

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF EL PASO, TEXAS

FOR FISCAL YEAR ENDED  
AUGUST 31, 2004

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# CITY OF EL PASO, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended August 31, 2004

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# CITY OF EL PASO, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTRODUCTORY SECTION



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**JOE WARDY**  
MAYOR



February 17, 2005

**JOYCE WILSON**  
CITY MANAGER

**CITY COUNCIL**

**SUSAN AUSTIN**  
DISTRICT NO. 1

**ROBERT A. CUSHING,**  
**JR.**  
DISTRICT NO. 2

**JOSE ALEXANDRO**  
**LOZANO**  
DISTRICT NO. 3

**JOHN COOK**  
DISTRICT NO. 4

**PRESI ORTEGA, JR.**  
DISTRICT NO. 5

**PAUL J. ESCOBAR**  
DISTRICT NO. 6

**VIVIAN ROJAS**  
DISTRICT NO. 7

**ANTHONY COBOS**  
DISTRICT NO. 8

Mayor Joe Wardy,  
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, 2004. This report was prepared by the City's staff and audited by the firm of KPMG LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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 xvii. 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 was to provide reasonable assurance that the financial statements are free of material misstatements.

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

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In fiscal year 2004, the City's Internal Auditor reported directly to the Mayor and Chief Administrative Officer. The auditor's primary responsibility is measuring and evaluating the effectiveness of the accounting and administrative controls.

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 category 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 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 (population 594,054), the remainder of El Paso County (population 123,157) and Ciudad Juarez, Mexico (population 1,325,087) has a population in excess of 2,042,298. El Paso is the fifth largest city in Texas and the largest American city on the border with Mexico. The City's corporate limits encompass 247.4 square miles. The City of El Paso, Texas, incorporated in 1873, operates under a Home Rule Charter with a Mayor-Council form of government. The most recent City Charter was adopted on January 24, 1984 and amended in February 2004 to adopt a Council-Manager form of government effective September 1, 2004.

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

### **Financial Reporting Entity**

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

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

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

### **City Employees' Pension Fund**

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

### **El Paso Water Utilities**

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

### **Debt Administration**

During the fiscal year, the City issued \$29,265,000 in refunding general obligation bonds, \$22,120,000 in revenue bonds, \$20,500,000 in commercial paper and \$18,000,000 in refunding revenue bonds. At August 31, 2004, the City had \$400,990,000 of debt issues outstanding for which property taxes are levied for principal and interest payments. These issues include \$162,330,000 of general obligation bonds, \$40,500,000 of commercial paper and \$198,160,000 of certificates of obligation. Additionally, the City has \$47,914,546 in revenue bonds and notes payable for which airport, bridge system and solid waste disposal system revenues are pledged to make principal and interest payments. For more detailed information about the City's general long-term debt see Note 8 to the financial statements.

As voted by the citizens, there remained \$254,655,000 of bonds authorized but not issued available for sale as of August 31, 2004. City Council approved the issuance of \$100,000,000 in commercial paper notes to serve as interim financing until the bonds are issued. The City has issued commercial paper notes in the principal amount of \$40,500,000 as of August 31, 2004.

The debt service property tax rate during the report period was \$0.177733 per \$100 of assessed value. The total tax rate for fiscal years 2002 through 2004 remained constant at \$0.719833 and remains well within the \$1.85 tax rate limit established by the City Charter.

The City has maintained its "AAA" rating from Standard and Poor's and "Aaa" rating from Moody's Investors Service.

### **Pension Trust Funds Operations**

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

The CEPF's most recent actuarial study is dated September 1, 2002 and indicates the actuarially computed value of benefits exceed fund assets by \$48,937,000. The FPPF's most recent actuarial study is dated December 31, 2003 and indicates the actuarially computed value of benefits exceed fund assets by \$258,233,000.

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.

## **ECONOMIC OUTLOOK**

El Paso continues its steady growth as a participant in the global economy. International trade and information technology remain major factors in the economic evolution in the El Paso-Ciudad Juarez region. International trade is a natural in the border region, stimulated by NAFTA and the Mexican maquiladora program. Bound together economically, socially and historically, El Paso and Ciudad Juarez form a major bi-national metropolitan area of over 2 million people. With strong intra-metropolitan linkages, El Paso-Juarez is the busiest border crossing between Mexico and the United States for incoming passengers in personal vehicles with over 10 million people crossing the border per year. In order to sustain and strengthen international trade, El Paso must continue to improve its workforce development and job training efforts.

At August 31, 2004 the total of number of employed persons in the El Paso Metropolitan Statistical Area was 275,960 out of a labor force of 298,229 resulting in an unemployment rate of 7.5%. Recent statistics showing growth in construction, education and health services and leisure and hospitality services indicate positive trends. Job growth in the service sector represents 40% of the gains over the past ten years.

Teachers and nurses remain the hot career choices in Texas. The shortage of nurses and other health care workers affects every sector of a seriously challenged health care industry. As the Legislature approved a new medical school for the City, funding cuts for secondary education, including nursing schools throughout the state, increase the urgency for recruiting and developing healthcare professionals.

Many consumers are still worried about job growth, the deficit and geopolitical uncertainties. A recent statewide assessment of economic development in Texas indicates that El Paso, like the State, lags behind its competitors in attracting new industries and jobs and must intensify its efforts to market the City as a business location, expand its incentive programs, develop workforce training programs and focus its economic development strategies on industries in which it has a definitive prospect for success.

El Paso is challenged to build on its strengths, respond to the changing economy and explore new opportunities for growth. 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”.

## **MAJOR INITIATIVES**

### **Change in Structure – Strong Mayor to City Manager**

In February 2004 the people voted in the affirmative to change the City Charter to a Council-Manager form of government effective September 1, 2004. The City began its transition in August 2004 with the appointment of its first City Manager, Joyce Wilson. She officially took office in late September 2004. Prior to the El Paso appointment, Ms. Wilson was the Deputy County Manager for Arlington, Virginia. In this capacity, she functioned as the Chief Operating Officer for the County and was responsible for all day-to-day operations.

Prior to joining Arlington County government, Ms. Wilson was City Administrator of Yuma, Arizona since July 1994. During her more than eight-year tenure managing Yuma’s city government, City services were professionalized, streamlined, and made cost effective. She stimulated and directed the redevelopment of Yuma’s once languishing historic downtown resulting in nearly \$100 million of new private and public investments over several years. She introduced and fostered partnerships among businesses, nonprofit organizations, individuals and city government to enhance Yuma’s quality of life and strengthen economic activity in Yuma; encouraged development of a public art program; and initiated an aggressive professional development program for all City staff.

Ms. Wilson is a graduate of Virginia Commonwealth University with a B.S. in Business Administration and Economics, and holds a Master of Public Administration (Fiscal and Urban Policy) degree from the John F. Kennedy School of Government at Harvard University. She also is an alumni of the Kellogg Foundation’s National Fellowship Program.

The City adopted a budget for 2005 that reflected this new form of government structure and is poised to complete the full transition in fiscal year 2005.

### **Neighborhoods First**

The Neighborhood Association Development Initiative is the first step in connecting neighborhood associations with the resources needed to meet their goals and objectives.

The goals of the Neighborhood Association Development Initiative are to:

- Facilitate communication between the City, the neighborhoods, and neighborhood associations
- Assist neighborhoods in establishing and maintaining their own associations
- Enhance community spirit through neighborhood interaction

### **Mission Trail Harvest Market**

The Mission Trail Harvest Market is a program administered by the City of El Paso, in partnership with the Ysleta del Sur Pueblo Indian Tribe, and the Texas Cooperative Extension.

The Market brings farmers into the city and provides them with direct-sales opportunities to ensure that the farmers continue farming our precious rural farmlands, keeping them economically viable and intact.

### **Transportation Improvement Programs**

According to an Interstate-10 West Corridor Major Investment Study sponsored by the Texas Department of Transportation (TXDOT), an estimated \$320 million will be spent to improve and expand El Paso roadways, including Interstate 10, Mesa, Doniphan, and Paisano over the next 20 years. TXDOT is concluding the Interstate-10 East Corridor Study and is estimating cost to improve the transportation system through this corridor may cost over \$800 million. The final alternative has not been approved therefore the final cost can change.

TXDOT in coordination with New Mexico Department of Transportation (NMDOT) is conducting a route location study for a limited access highway connecting Loop 375 in northeast El Paso near Railroad Drive to Interstate Highway 10. This study is called the Northeast Parkway Route Location Study and alternatives for this study were presented to the public. Based on public input a preferred alternative was chosen in April 2003. Detailed design and environmental impact documentation of the preferred alternative led to a cost estimate of over \$ 210 million dollars. The preferred alternative will follow Railroad Drive for a distance then up a major pipeline to Stan Roberts Sr. Ave. to IH-10 north of Anthony in New Mexico.

An additional \$47.5 million is proposed under the New Starts FTA funding for light rail, mass transit capital costs in this region. In 2000-2001, approximately \$30 million was spent on improvements along Interstate 10, including landscaping, rehabilitation, bridge improvements, and portions of a freeway management system.

The El Paso Metropolitan Planning Organization (MPO) will start a major transportation planning study to determine transportation needs to the year 2035 at the international border for commercial, non-commercial, rail and commuter ports-of-entry. That study is called the Camino Real Corridor- Border Improvement Plan.

### **Freight and Passenger Rail**

Studies for a freight and passenger rail began in fiscal year 2002 and include international movement of goods and people. Funding of these studies come from the City and Federal/state grants received via Sun Metro and the MPO. The objectives of these studies are analyses of the need for new and/or relocated rail facilities and identification of possible alternative uses for existing rail facilities.

### **The Plaza Theater**

A long-regarded jewel of downtown past, the Plaza Theater began a \$26.5 million renovation designed to convert this historical theater to a multi-purpose performing arts and cultural event venue. This project is a public/private partnership between the City and the El Paso Community Foundation and is scheduled for completion in October 2005.

## **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, 2003. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

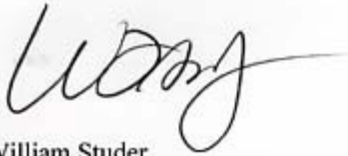
The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the employees of the Department of the Comptroller. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Additionally, the effort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

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

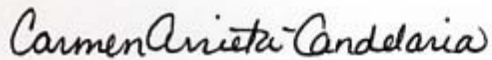
Respectfully submitted,



Joyce Wilson  
*City Manager*



William Studer  
*Deputy City Manager – Financial and Administrative Services*



Carmen Arrieta-Candelaria  
*Comptroller*

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Paso,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



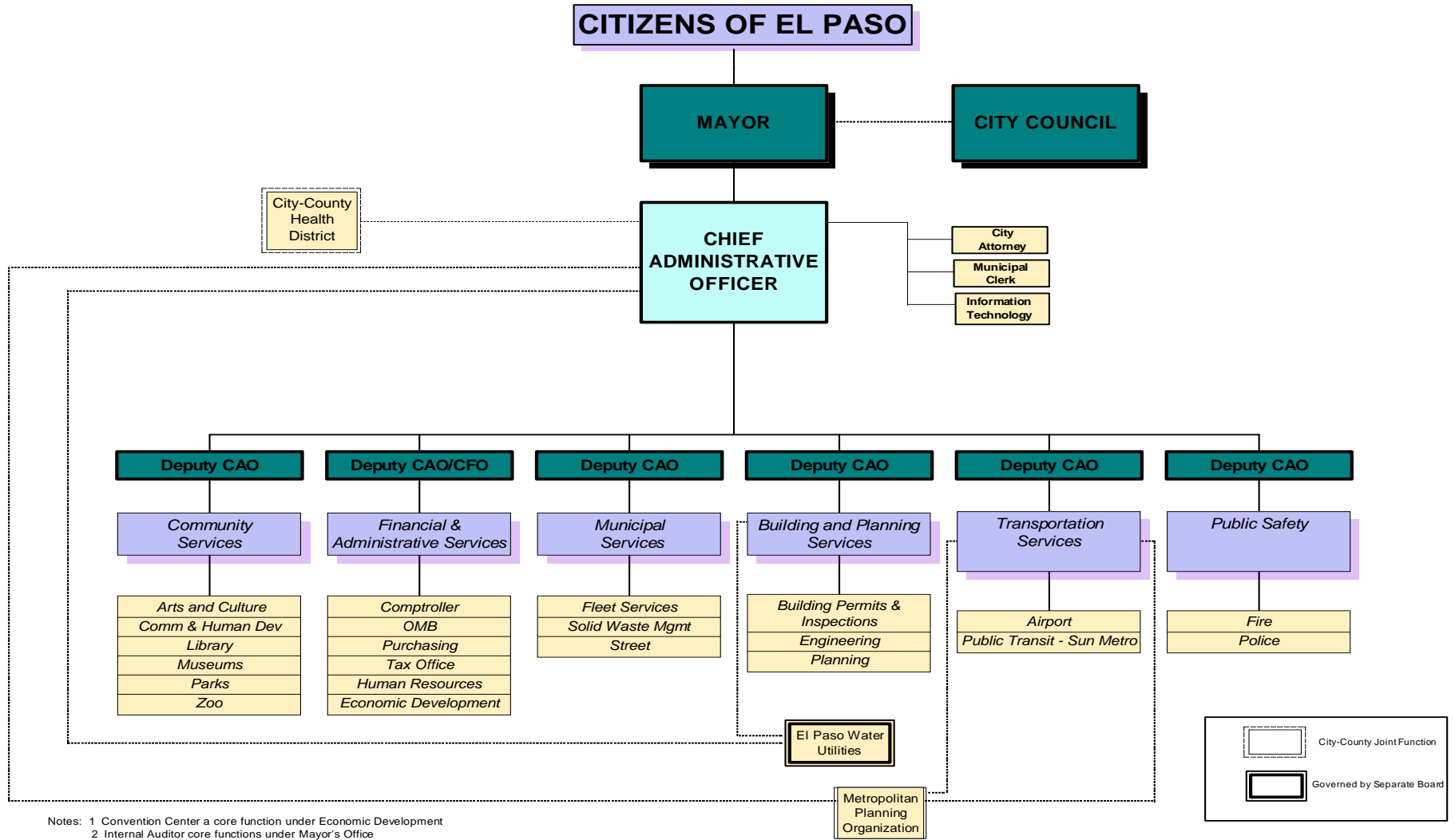
*Nancy L. Ziehl*

President

*Jeffrey R. Emmer*

Executive Director

# ***CITY OF EL PASO ORGANIZATIONAL CHART***



- Notes:
1. Convention Center a core function under Economic Development
  2. Internal Auditor core functions under Mayor's Office
  3. Municipal Clerk combines Municipal Court/City Clerk core functions
  4. Grants Office core function of Financial & Administrative Services



**LIST OF PRINCIPAL OFFICIALS**

***JOE WARDY***

MAYOR

***SUSAN AUSTIN***

DISTRICT NO. 1

***DANIEL S. POWER***

DISTRICT NO. 5

***ROBERT A. CUSHING, JR.***

DISTRICT NO. 2

***PAUL J. ESCOBAR***

DISTRICT NO. 6

***JOSE ALEXANDRO LOZANO***

DISTRICT NO. 3

***VIVIAN ROJAS***

DISTRICT NO. 7

***JOHN COOK***

DISTRICT NO. 4

***ANTHONY COBOS***

DISTRICT NO. 8

***JAMES MARTINEZ***

CHIEF ADMINISTRATIVE OFFICER

***PAT ADAUTO***

DEPUTY CAO / INFRASTRUCTURE AND DEVELOPMENT

***DEBORAH HAMLYN***

DEPUTY CAO / QUALITY OF LIFE

***WILLIAM A. CHAPMAN***

CHIEF FINANCIAL OFFICER

## DEPARTMENT DIRECTORS

***Patrick Abeln***

El Paso International Airport

***Betty Jaraba (Interim)***

Arts & Culture

***Lisa A. Elizondo***

City Attorney

***Jorge C. Magaña, MD***

El Paso City/County Health Dept.

***Alan R. Shubert***

Building Permits & Inspections

***Robert Salinas***

Community Development

***Carmen Arrieta-Candelaria***

Comptroller

***David G. Dobson***

Economic Development

***Patrick E. Connor***

Engineering

***Roberto Rivera***

El Paso Fire Department

***Jeffrey Belles***

Fleet Services

***Terry Bond***

Human Resources

***Tony Montoya***

Information Technology

***Vacant***

El Paso Zoo

***Carol Brey-Casino***

El Paso Public Library System

***Richarda Duffy-Momsen***

Municipal Clerk

***Vacant***

Municipal Services

***Becky Duval-Reese***

Museums

***David R. Almonte***

Office of Management and Budget

***Norman C. Merrifield***

Parks and Recreation

***George G. Sarmiento***

Planning, Research & Development

***Richard Wiles***

El Paso Police Department

***Byron E. Johnson***

Purchasing

***Ellen A. Smyth***

Solid Waste Management

***Daryl Cole***

Streets

***Terry Lee Scott***

Sun Metro-Mass Transit

***Juan Sandoval***

Tax

# FINANCIAL SECTION



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KPMG LLP  
Suite 1300  
221 N. Kansas Street  
PO Box 522551  
El Paso, TX 79999-0010

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas (the City), as of and for the year ended August 31, 2004, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Service Board – City of El Paso (El Paso Water Utilities), which represents 100% of the assets and revenues of the discretely presented component unit in the accompanying statement of net assets and statement of activities. We did not audit the financial statements of the Firemen and Policemen's Pension Fund (FPPF), a component unit, which represents 51% of the assets and 42% of the revenues of the aggregate remaining fund information. The financial statements of El Paso Water Utilities and of FPPF were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for El Paso Water Utilities and FPPF, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the City Employees' Pension Fund and FPPF were not audited in accordance with *Government Auditing Standards*. An audit includes 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of August 31, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2005 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages xvii through xxviii, the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on page 59, and the Schedule of Funding Progress on page 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We, and the other auditors, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we, and the other auditors, did not audit the information and express no opinion on it.

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

KPMG LLP

January 14, 2005

**CITY OF EL PASO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2004. 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, 2004 by \$425.0 million. Of this amount, \$10.4 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The Primary Government's total net assets increased by \$4.1 million. Governmental activities increased net assets by \$5.2 million and decreases from business-type activities totaled \$1.1 million.
- ◆ The Primary Government's total expenses were \$4.1 million less than the \$465.8 million generated in charges for services, grants, taxes and other revenues.
- ◆ The cost of the Primary Government's governmental activities was \$355.9 million for the 2004 fiscal year.
- ◆ As of August 31, 2004, the City's governmental funds reported combined ending fund balances of \$80.7 million, a decrease of \$36.3 million compared with the prior year. Approximately 74.9% of the combined fund balances or \$60.5 million is unreserved, undesignated and available for the discrete purposes for which these funds are collected.
- ◆ The unreserved, undesignated fund balance in the General Fund was \$16.4 million or 6.5% of total General Fund current year expenditures.
- ◆ In fiscal year 2004, the City issued \$20.5 million in debt to finance projects. There was a net decrease of \$5.4 million in long-term liabilities from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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:

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

### Government-wide Financial Statements

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

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



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

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

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

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

## **Fund Financial Statements**

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

### *Governmental Funds*

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

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

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

### *Proprietary Funds*

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

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

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

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

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the City, individuals, private organizations or other governmental entities. Fiduciary funds include both trust and agency type funds. Trust fund statements allow the City to present its blended component unit, the City employee's pension trust fund, as well as other private purpose trusts. Agency funds include tax office collections on behalf of the other taxing entities and the treasury fund, which acts as a clearing fund for payroll liabilities and investment earnings. 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 the budgetary comparison and information concerning the City's funding of its pension benefit's obligation.

#### *Other Information*

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

City of El Paso, Texas  
Condensed Schedule of Net Assets

	Governmental Activities		Business-type Activities		Total		%
	2004	2003	2004	2003	2004	2003	
Current and other assets	\$ 188,121,575	207,974,585	93,891,147	102,809,694	282,012,722	310,784,279	-9.3%
Capital assets	<u>507,798,534</u>	<u>475,559,001</u>	<u>241,055,480</u>	<u>234,329,162</u>	<u>748,854,014</u>	<u>709,888,163</u>	5.5%
Total assets	<u>695,920,109</u>	<u>683,533,586</u>	<u>334,946,627</u>	<u>337,138,856</u>	<u>1,030,866,736</u>	<u>1,020,672,442</u>	1.0%
Other liabilities	21,704,698	20,392,198	6,499,220	7,206,095	28,203,918	27,598,293	2.2%
Long-term liabilities	<u>476,735,890</u>	<u>470,910,999</u>	<u>100,882,737</u>	<u>101,263,577</u>	<u>577,618,627</u>	<u>572,174,576</u>	1.0%
Total liabilities	<u>498,440,588</u>	<u>491,303,197</u>	<u>107,381,957</u>	<u>108,469,672</u>	<u>605,822,545</u>	<u>599,772,869</u>	1.0%
Net assets:							
Invested in capital assets, net of related debt	124,115,981	126,666,660	206,129,774	173,824,992	330,245,755	300,491,652	9.9%
Restricted	61,872,842	68,610,583	22,536,194	32,816,326	84,409,036	101,426,909	-16.8%
Unrestricted	<u>11,490,698</u>	<u>(3,046,854)</u>	<u>(1,101,298)</u>	<u>22,027,866</u>	<u>10,389,400</u>	<u>18,981,012</u>	-45.3%
Total net assets	<u>\$ 197,479,521</u>	<u>192,230,389</u>	<u>227,564,670</u>	<u>228,669,184</u>	<u>425,044,191</u>	<u>420,899,573</u>	1.0%

### Analysis of the City's Net Assets

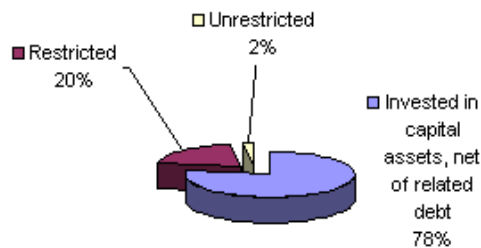
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of El Paso, assets exceeded liabilities by \$425.0 million at August 31, 2004.

The largest portion of the City's net assets, 77.7%, reflects its investments in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. 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, 19.7%, represents resources that are subject to external restrictions on how they may be used. These restricted net assets include reserves for debt service and construction, reserves for amounts restricted by other funding agencies, as well as a \$16 million cash reserve required by the City Charter. Restricted net assets decreased 17.6% 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 \$11.5 million surplus at the end of this year. This surplus indicates that the City has long-term commitments that do not exceed its net capital assets.

Primary Government Net Assets at August 31, 2004



Primary Government Net Assets



Unrestricted net assets in business-type activities totaled a deficit of \$1.1 million, decreasing \$23.1 million from 2003. This was primarily due to a reclassification of certain net assets from unrestricted to restricted in the El Paso International Airport Fund.

### Analysis of the City's Operations

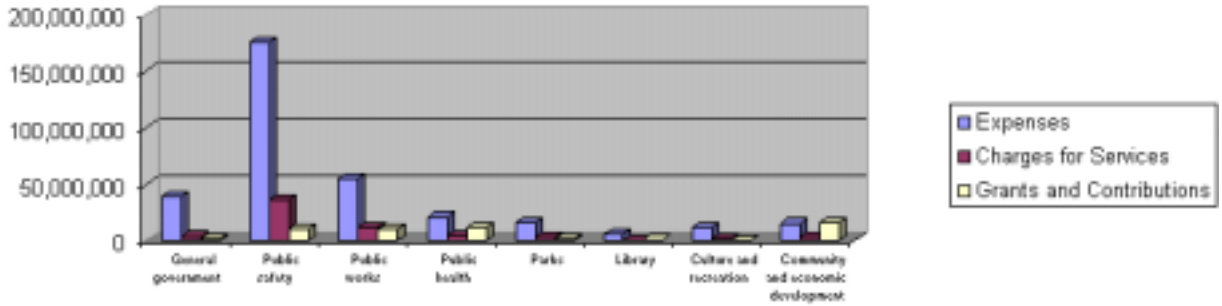
The following table provides a summary of the City's operations for the year ended August 31, 2004. Governmental activities increased the City of El Paso's net assets by \$5.2 million offset by a decrease in the business-type activities of the City of \$1.1 million resulting in a net asset increase of \$4.1 million.

City of El Paso, Texas  
Condensed Schedule of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		% Change
	2004	2003	2004	2003	2004	2003	
Revenues:							
Program revenues:							
Charges for services	\$ 61,939,950	53,865,713	76,049,239	71,709,915	137,989,189	125,575,628	9.9%
Operating grants and contributions	37,667,385	39,087,412	13,203,546	11,798,744	50,870,931	50,886,156	0.0%
Capital grants and contributions	12,933,126	7,007,936	9,943,357	10,802,246	22,876,483	17,810,182	28.4%
General revenues:							
Ad valorem taxes	136,847,063	132,122,616			136,847,063	132,122,616	3.6%
Sales tax	58,255,358	54,509,563	25,747,419	24,086,524	84,002,777	78,596,087	6.9%
Franchise taxes	30,630,964	28,343,827			30,630,964	28,343,827	8.1%
Investment earnings	1,740,215	1,781,773	926,350	872,646	2,666,565	2,654,419	0.5%
Total revenues	340,014,061	316,718,840	125,869,911	119,270,075	465,883,972	435,988,915	6.9%
Expenses:							
Governmental activities:							
General government	39,267,475	33,524,492			39,267,475	33,524,492	17.1%
Public safety	175,113,112	166,270,434			175,113,112	166,270,434	5.3%
Public works	54,184,948	60,320,589			54,184,948	60,320,589	-10.2%
Public health	21,013,400	23,207,396			21,013,400	23,207,396	-9.5%
Parks	16,020,341	16,775,398			16,020,341	16,775,398	-4.5%
Library	5,828,037	7,545,588			5,828,037	7,545,588	-22.8%
Culture and recreation	11,348,870	11,235,927			11,348,870	11,235,927	1.0%
Community and economic development	15,167,888	21,962,296			15,167,888	21,962,296	-30.9%
Interest on long-term debt	18,012,558	17,061,437			18,012,558	17,061,437	5.6%
Business-type activities:							
El Paso International Airport			28,818,394	28,600,500	28,818,394	28,600,500	0.8%
International Bridges			3,029,436	2,843,756	3,029,436	2,843,756	6.5%
Solid Waste Management			28,703,259	24,340,677	28,703,259	24,340,677	17.9%
Mass Transit			45,231,636	44,267,736	45,231,636	44,267,736	2.2%
Total expenses	355,956,629	357,903,557	105,782,725	100,052,669	461,739,354	457,956,226	0.8%
Excess (deficiency) before transfers	(15,942,568)	(41,184,717)	20,087,186	19,217,406	4,144,618	(21,967,311)	-118.9%
Transfers	21,191,700	21,996,686	(21,191,700)	(21,996,686)	0	0	
Increase (decrease) in net assets	5,249,132	(19,188,031)	(1,104,514)	(2,779,280)	4,144,618	(21,967,311)	-118.9%
Net assets - September 1	192,230,389	211,418,420	228,669,184	231,448,464	420,899,573	442,866,884	-5.0%
Net assets - August 31	\$ 197,479,521	192,230,389	227,564,670	228,669,184	425,044,191	420,899,573	1.0%

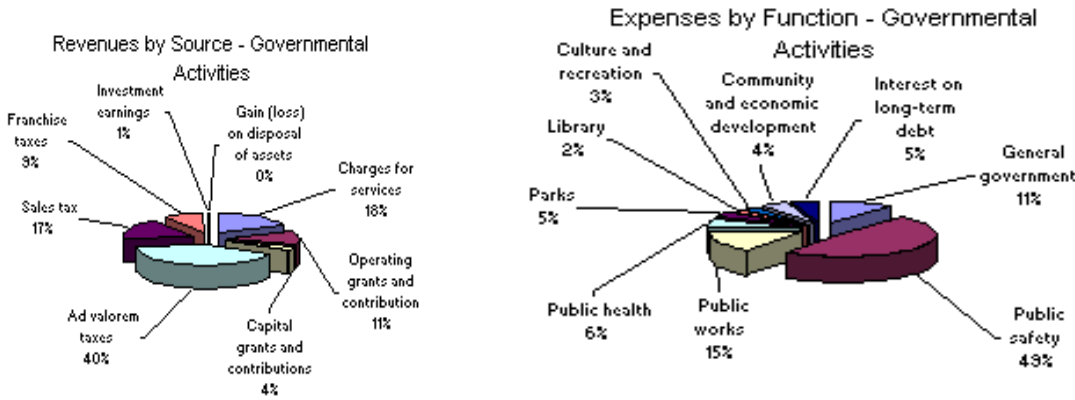
The total cost of all programs and services was \$461.7 million. Governmental activities cover a range of typical City services and are directly supported by charges for these services, grants and contributions. As illustrated in the following chart, without exception, these revenues are inadequate to 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.

### Expenses and Program Revenues - Governmental Activities

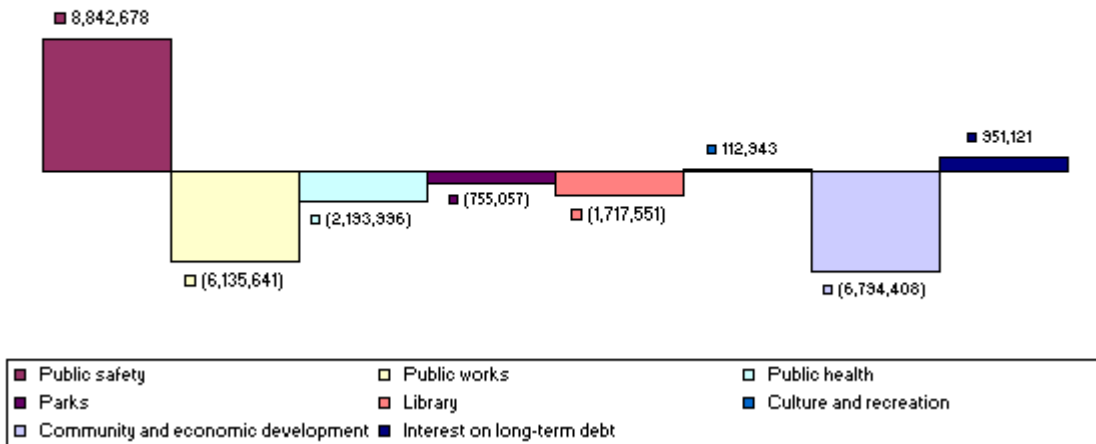


The City’s total revenue on a government-wide basis was \$465.9 million. Revenues for governmental activities totaled \$340.0 million. Taxes, in the form of property, sales and franchise taxes, represent 66.4% of the City’s governmental activities revenues and charges for services make up another 18.2% with the remaining funds coming from state and federal aid, interest earnings and other miscellaneous revenues.

The following charts break down the City’s governmental activities revenues by source, expenses by function and show the change in expenses from the prior year. General revenues such as taxes and investment earnings are not reflected in the above program revenues but are included in the governmental activities revenues chart to illustrate their significance.



### Change in Functional Expenses - Governmental Funds



Total expenses for business-type activities increased \$5.7 million to \$105.8 million while program revenues increased \$4.9 million to \$99.2 million.

	Expenses	Program Revenues
Airport	\$ 28,818,394	38,421,195
International Bridges	3,029,436	12,000,216
Solid Waste Management	28,703,259	29,447,618
Mass transit	45,231,636	19,327,113
	<u>\$ 105,782,725</u>	<u>99,196,142</u>

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental funds** – At the end of the current fiscal year, the City of El Paso's governmental funds reported combined ending fund balances of \$80.7 million, a decrease of \$36.3 million from 2003. Approximately 75% of this total amount or \$60.5 million constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved to indicate that is not available for new spending because it has already been committed (i.e., \$16 million to provide a cash reserve, \$3.0 million to provide for inventory and \$1.2 million to pay for subsequent years expenditures and contingencies).

The General Fund is the general operating fund of the City. As of August 31, 2004, the fund balance for the General Fund totaled \$36.3 million decreasing \$5.0 million from the prior year. The unreserved and undesignated portion of the fund balance decreased by \$4.2 million, to \$16.4 million at August 31, 2004. 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 6.5% of total fund expenditures, while total fund balance represents 14.4%.

The Community Development Block Grants Fund is the only Special Revenue Fund designated as a major fund for reporting purposes. These grant-related activities generated \$17.4 million in revenues for the year ended August 31, 2004 with \$35.7 in deferred revenues consisting primarily of \$33.4 in notes receivable.

Fund balance for debt service decreased \$5.1 million from 2003. As in prior year, the decision to draw down the fund balance was made in order to maintain the tax rate for debt service.

Capital Projects Fund expenditures totaled \$62.8 million for the 2004 fiscal year. \$20.5 million in commercial paper was issued, taking advantage of the low interest rates available for these short-term arrangements. Additionally, \$15.6 million in revenues was generated resulting in a fund balance decrease of \$27.9 million from the prior year.

The following schedules provide an overview of General Fund revenues by source and expenditures by function, highlighting changes from the prior fiscal year.

<u>Revenues by Source - General Fund</u>						
	Actuals		% of Total Revenue		Increase (Decrease)	
	2004	2003	2004	2003	\$	%
Property Taxes	\$ 103,682,275	100,260,388	45.9%	46.6%	\$ 3,421,887	3.4%
Sales Taxes	52,320,461	49,405,685	23.1%	22.9%	2,914,776	5.9%
Franchise Fees	30,630,964	28,343,827	13.6%	13.2%	2,287,137	8.1%
Fines and Forfeits	15,444,043	14,756,863	6.8%	6.9%	687,180	4.7%
Charges for Services	12,161,317	11,921,339	5.4%	5.5%	239,978	2.0%
Licenses and Permits	8,656,832	7,027,975	3.8%	3.3%	1,628,857	23.2%
Intergovernmental Revenues	2,480,537	2,521,679	1.1%	1.2%	(41,142)	-1.6%
Interest	359,939	456,619	0.2%	0.2%	(96,680)	-21.2%
Rents and Other	294,287	657,351	0.1%	0.3%	(363,064)	-55.2%
Total Revenue	<u>\$ 226,030,655</u>	<u>215,351,726</u>			<u>\$ 10,678,929</u>	5.0%

Expenditures by Function - General Fund

	Actuals		% of Total Expenditures		Increase (Decrease)	
	2004	2003	2004	2003	\$	%
	Public Safety	\$ 155,461,974	145,877,624	61.74%	60.61%	\$ 9,584,350
Public Works	35,411,993	35,335,344	14.06%	14.68%	76,649	0.22%
General Government	26,545,873	25,711,177	10.54%	10.68%	834,696	3.25%
Parks	12,298,652	11,574,158	4.88%	4.81%	724,494	6.26%
Public Health	10,028,690	10,002,458	3.98%	4.16%	26,232	0.26%
Library	5,348,625	5,367,952	2.12%	2.23%	(19,327)	-0.36%
Culture and Recreation	4,575,163	4,605,753	1.82%	1.91%	(30,590)	-0.66%
Economic Development	927,204	1,043,487	0.37%	0.43%	(116,283)	-11.14%
Non-departmental	891,060	881,312	0.35%	0.37%	9,748	1.11%
Community and Human Development	323,929	286,881	0.13%	0.12%	37,048	12.91%
Total Expenditures	<u>\$ 251,813,163</u>	<u>240,686,146</u>			<u>\$ 11,127,017</u>	<u>4.62%</u>

**Proprietary funds** – The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the respective proprietary funds are shown on the Balance Sheet for these funds. The funds had a net assets increase (decrease) in 2004 as follows:

	Increase (Decrease)
Airport	\$ 6,659,608
International Bridges	69,650
Solid Waste Management	(3,981,015)
Mass transit	<u>(3,852,757)</u>
Net asset decrease	<u>\$ (1,104,514)</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In the General Fund, the City originally budgeted for a decrease in the fund balance of \$15.3 million. Although actual revenues and transfers were \$3.2 million less than estimated, actual expenditures were \$7.1 million less than anticipated, resulting in a net decrease of \$5.0 million in fund balance at the end of 2004.

Budget preparation for the 2004 fiscal year reflected economic indicators of a slowing, but stable economy. Although moderate increases in sales tax receipts and bridge revenues were anticipated, management maintained its conservative posture in balancing the budget and preserving adequate reserves.

City Council voted to maintain its property tax rate for both maintenance and operations and debt service of \$0.719833 per \$100 in value for 2003 that resulted in an increase in the amount of fund balance to be used in 2004 as compared to 2003. Management held the line in expenditures in an effort to offset the decrease in anticipated revenues and was able to keep expenditures at 97% of budget.

Much of the City’s limited additional resources for the 2004 fiscal year were needed to absorb certain costs from the public safety function that were no longer grant funded. Over 100 positions were absorbed by the General Fund that caused the majority of the \$11.1 million increase in expenditures from 2003.

In early 2004, the City adopted a new form of governance that impacted restructuring in certain departments. Significant staffing changes were held off until the new City Manager was hired on September 1, 2004. As such, administration was able to hold various positions during 2004 that alleviated some of the revenue shortfall.

During the year, the City made revisions to the original appropriations approved by City Council. These changes resulted in an increase in the use of fund balance from the original budget by \$1.1 million. The majority of the revisions were done to meet critical departmental needs.

## **CAPITAL ASSETS**

The City of El Paso's investment in capital assets for its governmental and business-type activities as of August 31, 2004, amounts to \$748.9 million (net of accumulated depreciation).

### *Infrastructure Assets*

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure and all other tangible assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 5). The City has capitalized all purchased assets with a cost of \$5,000 or more.

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 136,873,435	6,466,999	143,340,434
Buildings	87,061,644	100,224,689	187,286,333
Equipment	36,165,775	32,926,985	69,092,760
Improvements	4,265,834	82,631,764	86,897,598
Infrastructure	156,568,458		156,568,458
Construction in Progress	86,863,388	18,805,043	105,668,431
Total	<u>\$ 507,798,534</u>	<u>241,055,480</u>	<u>748,854,014</u>

This year's major capital projects expenditures included:

Capital equipment	\$9,470,944
Plaza Theatre renovation	3,106,331
Animal Shelter	3,644,315
Vista del Valle Recreation Center	1,163,611
Eastwood Park Recreation Center	3,299,104
Marty Robbins Recreation Center	2,365,444
Delta Swimming Pool	1,255,983

The City expended \$21,703,014 on projects authorized by the May 6, 2000 bond election and \$8,178,867 on projects authorized by the February 7, 2004 bond election.

## **DEBT ADMINISTRATION**

At the end of the fiscal year, the City of El Paso had total debt and notes payable of \$452,734,165. Of this amount, \$400,990,000 is comprised of bonded debt backed by the full faith and credit of the government and \$38,660,000 represents bonds secured solely by fees for services rendered. Notes payable of \$9,254,546 pertains 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.



**OUTSTANDING DEBT AT YEAR-END  
BONDS AND NOTES PAYABLE**

	Governmental Activities	Business-Type Activities	Total
General Obligations	\$ 162,330,000		162,330,000
Revenue Bonds Payable		38,660,000	38,660,000
Certificate of Obligations	176,402,992	21,757,008	198,160,000
Commercial Paper	40,500,000		40,500,000
Notes Payable		9,254,546	9,254,546
Unamortized discount (premium)	4,475,182	(645,563)	3,829,619
Total	<u>\$ 383,708,174</u>	<u>69,025,991</u>	<u>452,734,165</u>

During the fiscal year, the City issued \$29,265,000 in refunding general of obligation bonds, 22,120,000 in revenue bonds, \$20,500,000 in commercial paper and \$18,000,000 in refunding revenue bonds. Commercial paper proceeds will be used to pay costs of land acquisition and improvements, construction and building improvements.

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

	Moody's Investors Service	Standard & Poor's
General Obligations	Aaa	AAA
Revenue Bonds Payable	A	A-
Certificate of Obligations	Aa3	AA
Contractual Obligations	Aa3	AA
Commercial Paper	P-1	A-1+

Several of the City's Bonds are insured thus holding a AAA credit rating from both Moody's and Standard & Poor's. The City's rating on commercial paper is the highest rating given.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

According to recent reports by the Texas State Comptroller (Comptroller), the Upper Rio Grande region of Texas is expected to have stable economic growth. Unemployment rates for the City dropped from 10.3% in August 2003 to 7.5% through the end of August 2004. The annual unemployment rate for 2003 for the City was 9.7% and was 7.1% through the end of October 2004. This is in line with the overall State experience where the unemployment rate has decreased from 6.8% in August 2003 to 5.7% in August 2004.

Retail sales continue to increase for the state overall. As reported by the Comptroller, sales tax collections increased by 8% statewide through October 2004 compared to October 2003. The City of El Paso also reflected a 6.8% growth from the prior year in sales tax collection. The City also increased its bridge revenues by 8.2% by increasing its bridge fees in 2004. And although the City maintained its tax rate at the same rate as in 2003, the City was able to collect an additional 4% over prior year due to an increase in property values.

Investment earnings have still not reached the amounts that had been earned in years prior to 2003, however, this year's decline in investment earnings was only 3% compared to last year's decline of 63%. Investments were limited to short-term investments such as government investment pools due to market conditions. Investment strategies are being reviewed to seek out additional earnings opportunities.

For 2005, the budget was prepared with a use of fund balance of approximately \$9 million or 55% of its projected fund balance at the end of August 2004. Contractual obligations, incurred for wage adjustments in the area of public safety, had the greatest impact on the 2005 budget. This has necessitated action in reducing costs and increasing revenues derived from services provided by the City. Through the recent implementation of Activity-Based Costing, certain fees have been analyzed and adjusted to adequately recover costs for providing certain services.

In February 2004, the citizenry of the City of El Paso voted to approve a change in the structure of the City government, from a strong mayor form of government to a council-manager form of government. The City Manager shall be the chief administrative officer of the City, responsible to the Council for the administration of all City affairs. The budget passed for 2005 approved by the Council and Mayor was the last approved under the former government structure. The 2005 budget reflected the many challenges facing the City of El Paso in the future such as growing demands for services, new funding commitments driven by the 2000 Quality of Life bond projects, increasing operating costs, and limited resources for future obligations.

The City will continue to adopt a conservative fiscal approach as evidenced in the 2005 budget with the elimination of over 100 positions across various departments. The City will strive to maintain adequate reserves while continuously searching for revenue opportunities and cost containment strategies.

## **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/comptroller/>. If you have questions about this report or need any additional information, contact:

Comptroller Department  
Attention: Comptroller  
2 Civic Center Plaza – 7<sup>th</sup> floor  
El Paso, Texas 79901-1196  
(915) 541-4436  
e-mail: [citycomptroller@ci.el-paso.tx.us](mailto:citycomptroller@ci.el-paso.tx.us)

# **BASIC FINANCIAL STATEMENTS**



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# CITY OF EL PASO, TEXAS

## STATEMENT OF NET ASSETS

August 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	El Paso Water Utilities
<b>ASSETS</b>				
Cash and Cash Equivalents (Note 2)	\$ 76,417,741	51,788,749	128,206,490	8,929,450
Investments (Note 2)	7,492,975	156,554	7,649,529	3,015,000
Receivables, net of allowances (Note 4)	103,990,406	10,568,775	114,559,181	12,115,176
Prepaid Items		159,810	159,810	1,690,616
Internal Balances (Note 6)	(4,254,712)	4,254,712		
Due from Component Unit	881,332	2,160,784	3,042,116	
Inventory	3,593,833	2,274,218	5,868,051	2,327,350
Restricted Cash and Cash Equivalents (Note 2)		21,614,624	21,614,624	111,918,852
Restricted Investments (Note 2)		419,345	419,345	53,316,618
Restricted Trade and Other Receivables		493,576	493,576	277,917
Unamortized Bond Issue Expense				5,096,985
Capital Assets, not being depreciated (Note 5)	223,736,823	25,272,042	249,008,865	151,773,126
Capital Assets being depreciated, Net (Note 5)	284,061,711	215,783,438	499,845,149	596,612,621
<b>Total assets</b>	<b>695,920,109</b>	<b>334,946,627</b>	<b>1,030,866,736</b>	<b>947,073,711</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	6,519,715	3,004,251	9,523,966	12,425,994
Accrued Payroll	6,736,696	1,280,504	8,017,200	
Due to Primary Government				2,462,684
Taxes and Fees Payable	1,500,742	199,730	1,700,472	
Accrued Interest Payable	783,706	445,719	1,229,425	12,310,277
Deferred Revenue		834,761	834,761	
Other Current Liabilities		85,968	85,968	6,802,188
Construction Contracts and Retainage Payable	6,163,839	648,287	6,812,126	1,642,148
Long-term Liabilities-Current (Note 8)	107,189,550	11,019,863	118,209,413	16,256,388
Long-term Liabilities-Non-current (Note 8)	369,546,340	89,862,874	459,409,214	371,374,328
<b>Total liabilities</b>	<b>498,440,588</b>	<b>107,381,957</b>	<b>605,822,545</b>	<b>423,274,007</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	124,115,981	206,129,774	330,245,755	483,538,832
Restricted for:				
Debt Service	1,994,375	10,062,777	12,057,152	14,829,047
Cash Reserve	16,000,000		16,000,000	
Passenger Facilities		502,400	502,400	
Airport Operations		11,971,017	11,971,017	
Special Revenue	12,864,318		12,864,318	
Capital Projects	31,014,149		31,014,149	10,463,120
Unrestricted	11,490,698	(1,101,298)	10,389,400	14,968,705
<b>Total net assets</b>	<b>\$ 197,479,521</b>	<b>227,564,670</b>	<b>425,044,191</b>	<b>523,799,704</b>

CITY OF EL PASO, TEXAS  
STATEMENT OF ACTIVITIES  
For the year ended August 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			El Paso Water Utilities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 39,267,475	3,693,791	1,590,042	14,812	(33,968,830)		(33,968,830)	
Public safety	175,113,112	35,591,997	8,460,718	1,385,284	(129,675,113)		(129,675,113)	
Public works	54,184,948	11,280,055	21,104	10,365,784	(32,518,005)		(32,518,005)	
Public health	21,013,400	4,349,549	11,023,902	575,340	(5,064,609)		(5,064,609)	
Parks	16,020,341	3,038,679	654,827	303,073	(12,023,762)		(12,023,762)	
Library	5,828,037		579,979	274,505	(4,973,553)		(4,973,553)	
Culture and recreation	11,348,870	1,156,533			(10,192,337)		(10,192,337)	
Community and economic development	15,167,888	2,829,346	15,336,813	14,328	3,012,599		3,012,599	
Interest on long-term debt	18,012,558				(18,012,558)		(18,012,558)	
<b>Total governmental activities</b>	<b>355,956,629</b>	<b>61,939,950</b>	<b>37,667,385</b>	<b>12,933,126</b>	<b>(243,416,168)</b>		<b>(243,416,168)</b>	
<b>Business-type Activities:</b>								
International airport operations	26,530,227	21,694,995	4,126,464	6,716,686		6,007,918	6,007,918	
Industrial park operations and other operations	2,288,167	5,883,050				3,594,883	3,594,883	
International bridges operations	3,029,436	12,000,216				8,970,780	8,970,780	
Solid waste disposal operations	28,703,259	29,423,203	24,415			744,359	744,359	
Mass transit operations	45,231,636	7,047,775	9,052,667	3,226,671		(25,904,523)	(25,904,523)	
<b>Total business-type activities</b>	<b>105,782,725</b>	<b>76,049,239</b>	<b>13,203,546</b>	<b>9,943,357</b>		<b>(6,586,583)</b>	<b>(6,586,583)</b>	
<b>Total Primary Government</b>	<b>\$ 461,739,354</b>	<b>137,989,189</b>	<b>50,870,931</b>	<b>22,876,483</b>	<b>(243,416,168)</b>	<b>(6,586,583)</b>	<b>(250,002,751)</b>	
<b>Component Units:</b>								
Water	\$ 64,372,705	68,736,468		6,735,351				11,099,114
Wastewater and reclaimed water	47,959,241	44,011,478		5,018,001				1,070,238
<b>Total Component Units</b>	<b>\$ 112,331,946</b>	<b>112,747,946</b>		<b>11,753,352</b>				<b>12,169,352</b>
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes, levied for general purposes					104,142,813		104,142,813	
Property taxes, levied for debt service					32,704,250		32,704,250	
Franchise taxes					30,630,964		30,630,964	
Sales taxes					58,255,358	25,747,419	84,002,777	
Investment earnings					1,740,215	926,350	2,666,565	1,652,050
Transfers					21,191,700	(21,191,700)		
<b>Total general revenues and transfers</b>					<b>248,665,300</b>	<b>5,482,069</b>	<b>254,147,369</b>	<b>1,652,050</b>
Change in net assets					5,249,132	(1,104,514)	4,144,618	13,821,402
Net assets - beginning					192,230,389	228,669,184	420,899,573	509,978,302
Net assets - ending					<b>\$ 197,479,521</b>	<b>227,564,670</b>	<b>425,044,191</b>	<b>523,799,704</b>

CITY OF EL PASO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2004

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 23,561,827	696,384	314,731	41,337,457	10,507,142	76,417,541
Investments	7,492,975					7,492,975
Receivables - Net of Allowances						
Taxes	16,290,610		2,694,448			18,985,058
Trade	919,890				236,187	1,156,077
Notes		33,398,239				33,398,239
Other	43,511,993					43,511,993
Due from Other Government Agencies	7,078	2,360,378		123,770	4,427,405	6,918,631
Due from Other Funds	1,235,494				2,918,506	4,154,000
Due from Component Unit	881,332					881,332
Inventory	2,985,448					2,985,448
<b>Total Assets</b>	<b>\$ 96,886,647</b>	<b>36,455,001</b>	<b>3,009,179</b>	<b>41,461,227</b>	<b>18,089,240</b>	<b>195,901,294</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 3,784,481	652,412	1,553		1,553,402	5,991,848
Accrued Payroll	5,815,669	103,334		2,906	662,375	6,584,284
Due to Other Funds				4,280,333	2,918,506	7,198,839
Taxes Payable	1,500,729				13	1,500,742
Deferred Revenue	41,864,360	35,699,255			90,626	77,654,241
Deferred Ad Valorem Taxes	7,572,442		2,496,861			10,069,303
Construction Contracts and Retainage Payable				6,163,839		6,163,839
<b>Total Liabilities</b>	<b>60,537,681</b>	<b>36,455,001</b>	<b>2,498,414</b>	<b>10,447,078</b>	<b>5,224,922</b>	<b>115,163,096</b>
<b>FUND BALANCES</b>						
Reserved for:						
Cash Reserve	16,000,000					16,000,000
Inventory	2,985,448					2,985,448
Unreserved:						
Designated for Subsequent Years			229,545			229,545
Designated for Contingencies	1,000,000					1,000,000
Undesignated-Special Revenue Funds					12,864,318	12,864,318
Undesignated	16,363,518		281,220	31,014,149		47,658,887
<b>Total Fund Balances</b>	<b>36,348,966</b>		<b>510,765</b>	<b>31,014,149</b>	<b>12,864,318</b>	<b>80,738,198</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 96,886,647</b>	<b>36,455,001</b>	<b>3,009,179</b>	<b>41,461,227</b>	<b>18,089,240</b>	<b>195,901,294</b>

CITY OF EL PASO, TEXAS  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
August 31, 2004

Fund balances - total governmental funds balance sheet \$ 80,738,198

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

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

Governmental capital assets	1,093,356,532	
Accumulated depreciation	(585,916,694)	
		507,439,838

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

Deferred revenue	902,746	
Property taxes	10,069,303	
Deferred revenue from fines and forfeits	41,052,240	
		52,024,289

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. (18,945,646)

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	(783,706)	
Unamortized bond issuance premium	(4,475,182)	
Arbitrage rebate payable	(30,227)	
Claims and judgements	(1,515,948)	
Compensated absences	(38,009,369)	
Bonds, notes and commercial paper payable	(378,962,726)	
		(423,777,158)

Net assets of governmental activities	\$ 197,479,521
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**CITY OF EL PASO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the year ended August 31, 2004

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 103,682,275		32,631,918			136,314,193
Sales Taxes	52,320,461			2,144,612	3,790,285	58,255,358
Franchise Fees	30,630,964					30,630,964
Charges for Services	12,161,317	29,514	229,545	939,458	4,614,770	17,974,604
Fines and Forfeits	15,444,043				991,419	16,435,462
Licenses and Permits	8,656,832					8,656,832
Intergovernmental Revenues	2,480,537	14,479,787		1,522,637	25,209,694	43,692,655
Interest	377,565	328,847	392,579	607,228	51,622	1,757,841
Rents and Other	294,287	2,564,122	54,811	10,430,213	3,799,296	17,142,729
Net Decrease in the Fair Value of Investments	(17,626)					(17,626)
<b>Total revenues</b>	<b>226,030,655</b>	<b>17,402,270</b>	<b>33,308,853</b>	<b>15,644,148</b>	<b>38,457,086</b>	<b>330,843,012</b>
<b>EXPENDITURES</b>						
Current:						
General Government	26,545,873	288,768		40,533	441,717	27,316,891
Public Safety	155,461,974				10,431,191	165,893,165
Public Works	35,411,993			999,728	38,198	36,449,919
Public Health	10,028,690				11,526,920	21,555,610
Parks Department	12,298,652	159,867			2,433,375	14,891,894
Library	5,348,625				317,674	5,666,299
Non Departmental	891,060					891,060
Culture and Recreation	4,575,163				5,008,903	9,584,066
Economic Development	927,204				1,158,305	2,085,509
Solid Waste					10,022	10,022
Community and Human Development	323,929	11,634,892			1,224,666	13,183,487
Debt Service:						
Principal			20,767,718			20,767,718
Interest Expense			19,315,221			19,315,221
Fiscal Fees			49,584			49,584
Capital Outlay		5,318,743		61,722,111	4,394,922	71,435,776
<b>Total expenditures</b>	<b>251,813,163</b>	<b>17,402,270</b>	<b>40,132,523</b>	<b>62,762,372</b>	<b>36,985,893</b>	<b>409,096,221</b>
Excess (Deficiency) of revenues over expenditures	(25,782,508)		(6,823,670)	(47,118,224)	1,471,193	(78,253,209)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	21,298,949		1,756,956	176,493	334,621	23,567,019
Transfers Out	(490,155)			(1,707,309)	(177,855)	(2,375,319)
Face Amount of Commercial Paper Issued				20,500,000		20,500,000
Face Amount of Refunding Bonds Issued			29,265,000			29,265,000
Premium on Issuance of Bonds			2,047,876			2,047,876
Payment to Refunding Bond Escrow Agent			(31,312,876)			(31,312,876)
Proceeds from Sale of Capital Assets				218,744		218,744
<b>Total other financing sources (uses)</b>	<b>20,808,794</b>		<b>1,756,956</b>	<b>19,187,928</b>	<b>156,766</b>	<b>41,910,444</b>
Net change in fund balances	(4,973,714)		(5,066,714)	(27,930,296)	1,627,959	(36,342,765)
Fund balances - beginning of year	41,322,680		5,577,479	58,944,445	11,236,359	117,080,963
Fund balances - end of year	\$ 36,348,966		510,765	31,014,149	12,864,318	80,738,198

**CITY OF EL PASO, TEXAS**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
For the year ended August 31, 2004

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

Net change in fund balances - total governmental funds	\$	(36,342,765)
<p>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.</p>		
Capital acquisitions	64,233,337	
Depreciation	<u>(31,563,474)</u>	32,669,863
<p>The net effect of various miscellaneous transactions involving capital assets (I.e., sales, disposals) is to decrease net assets.</p>		
Cost of disposed assets	(3,634,302)	
Accumulated depreciation on disposed assets	<u>3,256,398</u>	(377,904)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
Deferred revenue	902,746	
Deferred revenue from fines and forfeits	10,131,137	
Property taxes	<u>532,870</u>	11,566,753
<p>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.</p>		
Issuance of long-term debt and commercial paper	(49,765,000)	
Repayments	20,767,718	
Amounts refunded	31,312,876	
Premium on issuance of bonded debt	<u>(2,047,876)</u>	267,718
<p>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.</p>		
Increase in compensated absences	(4,069,128)	
Increase in claims and judgements	(1,010,539)	
Decrease in accrued interest expense	1,011,696	
Amortization of premiums on bonds issued	544,974	
Accretion of discount on bonds issued	<u>(254,007)</u>	(3,777,004)
<p>Internal service funds are used by management to charge the costs of health insurance, worker's compensation, unemployment benefits, postage, copy center and equipment maintenance to individual funds. The net expense of the internal service funds is reported by function within governmental activities.</p>		
		1,242,471
Change in net assets of governmental activities	<u>\$</u>	<u>5,249,132</u>

CITY OF EL PASO, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
August 31, 2004

Business Type Activities - Enterprise Funds						
	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Totals	Governmental Activities - Internal Service Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 21,784,001	5,360,121	22,635,578	2,009,049	51,788,749	200
Investments		156,554			156,554	
Receivables - Net of Allowances						
Taxes				3,979,141	3,979,141	
Trade	2,340,917		471,171	34,713	2,846,801	20,408
Due From Component Unit			2,160,784		2,160,784	
Due From Other Government Agencies	115,485			3,627,348	3,742,833	
Prepaid Items	107,696		2,359	49,755	159,810	
Due From Other Funds		150,000	4,104,712		4,254,712	25,621
Inventory	632,162		162,720	1,269,631	2,064,513	572,599
Fuel Inventory	4,688			205,017	209,705	35,786
Total current assets	<u>24,984,949</u>	<u>5,666,675</u>	<u>29,537,324</u>	<u>11,174,654</u>	<u>71,363,602</u>	<u>654,614</u>
Restricted Cash and Cash Equivalents	21,614,624				21,614,624	
Restricted Investments		419,345			419,345	
Restricted Trade Receivables	493,576				493,576	
Capital Assets						
Land	1,382,217	850,007		4,234,775	6,466,999	
Buildings, Improvements & Equipment, Net	146,271,468	4,241,146	17,719,601	47,551,222	215,783,437	358,696
Construction in Progress	11,008,899	3,200,826	1,303,561	3,291,758	18,805,044	
Total non-current assets	<u>180,770,784</u>	<u>8,711,324</u>	<u>19,023,162</u>	<u>55,077,755</u>	<u>263,583,025</u>	<u>358,696</u>
<b>TOTAL ASSETS</b>	<u>\$ 205,755,733</u>	<u>14,377,999</u>	<u>48,560,486</u>	<u>66,252,409</u>	<u>334,946,627</u>	<u>1,013,310</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts Payable	\$ 1,560,985	170,644	244,903	1,027,719	3,004,251	527,867
Accrued Payroll	245,919	53,138	356,946	624,501	1,280,504	152,412
Current Portion - Bonds and Notes Payable	3,320,525	983,210	1,065,276		5,369,011	
Certificate of Obligation Bonds - Current			3,250,349		3,250,349	104,181
Due to Other Funds						1,235,494
Hydrocarbon Clean Up - Current				250,000	250,000	
Taxes Payable	31,181	(9)	168,886	(328)	199,730	
Interest Payable on Bonds and Notes	25,018	328,674	92,027		445,719	
Deferred Revenue	485,009			349,752	834,761	
Other Payables				85,968	85,968	
Construction Contracts and Retainage Payable	619,082			29,205	648,287	
Compensated Absences - Current	547,814	53,935	395,531	793,223	1,790,503	135,208
Claims and Judgments - Current				360,000	360,000	
Total current liabilities	<u>6,835,533</u>	<u>1,589,592</u>	<u>5,573,918</u>	<u>3,520,040</u>	<u>17,519,083</u>	<u>2,155,162</u>
Long-term liabilities:						
Certificates of Obligation Bonds		93,640	18,384,265		18,477,905	166,085
Revenue Bonds	10,110,773	1,630,000	21,602,863		33,343,636	
Notes Payable		8,585,090			8,585,090	
Hydrocarbon Clean Up				776,115	776,115	
Compensated Absences	154,511	15,212	111,560	223,730	505,013	38,136
Landfill Closure Costs			27,129,304		27,129,304	
Delta Transfer Station Closure Costs			99,243		99,243	
Claims and Judgments				946,568	946,568	17,599,573
Total non-current liabilities	<u>10,265,284</u>	<u>10,323,942</u>	<u>67,327,235</u>	<u>1,946,413</u>	<u>89,862,874</u>	<u>17,803,794</u>
<b>TOTAL LIABILITIES</b>	<u>17,100,817</u>	<u>11,913,534</u>	<u>72,901,153</u>	<u>5,466,453</u>	<u>107,381,957</u>	<u>19,958,956</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	145,231,286	1,970,120	3,850,613	55,077,755	206,129,774	114,051
Restricted for:						
Debt Service	9,643,432	419,345			10,062,777	
Airport Operations	11,971,017				11,971,017	
Passenger Facilities	502,400				502,400	
Unrestricted:						
Designated for Capital Projects				6,213,429	6,213,429	
Unrestricted	21,306,781	75,000	(28,191,280)	(505,228)	(7,314,727)	(19,059,697)
Unrestricted net assets	<u>21,306,781</u>	<u>75,000</u>	<u>(28,191,280)</u>	<u>5,708,201</u>	<u>(1,101,298)</u>	<u>(19,059,697)</u>
Total net assets (deficit)	<u>188,654,916</u>	<u>2,464,465</u>	<u>(24,340,667)</u>	<u>60,785,956</u>	<u>227,564,670</u>	<u>(18,945,646)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 205,755,733</u>	<u>14,377,999</u>	<u>48,560,486</u>	<u>66,252,409</u>	<u>334,946,627</u>	<u>1,013,310</u>

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)**  
**PROPRIETARY FUNDS**  
For the year ended August 31, 2004

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Total	
<b>OPERATING REVENUES:</b>						
Charges of Rentals and Fee	\$ 27,578,045		29,419,819		56,997,864	
Charges of Tolls		11,650,795			11,650,795	
Charges of Fares and Fee				7,047,775	7,047,775	
Sales to Departments						11,650,375
Premium Contributions						39,680,960
General Revenues		349,421	27,799		377,220	1,035,580
<b>Total Operating Revenues</b>	<b>27,578,045</b>	<b>12,000,216</b>	<b>29,447,618</b>	<b>7,047,775</b>	<b>76,073,654</b>	<b>52,366,915</b>
<b>OPERATING EXPENSES:</b>						
Personnel Service:	10,133,740	1,313,133	10,121,047	27,112,058	48,679,978	3,994,724
Contractual Services:	247,261		317,942		565,203	3,564
Professional Service:	541,919	10,306	422,442	221,104	1,195,771	1,382,390
Outside Contracts:	1,943,576	396,895	193,829	2,533,224	5,067,524	2,826,874
Fuel and Lubricants	135,148		1,051,682	3,908,523	5,095,353	3,427,515
Materials and Supplies:	536,247	23,202	4,139,781	2,719,278	7,418,508	3,506,091
Communications	142,250	11,280	37,176	91,714	282,420	13,750
Utilities	1,763,277	23,107	11,524	405,002	2,202,910	8,602
Operating Leases:	18,048	341,579	7,749	369,925	737,301	61,350
Travel and Entertainment	72,221	1,878	11,053	16,719	101,871	10,212
Benefits Provider						34,828,909
Maintenance and Repair:	947,031	18,650	11,064	86,962	1,063,707	919,277
Landfill and Transfer Station Utilization			2,439,479		2,439,479	
Other Operating Expense:	782,769	3,773	2,705,531	1,784,618	5,276,691	35,774
Depreciation	10,645,694	373,099	5,658,072	5,993,046	22,669,911	82,892
<b>Total Operating Expenses</b>	<b>27,909,181</b>	<b>2,516,902</b>	<b>27,128,371</b>	<b>45,242,173</b>	<b>102,796,627</b>	<b>51,101,924</b>
<b>Operating Income (Loss)</b>	<b>(331,136)</b>	<b>9,483,314</b>	<b>2,319,247</b>	<b>(38,194,398)</b>	<b>(26,722,973)</b>	<b>1,264,991</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest Revenue	539,190	88,599	244,214	54,347	926,350	
Interest Expense	(920,977)	(512,534)	(1,575,914)		(3,009,425)	(22,520)
Gain (Loss) on Sale of Equipment and Land	11,764		1,026	10,537	23,327	
Passenger Facility Charge	4,126,464				4,126,464	
Sales Tax				25,747,419	25,747,419	
FTA Subsidy				9,052,667	9,052,667	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3,756,441</b>	<b>(423,935)</b>	<b>(1,330,674)</b>	<b>34,864,970</b>	<b>36,866,802</b>	<b>(22,520)</b>
<b>Income (Loss) Before Capital Contribution and Transfers</b>	<b>3,425,305</b>	<b>9,059,379</b>	<b>988,573</b>	<b>(3,329,428)</b>	<b>10,143,829</b>	<b>1,242,471</b>
Capital Contributions	6,716,686			3,226,671	9,943,357	
Transfers Out	(3,482,383)	(8,989,729)	(4,969,588)	(3,750,000)	(21,191,700)	
Change in net asset:	6,659,608	69,650	(3,981,015)	(3,852,757)	(1,104,514)	1,242,471
<b>Total Net Assets(Deficit)-beginning</b>	<b>181,995,308</b>	<b>2,394,815</b>	<b>(20,359,652)</b>	<b>64,638,713</b>	<b>228,669,184</b>	<b>(20,188,117)</b>
<b>Total Net Assets(Deficit)-ending</b>	<b>\$ 188,654,916</b>	<b>2,464,465</b>	<b>(24,340,667)</b>	<b>60,785,956</b>	<b>227,564,670</b>	<b>(18,945,646)</b>

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2004

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	\$ 27,526,839	12,000,216	29,309,741	7,157,845	75,994,641	52,409,178
Payments to Suppliers	(7,235,019)	(976,431)	(10,036,316)	(12,680,923)	(30,928,689)	(47,974,149)
Payments to Employees	(9,959,693)	(1,300,203)	(10,053,816)	(26,873,204)	(48,186,916)	(3,958,062)
Net cash provided (used) by operating activities	<u>10,332,127</u>	<u>9,723,582</u>	<u>9,219,609</u>	<u>(32,396,282)</u>	<u>(3,120,964)</u>	<u>476,967</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers to Other Funds	(3,482,383)	(8,989,729)	(4,969,588)	(3,750,000)	(21,191,700)	(270,569)
Sales Tax				25,513,565	25,513,565	
FTA Subsidy				7,156,461	7,156,461	
Passenger Facility Charge	<u>4,126,464</u>				<u>4,126,464</u>	
Net cash provided (used) by noncapital financing activities	<u>644,081</u>	<u>(8,989,729)</u>	<u>(4,969,588)</u>	<u>28,920,026</u>	<u>15,604,790</u>	<u>(270,569)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from Capital Debt	18,000,000		22,676,418		40,676,418	
Capital Contributions from Federal Government	7,493,472			3,226,671	10,720,143	
Purchases of Capital Assets	(18,023,290)	(2,118,731)	(3,905,978)	(4,124,295)	(28,172,294)	(30,467)
Principal Paid on Capital Debt	(37,120,000)	(1,172,096)	(3,454,706)		(41,746,802)	(172,092)
Interest Paid on Capital Debt	(1,254,346)	(396,440)	(1,543,508)		(3,194,294)	(22,520)
Other Receipts (Payments)	<u>11,772</u>		<u>91,028</u>	<u>10,537</u>	<u>113,337</u>	
Net cash (used) by capital and related financing activities	<u>(30,892,392)</u>	<u>(3,687,267)</u>	<u>13,863,254</u>	<u>(887,087)</u>	<u>(21,603,492)</u>	<u>(225,079)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest	<u>539,190</u>	<u>84,152</u>	<u>244,214</u>	<u>54,347</u>	<u>921,903</u>	
Net cash provided by investing activities	<u>539,190</u>	<u>84,152</u>	<u>244,214</u>	<u>54,347</u>	<u>921,903</u>	
Net increase (decrease) in cash and cash equivalents	(19,376,994)	(2,869,262)	18,357,489	(4,308,996)	(8,197,763)	(18,681)
Cash and Cash Equivalents - beginning of the year	<u>62,775,619</u>	<u>8,229,383</u>	<u>4,278,089</u>	<u>6,318,045</u>	<u>81,601,136</u>	<u>18,881</u>
Cash and Cash Equivalents - end of the year	<u>\$ 43,398,625</u>	<u>5,360,121</u>	<u>22,635,578</u>	<u>2,009,049</u>	<u>73,403,373</u>	<u>200</u>

CITY OF EL PASO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended August 31, 2004

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>						
<b>PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating Income (Loss)	\$ (331,136)	9,483,314	2,319,247	(38,194,398)	(26,722,973)	1,264,991
Adjustments to Reconcile Operating Income to Net Cash						
Provided (Used) by Operating Activities:						
Depreciation Expense	10,645,694	373,099	5,658,072	5,993,046	22,669,911	82,892
Change in Assets and Liabilities:						
Receivables, Net	(171,500)		(166,339)	67,475	(270,364)	42,263
Inventories	(57,883)		(45,031)	(45,084)	(147,998)	(35,632)
Other Assets	(10,250)			339,695	329,445	
Accounts and other payables	83,158	(145,759)	(138,100)	(70,881)	(271,582)	(99,630)
Accrued Expenses	174,044	12,928	1,591,760	(486,135)	1,292,597	(777,917)
Net cash provided by operating activities	<u>10,332,127</u>	<u>9,723,582</u>	<u>9,219,609</u>	<u>(32,396,282)</u>	<u>(3,120,964)</u>	<u>476,967</u>
<b>SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Increase in Fair Value of Investments	\$					

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
August 31, 2004

	<u>FPPF Pension Trust Fund</u>				<u>Agency Funds</u>
	<u>CEPF Pension Trust Fund</u>	<u>Firemen Division</u>	<u>Policemen Division</u>	<u>Private- Purpose Trusts</u>	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 54,319,898	9,355,751	16,853,150	9,266,026	1,687,897
Investments:					
United States Government Securities					
Corporate Bonds	55,222,021				
Corporate Stocks	216,176,893				
Bank Collective Investment Funds	78,191,130				
Foreign Exchange Contract	96,836				
Fixed Income Securities		65,761,133	118,459,994		
Domestic Equities		72,651,333	130,871,779		
International Equities		36,452,206	65,663,834		
Receivables - Net of Allowances					
Commission Credits Receivable	125,225				
Due from Brokers For Securities Sold	1,560,865				
Employer Contributions	514,991	337,061	524,894		
Employee Contributions	339,088	284,253	346,722		
Accrued Interest and Dividends	1,082,931				
Delinquent Property Taxes					60,654,837
Prepaid Items	17,035				
Due from Other Funds					4,362,096
Capital Assets					
Buildings, Improvements & Equipment, Net		180,372	180,372		
Total assets	<u>407,646,913</u>	<u>185,022,109</u>	<u>332,900,745</u>	<u>9,266,026</u>	<u>66,704,830</u>
<b>LIABILITIES</b>					
Accounts Payable	1,991,632	287,635	292,219	253,629	
Accrued Payroll				3,131	
Due to Other Funds				4,362,096	
Prepaid Property Taxes					933,397
Deferred Revenue - Commission Credits	125,225				
Property Taxes Subject to Refund					4,388,327
Foreign Exchange Contract	97,166				
Uncollected Property Taxes					61,383,106
Total liabilities	<u>2,214,023</u>	<u>287,635</u>	<u>292,219</u>	<u>4,618,856</u>	<u>66,704,830</u>
<b>NET ASSETS</b>					
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 405,432,890</u>	<u>184,734,474</u>	<u>332,608,526</u>	<u>4,647,170</u>	

**CITY OF EL PASO, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
For the year ended August 31, 2004

	<u>FPPF Pension Trust Fund</u>			
	<u>CEPF Pension Trust Fund</u>	<u>Firemen Division</u>	<u>Policemen Division</u>	<u>Private- Purpose Trusts</u>
<b>ADDITIONS (REDUCTIONS)</b>				
Contributions:				
Employer	\$ 12,987,074	9,158,073	15,403,553	
Employee	8,578,958	7,721,290	10,050,533	
Total contributions	<u>21,566,032</u>	<u>16,879,363</u>	<u>25,454,086</u>	
Rental vehicle sales tax				2,033,041
Miscellaneous		1,865		826,498
Investment earnings (loss):				
Net increase in fair value of investments	25,698,944	23,489,804	42,442,508	
Interest	6,442,852	4	1,027	105,905
Dividends	3,120,981	167	167	
Securities lending income	430,133			
Securities lending fees	(335,036)			
Investment advisor fees	(2,074,403)	(719,269)	(1,279,787)	
Net investment (loss)	<u>33,283,471</u>	<u>22,770,706</u>	<u>41,163,915</u>	<u>105,905</u>
Total additions (reductions)	<u>54,849,503</u>	<u>39,651,934</u>	<u>66,618,001</u>	<u>2,965,444</u>
<b>DEDUCTIONS</b>				
Benefits paid to participants	22,120,587	19,743,248	24,274,473	
Refunds of contributions	1,805,758	553,849	1,129,769	
Administrative expenses	539,265	784,938	878,658	
Benefits paid for other purposes				3,409,655
Total deductions	<u>24,465,610</u>	<u>21,082,035</u>	<u>26,282,900</u>	<u>3,409,655</u>
Change in net assets	30,383,893	18,569,899	40,335,101	(444,211)
Increase in commission credits receivable	(34,444)			
Net assets - beginning of the year	<u>375,083,441</u>	<u>166,164,575</u>	<u>292,273,425</u>	<u>5,091,381</u>
Net assets - end of the year	<u>\$ 405,432,890</u>	<u>184,734,474</u>	<u>332,608,526</u>	<u>4,647,170</u>



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended August 31, 2004

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# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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 effective September 1, 2004.

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (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 principals. 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.

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 finances benefits under the retirement system are jointly responsible for ensuring that benefits under this section are not reduced or otherwise impaired." As a result of this amendment, City management reevaluated the Firemen and Policemen's Pension Fund for inclusion in the City's financial reporting entity under GASB 14 and 39. Based on the City's evaluation, effective September 1, 2003, the Firemen and Policemen's Pension Fund, a legally separate, tax-exempt entity is reported as a Pension Trust Fund in the basic financial statements of the City. This entity reported net assets of \$458,438,000 at the beginning of the reporting period and net assets of \$517,343,000 at December 31, 2003. The addition of this entity in the City's reporting entity does not affect the net assets or fund balances of the primary government or other component unit. As such, restatement of net assets at September 1, 2003 was not required.

#### **City Employees' Pension Fund (CEPF)**

Substantially all full-time employees of the City are eligible to participate in the CEPF, except for uniformed fire fighters and police officers who are covered under separate plans. The plan is a single-employer defined benefit retirement plan established under legal authority of the City Charter and administered by a Board of Trustees (CEPF Board). The CEPF Board is comprised of the Mayor, two citizens designated by the Mayor who are not officers or employees of the City, four elected City employees, a retiree and two City district representatives. Employees contribute 6.75% of their covered compensation and the City contributes 10.25% of covered compensation to the CEPF. The CEPF is reported in the accompanying financial statements as the City Employee's 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). The FPPF Board is comprised of the Mayor, two citizens designated by the Mayor, the Chief of Police (or his designee), the Fire Chief (or his designee), three policemen and three firemen elected by the membership of their respective divisions. Firemen contribute 15.28% and policemen contribute 11.89% of their covered compensation while the City contributes 18% of covered compensation to the FPPF. The FPPF is reported in the accompanying financial statements as the El Paso Firemen and Policemen Pension Trust Fund.

#### **El Paso Water Utilities (EPWU)**

As specified by City Ordinance No. 752, adopted May 22, 1952, complete management and control of EPWU is vested in a five-member board of trustees known as the Public Service Board (PSB). The PSB consists of the Mayor and four residents of El Paso County, Texas. With the exception of the Mayor, all other trustees are appointed by the City Council. The financial information included in these statements is as of EPWU's latest fiscal year end, February 29, 2004. EPWU is reported discretely in the accompanying financial statements.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### A. Reporting Entity (Continued)

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

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

#### Related Organizations

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

##### *El Paso Housing Authority*

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

##### *El Paso County 911 District*

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

#### Not-for-profit Corporations

The directors of each corporation are appointed by the City Council and all activity must be approved from time to time by ordinance or resolution duly adopted by the City Council.

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

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

***El Paso Property Finance Authority, Inc. (EPPFA)***

Incorporated March 10, 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 has no assets or liabilities and had no financial transactions during fiscal year 2003.

***El Paso Housing Finance Corporation (EPHFC)***

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 six directors who serve six-year terms of office.

***City of El Paso Industrial Development Corporation (EPIDC)***

Incorporated October 18, 1979, under Article 5190.6 of the Texas Revised Civil Statutes, for the purpose of promoting and developing commercial, industrial, manufacturing and medical research enterprises to promote and encourage employment, public health and public welfare. Its board consists of nine directors who serve six-year terms of office.

**B. Basic Financial Statements**

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

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

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

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

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

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

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

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

Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement Number 34. Although the new model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues or expenditures/expenses of the fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. The City has opted to add the International Bridges Fund as a major fund. Other non-major funds are combined in a single column on the fund financial statements.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance; 2) demonstrate the sources and uses of liquid resources; and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

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

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

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

The City uses the following fund categories:

**Governmental Funds**

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

The City reports the following major governmental funds:

**General Fund**

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

**Community Development Block Grant Fund**

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

**Debt Service Fund**

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

**Capital Projects Fund**

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

The City reports the following non-major governmental fund:

**Special Revenue Funds**

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

**Proprietary Funds**

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

**Enterprise Funds**

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

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

The City reports on the following major enterprise funds:

**El Paso International Airport**

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

**International Bridges**

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

**Solid Waste Management**

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).

**Internal Service Funds**

These funds account for photocopying, postage and fleet management services provided to other departments of the government or to other governments on a cost reimbursement basis and for the risk management activities of the self-insured health, workers' compensation and unemployment compensation programs.

**Fiduciary Funds**

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

**Pension Trust Fund**

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

**Private Purpose Trust Fund**

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

**Agency Funds**

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



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

The government-wide financial statements present information about the City as a whole. Government-wide financial statements exclude fiduciary funds. The Statement of Net Assets and the Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year they are levied. Other taxes and fees are recognized as revenue in the year they are earned. Revenue from most grants and similar items are recognized in the fiscal year the qualifying expenditure is made, if applicable, and all other eligibility requirements are satisfied.

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

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

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

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

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

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

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

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

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

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

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

**E. Cash, Cash Equivalents and Investments**

Cash balances of City funds, except for all Component Units, Pension Trust Fund, a portion of the El Paso International 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 presented as "Cash and Cash Equivalents" and the negative balances have been reclassified to due to/from other funds. The City reports cash in demand deposit accounts and investment pools as "Cash and Cash Equivalents."

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

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

**F. Inventories and Prepaid Items**

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

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

**G. Capital Assets**

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

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

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

**G. Capital Assets (Continued)**

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

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

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

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

**Component Unit – EPWU**

EPWU utility plant in service is recorded on the basis of cost. Assets acquired through contributions are capitalized and recorded in the plant accounts at estimated fair value at date of donation. EPWU does not capitalize interest costs on assets constructed. Maintenance, repairs and minor renewals are charged to operating expense, while major plant replacements are capitalized. It is the policy of EPWU to capitalize infrastructure fixed assets.

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

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

**H. Insurance**

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

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

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

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

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

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

**I. Deferred Revenue and Uncollectible Loans**

Deferred revenue represents amounts that have been collected or billed in advance of revenue recognition criteria and low-income housing loans made from the Community Development Block Grants Fund. Notes receivable of \$38,992,903, an allowance for estimated uncollectible notes receivable in the amount of \$5,594,664 and deferred revenue of \$35,699,255 is reported for these low-income housing loans in the Statement of Net Assets and Governmental Funds Balance Sheet.

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

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

**2. Transactions Between Funds**

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

**K. Federal and State Grants**

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Revenues are recognized when the expenditures of Federal and State grant funds are made and all eligibility requirements have been met. Amounts owed to the City at August 31, 2004 for grants and entitlements are reflected as "Due From Other Government Agencies" and 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 240 hours) until paid upon termination or retirement. For uniformed Police Department and Fire Department employees' only, unused leave and holiday hours are accumulated and paid upon termination, retirement or death.

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

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

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

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

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

**N. Restrictions and Designations of Fund Balances/Net Assets**

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

**Restrictions**

Restricted net assets of the El Paso International Airport Fund were \$22,116,849 and relate to funds restricted by the FAA for future airport maintenance and debt service.

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

**Restricted for Employee Retirement**

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

**Restricted for Debt Service**

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

**Restricted for Cash Reserve**

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

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

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

**Designations**

**Designated for Capital Projects**

Designated net assets of the Mass Transit Fund were \$6,213,429 and relate to amounts required to match Federal grants.

**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 future 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. The entire liability for claims and judgments is reported in the government-wide financial statements and in the enterprise fund financial statements when it is probable that a liability has been incurred.

**Q. Solid Waste Landfill Closure and Post-closure Cost**

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

**R. Fiscal-year Inconsistencies**

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

Primary Government - Due From Component Unit	
Governmental funds:	
General Fund	\$ 881,332
Proprietary funds:	
Department of Solid Waste Management	<u>2,160,784</u>
Due From Component Unit at August 31, 2004	<u>\$ 3,042,116</u>
Component unit - EPWU - Due To Primary Government - at February 29, 2004	 <u>\$ 2,462,684</u>

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

**Year Ended August 31, 2004**

**NOTE 2. DEPOSITS AND INVESTMENTS**

Combined cash and cash equivalents and investments are presented below to provide an indication of the proportionate amount of cash and investments held.

	Statement of Net Assets		Statement of Net Assets-Fiduciary Funds					Total
	Primary Government	Component Unit-El Paso Water Utilities (1)	Pension Trust Fund CEPF	Pension Trust Fund-FPPF Firemen Division	Pension Trust Fund-FPPF Policemen Division	Private Purpose Trusts	Agency Funds	
Cash and Cash Equivalents	\$ 149,821,114	120,848,302	54,319,898	9,355,751	16,853,150	9,266,026	1,687,897	362,152,138
Investments	\$ 131,731,033	167,512,265	349,686,880	174,864,672	314,995,607			1,138,790,457
Less: Investments in Mutual funds and investments with original maturities of less than ninety days included in cash equivalents	(123,662,159)	(111,180,647)						(234,842,806)
Total	\$ 8,068,874	56,331,618	349,686,880	174,864,672	314,995,607	-	-	903,947,651

(1) February 29, 2004

**Pooled Cash and Investments**

The City maintains a cash and investment pool that is available for use by funds, excluding component units, a portion of the El Paso International Airport Fund relating to the airport passenger facility charge revenue, Pension Trust Funds (CEPF and FPPF) and a portion of Capital Projects Fund, Non-Major Governmental Funds, International Bridges Fund and Agency Funds, which are held separately. Each fund's portion of this pool is displayed on the statements as "Cash and cash equivalents." The cash and investment pool was comprised of the following at August 31, 2004:

Cash in bank	\$ 20,549,777
Cash on hand	43,348
Investments	119,422,353
	<u>\$ 140,015,478</u>

Earnings from the cash and investment pool are allocated based upon each fund's daily equity in the cash and investment pool.

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

**Year Ended August 31, 2004**

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

**Pooled Cash and Investments (Continued)**

A summary of cash and cash equivalents at August 31, 2004 follows:

	Pooled	Non-Pooled	Total
General Fund	\$ 23,561,827		23,561,827
Community Development Block Grants Fund	696,384		696,384
Debt Service Fund	314,731		314,731
Capital Projects Fund	31,807,794	9,529,663	41,337,457
Non-Major Governmental Funds	10,441,851	65,291	10,507,142
Internal Service Funds	200		200
Enterprise Funds			
El Paso International Airport	39,021,031	4,377,594	43,398,625
International Bridges	261,007	5,099,114	5,360,121
Department of Solid Waste Management	22,635,578		22,635,578
Mass Transit	2,009,049		2,009,049
Cash and Cash Equivalents - Statement of Net Assets			<u>149,821,114</u>
Fiduciary Funds			
Pension Trust Fund - CEPF		54,319,898	54,319,898
Pension Trust Fund - FPPF-Firemen Division		9,355,751	9,355,751
Pension Trust Fund - FPPF-Policemen's Division		16,853,150	16,853,150
Private Purpose Trusts	9,266,026		9,266,026
Agency Funds	-	1,687,897	1,687,897
Component Units			
EPWU		120,848,302	120,848,302
Cash and Cash Equivalents	<u>\$ 140,015,478</u>	<u>222,136,660</u>	<u>362,152,138</u>

**Deposits**

The City's deposits with financial institutions are categorized to give an indication of the level of custodial risk (Category 1 – lowest level of risk to Category 3 – highest level of risk). Category 1 are deposits insured by the FDIC or collateralized with securities held by the City or the City's agent in the City's name. Category 2 are deposits collateralized by securities held by the pledging bank's agent in the City's name. Category 3 are deposits not collateralized which include deposits collateralized by securities held by the pledging financial institution or by its trust department or agent but not in the City's name. Accordingly, deposits of the City at August 31, 2004 are categorized by credit risk as follows:



# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### Deposits (Continued)

	Carrying Amount	Bank Balance	Category		
			1	2	3
Cash and investment pool:					
With financial institutions	\$ 20,549,777	26,742,892	26,742,892		
Cash held separately:					
With financial institutions	14,831,857	14,831,857	14,831,857		
With financial institutions:					
CEPF	54,319,898			54,319,898	
FPPF-Firemen Division	9,355,751			9,355,751	
PFFP-Policemen's Division	16,853,150			16,853,150	
Agency Fund	1,687,897	1,687,897	1,687,897		
Component unit - EPWU	9,667,655	11,699,743	9,177,505	(1)	

(1) Remaining balance secured by a \$10,000,000 surety bond.

#### Investments

- A. Chapter 2256, Texas Government Code (The Public Funds Investment Act) and the City of El Paso Investment Policy authorize the City to invest in:
- B. Obligations of the United States Treasury or its agencies and instrumentalities.
- C. Direct obligations of the State of Texas.
- D. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities.
- E. Obligations of states, agencies, counties or cities rated A or better by a national investment rating firm.
- F. Certificates of deposit that are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or its successor or secured by obligations described in (a) through (d) above and having a market value of at least the principal amount of the certificates.
- G. Fully collateralized direct and reverse repurchase agreements. State statutes require that securities underlying repurchase agreements must have a market value of at least 100% of the repurchase agreement's cost. Money received by the City under the terms of a reverse security repurchase agreement may be used to acquire additional authorized securities, but the term of the authorized security acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.
- H. Bankers acceptances accepted by a domestic bank maturing in 270 days or less from the date of its issuance and are rated at least A-1, P-1 by a national investment rating firm.
- I. Commercial paper with a stated maturity of 270 days or less from the date of its issuance and is either (1) rated not less than A-1, P-1 by at least two national investment rating firms or (2) is rated at least A-1, P-1 by one national investment rating firm and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
- J. SEC-regulated, no load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less, whose assets consist exclusively of securities described in (a) through (h) above and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share.
- K. Local government investment pools such as the Texas Local Government Investment Pool (TEXPOOL) organized in accordance with Chapter 791, Texas Government Code (The Interlocal Cooperation Act), Local Government Investment Cooperative (LOGIC) and Texas STAR (TexSTAR), whose assets consist of the obligations described in (a) through (h) above. A public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### Investments (Continued)

Share certificates issued by State or Federal credit unions domiciled in Texas that are guaranteed or issued by the National Credit Union Share Insurance Fund or its successor or secured by obligations described in (a) through (d) above having a market value of at least the principal amount of the certificates.

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

The City participates in TEXPOOL, LOGIC and TexSTAR, 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 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 and TexSTAR are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB Statement 31 allows 2a7-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 and TexSTAR is the same as the value of TEXPOOL, LOGIC and TexSTAR shares.

State statutes permit the City 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 the reverse repurchase agreement. During fiscal year 2004, the City did not enter into any reverse repurchase agreements.

The City's investments (with exceptions noted above) are categorized below at August 31, 2004 to give an indication of the level of custodial credit risk (Category 1 - lowest level of risk to Category 3 - highest level of risk) assumed by the City at year-end. Investments not evidenced by securities that exist in physical or book entry form are not categorized. Category 1 includes investments that are insured or registered or for which the City or its agent in the City's name holds the securities. Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

	1	2	3	Carrying Amount	Fair Value
Primary Government Investments:					
Obligations of the U.S. Government and its Agencies		8,068,874		8,068,874	8,068,874
Corporate bonds		239,443,148		239,443,148	239,443,148
Corporate stocks		521,912,881		521,912,881	521,912,881
Bank collective investment funds		78,191,130		78,191,130	78,191,130
	-	847,616,033	-	847,616,033	847,616,033
Investments not Categorized:					
Investment pools				123,662,159	123,662,159
	-	-	-	123,662,159	123,662,159
Total Primary Government	-	847,616,033	-	971,278,192	971,278,192
Component Unit Investments:					
Obligations of the U.S. Government and its Agencies	56,331,618	-	-	56,331,618	56,331,618
Mutual Funds Invested in U.S. Treasuries	-	-	-	111,180,647	111,180,647
Total Component Unit	56,331,618	-	-	167,512,265	167,512,265
Total Investments	\$ 56,331,618	847,616,033	-	1,138,790,457	1,138,790,457

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### NOTE 3. PROPERTY TAXES

#### Levy, Assessment And Collection

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. A receivable for property taxes is recognized and recorded at the levy date. The adjusted assessed value for the roll as of January 1, 2003, upon which the 2004 levy was based, was \$18,246,662,134.

Taxes are due by January 31 following the October 1 levy date. During the fiscal year, 95.62% of the current tax levy (October 2003) 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, 2004, was \$.5421 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.3079 per \$100 assessed valuation and could levy \$238,648,094 in additional taxes from the assessed valuation of \$18,246,662,134 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 deferred revenues in the year of levy. Such deferred revenues are recognized as revenue in the fiscal year in which they become available.

The balance of delinquent property taxes receivable and property tax assessments included in deferred revenues are as follows:

Governmental activity:	General Fund		Debt Service	
	August 31, 2004	August 31, 2003	August 31, 2004	August 31, 2003
Property Taxes Receivable	\$ 8,254,224	8,175,461	2,721,665	2,697,105
Less allowance for uncollectibles	82,543	81,755	27,217	26,971
Net property taxes receivable	<u>\$ 8,171,681</u>	<u>8,093,706</u>	<u>2,694,448</u>	<u>2,670,134</u>
Deferred Ad Valorem Taxes	<u>\$ 7,572,442</u>	<u>7,111,904</u>	<u>2,496,861</u>	<u>2,424,529</u>

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

**Year Ended August 31, 2004**

**NOTE 4. RECEIVABLES**

Receivables are summarized below:

Governmental activities							
	General Fund	Community Development Block Grants Fund	Debt Service	Capital Projects	Non Major Funds	Internal Service Funds	Total
Property Taxes	\$ 8,254,224		2,721,665				10,975,889
Sales Taxes	8,118,929						8,118,929
Trade	3,094,458					38,374	3,132,832
Other	111,284				236,187		347,471
Fines and forfeits	75,132,922						75,132,922
Due from Other Government Agencies	7,078	2,360,378		123,770	4,427,405		6,918,631
Notes receivable - low income housing loans		38,992,903					38,992,903
Allowance for doubtful accounts	(33,989,324)	(5,594,664)	(27,217)			(17,966)	(39,629,171)
	<u>\$ 60,729,571</u>	<u>35,758,617</u>	<u>2,694,448</u>	<u>123,770</u>	<u>4,663,592</u>	<u>20,408</u>	<u>103,990,406</u>
Business-type activities							
	El Paso International Airport	Department of Solid Waste Management	Mass Transit	Total			
Sales Taxes	\$		3,979,141	3,979,141			
Trade	3,189,493	487,824	35,169	3,712,486			
Due from other government agencies	115,485		3,627,348	3,742,833			
Allowance for doubtful accounts	(355,000)	(16,653)	(456)	(372,109)			
	<u>\$ 2,949,978</u>	<u>471,171</u>	<u>7,641,202</u>	<u>11,062,351</u>			

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

**Year Ended August 31, 2004**

**NOTE 5. CAPITAL ASSETS**

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

	Balances				Balances
	September 1, 2003	Transfers	Increases	Decreases	August 31, 2004
<b>Governmental Activities:</b> <sup>1</sup>					
Capital assets not being depreciated					
Land	\$ 133,135,152	1,482,418	2,255,865		136,873,435
Construction in progress	37,107,602	(602,298)	50,358,084		86,863,388
Total capital assets not being depreciated	170,242,754	880,120	52,613,949	-	223,736,823
Capital assets being depreciated					
Buildings	168,996,827	1,070,647	99,800		170,167,274
Improvements other than buildings	19,485,013	1,705,225			21,190,238
Vehicles and major equipment	76,572,057	516,913	4,687,964	(3,634,302)	78,142,632
Data processing equipment and software	6,673,950	(4,053,880)	6,862,089		9,482,159
Other capital assets	2,129,117				2,129,117
Infrastructure	590,253,594				590,253,594
Total capital assets, being depreciated	864,110,558	(761,095)	11,649,853	(3,634,302)	871,365,014
Less accumulated depreciation for:					
Buildings	79,674,111		3,431,519		83,105,630
Improvements other than buildings	16,335,179		589,225		16,924,404
Vehicles and major equipment	43,992,414	902,743	8,120,695	(3,256,398)	49,759,454
Data processing equipment and software	1,215,314	(783,718)	1,267,966		1,699,562
Other capital assets	1,724,718		404,399		2,129,117
Infrastructure	415,852,575		17,832,561		433,685,136
Total accumulated depreciation	558,794,311	119,025	31,646,365	(3,256,398)	587,303,303
Total capital assets, being depreciated, net	305,316,247	(880,120)	(19,996,512)	(377,904)	284,061,711
Governmental activities capital assets, net	\$ 475,559,001	-	32,617,437	(377,904)	507,798,534

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

<b>Governmental Activities</b> <sup>1</sup>	
General government	\$ 1,744,351
Public safety	6,912,366
Public Works	18,991,829
Public health	463,747
Parks	1,400,885
Library	154,650
Culture and recreation	1,862,613
Community and economic development	33,031
Total Depreciation Expense - Governmental Activities	31,563,473
Internal Service Funds	82,892
Depreciation Expense	\$ 31,646,365

<sup>1</sup> The capital assets of Internal Service Funds are included in governmental activities. In fiscal year 2004, Internal Service Funds capital assets increased by \$30,465 resulting in an ending balance of \$1,745,305. Depreciation expense of \$82,892 resulted in an ending accumulated depreciation balance of \$1,386,609, to arrive at a net book value of \$358,696.

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

**Year Ended August 31, 2004**

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

	<u>Balance September 1, 2003</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2004</u>
<b>Business-type activities:</b>					
<b>El Paso International Airport</b>					
Capital assets not being depreciated:					
Land	\$ 1,382,217				1,382,217
Construction in progress	5,645,511	(12,919,997)	18,283,385		11,008,899
Total capital assets not being depreciated	7,027,728	(12,919,997)	18,283,385	-	12,391,116
Capital assets being depreciated:					
Buildings	104,803,242	6,059,026			110,862,268
Improvements other than buildings	129,191,199	6,786,808			135,978,007
Vehicles and major equipment	10,865,545	74,163	190,233	236,348	10,893,593
Total capital assets being depreciated	244,859,986	12,919,997	190,233	236,348	257,733,868
Less accumulated depreciation for:					
Buildings	30,454,265		3,481,924		33,936,189
Improvements other than buildings	62,568,882		6,307,128		68,876,010
Vehicles and major equipment	8,029,907		856,642	236,348	8,650,201
Total accumulated depreciation	101,053,054	-	10,645,694	236,348	111,462,400
Total capital assets, being depreciated, net	143,806,932	12,919,997	(10,455,461)	-	146,271,468
El Paso International Airport capital assets, net	150,834,660	-	7,827,924	-	158,662,584
<b>International Bridges</b>					
Capital assets not being depreciated:					
Land	850,007				850,007
Construction in progress	1,082,095		2,118,731		3,200,826
Total capital assets not being depreciated	1,932,102	-	2,118,731	-	4,050,833
Capital assets being depreciated:					
Buildings	8,387,746			(1)	8,387,747
Vehicles and major equipment	2,676,689				2,676,689
Total capital assets being depreciated	11,064,435	-	-	(1)	11,064,436
Less accumulated depreciation for:					
Buildings	4,405,310		215,102		4,620,412
Improvements other than buildings	2,044,881		157,997		2,202,878
Vehicles and major equipment					-
Total accumulated depreciation	6,450,191	-	373,099	-	6,823,290
Total capital assets, being depreciated, net	4,614,244	-	(373,099)	(1)	4,241,146
International Bridges capital assets, net	6,546,346	-	1,745,632	(1)	8,291,979
<b>Department of Solid Waste Management</b>					
Capital assets not being depreciated:					
Construction in progress	-		1,303,561		1,303,561
Total capital assets not being depreciated	-	-	1,303,561	-	1,303,561
Capital assets being depreciated:					
Buildings	512,100				512,100
Improvements other than buildings	487,780				487,780
Vehicles and major equipment	33,827,653		3,853,891	345,467	37,336,077
Total capital assets being depreciated	34,827,533	-	3,853,891	345,467	38,335,957
Less accumulated depreciation for:					
Buildings	315,594		10,242		325,836
Improvements other than buildings	454,778		21,278		476,056
Vehicles and major equipment	14,443,377		5,626,552	255,465	19,814,464
Total accumulated depreciation	15,213,749	-	5,658,072	255,465	20,616,356
Total capital assets, being depreciated, net	19,613,784	-	(1,804,181)	90,002	17,719,601
Department of Solid Waste Management capital assets, net	19,613,784	-	(500,620)	90,002	19,023,162

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

**Year Ended August 31, 2004**

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

	Balance September 1, 2003	Transfers	Increases	Decreases	Balance August 31, 2004
<b>Business-type activities (continued):</b>					
<b>Mass Transit</b>					
Capital assets not being depreciated:					
Land	\$ 4,201,475	-	33,300	-	4,234,775
Construction in progress	10,671,160	(9,912,640)	2,533,237	-	3,291,757
Total capital assets not being depreciated	<u>14,872,635</u>	<u>(9,912,640)</u>	<u>2,566,537</u>	<u>-</u>	<u>7,526,532</u>
Capital assets being depreciated:					
Buildings	16,473,067	9,089,330	39,233	-	25,601,630
Improvements other than buildings	23,791,030	823,310	405,898	6,532	25,013,706
Vehicles and major equipment	53,025,874	-	725,008	2,108,660	51,642,222
Total capital assets being depreciated	<u>93,289,971</u>	<u>9,912,640</u>	<u>1,170,139</u>	<u>2,115,192</u>	<u>102,257,558</u>
Less accumulated depreciation for:					
Buildings	5,554,838	1,804	699,977	-	6,256,619
Improvements other than buildings	6,021,681	(1,804)	1,279,206	6,298	7,292,785
Vehicles and major equipment	39,251,715	-	4,013,863	2,108,647	41,156,931
Total accumulated depreciation	<u>50,828,234</u>	<u>-</u>	<u>5,993,046</u>	<u>2,114,945</u>	<u>54,706,335</u>
Total capital assets, being depreciated, net	<u>42,461,737</u>	<u>9,912,640</u>	<u>(4,822,907)</u>	<u>247</u>	<u>47,551,223</u>
Mass Transit capital assets, net	<u>57,334,372</u>	<u>-</u>	<u>(2,256,370)</u>	<u>247</u>	<u>55,077,755</u>
<b>All business-type activities:</b>					
Capital assets not being depreciated:					
Land	6,433,699		33,300		6,466,999
Construction in progress	17,398,766	(22,832,637)	24,238,914		18,805,043
Total capital assets not being depreciated	<u>23,832,465</u>	<u>(22,832,637)</u>	<u>24,272,214</u>	<u>-</u>	<u>25,272,042</u>
Capital assets being depreciated:					
Buildings	130,176,155	15,148,356	39,233	(1)	145,363,745
Improvements other than buildings	153,470,009	7,610,118	405,898	6,532	161,479,493
Vehicles and major equipment	100,395,761	74,163	4,769,132	2,690,475	102,548,581
Total capital assets being depreciated	<u>384,041,925</u>	<u>22,832,637</u>	<u>5,214,263</u>	<u>2,697,006</u>	<u>409,391,819</u>
Less accumulated depreciation for:					
Buildings	40,730,007	1,804	4,407,245		45,139,056
Improvements other than buildings	71,090,222	(1,804)	7,765,609	6,298	78,847,729
Vehicles and major equipment	61,724,999		10,497,057	2,600,460	69,621,596
Total accumulated depreciation	<u>173,545,228</u>	<u>-</u>	<u>22,669,911</u>	<u>2,606,758</u>	<u>193,608,381</u>
Total capital assets, being depreciated, net	<u>210,496,697</u>	<u>22,832,637</u>	<u>(17,455,648)</u>	<u>90,248</u>	<u>215,783,438</u>
All business-type activities capital assets, net	<u>\$ 234,329,162</u>	<u>-</u>	<u>6,816,566</u>	<u>90,248</u>	<u>241,055,480</u>

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

International airport operations	\$ 10,645,694
International bridges operations	373,099
Solid waste operations	5,658,072
Mass transit operations	<u>5,993,046</u>
	<u>\$ 22,669,911</u>

Interest costs incurred on the El Paso International Airport revenue bonds totaled \$202,765 in 2004. 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.

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

**Year Ended August 31, 2004**

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

**Construction Commitments**

As of August 31, 2004	Fund Equity Available	Remaining Commitment
Governmental activities	\$ 48,229,040	64,341,917
Business-type activities	39,060,999	12,930,735
Total	<u>\$ 87,290,039</u>	<u>77,272,652</u>

**Component Unit – EPWU**

Capital asset activity for EPWU was as follows:

	Beginning Balance Mar. 1, 2003	Increases	Decreases	Ending Balance Feb. 29, 2004
Capital assets, not being depreciated:				
Land and right-of-way	\$ 3,746,877	616,105	-	4,362,982
Land not in service	30,751,799	13,983,972	1,513	44,734,258
Construction work in progress	86,858,728	67,114,738	46,934,598	107,038,868
Total capital assets, not being depreciated	<u>121,357,404</u>	<u>81,714,815</u>	<u>46,936,111</u>	<u>156,136,108</u>
Capital assets, being depreciated:				
Wastewater plant	442,325,417	16,661,652	121,844	458,865,225
Water plant	450,421,549	38,400,559	659,137	488,162,971
Equipment and tools	22,085,428	560,732	145,393	22,500,767
Vehicles	10,176,712	1,062,482	485,517	10,753,677
Buildings and shops	8,103,769	222,111		8,325,880
Total capital assets, being depreciated	<u>933,112,875</u>	<u>56,907,536</u>	<u>1,411,891</u>	<u>988,608,520</u>
Less accumulated depreciation	<u>366,870,788</u>	<u>30,899,984</u>	<u>1,411,891</u>	<u>396,358,881</u>
Component unit capital assets, net	<u>\$ 687,599,491</u>	<u>107,722,367</u>	<u>46,936,111</u>	<u>748,385,747</u>

Land not in service is essentially unimproved land that EPWU has purchased for its surface and ground water rights and for watershed management and source water protection.

Construction in progress in the component unit represents additional water treatment and wastewater plants and a management information system. EPWU does not capitalize interest cost as a component of the cost of constructed assets.

The component unit was committed to open contracts relating to construction projects totaling \$169,101,024 as of February 29, 2004.



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

**A. Interfund Receivables and Payables**

Interfund receivable and payable balances at August 31, 2004 were as follows:

Due To:	Due From:			Total
	Governmental Activities:			
	Capital Projects	Other Governmental Funds	Internal Service Funds	
Governmental Activities:				
General Fund	\$		1,235,494	1,235,494
Capital Projects Fund				-
Other Governmental Funds		2,918,506		2,918,506
Internal Service Funds	25,621			25,621
Total Governmental Activities	25,621	2,918,506	1,235,494	4,179,621
Business-type Activities:				
International Bridges	150,000			150,000
Department of Solid Waste Management	4,104,712			4,104,712
Total Business-type Activities	4,254,712	-	-	4,254,712
Total	\$ 4,280,333	2,918,506	1,235,494	8,434,333

The balance of \$4,280,333 due from Capital Projects Fund is the result of management's decision to record certain proceeds from debt issued to acquire capital assets for proprietary funds in the Capital Projects Fund. Liquidation of these balances occurs when management decides to acquire capital assets in the respective proprietary fund.

The balance of \$1,235,494 due from Internal Service Funds is the fund overdraft in the pooled cash and investment pool. The City intends to repay this balance in the next fiscal year.

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2004**

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

**B. Transfers**

Interfund transfers made during the year were as follows:

<b>Transfer From:</b>	<b>Transfer To:</b>				<b>Total</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	
Governmental Activities:					
General Fund	\$ -		176,493	313,662	490,155
Capital Projects		1,706,184		1,125	1,707,309
Other Governmental Funds	107,249	50,772		19,834	177,855
Total Governmental Activities	107,249	1,756,956	176,493	334,621	2,375,319
Business-type Activities:					
El Paso International Airport	3,482,383				3,482,383
International Bridges	8,989,729				8,989,729
Department of Solid Waste Management	4,969,588				4,969,588
Mass Transit	3,750,000				3,750,000
Total Business-type Activities	21,191,700			-	21,191,700
Total	\$ 21,298,949	1,756,956	176,493	334,621	23,567,019

The transfer from the General Fund to the Capital Projects Fund represents management’s decision to utilize investment interest revenues earned by the cash reserve fund (\$176,493) to partially fund capital project equipment purchases for the City.

The transfer from the General Fund to the Other Governmental Funds represents management’s decision to utilize General Fund resources to help pay for retaining lobbyists at the State and National levels (\$221,000) and to fund special City council projects (\$92,662).

The transfer from Capital Projects Fund to the Debt Service Fund represents a residual balance transfer (\$109,838) and repayment from the Convention and Visitor’s Bureau (\$1,596,346) for the share of general obligation debt utilized. The transfer from Capital Projects Fund to Other Governmental Funds represents a residual balance transfer (\$1,125).

The transfers from the El Paso International Airport (\$3,482,383), Department of Solid Waste Management (\$4,500,000) and Mass Transit Proprietary Funds (\$3,750,000) to the General Fund represents management’s decision to charge payments in lieu of taxes to the business-type activities. The transfer from the Department of Solid Waste Management to the General Fund represents management’s decision to use a portion of this proprietary fund’s resources to fund graffiti cleanup projects in the City (\$469,588).

The transfer from the International Bridges Fund (\$8,989,729) to the General Fund represents management’s decision to transfer net assets in excess of debt covenant requirements to the General Fund.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### 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, 2004 amounted to \$3,520,435.

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, 2004, was \$15,307,312 including percentage contingent rents of \$2,403,130.

The following is a schedule of airport revenue from future minimum rentals on non-cancelable operating leases as of August 31, 2004:

<u>YEAR ENDING</u>	
2005	\$ 12,567,753
2006	11,396,136
2007	7,877,365
2008	6,325,871
2009	5,970,679
2010 - 2014	27,250,541
2015 - 2019	26,802,435
2020 - 2024	21,122,020
2025 - 2029	12,918,013
2030 - 2034	8,747,650
2035 - 2039	2,482,571
2040 - 2044	<u>626,995</u>
TOTAL	<u>\$ 144,088,029</u>

Historical costs of these leased assets and related accumulated depreciation were \$103,132,415 and \$32,597,580 respectively, as of August 31, 2004.

**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2004****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, 2004 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2005	\$ 808,781
2006	666,794
2007	549,568
2008	491,363
2009	475,118
2010 and thereafter	<u>4,483,650</u>
Total Minimum Future Rentals	<u>\$ 7,475,274</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, 2004 was \$289,641. Minimum future payments as of February 29, 2004 for each of the next five years and in the aggregate are:

<u>Year Ended the last day of February</u>	<u>Amount</u>
2005	\$ 344,521
2006	277,249
2007	129,494
2008	<u>41,107</u>
	<u>\$ 792,371</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 August 31, 2004 was \$.177733 per \$100 assessed valuation.

The City Charter states that all indebtedness of the City which 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 FY 2004 total assessed valuation base equals approximately \$1,830,955,774. The City's legal debt margin was \$1,430,476,539. 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 retained earnings in the amount of \$419,345 in the International Bridges Fund has been established to comply with that requirement. The City believes it is in compliance with all significant limitations and restrictions of its revenue bond ordinances.

**3. Notes Payable**

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

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### 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, contractual obligations, revenue bonds and notes payable:

	Interest Rates		Amount
	at Issue date	August 31, 2004	
Governmental activities	2.50 - 8.00%	2.50 - 7.88%	\$ 379,232,992
Business-type activities	3.00 - 6.00%	3.00 - 5.00%	69,671,553
			<u>\$ 448,904,545</u>

#### 5. Bonded and Other Indebtedness Issued during Fiscal Year Ended August 31, 2004

- a. On September 15, 2003, the City issued \$18,000,000 of Airport Revenue Refunding Bonds, Series 2003. These revenue bonds bear interest at rates ranging from 3.0% to 4.625% principal repayments began on August 15, 2004. The final principal payment is due on August 15, 2016. This refunding resulted in a cash savings of \$9,157,474 and a net present value benefit of \$1,442,576.
- b. In fiscal year 2004, the City issued \$20,500,000 of commercial paper for projects approved by the 2000 election that authorized the issuance of general obligation bonds. Ultimately, the City will issue general obligation bonds to liquidate the commercial paper debt. The commercial paper bears interest at rates from 1.00% to 1.55%.
- c. On September 30, 2003, the City issued \$29,265,000 of current general obligation refunding bonds. These bonds bear interest at rates ranging from 2.50% to 5.00%. Principal repayment began August 15, 2004. The final principal payment is due on August 15, 2012. This refunding resulted in a cash savings of \$2,163,249 and net present value benefit of \$2,128,522.
- d. On July 14, 2004, the City issued \$22,120,000 of Solid Waste Disposal System Revenue Bonds, Series 2004 to finance the residential collection and landfill system, acquire a debt service reserve surety bond and pay for the cost of issuance. These bonds bear interest at rates ranging from 3.00% to 5.30% with principal repayment beginning August 15, 2005. The final principal payment is due on August 15, 2028. The Bonds are payable from the Net Revenues of the Solid Waste Disposal System and the City has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation. The Bonds were issued at a premium of \$556,418 and issuance costs were \$809,193. These amounts will be deferred and amortized over the life of the Bonds using a method approximating the effective interest method.

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

**Year Ended August 31, 2004**

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

**A. Primary Government (Continued)**

**6. Bonds Authorized and Unissued (Continued)**

Authorized and unissued bonds consisted of general obligation bonds of \$254,655,000. The following is a schedule of authorized but unissued bonds at August 31, 2004.

Purpose	Amount Authorized May 6, 2000	Amount Authorized February 7, 2004	Bonds Unissued August 31, 2004	Approved by City Council		Commercial Paper	
				for Issuance as Commercial Paper		Amount Issued FY 2004	Cumulative Amount Issued
				Projects Authorized			
	May 6, 2000	February 7, 2004	August 31, 2004	May 6, 2000	February 7, 2004		
Parks Improvements	\$ 75,000,000	4,560,000	79,560,000	31,313,000	995,000	10,000,000	25,904,000
Library Facilities	26,095,000	535,000	26,630,000	8,052,000	345,000	4,770,000	6,786,000
Zoo Improvements	33,360,000	150,000	33,510,000	7,985,000	150,000	4,580,000	6,485,000
Museum Facilities	6,650,000		6,650,000	2,650,000		1,150,000	1,325,000
Flood Control Improvements		1,380,000	1,380,000		145,000		
Street Improvements		79,620,000	79,620,000		34,650,000		
Fire Department Facilities		11,595,000	11,595,000		4,325,000		
Health Facilities		950,000	950,000		440,000		
Municipal Facilities		200,000	200,000		25,000		
Police Facilities		7,355,000	7,355,000		4,260,000		
Equipment Purchases		7,205,000	7,205,000		4,665,000		
<b>Total</b>	<b>\$ 141,105,000</b>	<b>113,550,000</b>	<b>254,655,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>20,500,000</b>	<b>40,500,000</b>

**CITY OF EL PASO, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended August 31, 2004**

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

**A. Primary Government (Continued)**

**7. Debt Service Requirements**

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

Year Ending August 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 59,370,897	16,844,228	3,279,103	1,034,065	\$ 62,650,000	17,878,293
2006	27,381,160	15,971,581	3,318,840	881,530	30,700,000	16,853,111
2007	27,230,643	14,568,748	2,649,357	726,686	29,880,000	15,295,434
2008	26,207,188	13,222,067	1,442,812	580,087	27,650,000	13,802,154
2009	25,330,715	11,940,223	1,454,285	517,771	26,785,000	12,457,994
2010-2014	105,153,554	42,065,678	5,976,446	1,711,572	111,130,000	43,777,250
2015-2019	53,865,108	21,610,910	2,104,892	662,334	55,970,000	22,273,244
2020-2024	40,508,724	10,074,668	1,531,276	184,261	42,040,000	10,258,929
2025-2028	14,185,000	1,375,238			14,185,000	1,375,238
<b>Total</b>	<b>\$ 379,232,989</b>	<b>147,673,341</b>	<b>21,757,011</b>	<b>6,298,306</b>	<b>400,990,000</b>	<b>153,971,647</b>

**Revenue Bond Debt Service Requirements**

Year Ending August 31	Business-type Activities	
	Principal	Interest
<b>2005</b>	\$ 4,730,000	1,728,249
<b>2006</b>	1,920,000	1,547,608
<b>2007</b>	1,980,000	1,485,205
<b>2008</b>	2,465,000	1,398,713
<b>2009</b>	2,540,000	1,295,948
<b>2010-2014</b>	8,885,000	5,197,780
<b>2015-2019</b>	6,380,000	3,239,675
<b>2020-2024</b>	4,890,000	2,005,188
<b>2025-2028</b>	4,870,000	639,344
<b>Total</b>	<b>\$ 38,660,000</b>	<b>18,537,710</b>



**CITY OF EL PASO, TEXAS****NOTES TO FINANCIAL STATEMENTS****Year Ended August 31, 2004****NOTE 8. LONG-TERM OBLIGATIONS (Continued)****A. Primary Government (Continued)****7. Debt Service Requirements (Continued)****Notes Payable**

<b>Year Ending</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
<b>August 31.</b>		
<b>2005</b>	\$ 669,456	408,945
<b>2006</b>	693,943	379,459
<b>2007</b>	719,483	348,919
<b>2008</b>	746,120	319,282
<b>2009</b>	773,904	284,498
<b>2010-2014</b>	4,329,924	887,085
<b>2015-2019</b>	1,071,715	155,834
<b>2020-2022</b>	<u>250,000</u>	<u>18,750</u>
Total	<u>\$ 9,254,545</u>	<u>2,802,772</u>

**8. Advanced Refundings and Defeased Debt**

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

At August 31, 2004, the remaining outstanding balance of legally defeased bonds (Certificate of Obligation 1996 issue) is \$2,735,000.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### A. Primary Government (Continued)

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

	Balance September 1, 2003	Additions	Refunding	Reductions	Balance August 31, 2004	Due Within One Year
<b>Governmental Activities:</b>						
Bonds/Commercial Paper Payable:						
General Obligation Bonds	\$ 174,625,000	-	29,265,000	41,560,000	162,330,000	7,495,000
Certificates of Obligation	185,495,680	-	-	9,092,688	176,402,992	11,375,897
Contractual Obligations	1,600,000	-	-	1,600,000	-	-
Commercial Paper - Short Term Obligation	20,000,000	20,500,000	-	-	40,500,000	40,500,000
Less: Unamortized Premium	2,718,273	-	2,047,876	290,967	4,475,182	522,834
Total Bonds/Commercial Paper Payable	384,438,953	20,500,000	31,312,876	52,543,655	383,708,174	59,893,731
Compensated Absences	34,105,799	34,090,017	-	30,013,103	38,182,713	29,782,516
Deferred Revenue-Low Income Housing Loans	33,416,459	2,282,796	-	-	35,699,255	3,200,000
Arbitrage Rebate Liability	30,227	-	-	-	30,227	30,227
Accrued Health Claims	18,414,152	-	-	814,579	17,599,573	13,727,667
Claims and Judgements	505,409	1,010,539	-	-	1,515,948	555,409
Governmental Activities long-term liabilities	\$ 470,910,999	57,883,352	31,312,876	83,371,337	476,735,890	107,189,550
<b>Business-type Activities:</b>						
<b>El Paso International Airport:</b>						
Bonds Payable:						
Revenue Bonds	\$ 33,745,000	-	18,000,000	37,120,000	14,625,000	3,420,000
Less: Unamortized Discount	(914,499)	-	(378,678)	(99,475)	(1,193,702)	(99,475)
Total Bonds Payable	32,830,501	-	17,621,322	37,020,525	13,431,298	3,320,525
Compensated Absences	604,052	629,839	-	531,566	702,325	547,814
Total El Paso International Airport	\$ 33,434,553	629,839	17,621,322	37,552,091	14,133,623	3,868,339
<b>International Bridges:</b>						
Bonds/Notes Payable:						
Certificates of Obligation	\$ 150,000	-	-	27,606	122,394	28,754
Revenue Bonds	2,185,000	-	-	270,000	1,915,000	285,000
Notes Payable	10,129,036	-	-	874,490	9,254,546	669,456
Total Bonds/Notes Payable	12,464,036	-	-	1,172,096	11,291,940	983,210
Compensated Absences	64,235	61,439	-	56,527	69,147	53,935
Total International Bridges	\$ 12,528,271	61,439	-	1,228,623	11,361,087	1,037,145
<b>Department of Solid Waste Management:</b>						
Certificates of Obligation	\$ 25,089,320	-	-	3,454,706	21,634,614	3,250,349
Revenue Bonds	-	22,120,000	-	-	22,120,000	1,025,000
Less: Unamortized Discount	-	556,418	-	8,279	548,139	40,276
Total Bonds/Notes Payable	25,089,320	22,676,418	-	3,462,985	44,302,753	4,315,625
Landfill Closure and Post-Closure	25,609,001	1,520,303	-	-	27,129,304	-
Delta Transfer Station Post-Closure	95,017	4,226	-	-	99,243	-
Compensated Absences	486,093	448,760	-	427,762	507,091	395,531
Total Department of Solid Waste Management	\$ 51,279,431	24,649,707	-	3,890,747	72,038,391	4,711,156
<b>Mass Transit:</b>						
Compensated Absences	963,650	901,315	-	848,012	1,016,953	793,223
Claims and Judgements	1,559,441	-	-	252,873	1,306,568	360,000
Hydrocarbon Clean-up	1,498,231	-	-	472,116	1,026,115	250,000
Total Mass Transit	\$ 4,021,322	901,315	-	1,573,001	3,349,636	1,403,223
Business-type activities Long-term liabilities	\$ 101,263,577	26,242,300	17,621,322	44,244,462	100,882,737	11,019,863

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

**Year Ended August 31, 2004**

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

**B. Component Unit – EPWU**

**1. Revenue Bonds**

Water and Sewer Revenue Bonds, in the amount of \$360,052,000 at February 29, 2004, are equally and ratably secured by and payable from an irrevocable first lien on and pledge of the net revenue of EPWU.

**2. Changes in Long-Term-Debt**

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

	Dated	Original Amount	Interest Rates	Balance Outstanding Mar. 1, 2003	Additions During Year	Deletions During Year	Balance Outstanding Feb. 28, 2004	Due Within One Year
Revenue Bonds:								
1988	11/01/88	\$ 22,000,000	4.00%	\$ 12,050,000		12,050,000	-	-
1990-B	12/01/90	8,000,000	no interest	8,000,000			8,000,000	-
1993 Jr Lien	09/01/93	222,000	4.50 to 6.90%	21,000		10,000	11,000	11,000
1993 SRF	09/01/93	25,000,000	2.60 to 4.85%	16,825,000		16,825,000	-	-
1994-A	09/14/94	18,000,000	3.05 to 4.90%	13,105,000		12,240,000	865,000	865,000
1994-B	09/27/94	8,925,000	5.25 to 7.25%	2,680,000		2,250,000	430,000	430,000
1995	12/01/95	22,880,000	3.60 to 5.10%	19,335,000		1,745,000	17,590,000	1,735,000
1997	03/04/97	22,000,000	2.85 to 4.55%	18,555,000		815,000	17,740,000	860,000
1997-A	07/24/97	10,000,000	3.00 to 4.75%	8,200,000		400,000	7,800,000	415,000
1997-B Jr Lien	07/24/97	602,000	4.92 to 6.25%	190,000		25,000	165,000	25,000
1998	05/20/98	15,455,000	5.35%	12,420,000		880,000	11,540,000	925,000
1998-A	08/18/98	16,125,000	4.00 to 5.00%	13,050,000		845,000	12,205,000	885,000
1999-A	09/23/99	211,000	4.84 to 5.89%	197,000		7,000	190,000	8,000
1999-B	09/23/99	106,000	4.84 to 5.89%	100,000		4,000	96,000	4,000
1999-C	12/02/99	15,480,000	4.30 to 5.75%	14,465,000		545,000	13,920,000	570,000
1999-D	12/20/99	15,190,000	3.20%	14,655,000		555,000	14,100,000	575,000
2000	12/19/00	13,210,000	4.875 to 5.750%	12,835,000		395,000	12,440,000	420,000
2001	08/01/01	16,265,000	2.45 to 4.50%	16,265,000		560,000	15,705,000	575,000
2001-A	12/15/01	88,780,000	4.00 to 6.00%	87,285,000		4,060,000	83,225,000	4,300,000
2002	01/01/02	7,520,000	0.15 to 3.35%	7,520,000		305,000	7,215,000	305,000
2003 Refunding	08/15/03	89,745,000	4.99%		89,745,000		89,745,000	1,785,000
2003-A	08/15/03	1,000,000	no interest		1,000,000		1,000,000	-
2003-B	12/01/03	10,000,000	0 to 4.19%		10,000,000		10,000,000	-
2004 Refunding	02/01/04	36,070,000	2.50 to 5.00%		36,070,000		36,070,000	-
Total Revenue Bonds:				277,753,000	136,815,000	54,516,000	360,052,000	14,693,000
Deferred Gain on refunding bond issues				1,122,449	5,577,392	824,572	5,875,269	1,067,764
Commercial Paper Payable				25,000,000	10,000,000	25,000,000	10,000,000	
Self Insurance Claims				1,257,972	1,260,977	1,188,380	1,330,569	
Land Notes Payable		10,372,878	3.95 to 5.00%		10,372,878		10,372,878	495,624
Total Component Unit - EPWU				\$ 305,133,421	164,026,247	81,528,952	387,630,716	16,256,388

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

**Year Ended August 31, 2004**

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

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

Year Ending last day of February	Principal		Interest		Total	
	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes	Revenue Bonds	Land Notes
2005	\$ 14,693,000	495,624	16,135,982	514,426	30,828,982	1,010,050
2006	13,857,000	520,052	18,214,028	489,997	32,071,028	1,010,049
2007	14,782,000	545,689	18,614,699	464,360	33,396,699	1,010,049
2008	18,283,000	572,592	14,895,710	437,457	33,178,710	1,010,049
2009	18,674,000	600,828	14,016,353	409,222	32,690,353	1,010,050
2010 - 2014	90,359,000	3,479,006	56,326,621	1,571,242	146,685,621	5,050,248
2015 - 2019	80,668,000	4,159,087	37,056,675	644,133	117,724,675	4,803,220
2020 - 2024	69,751,000		17,773,833		87,524,833	-
2025 - 2029	38,985,000		4,304,535		43,289,535	-
Totals	\$ 360,052,000	10,372,878	197,338,436	4,530,837	557,390,436	14,903,715

**4. Land Notes Payable**

During the fiscal year ended February 29, 2004, EPWU purchased two parcels of land in order to obtain water rights attached to the land. The first note was for a total of \$401,692 with an interest rate of 3.95% for a period of ten years and payable in annual installments of \$49,402 with payments due in March. The second note was for a total of \$9,971,186 with an interest rate of 5.0% for the first year and the rate of a 10 year U.S. Treasury Note thereafter for a period of fifteen years with payments due in September. This note also included a lease back of the property for a period of 15 years with an annual lease payment of \$400,000.

**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 re-marketing of the tax-exempt commercial paper notes as it intends to maintain a portion of its debt in variable rates.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### 6. Commercial Paper (Continued)

Since the commercial paper represents activity that is the result of EPWU's long-term financing plan, the amounts outstanding are presented as long term. The commercial paper can be sold in \$100,000 increments and matures from one to 270 days. As of February 29, 2004, the following amounts were outstanding:

<u>February 29, 2004</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$ 7,000,000	March 29, 2004	0.96%
<u>3,000,000</u>	March 3, 2004	1.00%
<u>\$ 10,000,000</u>		

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

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

During fiscal year 2002, the City hired independent consultants to prepare a revised estimate of the total closure and post-closure costs for the landfills. The estimated total closure and post-closure costs, adjusted by an inflation factor specified by the TCEQ, is \$52.9 million at August 31, 2004. The recognized portion of the total liability, \$27.1 million, is computed based on the percentage of landfill capacity used, approximately 52.4%, as of August 31, 2004. The remaining estimated total current cost of closure and post closure care remaining to be recognized is \$25.8 million.

Clint Landfill – This landfill is currently accepting solid waste and capacity used is 98% at August 31, 2004. The estimated closure and post-closure cost liability of \$18.5 million is included in the recorded liability. A permit application to TCEQ for additional landfill capacity is pending.

McCombs Landfill – This landfill is currently accepting solid waste and capacity used is 25% at August 31, 2004. The estimated closure and post-closure cost liability of \$8.6 million is included in the recorded liability. Estimated remaining useful life is 35 years.

TCEQ review of the revised closure/post-closure cost estimate is pending. The City is confident that TCEQ will accept the new estimate. At August 31, 2004, the estimated total liability is \$66.9 million, reflecting an inflation factor applied to the previous liability as prescribed by TCEQ.

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

Sections 330.280-286 of Title 30 of the *Texas Administrative Code* requires landfill owners to demonstrate financial assurance that they will have sufficient financial resources to satisfy closure and post-closure care expenses at such time as these become payable. The regulations provide various means by which a municipality may demonstrate financial assurance. For the year ended August 31, 2002, 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 the audited financial statements of this Comprehensive Annual Financial Report.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

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

#### **D. Solid Waste Management Transfer Station**

The City owns and operates a transfer process facility for solid waste near Delta Street in El Paso (called Delta Transfer Station). 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, 2004, the estimated total cost of closure of the Delta Transfer Station is \$99,243. 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, 2004, is recorded as a liability in the Basic Financial Statements.

### NOTE 9. RESTRICTED NET ASSETS

#### **El Paso International Airport**

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

#### **International Bridges**

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

#### **Component Unit - EPWU**

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

#### **Business-type Activities**

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

Restricted for debt service:		
El Paso International Airport	\$	9,643,432
International Bridges		419,345
Restricted by Federal Aviation Administration:		
El Paso International Airport		11,971,017
Restricted for passenger facilities:		
El Paso International Airport		<u>502,400</u>
Total restricted net assets	\$	<u><u>22,536,194</u></u>

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### NOTE 10. RISK MANAGEMENT

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

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

#### **A. Internal Service Funds**

Provisions under various types of risk are presented below:

Internal Service Funds account for certain self-insured activities. These include Workers' Compensation, Group Health and Unemployment Compensation. The premiums are recognized as revenues in the Internal Service Funds and as expenditures or expenses in the Governmental and Proprietary fund types, as appropriate. Accruals for unpaid claims and claims incurred but not reported are reflected in the accompanying Basic Financial Statements as Claims and Judgments. This provision is based upon City experience, including recoveries, since the inception of the insurance programs and represents the loss and an allocated loss expense. The total estimated claims payable at August 31, 2004 is \$17,599,573 of which \$13,378,454 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, 2004, 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 2003 and 2004 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims liability at August 31, 2002	\$ 11,619,119	6,401,404	-	18,020,523
Incurred claims	9,355,860	24,974,206	343,137	34,673,203
Payment on claims	(6,765,824)	(27,170,610)	(343,137)	(34,279,571)
Claims liability at August 31, 2003	14,209,155	4,205,000	-	18,414,155
Incurred claims	8,148,489	26,415,650	262,770	34,826,909
Payment on claims	(8,979,190)	(26,399,531)	(262,770)	(35,641,491)
Claims liability at August 31, 2004	\$ 13,378,454	4,221,119	-	17,599,573

#### **B. General Liability Insurance**

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

The City has joined together with other governments in the Texas Municipal League Intergovernmental Risk Pool (Pool). The City pays an annual premium to the Pool for its police auto and motor pool vehicles insurance coverage. The interlocal agreement with the Pool provides that the Pool 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.

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

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

**NOTE 10. RISK MANAGEMENT (Continued)****C. Property and Casualty Insurance**

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

**D. Workers' Compensation Insurance**

The City self-insures against workers' compensation claims.

**E. Group Health and Life Insurance**

The City maintains a group health insurance plan for active and retired employees and their eligible dependents through two self-insured plans of benefits. Texas Municipal League administers one plan and Access HealthSource, Inc administers a second 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.

**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, 2004. Two lawsuits have not been accrued for because the amount of the loss cannot be reasonably estimated at this time. The plaintiffs allege damages due to improper grading, insufficient erosion control measures, insufficient drainage plans and an inverse condemnation claim. The City is vigorously contesting both suits. It is the City's opinion that resolution of these matters will not have a material adverse effect on the financial condition of the City. Damages currently claimed by the plaintiffs in these two suits amount to \$278,416 and \$2.5 million, respectively.

**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 \$7,606,240. The City has expended approximately \$4,256,494 to date, net of reimbursement from the TCEQ Petroleum Storage Tank Remediation Fund of approximately \$1,997,500. The City paid \$145,985 during the current fiscal year. It is estimated that the clean up process will continue through the end of 2005. As of August 31, 2004, the City has a liability recorded in the Mass Transit Fund of \$1,026,115 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.



**NOTE 11. COMMITMENTS AND CONTINGENCIES (Continued)****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, 2004, no Industrial Revenue Bonds issued by the City were outstanding.

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, 2004, 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 December 31, 2003, the latest actuarial valuation reflected unfunded liabilities of \$135,767,625 for the FPPF-Firemen Division and \$122,464,946 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 under funding of the FPPF and the amount the City may be required to contribute is unknown at this time.

**NOTE 12. COST SHARING ARRANGEMENTS****A. City-County Health District**

The City participates with the County of El Paso, Texas in an agreement for the operation of the City-County Health District (Health District). As lead agency, the City is responsible for the planning, budgeting and operation of the Health District. The City provides personnel, financing and accepts Federal and State grants on behalf of the Health District. The County reimbursed the City \$2,480,537 in fiscal year 2004.

The City holds title to the Health District's assets and the Health District's operations are reported in the General Fund of the City.

**B. Convention and Tourism Center**

The City has entered into an agreement with the County of El Paso to share costs associated with the Convention and Tourism Center. The City operates the Center and the County has pledged 1.25 points of the County's hotel/motel tax revenue to support the operation of the Center. Operations are reported in the General Fund of the City.

**NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Retirees pay premiums ranging from \$156.47 per month to \$761.99 per month depending on the coverage elected. The City's adopted budget policy is that retirees must pay 50% of the cost of coverage. The cost of retiree health care benefits is recognized as an expenditure in the Internal Service Self-Insurance Fund as liabilities are incurred. Of 2,771 retirees eligible, there were 1,093 retirees covered under this plan at August 31, 2004. Dependent coverage was provided for 438 of the retirees. Total benefits paid to retirees during fiscal year 2004 were \$4,756,346.

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### NOTE 14. PENSION PLANS

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

Firemen and Policemen's Pension Funds	8201 Lockheed Drive Suite 229 El Paso, TX 79925
City Employees' Pension Fund	City of El Paso Two Civic Center Plaza El Paso, TX 79901

#### A. Membership

Membership of each plan consisted of the following:

	<u>August 31, 2004</u>	<u>December 31, 2003</u>	
		FPPF- Firemen Division	FPPF- Policemen Division
Retirees and beneficiaries receiving benefits	1,586	522	654
Terminated plan members entitled to but not yet receiving benefits	50	1	1
Active plan members	<u>3,991</u>	<u>702</u>	<u>1,107</u>
Total	<u><u>5,627</u></u>	<u><u>1,225</u></u>	<u><u>1,762</u></u>

#### B. City Employees' Pension Fund

##### 1. Plan Description

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

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

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

**NOTE 14. PENSION PLANS (Continued)**

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

**1. Plan Description (Continued)**

Alternatively, such vested participants may elect an early retirement that 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.

**2. Basis of Accounting**

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

**3. Method Used to Value Investments**

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

**4. Concentration of Investments**

The following table presents the fair value of investments that represent 5% or more of the CEPF's net assets available for benefits at August 31, 2004. These investments are in bank collective investment funds that consist of diversified portfolios of investments.

	<u>Shares</u>	<u>Fair Value</u>
EB Stock Index Fund		
Mellon Capital Management Corporation	35,038	\$ 41,214,084
EB MCM Intermediate Government Bond Index Fund		
Mellon Capital Management Corporation	187,588	\$ 36,977,046

**5. Contributions**

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

**NOTE 14. PENSION PLANS (Continued)**

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

**5. Contributions (Continued)**

Contributions were made as follows:

	<b>Year Ended</b>	
	<b>August 31, 2004</b>	
	<b>Amount</b>	<b>Required Contribution Rate</b>
Employer contributions	\$ 12,987,074	10.25%
Employee contributions	8,578,958	6.75%
Total contributions	<u>\$ 21,566,032</u>	<u>17.00%</u>

**6. Securities Lending**

The CEPF entered into securities lending transactions during fiscal 2004 with brokers/dealers which fees were paid to the CEPF. The CEPF Board may legally and contractually authorize the use of CEPF's securities for lending transactions. Parameters are set with CEPF's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and securities be collateralized using U.S. Treasuries at 102% of the fair value of the securities. U.S. Treasuries used as collateral are marked to market on a daily basis to ensure that 102% collateralization of the fair value of investments is always maintained. The CEPF may not pledge or sell the collateral securities except on default of the borrower. Because of this, CEPF administration believes there is minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to CEPF by the investment managers or broker/dealers. There is no cost associated with securities lending. As of August 31, 2004, securities loaned to others, at fair value, consisted of:

Corporate bonds	\$ 2,760,227
Corporate stocks	21,001,052
Agency securities	10,965,433
Total	<u>\$ 34,726,712</u>

**7. Three-Year Trend Information**

The latest actuarial valuation date was September 1, 2002.

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2004	\$ 12,987,074	100%
2003	11,588,093	100%
2002	11,942,612	100%
2001	11,282,949	100%
2000	10,544,217	100%
1999	10,612,961	100%
1998	9,264,674	100%
1997	9,193,210	100%

**NOTE 14. PENSION PLANS (Continued)**

**C. Firemen and Policemen's Pension Fund**

**1. Plan Description**

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

The FPPF is a defined benefit pension plan covering uniformed firefighters and police officers employed by the City of El Paso. Non-employer contributions are limited to participating employees. The City of El Paso is the only participating employer. The City's contributions to the FPPF are limited to 18% of compensation as provided under Article 6243b of *Vernon's Annotated Texas Statutes*.

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

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

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

A provision was added to allow active members to elect the Back Deferred Retirement Option Program (Back DROP) for a minimum of six months and for not more than 30 months.

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 multiplied by the applicable actuarial reduction factor (early retirement). A reduced pension benefit is permitted with twenty-eight years of service and attained age commencing at age thirty-eight.

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.

**NOTE 14. PENSION PLANS (Continued)****C. Firemen and Policemen's Pension Fund (Continued)****2. Basis of Accounting**

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

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

**3. 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.

Required contributions were made as follows:

Fiscal year ended:	Firemen Division		Policemen Division	
	Amount	Required Contribution	Amount	Required Contribution
		Rate		Rate
<b>December 31, 2003</b>				
Employer contributions	\$ 9,158,073	18.00%	\$ 15,403,553	18.00%
Participant contributions	7,721,290	15.28%	10,050,533	11.89%
Other contributions	<u>1,865</u>	N/A	<u>-</u>	N/A
Total contributions	<u><u>16,881,228</u></u>		<u><u>25,454,086</u></u>	
<b>June 30, 2002</b>				
Employer contributions	5,400,250	18.00%	9,584,013	18.00%
Participant contributions	4,181,659	12.99%	5,769,579	10.11%
Other contributions	<u>580</u>	N/A	<u>-</u>	N/A
Total contributions	<u><u>9,582,489</u></u>		<u><u>15,353,592</u></u>	
<b>June 30, 2001</b>				
Employer contributions	5,162,301	18.00%	9,459,775	18.00%
Participant contributions	3,695,182	12.99%	5,255,951	10.11%
Other contributions	<u>580</u>	N/A	<u>-</u>	N/A
Total contributions	<u><u>8,858,063</u></u>		<u><u>14,715,726</u></u>	

# CITY OF EL PASO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2004

### NOTE 15. FUND DEFICITS

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

	<b>Supply and Support Funds</b>	<b>Self Insurance Funds</b>
Net asset deficit	<u>\$ (182,290)</u>	<u>(18,763,356)</u>

### NOTE 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

<u>General Fund</u>	
Department:	
General government:	
Mayor and Council	\$ (55,883)
Municipal Clerk	(177)
Purchasing	(816)
Information Technology	(15)
Office of Management and Budget	(228)
Planning	(176)
Tax Office	(28)
Public safety:	
Police Department	(235,646)
Fire Department	(147,644)
Public works:	
Administration	(582,810)
Engineering	(22,552)
Building Services	(32,211)
Streets	(73,666)
City-County Health	(68,495)
Parks Department	(440,218)
Library	(8,826)
Culture and recreation:	
Art Museum	(74,785)
Arts Resources	(463)
Wilderness Park Museum	(169)
Economic Development	(233)
Operating contingency	<u>(176,493)</u>
Total	<u>\$ (1,921,534)</u>

Expenditures exceeding appropriations were funded through revenue sources in excess of the budget or unexpended appropriations within the same department or function. Fund balance was not utilized.

# **CITY OF EL PASO, TEXAS**

## ***NOTES TO FINANCIAL STATEMENTS***

**Year Ended August 31, 2004**

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### **NOTE 17. SUBSEQUENT EVENTS**

#### **Commercial Paper Issuances**

On November 15, 2004 the City issued \$10,000,000 of new commercial paper debt. This debt is scheduled to be renewed on March 2, 2005. The annual percentage interest rate upon issuance was 1.65%.

On December 15, 2004 the City issued \$9,500,000 of new commercial paper debt. This debt is scheduled to be renewed on January 15, 2005. The annual percentage interest rate upon issuance was 1.65%.

#### **Commercial Paper Repayments**

On September 21, 2004 the City repaid \$500,000 of commercial paper debt.



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

**CITY OF EL PASO, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the year ended August 31, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Resources (inflows):</b>				
Property taxes	\$ 102,758,218	102,758,218	103,683,322	925,104
Sales taxes	52,141,000	52,141,000	52,320,461	179,461
Franchise fees	29,099,441	29,099,441	30,630,964	1,531,523
Licenses and permits	7,290,627	7,290,627	8,656,832	1,366,205
Fines and forfeits	16,309,080	16,309,080	15,444,043	(865,037)
Charges for services	11,583,180	11,583,180	12,130,738	547,558
Intergovernmental revenues	2,590,038	2,590,038	2,480,537	(109,501)
Rents and other	668,000	668,000	294,287	(373,713)
Interest	550,000	550,000	359,939	(190,061)
Transfers from other funds	21,143,131	21,143,131	21,329,528	186,397
Amounts available for appropriation from current year resources	244,132,715	244,132,715	247,330,651	3,197,936
<b>Charges to appropriations (outflows):</b>				
<b>General government:</b>				
Mayor and Council	1,786,268	1,650,605	1,516,290	134,315
Municipal Clerk	724,426	728,502	670,834	57,668
Financial Services	2,164,930	1,958,528	1,928,949	29,579
Information Technology	6,822,626	6,740,423	6,383,584	356,839
City Attorney	4,004,364	3,941,858	3,523,778	418,080
Office of Management and Budget	1,236,154	947,422	884,666	62,756
Planning	1,624,402	1,508,285	1,504,790	3,495
Personnel	2,115,048	2,143,185	2,103,695	39,490
Purchasing	1,205,535	1,186,201	1,146,409	39,792
Tax Office	6,368,407	7,018,639	6,883,925	134,714
<b>Public safety:</b>				
Police Department	94,920,909	91,440,378	90,768,716	671,662
Fire Department	58,402,230	61,416,307	60,939,326	476,981
Municipal Court	3,971,470	4,005,002	3,753,932	251,070
<b>Public works:</b>				
Administration	12,897,552	12,992,054	13,419,762	(427,708)
Engineering	3,629,291	3,585,145	3,570,887	14,258
Building Services	5,161,367	4,989,375	4,878,070	111,305
Streets	14,513,064	13,906,448	13,543,274	363,174
City-County Health	10,084,977	10,116,060	10,028,690	87,370
Parks department	11,840,157	12,035,078	12,298,652	(263,574)
Library	5,623,535	5,401,198	5,348,625	52,573
<b>Culture and recreation:</b>				
Art Museum	1,294,884	1,234,231	1,303,214	(68,983)
Arts Resources	402,946	481,609	393,093	88,516
History Museum	215,044	156,580	154,787	1,793
Wilderness Park Museum	178,976	164,680	164,594	86
Zoo	2,685,209	2,559,242	2,559,475	(233)
Economic development	1,577,016	1,226,193	927,204	298,989
Community and human development	323,605	326,482	323,929	2,553
<b>Nondepartmental:</b>				
Operating contingency	1,939,184	1,831,159	891,060	940,099
Salary reserve	1,500,000	4,483,455		4,483,455
Transfers to other funds	221,000	318,048	490,155	(172,107)
Total charges to appropriations	259,434,576	260,492,372	252,304,365	8,188,007
Increase (Decrease) in fund balance	(15,301,861)	(16,359,657)	(4,973,714)	11,385,943
Budgetary fund balance, September 1	15,301,861	16,359,657	41,322,680	24,963,023
Budgetary fund balance, August 31	\$ -	-	36,348,966	36,348,966

**CITY OF EL PASO, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
August 31, 2004

**SCHEDULES OF FUNDING PROGRESS**

	Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) entry age	Unfunded AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
<b>(dollars expressed in thousands)</b>							
City Employees Pension Plan (CEPF)	9/1/2002	\$ 406,923	\$ 455,860	\$ 48,937	89.3%	\$ 113,682	43.0%
	9/1/2000	366,692	390,296	23,604	94.0%	98,112	42.1%
	9/1/1998	285,961	339,942	53,981	84.1%	90,387	59.7%
Firemen and Policemen's Pension Fund (FPPF):							
Firemen Division	12/31/2003	194,959	330,727	135,768	58.9%	31,486	431.2%
	6/30/2003	189,078	297,165	108,087	63.6%	27,775	389.1%
	6/30/2002	172,620	240,106	67,486	71.9%	25,641	263.2%
Policemen Division	12/31/2003	350,347	472,812	122,465	74.1%	49,935	245.2%
	6/30/2003	332,873	426,306	93,433	78.1%	46,881	199.3%
	6/30/2002	294,596	338,009	43,413	87.2%	42,913	101.2%

**NOTES TO SCHEDULES OF FUNDING PROGRESS**

	City Employees Pension Plan (CEPF)	Firemen and Policemen's Pension Fund (FPPF)
Actuarial valuation date	September 1, 2002	January 1, 2004
Actuarial Cost Method	Entry age	Entry age
Method Used to Value Assets	Five-year smoothed market	Five-year smoothed market
Assumed Inflation Rate	4.25%	4.00%
Assumed Investment Return	8.00%	8.00%
Assumed Projected Salary Increases	4.75% - 10.25%	5.50% - 10.00%
Assumed Postretirement Benefit Increases	None	3.00%
Amortization Method	Level percent open	Level percent open
Factors that significantly affect the identification of trends in the amounts reported in required schedules:	Payment of 13th check to retirees in early 2002	Mortality rates for healthy members were changed from the 1983 Group Annuity Mortality Table (1983 GAM) to the 1994 GAM. Retirement rates after age 49 were decreased by 10%. Projected salary increase rates were increased by .5%.

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# **COMBINING AND INDIVIDUAL FUND STATEMENTS & SCHEDULES**

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# 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, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 50,835	53,447	53,447		
Employee Benefits	15,318	15,029	15,013	16	
Other Operating Expenditures	35,229	27,785	6,284	21,501	
Transfers Out	-	7,444	24,745		(17,301)
<b>COUNCIL DISTRICT 01</b>	<b>101,382</b>	<b>103,705</b>	<b>99,489</b>	<b>21,517</b>	<b>(17,301)</b>
Salaries and Wages	61,826	44,541	44,541		
Employee Benefits	20,975	11,247	11,247		
Other Operating Expenditures	14,476	36,316	21,696	14,620	
Transfers Out	-	6,768	17,298		(10,530)
<b>COUNCIL DISTRICT 02</b>	<b>97,277</b>	<b>98,872</b>	<b>94,782</b>	<b>14,620</b>	<b>(10,530)</b>
Salaries and Wages	60,055	56,149	56,149		
Employee Benefits	15,458	16,107	16,091	16	
Other Operating Expenditures	14,476	6,393	13,956		(7,563)
Transfers Out	-	8,083	520	7,563	
<b>COUNCIL DISTRICT 03</b>	<b>89,989</b>	<b>86,732</b>	<b>86,716</b>	<b>7,579</b>	<b>(7,563)</b>
Salaries and Wages	70,260	69,512	69,512		
Employee Benefits	28,311	27,878	27,862	16	
Interfund Services	-	28	28		
Other Operating Expenditures	14,476	9,743	6,618	3,125	
Transfers Out	-	4,733	7,620		(2,887)
<b>COUNCIL DISTRICT 04</b>	<b>113,047</b>	<b>111,894</b>	<b>111,640</b>	<b>3,141</b>	<b>(2,887)</b>
Salaries and Wages	50,619	51,256	51,256		
Employee Benefits	19,596	20,274	20,258	16	
Other Operating Expenditures	35,229	31,899	12,861	19,038	
Transfers Out	-	3,330	7,663		(4,333)
<b>COUNCIL DISTRICT 05</b>	<b>105,444</b>	<b>106,759</b>	<b>92,038</b>	<b>19,054</b>	<b>(4,333)</b>
Salaries and Wages	74,414	78,738	78,738		
Employee Benefits	25,601	26,548	26,532	16	
Other Operating Expenditures	14,476	(246)	4,292		(4,538)
Transfers Out	-	14,722	6,217	8,505	
<b>COUNCIL DISTRICT 06</b>	<b>114,491</b>	<b>119,762</b>	<b>115,779</b>	<b>8,521</b>	<b>(4,538)</b>
Salaries and Wages	42,476	54,058	54,058		
Employee Benefits	16,383	17,885	17,869	16	
Other Operating Expenditures	35,229	11,545	5,739	5,806	
Transfers Out	-	14,396	20,261		(5,865)
<b>COUNCIL DISTRICT 07</b>	<b>94,088</b>	<b>97,884</b>	<b>97,927</b>	<b>5,822</b>	<b>(5,865)</b>
Salaries and Wages	72,123	70,089	70,089		
Employee Benefits	25,181	24,108	24,092	16	
Other Operating Expenditures	14,476	9,004	6,138	2,866	
Transfers Out	-	5,472	8,338		(2,866)
<b>COUNCIL DISTRICT 08</b>	<b>\$ 111,780</b>	<b>108,673</b>	<b>108,657</b>	<b>2,882</b>	<b>(2,866)</b>



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 519,910	514,958	514,958		
Employee Benefits	108,149	72,877	72,849	28	
Contractual Services	13,000	10,000	4,470	5,530	
Professional Services	7,000	3,000		3,000	
Outside Contracts	27,800	26,800	2,677	24,123	
Interfund Services	16,000	15,972	5,634	10,338	
Operating Leases	4,000	4,000	2,787	1,213	
Fuel and Lubricants	1,176	1,176	1,103	73	
Supplies and Materials	25,000	29,000	16,234	12,766	
Maintenance and Repairs	500	500		500	
Communications	11,000	15,000	12,430	2,570	
Travel	34,000	34,000	18,729	15,271	
Other Operating Expenditures	11,000	11,000	6,577	4,423	
<b>OFFICE OF THE MAYOR</b>	<b>778,535</b>	<b>738,283</b>	<b>658,448</b>	<b>79,835</b>	
Salaries and Wages	136,863	105,296	105,296		
Employee Benefits	37,822	32,143	32,143		
Outside Contracts	300	331	331		
Interfund Services	450	419	384	35	
Supplies and Materials	2,300	2,300	2,285	15	
Travel	1,500	1,500	1,136	364	
Other Operating Expenditures	1,000	1,000	854	146	
<b>INTERNAL AUDIT</b>	<b>180,235</b>	<b>142,989</b>	<b>142,429</b>	<b>560</b>	
Outside Contracts	-		(3,480)	3,480	
Interfund Services	-		177		(177)
<b>CITY CLERK ADMINISTRATION</b>	<b>-</b>	<b>-</b>	<b>(3,303)</b>	<b>3,480</b>	<b>(177)</b>
Salaries and Wages	271,101	275,423	275,423		
Employee Benefits	76,100	75,854	75,854		
Outside Contracts	343,050	339,050	297,846	41,204	
Interfund Services	7,200	7,200	2,888	4,312	
Operating Leases	13,000	13,000	8,797	4,203	
Supplies and Materials	9,475	9,475	7,932	1,543	
Travel	800	800		800	
Other Operating Expenditures	3,700	7,700	5,397	2,303	
<b>MUNICIPAL CLERK-CITY CLERK</b>	<b>724,426</b>	<b>728,502</b>	<b>674,137</b>	<b>54,365</b>	
Salaries and Wages	784,963	669,228	669,228		
Employee Benefits	206,887	169,791	169,791		
Contractual Services	8,000	28,300	22,094	6,206	
Professional Services	132,000	94,000	91,800	2,200	
Outside Contracts	15,500	9,400	9,374	26	
Interfund Services	30,300	27,600	25,076	2,524	
Operating Leases	2,750	2,750	2,547	203	
Supplies and Materials	23,800	25,100	23,850	1,250	
Communications	500	700	507	193	
Travel	1,828	1,828	958	870	
Other Operating Expenditures	5,000	7,270	6,117	1,153	
<b>COMPROLLER ACCOUNTING</b>	<b>\$ 1,211,528</b>	<b>1,035,967</b>	<b>1,021,342</b>	<b>14,625</b>	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 50,467	51,017	51,017		
Employee Benefits	13,968	13,735	13,735		
Professional Services	86,000	124,000	124,000		
Supplies and Materials	1,600	1,600	1,438	162	
Travel	1,300	1,300	379	921	
Other Operating Expenditures	240	240	100	140	
<b>COMPROLLER GRANT ACCTG</b>	153,575	191,892	190,669	1,223	
Salaries and Wages	120,423	128,403	128,403		
Employee Benefits	33,533	34,552	34,552		
<b>COMPROLLER TREASURY MGMT</b>	153,956	162,955	162,955		
Salaries and Wages	286,334	215,223	215,223		
Employee Benefits	70,000	53,133	53,133		
Outside Contracts	2,000	2,000	115	1,885	
Interfund Services	1,350	1,350	116	1,234	
Supplies and Materials	3,610	3,610	2,477	1,133	
Communications	330	330	190	140	
Travel	3,000	3,000	2,826	174	
<b>GRANTS ADMINISTRATION</b>	366,624	278,646	274,080	4,566	
Salaries and Wages	183,562	192,604	192,604		
Employee Benefits	40,585	41,364	41,364		
Outside Contracts	50,000	42,400	37,171	5,229	
Interfund Services	100	100	27	73	
Supplies and Materials	-	1,500	197	1,303	
Communications	-	1,100	665	435	
Travel	5,000	5,000	1,933	3,067	
Grant Match	-	5,000	5,000		
<b>FINANCIAL &amp; ADMIN SRVCS DEPT</b>	279,247	289,068	278,961	10,107	
Salaries and Wages	224,083	157,604	157,604		
Employee Benefits	45,159	31,435	31,435		
Interfund Services	500	500	273	227	
Operating Leases	1,100	1,100	607	493	
Supplies and Materials	1,500	1,500	1,045	455	
Travel	4,000	4,000		4,000	
Other Operating Expenditures	1,200	1,200	1,200		
<b>INFORMATION TECHNOLOGY ADMIN</b>	277,542	197,339	192,164	5,175	
Salaries and Wages	190,582	182,794	182,794		
Employee Benefits	45,828	43,703	43,703		
Professional Services	7,500	7,500		7,500	
Outside Contracts	86,500	86,500	85,371	1,129	
Interfund Services	2,000	2,000	1,538	462	
Supplies and Materials	4,500	4,500	4,287	213	
Communications	250	250	1	249	
Travel	2,000	2,000	2,039		(39)
Other Non-Operating Expenditures	-		1		(1)
Other Operating Expenditures	3,000	3,000	2,998	2	
<b>GEOGRAPHIC INFORMATION SYSTEMS</b>	\$ 342,160	332,247	322,732	9,555	(40)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 1,318,828	1,341,189	1,341,189		
Employee Benefits	335,706	313,196	313,196		
Contractual Services	-	3,010	2,914	96	
Professional Services	15,000	11,000	3,059	7,941	
Outside Contracts	1,035,000	1,141,300	1,060,306	80,994	
Interfund Services	8,030	7,480	5,713	1,767	
Operating Leases	532,000	532,000	492,696	39,304	
Fuel and Lubricants	1,200	1,739	1,603	136	
Supplies and Materials	35,500	35,700	35,279	421	
Communications	6,500	14,000	12,648	1,352	
Travel	4,000	4,200	2,783	1,417	
Other Operating Expenditures	8,000	16,000	9,128	6,872	
<b>INFORMATION SERVICES</b>	<b>3,299,764</b>	<b>3,420,814</b>	<b>3,280,514</b>	<b>140,300</b>	
Salaries and Wages	327,441	332,890	332,890		
Employee Benefits	92,819	92,422	92,422		
Outside Contracts	1,067,000	1,066,622	961,386	105,236	
Interfund Services	2,300	2,359	2,359		
Operating Leases	27,750	27,750	25,106	2,644	
Fuel and Lubricants	1,900	2,030	1,442	588	
Supplies and Materials	9,400	9,400	5,033	4,367	
Maintenance and Repairs	2,000	2,000	379	1,621	
Communications	1,370,050	1,252,050	1,164,123	87,927	
Travel	2,000	2,000	1,758	242	
Other Operating Expenditures	500	500	1,276		(776)
<b>PUBLIC SAFETY TECHNOLOGY</b>	<b>2,903,160</b>	<b>2,790,023</b>	<b>2,588,174</b>	<b>202,625</b>	<b>(776)</b>
Salaries and Wages	1,282,387	1,268,889	1,268,889		
Employee Benefits	307,317	282,946	282,946		
Contractual Services	-	21,620	21,385	235	
Professional Services	343,000	544,800	522,170	22,630	
Outside Contracts	31,250	23,750	21,834	1,916	
Interfund Services	13,545	14,131	11,945	2,186	
Operating Leases	32,000	12,500	11,186	1,314	
Supplies and Materials	27,893	23,207	18,725	4,482	
Communications	1,690	1,690	419	1,271	
Travel	13,500	13,500	6,558	6,942	
Other Operating Expenditures	14,900	14,900	14,875	25	
Other Non-Operating Expenditures	750,000	750,000	416,882	333,118	
Transfers Out	221,000	221,000	221,000		
<b>TRANSACTIONAL OPERATING EXPENS</b>	<b>3,038,482</b>	<b>3,192,933</b>	<b>2,818,814</b>	<b>374,119</b>	
Salaries and Wages	800,130	707,883	707,883		
Employee Benefits	186,752	162,042	162,042		
<b>TRIAL OPERATING EXPENSES</b>	<b>986,882</b>	<b>869,925</b>	<b>869,925</b>		
Professional Services	200,000	100,000	56,024	43,976	
Other Operating Expenditures	-	-	15		(15)
<b>OUTSIDE COUNSEL SERVICES</b>	<b>\$ 200,000</b>	<b>100,000</b>	<b>56,039</b>	<b>43,976</b>	<b>(15)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 865,649	633,288	633,288		
Employee Benefits	249,555	193,184	193,184		
Outside Contracts	73,400	73,400	35,071	38,329	
Interfund Services	18,200	18,200	5,166	13,034	
Operating Leases	8,500	7,813	3,934	3,879	
Fuel and Lubricants	3,600	4,287	4,287		
Supplies and Materials	8,550	8,550	6,918	1,632	
Communications	1,400	1,400	325	1,075	
Travel	3,500	3,500		3,500	
Other Operating Expenditures	3,800	3,800	2,493	1,307	
<b>OFFICE OF MGMT &amp; BUDGET</b>	<b>1,236,154</b>	<b>947,422</b>	<b>884,666</b>	<b>62,756</b>	
Salaries and Wages	128,924	136,951	136,951		
Employee Benefits	27,446	27,659	27,659		
Professional Services	8,000	3,000		3,000	
Outside Contracts	6,300	5,511	5,511		
Interfund Services	30,800	40,054	39,590	464	
Operating Leases	8,250	7,665	7,565	100	
Supplies and Materials	2,250	2,250	2,250		
Communications	625	4,624	4,560	64	
Travel	1,600	2,976	2,974	2	
Other Operating Expenditures	2,460	2,295	2,522		(227)
<b>PLANNING ADMINISTRATION</b>	<b>216,655</b>	<b>232,985</b>	<b>229,582</b>	<b>3,630</b>	<b>(227)</b>
Salaries and Wages	407,239	384,109	384,109		
Employee Benefits	113,196	105,595	105,595		
Outside Contracts	12,600	4,510	4,426	84	
Supplies and Materials	5,800	5,800	5,795	5	
<b>LAND DEVELOPMENT</b>	<b>538,835</b>	<b>500,014</b>	<b>499,925</b>	<b>89</b>	
Salaries and Wages	373,946	313,537	313,537		
Employee Benefits	101,071	89,406	89,406		
Supplies and Materials	2,700	2,700	2,700		
Other Non-Operating Expenditures	-	-	1		(1)
<b>PLANNING-LONG RANGE</b>	<b>477,717</b>	<b>405,643</b>	<b>405,644</b>		<b>(1)</b>
Salaries and Wages	310,342	292,050	292,050		
Employee Benefits	75,403	72,143	72,143		
Supplies and Materials	5,450	5,450	5,446	4	
<b>PLANNING DATA MGMNT_SUPPORT</b>	<b>391,195</b>	<b>369,643</b>	<b>369,639</b>	<b>4</b>	
Salaries and Wages	347,802	346,307	346,307		
Employee Benefits	85,066	82,421	82,421		
Outside Contracts	55,300	38,300	38,157	143	
Interfund Services	14,500	14,500	12,484	2,016	
Supplies and Materials	3,100	3,100	2,277	823	
Communications	2,600	2,600	1,313	1,287	
Travel	2,100	2,100	1,914	186	
Other Operating Expenditures	350	350	341	9	
<b>HUMAN RESOURCES ADMIN</b>	<b>510,818</b>	<b>489,678</b>	<b>485,214</b>	<b>4,464</b>	
Salaries and Wages	80,706	98,059	98,059		
Employee Benefits	28,257	27,586	27,586		
Interfund Services	2,000	2,000	1,266	734	
Supplies and Materials	750	750	855		(105)
Travel	100	100	74	26	
Other Operating Expenditures	400	400	388	12	
<b>CLASSIFICATION &amp; COMPENSATION</b>	<b>\$ 112,213</b>	<b>128,895</b>	<b>128,228</b>	<b>772</b>	<b>(105)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 357,910	332,348	332,348		
Employee Benefits	93,518	88,186	88,186		
Professional Services	58,000	78,500	78,571		(71)
Outside Contracts	29,300	23,300	20,939	2,361	
Interfund Services	10,300	10,300	6,127	4,173	
Operating Leases	12,500	15,000	15,000		
Supplies and Materials	13,350	13,350	10,243	3,107	
Other Operating Expenditures	7,300	7,300	7,020	280	
<b>RECRUITMENT &amp; EXAMINATIONS</b>	<b>582,178</b>	<b>568,284</b>	<b>558,434</b>	<b>9,921</b>	<b>(71)</b>
Salaries and Wages	195,579	185,777	185,777		
Employee Benefits	48,564	46,357	46,357		
Outside Contracts	7,500	7,500	6,581	919	
Interfund Services	2,500	2,500	1,654	846	
Supplies and Materials	5,500	5,500	5,122	378	
Travel	100	100	94	6	
Other Operating Expenditures	135,300	177,300	156,188	21,112	
<b>ORGANIZATIONAL DEVELOPMENT</b>	<b>395,043</b>	<b>425,034</b>	<b>401,773</b>	<b>23,261</b>	
Salaries and Wages	118,805	119,184	119,184		
Employee Benefits	30,292	29,854	29,854		
Interfund Services	4,000	4,000	3,224	776	
Supplies and Materials	2,500	2,500	2,466	34	
<b>HRIS AND CERTIFICATION</b>	<b>155,597</b>	<b>155,538</b>	<b>154,728</b>	<b>810</b>	
Salaries and Wages	271,815	289,917	289,917		
Employee Benefits	84,684	83,139	83,139		
Outside Contracts	1,000	1,000	1,000		
Supplies and Materials	1,700	1,700	1,262	438	
<b>PAYROLL AND RECORDS</b>	<b>359,199</b>	<b>375,756</b>	<b>375,318</b>	<b>438</b>	
Salaries and Wages	507,132	518,542	518,542		
Employee Benefits	133,920	132,425	132,425		
Outside Contracts	10,750	10,750	2,717	8,033	
Interfund Services	12,400	10,150	7,069	3,081	
Operating Leases	4,300	6,550	6,407	143	
Supplies and Materials	7,050	6,970	5,839	1,131	
Communications	500	580	580		
Travel	1,400	1,400	775	625	
Other Operating Expenditures	2,600	2,600	1,370	1,230	
<b>PURCHASING ADMINISTRATION</b>	<b>680,052</b>	<b>689,967</b>	<b>675,724</b>	<b>14,243</b>	
Salaries and Wages	109,005	102,864	102,864		
Employee Benefits	39,009	37,026	37,026		
Contractual Services	-	6,400	5,282	1,118	
Outside Contracts	1,500	1,500		1,500	
Interfund Services	3,450	5,050	4,245	805	
Operating Leases	750	750	432	318	
Fuel and Lubricants	2,600	2,600	1,812	788	
Supplies and Materials	4,845	4,845	1,159	3,686	
Maintenance and Repairs	1,000	1,000	497	503	
Communications	1,180	1,180	900	280	
<b>PROPERTY CONTROL BAR CODING</b>	<b>\$ 163,339</b>	<b>163,215</b>	<b>154,217</b>	<b>8,998</b>	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 250,731	226,173	226,173		
Employee Benefits	71,633	67,066	67,066		
Outside Contracts	25,000	25,000	12,500	12,500	
Interfund Services	6,500	6,386	3,157	3,229	
Operating Leases	3,000	3,000	2,748	252	
Supplies and Materials	4,500	4,600	4,481	119	
Communications	480	480	329	151	
Travel	-	14	14		
Other Operating Expenditures	300	300		300	
<b>CONTRACT COMPLIANCE_PURCH</b>	362,144	333,019	316,468	16,551	
Salaries and Wages	756,138	722,318	722,318		
Employee Benefits	190,992	175,044	175,044		
Professional Services	2,245,370	2,240,385	2,196,947	43,438	
Outside Contracts	3,068,500	3,759,799	3,676,042	83,757	
Interfund Services	78,050	89,636	87,256	2,380	
Operating Leases	780	780	780		
Supplies and Materials	20,127	22,077	19,629	2,448	
Travel	7,050	7,200	4,538	2,662	
Other Operating Expenditures	1,400	1,400	1,343	57	
Other Non-Operating Expenditures	-		28		(28)
<b>TAX OFFICE COLLECTIONS</b>	6,368,407	7,018,639	6,883,925	134,742	(28)
Salaries and Wages	55,075,065	51,973,749	51,973,749		
Employee Benefits	18,565,600	18,646,099	18,646,099		
Professional Services	25,000	25,000	4,328	20,672	
Outside Contracts	451,000	478,500	461,154	17,346	
Interfund Services	1,500	1,500	1,500		
Supplies and Materials	13,300	13,300	11,453	1,847	
Other Operating Expenditures	280,500	280,500	242,252	38,248	
Grant Match	1,082,240	1,082,240	1,082,240		
<b>CHIEF'S OFFICE</b>	75,494,205	72,500,888	72,422,775	78,113	
Salaries and Wages	26,542	13,298	13,298		
Employee Benefits	6,544	4,286	4,286		
Interfund Services	250	250	173	77	
Operating Leases	72,073	72,073	72,073		
Supplies and Materials	7,475	7,475	5,340	2,135	
<b>INTERNAL AFFAIRS</b>	112,884	97,382	95,170	2,212	
Salaries and Wages	691,529	285,213	285,213		
Employee Benefits	111,122	84,536	84,536		
Professional Services	68,000	65,000	28,415	36,585	
Outside Contracts	11,000	6,000	4,309	1,691	
Interfund Services	7,000	9,000	9,000		
Supplies and Materials	280,465	286,478	258,820	27,658	
<b>TRAINING</b>	1,169,116	736,227	670,293	65,934	
Salaries and Wages	176,866	59,696	59,696		
Employee Benefits	48,981	29,417	29,417		
Interfund Services	200	200	163	37	
Supplies and Materials	6,250	6,250	2,036	4,214	
Maintenance and Repairs	300	300		300	
Other Operating Expenditures	150	150	95	55	
<b>STAFF SERVICES</b>	\$ 232,747	96,013	91,407	4,606	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 229,328	174,670	174,670		
Employee Benefits	56,606	45,824	45,824		
Outside Contracts	7,000	7,000	3,923	3,077	
Interfund Services	200	200	91	109	
Supplies and Materials	6,922	6,922	2,833	4,089	
<b>PLANNING AND RESEARCH</b>	300,056	234,616	227,341	7,275	
Outside Contracts	67,000	69,322	58,716	10,606	
Interfund Services	1,600,000	1,600,000	1,781,162		(181,162)
Fuel and Lubricants	865,800	865,478	916,032		(50,554)
Supplies and Materials	250	250	191	59	
Other Operating Expenditures	15,000	13,000	12,985	15	
<b>VEHICLE OPERATIONS</b>	2,548,050	2,548,050	2,769,086	10,680	(231,716)
Salaries and Wages	3,484,988	3,383,301	3,383,301		
Employee Benefits	1,022,896	990,728	990,728		
Professional Services	1,000	1,000	725	275	
Outside Contracts	10,450	26,115	15,553	10,562	
Interfund Services	1,200	1,200	897	303	
Supplies and Materials	82,600	66,935	53,986	12,949	
Other Operating Expenditures	200	200	200		
<b>COMMUNICATIONS</b>	4,603,334	4,469,479	4,445,390	24,089	
Salaries and Wages	1,319,395	1,410,711	1,410,711		
Employee Benefits	448,044	456,462	456,462		
Outside Contracts	21,604	15,432	14,725	707	
Interfund Services	45,250	53,650	52,183	1,467	
Supplies and Materials	22,310	28,482	27,274	1,208	
Communications	6,000	6,000	5,920	80	
Travel	-	44	44		
<b>RECORDS</b>	1,862,603	1,970,781	1,967,319	3,462	
Interfund Services	9,500	10,789	10,788	1	
Supplies and Materials	460,650	459,348	263,932	195,416	
<b>POLICE SUPPLY</b>	470,150	470,137	274,720	195,417	
Salaries and Wages	391,658	416,607	416,607		
Employee Benefits	103,341	105,866	105,866		
Outside Contracts	216,750	216,750	211,734	5,016	
Interfund Services	400	400		400	
Operating Leases	100,000	100,000	77,194	22,806	
Supplies and Materials	4,575	4,575	1,768	2,807	
Communications	78,500	78,500	68,558	9,942	
Other Operating Expenditures	2,758,000	2,758,000	2,478,103	279,897	
<b>FINANCIAL SERVICES</b>	3,653,224	3,680,698	3,359,830	320,868	
Salaries and Wages	72,549	432,119	432,119		
Employee Benefits	14,505	58,101	58,101		
Outside Contracts	2,500	1,150	3,588		(2,438)
Interfund Services	2,100	2,100	2,100		
Operating Leases	-		1,492		(1,492)
Supplies and Materials	12,400	13,950	13,426	524	
Other Operating Expenditures	200				
<b>SPECIAL SERVICES</b>	\$ 104,254	507,420	510,826	524	(3,930)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 406,594	355,111	355,111		
Employee Benefits	129,599	118,779	118,779		
Outside Contracts	500	250	141	109	
Interfund Services	8,000	8,000	7,659	341	
Supplies and Materials	35,838	36,088	31,212	4,876	
<b>CENTRAL REGIONAL COMMAND</b>	<b>580,531</b>	<b>518,228</b>	<b>512,902</b>	<b>5,326</b>	
Salaries and Wages	177,915	166,001	166,001		
Employee Benefits	54,652	51,688	51,688		
Outside Contracts	1,750	1,582	1,558	24	
Interfund Services	4,000	4,000	3,909	91	
Supplies and Materials	20,900	21,068	16,784	4,284	
<b>MISSION VALLEY REGIONAL COMAND</b>	<b>259,217</b>	<b>244,339</b>	<b>239,940</b>	<b>4,399</b>	
Salaries and Wages	181,115	153,250	153,250		
Employee Benefits	44,219	39,136	39,136		
Outside Contracts	950	950	302	648	
Interfund Services	4,500	4,000	3,921	79	
Supplies and Materials	18,150	18,650	18,622	28	
Other Operating Expenditures	200	200	200		
<b>NORTHEAST REGIONAL COMMAND</b>	<b>249,134</b>	<b>216,186</b>	<b>215,431</b>	<b>755</b>	
Salaries and Wages	184,784	216,349	216,349		
Employee Benefits	56,677	62,888	62,888		
Outside Contracts	3,105	3,105	1,754	1,351	
Interfund Services	7,625	7,625	7,084	541	
Supplies and Materials	36,521	36,521	32,306	4,215	
Other Operating Expenditures	600	600	550	50	
<b>PEBBLE HILLS REGIONAL COMMAND</b>	<b>289,312</b>	<b>327,088</b>	<b>320,931</b>	<b>6,157</b>	
Salaries and Wages	113,185	116,352	116,352		
Employee Benefits	27,471	26,868	26,868		
Outside Contracts	1,000				
Interfund Services	2,500	3,300	3,300		
Supplies and Materials	19,900	20,100	17,725	2,375	
Other Operating Expenditures	300	300	295	5	
<b>WESTSIDE REGIONAL COMMAND</b>	<b>164,356</b>	<b>166,920</b>	<b>164,540</b>	<b>2,380</b>	
Salaries and Wages	276,668	194,164	194,164		
Employee Benefits	66,547	55,283	55,283		
Professional Services	10,800	10,800	10,306	494	
Outside Contracts	35,500	35,500	34,715	785	
Interfund Services	2,500	2,500	2,292	208	
Operating Leases	82,328	82,328	78,599	3,729	
Supplies and Materials	77,975	77,975	43,691	34,284	
Other Operating Expenditures	36,000	36,000	24,122	11,878	
<b>OPERATIONAL SUPPORT</b>	<b>588,318</b>	<b>494,550</b>	<b>443,172</b>	<b>51,378</b>	
Salaries and Wages	479,147	512,778	512,778		
Employee Benefits	146,784	153,431	153,431		
Outside Contracts	18,512	18,512	17,438	1,074	
Interfund Services	935	1,250	959	291	
Operating Leases	125,320	116,920	89,552	27,368	
Supplies and Materials	26,862	26,647	19,950	6,697	
Travel	3,456	3,412	12	3,400	
Other Operating Expenditures	100				
<b>DIRECTED INVESTIGATIONS</b>	<b>\$ 801,116</b>	<b>832,950</b>	<b>794,120</b>	<b>38,830</b>	



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 750,291	660,633	660,633		
Employee Benefits	255,090	234,765	234,765		
Professional Services	140,000	127,800	92,214	35,586	
Outside Contracts	93,399	89,399	86,486	2,913	
Interfund Services	4,500	5,500	4,580	920	
Operating Leases	82,090	85,290	63,438	21,852	
Supplies and Materials	110,442	122,442	99,549	22,893	
Other Operating Expenditures	2,490	2,490	1,751	739	
<b>CRIMINAL INVESTIGATIONS</b>	<b>1,438,302</b>	<b>1,328,319</b>	<b>1,243,416</b>	<b>84,903</b>	
Salaries and Wages	-	91	91		
Employee Benefits	-	16	16		
<b>POLICE HIDTA GRANTS</b>	<b>-</b>	<b>107</b>	<b>107</b>		
Salaries and Wages	757,576	821,582	821,582		
Employee Benefits	82,747	98,145	98,145		
Professional Services	724,766	724,766	597,071	127,695	
Outside Contracts	1,043,000	1,037,592	930,587	107,005	
Interfund Services	18,000	22,907	22,905	2	
Operating Leases	23,500	23,500	19,460	4,040	
Supplies and Materials	30,750	30,750	23,299	7,451	
Communications	21,800	21,800	7,266	14,534	
Travel	40,000	40,721	31,857	8,864	
Other Operating Expenditures	28,600	29,880	28,345	1,535	
Other Non-Operating Expenditures	-	501	501		
Grant Match	86,000	86,000	51,567	34,433	
<b>FIRE DEPARTMENT ADMINISTRATION</b>	<b>2,856,739</b>	<b>2,938,144</b>	<b>2,632,585</b>	<b>305,559</b>	
Salaries and Wages	1,076,959	685,942	685,942		
Employee Benefits	215,616	201,499	201,499		
Outside Contracts	17,800	17,800	17,800		
Operating Leases	12,500	12,489	9,446	3,043	
Fuel and Lubricants	10,000	10,000	4,050	5,950	
Supplies and Materials	59,045	59,045	56,624	2,421	
Travel	-	11	11		
<b>FIRE FIGHTING TRAINING</b>	<b>1,391,920</b>	<b>986,786</b>	<b>975,372</b>	<b>11,414</b>	
Salaries and Wages	-	(73,030)	(73,030)		
Other Non-Operating Expenditures	-	-	390		(390)
<b>FIRE MEDICAL SERVICES</b>	<b>-</b>	<b>(73,030)</b>	<b>(72,640)</b>		<b>(390)</b>
Salaries and Wages	32,679,652	34,924,374	34,924,374		
Employee Benefits	9,631,135	10,544,263	10,544,263		
Professional Services	245,733	245,733	246,579		(846)
Outside Contracts	25,000	25,000	21,033	3,967	
Operating Leases	561,217	561,217	474,973	86,244	
Supplies and Materials	393,200	363,200	323,547	39,653	
Travel	-	7,500	6,628	872	
Other Operating Expenditures	55,604	55,604	37,284	18,320	
<b>FD EMERGENCY OPERATIONS</b>	<b>43,591,541</b>	<b>46,726,891</b>	<b>46,578,681</b>	<b>149,056</b>	<b>(846)</b>
Salaries and Wages	163,952	173,521	173,521		
Employee Benefits	46,246	48,384	48,384		
Outside Contracts	1,000	1,000		1,000	
Operating Leases	350	350		350	
Supplies and Materials	25,606	25,606	20,203	5,403	
Other Operating Expenditures	700	700		700	
<b>SPECIAL OPERATIONS</b>	<b>\$ 237,854</b>	<b>249,561</b>	<b>242,108</b>	<b>7,453</b>	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 1,866,803	2,009,559	2,009,559		
Employee Benefits	524,892	564,167	564,167		
Professional Services	5,000	5,000	4,779	221	
Outside Contracts	7,550	5,550	4,092	1,458	
Supplies and Materials	25,100	25,100	22,655	2,445	
Other Operating Expenditures	5,000	5,000	3,195	1,805	
<b>FIRE PREVENTION</b>	<b>2,434,345</b>	<b>2,614,376</b>	<b>2,608,447</b>	<b>5,929</b>	
Salaries and Wages	384,101	403,552	403,552		
Employee Benefits	103,243	122,220	122,220		
Outside Contracts	1,800	1,800	1,023	777	
Supplies and Materials	15,000	14,982	9,437	5,545	
Maintenance and Repairs	10,360	10,360	6,002	4,358	
Communications	10,000	10,000	9,957	43	
Travel	-	18	18		
<b>FIRE COMMUNICATIONS</b>	<b>524,504</b>	<b>562,932</b>	<b>552,209</b>	<b>10,723</b>	
Outside Contracts	129,750	129,750	59,296	70,454	
Supplies and Materials	1,018,000	1,006,662	1,017,273		(10,611)
Maintenance and Repairs	60,525	57,206	51,836	5,370	
Other Operating Expenditures	-	9,338	9,338		
<b>SCBA AND LOGISTIC</b>	<b>1,208,275</b>	<b>1,202,956</b>	<b>1,137,743</b>	<b>75,824</b>	<b>(10,611)</b>
Salaries and Wages	343,237	353,856	353,856		
Employee Benefits	83,862	96,927	96,927		
Outside Contracts	264,350	264,350	211,163	53,187	
Interfund Services	-	-	50,902		(50,902)
Fuel and Lubricants	384,800	384,800	466,332		(81,532)
Supplies and Materials	465,350	500,669	504,020		(3,351)
Maintenance and Repairs	17,500	17,500	12,852	4,648	
Communications	4,000	4,000	3,169	831	
Other Operating Expenditures	18,500	18,500	18,512		(12)
<b>MAINTENANCE</b>	<b>1,581,599</b>	<b>1,640,602</b>	<b>1,717,733</b>	<b>58,666</b>	<b>(135,797)</b>
Salaries and Wages	1,279,672	1,346,893	1,346,893		
Employee Benefits	364,424	384,857	384,857		
Travel	-	5	4	1	
<b>AIRPORT FIREFIGHTERS</b>	<b>1,644,096</b>	<b>1,731,755</b>	<b>1,731,754</b>	<b>1</b>	
Salaries and Wages	2,269,055	2,180,369	2,180,369		
Employee Benefits	662,302	654,965	654,965		
<b>FIRE SUPPORT PERSONNEL</b>	<b>\$ 2,931,357</b>	<b>2,835,334</b>	<b>2,835,334</b>		

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 1,812,752	1,716,805	1,716,805		
Employee Benefits	506,418	485,601	485,601		
Contractual Services	-	63,000	62,181	819	
Professional Services	40,000	62,000	57,109	4,891	
Outside Contracts	822,000	744,000	533,065	210,935	
Interfund Services	162,571	167,225	163,962	3,263	
Operating Leases	74,340	58,466	55,107	3,359	
Fuel and Lubricants	400	400	105	295	
Supplies and Materials	29,400	28,991	25,349	3,642	
Maintenance and Repairs	650	6,650	4,960	1,690	
Communications	800	1,100	1,059	41	
Utilities	30,800	30,500	22,434	8,066	
Travel	2,000	629	629		
Other Operating Expenditures	5,785	5,785	5,311	474	
Other Non-Operating Expenditures	-	-	(375)	375	
Grant Match	31,097	31,097	25,578	5,519	
<b>MUNICIPAL CLERK ADMIN</b>	<b>3,519,013</b>	<b>3,402,249</b>	<b>3,158,880</b>	<b>243,369</b>	
Other Non-Operating Expenditures	-	130,994	130,992	2	
<b>MUNI CLERK TRAFFIC VIOLATIONS</b>	<b>-</b>	<b>130,994</b>	<b>130,992</b>	<b>2</b>	
Salaries and Wages	370,439	385,125	385,125		
Employee Benefits	56,778	61,394	61,394		
Outside Contracts	12,500	13,000	12,000	1,000	
Interfund Services	-	45	45		
Supplies and Materials	4,340	4,340	3,561	779	
Travel	8,400	7,105	1,935	5,170	
Other Operating Expenditures	-	750		750	
<b>MUNICIPAL CLERK JUDICIARY</b>	<b>452,457</b>	<b>471,759</b>	<b>464,060</b>	<b>7,699</b>	
Salaries and Wages	118,314	92,928	92,928		
Employee Benefits	24,373	19,790	19,790		
<b>QOL DEPARTMENT</b>	<b>142,687</b>	<b>112,718</b>	<b>112,718</b>		
Salaries and Wages	97,945	99,838	99,838		
Employee Benefits	3,833	3,506	3,506		
Interfund Services	3,900	3,900	4,653		(753)
Operating Leases	3,000	3,000	2,722	278	
Fuel and Lubricants	600	600	668		(68)
Supplies and Materials	10,100	10,100	6,034	4,066	
Maintenance and Repairs	2,000	2,000	541	1,459	
Communications	2,800	2,800	2,649	151	
Utilities	7,725,000	7,725,000	8,259,928		(534,928)
Travel	3,000	3,000	2,067	933	
Other Operating Expenditures	3,800	3,800	2,597	1,203	
<b>MUNICIPAL SERVICES ADMIN</b>	<b>7,855,978</b>	<b>7,857,544</b>	<b>8,385,203</b>	<b>8,090</b>	<b>(535,749)</b>
Salaries and Wages	247,862	276,282	276,282		
Employee Benefits	76,776	80,203	80,203		
Interfund Services	500	500	620		(120)
Supplies and Materials	2,000	2,000	1,632	368	
Travel	3,000	2,355	833	1,522	
Other Operating Expenditures	3,000	3,645	3,467	178	
<b>ENGINEERING SPECIAL PROJECTS</b>	<b>\$ 333,138</b>	<b>364,985</b>	<b>363,037</b>	<b>2,068</b>	<b>(120)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 241,302	174,453	174,453		
Employee Benefits	63,667	51,789	51,789		
Outside Contracts	170,000	241,405	222,875	18,530	
Interfund Services	675	675	770		(95)
Supplies and Materials	3,100	3,100	2,702	398	
Travel	2,880	2,880	2,479	401	
Other Operating Expenditures	2,523	2,523	2,507	16	
Other Non-Operating Expenditures	-	-	4		(4)
<b>EPA COMPLIANCE_MUNICIPAL SRVCS</b>	484,147	476,825	457,579	19,345	(99)
Outside Contracts	569,360	569,360	535,677	33,683	
Supplies and Materials	10,500	10,500	10,421	79	
Maintenance and Repairs	48,000	48,000	47,026	974	
<b>BLDG MAINT POLICE FACILITIES</b>	627,860	627,860	593,124	34,736	
Salaries and Wages	1,012,865	1,100,957	1,100,957		
Employee Benefits	422,007	432,295	432,295		
Outside Contracts	1,107,100	1,107,100	1,128,685		(21,585)
Interfund Services	20,150	20,150	41,061		(20,911)
Operating Leases	2,500	2,500	1,794	706	
Fuel and Lubricants	25,000	25,000	29,346		(4,346)
Supplies and Materials	35,500	35,500	27,672	7,828	
Maintenance and Repairs	141,000	141,000	135,325	5,675	
Communications	4,000	4,000	2,959	1,041	
Travel	2,400	2,400	1,132	1,268	
Other Operating Expenditures	3,900	3,900	237	3,663	
<b>CITY WIDE BLDG MAINT NOC</b>	2,776,422	2,874,802	2,901,463	20,181	(46,842)
Outside Contracts	162,220	162,220	152,936	9,284	
Interfund Services	2,500	2,500		2,500	
Operating Leases	500	500		500	
Maintenance and Repairs	50,000	50,000	45,174	4,826	
Communications	1,500	1,500	1,344	156	
<b>BUILDING MAINT FIRE FACILITIES</b>	216,720	216,720	199,454	17,266	
Outside Contracts	36,600	36,600	34,629	1,971	
Maintenance and Repairs	1,500	1,500	1,154	346	
<b>BUILDING MAINT LEASED FAC</b>	38,100	38,100	35,783	2,317	
Outside Contracts	397,500	397,500	347,810	49,690	
Supplies and Materials	5,000	5,000	3,847	1,153	
Maintenance and Repairs	20,000	20,000	19,744	256	
<b>LIBRARY MAINTENANCE COSTS</b>	422,500	422,500	371,401	51,099	
Salaries and Wages	1,347,786	1,352,277	1,352,277		
Employee Benefits	360,076	360,743	360,743		
Contractual Services	2,800	2,800	2,771	29	
Outside Contracts	400	400		400	
Interfund Services	3,800	3,400	2,285	1,115	
Operating Leases	7,000	6,600	5,065	1,535	
Supplies and Materials	3,900	5,500	4,842	658	
Communications	100	100		100	
Travel	800				
Other Operating Expenditures	2,665	2,665	1,690	975	
<b>ENGINEERING ADMIN</b>	\$ 1,729,327	1,734,485	1,729,673	4,812	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 76,536	85,794	85,794		
Employee Benefits	20,291	21,655	21,655		
Professional Services	7,500	7,500	1,860	5,640	
Outside Contracts	870	870		870	
Interfund Services	650	1,005	955	50	
Operating Leases	9,500	9,500	6,804	2,696	
Supplies and Materials	9,350	9,350	8,966	384	
Travel	480	125		125	
Other Operating Expenditures	1,640	1,640	2,225		(585)
<b>ENGINEERING DESIGN</b>	<b>126,817</b>	<b>137,439</b>	<b>128,259</b>	<b>9,765</b>	<b>(585)</b>
Salaries and Wages	99,210	116,374	116,374		
Employee Benefits	23,308	25,893	25,893		
Outside Contracts	400	400	150	250	
Interfund Services	18,200	17,590	32,576		(14,986)
Operating Leases	5,000	5,000	2,069	2,931	
Fuel and Lubricants	16,000	16,000	22,563		(6,563)
Supplies and Materials	9,900	11,120	10,947	173	
Communications	3,000	5,280	5,122	158	
Travel	2,000				
Other Operating Expenditures	1,320	430	427	3	
<b>ENGINEERING CONSTRUCTION</b>	<b>178,338</b>	<b>198,087</b>	<b>216,121</b>	<b>3,515</b>	<b>(21,549)</b>
Salaries and Wages	75,731	80,388	80,388		
Employee Benefits	20,142	20,745	20,745		
Outside Contracts	-		300		(300)
Interfund Services	575	575	282	293	
Supplies and Materials	3,325	3,325	3,317	8	
Communications	150	150		150	
Travel	480	480		480	
Other Operating Expenditures	1,700	1,700	471	1,229	
<b>ENGINEERING PROGRAM MANAGEMENT</b>	<b>102,103</b>	<b>107,363</b>	<b>105,503</b>	<b>2,160</b>	<b>(300)</b>
Salaries and Wages	647,272	599,653	599,653		
Employee Benefits	187,537	179,103	179,103		
Contractual Services	5,000	5,450	4,931	519	
Professional Services	15,000	63,000	53,448	9,552	
Outside Contracts	650	650	89	561	
Interfund Services	1,900	1,050	415	635	
Operating Leases	2,100				
Supplies and Materials	6,150	7,050	6,202	848	
Communications	1,100	3,200	2,839	361	
Travel	3,100	3,100	1,677	1,423	
Other Operating Expenditures	2,300	2,300	1,651	649	
<b>ENGINEERING TRAFFIC</b>	<b>872,109</b>	<b>864,556</b>	<b>850,008</b>	<b>14,548</b>	
Salaries and Wages	472,210	410,836	410,836		
Employee Benefits	139,737	123,729	123,729		
Outside Contracts	1,500				
Interfund Services	1,000	750	564	186	
Supplies and Materials	4,350	3,600	2,609	991	
Communications	-	3,300	2,816	484	
Travel	600				
Other Operating Expenditures	1,200	1,000	651	349	
Other Non-Operating Expenditures	-		118		(118)
<b>SUBDIVISION INSPECTIONS</b>	<b>\$ 620,597</b>	<b>543,215</b>	<b>541,323</b>	<b>2,010</b>	<b>(118)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 118,456	104,731	104,731		
Employee Benefits	23,759	21,301	21,301		
<b>MUNICIPAL SERVICES-EXECUTIVE</b>	142,215	126,032	126,032		
Salaries and Wages	306,542	319,876	319,876		
Employee Benefits	72,042	72,285	72,285		
Interfund Services	1,800	2,450	2,380	70	
Operating Leases	1,000	1,000	1,083		(83)
Supplies and Materials	2,500	2,920	2,778	142	
Communications	1,150	1,243	885	358	
Travel	3,000	2,100	1,175	925	
Other Operating Expenditures	500	237	571		(334)
<b>BUILDING &amp; PLANNING SRVCS DEPT</b>	388,534	402,111	401,033	1,495	(417)
Salaries and Wages	611,669	581,938	581,938		
Employee Benefits	166,869	157,253	157,253		
Outside Contracts	33,450	17,450	13,962	3,488	
Interfund Services	9,800	9,800	6,112	3,688	
Operating Leases	3,700	3,700		3,700	
Supplies and Materials	19,400	19,400	14,486	4,914	
Communications	800	800	147	653	
Travel	500	500	228	272	
<b>PLAN REVIEW</b>	846,188	790,841	774,126	16,715	
Salaries and Wages	515,377	536,076	536,076		
Employee Benefits	209,912	206,708	206,708		
Interfund Services	10,500	10,500	6,338	4,162	
Supplies and Materials	10,700	10,700	10,255	445	
Travel	800	800	93	707	
Other Operating Expenditures	4,500	4,500	4,391	109	
<b>COMMERCIAL INSPECTIONS</b>	751,789	769,284	763,861	5,423	
Salaries and Wages	465,085	510,800	510,800		
Employee Benefits	162,424	167,723	167,723		
Outside Contracts	500	500		500	
Interfund Services	17,000	17,000	7,890	9,110	
Fuel and Lubricants	13,200	13,200	9,546	3,654	
Supplies and Materials	34,000	34,000	24,782	9,218	
<b>RESIDENTIAL INSPECTIONS</b>	692,209	743,223	720,741	22,482	
Salaries and Wages	485,281	466,538	466,538		
Employee Benefits	144,012	139,746	139,746		
Outside Contracts	10,000	10,000	3,671	6,329	
Interfund Services	7,000	7,000	21,512		(14,512)
Operating Leases	3,800	3,800	3,756	44	
Supplies and Materials	20,250	20,250	15,560	4,690	
Other Non-Operating Expenditures	15,000	15,000	16,692		(1,692)
<b>PERMITS &amp; LICENSES</b>	685,343	662,334	667,475	11,063	(16,204)
Salaries and Wages	196,163	146,439	146,439		
Employee Benefits	75,618	68,651	68,651		
Outside Contracts	30,000	30,000	770	29,230	
Interfund Services	4,500	4,500	18,890		(14,390)
Operating Leases	500	500		500	
Fuel and Lubricants	15,400	15,400		15,400	
Supplies and Materials	8,100	8,100	7,792	308	
Other Operating Expenditures	3,000	3,000	3,012		(12)
<b>HOUSING COMPLIANCE</b>	\$ 333,281	276,590	245,554	45,438	(14,402)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Interfund Services	\$ -		134		(134)
<b>CODE COMPLIANCE (SWM)</b>	-		134		(134)
Salaries and Wages	298,846	233,779	233,779		
Employee Benefits	74,859	61,594	61,594		
Outside Contracts	3,100	3,100	1,200	1,900	
Interfund Services	71,500	71,500	44,899	26,601	
Operating Leases	2,000	2,000	267	1,733	
Fuel and Lubricants	47,000	47,000	48,054		(1,054)
Supplies and Materials	20,200	16,700	15,510	1,190	
Communications	-	19,500	18,024	1,476	
Travel	15,650	15,650	10,038	5,612	
Other Operating Expenditures	14,980	14,980	12,592	2,388	
<b>BLDG INSPECTION &amp; PERMIT ADMIN</b>	548,135	485,803	445,957	40,900	(1,054)
Salaries and Wages	569,458	539,494	539,494		
Employee Benefits	204,215	193,663	193,663		
<b>CODE COMPLIANCE (ENVIRO)</b>	773,673	733,157	733,157		
Salaries and Wages	598,073	616,768	616,768		
Employee Benefits	132,221	133,443	133,443		
Contractual Services	14,000	22,312	21,700	612	
Outside Contracts	2,000	2,213	2,073	140	
Interfund Services	7,500	9,200	8,436	764	
Supplies and Materials	106,600	98,375	89,466	8,909	
Communications	20,000	18,000	17,375	625	
Travel	9,000	9,000	9,000		
Other Operating Expenditures	12,500	12,500	3,018	9,482	
Grant Match	27,116	27,116	27,116		
<b>STREETS &amp; FACILITIES MAINT ADM</b>	929,010	948,927	928,395	20,532	
Salaries and Wages	964,045	865,330	865,330		
Employee Benefits	427,111	409,285	409,285		
Outside Contracts	165,000	165,000	111,221	53,779	
Operating Leases	32,000	32,000	25,042	6,958	
Supplies and Materials	30,500	30,500	28,369	2,131	
Maintenance and Repairs	79,000	79,000	77,773	1,227	
<b>STREETS STORM WATER MGT</b>	1,697,656	1,581,115	1,517,020	64,095	
Salaries and Wages	2,993,669	2,542,330	2,542,330		
Employee Benefits	1,344,676	1,362,942	1,362,942		
Outside Contracts	1,112,300	872,200	754,741	117,459	
Interfund Services	715,000	919,406	862,446	56,960	
Operating Leases	85,000	85,000	59,926	25,074	
Fuel and Lubricants	396,500	402,194	371,736	30,458	
Supplies and Materials	177,750	177,750	170,664	7,086	
Maintenance and Repairs	463,000	463,000	439,652	23,348	
Travel	8,000	8,000	3,834	4,166	
Other Operating Expenditures	25,500	25,500	25,067	433	
<b>STREETS &amp; FACILITIES MAINT</b>	7,321,395	6,858,322	6,593,338	264,984	
Outside Contracts	-		85		(85)
<b>BRIDGE OPERATIONS</b>	-		85		(85)
Salaries and Wages	630,392	571,922	571,922		
Employee Benefits	232,368	224,296	224,296		
Supplies and Materials	115,100	115,100	99,772	15,328	
Maintenance and Repairs	201,250	201,250	194,629	6,621	
<b>SIGNS AND MARKINGS</b>	\$ 1,179,110	1,112,568	1,090,619	21,949	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 800,874	808,902	808,902		
Employee Benefits	316,558	317,327	317,327		
Outside Contracts	3,500	17,900	12,335	5,565	
Supplies and Materials	3,000	3,000	2,973	27	
Maintenance and Repairs	128,000	113,600	73,527	40,073	
Communications	200	200	177	23	
<b>TRAFFIC SIGNALS</b>	<b>1,252,132</b>	<b>1,260,929</b>	<b>1,215,241</b>	<b>45,688</b>	
Salaries and Wages	85,053	84,198	84,198		
Employee Benefits	22,366	22,105	22,105		
Interfund Services	250	250	84	166	
Operating Leases	200	200	181	19	
Supplies and Materials	4,150	4,150	3,560	590	
Maintenance and Repairs	9,250	39,250	38,994	256	
Travel	500	500		500	
<b>PARKING METER OPERATIONS</b>	<b>121,769</b>	<b>150,653</b>	<b>149,122</b>	<b>1,531</b>	
Salaries and Wages	272,032	249,520	249,520		
Employee Benefits	103,356	95,794	95,794		
Professional Services	12,500	12,500	8,348	4,152	
Interfund Services	1,200	1,200	470	730	
Supplies and Materials	17,500	17,500	17,275	225	
Maintenance and Repairs	63,000	63,000	62,359	641	
<b>STREET GRAFFITI PROGRAM</b>	<b>469,588</b>	<b>439,514</b>	<b>433,766</b>	<b>5,748</b>	
Salaries and Wages	699,493	719,165	719,165		
Employee Benefits	322,411	314,755	314,755		
Interfund Services	460,000	460,000	493,884		(33,884)
Fuel and Lubricants	45,500	45,500	85,197		(39,697)
Supplies and Materials	10,000	10,000	2,772	7,228	
Maintenance and Repairs	5,000	5,000		5,000	
<b>STREET SWEEPING OPERATIONS</b>	<b>1,542,404</b>	<b>1,554,420</b>	<b>1,615,773</b>	<b>12,228</b>	<b>(73,581)</b>
Salaries and Wages	801,496	825,016	825,016		
Employee Benefits	255,684	261,997	261,997		
Outside Contracts	7,200	6,200	6,164	36	
Interfund Services	15,500	15,500	15,785		(285)
Operating Leases	600	600		600	
Supplies and Materials	22,150	23,150	23,147	3	
Other Operating Expenditures	200	200	128	72	
Other Non-Operating Expenditures	-		114		(114)
<b>ENVIRONMENT FOOD</b>	<b>1,102,830</b>	<b>1,132,663</b>	<b>1,132,351</b>	<b>711</b>	<b>(399)</b>
Salaries and Wages	467,605	423,974	423,974		
Employee Benefits	162,771	152,453	152,453		
Outside Contracts	900	900	170	730	
Interfund Services	2,725	2,725	3,113		(388)
Operating Leases	700	700	591	109	
Supplies and Materials	5,775	5,775	5,109	666	
Maintenance and Repairs	100	100	100		
Other Operating Expenditures	2,075	2,075	892	1,183	
<b>ENVIRONMENT-OSSF</b>	<b>\$ 642,651</b>	<b>588,702</b>	<b>586,402</b>	<b>2,688</b>	<b>(388)</b>



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 1,168,186	1,136,921	1,136,921		
Employee Benefits	385,020	375,235	375,235		
Contractual Services	60,000	41,362	25,416	15,946	
Outside Contracts	147,000	147,000	145,874	1,126	
Interfund Services	11,000	11,000	11,953		(953)
Operating Leases	5,800	5,800	4,589	1,211	
Fuel and Lubricants	5,000	5,000	5,000		
Supplies and Materials	129,700	129,700	117,679	12,021	
Maintenance and Repairs	500	500		500	
Travel	3,600	3,600	346	3,254	
Other Operating Expenditures	1,100	1,100	740	360	
<b>ANIMAL REGULATION&amp;DISEASE CTRL</b>	<b>1,916,906</b>	<b>1,857,218</b>	<b>1,823,753</b>	<b>34,418</b>	<b>(953)</b>
Salaries and Wages	260,245	225,540	225,540		
Employee Benefits	76,160	68,910	68,910		
Professional Services	78,150	55,600	42,282	13,318	
Outside Contracts	5,060	5,060	4,447	613	
Interfund Services	450	450	509		(59)
Operating Leases	500	500	460	40	
Supplies and Materials	22,200	24,750	17,863	6,887	
Communications	150	150	130	20	
Travel	3,500	3,500	2,854	646	
Other Operating Expenditures	450	450	218	232	
<b>STD CLINICS</b>	<b>446,865</b>	<b>384,910</b>	<b>363,213</b>	<b>21,756</b>	<b>(59)</b>
Salaries and Wages	382,900	382,235	382,235		
Employee Benefits	95,792	93,009	93,009		
Professional Services	86,000	61,000	46,620	14,380	
Outside Contracts	20,700	17,900	13,597	4,303	
Interfund Services	2,600	2,600	2,546	54	
Operating Leases	800				
Supplies and Materials	56,250	59,850	58,448	1,402	
Travel	3,200	3,200	2,999	201	
Other Operating Expenditures	12,050	12,050	7,021	5,029	
<b>DENTAL</b>	<b>660,292</b>	<b>631,844</b>	<b>606,475</b>	<b>25,369</b>	
Salaries and Wages	463,746	338,292	338,292		
Employee Benefits	132,302	114,631	114,631		
Professional Services	23,200	19,206	17,876	1,330	
Outside Contracts	15,500	15,900	11,299	4,601	
Interfund Services	3,800	3,500	2,792	708	
Operating Leases	4,700	4,700	4,724		(24)
Supplies and Materials	56,010	55,610	53,995	1,615	
Maintenance and Repairs	1,600	1,600	150	1,450	
Communications	150	450	413	37	
Travel	1,500	1,500	988	512	
Other Operating Expenditures	2,200	2,200	2,487		(287)
<b>NEIGHBORHOOD HEALTH CENTERS</b>	<b>\$ 704,708</b>	<b>557,589</b>	<b>547,647</b>	<b>10,253</b>	<b>(311)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 205,839	230,183	230,183		
Employee Benefits	60,933	64,778	64,778		
Professional Services	13,100	13,100	12,402	698	
Outside Contracts	21,753	21,753	18,855	2,898	
Interfund Services	5,200	5,200	4,595	605	
Operating Leases	500	500	339	161	
Supplies and Materials	96,200	95,600	94,759	841	
Maintenance and Repairs	600	600	93	507	
Communications	-	600			600
Travel	2,075	2,075	1,778	297	
Other Operating Expenditures	5,233	5,233	4,544	689	
<b>LABORATORY</b>	411,433	439,622	432,326	7,296	
Salaries and Wages	494,170	449,995	449,995		
Employee Benefits	164,851	155,677	155,677		
Outside Contracts	4,250	4,250	3,650	600	
Interfund Services	2,800	2,800	2,477	323	
Operating Leases	800	800	666	134	
Supplies and Materials	92,135	92,135	91,699	436	
Maintenance and Repairs	250	250		250	
Communications	1,000	1,000	472	528	
Utilities	4,800	1,454			1,454
Travel	1,500	1,500	563	937	
Other Operating Expenditures	4,250	4,250	3,461	789	
<b>ENVIRONMENTAL-GENERAL</b>	770,806	714,111	708,660	5,451	
Salaries and Wages	211,722	190,330	190,330		
Employee Benefits	64,652	59,753	59,753		
Interfund Services	2,000	2,000	1,076	924	
Supplies and Materials	1,250	1,250	1,157	93	
Communications	250	250	193	57	
Travel	2,150	2,150	1,191	959	
Other Operating Expenditures	900	900	201	699	
<b>EPIDEMIOLOGY</b>	282,924	256,633	253,901	2,732	
Salaries and Wages	452,468	593,671	593,671		
Employee Benefits	85,265	112,270	112,270		
Professional Services	-		847		(847)
Outside Contracts	3,500	3,500	2,049	1,451	
Interfund Services	-	1,500	2,622		(1,122)
Operating Leases	20,000	18,000	16,573	1,427	
Fuel and Lubricants	-		(467)	467	
Supplies and Materials	11,000	11,000	9,792	1,208	
Maintenance and Repairs	1,000	1,000	1,000		
Communications	-	500	500		
Travel	11,700	11,700	6,863	4,837	
Other Operating Expenditures	35,000	35,000	47,065		(12,065)
Other Non-Operating Expenditures	-	267,440	267,440		
Grant Match	1,152,918	1,065,354	1,065,354		
<b>HEALTH PROMOTION</b>	\$ 1,772,851	2,120,935	2,125,579	9,390	(14,034)

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 216,923	241,316	241,316		
Employee Benefits	71,247	71,949	71,949		
Outside Contracts	255,100	249,820	231,531	18,289	
Interfund Services	111,000	110,230	111,609		(1,379)
Operating Leases	22,000	17,270	17,270		
Fuel and Lubricants	85,000	85,000	96,306		(11,306)
Supplies and Materials	20,800	19,080	18,095	985	
Maintenance and Repairs	20,000	20,000	17,642	2,358	
Communications	-	12,500	11,652	848	
Utilities	190,100	190,100	223,699		(33,599)
<b>HEALTH SUPPORT SERVICES</b>	992,170	1,017,265	1,041,069	22,480	(46,284)
Salaries and Wages	70,714	88,964	88,964		
Employee Benefits	5,721	15,239	15,239		
Outside Contracts	-	-	5,843		(5,843)
Supplies and Materials	8,750	8,750	8,943		(193)
Communications	111,100	111,100	103,382	7,718	
<b>HEALTH INFORMATION SERVICES</b>	196,285	224,053	222,371	7,718	(6,036)
Salaries and Wages	130,894	136,689	136,689		
Employee Benefits	33,462	33,926	33,926		
Professional Services	2,000	2,000		2,000	
Interfund Services	1,500	4,000	3,185	815	
Operating Leases	1,000	1,000	498	502	
Supplies and Materials	8,750	8,750	8,046	704	
Communications	150	150	134	16	
Travel	1,900	1,900	388	1,512	
Other Operating Expenditures	4,600	2,100	2,046	54	
<b>HEALTH EDUCATION PROGRAM</b>	184,256	190,515	184,912	5,603	
Interfund Services	-	-	31		(31)
<b>MISC HEALTH GRANTS</b>	-	-	31		(31)
Salaries and Wages	333,131	314,586	314,586		
Employee Benefits	63,235	72,373	72,373		
Professional Services	-	23,145	16,821	6,324	
Outside Contracts	-	-	45		(45)
Interfund Services	-	1,855	1,855		
<b>PARKS ADMINISTRATION</b>	396,366	411,959	405,680	6,324	(45)
Travel	-	-	(326)	326	
<b>DELTA SPORTS CENTER EVENTS</b>	-	-	(326)	326	
Salaries and Wages	1,907,696	1,985,163	1,985,163		
Employee Benefits	559,756	574,038	574,038		
Operating Leases	62,000	76,261	67,131	9,130	
Supplies and Materials	8,000	8,695	8,095	600	
Travel	-	44	301		(257)
Other Operating Expenditures	4,500	12,500	10,484	2,016	
<b>RECREATION CTR ADMINISTRATION</b>	2,541,952	2,656,701	2,645,212	11,746	(257)
Salaries and Wages	163,654	176,800	176,800		
Employee Benefits	43,169	44,350	44,350		
<b>WESTSIDE POOL OPERATIONS</b>	\$ 206,823	221,150	221,150		

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 173,275	171,979	171,979		
Employee Benefits	39,040	43,838	43,838		
Outside Contracts	400	250	240	10	
Interfund Services	200	211	211		
Operating Leases	650	650	643	7	
Supplies and Materials	1,400	1,539	1,524	15	
Travel	4,000	4,322	4,339		(17)
Other Operating Expenditures	3,000	2,678	2,678		
<b>YOUTH OUTREACH PROGRAM</b>	221,965	225,467	225,452	32	(17)
Salaries and Wages	1,197,231	1,224,158	1,224,158		
Employee Benefits	429,614	437,968	437,968		
Outside Contracts	572,000	553,170	511,939	41,231	
Interfund Services	226,000	226,000	335,117		(109,117)
Operating Leases	3,500	7,100	4,808	2,292	
Fuel and Lubricants	140,000	140,000	170,265		(30,265)
Supplies and Materials	151,650	130,755	123,628	7,127	
Maintenance and Repairs	306,500	305,000	304,614	386	
Travel	4,100	4,100	2,536	1,564	
Other Operating Expenditures	8,700	6,700	5,508	1,192	
<b>PARKWAYS MAINTENANCE</b>	3,039,295	3,034,951	3,120,541	53,792	(139,382)
Salaries and Wages	1,883,003	1,888,942	1,888,942		
Employee Benefits	530,183	593,713	593,713		
Outside Contracts	1,449,000	1,380,200	1,292,309	87,891	
Interfund Services	300	300	29	271	
Operating Leases	200	200	181	19	
Supplies and Materials	276,500	276,500	271,051	5,449	
Maintenance and Repairs	153,000	153,000	151,577	1,423	
Communications	32,000	32,000	29,902	2,098	
Utilities	1,092,120	1,142,545	1,442,836		(300,291)
Travel	8,000	8,000	2,035	5,965	
Other Operating Expenditures	9,450	9,450	8,142	1,308	
<b>PARK AREA MAINTENANCE</b>	5,433,756	5,484,850	5,680,717	104,424	(300,291)
Capital Expenditures	-	-	226		(226)
<b>MCKELLIGON CANYON</b>	-	-	226		(226)
Salaries and Wages	769,489	847,530	847,530		
Employee Benefits	197,096	203,303	203,303		
Contractual Services	4,000	5,900	3,306	2,594	
Professional Services	1,000	1,000	280	720	
Outside Contracts	36,255	33,555	27,925	5,630	
Interfund Services	11,300	17,262	16,959	303	
Operating Leases	6,110	6,370	6,129	241	
Fuel and Lubricants	4,854	7,414	7,406	8	
Supplies and Materials	26,155	26,155	22,746	3,409	
Communications	44,395	36,413	30,107	6,306	
Travel	6,334	6,334	5,814	520	
Other Operating Expenditures	7,120	7,120	6,509	611	
<b>LIBRARY ADMINISTRATION</b>	\$ 1,114,108	1,198,356	1,178,014	20,342	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 397,591	407,128	407,128		
Employee Benefits	111,946	110,419	110,419		
Professional Services	40,029	39,874	35,995	3,879	
Outside Contracts	260	260	154	106	
Interfund Services	200	355	355		
Operating Leases	502	502	327	175	
Supplies and Materials	55,150	55,150	63,892		(8,742)
Communications	200	200	60	140	
Travel	654	654	170	484	
<b>CATALOGING ORDERING &amp; PROCESS</b>	<b>606,532</b>	<b>614,542</b>	<b>618,500</b>	<b>4,784</b>	<b>(8,742)</b>
Salaries and Wages	144,203	131,542	131,542		
Employee Benefits	42,823	40,278	40,278		
Contractual Services	400	400	135	265	
Professional Services	250	250	200	50	
Outside Contracts	4,368	4,333	957	3,376	
Interfund Services	400	400	89	311	
Operating Leases	754	789	826		(37)
Supplies and Materials	4,381	4,381	3,723	658	
Travel	400	400	199	201	
<b>MEMORIAL BRANCH OPERATIONS</b>	<b>197,979</b>	<b>182,773</b>	<b>177,949</b>	<b>4,861</b>	<b>(37)</b>
Salaries and Wages	157,277	151,715	151,715		
Employee Benefits	44,161	44,568	44,568		
Contractual Services	400	400	385	15	
Professional Services	250	250	200	50	
Outside Contracts	4,114	3,734	648	3,086	
Interfund Services	400	400	60	340	
Operating Leases	584	714	716		(2)
Supplies and Materials	4,423	4,523	3,700	823	
Travel	300	450	287	163	
<b>ARMILJO BRANCH OPERATIONS</b>	<b>211,909</b>	<b>206,754</b>	<b>202,279</b>	<b>4,477</b>	<b>(2)</b>
Salaries and Wages	308,097	281,409	281,409		
Employee Benefits	79,999	74,823	74,823		
Contractual Services	400	400	400		
Professional Services	140	140	140		
Outside Contracts	8,812	8,812	8,812		
Interfund Services	1,300	1,170	307	863	
Operating Leases	2,145	2,275	2,262	13	
Supplies and Materials	8,500	8,500	7,639	861	
Travel	1,505	1,505	1,299	206	
<b>RICHARD BURGESS BRANCH OPER</b>	<b>410,898</b>	<b>379,034</b>	<b>377,091</b>	<b>1,943</b>	
Salaries and Wages	122,003	107,277	107,277		
Employee Benefits	32,897	34,189	34,189		
Contractual Services	200	200	150	50	
Professional Services	225	225	210	15	
Outside Contracts	4,074	4,074	4,074		
Interfund Services	600	400		400	
Operating Leases	952	952	820	132	
Supplies and Materials	4,200	4,200	3,111	1,089	
Travel	1,232	1,432	1,339	93	
<b>CIELO VISTA BRANCH OPER</b>	<b>\$ 166,383</b>	<b>152,949</b>	<b>151,170</b>	<b>1,779</b>	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 198,351	169,551	169,551		
Employee Benefits	56,794	50,013	50,013		
Contractual Services	400	400	370	30	
Professional Services	150	150	150		
Outside Contracts	925	925	921	4	
Interfund Services	500				
Operating Leases	944	944	903	41	
Supplies and Materials	4,750	4,850	4,226	624	
Travel	422	822	693	129	
<b>CLARDY FOX BRANCH OPER</b>	263,236	227,655	226,827	828	
Salaries and Wages	257,124	231,933	231,933		
Employee Benefits	65,649	60,876	60,876		
Contractual Services	440	440	440		
Professional Services	300	300	210	90	
Outside Contracts	7,546	7,546	7,546		
Interfund Services	1,000	830		830	
Operating Leases	1,650	1,770	1,541	229	
Supplies and Materials	6,734	6,734	5,345	1,389	
Travel	1,043	1,093	1,027	66	
<b>IRVING SCHWARTZ BRANCH OPER</b>	341,486	311,522	308,918	2,604	
Salaries and Wages	136,712	144,439	144,439		
Employee Benefits	37,498	38,917	38,917		
Contractual Services	400	400	295	105	
Professional Services	200	200	100	100	
Outside Contracts	60	60	60		
Interfund Services	500	500		500	
Operating Leases	1,028	1,028	926	102	
Supplies and Materials	4,649	4,649	3,393	1,256	
Travel	1,613	1,613	1,054	559	
<b>LOWER VALLEY BRANCH OPER</b>	182,660	191,806	189,184	2,622	
Salaries and Wages	231,573	190,364	190,364		
Employee Benefits	60,900	53,913	53,913		
Contractual Services	400	400	400		
Professional Services	150	150	150		
Outside Contracts	4,642	4,592	3,891	701	
Interfund Services	900	625	2	623	
Operating Leases	1,049	1,099	1,056	43	
Supplies and Materials	8,150	8,150	6,353	1,797	
Travel	1,017	1,292	1,207	85	
<b>WESTSIDE BRANCH OPERATIONS</b>	308,781	260,585	257,336	3,249	
Salaries and Wages	184,473	185,242	185,242		
Employee Benefits	61,468	58,956	58,956		
Contractual Services	400	400	130	270	
Professional Services	150	150	145	5	
Outside Contracts	4,682	4,332	941	3,391	
Interfund Services	700	500	155	345	
Operating Leases	1,184	1,534	1,520	14	
Supplies and Materials	6,501	6,501	5,617	884	
Travel	3,000	3,200	2,987	213	
<b>YSLETA BRANCH OPERATIONS</b>	\$ 262,558	260,815	255,693	5,122	

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 1,098,535	1,086,887	1,086,887		
Employee Benefits	271,278	272,171	272,171		
Contractual Services	1,000	1,000	200	800	
Professional Services	1,500	629	515	114	
Outside Contracts	13,936	13,936	13,586	350	
Interfund Services	300	300	272	28	
Operating Leases	4,234	4,605	4,616		(11)
Supplies and Materials	17,127	17,627	15,970	1,657	
Communications	5,000	5,000	5,000		
Travel	250	250	222	28	
<b>MAIN LIBRARY</b>	<b>1,413,160</b>	<b>1,402,405</b>	<b>1,399,439</b>	<b>2,977</b>	<b>(11)</b>
Salaries and Wages	134,636	2,164	2,164		
Employee Benefits	(492)	137	137		
Contractual Services	1,500	1,500		1,500	
Operating Leases	589	589		589	
Supplies and Materials	7,225	7,225	3,872	3,353	
Travel	387	387	18	369	
<b>WESTSIDE REGIONAL LIBRARY</b>	<b>143,845</b>	<b>12,002</b>	<b>6,191</b>	<b>5,811</b>	
Interfund Services	-		34		(34)
<b>TEXAS STATE LIBRARY GRANTS</b>	<b>-</b>		<b>34</b>		<b>(34)</b>
Salaries and Wages	567,895	550,145	550,145		
Employee Benefits	196,908	189,917	189,917		
Professional Services	1,250	1,250	1,205	45	
Outside Contracts	111,525	111,075	109,823	1,252	
Interfund Services	4,050	6,889	7,536		(647)
Operating Leases	2,500	2,300	2,339		(39)
Fuel and Lubricants	800	960	1,207		(247)
Supplies and Materials	8,350	8,850	8,834	16	
Maintenance and Repairs	10,400	10,400	10,393	7	
Communications	1,660	1,593	1,438	155	
Other Operating Expenditures	2,100	2,100	75,710		(73,610)
<b>ART MUSEUM ADMINISTRATION</b>	<b>907,438</b>	<b>885,479</b>	<b>958,547</b>	<b>1,475</b>	<b>(74,543)</b>
Salaries and Wages	92,489	95,282	95,282		
Employee Benefits	23,704	23,718	23,718		
Outside Contracts	2,500	2,500	2,431	69	
Interfund Services	600	575	718		(143)
Supplies and Materials	1,500	1,525	1,442	83	
Travel	350	350	350		
<b>ART MUSEUM EDUCATION</b>	<b>121,143</b>	<b>123,950</b>	<b>123,941</b>	<b>152</b>	<b>(143)</b>
Salaries and Wages	168,097	133,003	133,003		
Employee Benefits	53,156	46,749	46,749		
Outside Contracts	16,000	16,000	15,819	181	
Interfund Services	1,000	1,000	963	37	
Operating Leases	500	10		10	
Supplies and Materials	6,350	6,640	6,578	62	
Maintenance and Repairs	6,200	6,400	6,328	72	
Communications	12,000	12,000	11,187	813	
Travel	-		64		(64)
Other Operating Expenditures	3,000	3,000		3,000	
<b>ART MUSEUM CURATORIAL</b>	<b>266,303</b>	<b>224,802</b>	<b>220,691</b>	<b>4,175</b>	<b>(64)</b>
Supplies and Materials	-		35		(35)
<b>ART MEMBER RESTRICTED FUND</b>	<b>\$ -</b>	<b>-</b>	<b>35</b>		<b>(35)</b>

CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 106,804	109,781	109,781		
Employee Benefits	24,184	24,870	24,870		
Professional Services	141,000	112,150	112,149	1	
Outside Contracts	3,500	78,359	3,359	75,000	
Operating Leases	2,500	7,091	5,985	1,106	
Communications	2,500	1,900	629	1,271	
Other Operating Expenditures	-		367		(367)
Community Service Projects	122,458	147,458	135,857	11,601	
<b>ARTS &amp; CULTURE ADMIN</b>	<b>402,946</b>	<b>481,609</b>	<b>392,997</b>	<b>88,979</b>	<b>(367)</b>
Interfund Services	-		96		(96)
<b>ARTS &amp; CULTURE PROGRAM</b>	<b>-</b>	<b>-</b>	<b>96</b>		<b>(96)</b>
Salaries and Wages	145,102	106,246	106,246		
Employee Benefits	57,657	40,831	40,831		
Outside Contracts	2,450	2,450	2,122	328	
Interfund Services	1,300	368	537		(169)
Operating Leases	450	450	145	305	
Supplies and Materials	3,135	2,255	1,787	468	
Maintenance and Repairs	200	200	141	59	
Communications	650	580	552	28	
Travel	3,400	2,500	1,975	525	
Other Operating Expenditures	700	700	451	249	
<b>HISTORY MUSEUM ADMINISTRATION</b>	<b>215,044</b>	<b>156,580</b>	<b>154,787</b>	<b>1,962</b>	<b>(169)</b>
Salaries and Wages	128,605	118,407	118,407		
Employee Benefits	35,496	31,252	31,252		
Outside Contracts	5,000	4,916	4,866	50	
Interfund Services	400	580	575	5	
Operating Leases	115	115	115		
Supplies and Materials	2,560	2,404	2,381	23	
Maintenance and Repairs	2,600	2,600	2,592	8	
Communications	200	193	193		
Utilities	3,500	3,500	3,500		
Travel	500	713	713		
<b>MUSEUM_OF_ARCHAEOLOGY</b>	<b>178,976</b>	<b>164,680</b>	<b>164,594</b>	<b>86</b>	
Salaries and Wages	1,889,464	1,796,952	1,796,952		
Employee Benefits	795,745	762,290	762,290		
Other Operating Expenditures	-		233		(233)
<b>ZOO GENERAL OPERATIONS</b>	<b>2,685,209</b>	<b>2,559,242</b>	<b>2,559,475</b>		<b>(233)</b>
Salaries and Wages	108,573	111,356	111,356		
Employee Benefits	26,561	26,442	26,442		
Professional Services	8,000	7,000	5,844	1,156	
Outside Contracts	1,036	1,036	261	775	
Interfund Services	800	800	187	613	
Operating Leases	29,942	29,942	29,339	603	
Fuel and Lubricants	250	250	82	168	
Supplies and Materials	3,277	4,067	3,519	548	
Communications	650	860	720	140	
Travel	1,450	1,450	586	864	
Other Operating Expenditures	7,774	7,774	6,065	1,709	
<b>FOREIGN TRADE ZONE</b>	<b>\$ 188,313</b>	<b>190,977</b>	<b>184,401</b>	<b>6,576</b>	



CITY OF EL PASO, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

Legal Level of Budgetary Control

For the year ended August 31, 2004

Object	Adopted Budget	Adjusted Budget	Actuals	Under Budget	Over Budget
Salaries and Wages	\$ 645,329	366,704	366,704		
Employee Benefits	149,444	106,682	106,682		
Professional Services	50,000	50,000	8,401	41,599	
Outside Contracts	485,550	451,950	239,089	212,861	
Interfund Services	2,800	2,800	1,585	1,215	
Operating Leases	5,000	5,000	1,210	3,790	
Supplies and Materials	7,030	7,030	5,789	1,241	
Communications	1,250	3,150	1,916	1,234	
Travel	30,550	30,550	8,896	21,654	
Other Operating Expenditures	11,750	11,350	2,531	8,819	
Transfers Out	-	32,100		32,100	
<b>ECONOMIC DEV ADMINISTRATION</b>	<b>1,388,703</b>	<b>1,067,316</b>	<b>742,803</b>	<b>324,513</b>	
Salaries and Wages	37,154	36,947	36,947		
Employee Benefits	8,173	8,015	8,015		
Interfund Services	147	147	111	36	
Supplies and Materials	50	50		50	
Other Operating Expenditures	1,085	1,085	806	279	
Grant Match	138,849	138,849	138,849		
<b>CD AGING SERVICES</b>	<b>185,458</b>	<b>185,093</b>	<b>184,728</b>	<b>365</b>	
Salaries and Wages	53,934	56,807	56,807		
Employee Benefits	14,352	14,657	14,657		
Professional Services	12,000	18,000	16,328	1,672	
Outside Contracts	2,358	58	9	49	
Interfund Services	1,650	900	715	185	
Operating Leases	750	750	750		
Supplies and Materials	1,950	750	612	138	
Communications	143	143	54	89	
Travel	2,550	800	734	66	
Other Operating Expenditures	1,300	1,300	990	310	
<b>ACCESSIBILITY COMPLCE GEN FUND</b>	<b>90,987</b>	<b>94,165</b>	<b>91,656</b>	<b>2,509</b>	
Salaries and Wages	35,529	35,784	35,784		
Employee Benefits	9,881	9,690	9,690		
Interfund Services	1,700	1,700	1,630	70	
Supplies and Materials	50	50		50	
<b>RELOCATION SERVICES_GEN FUND</b>	<b>47,160</b>	<b>47,224</b>	<b>47,104</b>	<b>120</b>	
Salaries and Wages	285,507	272,216	272,216		
Employee Benefits	53,378	50,444	50,444		
Professional Services	-	25,200	13,700	11,500	
Outside Contracts	-	45,000	26,969	18,031	
Operating Leases	51,800	51,800	31,054	20,746	
Travel	10,000	10,000		10,000	
Other Operating Expenditures	2,938,499	5,759,954	407,965	5,351,989	
Other Non-Operating Expenditures	100,000	100,000	90,010	9,990	
<b>SPECIAL ITEMS</b>	<b>3,439,184</b>	<b>6,314,614</b>	<b>892,358</b>	<b>5,422,256</b>	
Transfers Out	-		176,493		(176,493)
<b>GENERAL CITY REVENUES</b>	<b>-</b>	<b>-</b>	<b>176,493</b>	<b>-</b>	<b>(176,493)</b>
<b>Total</b>	<b>\$ 259,434,576</b>	<b>260,492,372</b>	<b>252,303,318</b>	<b>10,110,588</b>	<b>(1,921,534)</b>

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# NONMAJOR GOVERNMENTAL

## **SPECIAL REVENUE FUNDS**

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

# CITY OF EL PASO, TEXAS

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS August 31, 2004

	Special Revenue Funds				
	Federal Grants	State Grants	Other Grants	Non-Grants	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	-	-	10,507,142	10,507,142
Receivables - Net of Allowances					
Trade				236,187	236,187
Due From Other Government Agencies	2,367,228	1,634,694	97,740	327,743	4,427,405
Due From Other Funds	-	-	-	2,918,506	2,918,506
<b>TOTAL ASSETS</b>	<b>\$ 2,367,228</b>	<b>1,634,694</b>	<b>97,740</b>	<b>13,989,578</b>	<b>18,089,240</b>
 <b>LIABILITIES</b>					
Accounts Payable	\$ 206,698	308,478	1	1,038,225	1,553,402
Accrued Payroll	389,851	181,691	3,811	87,022	662,375
Due to Other Funds	1,693,179	1,144,525	80,802	-	2,918,506
Taxes Payable				13	13
Deferred Revenue	77,500		13,126		90,626
<b>TOTAL LIABILITIES</b>	<b>2,367,228</b>	<b>1,634,694</b>	<b>97,740</b>	<b>1,125,260</b>	<b>5,224,922</b>
 <b>FUND BALANCES</b>					
Unreserved:					
Undesignated	-	-	-	12,864,318	12,864,318
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,864,318</b>	<b>12,864,318</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,367,228</b>	<b>1,634,694</b>	<b>97,740</b>	<b>13,989,578</b>	<b>18,089,240</b>

# CITY OF EL PASO, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

### NON-MAJOR GOVERNMENTAL FUNDS

For the year ended August 31, 2004

	Special Revenue Funds				Total
	Federal Grants	State Grants	Other Grants	Non-Grants	
<b>Revenues</b>					
Sales Taxes	\$ -	-	-	3,790,285	3,790,285
Charges for Services	-	388,883	-	4,225,887	4,614,770
Fines and Forfeits	-	-	-	991,419	991,419
Intergovernmental Revenues	17,301,699	7,755,104	36,641	116,250	25,209,694
Interest	-	-	-	51,622	51,622
Rents and Other	33,201	-	38,260	3,727,835	3,799,296
<b>Total revenues</b>	<b>17,334,900</b>	<b>8,143,987</b>	<b>74,901</b>	<b>12,903,298</b>	<b>38,457,086</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	5,667	310,677	12,944	112,429	441,717
Public Safety	5,826,229	2,408,590	-	2,196,372	10,431,191
Public Works	-	47,700	(9,502)	-	38,198
Public Health	7,463,870	4,051,530	-	11,520	11,526,920
Parks Department	-	-	8,340	2,425,035	2,433,375
Library	-	305,474	-	12,200	317,674
Culture and Recreation	24,000	96,328	63,219	4,825,356	5,008,903
Economic Development	161,190	-	-	295	161,485
Planning	996,820	-	-	-	996,820
Solid Waste	-	10,022	-	-	10,022
Community and Human Development	1,224,666	-	-	-	1,224,666
Capital Outlay	1,632,458	933,500	(100)	1,829,064	4,394,922
<b>Total expenditures</b>	<b>17,334,900</b>	<b>8,163,821</b>	<b>74,901</b>	<b>11,412,271</b>	<b>36,985,893</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(19,834)</b>	<b>-</b>	<b>1,491,027</b>	<b>1,471,193</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	19,834	-	314,787	334,621
Transfers Out	-	-	-	(177,855)	(177,855)
<b>Total other financing sources (uses):</b>	<b>-</b>	<b>19,834</b>	<b>-</b>	<b>136,932</b>	<b>156,766</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,627,959</b>	<b>1,627,959</b>
<b>Fund balances - beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,236,359</b>	<b>11,236,359</b>
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>12,864,318</b>	<b>12,864,318</b>

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# 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 U.S. Department of Agriculture, U.S. Department of the Interior, U.S. Department of Justice, Environmental Protection Agency, U.S. Department of Education, U.S. Department of Health and Human Services, Center for Disease Control, Office of the President, National Endowments for the Humanities and U.S. Department of Transportation.

**STATE GRANTS**—This fund accounts for grants received by the City from various State of Texas departments and agencies including the State Department of Highways, Texas Historical Commission, Texas State Library and Archives, Texas Arts Council, Texas Department of Health, Texas Commission on Environmental Quality and 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 include El Paso Community Foundation, Paso del Norte Health Foundation and local school districts.

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

**CITY OF EL PASO, TEXAS**  
 Schedule of Expenditures - Special Revenue Funds  
 For the year ended August 31, 2004

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
G080100	HISTORIC RESEARCH SURVEY GRANT	\$ 5,667	-	-	-	5,667
G080301	PASO DEL NORTE CLEAN AIR	-	310,677	-	-	310,677
G090401	COMMUNITY COLLEGE EMPLOY PROG	-	-	12,944	-	12,944
G110301	JUVENILE COMPLIANCE FY03	-	(1,832)	-	-	(1,832)
G110401	JUVENILE COMPLIANCE FY04	50,682	-	-	-	50,682
G210008	H I D T A - MULTI - FY2000	21,805	-	-	-	21,805
G210009	H I D T A - MOTEL - FY2000	10	-	-	-	10
G210010	COPS MORE 98 CIVILIAN AWARD	172,786	-	-	-	172,786
G210011	COPS UNIVERSAL HIRING AWARD	961,511	-	-	-	961,511
G210015	H I D T A STASH HOUSE FY2000	182	-	-	-	182
G210106	COPS HIRING GRANT	2,121,495	-	-	-	2,121,495
G210108	H I D T A - HIJACK- FY2001	(16)	-	-	-	(16)
G210109	HIDTA - MULTIAGENCY - FY2001	32,436	-	-	-	32,436
G210110	HIDTA - HOTEL/MOTEL - FY2001	13,955	-	-	-	13,955
G210115	HIDTA - STASH HOUSE - FY2001	21,351	-	-	-	21,351
G210119	COPS 2000 CIVILIAN AWARD (6)	21,759	-	-	-	21,759
G210122	COPS MORE PHASE 2	139,004	-	-	-	139,004
G210208	HIDTA HIJACK FY02	(272,870)	-	-	-	(272,870)
G210209	HIDTA MULTI AGENCY FY02	(101,566)	-	-	-	(101,566)
G210210	HIDTA HOTEL/MOTEL FY02	(22,993)	-	-	-	(22,993)
G210215	COPS IN SCHOOLS	137,812	-	-	-	137,812
G210217	HIDTA INTELLIGENCE FY02	29,656	-	-	-	29,656
G210218	VICTIMS ASSISTANCE GRANT FY02	-	(1,073)	-	-	(1,073)
G210219	HIDTA STASH HOUSE FY02	(99,959)	-	-	-	(99,959)
G210223	LLEBG EQUIP & TECHNOLOGY FY02	84,143	-	-	-	84,143
G210225	HIDTA GRAB 2001	38,731	-	-	-	38,731
G210226	VICTIM ASST DISCRETION GRANT	-	414	-	-	414
G210302	ATPA FY03	-	(2,915)	-	-	(2,915)
G210303	DART FY03	-	(224)	-	-	(224)
G210304	CART FY03	-	(2,510)	-	-	(2,510)
G210305	G210305 DART FY03 SUPPLEMENT	-	33,146	-	-	33,146
G210306	DOMESTIC VIOLENCE GRANT FY03	-	1,175	-	-	1,175
G210307	G210307 TXDOT SAFE COMNTS FY03	-	35,376	-	-	35,376
G210308	G210308 OP SPEED STEP FY03	-	13,109	-	-	13,109
G210309	G210309 DWI STEP FY03	-	46,442	-	-	46,442
G210310	COPS CULTURE OF INTEGRITY	72,958	-	-	-	72,958
G210311	SHOCAP FY03	-	14,383	-	-	14,383
G210312	G210312 LLEBG GRANT FY03	313,381	-	-	-	313,381
G210313	G210313 BULLETPROOF VEST FY03	2,632	-	-	-	2,632
G210314	COPS AUTO TICKET	968,250	-	-	-	968,250
G210315	HIDTA AIRPORT TASK FORCE FY03	748,981	-	-	-	748,981
G210317	HIDTA INTELLIGENCE FY03	90,186	-	-	-	90,186
G210319	HIDTA STASH HOUSE FY03	331,551	-	-	-	331,551
G210320	G210320 PRJ SPOTLIGHT FY03	-	963	-	-	963
G210323	TX DOT STEP WAVE FY03	-	7,272	-	-	7,272
G210324	G210324 UNDERAGE DRINKING FY03	-	70,113	-	-	70,113
G210325	HIDTA SOURCE CTY NARC TASKFY03	140,063	-	-	-	140,063
G210326	HIDTA MULTIAGENCY FY03	179,720	-	-	-	179,720
G210327	HIDTA GRAB TASK FORCE FY03	59,979	-	-	-	59,979
G210330	YOUTH OFFENDER INITIATIVE DEMO	179,673	-	-	-	179,673
G210332	TXDOT IMPAIRED DRIVING STEP	-	50,000	-	-	50,000
G210402	AUTO THEFT FY04	-	729,680	-	-	729,680
G210403	DART-VIOLENCE AGAINST WOM-04	-	115,507	-	-	115,507
G210404	CRT-CRISIS REPOSE FY04	-	42,918	-	-	42,918
G210405	TXDOT COMPREHENSIVE STEP FY04	-	240,852	-	-	240,852
G210406	VADG FUND FY04	-	64,535	-	-	64,535
G210408	TXDOT CLICK IT OR TICKET	-	70,867	-	-	70,867



**CITY OF EL PASO, TEXAS**  
 Schedule of Expenditures - Special Revenue Funds  
 For the year ended August 31, 2004

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
G210409	TXDOT SAFETY CITY	-	42,551	-	-	42,551
G210411	JUVENILE ACCT BLOCK GRANT	-	251,884	-	-	251,884
G210415	LLEBG FY04 RMS	2,631	-	-	-	2,631
G210417	HIDTA TRANSPORTATION OT FY'04	7,501	-	-	-	7,501
G210418	VCLG -VAG FUND FY03	-	33,025	-	-	33,025
G210420	TXDOT STEP WAVE FY '04	-	15,000	-	-	15,000
G210421	TXDOT CLICK IT/ TICKET SMMR 04	-	66,881	-	-	66,881
G210424	UNDERAGE DRINKING FY04	-	136,479	-	-	136,479
G210425	HIDTA AIRPORT FY'04	345,512	-	-	-	345,512
G210426	HIDTA STASH HOUSE FY'04	130,303	-	-	-	130,303
G210427	HIDTA SOURCE CITY FY'04	53,690	-	-	-	53,690
G210428	HIDTA MULTI AGENCY FY'04	28,102	-	-	-	28,102
G210429	HIDTA INTELLIGENCE FY'04	28,011	-	-	-	28,011
G210431	HIDTA ENTERPRISE FY'04	4,659	-	-	-	4,659
G210432	HIDTA GRAB FY'04	5	-	-	-	5
G210502	210502 ATPA FY'05	-	8,281	-	-	8,281
G210503	210503 DART PROJECT FY'05	-	411	-	-	411
G210504	210504 CRT RESPONSE TEAM FY'05	-	12,280	-	-	12,280
G210511	210511 JUVENILE ACCT BLOCK '05	-	22,590	-	-	22,590
G220301	EMERGENCY MGMT. FY03	-	(3,314)	-	-	(3,314)
G220302	G220302 MMRS PASS THRU DONA AN	-	100,000	-	-	100,000
G220305	FEMA EDUCATION ACCOUNT	10,410	-	-	-	10,410
G220401	EMERGENCY MGMT FY04	-	237,994	-	-	237,994
G220403	FEMA VEHICLE EXHAUST SYSTEM	-	107,043	-	-	107,043
G220405	TEEX HOMELAND SECURITY GRANT	-	2,796	-	-	2,796
G229903	MMRS - MEDICAL RESPONSE SYSTEM	-	9,892	-	-	9,892
G320301	TX FOREST SVC. ARBORIST	-	47,700	-	-	47,700
G329601	GRAFITTI CLEAN UP	-	-	(9,502)	-	(9,502)
G340401	ILLEGAL DUMPING & LITTER FY'04	-	10,022	-	-	10,022
G410102	CDC-TB OUTREACH - FY2001	-	(20)	-	-	(20)
G410119	HEALTH DONATIONS - SPECIAL REV	-	-	(100)	-	(100)
G410202	CDC-TB-OUTREACH - FY02	-	10,443	-	-	10,443
G410206GRNT	TDH IMMUNIZATION - FY 02	-	903	-	-	903
G410209	TSH ASBESTOS - FY02	170	-	-	-	170
G410213	TDH BUREAU OF W&C FEES - FY02	-	61	-	-	61
G410217	TNRCC AIR QUALITY - FY02	19,157	-	-	-	19,157
G410218	EPA AIR POLLUTION FY02	56,091	-	-	-	56,091
G410223	HIV SURVEILLANCE - FY02 FEDERL	-	(13)	-	-	(13)
G410224	TNRCC BORDER AIR MONITOR FY02	(335)	-	-	-	(335)
G4102WCADMN	WIC ADMINISTRATION FY 2002	5,925	-	-	-	5,925
G410301	CHILDHOOD LEAD PREVENT FY03	-	(9,378)	-	-	(9,378)
G410302	TB OUTREACH FY03	-	100,028	-	-	100,028
G410306	TDH IMMUNIZATION FY03	-	426,878	-	-	426,878
G410307	TDH TUBERCULOSIS FY03	-	9,976	-	-	9,976
G410308	TDH W & C CORE FY03	-	179	-	-	179
G410309	TDH ASBESTOS FY03	185	-	-	-	185
G410310	TDH VECTOR INITIATIVE FY03	-	52	-	-	52
G410311	TDH OFFICE OF REG PLAN FY03	-	(4,667)	-	-	(4,667)
G410313	TDH W & C FEES FY03	-	29,598	-	-	29,598
G410315	MEDICAID ADMIN CLAIM FY03	-	24,004	-	-	24,004
G410316	TNRCC PASS THRU FY03	572	-	-	-	572
G410317	TNRCC AIR QUALITY FY03	1,428	-	-	-	1,428
G410318	EPA AIR POLLUTION FY03	(23,469)	-	-	-	(23,469)
G410320	SEXUALLY TRANSMITTED DIS FY03	-	29,114	-	-	29,114
G410321	TNRCC PM SAMPLING FY03	375	-	-	-	375
G410322	TDH BIO TERRORISM LAB FY03	-	257,199	-	-	257,199
G410323	HIV SURVEILLANCE FED FY03	-	6,471	-	-	6,471

**CITY OF EL PASO, TEXAS**  
Schedule of Expenditures - Special Revenue Funds  
For the year ended August 31, 2004

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
G410324	TNRCC BORDER AIR MONITOR FY03	21,996	-	-	-	21,996
G410325	G410325 PUBLIC HEALTH PREP F03	-	119,838	-	-	119,838
G4103WCADMN	WIC ADMIN FY03	317,367	-	-	-	317,367
G4103WCBF03	WIC BREASTFEEDING FY03	15,106	-	-	-	15,106
G4103WCNE03	WIC NUTRITION FY03	82,422	-	-	-	82,422
G410401	CHILD LEAD PREVENTION	-	70,507	-	-	70,507
G410402	TB OUTREACH	-	198,519	-	-	198,519
G410403	OFFICE OF BORDER HEALTH	-	32,865	-	-	32,865
G410405	STD ADMIN	-	41,623	-	-	41,623
G410406	TDH IMMUNIZATION	-	891,420	-	-	891,420
	CDC Non monetary assistance-vaccines	1,150,701	-	-	-	1,150,701
G410407	TDH TUBERCULOSIS	-	604,925	-	-	604,925
G410408	TDH BUREAU W & C CORE	-	96,614	-	-	96,614
G410409	TDH TSCD ASBESTOS	40,868	-	-	-	40,868
G410411	TDH OFFICE OF REGIONAL PLANNING	-	160,821	-	-	160,821
G410412	TDH HIV SURVEILLANCE STATE	-	24,096	-	-	24,096
G410413	TDH BUREAU W&C FEES	-	166,869	-	-	166,869
G410416	TCEQ PASS THRU	134,045	-	-	-	134,045
G410417	TCEQ AIR QUALITY	382,345	-	-	-	382,345
G410418	EPA AIR POLLUTION	376,202	-	-	-	376,202
G410420	SEXUALLY TRANSMITTED DIS FY04	-	55,681	-	-	55,681
G410421	TCEQ PM SAMPLING	87,569	-	-	-	87,569
G410422	TDH BIO TERRORISM LAB	-	235,785	-	-	235,785
G410423	HIV SURVEILLANCE FED	-	5,606	-	-	5,606
G410424	TCEQ BORDER AIR MONITORING	30,115	-	-	-	30,115
G410425	PUBLIC HEALTH PREP FY04	-	912,143	-	-	912,143
G410427	CARRYOVER TITLE V - FY04	-	48,982	-	-	48,982
G4104AD	WC ADMIN WIC ADMIN	3,638,650	-	-	-	3,638,650
G4104BF	BF04 WIC BREASTFEEDING	189,320	-	-	-	189,320
G4104NE	NE04 WIC NUTRITION	1,015,427	-	-	-	1,015,427
G410525	TDH OPHP/BIOTERR FY'05	-	2	-	-	2
G510202	URBAN PARK RECOVERY PROGRAM	303,073	-	-	-	303,073
G510302	URBAN FORESTRY TRAINING	-	-	8,340	-	8,340
G530303	TSLAC FY03	-	(3,176)	-	-	(3,176)
G530307	LOAN STAR FY04 LIBRARIES GRANT	-	(1)	-	-	(1)
G530310	G530310 TIF GRANT FY03	-	40,002	-	-	40,002
G530403	TSLAC FY2004	-	381,551	-	-	381,551
G530407	G530407 TSLAC-LONESTAR FY'04	-	42,854	-	-	42,854
G530409	TSL TECHNICAL ASSISTANCE	-	71,884	-	-	71,884
G530411	E-RATE LIBRARY FUNDS	-	41,581	-	-	41,581
G530503	530503 TSLAC-SYSTEMS FY'05	-	4,054	-	-	4,054
G530509	530509 TANG GRANT FY'05	-	1,230	-	-	1,230
G540006	MUSEUM GENERAL RESTRICTED	-	-	-	115,650	115,650
G540007	MUSEUM INSTRUCTION	-	-	-	53,282	53,282
G540010	HISTORY MUSEUM SPECIAL REVENUE	-	-	-	944	944
G540109	SCHOOL SERVICES PRIVATE AWARDS	-	-	35,223	-	35,223
G540302	TCA EXHIBIT SUPPORT FY03	-	-	549	-	549
G540402	TCA EXHIBIT SUPPORT GOWIN	-	3,000	-	-	3,000
G540403	TCA EXHIBIT SUPPORT VEILS	-	2,974	-	-	2,974
G550401	TCA ADVANCE & SERV FY04	-	9,492	-	508	10,000
G550402	TCA SUBGRANT & ADMIN FY04	-	74,997	-	-	74,997
G550403	ARTS IN EDUCATION FY04	-	5,896	-	-	5,896
G550405	NEA DISCOVERY	24,000	-	-	2,000	26,000
G550408	HAF WOS GERARDO NUNEZ	-	-	2,550	-	2,550
G550409	HAF WOS INTERNAT GUITAR NITE	-	-	925	-	925
G550410	NEFA BALLET HISPANICO	-	-	4,000	-	4,000
G550416	EPISD ARTS IN EDUCATION	-	-	2,972	-	2,972

**CITY OF EL PASO, TEXAS**  
 Schedule of Expenditures - Special Revenue Funds  
 For the year ended August 31, 2004

Special Revenue Funds

Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
G550417	YISD ARTS IN EDUCATION	-	-	7,000	-	7,000
G560101	ARCHEOLOGY AWARENESS FY2001	-	(31)	-	-	(31)
G580300	VISIBLE STORAGE GRANT	-	-	10,000	-	10,000
G710201	PASO DEL NORTE AGELESS HEALTH	16,397	-	-	-	16,397
G710202	ALLIANCE FOR SENIOR INVOLVEMEN	(1,558)	-	-	-	(1,558)
G710301	CD SAMSA GRANT FY03	472,523	-	-	-	472,523
G7103FGCITY	FGP CITY FY03	15,344	-	-	-	15,344
G7103FGFEDR	FGP FEDERAL FY03	13,901	-	-	-	13,901
G7103RSCITY	RSVP CITY FY03	30,877	-	-	-	30,877
G7103RSFEDR	RSVP FEDERAL FY03	60,855	-	-	-	60,855
G7103RSSTAT	RSVP STATE FY03	9	-	-	-	9
G7104FGCITY	FGCITY FOSTER GRANDP PROG F04	55,280	-	-	-	55,280
G7104FGFEDR	FGFEDR FOSTER GRANDP PROG F04	439,407	-	-	-	439,407
G7104FGSTAT	FGSTAT FOSTER GRANDP PROG F04	3,211	-	-	-	3,211
G7104RSCITY	RSCITY RETIRED SR VOL PROG	44,920	-	-	-	44,920
G7104RSFEDR	RSFEDR RETIRED SR VOL PROG	59,854	-	-	-	59,854
G7104RSSTAT	RSSTAT RETIRED SR VOL PROG	27,974	-	-	-	27,974
G710RLFEDRL	ECONOMIC DEVELOPMENT REVOLVING	1,471	-	-	-	1,471
G720201	BROWNSFIELD SITE ASSESSMENT	77,496	-	-	-	77,496
G72BRLF	G72BRLF EPA BROWNSFIELD RLF	678	-	-	-	678
G72CAIP	COMMUNITY ADJUST & INVEST RLF	81,545	-	-	-	81,545
G780001	FHWA/TS DOT/MPO FY2000	2,138	-	-	-	2,138
G780002	EMPACT - EPA ENVIRONMENTAL GRA	467	-	-	-	467
G780003	TIP- PLANNING FUNDS FY2004+	(617)	-	-	-	(617)
G780101	FHWA/TS DOT/MPO FY2001	151	-	-	-	151
G780102	PRT - FEASIBILITY ANALYSIS OF	(2,016)	-	-	-	(2,016)
G780201	FHWA/TS DOT/MPO FY2002	69,244	-	-	-	69,244
G780301	FHWA/TS DOT/MPO FY2003	1,279	-	-	-	1,279
G780401	FHWA/TS DOT/MPO FY04	915,099	-	-	-	915,099
G780403	HWA / NMSHTD / MPO & P FY04	24,688	-	-	-	24,688
G789801	FHWA / NMSHTD / MPO & PROG INC	1,199	-	-	-	1,199
P500038	ZOO CAPITAL NN-CONSTRUCTION	-	-	-	16,650	16,650
P500201	PARK USER FEE GEN. ADMINISTRAT	-	-	-	168,819	168,819
P500202	PARK USER FEE SPORTS	-	-	-	395,235	395,235
P500203	PARK USER FEE AQUATICS	-	-	-	864,143	864,143
P500204	PARK USE GUS & GOLDIE MARKETIN	-	-	-	24,518	24,518
P500205	PARK USER SPECIAL PROMO.SEC.	-	-	-	67,804	67,804
P500206	PARK USER MCKELLIGON CANYON	-	-	-	5,223	5,223
P500207	PARK AGENCY ARMIJO	-	-	-	54,478	54,478
P500208	PARK AGENCY CAROLINA REC CTR	-	-	-	78,701	78,701
P500209	PARK AGENCY MISSOURI	-	-	-	20,081	20,081
P500210	PARK AGENCY NATIONS TOBIN	-	-	-	29,407	29,407
P500211	PARK AGENCY NORHTEAST	-	-	-	220,246	220,246
P500212	PARK AGENCY PAVO REAL	-	-	-	106,919	106,919
P500213	PARK AGENCY SAN JUAN	-	-	-	43,891	43,891
P500214	PARK AGENCY WESTSIDE	-	-	-	196,937	196,937
P500215	PARK AGENCY RAY GILMORE CTR	-	-	-	942	942
P500216	PARK AGENCY SEVILLE COMMUNITY	-	-	-	7,660	7,660
P500218	PARK AGENCY MEM. PARK SENIOR C	-	-	-	23,472	23,472
P500219	PARK AGENCY SACRAMENTO SENIOR	-	-	-	6,919	6,919
P500220	PARK AGENCY SAN JUAN SENIOR CT	-	-	-	5,947	5,947
P500221	PARK AGENCY S. EL PASO SR. CT.	-	-	-	13,578	13,578
P500222	PARK AGENCY WASHINGTON SENIOR	-	-	-	11,301	11,301
P500223	PARK AGENCY WELLINGTON CHEW	-	-	-	12,666	12,666
P500224	PARK AGENCY LINCOLN CTR	-	-	-	672	672
P500225	PARK AGENCY CENTER FOR THE HAN	-	-	-	114,680	114,680
P500226	PARK AGENCY EAST SIDE SENIOR C	-	-	-	55,746	55,746

**CITY OF EL PASO, TEXAS**  
Schedule of Expenditures - Special Revenue Funds  
For the year ended August 31, 2004

Special Revenue Funds						
Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
P500227	PARK AGENCY SPE. EVENTS SR. CT	-	-	-	15,822	15,822
P500228	PARK AGENCY POLLY HARRIS SR. C	-	-	-	14,084	14,084
P500229	PARK AGENCY YOUTH OUTREACH PRG	-	-	-	1,109	1,109
P500230	PARK AGENCY CHIHUAHUTTA COMM.	-	-	-	350	350
P500231	FEDERAL CONFISCATED FUNDS	-	-	-	923,683	923,683
P500232	STATE CONFISCATED FUNDS	-	-	-	574,255	574,255
P500233	TREASURY CONFISCATED FUNDS	-	-	-	977	977
P500234	PD DONATED FUNDS	-	-	-	45,480	45,480
P500235	ABANDONED AUTO TRUST- RESTRICT	-	-	-	155,114	155,114
P500236	GARAGE KEEPERS LIEN-RESTRICTIO	-	-	-	687,498	687,498
P500238	EPPD PRE FAB-SHOOT HOUSE -CET	-	-	-	281,336	281,336
P500239	BREATH ALCOHOL TESTING	-	-	-	13,959	13,959
P500243	PARK AGENCY PETER MRTNZ SR. CR	-	-	-	26,318	26,318
P500247	PARK AGENCY NOLAN RICHARSON RE	-	-	-	51,136	51,136
P500249	ANNUAL TAAF 2003	-	-	-	4,587	4,587
P51800000	CARIBE ESTATES/NATIONS DEDICAT	-	-	-	3,087	3,087
P51800053	BORDERLAND DEDICATED REVENUE	-	-	-	5,502	5,502
P51800117	PONDER DEDICATED REVENUE	-	-	-	15,280	15,280
P51800154	CHESTER E JORDAN PARK PICNIC U	-	-	-	47,253	47,253
P51800159	WEST GREEN DEDICATED REVENUE	-	-	-	14,644	14,644
P518000819	VETERANS DEDICATION REVENUE	-	-	-	14,801	14,801
P518000822	INDIAN HEIGHTS/DICK SHINAUT DE	-	-	-	994	994
P518000824	DICK SHINAUT	-	-	-	22,996	22,996
P518000825	BLACKIE CHESER DED REVENUE	-	-	-	56,991	56,991
P518000828	D SHINAUT/W CLARK/MARTY R/SUNR	-	-	-	600	600
P518000835	RANCHO DEL SOL/BLACKIE CHESIRE	-	-	-	17,886	17,886
P518000836	WALTER CLARKE DED. REVENUE	-	-	-	18,684	18,684
P518000852	VETERANS/SHERMAN/ARLINGTON DED	-	-	-	2,703	2,703
P518000853	W.CLARKE/ZARAGOZA DED. REVENUE	-	-	-	600	600
PD10422	D10422 FY95 D1 SPEC PROJ ROLLO	-	-	-	1,365	1,365
PD20423	D20423 D2 FY95 COUNCIL ROLLOVE	-	-	-	5,944	5,944
PD30424	D30424 D3 FY95 COUNCIL ROLLOVE	-	-	-	5,430	5,430

**CITY OF EL PASO, TEXAS**  
Schedule of Expenditures - Special Revenue Funds  
For the year ended August 31, 2004

Special Revenue Funds						
Grant	Description	Federal Grants	State Grants	Other Grants	Non-Grants	Total Special Revenue Funds
PD40425	D40425 NE MUNI CENTER ROLLOVER	-	-	-	2,645	2,645
PD50426	DICK SHINAUT PARK CONCRETE SLA	-	-	-	9,407	9,407
PD60427	D60427 D6 FY95 COUNCIL ROLLOVE	-	-	-	10,661	10,661
PD70428	D70428 D7 FY95 COUNCIL ROLLOVE	-	-	-	8,932	8,932
PD80429	D80429 D8 FY95 COUNCIL ROLLOVE	-	-	-	4,955	4,955
PMC0001	MUNI TECHNOLOGY REV FUND PRJCT	-	-	-	218,947	218,947
PPR0002	EDGEMERE PARK	-	-	-	7,160	7,160
PPW0310	PLAZA THEATRE	-	-	-	209,410	209,410
PPWHE04002	MEDICAL EXAMINER FCLTY RENOVAT	-	-	-	1,484	1,484
	ART RESTRICTED FUND	-	-	-	17,498	17,498
	TOM LEA ENDOWMENT	-	-	-	1,510	1,510
	CONVENTION & PERF ARTS CENTER	-	-	-	3,864,335	3,864,335
	COUNTY FOOD SFTY PRGM 460460	-	-	-	143,111	143,111
	DONATIONS	-	-	-	2,175	2,175
	G540006 MUSEUM GENERAL RESTRIC	-	-	-	3,127	3,127
	G540007 MUSEUM INSTRUCTION	-	-	-	60	60
	LIBRARY	-	-	-	32,795	32,795
	MUNICIPAL COURT SECURITY	-	-	-	278,577	278,577
	OTHER	-	-	-	63,385	63,385
	P500201 PR USER FEE GENERAL	-	-	-	189	189
	P500202 PR USER FEE ACOSTA	-	-	-	332	332
	P500204 PR USER GUS & GOLDIE	-	-	-	24	24
	P500207 PR AGENCY ARMIJO	-	-	-	1,327	1,327
	P500208 PR AGENCY CAROLINA	-	-	-	158	158
	P500211 PR AGENCY NORTHEAST	-	-	-	137	137
	P500214 PR AGENCY GALATZAN	-	-	-	465	465
	P500231 FEDERAL CONFISCATED	-	-	-	2,851	2,851
	P518000825 BLACKIE CHESER DED	-	-	-	600	600
	P518000853 WALTER CLARKE_ZARA	-	-	-	4,966	4,966
	ZOO OPERATIONS	-	-	-	771,561	771,561
		<u>\$ 17,334,900</u>	<u>8,163,821</u>	<u>74,901</u>	<u>11,412,271</u>	<u>36,985,893</u>

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# 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. INCLUDED IN GENERAL LONG-TERM DEBT ARE GENERAL OBLIGATION BONDS, CERTIFICATES OF OBLIGATION BONDS, CONTRACTUAL OBLIGATION BONDS AND COMMERCIAL PAPER.**

## 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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, September 1	\$ 6,260,605	6,260,605	5,577,479	(683,126)
Resources (inflows):				
Property taxes	32,267,663	32,267,663	32,631,918	364,255
Interest received			392,579	392,579
Parking meter revenue	300,000	300,000	229,545	(70,455)
Reduction in bond issuance cost			54,811	54,811
Face amount of refunding bonds issued			29,265,000	29,265,000
Premium on issuance of bonds			2,047,876	2,047,876
Transfers from other funds	7,541,099	7,541,099	6,785,853	(755,246)
Amounts available for appropriation	<u>46,369,367</u>	<u>46,369,367</u>	<u>76,985,061</u>	<u>30,615,694</u>
Charges to appropriations (outflows):				
Debt service:				
Principal	24,800,000	24,800,000	23,287,145	1,512,855
Interest	20,031,445	20,031,445	21,528,499	(1,497,054)
Interest - Commercial Paper	758,560	758,560	296,192	462,368
Fiscal fees	59,145	59,145	49,584	9,561
Payment to refunding bond escrow agent			31,312,876	(31,312,876)
Transfers to other funds	4,692	4,692		4,692
Total charges to appropriations	<u>45,653,842</u>	<u>45,653,842</u>	<u>76,474,296</u>	<u>(30,820,454)</u>
Budgetary fund balance, August 31	<u>\$ 715,525</u>	<u>715,525</u>	<u>510,765</u>	<u>(204,760)</u>

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



# CAPITAL PROJECTS

**CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR 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, 2004

Project	Name/Description	Capital Projects
P501063	AMERICAS SYSTEM 86 ISSUE	\$ 100,000
P501072	BLUFF CHANNEL	91,105
P501240	STANTON ST INTL BRIDGE IMPRVMT	7,500
P501317	UNALLOC APPNS-EMERGENCY REHAB	22,330
P501328	NORTHEAST REGIONAL COMMAND CEN	8,487
P501347	RESIDUAL BALANCES	85,278
P501380	NORTHWEST CORRAL	258,159
P501467	MISSION TRAIL IMPROVEMENTS (LO	170,188
P501488	UNALLOC APPNS-EMERG REHAB-CITY	33,100
P501528	UNALLOCATED PROCEEDS 1998A	2,603,055
P501529	CITY HALL REFURBISHMENT-FY97 C	198
P501535	NORTHWEST SERVICE CENTER	35,137
P501536	UNALLOCATED FY98 CO PROCEEDS	62,034
P501540	PLAYGROUND EQUIPMENT	98,551
P501543	VETERANS PARK SWIMMING POOL	59,602
P501545	MSC IMPROVEMENTS - FY98 CO	11,242
P501554	TMC/CBD SIGNALIZATION UPGRADE	323
P501557	PAVEMENT MANAGEMENT SYSTEM	150,000
P501566	CIVIC CENTER CAPITAL IMPROVEME	1,592,620
P502002	P502002 CVB ROOF REHAB	45,000
P502003	93A ISSUE CITY HALL REHAB FY02	58,118
P502004	CONVTN CNTR SITEWORK & STAIRS	19,048
P540001	CITY AUCTIONS	25,518
P540008	CONTRACTUAL OBLIGATIONS FY98	94,726
P540009	CONTRACTUAL OBLIGATIONS FY99	1,207,300
P540010CTY	CAPITAL OUTLAY	817,363
P540010LEG	CAPITAL OUTLAY	66,273
P599999	CLOSED CAPITAL PROJECTS	760,911
P800000180	ENVIRONMENTAL RECONDITION INC	6,461
PBE04FC102	CARLSON/ELLT PMP ST	38,174
PBE04FC103	CHANNEL #1 FENCE PROJECT	5,459
PBE04FC104	ROCKY BLUFF DRAIN	16,635
PBE04FI101	FIRE STATION #18	19,761
PBE04FI102	FIRE STATION #31	53,400
PBE04FI103	FIRE STATION #33	66,722
PBE04FI105	FIRE STATION #35 (NEW)	1,650
PBE04HE102	YSLETA HLTH CTR	\$ 448

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PBE04MF102	PUB. SAFETY COMMUNICATION SYST	\$ 496,703
PBE04PA101	EASTSIDE SENIOR CTR KITCHEN	300
PBE04PA102	GALATZAN REC CTR	10,915
PBE04PA103	GENERAL PRK IMPRVMT DIST 8	444
PBE04PA104	LEO CANCELLAR POOL2	12,171
PBE04PA105	NATIONS TOBIN	4,442
PBE04PA106	PAVO REAL REC CTR	12,302
PBE04PA107	RANCHOS DEL SOL	16,208
PBE04PA108	ROGER BROWN	2,818
PBE04PA109	SHAWVER POOL PHASE 2	17,894
PBE04ST102	ALABAMA	105
PBE04ST103	BILLY THE KID PHS 1	5,930
PBE04ST104	BOWEN	11,039
PBE04ST105	CEDAR GROVE PHS 10	20,557
PBE04ST106	CEDAR GROVE P 11-12	20,600
PBE04ST107	CEDAR GROVE P 1-9	163,611
PBE04ST108	DORBANDT	17,417
PBE04ST112	INDIAN PLACE	22,562
PBE04ST115	LEE BLVD PHASE II	5,981
PBE04ST116	MARSHALL BRIDGE REHAB	15,634
PBE04ST122	NORTH PARK DRAINAGE	90,083
PBE04ST123	NORTHEAST DIV CH 2	6,691
PBE04ST124	OPEN SPACE ENHANCEMENT Dist 2	36,556
PBE04ST124A	POLLARD STREET PEDESTRIAN WAY	49
PBE04ST125	PASODALE	6,417
PBE04ST127	ROSEWAY	122
PBE04ST128	SIGN REPLACEMENT	341,595
PBE04ST130	SGNL & FLASH INSTAL DIST 8	13,861
PBE04ST131	SGNL & FLASH INSTAL CITY WIDE	285,513
PBE04ST132	STREET RESURFACING CITY WIDE	335
PBE04ST133	STREET RESURFACING DIST 2	143
PBE04ST134	STREET RESURFACING DIST 7	669
PBE04ST135	STREET RESURFACING DIST 8	533,811
PBE04ST136	UNPAVED RIGHT OF WAY CITY WIDE	21,065
PBE04ST140	VERDELAND	24
PBE04ST141	WENDA	23,390
PMB0001130	CITY DEPTS NOC	\$ 611,412

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PMB0001250	ZOO CO EQUIP -SEA LION EXHIBIT	\$ 82,483
PMB0002130	CITY EQUIPMENT NOC	1,385,390
PMB0003130	FY 02 CERT OB EQUIP-CITY EQUIP	1,203,180
PMB0004130	FY03 CITY CAPITAL EQUIPMENT	(2,074,080)
PMB0005001	BE CAP ACQ PARKS	173,166
PMB0005003	BE CAP ACQ STREETS	203,208
PMB0005004	BE CAP ACQ FIRE	394,692
PMB0005005	BE CAP ACQ HEALTH	253,858
PMB0005007	BE CAP ACQ ZOO	3,000
PMB0005009	BE CAP ACQ PUB SFTY	2,807,835
PMB0005011	BE CAP ACQ P.S. COM	2,350,288
PPW0003	CIVIC CENTER EXPANSION	885
PPW0008	1999 RESURFACING	311
PPW0015	LIBRARY BOOK PROCESSING CENTER	18,850
PPW0021	UNION PLAZA TERM/DOWNTOWN PARK	949,557
PPW0022	GEORGE DRT.-ZARAGOZA TO VDESL	2,644
PPW0023	LEE BLVD. - MONTANA TO PRATT	630,040
PPW0028001	CITY R.O.W.S PAVING - PHASE 1	130
PPW0028002	KIMBERLY HEIGHTS SPECIAL ASSES	4,104
PPW0028007	GLORIA ST. IMPROV.	33,395
PPW0028008	GOMEZ RD. EXTENSION	3,000
PPW0028010	UNPAVED ROWS CONCRETE INTERSEC	9,191
PPW0029001	FRST DRAINAGE/FLOOD CNTL IMPRV	41,551
PPW0029002	MS4 FOR WATER QUALITY PHASE 1	1,606
PPW0029003	CW MINOR DRAINAGE IMP PH 4,5,6	663,263
PPW0034003	WINDOW GASKETS/EXTERIOR REHAB/	18,105
PPW0034004	MECH RETROFIT-RENOV CITY HALL	27,313
PPW0034004A	CITY HALL MECH & LGHTNG SYSTMS	1,556,637
PPW0035005	SYNCHRONIZATION	1,509,600
PPW0035007	SAN ANTONIO PLAZA	7,981
PPW0035011	CBD PHASE 3 DESIGN	283,425
PPW0036001	FIRST RETROFIT OF BASINS 2000A	42,672
PPW0046001	WESTSIDE AREA PARKS IMPROVEMEN	10,633
PPW0046002	NATIONS TOBIN	158,809
PPW0046003	HIDDEN VALLEY-LOWER VALLEY PAR	77
PPW0046004	NORTHEAST REGIONAL PARK	160,054
PPW0046005	VISTA DEL VALLE & MULTIPURPOSE	\$ 1,199,561

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PPW0046007	TRAVIS WHITE-EASTSIDE AREA PRK	\$ 131,281
PPW0046008	CLEVELAND SQUARE	262,779
PPW0046009	VALLEY CREEK PARK IMPROVEMENTS	377,549
PPW0046010	NORMANDY-EASTSIDE AREA PRK IMP	2,429
PPW0046012	COHEN STADIUM - CANOPY	19,074
PPW0046013	RANCHOS DEL SOL #2	550,000
PPW0046015	MARWOOD-LOWER VALLEY PK IMPROV	65,453
PPW0046017	EASTSIDE PRK IMPROV-PONDER PK	260,103
PPW0046018	CRESTMONT	2,735
PPW0046019	WESTSIDE PARK IMPROVEMENTS	26,868
PPW0046020	RIO GRANDE RIVER PARK	298,336
PPW0046020TE	R.G. RIVERPARK TXDOT ENHANCEME	141,044
PPW0046021	SUNRIDGE	2,716
PPW0046022	ZARAGOZA NEW & OLD BLACKIE CH	111,370
PPW0046023	BLACKIE CHESHER	1,329,871
PPW0046026YR2	MEMORIAL PARK AND POOL	307,508
PPW0046027YR2	NEW REC. CENTER EASTWOOD PRK	3,463,443
PPW0046028YR2	NEW REC. CENTER-MARTY ROBBINS	2,373,998
PPW0046029YR2	HACIENDA HEIGHTS AND POOL	247,520
PPW0046030YR2	EDGEMERE MEDIAN	25,622
PPW0046031YR2	HOUSTON	6,600
PPW0046034YR2	CHUCK HENDRICK-NE PARK IMPROV	57,784
PPW0046035YR2	LWR VALLEY PARK IMP - CAPISTRA	39,415
PPW0046036YR2	BOYS & GIRLS CLUB PARK	54,094
PPW0046038YR2	STUDENT MEMORIAL-NE PARK IMPRO	39,267
PPW0046039YR2	RIVERSIDE-LOWER VALLEY PK IMPR	17,573
PPW0046040YR2	ALTA VISTA BALLFIELD LIGHTING	21,620
PPW0046042YR2	WESTGREEN PARK	23,751
PPW0046044	VISTA DEL SOL	23,660
PPW0046045	IRROBALI, TULA (ALAMO)	37,310
PPW0046046	MCKELLIGON CANYON	161,124
PPW0046047	SAN JACINTO PLAZA	267,611
PPW0047	TMC OPERATIONS CENTER	(79,044)
PPW0050	ADA COMPLIANCE PHASE 1	2,445
PPW0050002	C.H. RESTROOM REMODELING - ADA	295,996
PPW0050003	ADA 8929 VISCOUNT-VOLAR BLDG.	75,170
PPW0051	ANIMAL SHELTER	\$ 3,106,331

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PPW0052	FLASHER INSTALLATIONS	\$ 63,490
PPW0053	HAWKINS EXPANSION	258,678
PPW0056001	LIB PRJTS 00 ELEC-WESTSIDE LIB	2,713,102
PPW0056002	CLEVELAND 00 ELEC-MAIN LIB REM	343,399
PPW0056003	LIB PRJTS 00 ELEC-BOOK/LIB MAT	442,079
PPW0056003YR2	BOOKS AND LIBRARY MATERIALS	918,092
PPW0056005YR2	EAST SIDE REGIONAL LIBRARY BRC	353,446
PPW0056006YR2	RENOVATE (SAN JOSE LIBRARY)	130,176
PPW0057001	ZOO IMP 00 ELEC-NEW MAR MAM EX	73,143
PPW0057002	ZOO IMP 00 ELE-REL WASH PRK SS	119,468
PPW0057003	ZOO IMP 00 ELEC-NEW POOL DELTA	1,287,483
PPW0057004YR2	CONVERT POOL & SR.CTR. W. PARK	203,886
PPW0057005YR2	STORAGE BLDG. MISC STORAGE	20,227
PPW0057006YR2	ADMINISTRATION BLDG. ADD/RENOV	23,442
PPW0057007YR2	ANIMAL QUARANTINE	22,275
PPW0057008	ZOO PARKING GARAGE	654,790
PPW0058001	HIST MUS 00 ELEC-NEW HIST MUSE	643,868
PPW0061	ENGINE NO. 1 PLAZA	(243,865)
PPW0062	2002 RESURFACING	255,594
PPW0100	SCHUSTER SLOPE STABILITY	1,494,285
PPW0203	HEALTH FACILITIES 2002	134,752
PPW0203002	HEALTH FACILITIES ADMIN PH I	151,635
PPW0303	TRAFFIC SIGNALS FY03 COS	669,657
PPW0310	PLAZA THEATRE	3,366,366
PPWFA03008	MUNI. FAC. - SECURITY UPGRADES	16,762
PPWFA03009	CITY HALL RENOVATIONS	25,057
PPWFA03010	CITY HALL RENOVATIONS - 8TH FL	115,310
PPWFA03012	CITY HALL REN. -COUNCIL CHMBRS	31,103
PPWFA03013	CLARK ST. ANNEX	401,435
PPWFA03020	CH BASEMENT DOORS	6,490
PPWHE04001	TILLMAN HLTH CTR LIFE SFTY SYS	17,870
PPWRL03001	REGIONAL INTERMODAL RAIL	55,259
PPWST03001	CBD PHASE 3	237,423
PPWST03007	RESURFACING 2003	5,437,535
PPWST03016	SUNLAND PARK DRIVE	116,657
PPWST03017	SIGN REPLACEMENT	14,428
PPWST03022	EDGEMERE EXTENSION	\$ 140,834

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PPWST03033	GEORGE DIETER & AIRWAY C.O.	\$ 834,715
PPWST03034	MONTANA MEDIAN LANDSCAPING	131,000
PQLPA101	ARLINGTON PARK	1,413
PQLPA102	BUENA VISTA PARK	64
PQLPA103	CALENDAR PARK	1,659
PQLPA104	CHELSEA POOL	1,996
PQLPA105	CHIHUAHUITA PARK	56
PQLPA106	CIELO VISTA PARK	20,237
PQLPA107	COLONIA VERDE PARK	5,019
PQLPA108	CORK PARK	208
PQLPA109	DE VARGAS PARK	328
PQLPA110	DELGADO PARK	479
PQLPA111	DICK SHINAUT PARK	23,507
PQLPA112	DOLPHIN PARK	11,385
PQLPA113	DUNN PARK	32
PQLPA114	EASTSIDE MAINTENANCE YARD	319
PQLPA115	ESTRELLA-RIVERA PARK	455
PQLPA116	FRANKLIN PARK	13,701
PQLPA117	GRACE CHOPE PARK	199
PQLPA118	GRANDVIEW PARK & POOL	8,874
PQLPA119	H.T. PONSFORD PARK	9,831
PQLPA120	HAWKINS PARK	2,332
PQLPA121	INDIAN HEIGHTS PARK	862
PQLPA122	IRWIN J LAMBKA PARK	2,455
PQLPA123	J.P. SHAWVER PARK	51,236
PQLPA124	JUDGE GALATZAN PARK	55,920
PQLPA125	LINCOLN PARK	895
PQLPA126	LORETTO-LINCOLN PARK	503
PQLPA127	MADELINE PARK	591
PQLPA128	MCARTHUR PARK	232
PQLPA129	MESA TERRACE PARK	527
PQLPA130	MILAGRO PARK	6,294
PQLPA131	MODESTO GOMEZ PARK	20,159
PQLPA132	MONTWOOD HEIGHTS PARK	34,384
PQLPA133	MOUNTAIN VIEW PARK	2,850
PQLPA134	MUNDY PARK	862
PQLPA135	MURCHISON PARK	\$ 734

CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PQLPA136	NEW REC CENTER WESTSIDE	\$ 44,918
PQLPA137	NEW SOCCER FACILITY	39,934
PQLPA138	NEWMAN PARK	510
PQLPA139	OJO DE AGUA PARK	863
PQLPA140	PACIFIC PARK	615
PQLPA141	PALM GROVE PARK	519
PQLPA142	PALO VERDE PARK	3,615
PQLPA143	PASEO DE LOS HEROES PARK	495
PQLPA144	PAVO REAL PARK & POOL	11,628
PQLPA145	PEBBLE HILLS PARK	37,664
PQLPA146	PECAN GROVE 1 & 2	1,662
PQLPA147	PICO NORTE PARK	19,555
PQLPA148	RAYNOLDS MEDIAN	639
PQLPA149	ROGER BROWN BALLFIELD	360
PQLPA150	ROSE GARDEN	21,351
PQLPA151	SCENIC DRIVE PARK	734
PQLPA152	SHEARMAN PARK	2,580
PQLPA153	SKYLINE YOUTH PARK	15,681
PQLPA154	SNOW HEIGHTS PARK	734
PQLPA155	STILES PARK	3,448
PQLPA156	SUE YOUNG PARK	519
PQLPA157	SUFFOLK PARK	247
PQLPA158	SUMMIT-FILLMORE PARK	376
PQLPA159	SUNRISE PARK	1,686
PQLPA160	SUNSET HEIGHTS PARK	607
PQLPA161	THOMAS MANOR PARK	49,626
PQLPA162	TODD WARE PARK	439
PQLPA163	TOM LEA (LOWER) PARK	1,158
PQLPA164	TOM LEA (UPPER) PARK	256
PQLPA165	TRANS MTN OPTIMIST DSRT DOWNS	99
PQLPA166	TYRONE PARK	247
PQLPA167	VETERAN (W/O BALL FLD LGHT)PRK	66,004
PQLPA168	WALTER CLARKE PARK	11,743
PQLPA169	WASHINGTON PARK	24,094
PQLPA170	WELLINGTON CHEW PARK	591
PQLPA171	WESTSIDE REGIONAL PARK (ALL P)	56,147
PQLPA172	WEST SPORT COMPLEX THREE HILL	\$ 328,844



CITY OF EL PASO, TEXAS  
Schedule of Capital Projects Fund Expenditures  
For the year ended August 31, 2004

Project	Name/Description	Capital Projects
PQLPA173	WHITE SPUR PARK	\$ 3,914
PQLPA174	YSLETA PARK	615
PQLPA175	MEMORIAL RESERVE AREA	30,000
PQLPA176	COHEN STADIUM HVAC PROJECT	128,480
PQLZO101	NEW ENTRY & PUBLIC ACT CENTER	65,984
PQLZO102	OLD EXHIBITS REPTILE & BIOME B	47,935
PQLZO103	ZOO PARKING GARAGE	108,782
PQLZO104	ZOO AFRICA EXPANSION	305,527
PPW0046021YR2	SUNRIDGE	5,000
Total Expenditures and Transfers Out		<u><u>\$ 63,196,434</u></u>

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# INTERNAL SERVICE

**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 GOVERNMENTAL UNITS, ON A COST REIMBURSEMENT BASIS.**

**SUPPLY AND SUPPORT**—This fund accounts for the Equipment Maintenance Department which operates the City motor pool and maintains and repairs City owned vehicles, excluding vehicles utilized by Mass Transit. In addition, the City's copy center and postage departments 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, 2004

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 200		200
Receivables - Net of Allowances			
Trade	20,408		20,408
Due From Other Funds	25,621		25,621
Inventory	572,599		572,599
Fuel Inventory	35,786		35,786
Capital Assets:			
Buildings, Improvements & Equipment, Net	358,696		358,696
<b>TOTAL ASSETS</b>	<b>\$ 1,013,310</b>	<b>-</b>	<b>1,013,310</b>
 <b>LIABILITIES</b>			
Accounts Payable	\$ 443,263	84,604	527,867
Accrued Payroll	130,236	22,176	152,412
Due to Other Funds	195,275	1,040,219	1,235,494
Certificates of Obligation Bonds	270,266		270,266
Compensated Absences	156,560	16,784	173,344
Claims and Judgments		17,599,573	17,599,573
<b>TOTAL LIABILITIES</b>	<b>1,195,600</b>	<b>18,763,356</b>	<b>19,958,956</b>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	114,051		114,051
Unrestricted	(296,341)	(18,763,356)	(19,059,697)
Total net assets	(182,290)	(18,763,356)	(18,945,646)
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,013,310</b>	<b>-</b>	<b>1,013,310</b>

# 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, 2004

	SUPPLY AND SUPPORT	SELF INSURANCE	TOTALS
<b>OPERATING REVENUES:</b>			
Sales to Departments	\$ 11,650,375		11,650,375
Premium Contributions		39,680,960	39,680,960
General Revenues	101,526	934,054	1,035,580
<b>TOTAL OPERATING REVENUES</b>	<b>11,751,901</b>	<b>40,615,014</b>	<b>52,366,915</b>
<b>OPERATING EXPENSES:</b>			
Personnel Services	3,472,667	522,057	3,994,724
Contractual Services		3,564	3,564
Outside Contracts	279,702	2,547,172	2,826,874
Professional Services		1,382,390	1,382,390
Fuel and Lubricants	3,427,515		3,427,515
Materials and Supplies	3,486,878	19,213	3,506,091
Communications	12,411	1,339	13,750
Utilities	8,602		8,602
Operating Leases	61,350		61,350
Travel and Entertainment	9,900	312	10,212
Benefits Provided	2,000	34,826,909	34,828,909
Maintenance and Repairs	919,277		919,277
Other Operating Expenses	34,602	1,172	35,774
Depreciation	82,892		82,892
<b>TOTAL OPERATING EXPENSES</b>	<b>11,797,796</b>	<b>39,304,128</b>	<b>51,101,924</b>
<b>OPERATING INCOME(LOSS)</b>	<b>(45,895)</b>	<b>1,310,886</b>	<b>1,264,991</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest Expense	(22,520)		(22,520)
<b>TOTAL NON-OPERATING REVENUES</b>	<b>(22,520)</b>		<b>(22,520)</b>
<b>INCOME (LOSS)</b>	<b>(68,415)</b>	<b>1,310,886</b>	<b>1,242,471</b>
Change in net assets	(68,415)	1,310,886	1,242,471
Total Net Assets-beginning	(113,875)	(20,074,242)	(20,188,117)
<b>Total Net Assets-ending</b>	<b>\$ (182,290)</b>	<b>(18,763,356)</b>	<b>(18,945,646)</b>

**CITY OF EL PASO, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the year ended August 31, 2004

	<u>SUPPLY AND SUPPORT</u>	<u>SELF INSURANCE</u>	<u>TOTALS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 11,794,164	40,615,014	52,409,178
Payments to suppliers	(8,387,601)	(39,586,548)	(47,974,149)
Payments to employees	<u>(3,447,527)</u>	<u>(510,535)</u>	<u>(3,958,062)</u>
Net cash provided by operating activities	<u>(40,964)</u>	<u>517,931</u>	<u>476,967</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (to) from other funds	<u>247,362</u>	<u>(517,931)</u>	<u>(270,569)</u>
Net cash provided (used) by noncapital financing activities	<u>247,362</u>	<u>(517,931)</u>	<u>(270,569)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(30,467)		(30,467)
Principal paid on capital debt	(172,092)		(172,092)
Interest paid on capital debt	<u>(22,520)</u>		<u>(22,520)</u>
Net cash (used) by capital and related financing activities	<u>(225,079)</u>		<u>(225,079)</u>
Net increase (decrease) in cash and cash equivalents	(18,681)		(18,681)
Balances - beginning of the year	18,881		18,881
Balances - end of the year	<u>\$ 200</u>	<u>-</u>	<u>200</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (45,895)	1,310,886	1,264,991
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>			
Depreciation expense	82,892		82,892
<b>Change in assets and liabilities:</b>			
Receivables, net	42,263		42,263
Inventories	(35,632)		(35,632)
Accounts and other payables	(109,732)	10,102	(99,630)
Accrued expenses	<u>25,140</u>	<u>(803,057)</u>	<u>(777,917)</u>
Net cash provided by operating activities	<u>\$ (40,964)</u>	<u>517,931</u>	<u>476,967</u>
<b>Schedule of Non-Cash Investing, Capital and Financing Activities</b>			
Increase in fair value of investments	<u>\$ -</u>	<u>-</u>	<u>-</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

August 31, 2004

	Balance 8/31/03	Debits	Credits	Balance 8/31/04
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,301,169	594,919,133	595,532,405	1,687,897
Property Taxes	60,260,724	567,987,615	567,593,502	60,654,837
Due from Other Funds	4,312,096	2,700,000	2,650,000	4,362,096
Total assets	\$ 66,873,989	1,165,606,748	1,165,775,907	66,704,830
<b>LIABILITIES</b>				
Accounts Payables	\$ 714,939	714,939		
Prepaid Property Taxes	562,635	687,423	1,058,185	933,397
Property Taxes Subject to Refund	4,661,446	7,103,330	6,830,211	4,388,327
Uncollected Taxes	60,934,969	594,470,996	594,919,133	61,383,106
Total Net Assets	\$ 66,873,989	602,976,688	602,807,529	66,704,830



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

**CITY OF EL PASO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE<sup>1</sup>**  
August 31, 2004

Governmental funds capital assets:	
Land	\$ 136,871,935
Land improvements	21,190,238
Buildings	170,167,274
Machinery and equipment	88,040,568
Infrastructure	590,253,594
Construction in progress	<u>86,832,923</u>
Total governmental funds capital assets	<u><u>1,093,356,532</u></u>
Investments in governmental funds capital assets by source:	
General fund	293,609,960
Capital projects fund	<u>799,746,572</u>
Total governmental funds capital assets	<u><u>\$ 1,093,356,532</u></u>

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

**CITY OF EL PASO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
August 31, 2004

Function and Activity	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>General Government:</b>							
Mayor and Council	\$ -			298,621			298,621
City Clerk				439,909			439,909
Legal				5,000			5,000
OMB				375,436			375,436
Comptroller				27,011			27,011
Tax Office				(10,137)			(10,137)
Purchasing				104,772			104,772
Planning				93,770			93,770
Personnel				310,948			310,948
OMB-Communications				140,774	1,964,625		2,105,399
Information Services				3,601,897			3,601,897
Other - unclassified	136,871,935	2,093,425	20,747,259	(1,090,022)		86,832,923	245,455,520
Total general government	<u>136,871,935</u>	<u>2,093,425</u>	<u>20,747,259</u>	<u>4,297,979</u>	<u>1,964,625</u>	<u>86,832,923</u>	<u>252,808,146</u>
<b>Public Safety:</b>							
Police		453,625	10,457,600	20,509,506			31,420,731
Fire		1,055,130	10,955,169	23,378,343			35,388,642
Municipal Court				788,974			788,974
Total public safety		<u>1,508,755</u>	<u>21,412,769</u>	<u>44,676,823</u>			<u>67,598,347</u>
<b>Public Works:</b>							
Administration		258,525	350,400	2,210,404			2,819,329
Street Department		53,200	478,500	15,427,365	588,288,969		604,248,034
Engineering				569,562			569,562
Building Services				263,205			263,205
Total public works		<u>311,725</u>	<u>828,900</u>	<u>18,470,536</u>	<u>588,288,969</u>		<u>607,900,130</u>
Health Department		599,710	3,509,000	6,535,053			10,643,763
Parks Department		15,182,823	26,370,600	9,061,806			50,615,229
Library		451,525	5,791,500	847,711			7,090,736
<b>Culture and Recreation:</b>							
Art Museum		132,800	7,340,000	224,542			7,697,342
Arts Resources							
History Museum		35,875	293,000				328,875
Civic Center		253,000	72,524,046	2,034,983			74,812,029
Zoo		507,000	10,259,500	1,875,172			12,641,672
Total culture and recreation		<u>928,675</u>	<u>90,416,546</u>	<u>4,134,697</u>			<u>95,479,918</u>
<b>Community and economic development:</b>							
Community & Human Development		113,600	1,090,700	15,963			1,220,263
Economic Development							
Total community and economic development		<u>113,600</u>	<u>1,090,700</u>	<u>15,963</u>			<u>1,220,263</u>
<b>Total governmental funds capital assets</b>	<u>\$ 136,871,935</u>	<u>21,190,238</u>	<u>170,167,274</u>	<u>88,040,568</u>	<u>590,253,594</u>	<u>86,832,923</u>	<u>1,093,356,532</u>

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

**CITY OF EL PASO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>**  
For the year ended August 31, 2004

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets September 1, 2003</u>	<u>Additions, net of Transfers</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets August 31, 2004</u>
<b>General Government:</b>				
Mayor and Council	\$ 276,404	22,217		298,621
City Clerk	439,909			439,909
Legal	5,000			5,000
OMB	359,306	16,130		375,436
Comptroller	27,011			27,011
Tax Office	5,049		15,186	(10,137)
Purchasing	104,772			104,772
Planning	93,770			93,770
Personnel	310,948			310,948
OMB-Communications	2,006,181	99,218		2,105,399
Information Services	3,601,897			3,601,897
Other - unclassified	190,206,266	55,249,254		245,455,520
Total general government	<u>197,436,513</u>	<u>55,386,819</u>	<u>15,186</u>	<u>252,808,146</u>
<b>Public Safety:</b>				
Police	28,431,814	4,503,513	1,514,596	31,420,731
Fire	34,695,581	831,917	138,856	35,388,642
Municipal Court	788,974			788,974
Total public safety	<u>63,916,369</u>	<u>5,335,430</u>	<u>1,653,452</u>	<u>67,598,347</u>
<b>Public Works:</b>				
Administration	1,009,978	1,817,688	8,337	2,819,329
Street Department	604,829,833	800,074	1,381,873	604,248,034
Engineering	644,459		74,897	569,562
Building Services	297,231		34,026	263,205
Total public works	<u>606,781,501</u>	<u>2,617,762</u>	<u>1,499,133</u>	<u>607,900,130</u>
Health Department	10,228,516	595,303	180,056	10,643,763
Parks Department	50,584,386	271,223	240,380	50,615,229
Library	6,952,766	137,970		7,090,736
<b>Culture and Recreation:</b>				
Art Museum	7,697,342			7,697,342
Arts Resources				
History Museum	328,875			328,875
Civic Center	74,822,029		10,000	74,812,029
Zoo	12,669,913	7,856	36,097	12,641,672
Total culture and recreation	<u>95,518,159</u>	<u>7,856</u>	<u>46,097</u>	<u>95,479,918</u>
<b>Community and economic development:</b>				
Community & Human Development	1,220,263			1,220,263
Economic Development				
Total community and economic development	<u>1,220,263</u>			<u>1,220,263</u>
Total governmental funds capital assets	<u>\$ 1,032,638,473</u>	<u>64,352,363</u>	<u>3,634,304</u>	<u>1,093,356,532</u>

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

# STATISTICAL SECTION (unaudited)



CITY OF EL PASO, TEXAS  
Last Ten Fiscal Years

Government-wide Expenses by Function/Business-type Activity

Fiscal Year	General Government	Public Safety	Public Works	Public Health	Parks	Library	Culture & Recreation	Community and Economic Development	Interest on Long-term Debt	International airport operations	Industrial parks and other	Mass transit	International bridges	Solid waste disposal operations	Total
GASB 34 implemented in 2002. 1995-2001 are not available.															
2002	\$ 26,712,552	168,101,107	64,029,296	18,323,647	15,061,696	6,513,052	10,532,736	19,082,055	21,146,790	25,877,806	1,822,987	40,295,111	2,814,122	21,834,341	442,147,298
2003	33,524,492	166,270,434	60,320,589	23,207,396	16,775,398	7,545,588	11,235,927	21,962,296	17,061,437	26,531,038	2,069,462	44,267,736	2,843,756	24,340,677	457,956,226
2004	39,267,475	175,113,112	54,184,948	21,013,400	16,020,341	5,828,037	11,348,870	15,167,888	18,012,558	26,530,227	2,288,167	45,231,636	3,029,436	28,703,259	461,739,354

Government-wide Revenues by Source

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Investment Earnings	Total
GASB 34 implemented in 2002. 1995-2001 are not available.						
2002	\$ 110,774,336	51,353,757	26,383,333	231,823,683	7,890,064	428,225,173
2003	125,309,457	50,886,156	17,810,182	239,062,530	1,781,773	434,850,098
2004	137,989,189	50,870,931	22,876,483	251,480,804	1,740,215	464,957,622

CITY OF EL PASO, TEXAS  
 General Government Expenditures by Function  
 Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Public Health	Parks & Recreation	Intragovernmental Services	Library	Non Departmental	Cultural Enhancements	Total
1995	\$ 18,038,783	99,602,091	40,273,028	7,711,543	9,299,538	534,683	4,198,705	4,637,046	8,122,715	192,418,132
1996	17,939,697	106,400,785	39,086,341	7,609,531	9,401,545	519,067	4,812,272	6,378,122	7,891,870	200,039,230
1997	17,880,970	110,570,867	40,708,429	6,525,157	9,639,493	529,980	4,810,481	4,012,286	8,148,839	202,826,502
1998	16,874,377	112,383,390	41,197,464	6,785,713	8,125,939	558,778	4,905,105	2,043,980	7,992,310	200,867,056
1999	18,316,904	115,277,038	39,564,432	7,029,158	8,477,619	832,234	4,634,853	668,729	6,880,438	201,681,405
2000	21,906,552	126,003,361	43,993,743	6,825,318	8,898,884	977,536	4,122,152	1,141,833	8,604,342	222,473,721
2001	24,286,081	132,935,317	46,500,209	7,880,775	10,230,514	1,277,299	4,286,382	869,403	8,875,517	237,141,497
2002	22,521,417	139,632,750	34,275,757 *	8,869,117	10,547,842	922,481	4,885,207	311,677	4,258,632	226,224,880
2003	25,713,249	145,877,624	35,335,344	10,002,458	11,574,158	1,330,368	5,367,952	881,312	4,605,753	240,688,218
2004	26,545,873	155,461,974	35,411,993	10,028,690	12,298,652	1,251,133	5,348,625	891,060	4,575,163	251,813,163

This table includes only General Fund Expenditures.

\* Expenditures of Solid Waste Management moved to Enterprise Fund at the start of FY 2002.

CITY OF EL PASO, TEXAS  
General Government Revenues by Source  
Last Ten Fiscal Years

Fiscal Year	Taxes	Intergovernmental Revenues	Licenses	Rents, Interest, Other	Franchise Fees	Charges for Services	Interfund Services	Sanitation	Municipal Court	Culture & Recreation	Total
1995	\$106,319,635	4,464,203	1,304,702	4,386,040	12,687,074	18,616,483	N/A	23,242,289	8,425,078	2,614,734	182,060,238
1996	115,160,597	4,404,698	1,361,466	6,598,836	13,480,331	20,371,155	N/A	22,979,534	8,898,481	2,844,340	196,099,438
1997	116,737,749	3,153,197	1,311,581	2,935,909	14,455,598	20,931,287	N/A	21,735,943	8,098,844	2,350,325	191,710,433
1998	122,088,685	3,932,305	1,441,590	3,225,073	19,152,950	21,159,594	N/A	22,734,677	10,108,123	1,527,076	205,370,073
1999	123,627,193	4,621,194	6,330,954	4,478,157	20,891,967	14,438,618	N/A	22,766,611	10,779,782	162,069	208,096,545
2000	130,173,166	3,588,929	6,539,425	5,732,506	24,426,447	9,141,033	6,675,881	23,070,373	10,827,468	421,030	220,596,258
2001	132,395,042	3,516,575	6,569,771	5,495,916	27,390,872	9,724,074	6,809,441	23,912,644	13,956,476	493,064	230,263,875
2002	145,508,696	3,481,525	6,892,693	2,364,547	28,209,095	10,712,195	N/A	*	14,796,450	-	211,965,201
2003	149,666,073	2,521,679	7,027,975	1,113,970	28,343,827	11,921,339	N/A	*	14,756,863	-	215,351,726
2004	156,002,736	2,480,537	8,656,832	654,226	30,630,964	12,161,317	N/A	*	15,444,043	-	226,030,655

This table includes only General Fund Revenues.

\* Solid Waste Management moved to Enterprise Funds at the start of FY 2002.



CITY OF EL PASO, TEXAS  
 General Government Tax Revenues by Source  
 Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Hotel/Motel Tax	Other Taxes
1995	\$ 63,590,765	38,442,058	3,355,667	931,145
1996	72,557,399	38,155,990	3,527,578	919,630
1997	73,804,425	39,105,623	3,099,572	728,129
1998	76,315,617	40,977,964	3,913,061	882,043
1999	77,254,646	43,316,689	2,160,431	895,427
2000	80,831,014	45,686,883	2,728,580	926,689
2001	82,102,813	47,050,469	2,274,862	966,898
2002	97,420,003	47,100,761	*	987,932
2003	100,260,388	48,425,100	*	980,585
2004	103,682,275	51,242,248	*	1,078,213

This table includes only General Fund revenues.

Other Taxes includes Mixed Beverage Gross Receipts Tax.

\* Hotel/Motel Tax revenues were previously reported in general government for the Convention and Visitor's Bureau. This activity is now accounted for as a Special Revenue Fund activity.

CITY OF EL PASO, TEXAS

Tax Collections

FISCAL YEAR	TAXABLE ASSESSED VALUATION	PERCENT CHANGE	PROPERTY		PROPERTY TAX LEVY	COLLECTIONS AS PERCENT OF LEVY		SALES TAX COLLECTED	PERCENT CHANGE	SALES TAX EQUIVALENT PROPERTY TAX RATE
			TAX RATE PER \$100 GEN FUND	DEBT SVC		PERCENT CURRENT	PERCENT TOTAL			
1995	\$12,724,079,632	2.24%	0.480097	0.163699	\$81,917,117	97.81%	100.57%	\$ 38,442,057	-6.39%	0.302121
1996	14,195,643,300 *	11.57%	0.480947	0.172282	92,730,060	97.69%	100.23%	38,155,990	-0.74%	0.268787
1997	14,828,835,363	4.46%	0.474313	0.161613	94,300,422	97.91%	100.93%	39,105,623	2.49%	0.263713
1998	15,240,723,486	2.78%	0.484313	0.151613	96,919,724	98.06%	100.56%	40,977,964	4.79%	0.268872
1999	15,510,419,700	1.77%	0.487100	0.173134	102,405,065	98.32%	100.44%	43,316,689	5.71%	0.279811
2000	15,856,955,902	2.23%	0.487100	0.173134	104,693,014	97.95%	100.33%	45,686,883	5.47%	0.288119
2001	16,342,432,063	3.06%	0.487100	0.173113	107,894,861	97.48%	99.77%	47,050,469	5.71%	0.287904
2002	17,205,865,441	5.28%	0.542100	0.177733	123,853,497	97.50%	99.85%	48,088,693	2.21%	0.279490
2003	17,697,062,466	2.85%	0.542100	0.177733	127,389,296	97.40%	100.36%	49,405,685	2.74%	0.279174
2004	18,237,647,873	3.05%	0.542100	0.177733	131,298,376	97.61%	100.38%	52,320,461	5.90%	0.286881

\* Reappraisal

Source: Comptroller & City Tax Office, City of El Paso

CITY OF EL PASO, TEXAS  
Assessed and Estimated Actual Value of Property  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Exemptions		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Total Assessed Value	Estimated Actual Value	Total Assessed Value	Estimated Actual Value	Real Property	Personal Property	Assessed Value	Estimated Actual Value	
1995	\$10,638,305,036	11,790,869,073	2,085,774,596	2,818,654,756	1,152,564,037	732,880,160	12,724,079,632	14,609,523,829	87.09
1996	11,903,494,793	13,782,354,301	2,292,148,507	3,102,785,195	1,878,859,508	810,636,688	14,195,643,300	16,885,139,496	84.07
1997	12,293,694,888	14,325,215,353	2,535,140,475	3,460,929,118	2,031,520,465	925,788,643	14,828,835,363	17,786,144,471	83.37
1998	12,619,969,776	14,686,485,694	2,620,753,710	3,560,011,565	2,066,515,918	939,257,855	15,240,723,486	18,246,497,259	83.53
1999	12,851,296,650	14,952,125,969	2,659,123,050	3,717,251,077	2,100,829,319	1,058,128,027	15,510,419,700	18,669,377,046	83.08
2000	13,120,491,276	15,379,582,838	2,736,464,626	3,891,353,533	2,265,730,772	1,148,248,697	15,856,955,902	19,270,936,371	82.28
2001	13,512,729,020	15,892,451,742	2,829,703,042	4,040,500,956	2,379,722,722	1,210,797,914	16,342,432,062	19,932,952,698	81.99
2002	14,292,256,098	16,580,600,230	2,967,016,152	4,385,506,163	2,288,344,132	1,418,490,011	17,259,272,250	20,966,106,393	82.32
2003	14,865,532,521	16,435,529,289	2,831,529,945	5,247,064,735	1,739,232,441	1,788,229,915	17,697,062,466	21,682,594,024	81.62
2004	15,215,000,744	18,080,923,310	3,022,647,129	5,247,259,264	1,771,826,327	1,834,976,740	18,237,647,873	23,328,182,574	78.18

CITY OF EL PASO, TEXAS  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

FISCAL YEAR	CITY OF EL PASO			COUNTY OF EL PASO			THOMASON HOSPITAL			EL PASO COMMUNITY COLLEGE			SUB TOTAL (NOTE)
	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	
1995	0.480097	0.163699	0.643796	0.212150	0.093250	0.305400	0.161611	0.055633	0.217244	0.100566		0.100566	1.267006
1996	0.480947	0.172282	0.653229	0.190764	0.089582	0.280346	0.161555	0.032192	0.193747	0.100280		0.100280	1.227602
1997	0.474313	0.161613	0.635926	0.220215	0.085185	0.305400	0.170147	0.023600	0.193747	0.105070		0.105070	1.240143
1998	0.484313	0.151613	0.635926	0.230603	0.084397	0.315000	0.170117	0.021187	0.191304	0.103640		0.103640	1.245870
1999	0.487100	0.173134	0.660234	0.260211	0.101229	0.361444	0.167721	0.017349	0.185070	0.115751		0.110751	1.317489
2000	0.487100	0.173134	0.661234	0.265855	0.095579	0.361434	0.168814	0.016256	0.185070	0.110751		0.110751	1.317489
2001	0.487100	0.173113	0.660213	0.268593	0.092841	0.361434	0.168944	0.016524	0.185468	0.127499		0.127499	1.334614
2002	0.542100	0.177733	0.719833	0.278269	0.083165	0.361434	0.170104	0.015364	0.185468	0.127499		0.127499	1.394034
2003	0.542100	0.177733	0.719833	0.314349	0.082261	0.396610	0.171354	0.014114	0.185468	0.131389		0.131389	1.433300
2004	0.542100	0.177733	0.719833	0.331952	0.078865	0.410817	0.172560	0.014568	0.187128	0.136357		0.136357	1.454135

FISCAL YEAR	CANUTILLO ISD			EL PASO ISD			SOCORRO ISD			YSLETA ISD		
	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE	OPERATING TAX RATE	SERVICE TAX RATE	TOTAL TAX RATE
1995	1.082782	0.428248	1.511030	1.227018	0.312691	1.539709	0.896521	0.583479	1.480000	1.404420	0.245580	1.650000
1996	0.930000	0.643993	1.573993	1.233375	0.291311	1.524686	0.889880	0.580120	1.470000	1.403126	0.202853	1.605979
1997	1.018843	0.651157	1.670000	1.267139	0.247848	1.514987	0.922849	0.547151	1.470000	1.452215	0.197312	1.649527
1998	0.994572	0.675428	1.670000	1.273569	0.241663	1.515232	0.751130	0.628870	1.380000	1.376295	0.203956	1.580251
1999	1.045348	0.624652	1.670000	1.387770	0.266110	1.653880	0.893415	0.656585	1.550000	1.411441	0.218559	1.630000
2000	1.316615	0.219981	1.536596	1.449155	0.110995	1.560150	1.263882	0.208952	1.472834	1.500000	0.051484	1.551484
2001	1.479355	0.221361	1.700716	1.450479	0.101100	1.551579	1.342712	0.187874	1.530586	1.500000	0.049581	1.549581
2002	1.406268	0.200602	1.606870	1.480479	0.091100	1.571579	1.324893	0.233876	1.558769	1.500000	0.049581	1.549581
2003	1.500000	0.210000	1.710000	1.490479	0.081100	1.571579	1.381800	0.233700	1.615500	1.500000	0.055755	1.555755
2004	1.500000	0.200000	1.700000	1.500000	0.071100	1.571100	1.400600	0.201900	1.602500	1.500000	0.070482	1.570482

Note : The appropriate Independent School District rate must be added to the subtotal for the total tax rate.

CITY OF EL PASO, TEXAS  
Principal Taxpayers  
For 2004 Tax Year

<u>NAME</u>	<u>RANK</u>	<u>TAXABLE VALUE</u>	<u>PERCENT OF TOTAL TAXABLE VALUE *</u>
El Paso Electric Company	1	\$ 153,413,474	0.84%
Western Refining Company LP	2	143,953,503	0.79%
Southwestern Bell Telephone	3	123,378,359	0.68%
Simon Property Group	4	89,539,447	0.49%
Hoover Corpotation	5	67,815,126	0.37%
River Oaks Properties, LTD	6	67,573,235	0.37%
Phelps Dodge Refining Group	7	65,627,406	0.36%
Tenet Hospitals L.P.	8	65,083,799	0.36%
Texas Gas Service	9	53,313,050	0.29%
Texas Cable Partners LP	10	46,831,704	0.26%
TOTAL :		\$ 876,529,103	4.81%
Total Taxable Value:		\$ 18,237,647,873	

\* Real and Personal Property

SOURCE: ANNUAL CITY REPORTS OF PROPERTY VALUE  
PREPARED BY: EL PASO COUNTY CENTRAL APPRAISAL DISTRICT

CITY OF EL PASO, TEXAS  
Hotel / Motel Tax Collections

FISCAL YEAR	TOTAL COLLECTIONS	PERCENT CHANGE	TOURIST & CONV. ACTIVITIES
1995	\$ 3,355,667	-6.42%	\$ 3,355,667
1996	3,527,578	5.12%	3,527,578
1997	3,099,572	-12.13%	3,099,572
1998	3,913,061	26.25%	3,913,061
1999	2,160,431	-44.79%	2,160,431
2000	2,728,580	26.30%	2,728,580
2001	2,274,862	-16.63%	2,274,862
2002	4,061,004	78.52%	4,061,004
2003	5,103,878	25.68%	5,103,878
2004	5,934,897	16.28%	5,934,897

Source: Department of the Comptroller, City of El Paso, TX.

Notes: City Hotel/Motel tax is 5.5 percent of gross room sales.

Effective September 2001 revenues for the Civic Center were recorded in the Special Revenue Fund.

CITY OF EL PASO, TEXAS  
 Computation of Legal Debt Margin  
 August 31, 2004

Assessed Value of Taxable Property		\$ 18,237,647,873
Add Back: Exempt Property		<u>71,909,866</u>
Total Assessed Value		<u><u>18,309,557,739</u></u>
Debt Limitation (10 percent of assessed value)		1,830,955,774
Total Bonded Debt	\$ 448,904,546	
Less: Special Revenue Bonds	(47,914,546)	
Amount available for repayment of bonded debt	<u>(510,765)</u>	
Debt subject to debt limitation		<u>400,479,235</u>
Legal Debt Margin		<u><u>\$ 1,430,476,539</u></u>

CITY OF EL PASO, TEXAS  
Ratio of Net General Obligation Bonded Debt  
To Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population	Taxable Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	583,421	\$12,724,079,632	220,195,000	12,431,416	207,763,584	1.633%	\$ 356.11
1996	596,800	14,195,643,300	250,595,000	13,623,309	236,971,691	1.669%	397.07
1997	606,526	14,828,835,363	271,630,028	13,885,734	257,744,294	1.738%	424.95
1998	617,215	15,240,723,486	301,846,562	14,022,285	287,824,277	1.889%	466.33
1999	627,556	15,510,419,700	318,741,398	11,062,678	307,678,720	1.984%	490.28
2000	563,662	15,856,955,902	343,910,653	13,913,310	329,997,343	2.081%	585.45
2001	573,827	16,342,432,063	357,390,275	18,092,716	339,297,559	2.076%	591.29
2002	692,152	17,205,865,441	373,975,000	11,601,479	362,373,521	2.106%	523.55
2003	704,671	17,697,062,466	386,960,000	5,577,479	381,382,521	2.155%	541.22
2004	717,211	18,237,647,873	400,990,000	510,765	400,479,235	2.196%	558.38



CITY OF EL PASO, TEXAS  
Ratio of Annual Debt Service Expenditures  
For General Obligation Bonded Debt (1)  
to Total General Governmental Expenditures  
Last Ten Fiscal Years

Fiscal Year	Principal (1)	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures (4)
1995	\$ 13,653,719	14,286,897	27,940,616	248,976,012	11.22%
1996	14,880,000	13,596,159	28,476,159	255,731,329	11.14%
1997	16,800,168	14,861,828	31,661,996	272,366,798	11.62%
1998	18,425,860	16,205,596	34,631,456	283,324,439	12.22%
1999	22,125,000	16,909,261	39,034,261	285,923,960	13.65%
2000	19,373,689	16,242,071	35,615,760	308,838,591	11.53%
2001	15,118,378	19,130,106	34,248,484	328,194,716	10.44%
2002	21,517,422	17,818,210	39,335,632	318,208,316	12.36%
2003	24,025,000	18,519,118	42,544,118	335,729,081	12.67%
2004	24,980,000	19,849,028	44,829,028	346,090,402	12.95%

- (1) General obligation bonds reported in the internal service funds with government commitment have been excluded.
- (2) Excludes bond issuance and other costs.
- (3) Includes general, special revenue, and debt service funds.
- (4) Does not include the cost associated with the 2002 General Obligation Bond refunding.

CITY OF EL PASO, TEXAS  
Estimated Direct and Overlapping Debt

<u>TAXING ENTITY</u>	<u>DEBT OUTSTANDING</u>	<u>AS OF</u>	<u>ESTIMATED PERCENT OVERLAPPING</u>	<u>DEBT OVERLAPPING</u>
	<u>OVERLAPPING DEBT</u>			
Canutillo Independent School District	\$ 48,169,442	Aug. 31, 2004	86.71	\$ 41,767,723
El Paso County	149,493,000	Aug. 31, 2004	89.69	134,080,272
El Paso County Hospital District	38,836,338	Aug. 31, 2004	89.69	34,832,312
El Paso Community College District	53,800,000	Aug. 31, 2004	89.69	48,253,220
El Paso Independent School District	202,115,874	Aug. 31, 2004	100.00	202,115,874
Socorro Independent School District	308,600,000	Aug. 31, 2004	73.47	226,728,420
Ysleta Independent School District	250,000,000	Aug. 31, 2004	99.99	<u>249,975,000</u>
	<u>Total Net Overlapping Debt</u>			<u>937,752,821</u>
	<u>DIRECT DEBT</u>			
City of El Paso	692,467,000 *	Aug. 31, 2003	100.00	<u>692,467,000</u>
	<u>Total Direct and Overlapping Debt</u>			<u><u>\$ 1,630,219,821</u></u>
	Ratio of total direct and overlapping debt of assessed valuation			8.94%
	Per capita direct and overlapping debt			\$2,273

\* Gross Debt

Source: Texas Bond Review Board

CITY OF EL PASO, TEXAS  
Revenue Bond Coverage  
Zaragoza International Toll Bridge  
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage (4)
				Principal	Interest	Total	
1995	\$ 9,714,512	1,290,281	8,424,231	230,000	280,490	510,490	16.50
1996	10,298,396	1,328,051	8,970,345	240,000	267,160	507,160	17.69
1997	11,069,376	1,512,693	9,556,683	250,000	247,730	497,730	19.20
1998	11,538,831	1,524,231	10,014,600	260,000	233,460	493,460	20.29
1999	11,471,830	1,512,706	9,959,124	210,000	153,405	363,405	27.41
2000	12,377,354	1,944,382	10,432,972	225,000	139,370	364,370	28.63
2001	12,152,304	1,949,537	10,202,767	240,000	127,095	367,095	27.79
2002	10,521,134	2,086,471	8,434,663	245,000	116,909	361,909	23.31
2003	11,116,917	2,525,761	8,591,156	260,000	106,113	366,113	23.47
2004	12,000,216	2,143,803	9,856,413	270,000	94,650	364,650	27.03

(1) Total revenues.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

(4) Net revenue available for debt service / debt service requirements.

CITY OF EL PASO, TEXAS  
Revenue Bond Coverage  
El Paso International Airport  
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage (4)
				Principal	Interest	Total	
1995	\$ 14,935,426	11,864,376	3,071,050	NA	NA	NA	NA
1996	16,693,738	13,013,228	3,680,510	NA	NA	NA	NA
1997 *	18,970,917	13,465,698	5,505,219	-	1,985,307	1,985,307	2.77
1998	19,256,254	13,788,266	5,467,988	1,145,000	2,516,586	3,661,586	1.49
1999	23,101,556	14,073,491	9,028,065	1,145,000	2,459,336	3,604,336	2.50
2000	22,931,924	14,957,952	7,973,972	1,390,000	2,402,086	3,792,086	2.10
2001	24,735,649	17,251,923	7,483,726	2,835,000	2,332,586	5,167,586	1.45
2002	25,611,418	19,202,056	6,409,362	3,195,000	2,190,836	5,385,836	1.19
2003	26,550,468	15,606,206	10,944,262	3,365,000	2,023,099	5,388,099	2.03
2004	27,578,045	17,263,487	10,314,558	4,479,023	920,977	5,400,000	1.91

\* Issue of \$46,820,000 Revenue Bonds

- (1) Total revenues.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes principal and interest of revenue bonds only.
- (4) Net revenue available for debt service / debt service requirements.

CITY OF EL PASO, TEXAS  
Debt Ratio

FISCAL YEAR	TAXABLE ASSESSED VALUE	OUTSTANDING DEBT	DEBT / VALUE RATIO	POPULATION	DEBT PER CAPITA
1995	\$ 12,724,079,632	\$ 220,195,000	1.7305%	583,421	\$ 377.42
1996	14,195,643,300	250,595,000	1.7653%	596,800	419.90
1997	14,828,835,363	271,630,028	1.8318%	606,526	447.85
1998	15,240,723,486	301,846,562	1.9805%	617,215	489.05
1999	15,510,419,700	318,771,398	2.0552%	627,556	507.96
2000	15,856,955,902	343,910,653	2.1688%	563,662	610.14
2001	16,342,432,063	357,390,275	2.1869%	573,827	622.82
2002	17,205,865,441	373,975,000	2.1735%	692,152	540.31
2003	17,697,062,466	386,960,000	2.1866%	704,671	549.14
2004	18,237,647,873	400,990,000	2.1987%	717,211	559.10

Notes:

"Taxable Assessed Value" is that value used by the El Paso Consolidated Tax Office to calculate property owners' bills in October of the year prior to the fiscal year end (e.g., The value for FY 04 would be the value as of October, 2003).

"Outstanding Debt" is that bonded debt outstanding at the end of each fiscal year and is obtained from the audited financial statements.

CITY OF EL PASO, TEXAS  
Debt Service Requirements  
As of August 31, 2004

FISCAL YEAR	CURRENT PRINCIPAL	CURRENT INTEREST	CURRENT TOTAL
2005	\$ 62,650,000	17,878,293	80,528,293
2006	30,700,000	16,853,111	47,553,111
2007	29,880,000	15,295,434	45,175,434
2008	27,650,000	13,802,154	41,452,154
2009	26,785,000	12,457,994	39,242,994
2010	26,980,000	11,185,471	38,165,471
2011	25,430,000	9,918,399	35,348,399
2012	24,675,000	8,642,638	33,317,638
2013	16,645,000	7,422,348	24,067,348
2014	17,400,000	6,608,395	24,008,395
2015	14,790,000	5,738,433	20,528,433
2016	12,290,000	4,991,220	17,281,220
2017	10,090,000	4,368,409	14,458,409
2018	10,605,000	3,855,345	14,460,345
2019	8,195,000	3,319,838	11,514,838
2020	8,065,000	2,900,750	10,965,750
2021	8,480,000	2,487,310	10,967,310
2022	8,060,000	2,050,031	10,110,031
2023	8,495,000	1,631,181	10,126,181
2024	8,940,000	1,189,656	10,129,656
2025	6,580,000	722,763	7,302,763
2026	3,680,000	370,563	4,050,563
2027	1,915,000	186,438	2,101,438
2028	2,010,000	95,477	2,105,477
T O T A L	\$ 400,990,000	153,971,651	554,961,651

CITY OF EL PASO, TEXAS  
Demographic Statistics

CALENDAR YEAR	(1) POPULATION	(2) PER CAPITA INCOME	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
1995	583,421	13,211	129,516	10.00%
1996	596,800	14,600	131,369	11.10%
1997	606,526	15,216	131,115	10.70%
1998	617,215	16,359	138,070	9.80%
1999	627,556	N/A	138,299	8.30%
2000	563,662	N/A	139,339	8.40%
2001	573,827	18,535	158,767	8.40%
2002	692,152	14,388	184,875	8.22%
2003	704,671	19,186	193,633	8.50%
2004	717,211	20,129	193,633	7.50%

Data Sources:

- (1) Department of Planning, Research, & Development, City of El Paso
- (2) Bureau of Economic Analysis, U.S. Department of Commerce
- (3) School Districts
- (4) Bureau of Labor Statistics, U.S. Department of Labor

CITY OF EL PASO, TEXAS  
Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years

Fiscal Year	Property Value (2)				Residential Construction (3)		Commercial Construction (3)		Deposits (1) (in millions)
	Residential	Commercial	Exemptions	Total	Number of Permits	Value	Number of Permits	Value	
1995	\$8,191,682,470	\$5,716,964,572	\$1,184,567,410	\$ 12,724,079,632	2,326	\$ 167,266,217	154	\$ 101,844,209	\$ 4,099
1996	9,158,188,591	6,122,259,893	1,084,805,184	14,195,643,300	2,241	131,474,204	164	101,684,754	4,190
1997	9,613,727,016	6,709,736,479	1,494,628,132	14,828,835,363	2,160	141,451,378	164	122,301,695	4,385
1998	9,833,736,487	6,931,565,679	1,524,578,680	15,240,723,486	3,963	131,499,745	187	141,313,888	4,552
1999	9,897,812,161	7,266,181,432	1,653,573,893	15,510,419,700	5,536	205,518,899	1,590	195,251,676	4,672
2000	10,190,549,564	7,461,034,942	1,794,628,604	15,856,955,902	5,333	197,889,470	1,456	285,503,515	4,588
2001	10,428,184,444	7,827,736,157	1,913,488,538	16,342,432,063	5,432	209,121,840	1,341	247,651,056	4,969
2002	10,921,327,014	8,425,089,602	2,140,551,175	17,205,865,441	5,750	204,600,225	1,226	341,519,291	5,438
2003	11,212,970,915	8,404,309,835	1,920,218,284	17,697,062,466	5,734	230,169,605	1,347	240,662,385	5,719
2004	11,651,727,756	8,294,702,651	1,708,782,534	18,237,647,873	4,977	185,186,668	1,333	312,459,052	6,166

(1) Source: Federal Deposit Insurance Corporation and National Credit Union Administration (as of June 30).

(2) Source: City Tax Office, City of El Paso

(3) Source: Building Services, City of El Paso

Effective for 1999, includes permit information for Additions, Alterations, and Conversions



CITY OF EL PASO, TEXAS

Miscellaneous Statistics

Date of Incorporation	1873
Form of Government	Mayor/Council
Permanent Full-Time Employees (excluding police and fire):	3,777
Area in square miles	267
Government facilities and services:	
Miles of streets	1,900
Number of traffic lights	599
Culture and Recreation:	
Recreation Centers	16
Senior Citizen Centers	9
Parks	200
Park acreage	2,180
Swimming pools	14
Tennis courts	42
Basketball courts	59
Baseball fields	58
Football fields	22
Soccer fields	94
Playgrounds	103
Skate Parks	4
Fire Protection	
Number of stations	30
Number of uniformed fire personnel and officers	858
Number of calls answered	63,800
Number of inspections conducted	17,000
Number of first response vehicles	67
Police Protection	
Number of stations, regional commands, and offices	29
Number of police personnel and officers	1,119
Average emergency response time (minutes)	8
Percent crime reduction from prior year	3.6%
International Airport	
Total passengers	3,113,571
Tons of freight/mail	82,392
Aircraft operations	116,273

CITY OF EL PASO, TEXAS

Miscellaneous Statistics

Sewage System: 2004	
Miles of sanitary sewers	1,914
Miles of storm sewers	900
Number of treatment plants	3
Number of service connections	164,555
Daily average treatment in gallons	57,000,000
Maximum daily capacity of treatment plants in gallons	94,200,000
Water System: 2004	
Miles of water mains	2,303
Number of service connections	163,222
Number of fire hydrants	8,696
Number of treatment plants	3
Maximum daily capacity of plants in gallons	255,000,000
Daily average water demand in gallons	101,314,000
Facilities and services not included in the primary government:	
Education	
Public School Districts	9
Number of schools	231
Number of regular high schools	33
Total students	159,463
Total teacher full-time equivalents	10,713
Total staff full-time equivalents	21,272
El Paso Community College	
Campus Locations	5
Number of students (Fall 2004)	24,627
University of Texas at El Paso	
Number of students (Fall 2004)	18,918
Number of degree programs	
Bachelors	81
Masters	74
Doctoral	13
Medical	
Number of hospitals	11
Number of hospital beds	2201
Number of doctors and dentists	1034
Port of El Paso	
Number of Bridges	4
Value of border trade through El Paso	
Exports	\$14,318,114,835
Imports	\$19,402,221,215