso Consolidated Tax Office

CITY OF EL PASO, TEXAS
 Personal Income by Industry
 Last 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		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 thousands of dollars)
(modified accrual basis of accounting)

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006 *	2007 **	2008***
Agriculture, Forrestry, Fishing	8,154	9,630	9,518	9,910	11,275	10,923	12,098	5,560	5,560	25
Mining	215	25	6	4	167	67	8	-	-	-
Construction	94,040	98,111	96,568	85,559	87,954	96,527	98,518	46,368	63,575	32,294
Manufacturing	115,588	106,934	84,600	83,080	92,199	117,628	128,429	60,691	90,585	40,453
Transportation, Communications & Utilities **	243,592	251,443	251,681	265,433	239,929	228,909	220,176	123,775	114,409	2,921
Wholesale Trade	321,306	340,709	332,874	348,844	360,149	379,352	397,299	202,837	134,301	74,150
Retail Trade	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	791,613
Finance, Insurance & Real Estate	6,486	5,509	6,432	6,908	6,155	6,064	5,507	2,413	55,167	28,465
Services **	406,459	414,732	396,907	411,951	427,425	452,932	499,078	246,213	548,400	291,478
Public Administration	618	796	477	289	429	637	772	-	1,038	492
Nonclassifiable Establishments	876	852	1,003	879	958	1,032	918	-	-	-
Other **	-	-	3	5	1	2,758	117,128	117,721	70,534	-
Total	<u>3,913,688</u>	<u>4,073,958</u>	<u>4,074,471</u>	<u>4,209,266</u>	<u>4,305,268</u>	<u>4,559,353</u>	<u>4,902,108</u>	<u>2,521,128</u>	<u>2,659,845</u>	<u>1,261,891</u>

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

** Industries varied in category for FY07

***Based on one (1) quarter for calendar year 2008

Source: Texas Comptroller of Public Accounts

City of El Paso
Ratios of Outstanding Debt by Type
Last Seven 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
2008	554,630		80,631		635,261	0.002%	829.73

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
2008	27,565	12,439		12,753	688,018	0.003%	898.32

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

City of El Paso
Ratios of Net General Bonded Debt Outstanding
Last Seven 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
2008	780,613	26,112,240	647,700	5,480	642,220	2.459%	822.71

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

** County of El Paso estimated population was the most readily available (City population is roughly 86% of County)
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, 2008
(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%	760,785
Total direct and overlapping debt			<u><u>\$ 1,909,248</u></u>

Source: Texas Bond Review Board Website

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

Legal Debt Margin Calculation for Fiscal Year 2008	
Assessed value	\$ 26,112,240,496
Debt limit (10 percent of assessed value)	2,611,224,050
Debt applicable to limit:	
General obligation bonds & other property tax supported debt	647,700,000
Less: Special Revenue Bonds	(11,249,048)
Amount set aside for repayment of general obligation debt	(5,479,739)
Total net debt applicable to limit	\$ 630,971,213

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

* GASB Statement No. 34 was implemented in fiscal year 2002.
 Source: City of El Paso Financial Statements 2002-2008

City of El Paso
Pledged Revenue Bond Coverage
Last seven years

Revenue Bond Coverage

El Paso International Airport						
Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses ¹	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
2008	35,271,685	26,893,108	8,378,577	1,000,000	404,575	5.97

Department of Environmental Services

Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses ¹	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	1,966,661	2.55
2008	41,703,614	26,743,859	14,959,755	2,373,165	1,531,522	3.83

Other Enterprise Funds

Fiscal Year	Gross Revenue	Less:	Net	Debt Service		Coverage
		Operating Expenses ¹	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
2008	16,677,380	2,884,344	13,793,036	1,314,988	820,647	6.46

Source: City of El Paso Financial Statements 2002-2008

¹ Does not include depreciation.

City of El Paso
Principal Employers
Last Three Fiscal Years

Employer	2008 (c)			2007 (a)			2006 (b)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
El Paso Independent School District	8,859	1	3.15%	9,000	2	3.29%	8,663	1	3.27%
Ysleta Independent School District	8,767	2	3.12%	7,200	3	2.63%	6,500	3	2.45%
City of El Paso	6,229	3	2.22%	6,000	5	2.19%	6,264	4	2.37%
Fort Bliss	6,006	4	2.14%	10,000	1	3.66%	6,803	2	2.57%
Socorro Independent School District	5,433	5	1.93%	5,041	6	1.84%	3,995	6	1.51%
T&T	4,876	6	1.74%	4,200	7	1.54%			
Wal-Mart	4,800	7	1.71%				3,706	9	1.40%
University of Texas at El Paso	4,365	8	1.55%	3,400	8	1.24%	4,871	5	1.84%
El Paso Community College	2,997	9	1.07%				3,728	8	1.41%
County of El Paso	2,976	10	1.06%				2,700	10	1.02%
Sierra Providence Health Network				6,587	4	2.41%	3,761	7	1.42%
Echostar Communications Corporation				2,900	9	1.06%			
Del Sol/ Las Palmas				2,300	10	0.84%			
T O T A L :	<u>55,308</u>		<u>19.69%</u>	<u>56,628</u>		<u>20.70%</u>	<u>50,991</u>		<u>19.26%</u>
 Total employed (b)		<u>280,900</u>			<u>273,500</u>			<u>264,800</u>	

Note: Information for 2002-2005 not available

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

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

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

City of El Paso
Demographics and Economic Statistics
Last Seven 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	301,621,157	0.7424%	23,904,380	1.6871%	38,611	37,187	96.31%
2008	305,527,622	1.2950%	24,178,180	1.1454%	39,806 *	37,873 *	95.14%

Data Sources:

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

(2) Bureau of Labor Statistics, U.S. Department of Labor

* www.ephomesearch.com projections

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

	2008			2007			2006			2005			2004			2003		
	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire
General Fund	1,833	1,076	774	1,728	1,038	761	1,611	995	774	1,554	1,008	753	1,585	964	790	1,733	983	795
Community Development Block Grants	47			45			41			42			50			53		
Capital Projects Fund	2			4			3						3			3		
Federal Grants	23	15	4	25	17	2	28	32	2	30	46		39	75		36	111	
State Grants	16	9		20	10		17	9		16	11	2	16	11	2	18	8	2
Other Grants	1			1			1			2			1			10		
Health District				153			157			150			149			156		
Health District-Grants	183			210			222			219			223			219		
Non Grants	88	1		102			90			131			119			308		
Supply and Support Funds	68			69			71			74			83			88		
Self Insurance Funds	10			12			8			8			8			8		
El Paso International Airport	223	22	29	230	23	28	223	19	29	210	11	22	206	17		203	20	
International Bridges	52			46			46			43			43			48		
Environmental Services	289			255			250			257			252			270		
Mass Transit	569			564			556			567			567			597		
Private Purpose Trusts	2			3			4			3			4			2		
CEPF	4			4			4			4			4			5		
	<u>3,410</u>	<u>1,123</u>	<u>807</u>	<u>3,471</u>	<u>1,088</u>	<u>791</u>	<u>3,332</u>	<u>1,055</u>	<u>805</u>	<u>3,310</u>	<u>1,076</u>	<u>777</u>	<u>3,352</u>	<u>1,067</u>	<u>792</u>	<u>3,757</u>	<u>1,122</u>	<u>797</u>
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>											
Public Safety	2,372	2,328	2,219	2,212	2,231	2,298	2,264											
Public Works	429	467	425	426	463	488	461											
Public Health	302	372	379	369	372	375	339											
General Government	260	275	336	331	331	375	347											
Parks Department	297	282	349	389	376	614	470											
Library	174	174	154	127	130	149	112											
Culture and Recreation	121	136	46	40	44	51	47											
Community and Human Development	58	58	55	53	62	60	58											
Economic Development	14	14	9	7	10	14	12											
Planning	47	13	14	13	12	13	11											
Supply and Support Funds	68	69	71	74	83	88	87											
Self Insurance Funds	10	12	8	8	8	8	8											
El Paso International Airport	274	281	271	243	223	223	193											
International Bridges	52	46	46	43	43	48	42											
Environmental Services	289	255	250	257	252	270	240											
Mass Transit	569	564	556	567	567	597	558											
CEPF	4	4	4	4	4	5	4											
Total	<u>5,340</u>	<u>5,350</u>	<u>5,192</u>	<u>5,163</u>	<u>5,211</u>	<u>5,676</u>	<u>5,253</u>											