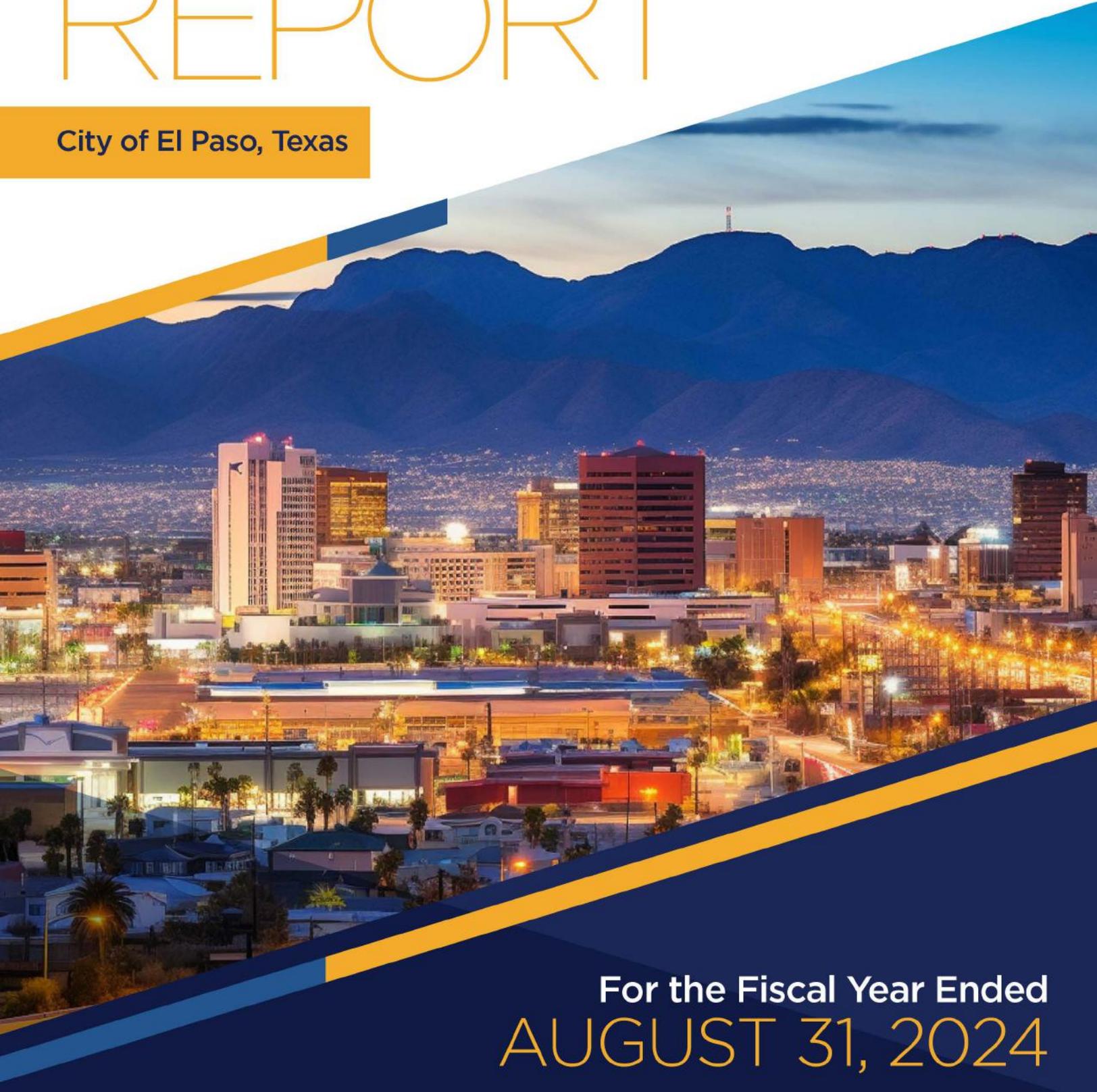


ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of El Paso, Texas



For the Fiscal Year Ended
AUGUST 31, 2024



OUR MISSION

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

OUR VISION

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

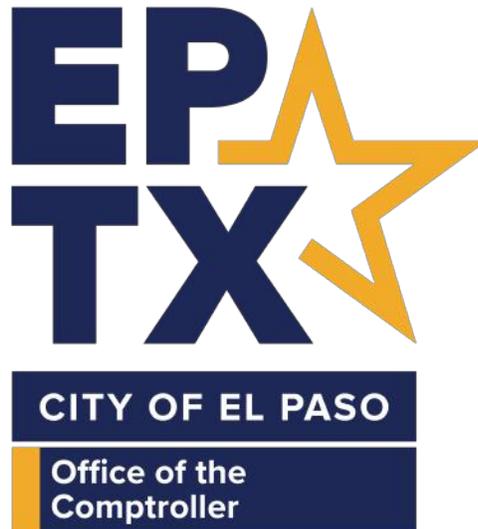
OUR VALUES

Integrity, Respect, Excellence, Accountability, People

CITY OF EL PASO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2024

**Prepared by
The Office of the Comptroller**





Dia de Los Muertos Festival

CITY OF EL PASO, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2024
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INTRODUCTORY SECTION





Office of the Comptroller

MAYOR
Renard U. Johnson

February 21, 2025

CITY COUNCIL

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

District 1
Alejandra Chávez

We are pleased to present the City of El Paso’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2024. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended August 31, 2024.

District 2
Dr. Josh Acevedo

District 3
Deanna M. Rocha

District 4
Cynthia Boyar Trejo

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

District 5
Ivan Niño

District 6
Art Fierro

District 7
Lily Limón

District 8
Chris Canales

City Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CITY MANAGER
Dionne Mack

Forvis Mazars LLP, independent auditors, have issued an unmodified (“clean”) opinion on the City of El Paso, Texas’ financial statements for the fiscal year ended August 31, 2024. The independent auditor’s report is included in the financial section of this report. Generally accepted accounting principles in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor’s report.

City 1 | 300 N. Campbell | El Paso, Texas 79901 | (915) 212-0000



DELIVERING EXCEPTIONAL SERVICES



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Profile of the City

El Paso was incorporated in 1873, and in 2024 celebrated the 151st year since its founding. The City is located at the confluence of two countries (the United States and Mexico), and three states (Texas, Chihuahua, and New Mexico). The City of El Paso represents one-half of the largest binational metroplex in the Western Hemisphere with the regional population expected to exceed 3 million by 2030.

The City is located in far west Texas and is the sixth largest city in the state. The City's corporate limits encompass approximately 256 square miles. It is approximately equidistant from the cities of Houston, Texas; Denver, Colorado; and Los Angeles, California. El Paso-Juarez-Las Cruces, is the area comprising the region around the City with a population in excess of 2.7 million. The City's estimated population as of 2024 was 678,958. El Paso County's estimated population other than the City was 190,922 and Ciudad Juarez, Mexico's estimated population was 1.6 million.

The City operates under a Home Rule Charter with a Council-Manager form of government consisting of a mayor and eight council members. The mayor is elected at large for a four-year term. Council members are elected from eight single member districts for a four-year term. Elections are held biennially. The City Manager, appointed by the City Council, is responsible for the management of City employees and the administration of all City affairs.

The City of El Paso provides a full range of services to the general public. These services include police and fire protection; emergency medical and health services; sanitation services; mass transit transportation; construction and maintenance of streets and infrastructure; recreational activities and cultural events; convention and cultural facilities, international airport and bridges, economic initiatives and general administrative services.

Financial Reporting Entity

The financial statements presented conform to the requirements of the Governmental Accounting Standards Board (GASB). GASB has established government-wide and combining fund financial statements as the required reporting level for governmental entities that present financial statements in accordance with GAAP. This report includes financial statements of the funds required for those activities, departments, and functions related to the City and that are controlled by or dependent upon the City's governing body, which is the City Council. The financial statements present the City of El Paso, which includes the primary government and its component units.



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The basic criterion for determining whether another governmental organization should be included as part of the primary government's reporting entity is financial accountability. Financial 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.

The following component units, although legally separate from the City, are reported as part of the reporting entity. Detailed information about these entities can be found in Note 1 of the financial report:

Discretely Presented Component Units

El Paso Water (EPWater)

EPWater is a component unit of the City whose mission is to provide the area residents with sustainable water supply and the highest quality water services to enhance the vitality of El Paso.

El Paso Housing Finance Corporation (EPHFC)

EPHFC is an independent entity, created pursuant to the Housing Finance Corporation Act by the City Council as a non-profit corporation to assist persons of low and moderate income with affordable housing.

Blended Component Units

Downtown Development Corporation (DDC)

The DDC was created and organized as a public non-profit local government corporation, to assist and act on behalf of the City in the performance of the City's governmental functions related to the downtown ballpark venue.

El Paso Children's Museum Development Corporation (CMDC)

The CMDC was created as a public non-profit local government corporation to assist and act on behalf of the City in the performance of functions related to construction and operations of the Children's Museum. The Children's Museum "La Nube" is set to open to the public during 2024 and it will be an integral part of the educational initiatives of the City.

Thunder Canyon Public Improvement District 1 (PID)

The Thunder Canyon PID is a 26-acre natural arroyo in the western slopes of the Franklin





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Mountains. Residents around the canyon area worked with the City to create a PID and purchased the property from the developer as part of the preservation efforts. Ninety-three homeowners agreed to tax themselves to pay off the purchase price of the land that now belongs to the City.

Eastside Sports Complex Public Improvement District 2 (PID)

The Eastside Sports Complex PID was created by the City as a means to pay for the development and construction of a sports complex located in the eastside area of El Paso. Residents of this area will enjoy free access to the park in exchange for paying the cost of the project. A Tax Increment Reinvestment Zone (TIRZ) has also been created to complement the PID revenues and consequently pay for debt service of the certificates of obligation obtained to pay the construction of the park.

El Paso Property Finance Authority, Inc. (Authority)

The Authority was created to establish a Permanent Public Improvements Program. City Council is accountable for its operations.

Fiduciary Component Units

City Employees' Retirement Trust (CERT)

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

Firemen and Policemen's Pension Fund (FPPF)

Uniformed fire fighters and police officers participate in the FPPF. The plan is a single-employer defined benefit retirement plan established under legal authority of state statutes and the City Charter, and is administered by a Board of Trustees (FPPF Board). Although not under the direct control of the City, the FPPF serves only City employees and, because of the scope of service, is included in the City's financial statements as a Pension Trust Fund.

Camino Real Regional Mobility Authority (CRRMA)

The CRRMA provides local leadership on transportation projects and helps address congestion problems by developing and building infrastructure to keep the El Paso region moving. The City serves as a fiscal agent providing many administrative and support services.





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El Paso Metropolitan Planning Organization (MPO)

Under federal legislation, the MPO through the Transportation Policy Board (TPB) has an expanded role in project selection and transportation project planning and programming. The City serves as the fiscal agent for the MPO providing supportive services as outlined in a mutually approved operational policy agreement between the TPB and the City of El Paso.

Internal Control Framework

Integrated within the business systems of the City are the policies and procedures over accounting and financial reporting that make up the internal control framework. The internal control framework provides reasonable assurance that the accounting systems and underlying data are reliable. There are, however, certain limitations inherent in the internal control framework. Management may choose to accept certain risks because the cost to prevent all risk is not reasonable. Management is responsible for establishing and maintaining effective internal controls. Although some level of risk within the internal control framework is unavoidable, the City's management maintains an attitude of supporting strong and effective internal controls.

Because the City receives federal and state funding, it is responsible for ensuring adequate internal controls are in place to comply with applicable laws, regulations, contracts and grants related to those programs. Each year a Single Audit Report is issued, which includes a schedule of expenditures of federal awards (SEFA), a schedule of expenditures of state awards (SESA), findings and questioned costs, if any, and the independent auditors' reports on compliance on internal control over financial reporting. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Budgetary Control

The City of El Paso's budget process involves several key steps. It typically begins with the preparation of budget guidelines, followed by departmental budget submissions. The city's budget office reviews and consolidates these proposals, working closely with city departments to align priorities. Public input is sought through hearings, surveys, and meetings, allowing residents to voice their concerns and preferences. The proposed budget is then presented to the City Council, where deliberations and adjustments take place. Following approval, the budget is implemented, and periodic reviews ensure adherence to financial plans. This process aims to align the city's financial resources with community needs while promoting transparency and accountability.





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The City adopts an annual budget for the General Fund, Community Development Block Grants (CDBG), Debt Service Fund, Internal Service Funds and the operations of the enterprise funds. Unexpended appropriations for these funds lapse at the fiscal year end unless reviewed and approved not to lapse by the City Manager or his designee. Special revenue funds and capital project funds are generally budgeted on a project basis that allows spending beyond the fiscal year end until the project is complete. The level of budgetary compliance is at the object level for appropriations and every City department is responsible for staying within budget constraints.

Local Economy

El Paso, the largest metropolitan area along the Texas-Mexico border, stands out for its best-in-class, business-friendly operating environment and an exceptional quality of life. Recognized as a global manufacturing center, the region's positive economic trajectory is driven by attracting new businesses and nurturing the growth of existing ones. The city is dedicated to creating employment opportunities in 21st-century industries, both locally and internationally, all while maintaining a low cost of living. With over 300 sunny days annually, a rich blend of Mexican American traditions, a robust bilingual workforce, and affordable housing options, El Paso is an ideal place to reside.

Positioned as a critical trade center on the U.S.-Mexico border, the region's expansion includes highway projects, multi-million-dollar hotel renovations, and a burgeoning array of industries, such as food production, clothing, construction materials, plastics, electronics, and medical equipment.

Despite a median household income of \$58,734, slightly below the county average and about three-quarters of the state of Texas average, the City demonstrates a resilient economic spirit. However, challenges such as current inflation rate affecting the country also impact El Paso households negatively. Notably, the unemployment rate has decreased from 5.2% reported in fiscal year 2023 to 4.3% as of the end of fiscal year 2024, aligning with the national average.

In recent years, City leaders have updated the City's strategic plan to drive growth and investment across the community. This strategy has established a strong foundation for continued economic prosperity. Since fiscal year 2020, ninety-three economic development projects have been made possible by City investments through performance-based incentives, resulting in nearly \$1.5 billion in capital investment. These projects, which have either been constructed, developed or redeveloped, have increased real property values by an average of 148% compared to pre-investment levels, generating \$12.5 million in new property tax revenue for local taxing entities in the 2024 tax year.





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During the past four fiscal years, the Economic and International Development Department has helped facilitate the approval of 31 new performance-based agreements by the El Paso City Council. Notably, 17 of these projects include employment commitments, supporting the creation or retention of over 11,452 jobs in El Paso, most of which offer wages at or above the local median hourly wage.

By supporting businesses of all sizes, the City of El Paso continues to foster innovation and growth. In fiscal year 2024, a new opportunity for economic development arose when City Council approved a Chapter 380 Agreement for Meta's planned data center. Meta's initial \$800 million capital investment in the first phase of the data center is part of a potential \$4 billion investment over five phases. This capital-intensive development will significantly contribute to the City's property tax base and supports the development of the El Paso Advanced Manufacturing District. Looking ahead, Economic Development will focus on growing existing industries and attracting new ones, including advanced manufacturing, to create high-paying career opportunities and foster an innovation-driven culture. Advanced manufacturing offers significant potential for job creation, with wages in this sector averaging 56% higher than the local average in El Paso.

The City enters into economic development agreements and tax abatements to encourage development, rehabilitation, and historic preservation. These efforts not only support job creation and tax base expansion but also revitalize neighborhoods, enhancing the overall quality of life for El Paso residents.

A new Chapter 380 Agreement with Notes Live, now Venu, was approved by City Council to bring the Cohen Entertainment District Master Plan to life. This partnership will fund the construction of the Sunset Amphitheater, a state-of-the-art 12,500-seat venue that will anchor the district, which will also support sports and recreational uses. Scheduled to break ground in fiscal year 2025, the amphitheater will offer El Pasoans unparalleled live music entertainment. With over \$66 billion in annual additional income surrounding the region, this project is projected to generate a \$5.4 billion economic impact and drive growth and revitalization in the area.

Redevelopment incentives are available for businesses and property owners looking to invigorate or preserve vacant land or existing buildings. The City also encourages the development of mixed-use properties, multi-family housing, and commercial/industrial spaces on vacant land. Over the past decade, economic investments in historic building renovations have contributed approximately \$235 million to the City's urban core. Historic preservation has been a cornerstone of the downtown revitalization strategy, directly and indirectly creating jobs and stimulating commercial activity. In the reporting year, City Council approved the redevelopment of the historic iconic Building in downtown El Paso known as "The Popular Building". This \$42 million renovation will add 99 new apartments





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and retail/commercial spaces on the ground floor, contributing to the strategic goal of revitalizing the downtown area.

Looking ahead, growing economic development in our region will continue to attract investment by targeting industries that generate significant capital investment and higher-paying jobs. Initiatives will also be launched to strengthen the competitiveness of existing businesses, ensuring local companies are resilient in an evolving economic landscape. Additionally, targeted redevelopment efforts will continue to stimulate growth in the City's urban core.

Long-term Financial Planning and Major Initiatives

Ensuring the long-term financial sustainability of the City is a fundamental strategic objective for City management. Adhering to fiscal policies set by the City Council, appropriations are diligently balanced with anticipated revenues, and General Fund reserves, as outlined in the City Charter, are allocated for one-time or emergency capital procurements, eliminating the need for future debt financing. Additionally, the operating and debt stabilization fund serves the purpose of addressing emergencies and unforeseen expenditures, as directed by the City Council. Concurrently, the pension stabilization fund is geared towards diminishing the City's unfunded pension liabilities, thereby maintaining and enhancing the City's bond ratings for potential taxpayer savings.

The Pay for Futures Fund continues to play a vital role in supporting competitive compensation for police, fire, and civilian personnel. By ensuring dedicated funding for salary increases, the fund helps attract and retain a strong workforce while maintaining the City's commitment to public safety and essential services. This fund will continue to be active for the next four years, with any unused funds reverting to the general fund at the end of this duration.

The sustainability of the City's General Fund holds paramount importance, directly influencing the City's capacity to execute strategic initiatives and achieve long-term financial objectives. In fiscal year 2024, the operating budget was sustained through current revenues, resulting in an excess of \$11.9 million at fiscal year-end. Aligning with recommendations from the Government Finance Officers Association (GFOA), the general fund maintains a robust 83 days of budgetary fund balance, exceeding the suggested minimum of 60 days of regular general fund operating expenditures.

In February 2024, City leaders convened for a strategic planning session centered on the community, reinforcing a collective vision for the City, one driven by data, dialogue, and key decisions that shape our future.





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A key focus of this session was our organization's workforce, recognizing its critical role in delivering outstanding services to the community. As a result, the fiscal year 2024 budget and city initiatives were strategically aligned and continue to be in fiscal year 2025 with recruitment and retention efforts. These efforts extend to both civilian personnel and the uniformed workforce, ensuring the City remains an employer of choice.

To support this commitment, the City remains focused on:

- Livable wages that reflect economic conditions and workforce needs to include increased minimum wages to attract and retain top talent
- Training and capability enhancements to foster professional growth
- Competitive compensation benefit structures that ensure fair and appropriate pay for all employees

Through these efforts, the City continues to invest in its workforce, reinforcing the foundation for sustainable service excellence and community well-being.

City leadership working together with our City Council established our continuous commitment to maintaining long-term financial stability by ensuring appropriate reserve levels, sustaining diverse revenue streams, and exercising disciplined expense control. Through budget process enhancements, the City has developed a multi-year financial approach that not only prioritizes current financial stability but also prepares for the future by implementing sustainable fiscal practices.

Key initiatives under this financial strategy include:

- Strategic expenditure planning to proactively budget for future obligations, such as grant funding matches.
- Incremental pay-go funding strategies to address deferred maintenance needs, ensuring comprehensive repair and replacement plans for fleet and facilities.
- Support for small businesses while actively attracting new investments to strengthen El Paso's economic foundation.

As part of our long-term vision, the City is working toward a sustainable future, one characterized by beautiful and safe neighborhoods, a thriving regional economy, and expanded educational and cultural opportunities for residents. A central element of this strategy is the continued stabilization and expansion of the tax base, achieved through targeted development and redevelopment, including the ongoing revitalization of the downtown area as discussed above.

To foster innovation and economic growth, the City has embraced technology and talent development as key economic drivers. This commitment is exemplified by the launch of the Innovation Factory, a collaborative initiative that brings together technology





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businesses to develop cutting-edge solutions that contribute to El Paso's economic progress. Additionally, the City is leveraging economic growth through infrastructure integration, including:

- Maximizing efficiencies in transit and bridge operations to optimize revenue potential: The International Bridges Department continues the work and coordination with the Bridges Steering Committee and the Parking Steering Committee to improve customer service. The value of trade in El Paso international ports of entry exceeds \$120 billion per year, with \$77 billion in trade crossing via the Ysleta Port of Entry. The U.S. Department of Transportation has awarded the City of El Paso more than \$4 million in grant to design efficiency improvements in infrastructure and technology on three additional ports of entry.
- Expanding air transportation business to strengthen our regional and international economic ties: The City approved the Airport's latest five-year Capital Improvement Program which is set to invest more than \$276.2 million in more than 60 different projects. Major Projects include an advanced manufacturing district, sustainability, solar and lighting, runway rehabilitation, terminal rehabilitation, non-aeronautical, roadways and utility improvements for land development. During this fiscal year the City received more than \$27 million in grant funding from the Federal Aviation Administration (FAA) to assist with Airport improvements.
- Enhancing public safety to attract residents, visitors, and businesses, ensuring continued investment in El Paso's future. Investing in police and fire academies, public safety capital replacement, staffing support and continuous commitment in the crisis intervention team allows the City to remain as one of the safest cities in the country.

We continue to focus on sustaining and enhancing our infrastructure to meet the growing needs of our community. As part of the current budget, significant investments are being made in the maintenance and modernization of critical infrastructure, including roads, facilities, and our fleet. These efforts are aimed at ensuring the City is equipped with the appropriate roads, modernized facilities, and an efficient fleet to deliver outstanding services to residents and visitors alike.

Looking ahead, the City's strategic vision incorporates forward-thinking infrastructure development to ensure long-term sustainability and improved quality of life. Central to this vision are:

- Affordable housing initiatives to provide safe, comfortable, and affordable homes for all residents.
- Accessible and reliable data services to support both community needs and future technological growth.





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- Strong focus on AI and emerging technologies to foster innovation and improve the City's operational capabilities, positioning El Paso as a leader in tech-driven urban development.

Despite external challenges, such as immigration trends, El Paso remains financially resilient and fully capable of meeting its current and future obligations. Through strong fiscal management, responsible budgeting, and a focus on public safety, the City offers a stable and attractive environment for investment.

Key factors reinforcing El Paso's financial strength include:

- Disciplined financial planning with robust reserves and multi-year budgeting strategies.
- Diverse revenue generation, driven by small businesses, international trade, and a growing technology sector.
- Strategic investments in public safety, ensuring a thriving, safe community for residents and businesses.

As a binational economic hub, El Paso leverages its position to foster innovation, trade, and cultural exchange, making it a forward-thinking investment destination. Continued investment in infrastructure, business-friendly policies, and economic growth solidifies El Paso's status as a financially responsible city with a vision for sustainable long-term prosperity.

Awards and Acknowledgements

The City of El Paso continues to receive awards and accolades that substantiate our commitment to the organizational vision. Some of the latest awards received by vision block are:

Safe and beautiful neighborhoods

- Fire Department recognized as one of the 100 best fleets in North America for the third consecutive year
- Animal Services Department earned the Education Empowerment Award
- Public Health Department earned the Best Organization Serving El Paso during 2024 National LatinX Conference

Vibrant Regional Economy

- Visit El Paso received Best Website Design and Effectiveness Award
- Visit El Paso earns Best Destination Marketing Organization in Texas Award
- El Paso Economic and International Development receives Excellence in Economic Development Gold Award



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Recreational, Cultural and Educational Opportunities

- Achievement of Library Excellence Award
- El Paso Museum of History receives Texas Association of Museums Gold Award

High Performing Government

- 2024 Leading the Way Platinum - Level Aetna Workplace Wellbeing Award
- 2023 Outstanding Achievement in Popular Annual Financial Reporting (PAFR)
- 2023 Certificate of Achievement for Excellence in Financial Reporting (ACFR)
- 2024 Distinguished Budget Presentation Award

GFOA Award

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 annual comprehensive financial report for the fiscal year ended August 31, 2023. This was the twenty sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. However, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of El Paso for its Popular Annual Financial Report for the fiscal year ended August 31, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of El Paso has received a Popular Award for the last 3 consecutive years (fiscal years ended 2021-2023). We believe our current report continues to conform to the Popular Annual Financial Reporting





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requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

The City of El Paso also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated September 1, 2023. To qualify for the Distinguished Budget Presentation Award, the City of El Paso's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

As a result of receiving all three of GFOA's reporting awards, the City of El Paso is a GFOA Triple Crown award winner.

Acknowledgments

The preparation of this report is made possible by the dedicated service of the employees of the Office of the Comptroller. Each member of the department has sincere appreciation for the contributions made in the preparation of this report.

The efforts of the City's component units (EPWater, EPHFC, DDC, CMDC, PID, Authority, CERT, FPPF, CRRMA, MPO) and their external auditors are also appreciated. We would also like to thank the Mayor, City Council and City Leadership for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Handwritten signature of Dionne Mack in black ink.

Dionne Mack
City Manager

Handwritten signature of Robert Cortinas in blue ink.

Robert Cortinas
Chief Financial Officer and Deputy City
Manager

Handwritten signature of Margarita Marin in blue ink.

Margarita Marin, CGFM
Deputy Chief Financial Officer - Comptroller



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of El Paso
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2023

Christopher P. Morill

Executive Director/CEO



CITIZENS OF EL PASO



EL PASO CITY COUNCIL

Boards & Commissions
Regional Bodies

Internal Auditor
Edmundo Calderon

City Attorney
Karla M. Nieman

City Manager
Dionne Mack

Assistant to the City Manager
(Vacant)

Strategic Communications
Laura Cruz-Acosta
City Clerk
Laura Prine

Strategic and Legislative Affairs
Ian Voglewede

Customer Driven Innovation
Roman Sanchez

Deputy City Manager Richard Bristol	Deputy City Manager / Chief Financial Officer Robert Cortinas	Deputy City Manager Nicole Cote	Deputy City Manager Mario D'Agostino	Deputy City Manager Araceli Guerra	Deputy City Manager / City Engineer Yvette Hernandez
Animal Services Terry Kebschull	Comptroller's Office Margarita Marin, Deputy CFO	Planning & Inspections Philip Etiwe	Code Enforcement Steve Alvarado	Community and Human Development (Vacant)	Aviation Tony Nevarez
Libraries Norma Martinez	Economic & International Development Karina Brasgalla	Public Transportation Anthony Dekeyzer	Fire / Office of Emergency Management / 911 & 311 Communications Chief Jonathan Killings	Environmental Services Nick Ybarra	Capital Improvement Gilbert Guerrero (Interim)
Museum & Cultural Affairs/ Destination El Paso Ben Fyffe	International Bridges Roberto Tinajero	Purchasing & Strategic Sourcing Veronica Gomez (Interim)	Municipal Court Annabelle Casas (Interim)	Human Resources Mary Wiggins	CID Grant Funded Programs Joaquin Rodriguez
Parks & Recreation Pablo Caballero	Office of Management & Budget Bonnie Cordova (Interim)	Real Estate Division	Police Chief Peter Pacillas	Information Technology Carolyn Patrick (Interim)	Streets & Maintenance Randy Garcia (Interim)
Public Health Veerinder "Vinny" Taneja	Tax Office Maria Pasillas	Urban Planning & Design Division		Risk Management (Vacant)	
Zoo & Botanical Gardens Joe Montisano					

ELECTED OFFICIALS

(Holding office as of the issuance date of this report)



Mayor
Renard U. Johnson



District 1
Alejandra Chávez



District 2
Dr. Josh Acevedo



District 3
Deanna Maldonado-Rocha



District 4
Cynthia Boyar Trejo



District 5
Ivan Niño



District 6
Art Fierro



District 7
Lily Limón



District 8
Chris Canales

CITY LEADERSHIP TEAM

(As of the issuance date of this report)



Dionne Mack
City Manager



Karla Nieman
City Attorney



Robert Cortinas
Deputy City Manager
& Chief Financial Officer



Mario D'Agostino
Deputy City Manager



Richard Bristol
Deputy City Manager



K. Nicole Cote
Deputy City Manager



Araceli Guerra
Deputy City Manager



Yvette Hernandez
Deputy City Manager
& City Engineer



Laura Cruz-Acosta
Strategic
Communications

FINANCIAL SECTION



Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas (City), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Public Service Board - El Paso Water Utilities, a discretely presented component unit of the City, whose financial statements reflect 99.8%, 99.6%, and 99.8%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the City of El Paso Employees Retirement Trust and El Paso Firemen and Policemen's Pension Fund, which are pension trust funds of the City, and the Camino Real Regional Mobility Authority and the El Paso Metropolitan Planning Organization, which are custodial funds of the City, whose financial statements reflect 92.0%, 94.1%, and 66.8%, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions on the aggregate discretely presented component units and the aggregate remaining fund information, insofar as they relate to the amounts included for Public Service Board - El Paso Water Utilities, City of El Paso Employees Retirement Trust, El Paso Firemen and Policemen's Pension Fund, Camino Real Regional Mobility Authority, and El Paso Metropolitan Planning Organization, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
February 21, 2025

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

The Management Discussion and Analysis (MD&A) presents an overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2024. This document is designed to:

- Provide a comparison of current year to prior year and identify specific economic factors contributing to changes;
- Help users of the financial statements understand the relationship between the results reported in the government-wide financial statements for governmental activities and the results reported in the governmental fund 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, as well as discussing the impact of these variances on future liquidity.

The MD&A should be considered in conjunction with the Letter of Transmittal as well as the City's financial statements. The information contained in the Introductory, Financial, and Statistical sections of the Annual Comprehensive Financial Report (ACFR) complement each other.

FINANCIAL HIGHLIGHTS

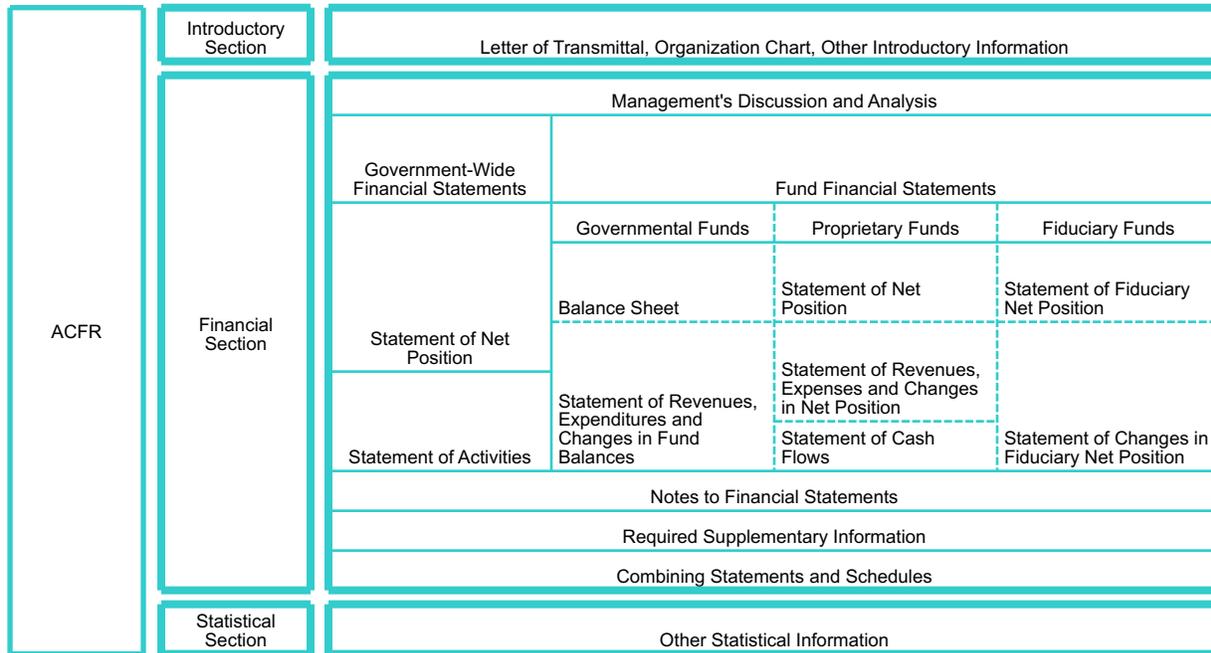
- On a government-wide basis, the Primary Government's total assets and deferred outflows exceeded its total liabilities and deferred inflows by \$917.7 million (net position). The unrestricted net position was a deficit of \$202.1 million. The City is committed to providing postemployment and pension benefits to its employees. As a result, the City has recognized substantial liabilities in the financial statements for these benefits. As of August 31, 2024, the City had liabilities of \$875.2 million for postemployment and pension benefits, which has contributed to the overall deficit balance in the unrestricted net position.
- The Primary Government's total net position increased by \$198.7 million. Governmental activities increased the net position by \$150.5 million while increases from business-type activities totaled \$48.2 million.
- Total investments, restricted and unrestricted in the Primary Government, decreased by \$30.9 million from fiscal year 2023. This decrease is primarily attributable to the acquisition of capital assets, which utilized a portion of available investment funds along with no issuance of new debt.
- The cost of the Primary Government's governmental activities was \$794.3 million, a decrease of 2.6% over the prior year. This decrease is mainly due to a one time payment of approximately \$41 million to the Camino Real Regional Mobility Authority for the repayment of the Transportation Reinvestment Zone No. 2 (TRZ 2) outstanding debt in the prior year.
- The City's governmental funds reported ending fund balances of \$678.3 million, a decrease of \$23.5 million compared with the prior year. This decline reflects the City's utilization of bond proceeds for their designated purpose.
- Approximately \$32.3 million (4.8%) of the combined governmental fund balances is unassigned and available for other purposes.
- At the end of the fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was \$135.6 million, or approximately 25.8% of total general fund expenditures.

CITY OF EL PASO, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
August 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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



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

	Government-Wide Statement	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services	The day-to-day operating activities of the City for business-type enterprises	Instances in which the City administers resources on behalf of others, such as property tax and pension
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources measurement focus	Accrual accounting and economic resources measurement focus
Type of asset, deferred outflows, liability and deferred inflows information	All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, short-term and long-term	All assets held in a trustee or custodial capacity for others and all liabilities
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The *Statement of Net Position* presents financial information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, public health, culture and recreation, and community and economic development. The business-type activities of the City include El Paso International Airport, Environmental Services, Mass Transit, International Bridges and the Tax Office.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate water utility and a legally separate housing finance corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund Financial Statements

A fund is a set of self-balancing accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

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 the governmental activities in the government-wide financial statements. Because governmental fund financial statements do not encompass the additional long-term focus of the government-wide financial statement, additional information is provided that explains the relationship between them. 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 flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital outlay, bond principal payments, leases, and SBITA's 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. The reconciliation will help readers better understand the long-term impact of the government's near-term financing decisions.

The City maintains fourteen individual governmental fund groups. 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, Capital Projects Fund, and the COVID-19 Relief Grants Fund, which are considered to be major funds. Data from the other nine governmental fund groups are combined into a single aggregated presentation as Nonmajor Governmental Funds. Individual fund data for each of these Nonmajor Governmental Funds is provided in the combining financial statements and schedules that follow the basic financial statements in this report.

The basic governmental fund financial statements can be found on pages 4-7.

Proprietary Funds

Proprietary funds account for services for which the City charges customers, either outside customers or internal departments 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:

- o 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, environmental services, international bridges, and tax office operations. The Tax Office fiduciary fund is combined with the Tax Office enterprise fund since the property taxes collected on behalf of the other 44 taxing entities is not held beyond 90 days.
- o Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its employee health benefits and welfare programs, risk management, fleet services, printing and mail services. As these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide separate information for the enterprise funds (i.e., El Paso International Airport, Environmental Services, Mass Transit, International Bridges, and the Tax

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

Office) since they are considered major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the Combining Statements and Schedules section of this report.

The proprietary fund financial statements can be found on pages 8-11 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by the police, fire and civilian pension trust funds. The custodial funds report resources, not in a trust, that are held by the City for other parties outside of City's reporting entity. The two custodial funds are the Camino Real Regional Mobility Authority (CRRMA) and the Metropolitan Planning Organization (MPO).

The fiduciary fund financial statements can be found on pages 12-13 of this report.

Notes to the Financial Statements

The notes are an integral part of the financial statements and provide additional information that is essential to a full understanding and fair presentation of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-112 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information of the City's governmental funds budgetary comparison schedules and the progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 113-126.

The combining statements referred to earlier in connection with the debt service fund and all nonmajor governmental funds, internal service funds, pension trust funds, and custodial funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 127-142 of this report.

Statistics

The statistical section provides data on financial trends, revenue, debt capacity, demographic and economic data, and operating information. The statistical section can be found on pages 143-168 of this report.

CITY OF EL PASO, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
August 31, 2024

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

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

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 978,525,652	\$ 1,035,710,937	\$ 622,178,441	\$ 587,530,576	\$ 1,600,704,093	\$ 1,623,241,513
Capital Assets	1,648,629,083	1,577,151,236	597,686,221	580,912,489	2,246,315,304	2,158,063,725
Total Assets	2,627,154,735	2,612,862,173	1,219,864,662	1,168,443,065	3,847,019,397	3,781,305,238
Total Deferred Outflows of Resources	298,118,878	284,148,958	45,545,872	24,901,230	343,664,750	309,050,188
Liabilities						
Other Liabilities	276,303,987	322,243,486	49,838,731	47,627,205	326,142,718	369,870,691
Long-term Liabilities	2,387,366,824	2,453,228,250	326,385,224	308,066,489	2,713,752,048	2,761,294,739
Total Liabilities	2,663,670,811	2,775,471,736	376,223,955	355,693,694	3,039,894,766	3,131,165,430
Total Deferred Inflows of Resources	58,652,440	69,112,734	174,483,981	171,187,912	233,136,421	240,300,646
Net Position (Deficit)						
Net Investment in Capital Assets	433,047,977	372,695,839	472,841,905	456,304,604	905,889,882	829,000,443
Restricted	179,047,228	155,015,187	34,772,784	30,078,572	213,820,012	185,093,759
Unrestricted (Deficit)	(409,144,843)	(475,284,365)	207,087,909	180,079,513	(202,056,934)	(295,204,852)
Total Net Position (Deficit)	\$ 202,950,362	\$ 52,426,661	\$ 714,702,598	\$ 666,462,689	\$ 917,652,960	\$ 718,889,350

Analysis of the City’s Assets and Liabilities

Total assets increased by \$65.7 million from the prior year mainly due to an increase in capital assets of \$88.3 million net of accumulated depreciation. Capital assets increased by \$88.3 million, driven primarily by ongoing construction activities, which were partially offset by \$18.3 million in completed building and land improvement projects. In addition, there was a significant \$50 million surge in spending on vehicles and equipment, primarily by the Environmental Services Department, Mass Transit, and the Fire Department. Real property acquisitions totaling \$18.1 million further contributed to the increase in capital assets

Total liabilities decreased by \$91.3 million from the previous year mainly due to a reduction in bond liabilities. This decrease resulted from regular debt service payments, a partial cash defeasance, and an advanced refunding.

Analysis of the City’s Net Position

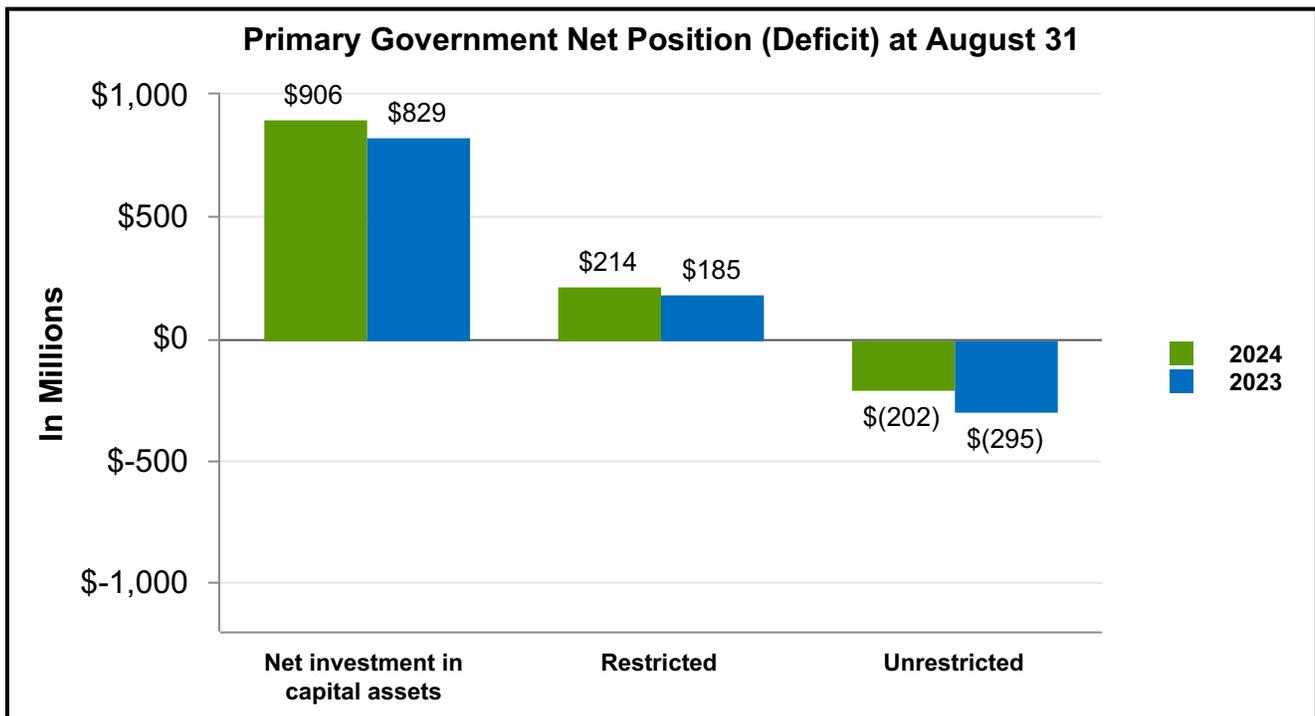
The net position may serve over time as a useful indicator of a government’s financial position. For fiscal year 2024, the City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$917.7 million. The largest portion of the City’s net position, \$905.9 million, reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment, improvements, right-to-use assets, construction in progress and infrastructure), less any outstanding debt net of unspent bond proceeds along with any related liabilities used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF EL PASO, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
August 31, 2024

A portion of the City’s net position, \$213.8 million, represents resources that are subject to external restrictions on how they may be used. This restricted net position is held for debt service, amounts restricted by other funding agencies, as well as cash reserves required by the City Charter and bond covenants.

As of the end of the current year, the City's unrestricted net position had a \$202.1 million deficit balance. This deficit was caused primarily by long-term commitments that exceed its related assets, associated largely to pension and OPEB obligations.

Unrestricted net position in business-type activities increased a total of \$27.0 million from the prior year, increasing the surplus to \$207.1 million. This increase is mainly due to operational savings and investment earnings positive performance.



The overall net position increased \$198.7 million from the prior fiscal year. The reasons for this increase are discussed in the following sections for governmental activities and business-type activities.

Analysis of the City’s Operations

The following table provides a summary of the City’s activities for the years ended August 31, 2024 and 2023. For the current fiscal year, the City's net position increased by \$150.5 million in governmental activities and \$48.2 million in business-type activities.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

Condensed Schedule of Changes in Net Position

For the Year Ended August 31,

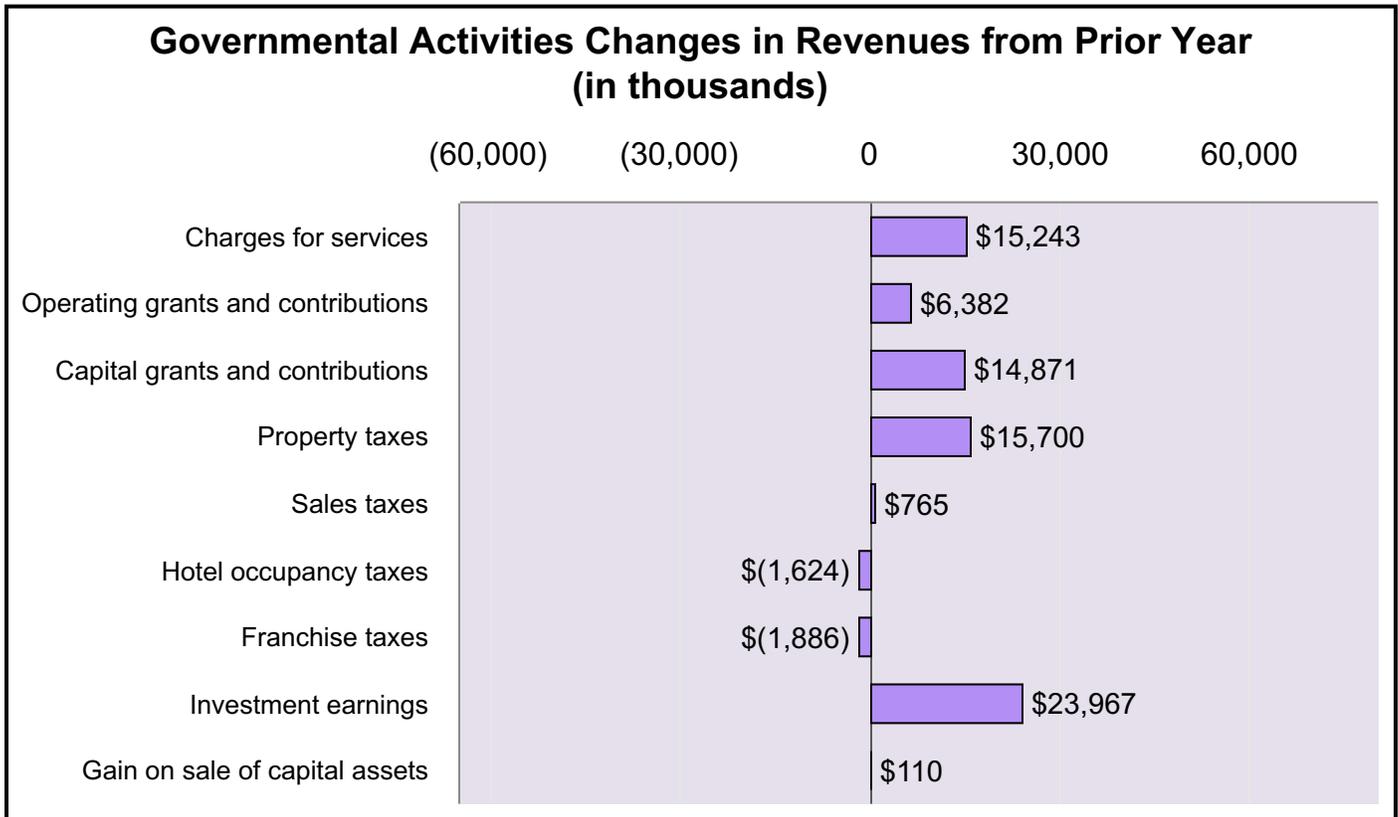
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$117,973,904	\$ 102,730,711	\$ 165,205,362	\$ 163,302,293	\$ 283,179,266	\$ 266,033,004
Operating Grants and Contributions	85,039,059	78,656,652	24,475,411	19,325,910	109,514,470	97,982,562
Capital Grants and Contributions	23,751,321	8,880,055	27,450,216	43,964,931	51,201,537	52,844,986
General Revenues:						
Property Taxes	397,607,298	381,907,345	—	—	397,607,298	381,907,345
Sales Taxes	138,112,624	137,347,739	65,830,787	64,826,796	203,943,411	202,174,535
Hotel Occupancy Taxes	19,960,641	21,584,145	—	—	19,960,641	21,584,145
Franchise Taxes	77,938,632	79,824,644	—	—	77,938,632	79,824,644
Investment Earnings	49,511,906	25,544,820	22,145,672	11,021,494	71,657,578	36,566,314
Gain on Sale of Capital Assets	10,533,401	10,423,367	—	51,961	10,533,401	10,475,328
Total Revenues	920,428,786	846,899,478	305,107,448	302,493,385	1,225,536,234	1,149,392,863
Expenses						
Governmental Activities:						
General Government	79,308,418	125,475,631	—	—	79,308,418	125,475,631
Public Safety	369,785,368	363,710,314	—	—	369,785,368	363,710,314
Public Works	91,063,387	89,633,781	—	—	91,063,387	89,633,781
Public Health	39,979,939	36,964,643	—	—	39,979,939	36,964,643
Culture and Recreation	107,927,970	92,424,983	—	—	107,927,970	92,424,983
Community and Economic Development	53,235,197	51,334,131	—	—	53,235,197	51,334,131
Interest on Long-term Debt	53,048,301	55,599,155	—	—	53,048,301	55,599,155
Business-Type Activities:						
El Paso International Airport	—	—	64,147,108	57,952,745	64,147,108	57,952,745
Environmental Services	—	—	61,563,923	48,285,009	61,563,923	48,285,009
Mass Transit	—	—	94,317,709	84,018,899	94,317,709	84,018,899
International Bridges	—	—	9,685,217	8,232,542	9,685,217	8,232,542
Tax Office	—	—	2,710,087	2,367,113	2,710,087	2,367,113
Total Expenses	794,348,580	815,142,638	232,424,044	200,856,308	1,026,772,624	1,015,998,946
Excess Before Transfers	126,080,206	31,756,840	72,683,404	101,637,077	198,763,610	133,393,917
Transfers	24,443,495	36,165,108	(24,443,495)	(36,165,108)	—	—
Increase in Net Position	150,523,701	67,921,948	48,239,909	65,471,969	198,763,610	133,393,917
Net Position (Deficit) - Beginning	52,426,661	(15,495,287)	666,462,689	600,990,720	718,889,350	585,495,433
Net Position (Deficit) - Ending	\$202,950,362	\$ 52,426,661	\$ 714,702,598	\$ 666,462,689	\$ 917,652,960	\$ 718,889,350

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

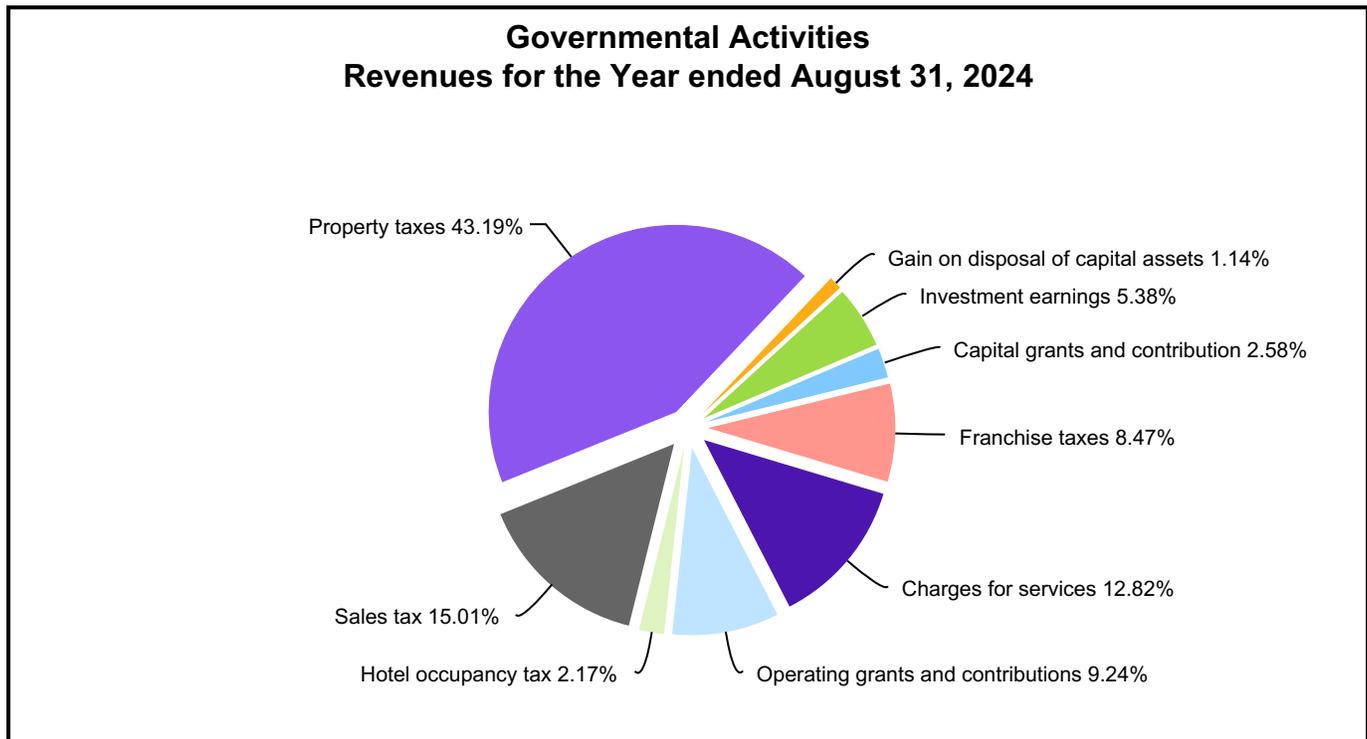
Governmental activities cover a range of typical City services and are directly supported by charges for these services, grants and contributions. In general, revenues generated by charges for services are inadequate to support the cost of the services with public safety creating the greatest burden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

The following chart shows the change in governmental activities’ revenues from the previous year.



**CITY OF EL PASO, TEXAS
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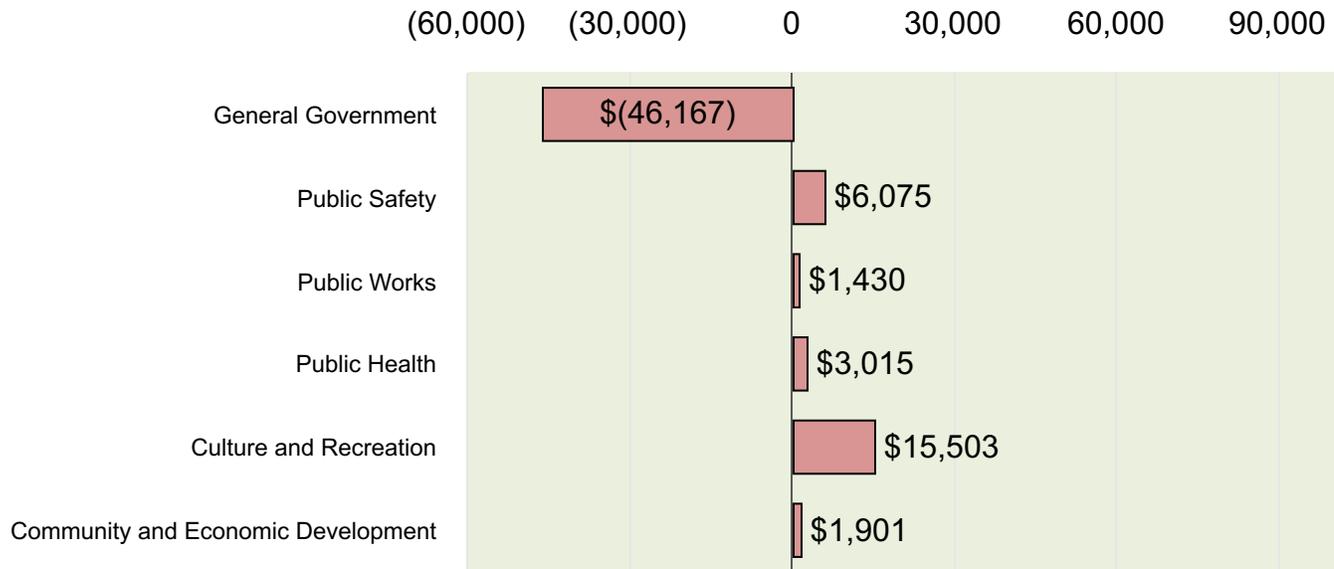
Revenues for governmental activities totaled \$920.4 million, an increase of \$73.5 million or 8.7% from 2023.



The total ad valorem taxable valuation increased 8.5% while the overall tax rate decreased by 5.0% from 2023, resulting in an ad valorem property tax revenue increase of \$15.7 million or 4.1% from prior year. This is due to increased property values combined with additional properties added to the tax roll. Sales Tax saw a minor increase of \$764.9 thousand. After a period of unprecedented growth, sales tax has flattened with a projected increase of 2.5%. Franchise fees decreased by \$1.9 million or 2.4%. Hotel Occupancy Tax decreased by \$1.6 million mainly due to a stabilization of hotel occupancy tax rebates received from the State related to the convention center hotel program while hotel occupancy rates remained stable. Operating/capital grants and contributions increased \$21.3 million or 24.3% from fiscal year 2023 mainly due to more COVID-19 relief funding recognized from unearned revenue to match allowable expenses in fiscal year 2024 along with an increase in Federal Grant Funding related to Community Development projects. Investment earnings increased by \$24.0 million from the prior fiscal year as a result of both realized earnings and unrealized gains. Increased realized earnings were achieved as a result of a continuing favorable interest rate environment. The unrealized gains occurred due to declines in market interest rates relative to the rate existing when the securities were purchased.

The following chart shows changes in governmental activities’ expenses from fiscal year 2023 to fiscal year 2024.

**Governmental Activities Change in Expenditures from Prior Year
(in thousands)**



The cost of governmental programs and services was \$794.3 million, a decrease of \$20.8 million (2.6%) from 2023. Part of this decrease relates to a one time repayment of the TRZ 2 outstanding debt in the amount of \$41.0 million that occurred in the prior year. Offset by increasing payroll costs in Public Safety mainly due to a new collective bargaining agreement that went into effect on September 1, 2023. Culture and Recreation increased by \$15.5 million due to the opening of new facilities and amenities.

Revenues and Expenses – Business-Type Activities

- Operating revenues for the business-type activities for fiscal year ended August 31, 2024 were \$1.9 million higher in comparison to fiscal year 2023. This increase is mainly due to additional Airport ground rentals. ESD also experienced an increase in garbage collection and landfill fees.
- Operating expenses, excluding depreciation/amortization, increased by \$30.8 million or 20.5%. The increase in operating expenses is primarily due to the increase in personnel services of \$18.3 million, increase in outside contracts \$5.8 million, and increase in landfill utilization costs of \$6.1 million.
- Nonoperating revenues and expenses had an overall increase of \$17.4 million due to an increase in sales tax revenue of \$1.0 million, an increase to interest revenue of \$11.1 million, an increase to Mass Transit's operating subsidy grant funding of \$5.9 million.
- Capital grants and contribution decreased by \$16.5 million compared to the previous year, largely due to a reduction in COVID-19 related grant funding.

FINANCIAL ANALYSIS OF THE FUND LEVEL STATEMENTS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

On August 31, 2024, the City's governmental funds reported combined fund balances of \$678.3 million, a decrease of \$23.5 million in comparison with fiscal year 2023. Of this amount, \$32.3 million or 4.8%, constitutes unassigned fund balance. The remainder of the fund balance is either non-spendable, restricted, or committed to indicate that it is (1) not in spendable form, \$7.8 million; (2) restricted for particular purposes, \$403.9 million; (3) committed or assigned for particular purposes, \$234.3 million.

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$40.6 million, while the total fund balance increased to \$168.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 7.7% of total general fund expenditures, while total fund balance represents 32.0% of that same amount.

The primary variances between both years are due to increases in property tax revenues of \$15.5 million resulting from higher property values combined with additional properties added to the tax roll. Sales tax revenue increased by \$1.5 million, Charges for Services increased by \$2.9 million mainly due to ambulance service revenue collections, Interest Revenue increased by \$3.3 million, and Rents and Other increased by \$2.9 million mainly due to an increase in expenditure reimbursements. Expenditures in the General Fund increased by \$39.7 million mainly due to an increase in Personnel Services of \$39.1 million.

Community Development Block Grants Fund

The Community Development Block Grants fund is a Special Revenue fund designated by management as a major fund for reporting purposes. These activities are funded by the U.S. Department of Housing and Urban Development (HUD). Program revenues of the revolving loan funds (RLF) were initially funded by HUD. Recognition of these revenues is dependent upon the City expending these funds in accordance with the entitlement grants and is earned as expended. Expenditures increased by \$10.3 million from fiscal year 2023 primarily due to an increase in advanced funding for subrecipient agreements related to community service construction projects. The City utilized \$18.1 million in program revenues in fiscal year 2024.

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Debt Service Fund

The Debt Service fund had a decrease in fund balance of \$3.4 million to bring the year end fund balance to \$12.1 million. This decrease is mainly due to a partial cash defeasance executed during the fiscal year paired with an increase in investment earnings and property tax collections. More information on this cash defeasance can be found in Note 8 of this report.

The City's debt management policy establishes a minimum and a maximum fund balance for a fiscal year. The minimum fund balance should remain in excess of the debt service portion of the largest taxpayer's tax levy for the ensuing fiscal year. The maximum fund balance should be three months of the annual debt service budget. At the end of the fiscal year, the largest taxpayer's levy was \$1.3 million and three months of the fiscal year 2024 budget was \$30.4 million. The ending fund balance was \$12.1 million, which is between the minimum and maximum limits.

Capital Projects Fund

The City's capital projects are adopted creating a project-length budget. The Capital Projects fund had a \$47.2 million decrease in fund balance during the current fiscal year which put the overall fund balance at \$334.7 million. The decrease in fund balance was mainly caused by no new debt issuances during the year along with a continuous spending related to the Public Safety bond projects and an increase in spending in the Community Progress bond projects.

The Capital Projects fund expenditures totaled \$120.1 million for the current fiscal year. These expenditures contributed to the completion of several capital projects placed in service during the current year.

COVID-19 Relief Grants Fund

In fiscal year 2022, the City Council approved a plan for distributing \$154.3 million of the Coronavirus State & Local Recovery Funds (CSLFRF) as follows: Public Health and Safety Response & Recovery \$128.3 million, Community Response and Recovery Programs \$12.0 million, and Economic Response and Recovery Programs \$14.0 million. As of August 31, 2024, the City has utilized \$100.6 million of the CSLFRF.

Nonmajor Governmental Funds

The Nonmajor Governmental funds had a \$11.2 million increase in fund balance during the current fiscal year which brings the overall fund balance to \$147.5 million.

Federal Grants

Funding for these activities is program specific and is provided by the U.S. Congress. Expenditures totaled approximately \$19.5 million primarily from programs relating to public safety.

The City has continued to experience migrant activity during the fiscal year. The federal government has been assisting border and sanctuary cities with FEMA funding to provide humanitarian services to individuals and families arriving at the southern border. The situation is dynamic, with people from all over the world crossing the U.S. - Mexico border. The City is

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assisting migrants with food, shelter, and travel arrangements to destination cities of their choice so they can unite with their sponsors, friends, and/or family.

In the previous fiscal year, the City received over \$35.1 million in advanced funding from the Emergency Food and Shelter Program to aid migrants arriving from the southern border. As of the end of the current fiscal year, the City recognized \$21.3 million of this advanced funding as intergovernmental revenues.

State Grants

Expenditures for these activities are program specific and are provided by state agencies or departments. Expenditures totaled \$11.5 million primarily from programs related to public safety.

Public Health Grants

Expenditures for preventative healthcare and nutrition programs were \$12.4 million. Grant funding from the state provided \$666.9 thousand while federal grant proceeds were \$9.8 million.

Public Health Waiver Program

The Medicaid Waiver Program funding ended in fiscal year 2022. However, the City still has available funding accumulated from prior years to continue community programs. Medicaid waiver expenditures totaled \$2.9 million in fiscal year 2024.

Destination El Paso

Destination El Paso is managed by ASM Global under a facility management and tourism agreement with the City. Revenues in this fund are available to conduct culture and recreation activities as outlined in the agreement. In fiscal year 2024, revenues and transfers totaled \$21.6 million which were used to support program expenditures in the amount of \$20.3 million.

Economic Development

Economic Development works with our local and state partner organizations to recruit, retain, and expand businesses. They ensure local businesses have the tools and resources they need to succeed and grow. Economic Development had revenues and transfers in totaling \$24.9 million and program expenditures and other financing uses of \$13.4 million for fiscal year 2024.

During the year, the City disbursed an \$8.0 million note receivable at 0% interest, funded by the Texas Economic Development Fund, pursuant to a Chapter 380 agreement entered into on July 2, 2024. The note may be forgiven if the developer meets specific performance milestones.

Tax Increment Fund

Tax increment financing (TIF) is a financing method local governments can use to pay for improvements that will draw private investment to an area. Tax increment financing isn’t a new tax; instead, it redirects some of the ad valorem tax from property in a geographic area designated as a Tax Increment Reinvestment Zone (TIRZ) or Transportation Reinvestment Zone (TRZ) to pay for

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improvements in the zone. In fiscal year 2024, revenues totaled \$7.8 million and program expenditures and other financing uses of \$5.0 million.

Nongrants

Funding for these activities come from a variety of sources including property taxes, hotel occupancy taxes, fines and forfeitures and charges for services. Generally, funding for these activities occurs over several fiscal years and expenditures are made as accumulated funding allows. Revenues and other financing sources totaled \$70.5 million and expenditures and other financing uses were \$68.2 million, resulting in a \$2.3 million increase in fund balance from fiscal year 2023. The ending restricted and committed fund balance as of August 31, 2024 was \$72.0 million as stated below:

Fund Balances:	Total
Capital Projects	\$ 1,582,348
Community Development	4,453,487
Economic Development	6,379,075
Environmental Fee	4,186,291
Library	1,556,226
Museums	675,675
Mayor and Council	1,401,883
Municipal Court	4,164,682
Fire	93,853
Parks	4,608,091
PEG	9,160,853
Civic Center	7,007,722
Police	6,380,544
Public Works	15,665,422
Zoo	4,659,990
Total	<u>\$ 71,976,142</u>

Proprietary Funds

The City’s proprietary fund statements provide the same type of information for enterprise funds found in the business-type activities portion of the government-wide financial statements, but in more detail.

These funds had net position increases (decreases) as follows:

Enterprise Funds	2024	2023
El Paso International Airport	\$ 24,335,287	\$ 27,150,206
Environmental Services	4,042,265	6,818,613
Mass Transit	15,058,390	29,809,479
International Bridges	5,197,431	1,828,476
Tax Office	(393,464)	(134,805)
Net Position Increase	<u>\$ 48,239,909</u>	<u>\$ 65,471,969</u>

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An analysis of each fund activity for the current year is presented below:

El Paso International Airport

This fund accounts for the operations of the El Paso International Airport, industrial parks, and two golf courses located on Airport property.

Operating revenues had a minor increase of \$0.1 million to \$52.5 million from the prior year

Operating expenses had an increase of \$6.4 million from fiscal year 2023. Payroll costs increased by \$2.7 million, outside contracts increased by \$1.8 million, and operating supplies increased by 0.7 million.

Environmental Services

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

Operating revenues had an increase of \$1.0 million from fiscal year 2023. This increase is attributable to higher receipts from garbage collections and landfill fees. Operations for this fund remained fairly steady in the current year.

Operating expenses increased by \$13.3 million mainly due to an increase in personnel services of \$6.9 million related to net pension liability along with an increase to compensation expense. Landfill Utilization costs increased by \$6.1 million due to the closure of 10 landfill cells during the fiscal year. The fund also experienced an increased in outside contracts of \$1.5 million mainly due to a division named "Clean El Paso" being moved from the Streets Department to Environmental Services.

Mass Transit

This fund accounts for operations of transit services of the City.

Operating revenues had a minor increase of \$981.2 thousand from fiscal year 2023.

Operating expenses had an increase of \$10.2 million from fiscal year 2023. Personnel Services increased by \$7.6 million related to net pension liability along with compensation increases and Outside Contracts increased by \$2.2 million.

Mass Transit's overall nonoperating revenues increased by \$11.6 million. This net increase is caused by an increase in investment earnings of \$4.8 million, an increase in sales tax of \$1.0 million, and an increase in operating subsidy grants of \$5.9 million.

Capital contributions decreased by \$17.2 million in comparison to prior year. This decrease largely due to a reduction in COVID-19 related grant funding.

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International Bridges

This fund accounts for operational activity related to the City's International Bridges.

Operating revenues had a minor decrease \$297.2 thousand from fiscal year 2023 mainly caused by a decrease in charges for tolls. Vehicular and commercial traffic decreased by (3.0)% while pedestrian crossings increased 14.4% from the prior year.

Operating expenses had an increase of \$1.5 million of which \$0.8 million increased in personnel services, \$0.3 million in outside contracts, and \$0.2 million in maintenance and repairs from fiscal year 2023.

Transfers out decreased by \$4.5 million due to a decrease in available cash to transfer to the General Fund in accordance with the fiscal year 2024 Budget Resolution item No. 38.

Tax Office

This fund accounts for operational activity related to the Tax Office. The Tax Office collects property tax on behalf of 44 taxing entities, including the City of El Paso.

Operating revenues and expenses remained stable from the previous year with a slight increase of \$89.5 thousand in general revenues and a slight increase of \$346.0 thousand in operating expenses.

Internal Service Funds

These funds are allocated for operational activities that support services provided to various City departments. These activities encompass facilities maintenance, fleet services, risk management, employee health insurance, workers' compensation, and unemployment compensation.

The increase in operating revenues of \$3.8 million from the prior fiscal year can be attributed to an increase in employer health and workers compensation contributions to the City's self insurance fund.

Concurrently, operating expenses saw a \$3.7 million decrease in prescription benefit payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

Under the City Charter, the overall tax rate is \$1.85 per \$100 in taxable value. For fiscal year 2024, the General Fund property tax rate related to maintenance and operations decreased by \$0.022860, causing the tax rate to decrease to \$0.562409 per \$100 in taxable value. The taxable assessed valuation of real and personal property increased approximately 8.5% from 2023.

Original budget compared to final budget. As per the budget resolution for fiscal year 2024, the City's budget for the General Fund was approved by City Council at \$573.3 million. However, the City Council approved to authorize the City Manager or his/her designee to execute the necessary budget transfers for a special election proposed to be held on December 9, 2023 and January 20, 2024. This resulted in the final budget to end up in \$573.8 million

Final budget compared to actual results. The City adopted a conservative budgeting approach for the current fiscal year, carefully balancing the impact of the no-new-revenue tax rate with inflationary cost pressures to align revenues with expenses while prioritizing community needs. Variances in revenues are presented in the following table:

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Revenue Source	Estimated Revenues	Actual Revenues	Difference
Sales Taxes	\$ 137,439,887	\$ 137,424,692	\$ (15,195)
Franchise Fees	67,031,423	58,936,543	(8,094,880)
Licenses and Permits	12,712,880	12,906,974	194,094
Charges for Services	29,242,052	34,941,421	5,699,369
Investment Earnings	500,000	9,079,397	8,579,397

The City is experiencing a more stable growth in sales tax collections, with actual receipts closely aligning with the City's estimates.

The negative variance in franchise fees, when comparing actual figures to the budget, is due to economic factors such as account rate increases, inflationary pressures, rising fuel costs, supply chain disruptions, and infrastructure investments. These factors impacted the franchisee's revenues, ultimately affecting the amount remitted to the City in franchise fees.

Licenses and permits exceeded estimated revenues due to an increase in the amount of electrical permits and hazmat fees issued in the year.

Charges for services exceeded budget mainly due ambulance transportation services being higher than projected.

Lastly, the City has always adopted a conservative approach to budgeting for investment earnings. This current year in particular, investment earnings surpassed expectations due to a favorable interest rate environment.

A review of actual expenditures compared to the appropriations in the final budget shows an overall variance of 99.6% with expenditures being under appropriations in the amount \$2.5 million.

Additional information on excess of expenditures over appropriations can be found in Note 15 of this report.

CAPITAL ASSETS

The City’s investment in capital assets for its governmental and business-type activities as of August 31, 2024 amounts to \$2.2 billion (net of accumulated depreciation/amortization). This investment in capital assets includes land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, right-to-use assets and all other tangible assets that are used in operations and that have initial useful lives greater than one year and exceed the City’s capitalization threshold of \$5,000 or more. The total increase in capital assets for the current fiscal year was 4.1% in comparison to the prior fiscal year.

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The schedule below presents governmental and business-type assets net of depreciation/amortization, as reported in the government-wide financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 227,556,597	\$ 224,958,418	\$ 44,223,215	\$ 35,286,298	\$ 271,779,812	\$ 260,244,716
Artwork	—	—	979,637	979,637	979,637	979,637
Construction in Progress	512,078,162	431,359,928	72,017,355	47,229,530	584,095,517	478,589,458
Intangibles	2,177,445	2,749,396	—	—	2,177,445	2,749,396
Buildings	320,125,738	317,517,427	161,989,856	170,326,647	482,115,594	487,844,074
Improvements other than Buildings	134,239,215	141,903,520	215,836,211	232,696,549	350,075,426	374,600,069
Right-to-use Asset	15,356,484	15,446,384	4,016,789	4,399,721	19,373,273	19,846,105
Vehicles and Major Equipment	54,286,719	42,631,672	98,623,158	89,994,107	152,909,877	132,625,779
Data Processing Equipment and Software	12,090,417	12,305,426	—	—	12,090,417	12,305,426
Infrastructure	370,718,306	388,279,065	—	—	370,718,306	388,279,065
Total	\$ 1,648,629,083	\$ 1,577,151,236	\$ 597,686,221	\$ 580,912,489	\$ 2,246,315,304	\$ 2,158,063,725

This year's net capital asset acquisitions included:

	Governmental Activities	Business-Type Activities	Total
Land	\$ 2,804,767	\$ 8,936,917	\$ 11,741,684
Buildings	20,142,738	2,529,544	22,672,282
Infrastructure/Improvements	161,521	1,577,785	1,739,306
Right-to-use Assets	3,232,839	131,309	3,364,148
Vehicles and Equipment	25,901,273	25,634,976	51,536,249
Total	\$ 52,243,138	\$ 38,810,531	\$ 91,053,669

Major capital projects completed during the current fiscal year include the following:

- Dorris Van Doren Library Improvements
- Wayne Thornton Community Center Renovation
- Zoo Penguin Oasis
- North Skies Park Improvements
- Fire Station 10 Renovation
- Fire Station 26 Renovation
- Landfill Maintenance Building Renovation
- Landfill Truck Scales Replacement
- Montana Rapid Transit System
- Transit Operations Center Renovation
- International Bridges HVAC

Additional information on the City of El Paso's capital assets can be found in Note 5 of this report.

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DEBT ADMINISTRATION

At the end of the fiscal year, the City had total debt payable of \$2.7 billion. Of this amount, \$1.4 billion is debt backed by the full faith and credit of the government. Revenue bonds of \$27.4 million and enterprise share of General Obligation and Certificates of Obligation bonds in the amount of \$78.0 million are secured solely by fees for services. Special Revenue bonds of \$59.4 million are secured by fees, hotel occupancy tax, and a portion of sales tax revenue at the Downtown Ballpark Venue.

City of El Paso's Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 927,950,000	\$ 961,005,000	\$ 39,135,000	\$ 31,585,000	\$ 967,085,000	\$ 992,590,000
Certificates of Obligation	438,775,000	478,710,000	38,840,000	52,355,000	477,615,000	531,065,000
Revenue Bonds	—	—	27,370,000	32,330,000	27,370,000	32,330,000
Special Revenue Bonds	59,375,000	61,045,000	—	—	59,375,000	61,045,000
Unamortized Premium (Discount), Net	120,165,112	131,551,874	5,126,857	5,707,502	125,291,969	137,259,376
Arbitrage Rebate Liability	2,935,764	—	—	—	2,935,764	—
Notes Payable - Direct Borrowing	—	530,000	—	—	—	530,000
Lease Obligations	13,094,178	11,666,732	3,693,233	3,884,107	16,787,411	15,550,839
SBITA	2,359,751	3,542,461	500,964	649,674	2,860,715	4,192,135
Chapter 380 Agreement Obligations	39,263,191	42,308,782	—	—	39,263,191	42,308,782
Due to Component Unit - Land	24,645,175	25,595,142	—	—	24,645,175	25,595,142
Compensated Absences	77,135,648	76,885,558	6,707,349	6,956,954	83,842,997	83,842,512
Landfill Closure and Post-Closure	—	—	18,799,297	17,529,698	18,799,297	17,529,698
Claims and Judgments	26,952,967	26,427,714	754,574	2,854,527	27,707,541	29,282,241
Net Pension Liability	659,421,034	652,624,638	77,116,269	57,689,659	736,537,303	710,314,297
Total OPEB Liability	105,586,888	86,723,178	33,118,889	27,204,315	138,705,777	113,927,493
Total	\$ 2,497,659,708	\$ 2,558,616,079	\$ 251,162,432	\$ 238,746,436	\$ 2,748,822,140	\$ 2,797,362,515

The City's total long-term liabilities decreased by \$48.5 million (1.7%) during the current fiscal year. The overall net decrease was a combination of the following:

- Market performance of investments affecting fiduciary net position and changes in actuarial valuation assumptions caused an increase of \$26.2 million to the City's Net Pension Liability. Actuarial assumptions related to OPEB also caused a \$24.8 million increase to the City's Other Post Employment Benefits Liability.
- Increases were offset by the debt services payments made for all debt instruments held by the City along with partial cash defeasance payments made during the year.

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

	Standard & Poor's	Fitch Ratings	Kroll Bond Rating Agency, LLC
General Obligation Bonds	AA	AA	AA+
Certificates of Obligation	AA	AA	AA+
Special Revenue Bonds	AA-	AA-	
Revenue Bonds, Series 2018 - El Paso International Airport	A+	A	
Revenue Refunding Bonds, Series 2020 - El Paso International Airport	A+	A	

Authorizations remain partially unissued from the 2012, 2019 and 2022 bond elections. To the extent premiums and issue costs were allocated against voted authorizations, the amounts referenced below include the net proceeds (cash received).

Authorized but Unissued Debt

August 31, 2024

	Voted Bonds	Issued Prior Years	Issued FY 2024	Unissued Balance
Election November 6, 2012				
Park, Recreation, Open Space and Zoo Improvements (Prop 1)	\$ 245,000,000	\$ 245,000,000	\$ —	\$ —
Museum, Cultural, Multi-Purpose Performing Arts and Entertainment, and Library Facilities Improvements (Prop 2)	228,250,000	99,794,364	—	128,455,636
Total	473,250,000	344,794,364	—	128,455,636
Election November 5, 2019				
Public Safety	413,122,650	167,297,000	—	245,825,650
Election November 8, 2022				
Streets (Prop A)	246,480,000	37,200,000	—	209,280,000
Parks and Recreation Facilities (Prop B)	20,800,000	6,800,000	—	14,000,000
Climate Action Plan (Prop C)	5,200,000	2,100,000	—	3,100,000
Total	272,480,000	46,100,000	—	226,380,000
Total Authorized/Unissued Debt	<u>\$ 1,158,852,650</u>	<u>\$ 558,191,364</u>	<u>\$ —</u>	<u>\$ 600,661,286</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The focus of the budget for fiscal year 2025 will be property tax relief, public safety, animal services and improving customer service. The following economic factors currently affect the City of El Paso and were considered in developing the 2024-2025 fiscal year budget:

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

August 31, 2024

- The property tax rate will decrease 7.0% in next year's budget from \$0.818875 to \$0.761405 per \$100 of taxable value. Overall the budget maintains all existing exemptions such as the over-65 and disabled person exemptions and includes a \$38.7 million in property tax relief to the residents of El Paso in 2025.
- The budget will raise more total property taxes than last year's budget by \$10.8 million or 3.4%. Included in the increase is \$3.8 million in tax revenue from new property added to the tax roll next year.
- Public safety is an even higher priority with an additional investment of \$14.8 million for new police collective bargaining benefits, three police academies, one fire academy, continued commitment in the Crisis Intervention Team, Public Safety capital replacement, and staffing for support of the Body Worn Camera Program. The budget plans for a total of 53 new police officers while facing unprecedented levels of attrition. Additionally, a total of 19 new firefighters are added for the new Fire Station 38 planned to open in 2025 to assist with the busy Upper East side of El Paso.
- Next fiscal year's budget will incorporate an \$1.8 million investment in animal care to increase capacity for humane livable space and increasing the number of spay/neuter surgeries with the opening of the Westside Adoption Center. This new addition expands our services to four locations across the city adding more employment opportunities and increasing capacity to accommodate more animals.
- Sales tax revenues, after a period of unprecedented growth, have flattened with a projected 2.5% increase for the next fiscal year. It is important to remember that sales tax revenues may be volatile, and cities have to remain diligent in monitoring revenue. We remain cautious as we enter this new fiscal year, due to leading indicators of a nationwide slowdown in the economy.
- The budget will include the operating and maintenance for the opening of the new Mexican American Cultural Center and La Nube STEAM Discovery Center. Additionally, we have the re-opening of the Public Library Main Downtown Branch. It also includes the expansion to Winterfest, our annual holiday celebration and market, to this area as part of Cleveland Square.
- Infrastructure investment includes \$10 million in street project funding, \$750 thousand in ADA on-demand requests, \$350 thousand in Neighborhood Traffic Management Plan projects, \$10 million in street project funding, \$1.5 million for continued intersection safety, \$4.4 million increase in facility renovations, \$1.5 million in city-wide vehicles replacement funding, \$400 thousand for sports court maintenance and park amenities, \$355 thousand for maintenance in parkland dedication parks, \$280 thousand for Phase III of the automated irrigation project, and \$1 million for park amenity replacements.
- Included in next fiscal year's budget we have workforce investments in compensation, healthcare, wellness, training and education that includes compensation increases to recruit and retain top performers. The City will continue providing incentives based on performance evaluation rating for employees and service time pay increases percentages (every five years of service) to compensate long-term employees. The City will also ensure that there is no healthcare cost increase for employees during the upcoming year and will continue to provide incentives to stay active through the wellness program.

CITY OF EL PASO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2024

REQUEST FOR INFORMATION

The City of El Paso's Annual Comprehensive 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: www.elpasotexas.gov/office-of-the-comptroller. If you have questions about this report or need additional information, you may contact:

Office of the Comptroller
300 N. Campbell
El Paso, Texas 79901

CITY OF EL PASO, TEXAS

Statement of Net Position August 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	El Paso Water Utilities February 29, 2024	El Paso Housing Finance Corporation December 31, 2023
ASSETS					
Cash and Cash Equivalents	\$ 10,133,652	\$ 10,420,186	\$ 20,553,838	\$ 72,936,293	\$ 570,142
Cash with Fiscal Agent	5,913,582	—	5,913,582	—	—
Investments	221,390,515	244,030,647	465,421,162	13,005,662	2,950,391
Restricted Cash and Cash Equivalents	5,231,314	—	5,231,314	421,170,526	253,275
Restricted Investments	556,210,244	53,572,081	609,782,325	270,383,254	—
Receivables, Net of Allowances	140,249,847	40,635,321	180,885,168	80,673,952	166,270
Restricted Trade and Other Receivables	—	—	—	6,130,366	—
Intergovernmental Receivable	—	89,966,101	89,966,101	—	—
Leased Property Investment Cost	—	—	—	1,865,683	—
Interest Receivable	4,300,951	1,370,002	5,670,953	4,363,404	—
Other Assets	—	—	—	562,704	7,900
Lease Receivable	18,224,508	166,727,263	184,951,771	54,315,445	—
Due from Component Unit	8,070,868	7,344,548	15,415,416	—	—
Inventory	8,348,510	8,039,708	16,388,218	10,256,767	—
Prepays	451,661	72,584	524,245	3,116,057	—
Capital Assets not being Depreciated / Amortized	739,634,759	117,220,207	856,854,966	1,071,503,453	—
Capital Assets, Net of Accumulated Depreciation/Amortization	908,994,324	480,466,014	1,389,460,338	1,676,346,563	3,447,973
Total Assets	2,627,154,735	1,219,864,662	3,847,019,397	3,686,630,129	7,395,951
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	4,827,512	829,347	5,656,859	1,563,797	—
Deferred Chapter 380 Agreement Obligations	39,263,191	—	39,263,191	—	—
Pension Contributions Subsequent to Measurement Date	43,578,572	9,360,951	52,939,523	4,451,606	—
Difference in Expected and Actual Pension Experience	51,810,035	13,225,024	65,035,059	9,633,194	—
Change in Assumptions for Pensions	8,311,197	2,939	8,314,136	2,134	—
Difference in Projected and Actual Earnings on Pension Investments	126,276,865	14,574,132	140,850,997	10,868,908	—
Changes in Proportionate Share for Pension	—	—	—	700,887	—
Change in Assumptions for OPEB	18,000,470	5,656,231	23,656,701	3,140,289	—
Changes in Proportionate Share for OPEB	—	—	—	265,905	—
Difference in Expected and Actual OPEB Experience	6,051,036	1,897,248	7,948,284	—	—
Total Deferred Outflows of Resources	298,118,878	45,545,872	343,664,750	30,626,720	—

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

CITY OF EL PASO, TEXAS

Statement of Net Position (continued)

August 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	El Paso Water Utilities February 29, 2024	El Paso Housing Finance Corporation December 31, 2023
LIABILITIES					
Accounts Payable	59,846,824	20,272,952	80,119,776	67,321,452	1,640
Accrued Payroll	4,211,652	860,105	5,071,757	4,910,732	—
Taxes and Fees Payable	3,682,266	911,890	4,594,156	—	—
Accrued Interest Payable	2,592,704	187,474	2,780,178	33,162,165	—
Due to Primary Government	—	—	—	12,608,858	—
Unearned Revenue	89,848,533	3,832,438	93,680,971	41,019,772	74,545
Other Current Liabilities	1,522,604	7,505,393	9,027,997	3,977,223	21,650
Retainage Payable	4,306,520	1,525,170	5,831,690	12,409,276	—
Long-term Liabilities - Due Within One Year	107,435,282	13,846,980	121,282,262	69,585,992	—
Total OPEB Liability - Due Within One Year	2,857,602	896,329	3,753,931	—	—
Due to Component Unit - Due Within One Year	949,967	—	949,967	—	—
Intergovernmental Payable - Due Beyond One Year	—	89,966,101	89,966,101	—	—
Chapter 380 Agreement Obligations - Due Beyond One Year	39,263,191	—	39,263,191	—	—
Long-term Liabilities - Due Beyond One Year	1,561,308,138	127,080,294	1,688,388,432	1,726,340,071	265,781
Total OPEB Liability - Due Beyond One Year	102,729,286	32,222,560	134,951,846	13,283,979	—
Due to Component Unit - Due Beyond One Year	23,695,208	—	23,695,208	—	—
Net Pension Liability - Due Beyond One Year	659,421,034	77,116,269	736,537,303	55,945,936	—
Total Liabilities	2,663,670,811	376,223,955	3,039,894,766	2,040,565,456	363,616
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding	1,564,693	696,298	2,260,991	4,079,598	—
Difference in Expected and Actual Pension Experience	879,457	—	879,457	—	—
Changes in Proportionate Share for Pension	—	—	—	531,824	—
Difference in Expected and Actual OPEB Experience	4,423,386	1,396,951	5,820,337	7,266,108	—
Change in Assumptions for OPEB	34,513,191	10,821,354	45,334,545	4,031,524	—
Changes in Proportionate Share for OPEB	—	—	—	265,905	—
Leases	17,271,713	161,569,378	178,841,091	54,102,248	—
Total Deferred Inflows of Resources	58,652,440	174,483,981	233,136,421	70,277,207	—
NET POSITION					
Net Investment in Capital Assets	433,047,977	472,841,905	905,889,882	1,370,568,446	3,447,973
Restricted for:					
Debt Service	12,095,550	2,737,000	14,832,550	121,061,351	—
Cash Reserve	25,683,429	11,565,647	37,249,076	—	—
Municipal Court	4,164,682	—	4,164,682	—	—
Public Education in Government (PEG)	9,160,853	—	9,160,853	—	—
Civic Center	13,305,023	—	13,305,023	—	—
Public Health	24,683,991	—	24,683,991	—	—
Library	1,556,226	—	1,556,226	—	—
Museums	132,042	—	132,042	—	—
Parks	242,295	—	242,295	—	—
Zoo	163,400	—	163,400	—	—
Police	10,236,265	—	10,236,265	—	—
Fire	93,853	—	93,853	—	—
Economic Development	6,695,101	—	6,695,101	—	—
Capital Projects	24,074,824	—	24,074,824	—	—
Community Development	46,759,694	—	46,759,694	—	—
Passenger Facilities	—	20,470,137	20,470,137	—	—
Facilities, Infrastructure and Equipment	—	—	—	28,133,090	—
Unrestricted (Deficit)	(409,144,843)	207,087,909	(202,056,934)	86,651,299	3,584,362
Total Net Position	\$ 202,950,362	\$ 714,702,598	\$ 917,652,960	\$ 1,606,414,186	\$ 7,032,335

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

CITY OF EL PASO, TEXAS

Statement of Activities For the Fiscal Year Ended August 31, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	El Paso Water Utilities February 29, 2024	El Paso Housing Finance Corporation December 31, 2023
Primary Government:									
Governmental Activities:									
General Government	\$ 79,308,418	\$ 43,359,941	\$ 4,232,320	\$ 3,312,723	\$ (28,403,434)	\$ —	\$ (28,403,434)	\$ —	\$ —
Public Safety	369,785,368	24,999,205	35,364,116	12,655,930	(296,766,117)	—	(296,766,117)	—	—
Public Works	91,063,387	9,249,881	6,699,414	5,485,877	(69,628,215)	—	(69,628,215)	—	—
Public Health	39,979,939	6,546,547	14,279,790	1,884,935	(17,268,667)	—	(17,268,667)	—	—
Culture and Recreation	107,927,970	20,798,716	1,621,997	20,912	(85,486,345)	—	(85,486,345)	—	—
Community and Economic Development	53,235,197	13,019,614	22,841,422	390,944	(16,983,217)	—	(16,983,217)	—	—
Interest on Long-term Debt	53,048,301	—	—	—	(53,048,301)	—	(53,048,301)	—	—
Total Governmental Activities	794,348,580	117,973,904	85,039,059	23,751,321	(567,584,296)	—	(567,584,296)	—	—
Business-Type Activities:									
El Paso International Airport	64,147,108	55,848,491	5,592,113	16,906,281	—	14,199,777	14,199,777	—	—
Environmental Services	61,563,923	69,429,984	116,863	673,090	—	8,656,014	8,656,014	—	—
Mass Transit	94,317,709	8,331,773	18,766,435	9,870,845	—	(57,348,656)	(57,348,656)	—	—
International Bridges	9,685,217	29,103,117	—	—	—	19,417,900	19,417,900	—	—
Tax Office	2,710,087	2,491,997	—	—	—	(218,090)	(218,090)	—	—
Total Business-Type Activities	232,424,044	165,205,362	24,475,411	27,450,216	—	(15,293,055)	(15,293,055)	—	—
Total Primary Government	\$ 1,026,772,624	\$ 283,179,266	\$ 109,514,470	\$ 51,201,537	(567,584,296)	(15,293,055)	(582,877,351)	—	—
Component Units:									
El Paso Water Utilities	\$ 340,497,423	\$ 422,878,529	\$ 1,016,932	\$ 15,676,734	—	—	99,074,772	—	—
El Paso Housing Finance Corporation	474,651	583,350	—	—	—	—	—	108,699	—
Total Component Units	\$ 340,972,074	\$ 423,461,879	\$ 1,016,932	\$ 15,676,734	—	—	99,074,772	108,699	—
General Revenues and Transfers									
General Revenues:									
Taxes:									
Property Taxes, Levied for General Purposes	—	—	—	—	275,925,844	—	275,925,844	—	—
Property Taxes, Levied for Debt Service	—	—	—	—	121,681,454	—	121,681,454	—	—
Franchise Taxes	—	—	—	—	77,938,632	—	77,938,632	—	—
Sales Taxes	—	—	—	—	138,112,624	65,830,787	203,943,411	—	—
Hotel Occupancy Taxes	—	—	—	—	19,960,641	—	19,960,641	—	—
Investment Earnings	—	—	—	—	49,511,906	22,145,672	71,657,578	31,801,837	160,997
Gain on Sale of Capital Assets	—	—	—	—	10,533,401	—	10,533,401	3,272,198	—
Transfers	—	—	—	—	24,443,495	(24,443,495)	—	—	—
Total General Revenues and Transfers	—	—	—	—	718,107,997	63,532,964	781,640,961	35,074,035	160,997
Change in Net Position	—	—	—	—	150,523,701	48,239,909	198,763,610	134,148,807	269,696
Net Position - Beginning of Year, as Previously Presented	—	—	—	—	52,426,661	666,462,689	718,889,350	1,472,102,515	6,762,639
Restatement - Change in Accounting Principle	—	—	—	—	—	—	—	162,864	—
Net Position - Beginning of Year, As Restated	—	—	—	—	52,426,661	666,462,689	718,889,350	1,472,265,379	6,762,639
Net Position - End of Year	\$ 202,950,362	\$ 714,702,598	\$ 917,652,960	\$ 1,606,414,186	\$ 7,032,335	\$ 7,032,335	\$ 7,032,335	\$ 7,032,335	\$ 7,032,335

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

CITY OF EL PASO, TEXAS

Balance Sheet Governmental Funds August 31, 2024

	General Fund	Community Development Block Grants	Debt Service	Capital Projects	COVID-19 Relief Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 2,423,713	\$ —	\$ —	\$ 116,371	\$ —	\$ 7,143,416	\$ 9,683,500
Cash with Fiscal Agent	—	—	—	246,797	—	5,666,785	5,913,582
Investments	99,234,584	—	—	—	—	70,880,188	170,114,772
Receivables, Net of Allowances:							
Taxes	37,410,116	—	6,764,845	1,198,833	—	3,116,879	48,490,673
Interest	820,925	311,691	324,356	1,613,778	333,524	703,324	4,107,598
Trade	4,547,357	41,719	32,850	2,891,280	6,708	415,840	7,935,754
Notes	1,103,091	32,476,605	—	—	—	10,412,750	43,992,446
Other	10,918,011	—	—	—	—	11,549,516	22,467,527
Due from Other Government Agencies	698,304	1,576,289	58,211	1,571,744	3,447,996	9,975,846	17,328,390
Prepaid Items	—	—	—	—	—	451,661	451,661
Due from Other Funds	16,411,133	—	—	1,000,000	—	—	17,411,133
Due from Component Unit	2,468,149	—	—	3,430,658	—	2,172,061	8,070,868
Inventory	7,244,631	—	—	—	—	133,483	7,378,114
Lease Receivable	10,198,907	—	—	—	—	8,025,601	18,224,508
Restricted Cash	—	179,534	98,166	—	589,793	4,363,821	5,231,314
Restricted Investments	25,683,429	16,204,950	11,183,188	369,871,993	67,180,709	66,085,975	556,210,244
Total Assets	<u>\$219,162,350</u>	<u>\$ 50,790,788</u>	<u>\$ 18,461,616</u>	<u>\$381,941,454</u>	<u>\$ 71,558,730</u>	<u>\$ 201,097,146</u>	<u>\$ 943,012,084</u>
LIABILITIES							
Accounts Payable	\$ 18,110,198	\$ 552,303	\$ 16	\$ 18,508,673	\$ 12,369,400	\$ 8,795,776	\$ 58,336,366
Accrued Payroll	3,602,676	34,170	—	3,811	47,076	445,945	4,133,678
Due to Other Funds	—	2,741,612	—	3,352,793	—	11,316,728	17,411,133
Taxes Payable	3,513,397	10,350	1,731	1,372	12,196	119,076	3,658,122
Unearned Revenue	242,465	726,526	—	16,048,008	53,875,043	18,956,491	89,848,533
Retainage Payable	—	—	—	4,072,171	234,349	—	4,306,520
Due to Other Government Agencies	913,474	—	—	—	—	609,130	1,522,604
Total Liabilities	<u>26,382,210</u>	<u>4,064,961</u>	<u>1,747</u>	<u>41,986,828</u>	<u>66,538,064</u>	<u>40,243,146</u>	<u>179,216,956</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues Low Income Housing Loans	—	32,724,104	—	—	—	—	32,724,104
Unavailable Revenues Property Taxes	13,434,222	—	6,364,319	—	—	—	19,798,541
Unavailable Revenues 380 Agreement	1,103,091	—	—	—	—	—	1,103,091
Leases	9,750,097	—	—	—	—	7,521,616	17,271,713
Grants and Other	—	472,587	—	5,246,332	3,048,261	5,821,457	14,588,637
Total Deferred Inflows of Resources	<u>24,287,410</u>	<u>33,196,691</u>	<u>6,364,319</u>	<u>5,246,332</u>	<u>3,048,261</u>	<u>13,343,073</u>	<u>85,486,086</u>
FUND BALANCES (DEFICITS)							
Nonspendable	7,244,631	—	—	—	—	585,144	7,829,775
Restricted	25,683,429	13,529,136	12,095,550	289,410,534	1,972,405	61,207,823	403,898,877
Committed	92,786,737	—	—	45,297,760	—	93,997,130	232,081,627
Assigned	2,200,000	—	—	—	—	—	2,200,000
Unassigned (Deficits)	40,577,933	—	—	—	—	(8,279,170)	32,298,763
Total Fund Balances (Deficits)	<u>168,492,730</u>	<u>13,529,136</u>	<u>12,095,550</u>	<u>334,708,294</u>	<u>1,972,405</u>	<u>147,510,927</u>	<u>678,309,042</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$219,162,350</u>	<u>\$ 50,790,788</u>	<u>\$ 18,461,616</u>	<u>\$381,941,454</u>	<u>\$ 71,558,730</u>	<u>\$ 201,097,146</u>	<u>\$ 943,012,084</u>

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

CITY OF EL PASO, TEXAS

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds August 31, 2024

Fund Balance - Total Governmental Funds Balance Sheet \$ 678,309,042

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Governmental Capital Assets (excluding internal service funds)	2,434,186,292	
Accumulated Depreciation/Amortization	(785,747,844)	
		1,648,438,448

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

Unavailable Revenues Property Taxes	19,798,596	
Unavailable Revenues Low Income Housing Loans	32,724,104	
Unavailable Revenues Grants and Other	14,588,637	
Unavailable Revenues 380 Agreement	1,103,091	
		68,214,428

Internal service funds are used to charge the costs of certain activities, such as health insurance, workers' compensation, unemployment, and equipment maintenance to individual funds. The internal service fund's net position is included in the governmental activities in the Statement of Net Position.

21,758,682

Long-term liabilities (excluding internal service funds) including bonds payable and net pension liability, and total OPEB liability (and the related deferred inflows and outflows of resources), are not due and payable in the current period and therefore are not reported as liabilities, deferred inflows or deferred outflows of resources in the governmental funds. Long-term liabilities consist of:

Accrued Interest Payable	(2,592,704)	
Claims and Judgments	(4,547,203)	
Compensated Absences	(76,368,011)	
Amount due to Component Unit	(24,645,175)	
Net Pension Liability	(653,219,180)	
Deferred Outflow - Pension Contributions Subsequent to Measurement Date	42,825,743	
Deferred Outflow - Difference in Projected and Actual Pension Earnings	125,104,780	
Deferred Outflow - Change in Assumptions for Pensions	8,310,960	
Deferred Outflow - Difference in Expected and Actual Pension Experience	50,746,466	
Deferred Outflow - Chapter 380 Agreement Obligations	39,263,191	
Deferred Outflow - Difference in Expected and Actual OPEB Experience	5,882,597	
Deferred Outflow - Change in Assumptions for OPEB	17,467,059	
Deferred Inflow - Difference in Expected and Actual OPEB Experience	(4,274,024)	
Deferred Inflow - Difference in Expected and Actual Pension Experience	(879,452)	
Deferred Inflow - Change in Assumptions for OPEB	(33,552,098)	
Total OPEB Liability	(102,638,010)	
Unamortized Bond Issuance Premium	(120,165,112)	
Deferred Charge on Refunding	4,827,512	
Deferred Gain on Refunding	(1,564,693)	
Chapter 380 Agreement Obligations	(39,263,191)	
Lease Liability	(13,094,178)	
SBITA Liability	(2,359,751)	
Arbitrage Rebate Payable	(2,935,764)	
Bonds and Notes Payable	(1,426,100,000)	
		(2,213,770,238)

Net Position of Governmental Activities

\$ 202,950,362

CITY OF EL PASO, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended August 31, 2024

	General Fund	Community Development Block Grants	Debt Service	Capital Projects	COVID-19 Relief Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 264,776,059	\$ —	\$ 120,318,772	\$ —	\$ —	\$ 8,112,502	\$ 393,207,333
Penalties and Interest - Delinquent Taxes	1,582,472	—	739,161	—	—	1,729	2,323,362
Sales Taxes	137,424,692	—	—	—	—	687,932	138,112,624
Hotel Occupancy Taxes	—	—	—	5,107,763	—	14,852,878	19,960,641
Rental Vehicle Taxes	—	—	—	—	—	4,401,305	4,401,305
Franchise Fees	58,936,543	—	—	—	—	19,002,089	77,938,632
Charges for Services	34,941,421	1,885,659	833,304	—	—	32,755,193	70,415,577
Fines and Forfeitures	7,066,949	—	—	—	—	677,934	7,744,883
Licenses and Permits	12,906,974	—	—	—	—	1,161,209	14,068,183
Ticket Sales	—	—	—	—	—	303,941	303,941
Intergovernmental Revenues	5,261,278	15,208,410	—	7,080,084	41,626,577	38,996,121	108,172,470
Investment Earnings	9,079,397	811,438	2,905,934	22,666,737	4,726,402	6,856,929	47,046,837
Rents and Other	14,343,451	213,590	—	7,227,192	—	4,861,924	26,646,157
Total Revenues	546,319,236	18,119,097	124,797,171	42,081,776	46,352,979	132,671,686	910,341,945
EXPENDITURES							
Current:							
General Government	70,539,437	87,111	—	750,576	945,659	12,426,714	84,749,497
Public Safety	317,133,461	—	—	1,215,424	9,512,232	35,815,077	363,676,194
Public Works	49,305,489	—	—	9,620,101	—	7,339,975	66,265,565
Public Health	8,187,837	—	—	—	4,456,289	26,901,168	39,545,294
Culture and Recreation	62,778,468	—	—	3,630,850	1,460,724	26,119,028	93,989,070
Economic Development	11,120,123	—	—	104,201	2,933,004	14,609,171	28,766,499
Community and Human Development	1,887,359	16,351,941	—	205,415	4,093,458	729,483	23,267,656
Debt Service:							
Principal	1,043,494	—	68,847,594	—	670,446	2,376,091	72,937,625
Interest	108,697	—	62,825,086	—	71,046	2,703,102	65,707,931
Fiscal Fees	—	—	600,004	—	—	21,425	621,429
Capital Outlay	3,647,929	390,944	—	104,594,182	19,518,620	4,495,363	132,647,038
Total Expenditures	525,752,294	16,829,996	132,272,684	120,120,749	43,661,478	133,536,597	972,173,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,566,942	1,289,101	(7,475,513)	(78,038,973)	2,691,501	(864,911)	(61,831,853)
OTHER FINANCING SOURCES (USES)							
Transfers In	35,209,535	—	4,266,638	25,529,381	—	30,391,672	95,397,226
Transfers Out	(45,501,986)	—	(755,384)	(3,217,219)	—	(21,672,243)	(71,146,832)
Proceeds from Sale of Capital Assets	—	—	—	8,931,190	—	1,808,799	10,739,989
Capital Contributions Expense	—	—	—	(411,336)	—	—	(411,336)
Leases (as Lessee)	1,675,586	—	—	—	—	1,557,253	3,232,839
Payment to Refunded Bond Escrow Agent	—	—	(65,382,406)	—	—	—	(65,382,406)
Face Amount of Refunding Bonds Issued	—	—	60,710,000	—	—	—	60,710,000
Premium on Issuance of Bonds	—	—	5,236,757	—	—	—	5,236,757
Total Other Financing Sources (Uses)	(8,616,865)	—	4,075,605	30,832,016	—	12,085,481	38,376,237
Net Change in Fund Balances	11,950,077	1,289,101	(3,399,908)	(47,206,957)	2,691,501	11,220,570	(23,455,616)
Fund Balances (Deficits) - Beginning of Year	156,542,653	12,240,035	15,495,458	381,915,251	(719,096)	136,290,357	701,764,658
Fund Balances - End of Year	<u>\$ 168,492,730</u>	<u>\$ 13,529,136</u>	<u>\$ 12,095,550</u>	<u>\$ 334,708,294</u>	<u>\$ 1,972,405</u>	<u>\$ 147,510,927</u>	<u>\$ 678,309,042</u>

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

CITY OF EL PASO, TEXAS
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended August 31, 2024

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

Net Change in Fund Balance - Total Governmental Funds		\$ (23,455,616)
<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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period (excluding internal service fund).</p>		
Capital Acquisitions	132,647,038	
Depreciation/Amortization	<u>(60,588,582)</u>	72,058,456
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, donations, remeasurements)</p>		
Cost of Disposed Assets (Net)	(761,954)	
Donation of Capital Assets	<u>10,000</u>	(751,954)
<p>Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount is the net change in deferred inflows of resources.</p>		
Unavailable Revenues Low Income Housing Loans	(1,344,788)	
Unavailable Revenues Property Taxes	2,076,603	
Unavailable Revenues 380 Agreement	(221,255)	
Unavailable Revenues Grants	<u>7,996,169</u>	8,506,729
<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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Premium on Issuance of Bonded Debt	(5,236,757)	
Principal Payments	72,937,625	
Repayment of Long Term Debt	65,382,406	
Issuance of Refunding Bonds	(60,710,000)	
Repayment of Chapter 380 Agreement Obligation	3,045,591	
Amortization of Deferred Charge on Refunding	(1,428,768)	
Amortization of Deferred Gain on Refunding	262,069	
Change in Lease Liability due to Remeasurement	568,074	
Amortization of Premiums on Bonds Issued	16,623,519	
Leases Issued	<u>(3,232,839)</u>	88,210,921
<p>Some expenses (excluding internal service funds) 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	(223,480)	
Decrease in Accrued Interest Payable	138,577	
Increase in Claims and Judgments	(53,885)	
Decrease in Amount Due to Component Unit	949,967	
Increase in Arbitrage Rebate Payable	(2,935,764)	
Decrease in Deferred Outflow of Resources related to Chapter 380 Obligations	(3,045,591)	
Changes to total OPEB liability and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	3,581,115	
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(568,039)</u>	(2,157,099)
<p>Internal service funds are used by management to charge the costs of health insurance, worker's compensation, unemployment benefits, and equipment maintenance to individual funds. The net revenue of the internal service funds is reported by function within governmental activities.</p>		
		8,112,264
Change in Net Position of Governmental Activities		<u><u>\$ 150,523,701</u></u>

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

CITY OF EL PASO, TEXAS

Statement of Net Position

Proprietary Funds

August 31, 2024

	Business-Type Activities					Governmental Activities	
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Tax Office	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current Assets:							
Cash	\$ 1,044,577	\$ 522,948	\$ 1,054,868	\$ 285,673	\$ 7,512,120	\$ 10,420,186	\$ 450,152
Investments	42,048,484	52,657,514	123,533,199	24,566,829	1,224,621	244,030,647	51,275,743
Receivables, Net of Allowances:							
Taxes	—	—	11,027,025	—	—	11,027,025	—
Interest	426,601	315,869	521,606	98,254	7,672	1,370,002	193,353
Trade	1,782,550	1,045,486	89,587	2,452	38,412	2,958,487	35,057
Leases Receivable	8,066,432	—	98,190	—	—	8,164,622	—
Due from Other Government Agencies	20,288,072	253,090	6,107,984	—	663	26,649,809	—
Due from Component Unit	—	7,344,548	—	—	—	7,344,548	—
Prepaid Items	—	7,152	65,432	—	—	72,584	—
Inventory	1,837,328	—	6,202,380	—	—	8,039,708	970,396
Total Current Assets	75,494,044	62,146,607	148,700,271	24,953,208	8,783,488	320,077,618	52,924,701
Noncurrent Assets:							
Restricted Investments	34,772,784	18,799,297	—	—	—	53,572,081	—
Uncollected Property Taxes Receivable - Other Taxing Entities	—	—	—	—	89,966,101	89,966,101	—
Leases Receivable	156,834,379	—	1,728,262	—	—	158,562,641	—
Capital Assets:							
Land	14,175,312	15,824,730	11,753,642	2,469,531	—	44,223,215	—
Construction in Progress	69,055,803	672,933	932,477	1,356,142	—	72,017,355	—
Lease Right of Use Asset, Net	—	—	2,425,608	—	1,111,005	3,536,613	—
SBITA Right of Use Asset, Net	—	—	358,900	121,276	—	480,176	—
Buildings, Improvements, Equipment & Other, Net	206,401,093	48,334,686	211,295,634	11,384,408	13,041	477,428,862	190,635
Total Noncurrent Assets	481,239,371	83,631,646	228,494,523	15,331,357	91,090,147	899,787,044	190,635
Total Assets	556,733,415	145,778,253	377,194,794	40,284,565	99,873,635	1,219,864,662	53,115,336
DEFERRED OUTFLOWS OF RESOURCES							
Pension Contributions Subsequent to Measurement Date	1,735,570	2,602,746	4,700,164	322,471	—	9,360,951	752,828
Difference in Projected and Actual Earnings on Pension Investments	2,702,124	4,052,233	7,317,717	502,058	—	14,574,132	1,172,083
Difference in Expected and Actual Pension Experience	2,451,990	3,677,120	6,640,332	455,582	—	13,225,024	1,063,584
Change in Assumptions for Pensions	545	817	1,475	102	—	2,939	237
Change in Assumptions for OPEB	1,354,929	1,575,466	2,318,478	351,981	55,377	5,656,231	533,411
Difference in Expected and Actual OPEB Experience	414,624	544,571	837,254	99,233	1,566	1,897,248	168,439
Deferred Charge on Refunding	154,081	180,286	494,980	—	—	829,347	—
Total Deferred Outflows of Resources	8,813,863	12,633,239	22,310,400	1,731,427	56,943	45,545,872	3,690,582
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 565,547,278	\$ 158,411,492	\$ 399,505,194	\$ 42,015,992	\$ 99,930,578	\$1,265,410,534	\$ 56,805,918

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

CITY OF EL PASO, TEXAS
Statement of Net Position (continued)
Proprietary Funds
August 31, 2024

	Business-Type Activities					Governmental Activities	
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Tax Office	Total Enterprise Funds	Internal Service Funds
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 11,458,810	\$ 4,112,286	\$ 4,341,515	\$ 341,145	\$ 19,196	\$ 20,272,952	\$ 1,510,528
Accrued Payroll	200,903	248,652	354,761	41,536	14,253	860,105	77,974
Bond Obligations, Net	1,546,083	1,514,875	2,315,932	—	—	5,376,890	—
Revenue Bonds, Net	5,831,421	—	—	—	—	5,831,421	—
Lease Liability	—	—	68,286	—	130,499	198,785	—
SBITA Liability	—	—	307,062	120,617	—	427,679	—
Due to Other Government Agencies	—	—	—	—	1,838,347	1,838,347	—
Taxes Payable	129,944	649,996	108,213	18,978	4,759	911,890	24,144
Interest Payable on Bonds and Notes	116,247	10,111	61,116	—	—	187,474	—
Unearned Revenue	3,822,438	—	—	10,000	—	3,832,438	—
Retainage Payable	1,454,984	—	70,186	—	—	1,525,170	—
Property Taxes Subject to Refund - Other Taxing Entities	—	—	—	—	1,529,912	1,529,912	—
Prepaid Property Taxes	—	—	—	—	4,137,134	4,137,134	—
Compensated Absences	848,992	483,863	558,622	80,174	40,554	2,012,205	230,291
Claims and Judgments	—	—	—	—	—	—	6,721,729
Total OPEB Liability	195,932	257,359	395,310	47,105	623	896,329	79,808
Total Current Liabilities	25,605,754	7,277,142	8,581,003	659,555	7,715,277	49,838,731	8,644,474
Noncurrent Liabilities:							
Lease Liability	—	—	2,433,074	—	1,061,374	3,494,448	—
SBITA Liability	—	—	73,285	—	—	73,285	—
Bond Obligations, Net	27,995,745	7,252,286	40,235,916	—	—	75,483,947	—
Revenue Bonds, Net	23,779,599	—	—	—	—	23,779,599	—
Compensated Absences	1,980,980	1,129,013	1,303,450	187,074	94,627	4,695,144	537,346
Landfill Closure Costs	—	18,799,297	—	—	—	18,799,297	—
Claims and Judgments	—	189,049	565,525	—	—	754,574	15,684,035
Net Pension Liability	14,297,769	21,441,627	38,720,324	2,656,549	—	77,116,269	6,201,856
Total OPEB Liability	7,043,649	9,251,911	14,211,200	1,693,390	22,410	32,222,560	2,869,070
Uncollected Property Taxes - Other Taxing Entities	—	—	—	—	89,966,101	89,966,101	—
Total Noncurrent Liabilities	75,097,742	58,063,183	97,542,774	4,537,013	91,144,512	326,385,224	25,292,307
Total Liabilities	100,703,496	65,340,325	106,123,777	5,196,568	98,859,789	376,223,955	33,936,781
DEFERRED INFLOWS OF RESOURCES							
Difference in Expected and Actual OPEB Experience	401,595	362,028	472,332	118,585	42,411	1,396,951	149,362
Change in Assumptions for OPEB	2,366,462	3,105,416	4,773,727	566,682	9,067	10,821,354	961,093
Leases	159,808,167	—	1,761,211	—	—	161,569,378	—
Deferred Gain on Refunding	—	205,851	490,447	—	—	696,298	—
Total Deferred Inflows of Resources	162,576,224	3,673,295	7,497,717	685,267	51,478	174,483,981	1,110,455
NET POSITION							
Net Investment in Capital Assets	223,829,088	52,974,975	180,916,453	15,195,244	(73,855)	472,841,905	190,635
Restricted for:							
Debt Service	2,737,000	—	—	—	—	2,737,000	—
Cash Reserve	11,565,647	—	—	—	—	11,565,647	—
Passenger Facilities	20,470,137	—	—	—	—	20,470,137	—
Unrestricted	43,665,686	36,422,897	104,967,247	20,938,913	1,093,166	207,087,909	21,568,047
Total Net Position	302,267,558	89,397,872	285,883,700	36,134,157	1,019,311	714,702,598	21,758,682
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 565,547,278	\$ 158,411,492	\$ 399,505,194	\$ 42,015,992	\$99,930,578	\$1,265,410,534	\$ 56,805,918

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

CITY OF EL PASO, TEXAS
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2024

	Business-Type Activities						Governmental Activities
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Tax Office	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:							
Charges of Rentals and Fees	\$ 50,463,763	\$ 68,689,135	\$ 401,879	\$ 583,102	\$ —	\$ 120,137,879	\$ —
Charges of Tolls	—	—	—	28,429,315	—	28,429,315	—
Charges of Fares and Fees	395,205	—	6,239,164	—	—	6,634,369	—
Sales to Departments	—	—	—	—	—	—	19,404,698
Premium Contributions	—	—	—	—	—	—	75,796,710
Tax Collection Fees	—	—	—	—	1,930,368	1,930,368	—
Penalties - Delinquent tax Collections	—	—	—	—	528,752	528,752	—
General Revenues	1,654,580	740,849	1,690,730	90,700	32,877	4,209,736	896,804
Total Operating Revenues	52,513,548	69,429,984	8,331,773	29,103,117	2,491,997	161,870,419	96,098,212
OPERATING EXPENSES:							
Personnel Services	22,667,148	25,791,031	38,790,889	4,241,342	1,593,193	93,083,603	9,196,632
Contractual Services	18,450	—	—	1,603,592	—	1,622,042	—
Professional Services	720,127	65,172	367,533	166,652	395	1,319,879	1,095,754
Outside Contracts	9,448,648	3,105,244	18,700,846	1,858,650	368,295	33,481,683	3,252,602
Fuel and Lubricants	316,398	3,170,381	2,096,944	7,999	62	5,591,784	7,483,399
Materials and Supplies	2,120,724	8,249,588	5,880,322	91,098	31,264	16,372,996	4,159,843
Communications	583,388	269,703	308,613	22,530	138,697	1,322,931	—
Utilities	2,334,341	163,500	1,664,316	91,278	—	4,253,435	28,663
Travel and Training	146,957	77,245	95,420	13,343	6,958	339,923	6,320
Benefits Provided	712	—	44,311	—	—	45,023	62,801,825
Maintenance and Repairs	512,355	242,592	613,412	327,258	—	1,695,617	2,545,076
Other Operating Expenses	4,359,835	3,005,299	6,039,481	557,755	391,940	14,354,310	46,514
Landfill and Transfer Station Utilization	—	7,966,626	—	—	—	7,966,626	—
Depreciation/Amortization	18,539,899	9,201,640	18,107,921	702,458	148,168	46,700,086	27,490
Total Operating Expenses	61,768,982	61,308,021	92,710,008	9,683,955	2,678,972	228,149,938	90,644,118
Operating Income (Loss)	(9,255,434)	8,121,963	(84,378,235)	19,419,162	(186,975)	(66,279,519)	5,454,094
NONOPERATING REVENUES (EXPENSES):							
Investment Earnings	10,135,510	4,130,964	6,576,259	1,205,313	97,626	22,145,672	2,465,069
Interest Expense	(2,385,762)	(327,198)	(1,473,233)	(5,180)	(31,115)	(4,222,488)	—
Gain (Loss) on Sale of Capital Assets	7,636	71,296	(134,468)	3,918	—	(51,618)	—
Customer Facility Charge	3,334,943	—	—	—	—	3,334,943	—
Sales Tax	—	—	65,830,787	—	—	65,830,787	—
FTA Subsidy	—	—	18,766,435	—	—	18,766,435	—
Other Revenues	5,592,113	116,863	—	—	—	5,708,976	—
Total Nonoperating Revenues (Expenses)	16,684,440	3,991,925	89,565,780	1,204,051	66,511	111,512,707	2,465,069
Income (Loss) Before Capital Contributions and Transfers	7,429,006	12,113,888	5,187,545	20,623,213	(120,464)	45,233,188	7,919,163
Capital Contributions	16,906,281	673,090	9,870,845	—	—	27,450,216	—
Transfers In	—	9,355,931	—	—	—	9,355,931	193,101
Transfers Out	—	(18,100,644)	—	(15,425,782)	(273,000)	(33,799,426)	—
Increase (Decrease) in Net Position	24,335,287	4,042,265	15,058,390	5,197,431	(393,464)	48,239,909	8,112,264
Net Position - Beginning of Year	277,932,271	85,355,607	270,825,310	30,936,726	1,412,775	666,462,689	13,646,418
Net Position - End of Year	\$ 302,267,558	\$ 89,397,872	\$ 285,883,700	\$ 36,134,157	\$ 1,019,311	\$ 714,702,598	\$ 21,758,682

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

CITY OF EL PASO, TEXAS

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended August 31, 2024

	Business-Type Activities					Governmental Activities	
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Tax Office	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers	\$ 49,432,880	\$ 72,026,643	\$ 8,331,101	\$ 29,102,312	\$ 2,462,325	\$ 161,355,261	\$ 76,693,480
Receipts from Interfund Services	—	—	—	—	—	—	19,394,172
Payments to Suppliers	(18,766,941)	(10,564,489)	(35,760,489)	(4,798,620)	(949,635)	(70,840,174)	(81,209,883)
Payments to Employees	(23,174,928)	(25,651,209)	(38,684,105)	(4,321,121)	(1,595,099)	(93,426,462)	(9,200,627)
Payments for Interfund Services	—	(10,090,495)	—	(20,976)	(138)	(10,111,609)	—
Property Taxes Collected for Other Governments	—	—	—	—	1,540,085,508	1,540,085,508	—
Property Taxes Distributed to Other Governments	—	—	—	—	(1,541,177,460)	(1,541,177,460)	—
Net Cash Provided by (used for) Operating Activities	<u>7,491,011</u>	<u>25,720,450</u>	<u>(66,113,493)</u>	<u>19,961,595</u>	<u>(1,174,499)</u>	<u>(14,114,936)</u>	<u>5,677,142</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers to Other Funds	—	(18,100,644)	—	(15,425,782)	(273,000)	(33,799,426)	—
Transfers from Other Funds	—	9,355,932	—	—	—	9,355,932	193,101
Operating Grants	2,149,700	2,063	32,074,442	—	—	34,226,205	—
Sales Tax	—	—	65,126,447	—	—	65,126,447	—
Net Cash Provided by (used for) Noncapital Financing Activities	<u>2,149,700</u>	<u>(8,742,649)</u>	<u>97,200,889</u>	<u>(15,425,782)</u>	<u>(273,000)</u>	<u>74,909,158</u>	<u>193,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Customer Facility Charge	3,460,958	—	—	—	—	3,460,958	—
Capital Contributions from Other Governments and Agencies	10,406,866	740,549	9,210,231	—	—	20,357,646	—
Interest Income on Leases	4,690,999	—	46,399	—	—	4,737,398	—
Acquisition and Construction of Capital Assets	(27,034,048)	(22,661,847)	(13,637,873)	(777,431)	—	(64,111,199)	(227,966)
Proceeds from Capital Debt	—	3,574,595	8,195,783	—	—	11,770,378	—
Principal Paid on Bonds, Notes, Leases and SBITAs	(6,470,763)	(5,046,526)	(10,274,138)	(138,527)	(124,252)	(22,054,206)	—
Interest Paid on Bonds, Notes, Leases and SBITAs	(3,095,921)	(270,941)	(1,593,608)	(5,180)	(31,115)	(4,996,765)	—
Proceeds from Sale of Capital Assets	7,636	—	—	3,918	—	11,554	—
Net Cash Used For Capital and Related Financing Activities	<u>(18,034,273)</u>	<u>(23,664,170)</u>	<u>(8,053,206)</u>	<u>(917,220)</u>	<u>(155,367)</u>	<u>(50,824,236)</u>	<u>(227,966)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of Investments	(1,303,471,660)	(212,003,778)	(1,147,685,608)	(205,461,606)	(21,365,065)	(2,889,987,717)	(487,055,132)
Sale of Investments	1,310,065,238	216,386,671	1,124,439,337	201,299,999	21,806,759	2,873,998,004	480,304,029
Interest	1,891,185	824,901	1,138,320	195,727	32,978	4,083,111	314,940
Net Cash Provided by (used for) Investing Activities	<u>8,484,763</u>	<u>5,207,794</u>	<u>(22,107,951)</u>	<u>(3,965,880)</u>	<u>474,672</u>	<u>(11,906,602)</u>	<u>(6,436,163)</u>
Net Increase (Decrease) in Cash	91,201	(1,478,575)	926,239	(347,287)	(1,128,194)	(1,936,616)	(793,886)
Cash - Beginning of the Year	953,376	2,001,523	128,629	632,960	8,640,314	12,356,802	1,244,038
Cash - End of the Year	<u>\$ 1,044,577</u>	<u>\$ 522,948</u>	<u>\$ 1,054,868</u>	<u>\$ 285,673</u>	<u>\$ 7,512,120</u>	<u>\$ 10,420,186</u>	<u>\$ 450,152</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating Income (Loss)	\$ (9,255,434)	\$ 8,121,963	\$ (84,378,235)	\$ 19,419,162	\$ (186,975)	\$ (66,279,519)	\$ 5,454,094
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation/Amortization Expense	18,539,899	9,201,640	18,107,921	702,458	148,168	46,700,086	27,490
Compensated Absences	(308,231)	81,486	(2,407)	(44,391)	23,940	(249,603)	26,610
Total OPEB Liability and Related Outflows and Inflows	(252,580)	(331,451)	(509,515)	(60,485)	(968)	(1,154,999)	(102,580)
Net Pension Liability and Related Outflows and Inflows	503,540	755,132	1,363,655	93,559	—	2,715,886	218,418
Change in Assets and Liabilities:							
Receivables	(392,269)	2,225,654	(6,384)	(803)	(29,674)	1,796,524	(10,526)
Inventories	(256,347)	—	51,746	—	—	(204,601)	77,177
Prepays	—	7,801	(5,132)	—	—	2,669	—
Accounts and Other Payables	(1,087,567)	5,658,225	(735,142)	(147,905)	(37,038)	3,650,573	(13,541)
Due to Other Government Agencies	—	—	—	—	(1,091,952)	(1,091,952)	—
Net Cash Provided by (used for) Operating Activities	<u>\$ 7,491,011</u>	<u>\$ 25,720,450</u>	<u>\$ (66,113,493)</u>	<u>\$ 19,961,595</u>	<u>\$ (1,174,499)</u>	<u>\$ (14,114,936)</u>	<u>\$ 5,677,142</u>
Schedule of Non-Cash Capital and Related Financing Activities:							
Assets acquired through Lease Agreements	\$ —	\$ —	\$ 131,309	\$ —	\$ —	\$ 131,309	\$ —
Contributions of Capital Assets	—	—	411,336	—	—	411,336	—
Purchase of Capital Assets on Account	9,557,826	3,064,648	420,786	15,496	6,028	13,064,784	11,530
Increase in Fair Value of Investments	1,734,161	1,563,037	2,289,357	406,529	35,249	6,028,333	893,170

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

CITY OF EL PASO, TEXAS

Statement of Fiduciary Net Position August 31, 2024

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 41,802,904	\$ 57,602,149
Investments:		
Commingled Funds	207,032,520	—
U.S. Government Securities	10,223,415	13,046,927
Bank Collective Investment Funds	534,280,655	—
Private Equities	489,903,368	—
Real Estate Investment Funds	248,787,432	—
Fixed Income Securities	350,263,224	—
Domestic Equities	508,433,984	—
International Equities	474,322,611	—
Securities Lending Collateral	26,595,330	—
Receivables, Net of Allowances:		
Employer Contributions	2,405,532	—
Employee Contributions	2,091,128	—
Accrued Interest and Dividends	157,498	95,524
Due from Other Government Agencies	171	8,619,000
Prepaid Items	25,445	—
Lease ROU, Net of Accumulated Amortization	—	756,950
Capital Assets:		
Land	521,174	—
Construction in Progress	—	3,427,864
Buildings, Improvements & Equipment, Net	2,782,252	—
Total Assets	2,899,628,643	83,548,414
LIABILITIES		
Accounts Payable	1,325,271	4,613,145
Accrued Expenses	112,152,970	947,666
Taxes Payable	—	4,483
Lease Liability	—	778,314
Unearned Revenue	—	29,956,693
Due to Other Government Agencies	—	571,955
Compensated Absences	—	115,962
Bonds and Notes Payable	—	90,476,866
Total Liabilities	113,478,241	127,465,084
DEFERRED INFLOW OF RESOURCES		
Sale of Future Revenue	—	3,529,049
Deferred Gain on Bond Refunding	—	2,120,501
Total Deferred Inflow of Resources	—	5,649,550
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	—	3,406,500
Restricted for:		
Pensions	2,786,150,402	—
Debt Service	—	495,809
Unrestricted (Deficit)	—	(53,468,529)
Total Net Position (Deficit)	\$ 2,786,150,402	\$ (49,566,220)

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

CITY OF EL PASO, TEXAS
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended August 31, 2024

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 68,703,631	\$ —
Employee	56,100,146	—
Total Contributions	<u>124,803,777</u>	<u>—</u>
Federal Grant Proceeds	—	2,324,972
State Grant Proceeds	—	11,401,110
Bike Share Revenues	—	145,200
Local Governments	—	22,227,239
Investment Income:		
Net Change in Fair Value of Investments	270,663,039	—
Interest	16,946,876	3,578,018
Dividends	19,544,484	—
Securities Lending Income	295,862	—
Less Investment Expenses	(6,352,319)	—
Miscellaneous Income	583	—
Net Total Investment Income	<u>301,098,525</u>	<u>3,578,018</u>
Total Additions	<u>425,902,302</u>	<u>39,676,539</u>
DEDUCTIONS:		
Benefit Payments	192,274,337	—
Refunds of Contributions	19,654,863	—
Salaries and Benefits	—	1,377,985
Professional Services	—	526,548
Contract Services	—	933,153
Supplies and Other	—	23,852
Administrative Expenses	4,404,642	123,520
Interest Expense	—	3,710,968
Intergovernmental Transfers	—	26,363,558
Grants - Subrecipients	—	591,774
Bond Issuance Costs	—	540,329
Depreciation/Amortization Expense	402,575	91,966
Total Deductions	<u>216,736,417</u>	<u>34,283,653</u>
Increase in Fiduciary Net Position	209,165,885	5,392,886
Net Position (Deficit) - Beginning of Year, as Previously Presented	2,576,984,517	(55,782,762)
Error Correction	—	823,656
Net Position - Beginning of Year, As Restated	2,576,984,517	(54,959,106)
Net Position (Deficit) - End of Year	<u>\$ 2,786,150,402</u>	<u>\$ (49,566,220)</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of El Paso (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Reporting Entity

The accompanying financial statements include the City and its component units discussed below, collectively referred to as the financial reporting entity. In accordance with GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 84, 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.

Discretely Presented Component Units**El Paso Water (EPWater)**

The Public Service Board (PSB), the governing board of EPWater, consists of the Mayor and six residents of El Paso County, Texas. With the exception of the Mayor, all other members are appointed by the City Council and serve staggered four-year terms. The City authorizes the issuance of the debt for EPWater and approves rate or fee changes. The financial information included in these statements is as of EPWater's latest fiscal year end, February 29, 2024.

El Paso Housing Finance Corporation (EPHFC)

EPHFC was incorporated September 10, 1979, under Chapter 394 of the Texas Local Government Code, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe, affordable and sanitary housing for persons of low and moderate income. The EPHFC board consists of seven directors, appointed by the City Council, who serve a six-year term of office. Any director may be removed from office at any time, with or without cause, by written resolution of the governing body of the City. The financial information included in these statements is as of EPHFC's latest fiscal year end, December 31, 2023.

Blended Component Units**Downtown Development Corporation (DDC)**

The DDC was created and organized as a public, non-profit local government corporation incorporated pursuant to Sub-chapter D of Chapter 431, Texas Transportation Code, as amended, to assist and act on behalf of the City for the purpose of issuing debt to finance the construction of a Triple-A baseball stadium. The City Council operates as the Board of the DDC and certain City administrative staff (e.g. CFO, etc.) manage the activities for the DDC.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City levies and collects a designated tax for the purpose of paying debt service on debt issued by the DDC. The DDC is reported in the nongrants special revenue fund.

El Paso Children's Museum Development Corporation (CMDC)

The CMDC was created and organized as a public, non-profit local government corporation incorporated pursuant to Sub-chapter D of Chapter 431, Texas Transportation Code, as amended, to assist and act on behalf of the City for the purpose of issuing debt to finance the construction of a children's museum. The City Council operates as the Board of the CMDC and certain City administrative staff (e.g. CFO, etc.) manage the activities for the CMDC. The City levies and collects ad valorem tax for the purpose of paying debt service on debt issued for the Children's Museum. The CMDC is reported in the nongrants special revenue fund.

Thunder Canyon Public Improvement District 1 (PID)

The Thunder Canyon PID was created after a handful of property owners petitioned for its creation to keep the canyon undeveloped and in its natural state protecting the 26-acre arroyo. The City Council operates as the Board of the PID and certain City administrative staff (e.g. CFO, etc.) manage the activities for the PID. The PID is reported in the nongrants special revenue fund.

Eastside Sports Complex Public Improvement District 2 (PID)

The Eastside Sports Complex PID was created after a majority of the property owners liable for the assessment petitioned for its creation to provide for the construction and infrastructure costs associated with the Eastside Sports Complex as well as other public amenities including open space, landscaping, hike and bike trails, community facilities, irrigation and lighting, trash receptacles and similar items. The PID, in combination with a tax increment reinvestment zone, funds the annual debt service. The City Council operates as the Board of the PID and certain City administrative staff (e.g. CFO, etc.) manage the activities for the PID. The PID is reported in the nongrants special revenue fund.

El Paso Property Finance Authority, Inc. (Authority)

The Authority was incorporated on March 12, 1987, pursuant to the Texas Non-Profit Corporation Act, for the purpose of establishing a Permanent Public Improvements Program. Its board consists of six directors who serve two-year terms or until a successor is appointed. The City reserves the right to alter the structure, organization, programs or activities of the Authority or to terminate and dissolve the Authority. The Authority is reported as a blended component unit of the City in the nongrants special revenue fund. The Authority had no assets or liabilities and had no financial transactions during fiscal year 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Fiduciary Component Units****City Employees Retirement Trust (CERT)**

Substantially all full-time employees of the City are eligible to participate in the CERT, except for uniformed fire fighters and police officers who are covered under a separate plan. 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 (CERT Board). The Fund is administered by the Board of Directors, which is comprised of two citizens, who are not officers or employees of the City, nominated by the Mayor and approved by City Council, four elected City employees, a retiree and two district representatives as designated by City Council. The CERT is included in the accompanying financial statements as a Pension Trust Fund and the financial information included in these statements is as of the fund's latest fiscal year end, August 31, 2024.

Firemen and Policemen's Pension Fund (FPPF)

Uniformed fire fighters and police officers participate in the FPPF, which is divided into two divisions: the firemen division and policemen division. The plan is a single-employer defined benefit retirement plan established under legal authority of State Statutes and the City Charter and is administered by a Board of Trustees (FPPF Board). The FPPF Board is comprised of the Mayor, two citizens designated by the Mayor, the Chief of Police (or his designee), the Fire Chief (or his designee) and three policemen and three firemen elected by the membership of their respective divisions. The FPPF is included in the accompanying financial statements as a Pension Trust Fund. The financial information included in these statements is as of the fund's latest fiscal year end, December 31, 2023.

Camino Real Regional Mobility Authority (CRRMA)

The City created the CRRMA in 2007 to directly benefit the State of Texas, the City of El Paso, and the traveling public through the improvement of the state's transportation systems in and around the City of El Paso. CRRMA was established in accordance with Chapter 370 of the Texas Transportation Code, Chapter 26 of Title 43 of the Texas Administrative Code, and the Texas Transportation Commission Minute Order No. 110573. The Governor of the State of Texas appoints the Chair, while the remaining six board members are nominated by the Mayor and appointed by the City Council. All appointments to the board shall be residents of the City of El Paso and adequately represent all areas encompassed within the city limits. The City provides legal and administrative services to CRRMA. CRRMA is reported as a fiduciary component unit of the City in the custodial funds.

El Paso Metropolitan Planning Organization (MPO)

The MPO is responsible for cooperative decision-making by principal elected officials of general-purpose local governments in the El Paso Metropolitan Planning Area regarding the metropolitan transportation planning process. The MPO was established pursuant to 23 USC §134, 59 USC

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

§5303 (Metropolitan Transportation Planning) and 23 CFR 450.300 et seq. (Metropolitan Transportation Planning and Programming).

The City serves as the fiscal agent for the Transportation Policy Board of the MPO. The City also receives financial benefit as a sub-recipient of the MPO’s state grant awards. The MPO is reported as a fiduciary component unit of the City in the custodial funds.

For all other information regarding EPWater, EPHFC, CERT, FPPF, CRRMA or MPO please contact the respective entity’s administrative offices.

EPWater - El Paso Water	El Paso Water 1154 Hawkins El Paso, Texas 79925 http://www.epwater.org
EPHFC - El Paso Housing Finance Corporation	El Paso Housing Finance Corporation P.O. Box 1648 El Paso, Texas 79949 http://www.elpasohfc.org
CERT - City Employees Retirement Trust	City of El Paso Employees Retirement Trust 1039 Chelsea Street El Paso, Texas 79903 http://www.eppension.org
FPPF - Firemen and Policemen’s Pension Fund	El Paso Firemen & Policemen Pension Fund 909 E. San Antonio Avenue El Paso, Texas 79901 http://www.elpasofireandpolice.org
CRRMA - Camino Real Regional Mobility Authority	Camino Real Regional Mobility Authority 801 Texas Avenue El Paso, Texas 79901 http://www.crrma.org
MPO - Metropolitan Planning Organization	Metropolitan Planning Organization 211 N. Florence Street, Suite 202 El Paso, Texas 79901 http://www.elpasompo.org

Not-For-Profit Corporations

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

El Paso Health Facilities Development Corporation (HFDC)

HFDC was incorporated September 2, 1981, under Chapter 221 of the Texas Health and Safety Code, for the purpose of acquiring, constructing, providing, improving, financing and refinancing health facilities in order to assist with the maintenance of public health and public welfare. Its

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

board consists of nine directors who serve six-year terms of office. Although there may be bonds outstanding, there is no liability to the City as all liability transfers to the trustee of the bond issue.

City of El Paso Industrial Development Authority (Authority)

The Authority was incorporated October 10, 1979, under Article 5190.6 of the Texas Revised Civil Statutes, for the purpose of promoting and developing commercial, industrial, manufacturing and medical research enterprises to promote and encourage employment, public health and public welfare. Its board consists of nine directors who serve a six-year term of office. Although there may be bonds outstanding, there is no liability to the City as all liability transfers to the trustee of the bond issue.

B. Basic Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported exclusively in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from business-type activities, which rely significantly on fees and charges to external customers 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. This method includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus on the sustainability of the City as an entity and the change in aggregate financial net position resulting from the activities of the fiscal period.

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

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

The government-wide Statement of Net Position reports all financial and capital resources of the government excluding fiduciary funds. It presents information on assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balance of any bonds, notes and other debt that are attributable to the acquisition, construction or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Restricted net position has external constraints placed on their use by

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

either: 1) creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or 2) by law through constitutional provisions or enabling legislation. All net position not otherwise classified as net investment in capital assets 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 position is available. Restrictions of net position imposed by the reporting government by administrative policy are not shown as restricted net position 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 departments of the City are offset by program revenues. Direct expenses are those that are easily identifiable with a specific function or department. 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 department 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 department.

Taxes, investment income (loss), and other revenues not identifiable with particular functions or departments are included as general revenues. The general revenues support the net costs of the functions and departments 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 No. 34. Criteria for determination of major funds are percentage of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of the fund category and of the governmental and enterprise funds combined. Nonmajor governmental 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

activities between these funds may be eliminated in the consolidation for the government-wide financial statements but are included in the fund columns in the proprietary fund financial statements.

C. Fund Accounting

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

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. They are used to account for activities primarily supported by taxes, grants and similar revenue sources.

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 of the general government that are not accounted for in another fund.

Community Development Block Grants Fund (CDBG)

CDBG is a special revenue fund that accounts for the proceeds of grants such as those from the Department of Housing and Urban Development (HUD) for community development projects that may extend over multiple fiscal years. This fund has been designated as a major fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources that are restricted for the payment of principal, interest and related costs on long-term obligations of governmental funds.

Capital Projects Fund

The capital projects 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**COVID-19 Relief Grants Fund**

This special revenue fund accounts for the proceeds of federal funds in response to the public health emergency and economic fallout as a result of the COVID-19 pandemic. The first wave of relief aid was the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, approved by the 116th U.S. Congress in March 2020. The second wave of federal funding to continue the relief aid is the Consolidated Appropriations Act of 2021, signed and approved on December 27, 2020. This Act was primarily to aid millions of Americans in the form of Emergency Rental Assistance and to extend some previously set timeframes. The third wave of federal funding in response to the pandemic is the American Rescue Plan Act (ARPA) authorized on March 11, 2021 to be effective on March 3, 2021. The ARPA provided the Coronavirus State and Local Fiscal Recovery Funds to continue the support of the public health response and lay the foundation for a strong and equitable economic recovery.

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 recovery of cost 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 position, 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 No. 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/amortization or debt service, must legally be recovered through fees and charges or
- 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

The City reports the following major enterprise funds:

El Paso International Airport (Airport)

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

Environmental Services

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mass Transit (Sun Metro)

This fund accounts for the City's transit services, including public transportation buses, para-transit, streetcar and facilities.

International Bridges

This fund accounts for the operations and maintenance activities of the three international bridges it controls. This fund has been designated as a major fund.

Tax Office

This fund represents activity related to the operations of the Tax Office. It also includes the custodial fund used to account for tax collections of 44 taxing entities, including the City of El Paso. According to GASB Statement No. 84, custodial funds that hold assets upon receipt for three months or less are allowed to be reported in the enterprise fund's statement of net position rather than in a custodial fund. The assets pertaining to this custodial fund are reported with a corresponding liability and all cash inflows and outflows are reported in the operating activities category of the proprietary statement of cash flow.

Internal Service Funds

These funds account for facilities maintenance, fleet services, and document services provided to other departments of the City and to other governments and organizations on a cost reimbursement basis. These funds also account for risk management and insurance activities, which include 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 position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they do not represent assets of the City to support City programs.

Pension Trust Funds

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

Custodial Funds

Custodial funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations, and other governmental units. Custodial funds include the CRRMA and the MPO.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the government-wide financial statements.

Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets, current liabilities and deferred inflows/outflows of resources are generally included on the 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 revenues to be available if they are collected within 60 days after year end, except for franchise fee revenues which are collected within 75 days after year end. Expenditures are recorded when the related fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage liabilities are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and any acquisitions under leases and SBITAs are reported as other financing sources.

Revenues susceptible to accrual include property taxes, sales taxes, hotel occupancy tax (HOT), 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. Entitlements are recorded as

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Municipal Court revenues are recognized when they are received. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end).

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

Special reporting treatments are applied to governmental fund inventories and prepaid expenditures to indicate that they do not represent current financial resources, since they do not represent net expendable current assets. Such amounts are reported as nonspendable fund balance.

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

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

E. Budgetary Basis of Accounting

The City operates within the confines of a balanced budget. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Unexpended annual budget appropriations lapse at the end of the fiscal year. The City Manager is responsible for presenting an annual budget to the City Council. The City Council sets public hearings for the annual budget review and adopts the budget. The adopted budget provides a detailed plan of the cost of public services that will be provided during the next fiscal year.

Of the major governmental funds presented in the financial statements, the General Fund, Debt Service Fund, Community Development Block Grants Fund (Special Revenue Fund), Internal Service Fund and proprietary operating funds have legally adopted annual budgets. The capital projects fund is appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary schedules are included in required supplementary information for the General Fund and the Community Development Block Grants Fund. The budgetary schedule for the Debt Service Fund is included in the combining and individual fund statements and schedules.

F. Cash and Investments

Cash balances of City funds are pooled and invested, except for all component units, pension trust funds, a portion of the Airport relating to passenger facility charges, and certain custodial funds. Earnings from pooled investments are allocated to funds based upon their positive average daily balance in the Pool. Each fund's equity in the pooled cash and investments is proportionately presented as Cash and Investments at fair value. Negative cash balances are reclassified to advances to/from other funds. The City reports cash in demand deposit accounts as Cash. Cash with fiscal agents pertains to Destination El Paso along with an escrow account for a land acquisition.

It is the policy of the City to: (i) invest public funds in a manner which will provide maximum safety of principal; (ii) meet the daily cash flow demands of the City (liquidity); and (iii) provide the highest possible investment return all while complying with the Texas Public Funds Investment Act of 1995, as may be amended and local ordinances and resolutions governing the investment of the City's public funds. Pursuant to Section 2256.005 of the Texas Government Code, the City is required to review its Investment Policy on an annual basis.

Interest earnings from general obligation bonds and certificates of obligation shall be used solely to fund direct or related capital expenditures or to service current and future debt payments as determined by City Council in accordance to the bond ordinance. Interest earnings will be allocated in accordance to the City's Investment Policy, adopted annually by City Council, and/or the bond ordinance which authorized the specified debt obligation. When projects are completed, any remaining cash is transferred to the Debt Service Fund as prescribed by the debt covenants.

Restricted Cash and Restricted Investments refer to assets that are held for a specific purpose and therefore not available for immediate or general business use. The restrictions are generally by contractual agreements or regulatory requirements.

Although the City does not report cash equivalents, EPWater includes them in their Statement of Net Position. Therefore the City's government-wide Statement of Net Position reflects cash and cash equivalents.

G. Inventories and Prepaid Items

Inventories of materials and supplies consist primarily of expendable items held for consumption. They are stated at cost using the first-in, first-out method for all governmental and proprietary funds on the Statement of Net Position for governmental activities and business-type activities. The consumption method is used to account for inventories. Under this method, inventory acquisitions are recorded in inventory accounts and charged as expenditures or expenses when used. On the government-wide statement of activities, consumption of inventory is recorded as an expense.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid items, recorded in both government-wide and fund financial statements, are goods or services that are paid in advance and are applicable to future accounting periods. Using the purchases method, prepaid items are recorded as expenditures or expenses as the goods or services are acquired in the governmental funds. Proprietary funds and government-wide financial statements report prepaid items using the consumption method.

H. Capital Assets

GASB standards require 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 infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable) are defined as assets with an initial cost of \$5,000 or more 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 acquisition value which is the fair value at the date of the donation. The donor will provide the fair market value of the donated asset by appraisal or by consideration of other factors such as cost or selling price, sales of comparable properties or replacement cost. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the estimated remaining useful life of the related capital assets.

Land and construction in progress are not depreciated. Capital assets of the primary government are depreciated or amortized using the straight-line method and half-year convention. The useful lives of assets vary according to their category and are accounted for as follow:

Land Improvements	20 years
Infrastructure	10 to 30 years
Buildings and Building Improvements	30 years
Vehicles	5 to 12 years
Furniture, Fixtures and Equipment	5 years
IT Equipment	3 to 5 years
Heavy Equipment	10 years

When capital assets are retired from service or otherwise disposed of, any gain or loss on disposal of assets is recognized. Capital assets transferred between funds are transferred at their net book value as of the date of the transfer.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**I. GASB 87 Leases**

The City is a lessee for noncancellable leases of building office space, equipment, parking spaces and land. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and the proprietary fund statement of net position. The City recognizes lease assets with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The interest rate charged by the lessor will be used as the discount rate. When the interest rate charged by the lessor is not provided, the City will use the latest incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

J. GASB 96 Subscription-Based Information Technology Arrangements

The City has several software subscriptions under GASB 96. The City recognizes a subscription liability and an intangible right-to-use subscription asset for these subscriptions. The City recognizes subscription assets with an initial, individual value of \$5,000 or more. At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at, and certain payments made before the subscription commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The interest rate charged by the vendor will be used as the discount rate. When the interest rate charged by the vendor is not provided, the City will use the latest incremental borrowing rate as the discount rate for the subscriptions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

K. Insurance

Activity for certain self-insurance programs is recorded in the City's Self-Insurance Internal Service Fund. Assets and obligations related to employee health benefits, workers' compensation and unemployment compensation are included in the Self-Insurance fund. Employee health and workers' compensation benefit liabilities are accrued in the fund based upon actuarial determined estimates of the aggregate liability for unpaid benefits. The City records all health and workers' compensation claim 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 self-insured for multiple liability matters. Additionally, the City maintains insurance policies from independent insurance carriers for property insurance, errors and omissions insurance, and auto liability insurance coverage for some of the City's fleet of vehicles. For additional information refer to Note 10 of this report.

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 for claims paid by the state.

L. Unearned Revenue

In the governmental and proprietary funds, unearned revenue represents amounts reported in accordance with the City's revenue recognition criteria which is consistent with GAAP. The City records unearned revenues when resources are received without an exchange transaction taking place, such as receiving grant funds in advance without incurring allowable expenditures or receiving advanced payments on leases.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position presents deferred outflows of resources. This financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has the following items that qualify for reporting in this category:

- Deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Deferred Chapter 380 agreement charges are related to Economic Development's program for the purpose of stimulating business and commercial activity within the City.
- Pension contributions subsequent to measurement date are deferred and recognized in the following fiscal year.
- Difference in expected and actual pension experience is deferred and amortized over a closed five year period.
- Difference in projected and actual earnings on pension investments is deferred and amortized over a closed five year period.
- Change in assumptions for pensions are deferred and amortized over a closed five year period.
- Change in assumptions for OPEB are deferred and recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected and actual experience for OPEB is deferred and is recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City of El Paso has the following types of items that qualify for reporting in this category:

- Deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Difference in expected and actual pension experience is deferred and amortized over a closed five year period.
- Difference in expected and actual OPEB experience is deferred and recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.
- Change in assumptions for OPEB benefits is deferred and recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.
- Deferred inflows - Leases represents the future inflow of resources related to GASB 87 lease revenue.
- Deferred inflows - Other in the Balance Sheet represents the future inflow of resources related to pending grant reimbursement that are not available as of the date of this financial statement, future inflow of resources related to an opioid settlement agreement, and future inflow of resources for reimbursements for construction projects.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- In the governmental funds, unavailable resources are revenues that are earned and measurable but not yet available, and are reported as deferred inflows of resources. The governmental funds report unavailable resources of property taxes and low income housing loans.

N. Interfund Receivables and Payables

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

O. Internal Balances

Internal balances are the net residual amounts due between governmental and business-type activities in the government-wide Statement of Net Position. The amounts shown as internal balances are the Due to Other Funds and Due from Other Funds balances between governmental activities and business-type activities of the primary government. Any interfund receivables and payables that are within governmental activities or within business-type activities are eliminated on the Statement of Net Position. There were no internal balances for the fiscal year ended August 31, 2024.

P. 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 occur and all eligibility requirements have been met. Amounts owed to the City at fiscal year end for grants and entitlements are reflected as Due from Other Government Agencies. The City expects to collect these balances during the subsequent fiscal year. Grants received by Proprietary Funds are reported in the applicable Proprietary Fund.

Q. Compensated Absences

City employees, excluding uniformed Police Department and Fire Department employees, earn vacation leave, which may either be taken or accumulated (up to a maximum of 400 hours) until paid upon termination or retirement. For uniformed Police Department and Fire Department employees only, special provisions apply based on the most current Articles of Agreement between the City and the local associations of Fire and Police unions. 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 and proprietary fund financial statements, all of the outstanding compensated absences are recorded as a liability.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the CERT and FPPF and additions to/deductions from CERT and FPPF Fiduciary Net Position have been determined on the same basis as they are reported by CERT and FPPF. For this purpose, plan contributions are

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Additional information on the pension plans is available in Note 13 of this report.

S. Other Postemployment Benefits (OPEB)

Contributions from the City for OPEB healthcare premiums are set by statute and are recognized in the period when the contribution is made on behalf of the retiree. Payment for insurance premiums are recognized when due and payable in accordance with the benefit terms. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they were reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Additional information on the OPEB plan is available in Note 12 of this report.

T. Long-term Obligations, Bond Premiums, Discounts, and Issue Costs

In the government-wide financial statements and proprietary 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 Statement of Net Position. In these statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed in accordance with GASB Statement No. 65.

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

U. Claims and Judgments

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

V. 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 No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Costs*. The liability, based upon landfill capacity used to date, is recorded in the Environmental Services proprietary fund. An explanation of the liability and its calculation is presented in Note 8 of this report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Classification of Net Position/Fund Balance

In the government-wide financial statements, net position is classified into three components:

Net investment in capital assets – Capital assets including restricted capital assets, leases and SBITA assets, net of accumulated depreciation/amortization and reduced by the outstanding proceeds of any bonds, notes, leases and SBITA liabilities, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The City reports governmental fund balances by the five following classifications:

Nonspendable – Amounts that cannot be spent, such as inventory or prepaid amounts, because they are either not in spendable form or legally required to be maintained intact.

Restricted – Amounts with restrictions that are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes and imposed by formal action of the government’s highest level of decision-making authority. In the case of the City, this would require a formal action by City Council in the form of a resolution to establish, modify or rescind a commitment.

Assigned – Amounts constrained by City management's intent to be used for specific purposes but are not formally restricted by external resources or committed by the City Council. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. This assignment occurs with the adoption of the budget adoption.

Unassigned – Amount of the remaining fund balance not in any of the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The City designates restricted amounts to be spent first if both restricted and unrestricted fund balance are available unless there are legal constraints that prohibit this, such as in grant agreements requiring the City to match grant amounts spent with local funds. Additionally, the City would first use

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

committed, followed by assigned, and last of all unassigned balances when expenditures are incurred for purposes for which balances in any of these fund balance classifications could be used.

X. Minimum Fund Balance

It is the desire of the City to attain an adequate General Fund balance to maintain liquidity in anticipation of economic downturns or natural disasters. The City strives to maintain an unrestricted budgetary General Fund balance sufficient for 60 days of General Fund expenditures.

Y. Cash Reserve

The City maintains a cash reserve fund of five percent of the prior years adopted General Fund operating expenditure budget in order to provide coverage for unexpected expenses in accordance to the City Charter.

Z. Stabilization Funds

On March 3, 2020, a stabilization fund was established in the adopted budget policy approved via City Council resolution. The language was amended on May 10, 2022 by City Council resolution from stabilization fund to the operating and debt stabilization fund. This fund serves as a reserve of surplus revenues to be used with the purpose of 1) minimizing future tax rate impact for maintenance and operations as well as debt service, 2) protecting against raising charges for services and fees and 3) providing available funding for specific circumstances as needed to maintain the same levels of service. In such case, the use of the fund resources will be determined and approved by City Council action. The operating and debt stabilization fund serves as a source of financial support for the City's budget in times of slow or declining revenue growth, as a safeguard to continue funding priorities included in the strategic plan, and as the primary source of protection against having to make drastic cuts in City services in periods of economic downturns. The amount of funds to be committed will be recommended by the Chief Financial Officer or designee to the City Council during the year. The City Council will have final approval of the amount maintained in the fund, as well as the planned uses of the fund. As of August 31, 2024, the general fund reported a committed fund balance of \$54.4 million related to this stabilization arrangement.

On May 10, 2022, a pension stabilization fund was established in the adopted budget policy approved via City Council resolution. This fund serves as a reserve of surplus revenues from all City funds (governmental and enterprise funds), to the extent permitted by law, to be used with the sole purpose of making payments to the civilian, firemen and policemen's retirement pension plans on an annual basis commencing in fiscal year 2023. The pension stabilization fund was created to fund additional contributions to the City Employees Retirement Trust and to the Firemen and Policemen's Pension Fund. The goal is to reduce the current unfunded pension liability and sustain the City's bond rating. The amount of funds to be committed and transferred will be recommended by the Chief Financial Officer or designee to the City Council for approval during the year. The balance in the fund should be invested in accordance with the City's investment policy and all investment earnings should be used for the purpose of the fund. As of August 31, 2024, the general fund reported a committed fund balance of \$22.9 million related to this stabilization arrangement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On May 9, 2023, the City Council signed a resolution to create a pay for futures fund by amending the adopted budget policy. The fund serves as a source of funds for the City's budget with a sole purpose to support police, fire and civilian compensation increases. The amount of funds to be committed and utilized each year will be recommended by the Chief Financial Officer and approved by City Council. The approved amount will be committed from September 1, 2023 to August 31, 2028 with any unused funds returning to the unassigned fund balance on September 1, 2028. As of August 31, 2024, the general fund reported a committed fund balance of \$15.5 million related to the pay for futures fund.

AA. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers cash to be currency on hand, cash held by trustee and demand deposits with banks. The City considers all highly liquid investments with an original maturity of approximately ninety days or less to be investments rather than cash equivalents.

AB. Fiscal Year Inconsistencies

The City's component unit, EPWater, 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 EPWater.

Primary Government - Due from Component Unit	
Governmental Funds	\$ 8,070,868
Proprietary Funds:	
Environmental Services	7,344,548
Due From Component Unit at August 31, 2024	<u>\$ 15,415,416</u>
Component Unit - EPWater - Due to Primary	
Government - at February 29, 2024	<u>\$ 12,608,858</u>
Primary Government - Due to Component Unit	
Governmental Funds	
Due to Component Unit at August 31, 2024	<u>\$ (24,645,175)</u>
Component Unit - EPWater - Due from Primary	
Government - at February 29, 2024	<u>\$ 25,544,562</u>

The Police and Fire pension plan (FPPF) within the Pension Trust Funds operates on a fiscal year ending on December 31. Therefore, the amounts reported by the primary government are inconsistent with amounts reported by FPPF. As a fiduciary fund, the amounts reported by the FPPF are excluded from the government-wide financial statements. The following amounts are reported in these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Firemen Division	Policemen Division
Primary Government		
Employer Contributions to FPPF:		
General Fund	\$ 14,101,077	\$ 19,698,676
Nonmajor Governmental Funds	507,454	1,019,789
COVID-19 Relief Grants	217,719	115,668
El Paso International Airport	598,944	551,356
Total Employer Contributions to FPPF - year ended August 31, 2024	\$ 15,425,194	\$ 21,385,489
Fiduciary Fund - FPPF		
Employer Contributions to FPPF - year ended December 31, 2023	\$ 14,844,489	\$ 19,688,617

AC. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the City’s management to make estimates and assumptions that effect reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

AD. Implementation of New Accounting Standards

In fiscal year 2024, the City adopted one new statement and one implementation guide issued by the Governmental Accounting Standards Board:

Statement No. 100: *Accounting Changes and Error Corrections*

This Statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this standard did not have an impact on the City's beginning net position as of September 1, 2023.

Implementation Guide No. 2023-1: *Implementation Guidance Update - 2023*

This Implementation Guide was issued in June 2023 and amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13. The objective of this implementation guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. There is also new guidance on the hierarchy of generally accepted accounting principles relating to leases, subscription-based information technology arrangements, and accounting changes and error corrections. This implementation guide did not have a material impact on the City's financial statements and had no effect on the City's beginning net position at September 1, 2023.

NOTE 2. CASH AND INVESTMENTS

A summary of cash and investments is presented below.

	Primary Government (Statement of Net Position)	Custodial Funds (Statement of Fiduciary Net Position)	Total City Treasury
Cash	\$ 20,553,838	\$ 57,602,149	\$ 78,155,987
Restricted Cash	5,231,314	—	5,231,314
Total Cash	25,785,152	57,602,149	83,387,301
Investments	465,421,162	13,046,927	478,468,089
Restricted Investments	609,782,325	—	609,782,325
Total Investments	1,075,203,487	13,046,927	1,088,250,414
Total Cash and Investments	\$ 1,100,988,639	\$ 70,649,076	\$ 1,171,637,715

Pooled Cash and Investments

The City maintains a cash and investment pool (Pool) that is available for use by the Primary Government. Each fund’s portion of the Pool is reported in these statements as “Cash” and “Investments.” Participation in the Pool is restricted and does not include cash on hand (change funds) nor funds that are restricted because of statutory or contractual considerations. A fund may overdraw its account in the Pool, with the overdraft reported as a liability (Advances from Other Funds) on the Statement of Net Position. The City invests on a pooled basis and earnings from the Pool are allocated to the funds based upon each fund’s positive average daily balance in the Pool in accordance with the City’s Investment Policy.

	Cash	Restricted Cash	Investments	Restricted Investments	City Treasury	Non-Pooled	Pooled
Balance Sheet - Governmental Funds							
General Fund	\$ 2,423,713	\$ —	\$ 99,234,584	\$ 25,683,429	\$ 127,341,726	\$ 38,165	\$ 127,303,561
Community Development Block Grants	—	179,534	—	16,204,950	16,384,484	—	16,384,484
Debt Service	—	98,166	—	11,183,188	11,281,354	—	11,281,354
Capital Projects	116,371	—	—	369,871,993	369,988,364	—	369,988,364
COVID-19 Relief Grants	—	589,793	—	67,180,709	67,770,502	—	67,770,502
Nonmajor Governmental Funds	7,143,416	4,363,821	70,880,188	66,085,975	148,473,400	14,948	148,458,452
Total for Governmental Funds	9,683,500	5,231,314	170,114,772	556,210,244	741,239,830	53,113	741,186,717
Statement of Net Position - Proprietary Funds							
Enterprise Funds:							
El Paso International Airport	1,044,577	—	42,048,484	34,772,784	77,865,845	400	77,865,445
Environmental Services	522,948	—	52,657,514	18,799,297	71,979,759	1,680	71,978,079
Mass Transit	1,054,868	—	123,533,199	—	124,588,067	82,710	124,505,357
International Bridges	285,673	—	24,566,829	—	24,852,502	70,000	24,782,502
Tax Office	7,512,120	—	1,224,621	—	8,736,741	5,000	8,731,741
Total for Enterprise Funds	10,420,186	—	244,030,647	53,572,081	308,022,914	159,790	307,863,124
Internal Service Funds	450,152	—	51,275,743	—	51,725,895	—	51,725,895
Statement of Fiduciary Net Position							
Custodial Funds	57,602,149	—	13,046,927	—	70,649,076	70,649,076	—
Total	\$ 78,155,987	\$ 5,231,314	\$ 478,468,089	\$ 609,782,325	\$ 1,171,637,715	\$ 70,861,979	\$ 1,100,775,736

NOTE 2. CASH AND INVESTMENTS (continued)

Cash and Investments of the City Treasury, including restricted amounts at August 31, 2024 were:

	Pooled Cash and Investments	Non-Pooled Cash and Investments	Total
Cash in Bank	\$ 25,572,249	\$ 57,602,149	\$ 83,174,398
Cash on Hand	—	212,903	212,903
Total Cash	<u>25,572,249</u>	<u>57,815,052</u>	<u>83,387,301</u>
US Agencies	265,102,918	—	265,102,918
US Treasuries	716,569,347	13,046,927	729,616,274
Local Government Investment Pools	62,646,253	—	62,646,253
Money Market	30,884,969	—	30,884,969
Total Investments	<u>1,075,203,487</u>	<u>13,046,927</u>	<u>1,088,250,414</u>
Total Cash and Investments	<u>\$ 1,100,775,736</u>	<u>\$ 70,861,979</u>	<u>\$ 1,171,637,715</u>

The City follows GASB Statement No. 72 (Fair Value Measurement and Application), and GASB Statement No. 79 (Certain External Investment Pools and Pool Participants). These statements require that governmental entities report investments at fair value and that all investment income, including changes in the fair value of investments, be reported as revenue in the Statement of Activities. The City reports the change in fair value as part of investment earnings. In addition, GASB Statement No. 79 requires the disclosure of the presence of any limitations or restrictions on withdrawals.

The City has adopted an investment policy to minimize the inherent risks associated with deposits and investments. The primary objective of the City’s Investment Policy is preservation of capital. After consideration of the investments' safety and liquidity requirements, the policy seeks the highest possible investment return. The policy defines:

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

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

The City participates in TexSTAR, TexPool and TexasDAILY, which are local government investment pools, as well as a Morgan Stanley Government Fund. 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. TexasDAILY 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. TexasDAILY, TexSTAR and the money market funds are carried at net asset value, while TexPool is carried at amortized cost.

Custodial Credit Risk (Deposits) - Collateralization is required for deposits in demand deposit accounts. The collateralization level is 102% of principal. Collateral is held in the City’s name by an

NOTE 2. CASH AND INVESTMENTS (continued)

independent third party with whom the City is a party to a current custodial agreement and collateral instruments are limited to those instruments authorized by the City’s Investment Policy.

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

Credit Risk - The Investment Policy authorizes the following securities:

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

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating organization. Below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City’s Investment Policy, and the actual rating as of year end for each investment type.

Investment Type	Carrying Value	Minimum Required Rating	Rating As of Year End
US Agencies	\$ 265,102,918	N/A	Aaa/AA+
US Treasuries	729,616,274	N/A	N/A
Money Market	30,884,969	Aaa-mf/AAAm	Aaa-mf/AAAm
TexSTAR LGIP	20,764,539	AAA/AAAm	AAAm
TexPool LGIP	20,701,828	AAA/AAAm	AAAm
TexasDAILY LGIP	21,179,886	AAA/AAAm	AAAm
Total Investments	<u>\$ 1,088,250,414</u>		

NOTE 2. CASH AND INVESTMENTS (continued)

Concentration of Credit Risk - The Investment Policy limits the percentage of authorized investment in the portfolio. The following is the fair value of investments that represent 5% or more of investments:

Federal Home Loan Bank	<u>\$ 225,449,533</u>
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Interest Rate Risk – The City will minimize interest rate risk, which is the risk that the fair value of securities will fall due to increases in market interest rates, by structuring the investment portfolio so that securities mature in a manner consistent with projected cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity.

At August 31, 2024, investments of the City are as follows:

Investment type	Carrying Value	Maturity in Years	
		Less than 1	1 - 3
US Agencies	\$ 265,102,918	\$ 225,083,468	\$ 40,019,450
US Treasuries	729,616,274	431,904,574	297,711,700
Local Government Investment Pools	62,646,253	62,646,253	—
Money Market	30,884,969	30,884,969	—
Total Investments	<u>\$1,088,250,414</u>	<u>\$ 750,519,264</u>	<u>\$ 337,731,150</u>

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Unadjusted inputs using quoted prices in active markets for identical investments.
- Level 2** Other significant observable inputs other than Level 1 prices, including but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.
- Level 3** Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying Statement of Net Position and Statement of Fiduciary Net Position measured at fair value on a

NOTE 2. CASH AND INVESTMENTS (continued)

recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2024:

Investments by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Agencies	\$ 265,102,918	\$ 265,102,918	\$ —	\$ —
US Treasuries	729,616,274	729,616,274	—	—
Total Investments by Fair Value Level	<u>994,719,192</u>	<u>\$ 994,719,192</u>	<u>\$ —</u>	<u>\$ —</u>
Investments Measured at the Net Asset Value ^(a)				
TexasDAILY	21,179,886			
TexSTAR	20,764,539			
Money Market	<u>30,884,969</u>			
Total Investments Measured at the NAV	<u>72,829,394</u>			
Investments Measured at Amortized Cost				
TexPool	<u>20,701,828</u>			
Investments Measured at Amortized Cost	<u>20,701,828</u>			
Total Investments	<u>\$ 1,088,250,414</u>			

^(a) Certain investments that are measured using the net asset value per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts included above approximated net asset value for all related external investment pool balances.

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying Statement of Net Position and Statement of Fiduciary Net Position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques for the year ended August 31, 2024.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

NOTE 2. CASH AND INVESTMENTS (continued)

	Fair Value at 8/31/2024	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
TexasDAILY	\$ 21,179,886	Daily	Same Day
TexSTAR	20,764,539	Daily	Same Day
Money Market	30,884,969	Daily	Same Day
Total Investments Measured at the NAV	<u>\$ 72,829,394</u>		

Investment in State Investment Pools

During the year, the City invested in multiple local government investment pools, including TexSTAR, TexPool, and TexasDAILY. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Unrealized Gains (Losses)

GASB Statement No. 72 requires that entities value their investment portfolios at fair value and report a corresponding unrealized gain or loss. The intent is to provide the users of the financial report with information related to the potential effect of investment gains and losses. These effects result from changes in market interest rates. Adverse effects may result during periods of rising interest rates if an entity is required to sell fixed term debt securities prior to maturity. Leases, and the corresponding interest revenue shown below, are not subject to GASB Statement No. 72. As of August 31, 2024, the City recorded \$23.9 million in unrealized gains as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Interest Revenue - Leases	\$ 450,671	\$ 4,737,398	\$ 5,188,069
Interest Revenue - Investment	31,202,961	11,379,943	42,582,904
	31,653,632	16,117,341	47,770,973
Unrealized Gain/Loss ^(a)	17,858,274	6,028,331	23,886,605
Total Investment Earnings	<u>\$ 49,511,906</u>	<u>\$ 22,145,672</u>	<u>\$ 71,657,578</u>

(a) This is a gain/loss that would occur if the City had sold all fixed term debt securities on August 31, 2024.

Deposits, Cash Equivalents and Investments - Component Unit - CERT

The CERT's cash equivalents and investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the Board, under contracts with the CERT. The cash equivalents and investments are held by the CERT's custodian in the CERT's name. The cash equivalents and investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate trusts and financial derivatives. Certain

NOTE 2. CASH AND INVESTMENTS (continued)

investment managers have invested in certain bank collective investment funds, which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures and temporary collective investment funds and may enter into collateralized securities lending transactions. Certain investment managers also invest in private equity limited partnerships.

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

Large Cap Index Equity Managers - Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are S&P 500 Index or Russell 1000 commingled funds or exchange traded funds (ETFs).

Large Cap Managers - Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will actively allocate assets across the equity, fixed income and cash markets of the U.S. The assets of the portfolio may be invested in securities, derivatives and a combination of other collective funds. Long and short positions in financial futures, options on financial futures, index options, exchange-traded options and over-the-counter options may be used.

Small/Mid Cap Equity Managers - Under current policies, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than \$100 million and under \$5 billion; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, as well as real estate investment trusts (REITs), preferred stocks, convertible securities, American depository receipts (ADRs) of non-U.S. issuers, publicly traded stocks of foreign corporations listed on U.S. stock exchanges, Exchange Traded Funds (ETFs), futures and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted.

All Cap Equity Managers - For the year ended August 31, 2024, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations that span the broad equity market in a concentrated manner, generally with 20-80 holdings. The portfolio may invest in publicly traded stocks of U.S. corporations, ADRs, publicly traded stocks of foreign corporations, ETFs and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted.

International Equity-Developed Country Index Managers - For the year ended August 31, 2024, investment passively managed is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are MSCI EAFE Index commingled funds or ETFs.

International Equity-All Country Managers - For the year ended August 31, 2024, investment is made using commingled funds. As such, the investment guidelines are governed by the fund's

NOTE 2. CASH AND INVESTMENTS (continued)

prospectus. The portfolio will invest primarily in equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US IMI Index weight plus 15%.

International Equity-Emerging Markets Managers - For the year ended August 31, 2024, investment was made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will invest in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 20% in any one country.

International Equity-All Country Small Cap Managers - For the year ended August 31, 2024, investment was made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US Small Cap Index weight plus 15%.

International Equity-All Country ex-U.S. Investable Markets Index Managers - This investment will be passively managed. Permissible investments are MSCI ACWI ex-U.S. IMI Index commingled funds or EFTs. As such, the investment guidelines will be governed by the fund's governing documents.

International Equity-All Country ex-U.S. Investable Markets Managers - This investment will be made using a commingled fund. As such, the investment guidelines will be governed by the fund's governing documents. The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries.

Fixed Income Core Index Managers - Investments are passively managed and are made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. For August 31, 2024 permissible investments are Bloomberg Aggregate Bond Index commingled funds or ETFs.

Fixed Income Core Plus Managers - Under current policies for the year ended August 31, 2024, except for U.S. Treasury, its agencies, agency MBS, and approved derivative products, the fixed income account shall not contain more than 5% of any issuer. The account may invest up to 20% in non-investment grade bonds for the year ended August 31, 2024, defined as bonds that are rated non-investment grade by two of the three major ratings agencies. The dollar weighted credit quality of the

NOTE 2. CASH AND INVESTMENTS (continued)

account will generally be AA or less, with a minimum dollar weighted-average quality of BBB-. The effective duration of the account should range between +/- 1.5 years or +25% of the benchmark's duration for the year ended August 31, 2024. The account will not employ leverage.

Real Estate Managers - For the year ended August 31, 2024, real estate investments will be diversified to the extent possible by geographic location and property type. For private real estate investments, managers should diversify the portfolio by property type and by various geographic regions of the U.S. Leverage is limited to no more than 30% of the fund.

Private Equity Managers - As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities, the investment guidelines will be determined by the fund-of-funds legal documentation. The pooled/fund-of-funds vehicle should not represent more than 20% of the total fair value of the pooled/fund-of-funds. It is also preferred that this holds true for any other investor in the pooled/fund-of-funds. The manager of the fund-of-funds vehicle shall be a bank or a registered advisor under the *Investment Advisors Act of 1940*. If the fund-of-funds provides the option of receiving distributions in cash or securities, the CERT will opt to receive cash.

The following was the CERT Board’s adopted asset allocation policy as of August 31, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	31%
International Equity	21%
Fixed Income	24%
Real Estate	10%
Private Equity	13%
Cash	1%
	<u>100%</u>

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. The CERT’s investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2024, the CERT holds no deposits.

Investments

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

As of August 31, 2024, the CERT had the following investments subject to interest rate risk:

NOTE 2. CASH AND INVESTMENTS (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in Years)</u>
Cash Equivalents (Money Market Funds)	\$ 8,990,085	0.08
Bank Collective Investment Funds	534,280,655	—
Commingled Funds	144,776,170	—
Total	<u>\$ 688,046,910</u>	
Portfolio Weighted Average Maturity		<u>0.001</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Nationally-recognized statistical rating organizations assign ratings to measure credit risk. These rating agencies assess a firm’s or government’s willingness and ability to repay its debt obligations based on many factors.

The CERT employs one core bond index fund which invests in investment grade fixed income securities in the United States and is designed to track the risk and return profile of its referenced benchmark (i.e., Bloomberg U.S. Aggregate). Additionally, the CERT employs two actively managed core plus bond managers. The investment guidelines governing the core plus bond managers permit them to purchase below investment grade securities as well as bonds domiciled outside the United States, up to prescribed limits. The CERT accesses all three of the aforementioned investment managers through commingled fund vehicles, each of which has its own investment management agreement governing permissible security types and maximum exposures.

For the year ended August 31, 2024, the CERT’s investment policy indicates that the fixed income core plus manager may invest up to 35% of net assets in non-investment grade bonds, at time of purchase. The fixed income core plus portfolio obligations will generally have a dollar weighted average credit quality of generally AA or less, with a minimum dollar weighted average credit quality of BBB-.

The following table identifies the credit quality of the CERT’s fixed income strategies based on portfolio holdings as of August 31, 2024:

<u>S&P Quality Rating</u>	<u>Total Fair Value</u>	<u>Corporates (a)</u>	<u>Government & Agency Obligations (b)</u>
A+	\$ 534,280,655	\$ —	\$ 534,280,655
NR	144,776,170	137,679,917	—
Total	<u>\$ 679,056,825</u>	<u>\$ 137,679,917</u>	<u>\$ 534,280,655</u>

(a) Corporate Bonds might include convertible preferred stocks and convertible preferred bonds

(b) Includes international and municipal holdings

At August 31, 2024, the CERT held various bond instruments in the aggregate fair value of \$671,960,572. Fixed income core plus portfolios held bond instruments with ratings of BBB or better by Standard & Poor’s. Approximately 20% of the portfolio was of non-investment grade bonds as of August 31, 2024.

NOTE 2. CASH AND INVESTMENTS (continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of the CERT's investment in a single issuer. The CERT's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table presents the fair value of investments that represents 5% or more of the CERT's net position at August 31, 2024.

These investments were in bank collective investment and commingled funds, which consist of diversified portfolios of investments as described above, and none of these investments consist of any one company holding 5% or more of the total investment.

August 31, 2024	Shares/Par Value	Fair Value (Dollars)
BNYMM DB SL SCWI_EX US IMI		
Mellon Capital Management Corporation	7,798,922	\$ 82,453,499
Mellon DB SL Stock Index Fund		
Mellon Capital Management Corporation	15,082	135,346,516
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	132,348	73,623,137
Blackrock Total Return Bond Fund		
Blackrock Capital Management	5,937,046	68,513,315
Wellington Fund		
Wellington Capital Management	5,995,046	68,823,133
Arrowstreet International Equity ACWI EX US CIT Class A		
Arrowstreet CIT	324,068	67,438,971
BNYM Newton NSL Dynamic US Equity Fund		
Mellon Capital Management Corporation	101,558	69,391,075
AB US Small and Mid Cap Core		
Alliance and Bernstein	2,669,661	54,277,961
CIF II SMID CAP Research (SER1)		
Wellington Capital Management	2,048,246	56,859,318
Heitman American Real Estate Trust LP		
Heitman	40,558	50,530,096
Lazard Intl Strategic EQ		
Lazard Asset Management	2,569,466	64,056,780

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The CERT's investment policy allows 18% - 24% of equity securities to be invested in foreign markets. The CERT's exposure to foreign currency risk at August 31, 2024 was as follows:

NOTE 2. CASH AND INVESTMENTS (continued)

<u>Local Currency Name</u>	<u>Equity</u>
Australian Dollar	\$ 4,286,248
Brazilian Real	2,872,132
British Pound	15,173,040
Canadian Dollar	12,924,732
Cayman Islands Dollar	161
Chilean Peso	102,673
Chinese Renminbi	14,929,744
Czech Koruna	26,909
Danish Krone	8,258,589
Egyptian Pound	22,598
Euro Currency Unit	53,085,064
Hong Kong Dollar	5,917,709
Hungarian Forint	122,286
Indian Rupee	6,344,025
Indonesian Rupiah	841,031
Israeli Shekel	1,561,434
Japanese Yen	31,972,009
Kuwaiti Dinar	198,814
Malaysian Ringgit	430,009
Mexican Peso	3,616,249
New Zealand Dollar	129,786
Norwegian Krone	1,164,648
Pakistani Rupee	48,115
Philippine Peso	152,116
Polish Zloty	698,199
Qatari Riyal	195,986
Russian Ruble	7,604
Saudi Arabia Riyal	965,297
Singapore Dollar	1,069,747
South African Rand	798,003
South Korean Won	8,545,518
Swedish Krona	1,938,653
Swiss Franc	8,348,388
Taiwanese Dollar	13,796,724
Thai Baht	204,553
Turkish Lira	2,313,153
United Arab Emirates Dirham	289,250
	<u>\$ 203,351,196</u>

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CERT will not be able to recover the value of its investments that are in the possession of an outside party. Of the CERT's \$203,351,196 in foreign equity, none is in the name of the CERT. CERT's investment policy does not specifically address custodial credit risk for deposits.

Rate of Return

For the year ended August 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 12.08%. The money-weighted rate of

NOTE 2. CASH AND INVESTMENTS (continued)

return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Disclosures about Fair Value of Assets

Fair Value Measurements

GASB 72, *Fair Value Measurements and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1** Inputs to the valuation methodology is unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are inputs that are unobservable and significant to the fair value measurement.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2024:

Investments Measured at Fair Market Value	Fair Value Measurements Using			
	August 31, 2024	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bank Collective Investment Funds				
Large Cap Index	\$ 189,624,477	\$ —	\$ 189,624,477	\$ —
Large Cap Dynamic	151,844,574	—	151,844,574	—
Small/Mid Cap Equity	125,372,633	—	125,372,633	—
International Equity Developed	67,438,971	—	67,438,971	—
Total Bank Collective Investment Funds	534,280,655	—	534,280,655	—
Commingled Funds - Fixed Income				
Fixed Income Core Index	144,776,170	—	144,776,170	—
Commingled Funds - Corporate Stocks				
Fixed Income Core Index	62,256,350	—	62,256,350	—
US Governments - fixed income				
Fixed income securities	10,223,415	10,223,415	—	—
Real Estate				
Private Real Estate	83,351,202	—	—	83,351,202
Private Equity Investment	144,790,553	—	—	144,790,553
Total Investments Measured at Fair Value	\$ 979,678,345	\$ 10,223,415	\$ 741,313,175	\$ 228,141,755

NOTE 2. CASH AND INVESTMENTS (continued)

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying Statements of Fiduciary Net Position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2024.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Cash and Cash Equivalents, Investments, and Securities Lending - Component Unit - FPPF**Cash and Cash Equivalents**

Cash and cash equivalents consists of cash and short-term investments held by the Custodian. Custodial risk for cash and cash equivalents is the risk that in the event of bank failure, the FPPF's deposits may not be returned. The FPPF does not have a deposit policy for custodial credit risk; however, management believes that the FPPF's credit risk exposure for amounts not covered by federal depository insurance is mitigated by the financial strength of the banking institution in which the deposits are held.

Investments

The FPPF Board of Trustees has adopted an investment policy and has the authority to establish or amend the policy, with the objective to invest the FPPF's assets in a manner consistent with generally accepted standards of fiduciary responsibility. Safety of principal is emphasized and the FPPF's objective is to be diversified. The FPPF's investment policy was last updated May 17, 2023, and there were no material changes to the investment policy.

The FPPF's investments are managed by various investment managers who have discretionary authority over the assets managed by them under contract with the FPPF and within the investment guidelines established by the Board of Trustees. The investments of the FPPF are held by the FPPF's custodian and are accessible by the investment managers. The investments generally consist of short-term securities, U.S. and foreign government securities, and domestic and foreign corporate debt and equity securities.

The FPPF Board of Trustees has adopted the following asset allocations as part of the FPPF's investment policy:

NOTE 2. CASH AND INVESTMENTS (continued)

<u>Asset Classification</u>	<u>Allowable Range</u>	<u>Target Percentage</u>
Large Cap Domestic Equity	11-21%	16.00%
Mid Cap Domestic Equity	0-10%	5.00%
Small Cap Domestic Equity	1.5-11.5%	6.50%
International Equity	20-30%	22.50%
Emerging Markets Equity	4-9%	5.00%
Private Equity	5-20%	15.00%
Real Estate - Assets	5-15%	10.00%
Fixed Income	15-30%	20.00%
Cash Equivalents	0-5%	0.00%

Management attempts to limit or mitigate certain risks through adherence to the FPPF's investment policy. The investment policy includes the following requirements:

Domestic Large Cap Equity Portfolio - The annual standard deviation of returns for the FPPF's domestic large cap equity portfolio, if actively managed, is not expected to exceed 1.25 times the annual standard deviation of the S&P 500 Index. If passively managed, it is not expected to exceed 1.1 times the annual standard deviation of the S&P 500 Index.

Domestic Small Cap Equity Portfolio - The annual standard deviation of returns for the FPPF's domestic small cap equity portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the Russell 2000 Index.

International Equity Portfolio - The annual standard deviation of returns for the FPPF's international equity portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the returns for the International Equity Benchmark Index.

Emerging Markets Equity Portfolio - The annual standard deviation of returns for the FPPF's emerging markets equity portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the returns for the emerging markets equity benchmark index.

Domestic Fixed Income Portfolio - The annual standard deviation of returns for the FPPF's domestic fixed income portfolio, if actively managed, is not expected to exceed 1.3 times the annual standard deviation of the returns for the Bloomberg Aggregate Bond Index. If passively managed, the portfolio is not expected to exceed 1.2 times the annual standard deviation of the returns for the Bloomberg Aggregate Bond Index.

Real Estate Portfolio - The annual standard deviation of returns for the FPPF's real estate portfolio, if actively managed, is not expected to exceed 1.5 times the annual standard deviation of the returns for the NCREIF Index.

Private Equity Portfolio - The annual standard deviation for the FPPF's private equity portfolio is not to exceed 1.5 times the annual standard deviation of the S&P 500 returns.

Domestic Cash Equivalents Investments - The risk objective shall be to stay within an acceptable risk level, as measured by standard deviations, which is equal to that of the 91-day Treasury Bill rate.

Concentration of Credit Risk - The asset allocations in the FPPF's investment policy contain guideline percentages of the FPPF's investment portfolio to be invested by asset classification, at fair

NOTE 2. CASH AND INVESTMENTS (continued)

value. Actual asset allocations will be dictated by current and anticipated market conditions, the actions of the Board of Trustees and required cash flows to and from the FPPF. As of December 31, 2023, the FPPF has four investment holdings in excess of 5% of the FPPF's fiduciary net position. These are funds holding hundreds of domestic or international equity securities.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of a custodial counterparty, the FPPF will not be able to recover the value of its investment or collateral securities that are in the possession of the custodian. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the FPPF, and are held by either the counterparty or the counterparty's trust department or agent but not in the FPPF's name. As of December 31, 2023, the FPPF's security investments that are not subject to custodial credit risk consisted of investments not registered on an exchange. The FPPF's investments are held in their name.

Credit Risk - Credit risk is the risk that the issuer of securities or another counterparty to an investment may be unable to fulfill its payments on a security under the original term. The FPPF's investment policy prohibits investments in private placement debt securities and prohibits concentrations of fixed income investments of more than 10% with any one issuer other than the U.S. Government.

As of December 31, 2023, the FPPF fixed income portfolio had the following credit ratings:

AAA	\$	126,690,795
AA		23,082,214
A		35,917,965
BAA		19,770,418
BBB		4,166,427
BB		200,715
B		100,357
Below B		401,430
Committed Cash		667,556
Not Rated		139,521,511
	\$	<u>350,519,388</u> ^(a)

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. In accordance with the investment policy, the Board of Trustees provides each of the FPPF's investment managers with a set of investment guidelines. These guidelines specify the following:

- The return objective for the Domestic Core Fixed Income Portfolio, if actively managed, is to exceed by 0.75% per year the return of the Bloomberg Aggregate Bond Index.
- The return objective for the Domestic Core Fixed Income Portfolio, if passively managed, is to approximate the return of the Bloomberg Aggregate Bond Index.
- The risk objective of the Domestic Fixed Income Portfolio shall be defined in terms of standard deviation of returns. The annual standard deviation of returns for the FPPF's

NOTE 2. CASH AND INVESTMENTS (continued)

domestic fixed income portfolio, if actively managed, is not expected to exceed 1.3 times the annual standard deviation of the returns for the Bloomberg Aggregate Bond Index.

- The risk objective of the Domestic Fixed Income Portfolio shall be defined in terms of standard deviation of returns. The annual standard deviation of returns for the FPPF's domestic fixed income portfolio, if passively managed, is not expected to exceed 1.2 times the annual standard deviation of the returns for the Bloomberg Aggregate Bond Index.

As of December 31, 2023, the FPPF fixed income portfolio had the following investment maturities:

1 - 3 years	\$	6,523,234
3 - 5 years		14,050,044
5 - 7 years		87,133,169
7 - 10 years		14,527,857
10 - 20 years		28,697,702
20 - 30 years		60,065,048
No Contractual Maturity		139,522,334
	<u>\$</u>	<u>350,519,388</u> ^(a)

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

The FPPF's exposure to foreign currency risk as of December 31, 2023, is summarized as follows:

<u>Investment</u>	<u>Currency</u>	<u>Total</u>
Limited Partnerships	European Union Euro	\$ 20,980,779
Common Stock	British Pounds	492,787
Common Stock	Canadian Dollar	3,515,464
		<u>\$ 24,989,030</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the FPPF has the ability to access.
- Level 2** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 2. CASH AND INVESTMENTS (continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table discloses the FPPF's assets fair value measurements by level as of December 31, 2023:

Investments by Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	December 31, 2023	(Level 1)	(Level 2)	(Level 3)
Equity:				
Domestic Equities	\$ 288,166,650	\$ 288,166,650	\$ —	\$ —
International Equities	261,379,531	261,379,531	—	—
Total Equity	549,546,181	549,546,181	—	—
Fixed Income:				
U.S. Treasury Securities	44,146,471	—	44,146,471	—
Government Mortgage Backed Securities	53,081,877	—	53,081,877	—
Corporate Bonds	13,216,607	—	13,216,607	—
Total Fixed Income	110,444,955	—	110,444,955	—
Real Estate Limited Partnerships	15,959,662	—	—	15,959,662
Private Equity Funds	3,362,108	—	—	3,362,108
Securities Lending Collateral	26,614,780	26,614,780	—	—
Total Investments by Fair Value Level	705,927,686	576,160,961	110,444,955	19,321,770
Investments Measured at NAV				
Domestic Equity Funds	220,687,237			
International Equity Funds	213,289,976			
Commingled Fixed Income Funds	240,074,434			
Private Equity Funds	341,955,042			
Real Estate Limited Partnerships	149,597,560			
Total Investments Measured at NAV	1,165,604,249			
Total Investments Measured at Fair Value	\$ 1,871,531,935 ^(a)			

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

The valuation method for investments measured at NAV practical equivalent is presented as follows:

Investments Measured at NAV	Fair Value at 12/31/2023	Redemption Frequency	Required Redemption Notice
Domestic Equity Funds	\$ 220,687,237	Daily	1 day
International Equity Funds	213,289,976	Daily	1-10 days
Commingled Fixed Income Funds	240,074,434	Daily	Various: 1 day, 30 days, 60 days
Private Equity Funds	341,955,042	Not Redeemable	Not Redeemable
Real Estate Limited Partnerships	149,597,560	Various: Quarterly, Not Redeemable	Various: 45 days, Not Redeemable
	\$ 1,165,604,249 ^(a)		

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

International Equity Funds - International equity funds include two investments with fund managers who focus on international equities. These funds focus on activity in separate areas of the international market, including emerging markets equity, international developed value equity, and international

NOTE 2. CASH AND INVESTMENTS (continued)

developed growth equity, respectively; they follow the specified index as described in their respective agreements. The two funds report fair value at NAV as a practical equivalent. One investment allows for daily redemptions with a one-day written notice, and one investment allows for monthly redemptions with notice required by the 15th day of the prior month.

Commingled Fixed Income Fund - Commingled fixed income fund consists of a single investment that focuses on fixed income securities. The fund manager has the ability to invest in a variety of industry spaces, such as government and corporate bonds, and across a multitude of countries, both developed and emerging market, as outlined in the investment guidelines. The investment agreement allows daily redemptions with a one-day written notice. There is no restriction period related to redemption payments.

Private Equity Funds - Private equity funds consist of investments in limited partnerships. The partnerships qualify as investment companies and are valued at NAV. The investment managers within each investment class determine the NAV of the underlying investments of the limited partnership then allocate the NAV to the FPPF based on the percentage of the FPPF's ownership percentage. Investments in these private equity funds are not eligible for redemption. Upon termination of partnership agreement, the FPPF will receive its original investments plus or minus any unrealized gains or losses at the time of liquidation.

Private Real Estate Fund - The private real estate fund consists of thirteen real estate funds that generally invests in residential, office, retail, and industrial real estate. NAV is used in the measurement of the fair value of this investment. The funds have various redemption frequency. Some funds allow quarterly redemptions that require a 45-day written notice, while other funds do not allow redemptions.

Money-Weighted Rate of Return - The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested during the year. For the year ended December 31, 2023, the annual money-weighted rate of return on the FPPF's investments was 11.79%.

Unfunded Commitments - As of December 31, 2023, the FPPF has unfunded capital commitments to private equities and real estate limited partnerships totaling \$161.9 million.

Securities Lending

The FPPF is authorized to enter into securities lending transactions under Texas State Statutes Section 2256.0015. The FPPF has a securities lending agreement with the Custodian under which FPPF-owned investments are lent to one or more approved borrowers for a fee. The Custodian, as lending agent, is responsible for collecting required collateral in the form of cash, securities issued or guaranteed by the U.S. Government or its agencies, or irrevocable letters of credit issued by banks independent of the borrowers. The lending agent is authorized to enter into securities lending transactions of U.S. and non-U.S. securities in accordance with the terms of a securities lending authorization agreement.

NOTE 2. CASH AND INVESTMENTS (continued)

The lending agent has indemnified the FPPF harmless from any losses, damages, costs or expenses the FPPF may incur if the lending agent is unable to recover borrowed securities or distributions made during the term of the loans with respect to those securities as a result of the lending agent's failure to make a reasonable determination of the creditworthiness of a borrower, demand adequate and appropriate collateral on a timely basis or to perform its duties under the agreement with the FPPF. The agreement states that collateral must have a market value equal to no less than 100% of the market value of the borrowed securities. Non-cash collateral must have a market value equal to no less than 102% of the market value of the borrowed securities, or 105% of the borrowed securities if the collateral are denominated in different currencies.

Each business day, the lending agent and the FPPF determine the market value of the collateral and the borrowed securities. The FPPF's security lending policy requires investment grade securities. Cash collateral received from the borrower is subsequently reinvested in a securities lending collateral investment pool. As of December 31, 2023, the FPPF's securities lending obligation exceeded the fair value of the underlying securities.

The following table summarizes the fair value measurements of lent securities, cash collateral received, and the fair value of the reinvested cash collateral as of December 31, 2023:

Securities Lent	Fair Value of Underlying Securities	Collateral Received	Collateral Investment Value
Domestic Equities	\$ 25,357,042	\$ 26,212,516	\$ 26,614,780 ^(a)

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

As of December 31, 2023, the FPPF also holds securities collateral that cannot be pledged or sold absent a borrower's default totaling \$22,342,556. The securities collateral consists of U.S. Treasury Bills, U.S. Treasury Notes, and U.S. Treasury Bonds. There were no losses from securities lending transactions during the year ended December 31, 2023 resulting from a default of a borrower or the lending agent.

NOTE 3. PROPERTY TAXES

The City's property tax is levied every October 1st on the assessed value listed as of the previous January 1st for all real and personal property located in the City. A receivable for property taxes is recognized and recorded at the levy date. The assessed value at the time of levy (October 2023) was \$49,025,199,583.

Taxes are due by January 31st following the October 1st levy date. As of the end of the fiscal year, 98.1% of the adjusted tax levy was collected. The statutory lien date is January 1st.

The methods of property assessment and tax collection are determined by Texas statute. The statute provides for a property tax code, county-wide 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, through legal action.

In the summer of 2019, the Texas Property Tax Reform and Transparency Act was passed by the Texas Legislature, also known as Senate Bill 2 (SB2). This bill reforms the system of property taxation in three primary ways: (1) lowering the tax rate a taxing unit can adopt without voter approval and requiring a mandatory election to go above the lowered rate; (2) making numerous changes to the procedure by which a city adopts a tax rate; and (3) making several changes to the property tax appraisal process.

Through a contractual arrangement, the City also bills and collects property taxes for several other governmental entities. The City is permitted by Article 11, 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, 2024, was \$0.562409 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$1.287591 per \$100 assessed valuation and could levy \$824,174,886 in additional taxes from the assessed valuation of \$49,025,199,583 before the state legislative limit is reached.

The current total tax rate is \$0.818875 per \$100 assessed valuation, of which \$0.562409 is used for general governmental purposes and \$0.256466 is used for payment of long-term obligations.

Property taxes that are measurable and available are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded net of estimated uncollectible

NOTE 3. PROPERTY TAXES (continued)

amounts, as deferred inflows of resources. Such deferred inflows of resources 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 inflows at August 31, 2024, is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property Taxes Receivable	\$ 16,599,507	\$ 7,855,176
Less Allowance for Uncollectibles	(2,304,080)	(1,090,331)
Net Property Taxes Receivable	<u>14,295,427</u>	<u>6,764,845</u>
Deferred Property Taxes	<u>13,434,222</u>	<u>6,364,319</u>
Net Property Tax Recognized-60 Days	<u>\$ 861,205</u>	<u>\$ 400,526</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 4. RECEIVABLES

Receivables as of year end for the City’s individual major funds and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities								
	General Fund	Community Development Block Grants Fund	Debt Service	Capital Projects	COVID-19 Relief Grants	Nonmajor Governmental Funds	Internal Service Funds	Total
Property Taxes	\$ 16,599,507	\$ —	\$ 7,855,176	\$ —	\$ —	\$ —	\$ —	\$ 24,454,683
Sales Taxes	23,114,689	—	—	—	—	—	—	23,114,689
Hotel Occupancy Taxes	—	—	—	1,198,833	—	3,116,879	—	4,315,712
Trade	8,281,196	46,719	32,850	3,020,154	6,708	977,028	37,536	12,402,191
Interest	820,925	311,691	324,356	1,613,778	333,524	703,324	193,353	4,300,951
Due from Other Government Agencies	698,304	1,576,289	58,211	1,571,744	3,447,996	9,975,846	—	17,328,390
Due from Component Unit	2,468,149	—	—	3,430,658	—	2,172,061	—	8,070,868
Notes Receivable - Economic Development	1,103,091	—	—	—	—	8,000,000	—	9,103,091
Notes Receivable - Low Income Housing Loans	—	63,269,999	—	—	—	2,412,750	—	65,682,749
Leases Receivables	10,198,907	—	—	—	—	8,025,601	—	18,224,508
Other	10,918,011	—	—	—	—	11,549,516	—	22,467,527
Gross Receivables	74,202,779	65,204,698	8,270,593	10,835,167	3,788,228	46,933,005	230,889	209,465,359
Less: Allowance for Doubtful Accounts	(6,037,919)	(30,798,394)	(1,090,331)	(128,874)	—	(561,188)	(2,479)	(38,619,185)
Net Receivables	<u>\$ 68,164,860</u>	<u>\$ 34,406,304</u>	<u>\$ 7,180,262</u>	<u>\$ 10,706,293</u>	<u>\$ 3,788,228</u>	<u>\$ 46,371,817</u>	<u>\$ 228,410</u>	<u>\$ 170,846,174</u>

Business-Type Activities						
	El Paso International Airport	Environmental Services	Mass Transit	International Bridges	Tax Office	Total
Sales Taxes	\$ —	\$ —	\$ 11,027,025	\$ —	\$ —	\$ 11,027,025
Trade	6,864,378	2,785,071	217,693	2,452	38,412	9,908,006
Interest	426,601	315,869	521,606	98,254	7,672	1,370,002
Leases Receivable	164,900,811	—	1,826,452	—	—	166,727,263
Due from Other Government Agencies	20,288,072	253,090	6,107,984	—	663	26,649,809
Due from Component Unit	—	7,344,548	—	—	—	7,344,548
Gross Receivables	192,479,862	10,698,578	19,700,760	100,706	46,747	223,026,653
Less: Allowance for Doubtful Accounts	(5,081,828)	(1,739,585)	(128,106)	—	—	(6,949,519)
Net Receivables	<u>\$ 187,398,034</u>	<u>\$ 8,958,993</u>	<u>\$ 19,572,654</u>	<u>\$ 100,706</u>	<u>\$ 46,747</u>	<u>\$ 216,077,134</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2024 for the government-wide financial statements was as follows:

	Balance August 31, 2023	Transfers	Additions	Reductions	Balance August 31, 2024
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 224,958,418	\$ —	\$ 2,804,767	\$ (206,588)	\$ 227,556,597
Construction in Progress	431,359,928	(14,703,591)	95,421,825	—	512,078,162
Total Capital Assets not Being Depreciated	<u>656,318,346</u>	<u>(14,703,591)</u>	<u>98,226,592</u>	<u>(206,588)</u>	<u>739,634,759</u>
Capital Assets Being Depreciated/ Amortized:					
Intangibles	5,842,802	—	—	—	5,842,802
Buildings	590,901,152	14,310,043	5,832,695	—	611,043,890
Improvements other than Buildings	199,774,889	161,521	—	—	199,936,410
Right-to-use Asset	19,531,281	—	3,232,839	(716,720)	22,047,400
Vehicles and Major Equipment	167,107,936	303,952	24,535,158	(3,177,772)	188,769,274
Data Processing Equipment and Software	37,452,020	56,935	1,005,228	(559,794)	37,954,389
Infrastructure	629,842,987	—	—	—	629,842,987
Total Capital Assets, Being Depreciated/ Amortized	<u>1,650,453,067</u>	<u>14,832,451</u>	<u>34,605,920</u>	<u>(4,454,286)</u>	<u>1,695,437,152</u>
Less Accumulated Depreciation/ Amortization for:					
Intangibles	3,093,406	—	571,951	—	3,665,357
Buildings	273,383,725	—	17,534,427	—	290,918,152
Improvements other than Buildings	57,871,369	—	7,825,826	—	65,697,195
Right-to-use Asset	4,084,897	—	2,777,512	(171,493)	6,690,916
Vehicles and Major Equipment	124,476,264	105,499	13,068,425	(3,167,633)	134,482,555
Data Processing Equipment and Software	25,146,594	—	1,277,172	(559,794)	25,863,972
Infrastructure	241,563,922	—	17,560,759	—	259,124,681
Total Accumulated Depreciation/ Amortization	<u>729,620,177</u>	<u>105,499</u>	<u>60,616,072</u>	<u>(3,898,920)</u>	<u>786,442,828</u>
Total Capital Assets, Being Depreciated/ Amortized, Net	<u>920,832,890</u>	<u>14,726,952</u>	<u>(26,010,152)</u>	<u>(555,366)</u>	<u>908,994,324</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,577,151,236</u>	<u>\$ 23,361</u>	<u>\$ 72,216,440</u>	<u>\$ (761,954)</u>	<u>\$ 1,648,629,083</u>

The capital assets belonging to Internal Service Funds are included in governmental activities. In fiscal year 2024, Internal Service Funds had capital additions totaling \$198,895, resulting in a total cost of \$885,619. Depreciation expense of \$27,490 resulted in an ending accumulated depreciation balance of \$694,984, with a net book value of \$190,635.

Depreciation/amortization expense was charged to functions/programs of the governmental activities of the primary government as follows:

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 5. CAPITAL ASSETS (continued)

<u>Function/Program</u>	<u>Total</u>
Community and Human Development	\$ 607,192
Culture and Recreation	13,917,475
General Government	3,473,709
Public Health	1,700,448
Public Safety	10,548,468
Public Works	30,341,290
Total Depreciation/Amortization Expense- Governmental Activities	60,588,582
Internal Service Funds	27,490
Depreciation/ Amortization Expense	<u>\$ 60,616,072</u>

	<u>Balance August 31, 2023</u>	<u>Transfers</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2024</u>
Business-Type Activities:					
El Paso International Airport					
Capital Assets not Being Depreciated:					
Land	\$ 14,175,312	\$ —	\$ —	\$ —	\$ 14,175,312
Artwork	979,637	—	—	—	979,637
Construction in Progress	36,757,608	—	32,298,195	—	69,055,803
Total Capital Assets not Being Depreciated	<u>51,912,557</u>	<u>—</u>	<u>32,298,195</u>	<u>—</u>	<u>84,210,752</u>
Capital Assets Being Depreciated:					
Buildings	218,114,353	—	—	—	218,114,353
Improvements Other than Buildings	375,496,428	—	—	—	375,496,428
Right-to-use Asset	30,073	—	—	—	30,073
Vehicles and Major Equipment	21,365,319	—	589,422	(87,863)	21,866,878
Total Capital Assets Being Depreciated	<u>615,006,173</u>	<u>—</u>	<u>589,422</u>	<u>(87,863)</u>	<u>615,507,732</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	126,080,135	—	6,558,909	—	132,639,044
Improvements Other than Buildings	246,395,466	—	11,239,159	—	257,634,625
Right-to-use Asset	15,037	—	15,036	—	30,073
Vehicles and Major Equipment	19,143,602	—	726,795	(87,863)	19,782,534
Total Accumulated Depreciation/Amortization	<u>391,634,240</u>	<u>—</u>	<u>18,539,899</u>	<u>(87,863)</u>	<u>410,086,276</u>
Total Capital Assets, Being Depreciated, Net	<u>223,371,933</u>	<u>—</u>	<u>(17,950,477)</u>	<u>—</u>	<u>205,421,456</u>
El Paso International Airport Capital Assets, Net	<u>\$ 275,284,490</u>	<u>\$ —</u>	<u>\$ 14,347,718</u>	<u>\$ —</u>	<u>\$ 289,632,208</u>
Environmental Services					
Capital Assets not Being Depreciated:					
Land	\$ 6,887,813	\$ —	\$ 8,936,917	\$ —	\$ 15,824,730
Construction in Progress	7,917,608	(1,583,709)	1,036,060	(6,697,026)	672,933
Total Capital Assets not Being Depreciated	<u>14,805,421</u>	<u>(1,583,709)</u>	<u>9,972,977</u>	<u>(6,697,026)</u>	<u>16,497,663</u>
Capital Assets Being Depreciated:					
Buildings	6,629,729	583,212	—	—	7,212,941
Improvements Other than Buildings	40,784,935	1,000,497	—	—	41,785,432
Right-to-use Asset	60,146	—	—	—	60,146
Vehicles and Major Equipment	94,537,971	(89,943)	13,761,146	(2,118,779)	106,090,395
Total Capital Assets Being Depreciated	<u>142,012,781</u>	<u>1,493,766</u>	<u>13,761,146</u>	<u>(2,118,779)</u>	<u>155,148,914</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	2,042,579	—	140,399	—	2,182,978
Improvements Other than Buildings	33,127,057	—	1,264,874	—	34,391,931
Right-to-use Asset	30,073	—	30,073	—	60,146
Vehicles and Major Equipment	64,598,240	(66,582)	7,766,294	(2,118,779)	70,179,173
Total Accumulated Depreciation/Amortization	<u>99,797,949</u>	<u>(66,582)</u>	<u>9,201,640</u>	<u>(2,118,779)</u>	<u>106,814,228</u>
Total Capital Assets, Being Depreciated, Net	<u>42,214,832</u>	<u>1,560,348</u>	<u>4,559,506</u>	<u>—</u>	<u>48,334,686</u>
Environmental Services Capital Assets, Net	<u>\$ 57,020,253</u>	<u>\$ (23,361)</u>	<u>\$ 14,532,483</u>	<u>\$ (6,697,026)</u>	<u>\$ 64,832,349</u>

NOTE 5. CAPITAL ASSETS (continued)

	Balance August 31, 2023	Transfers	Additions	Reductions	Balance August 31, 2024
Mass Transit					
Capital Assets not Being Depreciated:					
Land	\$ 11,753,642	\$ —	\$ —	\$ —	\$ 11,753,642
Construction in Progress	1,197,787	(2,105,900)	1,840,590	—	932,477
Total Capital Assets not Being Depreciated	<u>12,951,429</u>	<u>(2,105,900)</u>	<u>1,840,590</u>	<u>—</u>	<u>12,686,119</u>
Capital Assets Being Depreciated/Amortized:					
Buildings	125,918,742	1,434,988	—	—	127,353,730
Improvements Other than Buildings	133,409,346	561,677	—	—	133,971,023
Right-to-use Asset	3,501,240	—	131,309	—	3,632,549
Vehicles and Major Equipment	144,103,752	70,318	11,124,509	(2,360,346)	152,938,233
Total Capital Assets Being Depreciated/Amortized	<u>406,933,080</u>	<u>2,066,983</u>	<u>11,255,818</u>	<u>(2,360,346)</u>	<u>417,895,535</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	52,213,463	—	4,158,505	—	56,371,968
Improvements Other than Buildings	48,378,647	—	5,464,645	—	53,843,292
Right-to-use Asset	658,577	—	189,464	—	848,041
Vehicles and Major Equipment	86,645,636	(38,917)	8,295,307	(2,149,934)	92,752,092
Total Accumulated Depreciation/Amortization	<u>187,896,323</u>	<u>(38,917)</u>	<u>18,107,921</u>	<u>(2,149,934)</u>	<u>203,815,393</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>219,036,757</u>	<u>2,105,900</u>	<u>(6,852,103)</u>	<u>(210,412)</u>	<u>214,080,142</u>
Mass Transit Capital Assets, Net	<u>\$ 231,988,186</u>	<u>\$ —</u>	<u>\$ (5,011,513)</u>	<u>\$ (210,412)</u>	<u>\$ 226,766,261</u>
International Bridges					
Capital Assets not Being Depreciated:					
Land	\$ 2,469,531	\$ —	\$ —	\$ —	\$ 2,469,531
Construction in Progress	1,356,527	—	(385)	—	1,356,142
Total Capital Assets not Being Depreciated	<u>3,826,058</u>	<u>—</u>	<u>(385)</u>	<u>—</u>	<u>3,825,673</u>
Capital Assets Being Depreciated:					
Buildings	—	—	511,344	—	511,344
Improvements Other than Buildings	24,586,964	—	15,611	—	24,602,575
Right-to-use Asset	393,902	—	—	—	393,902
Vehicles and Major Equipment	7,362,833	—	153,871	(12,800)	7,503,904
Total Capital Assets Being Depreciated	<u>32,343,699</u>	<u>—</u>	<u>680,826</u>	<u>(12,800)</u>	<u>33,011,725</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	—	—	8,522	—	8,522
Improvements Other than Buildings	13,679,954	—	469,445	—	14,149,399
Right-to-use Asset	136,313	—	136,313	—	272,626
Vehicles and Major Equipment	7,000,116	—	88,178	(12,800)	7,075,494
Total Accumulated Depreciation/Amortization	<u>20,816,383</u>	<u>—</u>	<u>702,458</u>	<u>(12,800)</u>	<u>21,506,041</u>
Total Capital Assets, Being Depreciated, Net	<u>11,527,316</u>	<u>—</u>	<u>(21,632)</u>	<u>—</u>	<u>11,505,684</u>
International Bridges Capital Assets, Net	<u>\$ 15,353,374</u>	<u>\$ —</u>	<u>\$ (22,017)</u>	<u>\$ —</u>	<u>\$ 15,331,357</u>
Tax Office					
Capital Assets Being Depreciated/Amortized:					
Improvements Other than Buildings	\$ 32,500	\$ —	\$ —	\$ —	\$ 32,500
Right-to-use Asset	1,541,071	—	—	—	1,541,071
Vehicles and Major Equipment	93,266	—	6,028	—	99,294
Total Capital Assets Being Depreciated/Amortized	<u>1,666,837</u>	<u>—</u>	<u>6,028</u>	<u>—</u>	<u>1,672,865</u>
Less Accumulated Depreciation/Amortization for:					
Improvements Other than Buildings	32,500	—	—	—	32,500
Right-to-use Asset	286,711	—	143,355	—	430,066
Vehicles and Major Equipment	81,440	—	4,813	—	86,253
Total Accumulated Depreciation/Amortization	<u>400,651</u>	<u>—</u>	<u>148,168</u>	<u>—</u>	<u>548,819</u>
Total Capital Assets, Being Depreciated, Net	<u>1,266,186</u>	<u>—</u>	<u>(142,140)</u>	<u>—</u>	<u>1,124,046</u>
Tax Office Capital Assets, Net	<u>\$ 1,266,186</u>	<u>\$ —</u>	<u>\$ (142,140)</u>	<u>\$ —</u>	<u>\$ 1,124,046</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 5. CAPITAL ASSETS (continued)

	<u>Balance August 31, 2023</u>	<u>Transfers</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2024</u>
All Business-Type Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 35,286,298	\$ —	\$ 8,936,917	\$ —	\$ 44,223,215
Artwork	979,637	—	—	—	979,637
Construction in Progress	47,229,530	(3,689,609)	35,174,460	(6,697,026)	72,017,355
Total Capital Assets not Being Depreciated	<u>83,495,465</u>	<u>(3,689,609)</u>	<u>44,111,377</u>	<u>(6,697,026)</u>	<u>117,220,207</u>
Capital Assets Being Depreciated/Amortized:					
Buildings	350,662,824	2,018,200	511,344	—	353,192,368
Right-to-use Asset	5,526,432	—	131,309	—	5,657,741
Improvements Other than Buildings	574,310,173	1,562,174	15,611	—	575,887,958
Vehicles and Major Equipment	267,463,141	(19,625)	25,634,976	(4,579,788)	288,498,704
Total Capital Assets Being Depreciated/Amortized	<u>1,197,962,570</u>	<u>3,560,749</u>	<u>26,293,240</u>	<u>(4,579,788)</u>	<u>1,223,236,771</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	180,336,177	—	10,866,335	—	191,202,512
Improvements Other than Buildings	341,613,624	—	18,438,123	—	360,051,747
Right-to-use Asset	1,126,711	—	514,241	—	1,640,952
Vehicles and Major Equipment	177,469,034	(105,499)	16,881,387	(4,369,376)	189,875,546
Total Accumulated Depreciation/Amortization	<u>700,545,546</u>	<u>(105,499)</u>	<u>46,700,086</u>	<u>(4,369,376)</u>	<u>742,770,757</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>497,417,024</u>	<u>3,666,248</u>	<u>(20,406,846)</u>	<u>(210,412)</u>	<u>480,466,014</u>
All Business-Type Activities Capital Assets, Net	<u>\$ 580,912,489</u>	<u>\$ (23,361)</u>	<u>\$ 23,704,531</u>	<u>\$ (6,907,438)</u>	<u>\$ 597,686,221</u>

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

<u>Business-Type Activity</u>	<u>Total</u>
International Airport	\$ 18,539,899
Environmental Services	9,201,640
Mass Transit	18,107,921
International Bridges	702,458
Tax Office	148,168
Depreciation/ Amortization Expense	<u>\$ 46,700,086</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 5. CAPITAL ASSETS (continued)

Right-to-use Assets:

Right-to-use	Governmental Activities		Business-Type Activities		Total	
	Right-to-use Asset	Accumulated Amortization	Right-to-use Asset	Accumulated Amortization	Right-to-use Asset	Accumulated Amortization
Lease Land	\$ 292,972	\$ 172,968	\$ —	\$ —	\$ 292,972	\$ 172,968
Lease Land Improvement	86,136	49,318	2,701,945	276,336	2,788,081	325,654
Lease Building	15,019,748	3,611,962	1,541,070	430,066	16,560,818	4,042,028
Lease Equipment	42,566	42,566	—	—	42,566	42,566
Lease IT Equipment	1,195,933	166,694	—	—	1,195,933	166,694
SBITAs	5,410,045	2,647,408	1,414,726	934,550	6,824,771	3,581,958
Total	\$ 22,047,400	\$ 6,690,916	\$ 5,657,741	\$ 1,640,952	\$ 27,705,141	\$ 8,331,868

Construction Commitments

As of August 31, 2024:

	Remaining Commitment	Fund Equity and Other Sources Available
Governmental Funds	\$ 158,568,244	\$ 325,287,515
Proprietary Funds	74,875,106	25,135,983
Total	\$ 233,443,350	\$ 350,423,498

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

Interfund receivable and payable balances at August 31, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
Capital Projects	Economic Development	\$ 1,000,000 (1)
General Fund	Capital Projects	3,352,793 (2)
	Community Development Block Grants	2,741,612 (2)
	Nongrants	2,879,734 (2)
	Federal Grants	2,712,076 (2)
	Other Grants	35,177 (2)
	Public Health	2,595,121 (2)
	State Grants	2,085,840 (2)
	Tax Increment Fund	8,780 (2)
 Total		 <u><u>\$ 17,411,133</u></u>

(1) 380 Agreement funding

(2) Loans for pending reimbursements

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

B. Transfers

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

Transfer Out:	Transfer In:						Total
	Governmental Activities					Business-Type Activities	
	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Environmental Services	
Governmental Activities:							
General Fund	\$ —	\$ —	\$ 24,502,048	\$ 20,806,837	\$ 193,101	\$ —	\$ 45,501,986
Debt Service	755,384	—	—	—	—	—	755,384
Capital Projects	—	3,217,219	—	—	—	—	3,217,219
Nonmajor Governmental Funds	2,927,560	1,049,419	754,333	7,585,000	—	9,355,931	21,672,243
Total Governmental Activities	3,682,944	4,266,638	25,256,381	28,391,837	193,101	9,355,931	71,146,832
Business-Type Activities:							
Environmental Services	16,100,809	—	—	1,999,835	—	—	18,100,644
International Bridges	15,425,782	—	—	—	—	—	15,425,782
Tax Office Enterprise Fund	—	—	273,000	—	—	—	273,000
Total Business-Type Activities	31,526,591	—	273,000	1,999,835	—	—	33,799,426
Total	\$ 35,209,535	\$ 4,266,638	\$ 25,529,381	\$ 30,391,672	\$ 193,101	\$ 9,355,931	\$ 104,946,258
Transfer Bridges Excess Revenue to General Fund	\$ 15,425,782						
Environmental Franchise Fee	13,687,361						
Environmental Fee	9,355,931						
Transfer for Debt Service	1,049,419						
Animal Shelter subsidy from Environmental Services	1,999,835						
Animal Shelter subsidy from the General Fund	6,160,717						
Street Subsidy	2,413,448						
Transfer Sales Tax to DDC	250,389						
Transfer For City Wellness Clinic	193,101						
Transfer of HOT Tax	7,585,000						
Transfer From Council Discretionary Funds	52,166						
Transfer for Capital Projects	25,529,381						
Incentive Agreement Transfers	4,259,472						
Transfer to Council Discretionary Funds	80,000						
Transfer for Lobbyist Funding	211,399						
Waterparks Subsidy	2,692,844						
Transfer of Excess Meter Revenue to General Fund	755,384						
SAM Residential Street Resurfacing	7,031,316						
Unspent Bond Proceeds	3,217,219						
Transfer for Zoo Projects	120,700						
Transfer for TRZ 2 close out	2,875,394						
Total	\$ 104,946,258						

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS

A. LEASES

1. Lease Payable

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City leases nonfinancial assets such as land, land improvements, buildings and equipment and capitalizes the right-to-use asset with an initial individual value of \$5,000 or more. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining noncancellable lease term. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. As of the end of the fiscal year the discount rate used to calculate the net present value for the primary government's new leases was 4.02%.

As the lessee, a lease liability and the associated right-to-use lease asset are recognized in the government-wide and proprietary fund financial statements. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

The City has obtained office space, parking facilities, equipment and land through long-term leases and office space through one sublease. The terms and conditions for these leases vary. Some leases have fixed, periodic payments over the lease term, which range between 1-31 years. The City has a variety of variable payment clauses, within its lease arrangements, which include payment increases based on the Consumer Price Index (CPI), variable payments based on usage of the underlying asset, and common area maintenance fees. Components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below. The outflow of resources recognized as of August 31, 2024 for variable payments not previously included in the measurement of the lease liability are \$74.3 thousand.

The City did not incur expenses for its leasing activities related to lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include residual value guarantees, sale-leaseback and lease-leaseback transactions. The City monitors changes in circumstances that require a remeasurement of its leases and will remeasure the lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability. During the current year we remeasured the lease payable within the governmental activities and adjusted the lease payable and its related right-of-use asset by \$568.0 thousand and \$545.2 thousand respectively.

Lease assets are reported with capital assets net of accumulated amortization and lease liabilities are reported with long term debt on the statement of net position.

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS (continued)

As of August 31, 2024, the principal and interest requirements to maturity for the lease liability are as follows:

Year Ending August 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,192,664	\$ 360,017	\$ 198,785	\$ 88,990	\$ 1,391,449	\$ 449,007
2026	1,136,775	327,859	206,956	83,988	1,343,731	411,847
2027	618,314	303,101	215,396	78,781	833,710	381,882
2028	576,077	285,531	224,112	73,363	800,189	358,894
2029	583,226	268,074	233,112	67,726	816,338	335,800
2030-2034	3,416,572	1,036,965	878,481	257,305	4,295,053	1,294,270
2035-2039	2,349,414	559,490	459,366	187,134	2,808,780	746,624
2040-2044	966,860	337,819	519,683	126,817	1,486,543	464,636
2045-2049	572,778	252,282	587,921	58,579	1,160,699	310,861
2050-2054	523,784	182,936	169,421	2,979	693,205	185,915
2055-2059	671,577	107,251	—	—	671,577	107,251
2060-2064	486,137	19,550	—	—	486,137	19,550
Total	<u>\$ 13,094,178</u>	<u>\$ 4,040,875</u>	<u>\$ 3,693,233</u>	<u>\$ 1,025,662</u>	<u>\$ 16,787,411</u>	<u>\$ 5,066,536</u>

2. Lease Receivable

The City is a lessor of City-owned assets such as buildings, land, land improvements, and infrastructure under various leases, a majority of which are noncancellable and terminate no later than 2074. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements. Several leases were prepaid and are recognized as unearned revenue in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The City uses its estimated incremental borrowing rate as the discount rate for leases. As of the end of the fiscal year the discount rate used to calculate the net present value for the primary government new leases was 4.02% excluding El Paso International Airport that used 2.89% as per True Interest Cost on debt instrument directly issued to the Airport. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City’s variable payments clause within some lease arrangements, is similar to the arrangements made as lessee, however payment increases can be based on CPI or market value. In addition, certain agreements receive revenue from the operation of concessions which provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a minimum guarantee. As of August 31, 2024 the amount of inflows of resources recognized for variable payments not previously included in the measurement of the lease receivable is \$7.2 million.

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS (continued)

The City entered into a lease-leaseback transaction with the The City of El Paso Downtown Development Corporation, a component unit of the City relating to the Ballpark. Due to the nature of the transaction that qualifies it as a non-exchange transaction, the lease does not meet the criteria to be included as GASB Statement No. 87.

The City did not incur revenue related to residual value guarantees, lease termination penalties or sale-leaseback agreement. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. During the current year we remeasured the lease receivable within the governmental activities and adjusted the lease receivable and its related deferred inflow of resources by \$631.2 thousand and \$580.4 thousand respectively. We also remeasured the lease receivable within the business-type activities and adjusted the lease receivable and its related deferred inflow of resources by \$66.1 thousand and \$65.2 thousand respectively.

As of August 31, 2024, the principal and interest requirements to maturity for the lease receivable are as follows:

Year Ending August 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 574,353	\$ 444,072	\$ 8,164,622	\$ 4,622,261	\$ 8,738,975	\$ 5,066,333
2026	605,037	430,409	7,612,542	4,390,667	8,217,579	4,821,076
2027	644,745	417,584	4,541,808	4,222,160	5,186,553	4,639,744
2028	668,773	402,281	4,651,100	4,092,262	5,319,873	4,494,543
2029	723,469	386,107	4,738,546	3,959,315	5,462,015	4,345,422
2030-2034	3,995,615	1,658,200	23,470,840	17,785,758	27,466,455	19,443,958
2035-2039	4,748,843	1,114,299	21,681,256	14,580,098	26,430,099	15,694,397
2040-2044	4,123,521	496,916	18,870,431	11,653,341	22,993,952	12,150,257
2045-2049	1,525,376	168,560	15,568,843	9,250,275	17,094,219	9,418,835
2050-2054	523,309	33,015	14,431,964	7,130,713	14,955,273	7,163,728
2055-2059	59,914	7,168	13,323,419	5,190,053	13,383,333	5,197,221
2060-2064	27,753	2,247	14,698,177	3,196,383	14,725,930	3,198,630
2065-2069	3,800	34	11,573,661	1,215,738	11,577,461	1,215,772
2070-2074	—	—	3,400,054	178,751	3,400,054	178,751
Total	<u>\$ 18,224,508</u>	<u>\$ 5,560,892</u>	<u>\$ 166,727,263</u>	<u>\$ 91,467,775</u>	<u>\$ 184,951,771</u>	<u>\$ 97,028,667</u>

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS (continued)

As of August 31, 2024, the deferred inflows related to the lease receivable are as follows:

Year Ending August 31,	Business-Type Activities				Total
	El Paso International Airport	Mass Transit	Total Business-Type Activities	Governmental Activities	
2025	\$ 9,583,673	\$ 115,912	\$ 9,699,585	\$ 864,189	\$ 10,563,774
2026	8,847,951	115,912	8,963,863	871,907	9,835,770
2027	5,814,421	115,912	5,930,333	887,343	6,817,676
2028	5,794,725	115,912	5,910,637	887,343	6,797,980
2029	5,754,671	114,472	5,869,143	884,721	6,753,864
2030-2034	26,824,846	567,212	27,392,058	4,305,965	31,698,023
2035-2039	22,765,553	443,304	23,208,857	4,097,394	27,306,251
2040-2044	18,588,116	172,575	18,760,691	3,065,181	21,825,872
2045-2049	14,518,390	—	14,518,390	1,031,285	15,549,675
2050-2054	12,259,091	—	12,259,091	312,779	12,571,870
2055-2059	10,257,953	—	10,257,953	42,782	10,300,735
2060-2064	9,888,138	—	9,888,138	18,376	9,906,514
2065-2069	6,991,291	—	6,991,291	2,448	6,993,739
2070-2074	1,919,348	—	1,919,348	—	1,919,348
Total	\$ 159,808,167	\$ 1,761,211	\$ 161,569,378	\$ 17,271,713	\$ 178,841,091

3. Regulated Leases

The El Paso International Airport (EPIA) manages a variety of leases and agreements with airlines, concessionaires, service providers and tenants, all of which are regulated by the Federal Aviation Administration (FAA). There are two categories of agreements with airlines; Signatory and Non-Signatory, pertaining to usage of EPIA for conducting air transportation business. American Airlines, Delta Airlines, Federal Express Corporation, Southwest Airlines, United Airlines, and United Parcel Service all operate under Signatory Airline Agreements with EPIA, which have a benefit of preferential use of certain terminal space, facilities, and apron area(s) at EPIA. Alaska Airlines, Allegiant Airlines, DHL Express, and Frontier Airlines all operate under Non-Signatory Airline Agreements with EPIA, which do not include preferential use of certain terminal space, facilities, and apron area(s) at EPIA. The terms of both Signatory and Non-Signatory Airline Agreements stipulate monthly payments to EPIA based on total estimates of costs, expenses, estimated total number of passengers, estimated total landed weight, among several other factors. Final settlements are made each year after the issuance of the City’s audited financial statements.

The Signatory Airline Agreements were renewed in FY 2024 and are valid from September 1, 2024 through August 31, 2029, with limited options for termination, and may be extended for one (1) additional two (2) - year renewal period. Non-Signatory Airline Agreements are valid until (1) termination by either party with or without cause pursuant to terms in the agreement, (2) the date upon which the Airline becomes a Signatory Airline, or (3) the date upon which the Signatory Airline Agreement expires or is earlier terminated for all Signatory Airlines.

Other regulated leases and agreements have differing terms, termination, and renewal clauses consistent with industry standards.

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS (continued)

The total amount of resources recognized in the reporting period for regulated leases is \$2.5 million. The amount of inflows of resources recognized in fiscal year 2024 for variable payments not included in the expected future minimum payments is \$3.7 million.

As of August 31, 2024, the expected future minimum payments under these agreements are as follows:

Year Ending August 31,	Total
2025	\$ 4,276,912
2026	4,161,500
2027	3,766,883
2028	1,342,786
2029	1,221,851
2030-2034	4,069,530
2035-2039	1,417,241
2040-2044	1,027,317
2045-2049	684,035
2050-2054	94,510
2055-2059	65,999
2060-2064	39,528
Total	<u>\$ 22,168,092</u>

B. Subscription Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's information technology asset such as software. The contract is for a noncancellable period of time and the arrangement is an exchange or exchange-like transaction. This type of transaction creates a subscription liability and a right-to-use asset that must be recognized at the commencement of the term.

It is the policy of the City to only capitalize the SBITA right-to-use assets that are above \$5,000 threshold and amortize using the straight-line method over the term of the contract. Any subsequent changes to subscription terms and/or payments after the liability was originally recorded will cause a remeasurement of the liability and the right-to-use asset as of that date.

For purposes of determining the net present value (NPV) of the SBITA, the City has used the latest debt instrument true interest cost (TIC) as the discount rate. As of the end of the fiscal year, the discount rate used to calculate the net present value for the primary government new SBITAs was 4.02%.

The City uses multiple SBITAs across all functions and City departments. The total amount of outflows of resources recognized in the reporting period for other payments not previously included in the measurement of the subscription liability were \$6,545. There were no variable payments during the current fiscal year.

NOTE 7. LEASES, SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND AVAILABILITY PAYMENT ARRANGEMENTS (continued)

As of the end of the fiscal year 2024 principal and interest requirements to maturity are as follows:

Year Ending August 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 931,622	\$ 60,174	\$ 427,679	\$ 13,371	\$ 1,359,301	\$ 73,545
2026	705,075	36,417	73,285	2,946	778,360	39,363
2027	723,054	18,438	—	—	723,054	18,438
Total	<u>\$ 2,359,751</u>	<u>\$ 115,029</u>	<u>\$ 500,964</u>	<u>\$ 16,317</u>	<u>\$ 2,860,715</u>	<u>\$ 131,346</u>

C. Availability Payment Arrangements (APA)

The City has entered into APAs to procure governmental services for its constituents. As of the end of this fiscal year, all APAs in which the City was engaged were related to providing services for the operations and/or maintenance of a nonfinancial asset. As per GASB Statement No. 94, all payments made to operators under this type of arrangements were reported as outflows of current resources for the reporting period. As of August 31, 2024 the City reported two APAs with total outflows in the amount of \$9.6 million.

NOTE 8. LONG-TERM OBLIGATIONS

A. Long-term Liabilities

The City of El Paso issues general obligation bonds, certificates of obligations, and revenue bonds to provide funds for the acquisition and construction of major capital assets. These obligations have been issued for both governmental and business-type activities. The general obligation and certificate of obligation bonds are direct obligations and pledge the full faith and credit of the City of El Paso. The governmental activities special revenue bonds are not ad valorem tax supported debt. These obligations are paid with hotel occupancy tax, lease payments, a portion of sales tax, ticket and parking revenues. All obligations generally are issued as serial bonds maturing each year with maturities that range from 1 to 26 years.

The City intends to retire ad valorem tax supported long-term liabilities, plus interest, from future ad valorem tax levies. The City 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 ad valorem tax supported long-term liabilities for the year ended August 31, 2024 was \$0.256466 per \$100 assessed valuation.

The City Charter states that all indebtedness of the City that is supported by ad valorem tax shall not exceed ten percent of the total assessed valuation of the City’s tax rolls. Ten percent of the fiscal year 2024 total assessed valuation base is \$4,902,519,958. The City’s legal debt margin is \$3,547,890,508. Long-term liabilities issued to acquire proprietary fund assets are reported as an obligation of those proprietary funds. Although they are not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding long-term liabilities, the City intends for the proprietary funds to meet the debt service requirements.

General Obligation Bonds, Certificates of Obligations and Revenue Bonds as of August 31, 2024, are as follows:

	<u>Original Issuance</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>August 31, 2024</u>
Governmental Activities				
Certificates of Obligation Bonds				
Combination Tax & Revenue, Series 2014	\$ 47,420,000	4.00% - 5.00%	2040	\$ 5,935,000
Combination Tax & Revenue, Series 2015	54,185,000	4.00% - 5.00%	2041	42,815,000
Combination Tax & Revenue, Series 2016	79,270,000	4.00% - 5.00%	2042	79,270,000
Combination Tax & Revenue, Series 2019	93,460,000	3.13% - 5.00%	2044	78,125,000
Combination Tax & Revenue, Series 2020	84,855,000	4.00% - 5.00%	2045	78,620,000
Combination Tax & Revenue, Series 2021A	60,050,000	4.00% - 5.00%	2047	60,050,000
Combination Tax & Revenue, Series 2021B	16,490,000	4.00% - 5.00%	2047	16,490,000
Combination Tax & Revenue, Series 2021C	84,060,000	3.00% - 5.00%	2047	<u>77,470,000</u>
Total Certificates of Obligation Bonds				<u>438,775,000</u>
General Obligation Bonds				
Taxable Pension Refunding, Series 2007	101,240,000	5.51% - 6.02%	2035	61,275,000
Pension, Taxable Series 2014	110,610,000	0.62% - 5.18%	2034	54,245,000
Refunding & Improvement, Series 2014	85,930,000	3.38% - 5.00%	2039	1,375,000
Refunding & Improvement, Series 2015	116,415,000	3.63% - 5.00%	2041	62,600,000
Refunding, Series 2016	121,260,000	3.50% - 5.00%	2034	94,590,000
Series 2016	175,305,000	4.00% - 5.00%	2042	175,305,000
Refunding & Improvement, Series 2019A	76,895,000	2.00% - 5.00%	2044	62,660,000
Series 2019B	17,045,000	2.25% - 5.00%	2044	14,115,000
Refunding & Improvement, Series 2020A	109,085,000	3.00% - 5.00%	2045	98,125,000
Refunding, Series 2020B	\$ 23,040,000	5.00%	2032	\$ 17,550,000

NOTE 8. LONG-TERM OBLIGATIONS (continued)

	Original Issuance	Interest Rates	Maturity Date	August 31, 2024
Improvement, Series 2021	42,625,000	3.00% - 5.00%	2047	42,625,000
Refunding, Series 2021A	81,770,000	0.26% - 2.76%	2039	58,005,000
Series 2021B	73,460,000	3.00% - 5.00%	2047	69,510,000
Series 2023	44,735,000	4.00 to 5.00%	2048	43,705,000
Refunding, Series 2023A	11,555,000	5.00%	2037	11,555,000
Refunding, Series 2024	60,710,000	5.00%	2038	60,710,000
Total General Obligation Bonds				<u>927,950,000</u>
Special Revenue Bonds (Downtown Ballpark Venue Project)				
Special Revenue, Taxable Series 2013B	15,660,000	7.25%	2043	15,140,000
Special Revenue Refunding, Series 2016	17,665,000	2.00% - 5.00%	2043	12,765,000
Special Revenue Refunding, Series 2021	26,820,000	0.68% - 2.94%	2038	26,255,000
Special Revenue Refunding, Series 2023	5,380,000	4.03% - 5.00%	2043	5,215,000
Total Special Revenue Bonds				<u>59,375,000</u>
Total Governmental Activities				<u>\$ 1,426,100,000</u>
Business-Type Activities				
Certificates of Obligation Bonds				
Combination Tax & Airport Revenue, Series 2014	\$ 40,000,000	1.38% - 5.00%	2038	\$ 29,575,000
Combination Tax & Revenue, Series 2014	17,185,000	4.00% - 5.00%	2040	2,240,000
Combination Tax & Revenue, Series 2015	3,525,000	4.00% - 5.00%	2041	2,940,000
Combination Tax & Revenue, Series 2016	4,935,000	4.00% - 5.00%	2042	4,085,000
Total Certificates of Obligation Bonds				<u>38,840,000</u>
General Obligation Bonds				
Refunding & Improvement, Series 2019A	4,550,000	2.00% - 5.00%	2044	3,565,000
Refunding & Improvement, Series 2020A	4,850,000	3.00% - 5.00%	2045	4,455,000
Refunding Taxable, Series 2021A	23,520,000	0.26% - 2.76%	2039	20,460,000
Refunding, Series 2024	10,655,000	5.00%	2038	10,655,000
Total General Obligation Bonds				<u>39,135,000</u>
Revenue Bonds				
Airport Revenue, Series 2018	41,475,000	5.00%	2028	19,160,000
Airport Revenue Refunding, Series 2020	10,905,000	5.00%	2033	8,210,000
Total Revenue Bonds				<u>27,370,000</u>
Total Business-Type Activities				<u>\$ 105,345,000</u>

B. Current Refunding

On July 02, 2024, the City issued \$71,365,000 in General Obligation Refunding Bonds Series 2024 with an interest rate of 5.00%. The proceeds were used to refund \$12,595,000 of General Obligation Series 2014; \$26,660,000 of General Obligation Series 2014A and \$41,210,000 of Certificate of Obligations Series 2014 bonds. The net proceeds of \$81,775,626 (including premium of \$6,352,135, additional cash provided by the City in the amount of \$4,753,220, and after payment of \$694,729 in underwriting fees, yield reduction, and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the before mentioned bonds are considered defeased and the liability has been removed from the statement of net position. This refunding reduced its total present value debt service payments by \$7,575,691 to obtain an economic gain (difference between the present value of the debt service payments on the old debt and new debt) of \$4,212,205.

NOTE 8. LONG-TERM OBLIGATIONS (continued)

As part of this additional cash, the City provided \$3.4 million to defease the debt associated with the Plaza Theater project. This cash defeasance not only generated an economic gain but also freed up meter revenue that was previously dedicated to repaying this debt. The released meter revenue now serves as an additional funding source for General Fund expenditures, helping to reduce the property tax burden on our community.

C. Cash Defeasance

On June 17, 2024 the City issued a partial cash defeasance of \$11,820,000 of General Obligation Series 2014. The cash provided by the City in the amount of \$12,016,981 (after payment of \$12,000 in processing costs) was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the before mentioned bond is considered defeased and the liability has been removed from the statement of net position. The cash defeasance reduced the present value debt service payments by \$14,167,346 to obtain an economic gain (difference between the present value of the debt service payments on the old debt and cash provided) of \$2,138,365.

D. Bonds Authorized and Unissued

As of August 31, 2024, there were \$128,455,636, \$245,825,650 and \$226,380,000 in voter approved and unissued bonds as part of the 2012 Quality of Life Bonds, the 2019 Public Safety Bond, and the 2022 Community Progress Bond respectively. Additionally, there were \$32,813,163 in unissued bonds for infrastructure and other capital projects approved by City Council.

E. Unspent Bond Proceeds

The following summarizes the unspent bond proceeds as of August 31, 2024 relating to the acquisition and construction of capital assets. The El Paso International Airport unspent bond proceeds includes \$2.7 million in a debt service reserve fund as established by the bond covenant.

	<u>Unspent Bond Proceeds</u>
Capital Projects Fund	\$ 280,436,044
El Paso International Airport	2,753,473
Total	<u><u>\$ 283,189,517</u></u>

F. Arbitrage

The City's tax-exempt debt remains in compliance with all Internal Revenue Service arbitrage regulations along with the bond covenants as of the fiscal year ended August 31, 2024. Under U.S Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal Government every fifth anniversary of each debt issue. The City contracts an independent consultant to evaluate the City's outstanding tax-exempt debt for arbitrage

NOTE 8. LONG-TERM OBLIGATIONS (continued)

liability. As of the end of the current fiscal year, the City recognized \$2.9 million in arbitrage liability related to its GO 2021, CO 2021A, GO 2021B and CO 2021C in governmental activities. The amount due pertains to an interim calculation completed as of August 31, 2024, however, the fifth year report will be due at the end of our fiscal year 2026.

G. Changes in Long-term Liabilities

Changes in the City's long-term liabilities for the year ended August 31, 2024, are as follows:

	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 961,005,000	\$ 60,710,000	\$ 93,765,000	\$ 927,950,000	\$ 47,095,000
Certificates of Obligation	478,710,000	—	39,935,000	438,775,000	14,035,000
Special Revenue Bonds	61,045,000	—	1,670,000	59,375,000	1,875,000
Premium	131,551,874	5,236,757	16,623,519	120,165,112	12,443,573
Arbitrage Rebate Payable	—	2,935,764	—	2,935,764	—
Total Bonds Payable	<u>1,632,311,874</u>	<u>68,882,521</u>	<u>151,993,519</u>	<u>1,549,200,876</u>	<u>75,448,573</u>
Notes Payable - Direct Borrowing	530,000	—	530,000	—	—
Lease Liability	11,666,732	3,232,839	1,805,393	13,094,178	1,192,664
SBITA Liability	3,542,461	—	1,182,710	2,359,751	931,622
Chapter 380 Agreement Obligations	42,308,782	—	3,045,591	39,263,191	—
Due to Component Unit - Land	25,595,142	—	949,967	24,645,175	949,967
Compensated Absences	76,885,558	8,384,678	8,134,588	77,135,648	23,140,694
Accrued Health and Workers Compensation Claims	21,934,396	40,394,999	39,923,631	22,405,764	6,721,729
Net Pension Liability	652,624,638	20,617,952	13,821,556	659,421,034	—
Total OPEB Liability	86,723,178	24,725,110	5,861,400	105,586,888	2,857,602
Claims and Judgments	4,493,318	53,885	—	4,547,203	—
Total Other Obligations	<u>926,304,205</u>	<u>97,409,463</u>	<u>75,254,836</u>	<u>948,458,832</u>	<u>35,794,278</u>
Total Governmental Activities	<u>\$ 2,558,616,079</u>	<u>\$ 166,291,984</u>	<u>\$ 227,248,355</u>	<u>\$ 2,497,659,708</u>	<u>\$ 111,242,851</u>

The General Fund is used to liquidate the liability for Compensated Absences, Net Pension Liability and OPEB obligations for all governmental activities.

	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024	Due Within One Year
Business-Type Activities					
El Paso International Airport					
Bonds Payable					
Revenue Bonds	\$ 32,330,000	\$ —	\$ 4,960,000	\$ 27,370,000	\$ 5,205,000
Certificates of Obligation	31,070,000	—	1,495,000	29,575,000	1,550,000
Premium	2,974,464	—	733,444	2,241,020	626,421
Discount	(37,248)	—	(4,076)	(33,172)	(3,917)
Total Bonds Payable	<u>66,337,216</u>	<u>—</u>	<u>7,184,368</u>	<u>59,152,848</u>	<u>7,377,504</u>
SBITA	15,763	—	15,763	—	—
Compensated Absences	3,138,203	294,946	603,177	2,829,972	848,992
Net Pension Liability	10,695,971	3,601,798	—	14,297,769	—
Total OPEB Liability	<u>5,946,155</u>	<u>1,695,325</u>	<u>401,899</u>	<u>7,239,581</u>	<u>195,932</u>
Total El Paso International Airport	<u>86,133,308</u>	<u>5,592,069</u>	<u>8,205,207</u>	<u>83,520,170</u>	<u>8,422,428</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 8. LONG-TERM OBLIGATIONS (continued)

	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024	Due Within One Year
Environmental Services					
Bonds Payable					
Certificates of Obligation	\$ 3,900,000	\$ —	\$ 3,275,000	\$ 625,000	\$ —
General Obligation Bonds	6,265,000	3,260,000	1,740,000	7,785,000	1,470,000
Premium	268,527	316,310	227,676	357,161	44,875
Total Bonds Payable	<u>10,433,527</u>	<u>3,576,310</u>	<u>5,242,676</u>	<u>8,767,161</u>	<u>1,514,875</u>
SBITA Liability	31,526	—	31,526	—	—
Landfill Closure and Post-Closure	17,379,591	1,264,195	—	18,643,786	—
Delta Transfer Station Post-Closure	150,107	5,404	—	155,511	—
Compensated Absences	1,531,391	260,582	179,097	1,612,876	483,863
Claims and Judgments	2,227,167	—	2,038,118	189,049	—
Net Pension Liability	16,040,197	5,401,430	—	21,441,627	—
Total OPEB Liability	<u>7,811,958</u>	<u>2,224,708</u>	<u>527,396</u>	<u>9,509,270</u>	<u>257,359</u>
Total Environmental Services	<u>55,605,464</u>	<u>12,732,629</u>	<u>8,018,813</u>	<u>60,319,280</u>	<u>2,256,097</u>
Mass Transit					
Bonds Payable					
Certificates of Obligation	17,385,000	—	8,745,000	8,640,000	260,000
General Obligation Bonds	25,320,000	7,395,000	1,365,000	31,350,000	1,765,000
Premium	2,501,759	799,067	738,978	2,561,848	290,932
Total Bonds Payable	<u>45,206,759</u>	<u>8,194,067</u>	<u>10,848,978</u>	<u>42,551,848</u>	<u>2,315,932</u>
Lease Liability	2,567,982	—	66,622	2,501,360	68,286
SBITA Liability	343,241	134,622	97,516	380,347	307,062
Compensated Absences	1,864,479	295,623	298,030	1,862,072	558,622
Claims and Judgments	627,360	—	61,835	565,525	—
Net Pension Liability	28,966,162	9,754,162	—	38,720,324	—
Total OPEB Liability	<u>11,997,357</u>	<u>3,419,879</u>	<u>810,726</u>	<u>14,606,510</u>	<u>395,310</u>
Total Mass Transit	<u>91,573,340</u>	<u>21,798,353</u>	<u>12,183,707</u>	<u>101,187,986</u>	<u>3,645,212</u>
International Bridges					
SBITA Liability	259,144	—	138,527	120,617	120,617
Compensated Absences	311,639	32,634	77,025	267,248	80,174
Net Pension Liability	1,987,329	669,220	—	2,656,549	—
Total OPEB Liability	<u>1,430,767</u>	<u>405,968</u>	<u>96,240</u>	<u>1,740,495</u>	<u>47,105</u>
Total International Bridges	<u>3,988,879</u>	<u>1,107,822</u>	<u>311,792</u>	<u>4,784,909</u>	<u>247,896</u>
Tax Office					
Leases	1,316,125	—	124,252	1,191,873	130,499
Compensated Absences	111,242	54,380	30,441	135,181	40,554
Total OPEB Liability	<u>18,078</u>	<u>6,495</u>	<u>1,540</u>	<u>23,033</u>	<u>623</u>
Total Tax Office	<u>1,445,445</u>	<u>60,875</u>	<u>156,233</u>	<u>1,350,087</u>	<u>171,676</u>
Total Business-Type Activities	<u>\$ 238,746,436</u>	<u>\$ 41,291,748</u>	<u>\$ 28,875,752</u>	<u>\$ 251,162,432</u>	<u>\$ 14,743,309</u>

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 8. LONG-TERM OBLIGATIONS (continued)

	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024	Due Within One Year
Business-Type Activities					
Bonds Payable					
Revenue Bonds	\$ 32,330,000	\$ —	\$ 4,960,000	\$ 27,370,000	\$ 5,205,000
Certificates of Obligation	52,355,000	—	13,515,000	38,840,000	1,810,000
General Obligation Bonds	31,585,000	10,655,000	3,105,000	39,135,000	3,235,000
Premium	5,744,750	1,115,377	1,700,098	5,160,029	962,228
Discount	(37,248)	—	(4,076)	(33,172)	(3,917)
Total Bonds Payable	121,977,502	11,770,377	23,276,022	110,471,857	11,208,311
Lease Liability	3,884,107	—	190,874	3,693,233	198,785
SBITA Liability	649,674	134,622	283,332	500,964	427,679
Landfill Closure and Post-Closure	17,379,591	1,264,195	—	18,643,786	—
Delta Transfer Station Post-Closure	150,107	5,404	—	155,511	—
Compensated Absences	6,956,954	938,165	1,187,770	6,707,349	2,012,205
Claims and Judgments	2,854,527	—	2,099,953	754,574	—
Net Pension Liability	57,689,659	19,426,610	—	77,116,269	—
Total OPEB Liability	27,204,315	7,752,375	1,837,801	33,118,889	896,329
Total Business-Type Activities	\$ 238,746,436	\$ 41,291,748	\$ 28,875,752	\$ 251,162,432	\$ 14,743,309

H. Bonded Debt Requirements: General Obligation and Certificate of Obligation Bonds

Year Ending August 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 61,130,000	\$ 59,817,935	\$ 5,045,000	\$ 3,130,911	\$ 66,175,000	\$ 62,948,846
2026	65,930,000	56,875,673	5,395,000	2,980,802	71,325,000	59,856,475
2027	66,195,000	53,735,435	5,340,000	2,806,097	71,535,000	56,541,532
2028	70,180,000	50,609,876	5,515,000	2,628,453	75,695,000	53,238,329
2029	79,965,000	47,189,833	4,540,000	2,436,658	84,505,000	49,626,491
2030-2034	412,290,000	176,666,645	25,640,000	9,110,240	437,930,000	185,776,885
2035-2039	302,150,000	96,498,086	23,945,000	3,366,611	326,095,000	99,864,697
2040-2044	239,055,000	39,417,606	2,555,000	169,800	241,610,000	39,587,406
2045-2049	69,830,000	5,363,750	—	—	69,830,000	5,363,750
Total	\$ 1,366,725,000	\$ 586,174,839	\$ 77,975,000	\$ 26,629,572	\$ 1,444,700,000	\$ 612,804,411

NOTE 8. LONG-TERM OBLIGATIONS (continued)

I. Debt Service Requirements: Revenue Bonds

Year Ending August 31,	Governmental Activities		Business-Type Activities		Total	
	Special Revenue Bonds		Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
2025	\$ 1,875,000	\$ 2,406,952	\$ 5,205,000	\$ 1,368,500	\$ 7,080,000	\$ 3,775,452
2026	2,070,000	2,330,998	5,470,000	1,108,250	7,540,000	3,439,248
2027	2,270,000	2,243,664	5,735,000	834,750	8,005,000	3,078,414
2028	2,485,000	2,144,153	6,025,000	548,000	8,510,000	2,692,153
2029	2,705,000	2,077,730	920,000	246,750	3,625,000	2,324,480
2030-2034	17,200,000	8,910,738	4,015,000	502,000	21,215,000	9,412,738
2035-2039	20,100,000	5,346,668	—	—	20,100,000	5,346,668
2040-2044	10,670,000	1,516,677	—	—	10,670,000	1,516,677
Total	\$ 59,375,000	\$ 26,977,580	\$ 27,370,000	\$ 4,608,250	\$ 86,745,000	\$ 31,585,830

J. Long-term Debt Outstanding

	Issue Date	Maturity Date	Original Issuance	Interest Rates	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024
Certificates of Obligation								
Series 2014 - Combination Tax & Revenue(Airport)	4/30/2014	8/15/2038	40,000,000	1.375 - 5.000%	\$ 31,070,000	\$ —	\$ 1,495,000	\$ 29,575,000
Series 2014 - Combination Tax & Revenue	8/26/2014	8/15/2040	64,605,000	4.000 - 5.000%	51,630,000	—	43,455,000	8,175,000
Series 2015 - Combination Tax & Revenue	8/17/2015	8/15/2041	57,710,000	4.000 - 5.000%	48,000,000	—	2,245,000	45,755,000
Series 2016 - Combination Tax & Revenue	6/30/2016	8/15/2042	84,205,000	4.000 - 5.000%	83,495,000	—	140,000	83,355,000
Series 2019 - Combination Tax & Revenue	3/5/2019	8/15/2044	93,460,000	3.125 - 5.000%	80,460,000	—	2,335,000	78,125,000
Series 2020 - Combination Tax & Revenue	3/10/2020	8/15/2045	84,855,000	4.000 - 5.000%	80,800,000	—	2,180,000	78,620,000
Series 2021A - Combination Tax & Revenue	6/3/2021	8/15/2047	60,050,000	4.000 - 5.000%	60,050,000	—	—	60,050,000
Series 2021B - Combination Tax & Revenue	6/3/2021	8/15/2047	16,490,000	4.000 - 5.000%	16,490,000	—	—	16,490,000
Series 2021C - Combination Tax & Revenue	12/7/2021	8/15/2047	84,060,000	3.000 - 5.000%	79,070,000	—	1,600,000	77,470,000
Total Certificates of Obligation					531,065,000	—	53,450,000	477,615,000
General Obligation								
Series 2007 - Taxable Pension	6/15/2007	8/15/2035	101,240,000	5.512 - 6.018%	65,140,000	—	3,865,000	61,275,000
Series 2014 - Pension	1/16/2014	8/15/2034	110,610,000	0.622 - 5.177%	71,150,000	—	16,905,000	54,245,000
Series 2014 - Refunding & Improvement	5/20/2014	8/15/2039	88,515,000	3.375 - 5.000%	20,630,000	—	19,255,000	1,375,000
Series 2014A - Refunding	8/26/2014	8/15/2031	49,360,000	2.000 - 5.000%	29,390,000	—	29,390,000	—
Series 2015 - Refunding & Improvement	8/17/2015	8/15/2041	116,415,000	3.905 - 5.000%	74,255,000	—	11,655,000	62,600,000
Series 2016 - Refunding	6/15/2016	8/15/2034	121,260,000	3.500 - 5.000%	95,680,000	—	1,090,000	94,590,000
Series 2016	6/30/2016	8/15/2042	175,305,000	4.000 - 5.000%	175,305,000	—	—	175,305,000
Series 2019A - Refunding & Improvement	3/5/2019	8/15/2044	81,445,000	2.000 - 5.000%	69,725,000	—	3,500,000	66,225,000
Series 2019B	3/5/2019	8/15/2044	17,045,000	2.000 - 5.000%	14,585,000	—	470,000	14,115,000
Series 2020A - Refunding & Improvement	3/10/2020	8/15/2045	113,935,000	3.000 - 5.000%	105,140,000	—	2,560,000	102,580,000
Series 2020B - Refunding	5/19/2020	8/15/2032	23,040,000	5.000%	18,510,000	—	960,000	17,550,000
Series 2021 - Improvement	6/3/2021	8/15/2047	42,625,000	3.000 - 5.000%	42,625,000	—	—	42,625,000
Series 2021A - Refunding	6/3/2021	8/15/2039	105,290,000	0.257 - 2.759%	84,655,000	—	6,190,000	78,465,000
Series 2021B	12/7/2021	8/15/2047	73,460,000	3.000 - 5.000%	69,510,000	—	—	69,510,000
Series 2023	6/13/2023	8/15/2048	44,735,000	4.000 to 5.000%	44,735,000	—	1,030,000	43,705,000
Series 2023A - Refunding	6/13/2023	8/15/2037	11,555,000	5.000%	11,555,000	—	—	11,555,000
Series 2024 - Refunding	7/2/2024	8/15/2038	71,365,000	5.000%	—	71,365,000	—	71,365,000
Total General Obligation Bonds					992,590,000	71,365,000	96,870,000	967,085,000
Total General Obligation and Certificates of Obligation Bonds					\$ 1,523,655,000	\$ 71,365,000	\$150,320,000	\$ 1,444,700,000

NOTE 8. LONG-TERM OBLIGATIONS (continued)

	Issue Date	Maturity Date	Original Issuance	Interest Rates	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024
Notes Payable - Direct Borrowing								
Tax Notes, Series 2017 (1)	8/22/2017	8/15/2024	\$ 3,500,000	1.940%	\$ 530,000	\$ —	\$ 530,000	\$ —
Revenue Bonds								
Series 2018 - El Paso International Airport	9/1/2018	8/15/2028	\$ 41,475,000	5.000%	\$ 23,395,000	\$ —	\$ 4,235,000	\$ 19,160,000
Series 2020 - El Paso International Airport Refunding	5/19/2020	8/15/2033	10,905,000	5.000%	8,935,000	—	725,000	8,210,000
Total Revenue Bonds					\$ 32,330,000	\$ —	\$ 4,960,000	\$ 27,370,000
Special Revenue Bonds								
Series 2013B - Taxable (Ballpark)	8/29/2013	8/15/2043	15,660,000	7.250%	\$ 15,355,000	\$ —	\$ 215,000	\$ 15,140,000
Series 2016 (Ballpark)	6/29/2016	8/15/2043	17,665,000	2.000 - 5.000%	13,490,000	—	725,000	12,765,000
Special Revenue Refunding, Series 2021	6/8/2021	8/15/2038	26,820,000	0.680 - 2.940%	26,820,000	—	565,000	26,255,000
Special Revenue Refunding, Series 2023	6/20/2023	8/15/2043	5,380,000	4.025 to 5.000%	5,380,000	—	165,000	5,215,000
Total Special Revenue Bonds					\$ 61,045,000	\$ —	\$ 1,670,000	\$ 59,375,000

(1) The Tax Note is supported by ad valorem taxes

K Notes Payable - Direct Borrowing

The 2017 Tax Note is a direct borrowing and was issued for vehicle replacement. This note was paid in full as of August 31, 2024.

L. Chapter 380 Agreement Obligations

In previous years, the City entered into Chapter 380 Agreements with developers for the redevelopment of the Paso Del Norte Hotel and Plaza Hotel in downtown El Paso. This program is for the purpose of promoting local economic development and stimulating business and commercial activity within the City. Each agreement contains events of default such as failure to obtain certificate of occupancy, failure to operate hotel, failure to file Hotel Occupancy Tax Return, quality of hotel, insolvency and failure to pay property taxes. In the event of default, the agreement may be terminated by the City after giving the developer notice and sufficient opportunity to cure any such alleged default pursuant to the agreement. Each liability obligation is dependent on the developers meeting specific objectives according to their Chapter 380 Agreement.

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

The estimated total closure and post-closure costs is approximately \$18.8 million as of August 31, 2024. The recognized liability of approximately \$18.8 million, is computed based on the percentage of landfill capacity used which is approximately 26.1% as of August 31, 2024. The estimated total current cost of closure and post-closure care remaining to be recognized is \$75.0 million.

NOTE 8. LONG-TERM OBLIGATIONS (continued)

Clint Landfill (TCEQ Permit 1482) – The City closed this facility in fiscal year 2010. The total closure and post-closure costs are estimated at \$12.71 million. Approximately \$8.6 million has been expended for the closure cost. The resulting ending liability of \$4.1 million relates to the estimated post-closure cost.

Clint Landfill (TCEQ Permit 2284) – This landfill is currently accepting solid waste and capacity used is 54.1% at August 31, 2024. Closure and post-closure costs are estimated at \$19.4 million. The estimated closure and post-closure cost liability of \$10.5 million is included in the recorded liability. The estimated remaining useful life for this landfill is 14 years.

McCombs Landfill (TCEQ Permit 729A) – This landfill is currently accepting solid waste and capacity used is 7.4% at August 31, 2024. Closure and post-closure costs are estimated at \$54.7 million. The estimated closure and post-closure cost liability of \$4.1 million is included in the recorded liability. The estimated remaining useful life for this landfill is 43 years.

Delta Transfer Station (TCEQ Permit 728) – The City owns and operates a transfer process facility for solid waste near Delta Street in El Paso. 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, 2024, the estimated total cost of closure of the Delta Transfer Station is \$155.5 thousand and is recognized as a liability in these financial statements.

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

Sections 330.280-286 of Title 30 of the Texas Administrative Code requires landfill owners to demonstrate financial assurance that they will have sufficient financial resources to satisfy closure and post-closure care expenses at such time as these become payable. The regulations provide various means by which a municipality may demonstrate financial assurance. For the year ended August 31, 2024, 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 2024 audited financial statements.

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 9. FUND BALANCE

Fund balance components of Governmental Funds are as follows:

	General Fund	Community Development Block Grants	Debt Service	Capital Projects	COVID-19 Relief Grants	Nonmajor Governmental Funds
Fund Balances:						
Nonspendable						
Inventory and Prepays	\$ 7,244,631	\$ —	\$ —	\$ —	\$ —	\$ 585,144
Restricted						
Cash Reserve	25,683,429	—	—	—	—	—
Debt Service	—	—	12,095,550	—	—	—
Municipal Court	—	—	—	—	—	4,164,682
Capital Projects	—	—	—	289,410,534	—	1,582,348
PEG	—	—	—	—	—	9,160,853
Civic Center	—	—	—	—	—	13,305,023
Library	—	—	—	—	—	1,556,226
Museums	—	—	—	—	—	105,226
Police	—	—	—	—	—	6,228,024
Economic Development	—	—	—	—	—	6,695,101
Zoo	—	—	—	—	—	163,400
Fire	—	—	—	—	—	93,853
Parks	—	—	—	—	—	242,295
Community Development	—	13,529,136	—	—	—	—
Public Health	—	—	—	—	1,972,405	17,910,792
Committed						
Cash Reserve	92,786,737	—	—	—	—	—
Parks	—	—	—	—	—	4,365,796
Community Development	—	—	—	—	—	4,453,487
Economic Development	—	—	—	—	—	58,704,692
Mayor and Council	—	—	—	—	—	1,401,883
Museums	—	—	—	—	—	570,449
Zoo	—	—	—	—	—	4,496,590
Capital Projects	—	—	—	45,297,760	—	—
Police	—	—	—	—	—	152,520
Environmental Fee	—	—	—	—	—	4,186,291
Public Works	—	—	—	—	—	15,665,422
Assigned						
Cash Reserve	2,200,000	—	—	—	—	—
Unassigned (Deficits)						
	40,577,933	—	—	—	—	(8,279,170)
Total Fund Balances (Deficits)	\$ 168,492,730	\$ 13,529,136	\$ 12,095,550	\$ 334,708,294	\$ 1,972,405	\$ 147,510,927

Federal, State and Other Grants had a fund balance deficit of \$8.3 million within the nonmajor governmental funds. The deficit is due to expenditures for grants being incurred and revenue not being available during the availability period as established by the City's accounting policies. Included in this deficit is a negative fund balance for Animal Services that resulted from appropriations not being sufficiently funded.

NOTE 9. FUND BALANCE (continued)

Business-Type Activities

The balances of the restricted net position accounts in the Proprietary funds are as follows:

<u>Restricted Net Position</u>	
El Paso International Airport:	
Restricted for Passenger Facilities (by FAA)	\$ 20,470,137
Restricted for Debt Service	2,737,000
Restricted per Bond Covenants (Cash Reserve)	<u>11,565,647</u>
Total Restricted Net Position	<u>\$ 34,772,784</u>

El Paso International Airport

The Airport has restricted assets that are for specific use in accordance with an agreement with the United States Government. This agreement was established 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 (FAA). 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.

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to or 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 Fund and as expenditures or expenses in the governmental and proprietary funds. Accruals for unpaid claims and claims incurred but not reported are reflected in the accompanying proprietary funds Statement of Net Position 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, 2024, is \$22.4 million. The total claims liability reported in the Internal Service Fund at August 31, 2024, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements

NOTE 10. RISK MANAGEMENT (continued)

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 Self Insurance Fund's claims liability amount in fiscal 2024 and 2023 were:

	Workers' Compensation	Group Health	Unemployment Compensation	Total
Claims Liability at August 31, 2022	\$ 16,166,027	\$ 4,347,660	\$ —	\$ 20,513,687
Incurred Claims	3,254,866	41,374,593	51,900	44,681,359
Payment on Claims	(2,746,220)	(40,462,530)	(51,900)	(43,260,650)
Claims Liability at August 31, 2023	16,674,673	5,259,723	—	21,934,396
Incurred Claims	2,090,365	38,304,634	250,092	40,645,091
Payment on Claims	(2,878,618)	(37,045,013)	(250,092)	(40,173,723)
Claims Liability at August 31, 2024	<u>\$ 15,886,420</u>	<u>\$ 6,519,344</u>	<u>\$ —</u>	<u>\$ 22,405,764</u>

B. Property, Casualty & Liability, Self-Insurance Insurance, and Bonds

The City has third party insurance for property insurance procured competitively through a third-party broker of record. The third-party property insurance includes fine arts, building replacement, boiler and machinery, aircraft hull and liability, marine hull and liability, mass transit fleet and liability including railcar, and railroad property and liability.

The City has third-party insurance for auto liability and comprehensive and catastrophic coverage for some city-owned fleet and rental vehicles. The City has joined together with other government entities in the Texas Municipal League Intergovernmental Risk Pool (TML). The City pays an annual premium to TML for auto vehicle insurance coverage. The agreement with TML provides that TML will be self-sustaining through member premiums and will re-insure through commercial companies for claims in excess of \$500,000 to \$1,000,000 for each insurance event. The City anticipates a minimum to no contingent losses. TML has published its own financial report that can be obtained from the Texas Municipal League Intergovernmental Risk Pool.

The City has third party liability insurance procured competitively through a third-party broker of record. The third-party liability insurance includes airport general liability, general liability for the fine arts museum, baseball park liability, and parking areas, crime, unmanned aerial vehicles (UAV/ Drones), medical professional liability for public health, public officials' liability (includes errors and omissions), cyber liability, and garage liability.

The City self-insurance includes most general liability, police liability, and a self-insurance retention along with various deductible levels as needed. The City is self-insured for workers' compensation claims.

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

NOTE 10. RISK MANAGEMENT (continued)**C. Group Health and Life Insurance**

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

D. Unemployment Compensation Insurance

The City is self-insured 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**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Claims and lawsuits against the City for which a liability for losses is deemed as probable in the amount of \$5.3 million has been accrued as of August 31, 2024.

B. Grants

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

C. Opioid Settlement

The City is a participant in both the Johnson & Johnson and Distributor Settlements to allow the City to receive its allocation of settlement funds for use in opioid mitigation measures and to participate in other opioid litigation settlements. The settlement funds are distributed by the State of Texas Opioid Abatement Trust Fund which is part of the national opioid settlements agreement. These funds will be used to invest in harm reduction strategies to address the overdose crisis.

The City received a payment of \$459.1 thousand through August 31, 2024, and anticipate receiving additional payments of \$765.2 thousand. The funds are recorded as unearned revenue until allowable costs have been incurred.

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

Texas statute provides that retirees from a municipality with a population of 25,000 or more and who receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the retiree and the retiree’s dependents unless the retiree is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City provides certain healthcare benefits for retired employees. The postemployment Aetna Choice POS II Medical Plan is a single-employer plan administered by Aetna.

1. Benefits Provided

The City offers medical, dental and vision benefits for retired employees and their dependents. There are three medical plan options for retirees under age 65. Upon Medicare eligibility, retirees move to a Medicare Advantage plan. All plans are fully insured and are not pooled with active employees. Retirees are also eligible to continue fully insured dental and vision benefits.

To be eligible to continue coverage under the City's plan, employees must satisfy the retirement eligibility requirements of the pension plan to which they belong. In addition, they must be enrolled in the City's active employee health benefit plan at the time of retirement. Prior to January 1, 2019, election to continue coverage could only be made at retirement. Retirees were not eligible to rejoin at any other time. Effective with employees who retire on or after January 1, 2019, an employee must have been covered by the City prior to retirement to be eligible for coverage. The retiree has the option to continue coverage or to drop medical coverage but rejoin upon Medicare eligibility.

Retirees are required to contribute a portion of the medical and Medicare Advantage premium rates. To continue with dental and vision, retirees must pay the full premium amount. Retirees pay a premium ranging from \$144.18 to \$2,899.71 per month depending on the coverage elected. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

2. Employees Covered by Benefit Terms

At August 31, 2024, the following employees were covered by the benefit terms of the OPEB plan:

Inactive employees currently receiving benefits payments	863
Inactive employees entitled to but not yet receiving benefits payments	0
Active employees	4,268
Total	<u><u>5,131</u></u>

3. Total OPEB Liability

The City's total OPEB liability of \$138.7 million was measured as of August 31, 2024, and was determined by an actuarial valuation as of August 31, 2024.

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

4. Actuarial Assumptions and Other Inputs

Projections of benefits for financial reporting purposes are based on assumptions regarding the survival of plan members, the average per-capita claims cost, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgement, and the City's pension plans' valuations.

The City's total OPEB liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.40 percent
Salary Increases:	3.25 percent, including inflation
Discount Rate:	3.99 percent
Prior Year Discount Rate:	4.13 percent
Healthcare Cost Trend Rates:	Initial rates are based on actual changes in the fully-insured premiums

The discount rate was based on the August 31, 2024 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Employee and Retiree Mortality Tables for males or females, Generational with Projection Scale MP-2021.

B. Changes in Total OPEB Liability

The following table shows the changes in the City's total OPEB liability.

	Total OPEB Liability
Balance at 8/31/2023	\$ 113,927,493
Changes for the Year:	
Service Cost	4,329,820
Interest	4,793,299
Differences Between Expected and Actual Experience	(5,451,080)
Change in Assumptions/Inputs	25,584,138
Benefit Payments	(4,477,893)
Net Changes	<u>24,778,284</u>
Balance at 8/31/2024	<u><u>\$ 138,705,777</u></u>

1. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using discount rates that are one-percent lower or one-percent higher than the current discount rate.

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

	<u>1% Decrease (2.99%)</u>	<u>Discount Rate (3.99%)</u>	<u>1% Increase (4.99%)</u>
Total OPEB Liability	\$ 150,209,843	\$ 138,705,777	\$ 116,215,298

2. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Baseline

The following presents the total OPEB liability of the City, as well as what the City's total liability would be if it were calculated using healthcare cost trend rates that are one-percent lower or one-percent higher than the median current healthcare cost trend baseline of 4.64%.

	<u>1% Decrease (3.64%)</u>	<u>Healthcare Cost Trend Baseline (4.64%)</u>	<u>1% Increase (5.64%)</u>
Total OPEB Liability	\$ 113,337,730	\$ 138,705,777	\$ 150,209,843

C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended August 31, 2024, the City recognized OPEB income in the amount of \$360.8 thousand. As of August 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as presented below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 7,948,284	\$ 5,820,337
Changes of Assumptions or Other Inputs	23,656,701	45,334,545
Total	<u>\$ 31,604,985</u>	<u>\$ 51,154,882</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:

<u>Year Ended August 31,</u>	<u>Amount</u>
2025	\$ (4,619,347)
2026	(6,299,072)
2027	(6,299,072)
2028	(6,299,072)
2029	1,090,514
Thereafter	2,876,152
Total	<u>\$ (19,549,897)</u>

NOTE 13. EMPLOYEE BENEFIT PLANS

1. PENSION PLANS

The employees of the City and EPWater participate in one of two single-employer defined benefit pension plans: the City Employees Retirement Trust (CERT) 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 (CERT Board and FPPF Board, respectively).

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

The total for the City's pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense are as follows:

	FPPF			Total	Total Pension Trust Funds
	CERT	Firemen Division	Policemen Division		
Net Pension Liability	\$ 225,189,417	\$ 204,007,150	\$ 307,340,736	\$ 511,347,886	\$ 736,537,303
Deferred Outflows of Resources					
Subsequent Contributions	27,370,591	10,562,996	15,005,936	25,568,932	52,939,523
Change in Experience	38,668,763	8,562,811	17,803,485	26,366,296	65,035,059
Change in Assumptions	8,597	2,846,484	5,459,055	8,305,539	8,314,136
Investment Earnings	42,613,469	41,114,477	57,123,051	98,237,528	140,850,997
Deferred Inflows of Resources					
Change in Experience	—	364,668	514,789	879,457	879,457
Pension Expense	35,536,850	12,122,588	20,154,694	32,277,282	67,814,132

The CERT amounts exclude an allocated portion for EPWater (19.9%).

A. Membership

Membership of each plan as of the measurement dates consisted of the following:

	August 31, 2023	December 31, 2023		
	CERT	Firemen Division	Policemen Division	Total FPPF
Retirees and Beneficiaries Receiving Benefits	3,657	848	1,199	2,047
Inactive Plan Members Entitled but not yet Receiving Benefits	173	6	12	18
Active Plan Members	4,128	912	1,113	2,025
Total	7,958	1,766	2,324	4,090

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)**B. City Employees Retirement Trust****1. Plan Description**

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

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

The City is the only contributing employer. The CERT pays direct administrative costs. The City provides indirect administrative support such as IT services and payroll processing at no charge to the CERT. The CERT reimburses the City for various direct costs of processing pension checks, such as postage and supplies.

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

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

Members who were first participants prior to September 1, 2011, accrue benefits based on Tier I provisions as follows:

- Participants who leave the Plan before completion of 5 years of service receive a refund of their contributions. Participants leaving the Plan with more than 5 years but less than 10 years of service may receive a refund of their contributions plus interest at 5.5% compounded annually. Participants become fully vested after reaching 40 years of age and 10 years of service or 45 years of age and 7 years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, or (ii) 60 years of age with 7 years of service or (iii) 30 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarial 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 received by the employee during the year immediately prior to retirement, or 2.5% of the monthly base salary pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service,

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

plus 0.2083 of 1% of such average for each additional completed or fractional part of a month of service.

Members who were first participants on or after September 1, 2011, accrue benefits based on Tier II provisions as follows:

- Participants who leave the Plan before completion of 7 years of service receive a refund of their contributions. Participants leaving the Plan with more than 7 years but less than 10 years of service may receive a refund of their contributions plus interest at 3% compounded annually. Participants become fully vested after reaching 45 years of age and 7 years of service. Normal retirement is the earlier of: (i) 60 years of age with 7 years of service, or (ii) 35 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus .1875 of 1% of such average for each additional completed or fractional part of a month of service, limited to 90% of the three-year average final pay. A pension benefit is available to surviving spouses and dependents. The Plan includes no automatic increase in retirement benefits. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad-hoc cost of living or other increases in retirement benefits.

2. Basis of Accounting

The accounting policies of the CERT have been established to conform to GAAP for state and local governments as promulgated by authoritative pronouncements issued by the GASB. The CERT is accounted for using an economic resources measurement focus and the accrual basis of accounting.

The preparation of financial statements in conformity with GAAP requires the CERT's management to make estimates and assumptions that affect the reported amounts in assets and liabilities, and disclosure of contingent assets and liabilities and the actuarial valuation of the CERT's benefits at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

3. Valuation of Investments

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments, including U.S. government securities, corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at statements of fiduciary net position dates. The fair value of investments in bank collective investment, commingled funds, real estate investment funds and private equity limited partnerships are determined by the investment managers based on the fair values of the underlying securities in the funds. In general, the fair value of the underlying securities held in the real estate investment funds are based upon property appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) within a reasonable amount of time

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

following acquisition of real estate and no less frequently than annually thereafter.

In general, the fair value of the underlying securities held in the private equity limited partnerships are based on GASB Statement No. 72 - *Fair Value Measurement*, and limited partnership financial statements are audited by independent certified public accountants. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the Office of Comptroller of the Currency and by other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

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

Net appreciation in fair value of investments reflected in the accompanying statement of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the fiscal year.

4. Concentration of Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of the CERT's investment in a single issuer. The CERT's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table represents the fair value of investments that represents 5% or more of the CERT's net position at August 31, 2024. These investments were in bank collective investment and commingled funds, which consist of diversified portfolios of investments as described above, and none of these investments consist of any one company holding 5% or more of the total investment.

August 31, 2024	Shares	Fair Value
BNYMM DB SL SCWI_EX US IMI		
Mellon Capital Management Corporation	7,798,922	\$ 82,453,499
Mellon DB SL Stock Index Fund		
Mellon Capital Management Corporation	15,082	135,346,516
EB MCM Aggregate Bond Index Fund		
Mellon Capital Management Corporation	132,348	73,623,137
Blackrock Total Return Bond Fund		
Blackrock Capital Management	5,937,046	68,513,315
Wellington Fund		
Wellington Capital Management	5,995,046	68,823,133
Arrowstreet International Equity ACWI EX US CIT Class A		
Arrowstreet CIT	324,068	67,438,971
BNYM Newton NSL Dynamic US Equity Fund		
Mellon Capital Management Corporation	101,558	69,391,075
AB US Small and Mid Cap Core		
Alliance and Bernstein	2,669,661	54,277,961
CIF II SMID CAP Research (SER1)		
Wellington Capital Management	2,048,246	56,859,318
Heitman American Real Estate Trust LP		
Heitman	40,558	50,530,096
Lazard Intl Strategic EQ		
Lazard Asset Management	2,569,466	64,056,780

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

5. Contributions Required and Contributions Made

Contribution rates for the CERT are based upon local statutes as enacted by the El Paso City Council 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 (30) years. As of the most recent actuarial valuation, the contribution rate was 23.00% of annual covered payroll.

Contributions to CERT for the year ended August 31, 2024, were made as follows:

	Amount	Stated Percentage of Covered Payroll
Employer Contributions	\$ 34,170,525	14.05%
Employee Contributions	21,776,219	8.95%
Total	<u>\$ 55,946,744</u>	<u>23.00%</u>

6. Actuarial Assumptions

The total pension liability as of August 31, 2024 was measured as of August 31, 2023 and determined based on September 1, 2022 valuation using the following assumptions:

Cost of living benefits increases	None
Inflation	2.5%
Salary increases	2.5%, average, including inflation
Investment rate of return	7.25%, compounded annually, net of expenses
Actuarial cost method	Entry-age-normal-level percentage of pay
Asset valuation method	Plan invested assets are reported at fair value

Mortality rates for active and deferred vested participants are based on the RP-2014 employee tables with Blue Collar adjustment projected with Scale MP-2019 on a fully generational basis. Mortality rates for healthy retirees and survivors are based on RP-2014 healthy annuitant tables with Blue Collar adjustment (92% of male rates and 100% of female rates) projected with Scale MP-2019 on a fully generational basis. Mortality rates for disabled participants are based on the RP-2014 disabled annuitant table projected with Scale MP-2014 on a fully generational basis. Five percent of deaths among active participants are assumed to be job-related deaths. The remaining 95% of deaths are assumed not to be job-related.

The actuarial assumptions used in the September 1, 2022 valuation was based on the results of an actuarial experience study performed for the period September 1, 2014 through August 31, 2018, and the funding policy that was formalized in 2019.

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the CERT’s target asset allocation as of August 31, 2024 (measurement date) are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	5.34 %
International Equity	7.02 %
Fixed Income	2.19 %
Real Estate	3.87 %
Private Equity	8.59 %

7. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be based on the rates established by Ordinance. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB Statement No. 67.

In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the plan’s fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.30% as of August 31, 2024.

Changes in the total pension liability, plan fiduciary net position and the net pension liability through the respective fiscal years ended, are as follows for CERT and as apportioned to the City and EPWater, as determined by the City at August 31, 2024:

	Changes in Net Pension Liability - City Employees Retirement Trust		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances as of September 1, 2023	\$ 1,118,495,801	\$ 908,273,911	\$ 210,221,890
Changes for the Year:			
Service Cost	21,447,197	—	21,447,197
Interest on Total Pension Liability	79,707,205	—	79,707,205
Benefit Payments	(81,066,555)	(81,066,555)	—
Employer Contributions	—	33,055,632	(33,055,632)
Difference in Expected and Actual Experience	56,863,598	—	56,863,598
Plan Member Contributions	—	18,582,860	(18,582,860)
Net Investment Income	—	37,732,148	(37,732,148)
Administrative Expense	—	(2,266,105)	2,266,105
Net Changes	<u>76,951,445</u>	<u>6,037,980</u>	<u>70,913,465</u>
Balances as of August 31, 2024	<u>\$ 1,195,447,246</u>	<u>\$ 914,311,891</u>	<u>\$ 281,135,355</u>

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

Changes in Net Pension Liability - City

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 1, 2023	\$ 895,915,135	\$ 727,527,402	\$ 168,387,733
Changes for the Year:			
Service Cost	17,179,204	—	17,179,204
Interest on Total Pension Liability	63,845,471	—	63,845,471
Difference in Expected and Actual Experience	45,547,742	—	45,547,742
Benefit Payments	(64,934,311)	(64,934,311)	—
Employer Contributions	—	26,477,561	(26,477,561)
Plan Member Contributions	—	14,884,871	(14,884,871)
Net Investment Income	—	30,223,451	(30,223,451)
Administrative Expense	—	(1,815,150)	1,815,150
Net Changes	<u>61,638,106</u>	<u>4,836,422</u>	<u>56,801,684</u>
Balances as of August 31, 2024	<u>\$ 957,553,241</u>	<u>\$ 732,363,824</u>	<u>\$ 225,189,417</u>

Changes in Net Pension Liability - EPWater

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 1, 2023	\$ 222,580,666	\$ 180,746,509	\$ 41,834,157
Changes for the Year:			
Service Cost	4,267,993	—	4,267,993
Interest on Total Pension Liability	15,861,734	—	15,861,734
Diff in expected and actual experience	11,315,856	—	11,315,856
Benefit Payments	(16,132,244)	(16,132,244)	—
Employer Contributions	—	6,578,071	(6,578,071)
Plan Member Contributions	—	3,697,989	(3,697,989)
Net Investment Income	—	7,508,697	(7,508,697)
Administrative Expense	—	(450,955)	450,955
Net Changes	<u>15,313,339</u>	<u>1,201,558</u>	<u>14,111,781</u>
Balances as of August 31, 2024	<u>\$ 237,894,005</u>	<u>\$ 181,948,067</u>	<u>\$ 55,945,938</u>

8. Sensitivity to Interest Rate Changes

The following presents the resulting net pension liability as of August 31, 2023 (measurement date) calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Net Pension Liability	\$ 415,718,563	\$ 281,135,355	\$ 168,485,761

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

9. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended August 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$35,536,850 for the City and \$8,828,755 for EPWater. The reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the City Employees Retirement Trust in total and as apportioned to the City and EPWater, as determined by the City at August 31, 2024:

City Employees Retirement Trust	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in Expected and Actual Experience	\$ 48,275,611	\$ —
Net Difference Between Expected and Actual Investment Earnings on Plan Investments	53,200,336	—
Change in Assumptions for Pensions	10,731	—
Contributions Subsequent to the Measurement Date	34,170,525	—
Total City Employees Retirement Plan	<u>\$ 135,657,203</u>	<u>\$ —</u>
City	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in Expected and Actual Experience	\$ 38,668,763	\$ —
Net Difference Between Expected and Actual Investment Earnings on Plan Investments	42,613,469	—
Change in Assumptions for Pensions	8,597	—
Contributions Subsequent to the Measurement Date	27,370,591	—
Total City	<u>\$ 108,661,420</u>	<u>\$ —</u>
EPWater	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in Expected and Actual Experience	\$ 9,606,848	\$ —
Net Difference Between Expected and Actual Investment Earnings on Plan Investments	10,586,867	—
Change in Assumptions for Pensions	2,134	—
Contributions Subsequent to the Measurement Date	6,799,934	—
Total EPWater	<u>\$ 26,995,783</u>	<u>\$ —</u>

An amount of \$27.4 million reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date but before the end of the City's fiscal year ended, will be recognized as a reduction in the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred outflows and inflows of resources to the plan will be recognized in pension expense as follows:

Ending August 31,	Total	City	EPWater
2024	\$ 12,398,365	\$ 9,931,090	\$ 2,467,275
2025	19,962,026	15,989,583	3,972,443
2026	47,776,875	38,269,277	9,507,598
2027	15,622,145	12,513,334	3,108,811
2028	5,727,267	4,587,545	1,139,722
Total	<u>\$ 101,486,678</u>	<u>\$ 81,290,829</u>	<u>\$ 20,195,849</u>

NOTE 13. EMPLOYEE BENEFIT 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 Fund is established by state statute and administered by a Board of Trustees comprised of eleven trustees as follows: three citizens of the City appointed by the Mayor; two citizens of the City appointed by the City Manager; three member firemen of the Fire Department, to be elected by the firemen members of the Fund; and three member policemen of the Police Department, to be elected by the policemen members of the Fund. The Board contracts with an independent custodian bank, investment managers, investment consultants, and an actuary to assist in managing the Fund.

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

The FPPF – Firemen Division is a defined benefit, contributory retirement plan covering uniformed employees of the Fire Department. Participants are required to contribute 18% 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 18% of their compensation to the FPPF.

Any person duly appointed as a fireman or policeman in the fire or police departments of the City shall automatically become a member of the pension fund, provided such person shall have attained eighteen (18) years of age. 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.

The FPPF is maintained under the provisions of Article 6243b of Vernon's Annotated Texas Statutes. All current FPPF provisions are set forth in the City of El Paso Firemen and Policemen's Pension Fund Plan Document. Benefit provisions, contribution obligations and funding policy of the Fund are established and amended by the Board of Trustees in accordance with authority granted by Article 6243b of Vernon's Annotated Texas Statutes. The costs of administering the Fund are paid out of the Fund's assets.

Benefits are calculated as follows for the Base Plan and Second Tier Plan. Any member originally enrolled on July 1, 2007 or thereafter is automatically enrolled in the Second Tier Plan.

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

a. Base Plan

Retirement benefits for members with at least 20 years of vested service and the attainment of age 45 or more are calculated at 2.75% of the member's final wages multiplied by years of credited service. Retirement benefits for members with at least 20 years of vested service, under the age of 45 are calculated at 2.75% of the member's final wages multiplied by years of credited service reduced by a factor proportionate to the number of months and years below the age 45. Retirement benefits for members with at least 10 years of vested service and at least 50 years of age are calculated at 2.75% of the member's final wages multiplied by the member's years of credited service.

Plan members are eligible for service-connected disability benefits and for ordinary disability benefits. Disability retirement benefits are calculated as the greater of 50% of the member's final wages or 2.75% of the member's final wages multiplied by years of credited service.

Death benefits are calculated as the greater of 50% of the member's final wages or the calculation of a retiree as mentioned in the preceding paragraph.

A qualified spouse with no qualifying children is entitled to receive 100% of member's death benefit. If there are qualifying children, a qualified spouse receives two-thirds of the death benefit and qualified children equally share the remaining third. If there is no qualifying spouse, then the qualifying children are entitled to equally share two-thirds of the member's death benefit.

Cost-of-living adjustment (COLA) is provided upon the earlier of the retiree having attained age 60 or the fifth anniversary for firemen or second anniversary for policemen of the pension commencement date and on each January 1st thereafter.

b. Second Tier Plan

Retirement benefits for members with at least 20 years of vesting service and the attainment of age 45 or more are calculated at 2.50% of the member's final wages multiplied by years of credited service. Retirement benefits for members with at least 10 years of vesting service, but less than 20 years of vesting service, and attainment of age 50 or more are calculated at 2.50% of the member's final wages multiplied by the member's years of credited service.

Plan members are eligible for service-connected disability benefits and for ordinary disability benefits. Disability retirement benefits are calculated as the greater of 50% of the member's final wages or 2.50% of the member's final wages multiplied by years of credited service. Death benefits are calculated as the greater of 50% of the member's final wages or 75% of the calculation of a retiree as mentioned in the preceding paragraph. A qualified spouse with no qualifying children is entitled to receive 100% of member's death benefit. If there are qualifying children, a qualified spouse receives two-thirds of the death benefit and qualified children equally share the remaining third. If there is no qualifying spouse, then the qualifying children are entitled to equally share two-thirds of the member's death benefit. COLAs are not provided to retirees under the Second Tier Plan.

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

c. Deferred Retirement Option Program (DROP)

Base Plan and Second Tier Plan members who are at least 45 years old with at least 20 years of credited service are eligible to participate in a Forward DROP by an irrevocable written election. At the date participation in the Forward DROP begins, the participant's years of credited service and average final compensation become frozen for purposes of determining pension benefits. The participant is considered retired related to the Fund and does not accrue additional retirement benefits, except for annual benefit cost-of-living adjustments, if applicable. Upon retirement, the participant receives the lump sum of the total of the monthly retirement benefits between the benefit computation date and the retirement date and then begins receiving the monthly benefit.

Each Forward DROP participant's monthly pension is tracked by an individual DROP account between the date participation in the Forward DROP begins and the retirement date and accrued as a liability on the statement of fiduciary net position. Forward DROP balances are not credited with investment gains and losses. As of December 31, 2023 the DROP payable totaled \$84,818,130.

2. Basis of Accounting

The accounting policies of the Fund have been established to conform to GAAP for state and local governments as promulgated by authoritative pronouncements issued by GASB. The Fund is accounted for on an economic resources measurement focus using the accrual basis of accounting.

3. Valuation of Investments

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments is determined by the latest bid price, closing exchange price at year end, institutional bid evaluation or NAV as considered appropriate for each investment type by the Custodian. The estimated fair value of alternative investments is based on the most recent valuations provided by the external investment managers. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Third-party investment managers administer substantially all marketable securities of the Fund. Gains and losses resulting from securities transactions are recorded in investment income.

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

Net change in fair value of investments reflected in the accompanying statement of changes in fiduciary net position available for benefits represents the net realized and unrealized gains or losses on investments, which equals the difference between the cost and market value of investments at the beginning versus the end of the year, plus or minus gains or losses realized during the year.

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

4. Contributions Required and Contributions Made

Employee contributions are established by the Board of Trustees and a vote of active participants in accordance with Article 6243b of Vernon's Annotated Texas Statutes. The City's funding policies provide for periodic employer contributions.

In the event, based upon the results of the actuarial valuations, a qualified actuary determines that the total contribution rate is insufficient to amortize an unfunded actuarial accrued liability, the City's governing body may increase its contribution rate.

The sum of the City's contribution rate and the member contribution rate, after an increase, may not exceed the total contribution rate determined by the actuary necessary to amortize the unfunded actuarial liability over a forty (40) year period.

5. Securities Lending Transactions

The Fund is authorized to enter into securities lending transactions under Texas State Statutes Section 2256.0015. The Fund has a securities lending agreement with the Custodian under which Fund-owned investments are lent to one or more approved borrowers for a fee. The Custodian, as lending agent, is responsible for collecting required collateral in the form of cash, securities issued or guaranteed by the U.S. Government or its agencies, or irrevocable letters of credit issued by banks independent of the borrowers. The lending agent is authorized to enter into securities lending transactions of U.S. and non-U.S. securities in accordance with the terms of a securities lending authorization agreement.

The lending agent has indemnified the Fund harmless from any losses, damages, costs or expenses the Fund may incur if the lending agent is unable to recover borrowed securities or distributions made during the term of the loans with respect to those securities as a result of the lending agent's failure to make a reasonable determinations of the creditworthiness of a borrower, demand adequate and appropriate collateral on a timely basis or to perform its duties under the agreement with the Fund. The agreement states that collateral must have a market value equal to no less than 100% of the market value of the borrowed securities. Non-cash collateral must have a market value equal to no less than 102% of the market value of the borrowed securities, or 105% of the borrowed securities if the collateral are denominated in different currencies.

Each business day, the lending agent and the Fund determine the market value of the collateral and the borrowed securities. The Fund's security lending policy requires investment grade securities. Cash collateral received from the borrower is subsequently reinvested in a securities lending collateral investment pool. As of December 31, 2023, the Fund's securities lending obligation exceeded the fair value of the underlying securities.

The following tables summarize the fair value measurements of lent securities, cash collateral received, and the fair value of the reinvested cash collateral:

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

Securities Lent	December 31, 2023		
	Fair Value of Underlying Securities	Collateral Received	Collateral Investment Value
Domestic Equities	\$ 25,357,042	\$ 26,212,516	\$ 26,614,780 ^(a)

(a) This amount includes the FPPF's Staff Plan's portion of the investment portfolio which is not included in the Statement of Fiduciary Net Position.

As of December 31, 2023, the Fund also holds securities collateral that cannot be pledged or sold absent a borrower's default totaling \$22,342,556. The securities collateral consists of U.S. Treasury Bills, U.S. Treasury Notes, and U.S. Treasury Bonds. There were no losses from securities lending transactions during the year ended December 31, 2023 resulting from a default of a borrower or the lending agent.

6. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

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

The total pension liability was measured as of December 31, 2023 based on actuarial valuation as of that date. The actuarial assumptions included a 7.75% investment rate of return; projected salary increases of 2.75% plus promotion, step and longevity increases that vary by service for fire and policy; and an inflation rate of 2.75% per year. Mortality rates were based on the PubS-2010 (public safety) total dataset tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using scale MP-2020.

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan administrative and investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table (rates shown exclude inflation).

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

	Target Allocation	Long-term Expected Rate of Return
Equities		
Large Cap Domestic	16%	6.19%
Mid Cap Domestic	5%	6.45%
Small Cap Domestic	6%	6.06%
International Developed	21%	6.42%
Emerging Markets	5%	7.19%
Real Estate	10%	3.90%
Private Equity	15%	6.75%
Fixed Income		
Domestic Core	10%	2.11%
Bank Loans	4%	2.45%
Emerging Markets	3%	2.54%
Multi-sector	3%	1.65%
Cash	2%	—%

7. Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the Fund’s contributions will continue to follow the current funding policy. Based on the actuarial assumptions applied, the Fund’s fiduciary net position is projected to be available to make all projected future benefit payments of current plan members for all future years and hence, the blended GASB discount rate is equal to the long-term rate of return of 7.75%. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended August 31, 2024 were as follows:

Firemen Division			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Amounts as of January 1, 2023	\$ 902,694,383	\$ 683,895,052	\$ 218,799,331
Changes for the Year:			
Service Cost	12,441,095	—	12,441,095
Interest (On the Total Pension Liability)	68,966,764	—	68,966,764
Differences Between Expected and Actual Experience	10,671,878	—	10,671,878
Contributions by the City	—	14,844,489	(14,844,489)
Contributions by the Firefighters	—	14,645,760	(14,645,760)
Net Investment Income	—	78,455,685	(78,455,685)
Benefit Payments	(50,483,492)	(50,483,492)	—
Assumption Changes	—	—	—
Administrative Expenses	—	(1,074,016)	1,074,016
Net Changes	41,596,245	56,388,426	(14,792,181)
Amounts as of December 31, 2023	\$ 944,290,628	\$ 740,283,478	\$ 204,007,150

CITY OF EL PASO, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ended August 31, 2024

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

Policemen Division			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Amounts as of January 1, 2023	\$ 1,301,904,807	\$ 978,777,574	\$ 323,127,233
Changes for the Year:			
Service Cost	13,918,774	—	13,918,774
Interest (On the Total Pension Liability)	99,022,276	—	99,022,276
Differences Between Expected and Actual Experience	23,659,894	—	23,659,894
Contributions by the City	—	19,688,617	(19,688,617)
Contributions by the Policemen	—	19,678,167	(19,678,167)
Net Investment Income	—	114,095,380	(114,095,380)
Benefit Payments	(76,233,594)	(76,233,594)	—
Assumption Changes	—	—	—
Administrative Expenses	—	(1,074,723)	1,074,723
Net Changes	<u>60,367,350</u>	<u>76,153,847</u>	<u>(15,786,497)</u>
Amounts as of December 31, 2023	<u>\$ 1,362,272,157</u>	<u>\$ 1,054,931,421</u>	<u>\$ 307,340,736</u>
FPPF			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Amounts as of January 1, 2023	\$ 2,204,599,190	\$ 1,662,672,626	\$ 541,926,564
Changes for the Year:			
Service Cost	26,359,869	—	26,359,869
Interest (On the Total Pension Liability)	167,989,040	—	167,989,040
Differences Between Expected and Actual Experience	34,331,772	—	34,331,772
Contributions by the City	—	34,533,106	(34,533,106)
Contributions by the Policemen and Firemen	—	34,323,927	(34,323,927)
Net Investment Income	—	192,551,065	(192,551,065)
Benefit Payments	(126,717,086)	(126,717,086)	—
Administrative Expenses	—	(2,148,739)	2,148,739
Net Changes	<u>101,963,595</u>	<u>132,542,273</u>	<u>(30,578,678)</u>
Amounts as of December 31, 2023	<u>\$ 2,306,562,785</u>	<u>\$ 1,795,214,899</u>	<u>\$ 511,347,886</u>

8. Sensitivity to Interest Rate Changes

The following table presents the resulting net pension liability calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percent lower or one-percent point higher than the current rate:

Firemen Division		
1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$ 330,100,338	\$ 204,007,150	\$ 101,016,322

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

Policemen Division		
1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$ 487,422,809	\$ 307,340,736	\$ 160,051,794

FPPF		
1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$ 817,523,147	\$ 511,347,886	\$ 261,068,116

9. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Plan

For the fiscal year ended August 31, 2024, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$12,122,588 for firemen division and \$20,154,694 for policemen division, and reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

Firemen Division		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 41,114,477	\$ —
Change in Assumptions	2,846,484	—
Differences Between Expected and Actual Experience	8,562,811	364,668
Contributions Subsequent to Measurement Date	10,562,996	—
	<u>\$ 63,086,768</u>	<u>\$ 364,668</u>

Policemen Division		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 57,123,051	\$ —
Changes in Assumptions	5,459,055	—
Differences Between Expected and Actual Experience	17,803,485	514,789
Contributions Subsequent to Measurement Date	15,005,936	—
	<u>\$ 95,391,527</u>	<u>\$ 514,789</u>

FPPF		
	Outflows of Resources	Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 98,237,528	\$ —
Changes in Assumptions	8,305,539	—
Differences Between Expected and Actual Experience	26,366,296	879,457
Contributions Subsequent to Measurement Date	25,568,932	—
	<u>\$ 158,478,295</u>	<u>\$ 879,457</u>

NOTE 13. EMPLOYEE BENEFIT PLANS (continued)

Contributions of \$25,568,932 were reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date but before the end of the City's reporting period will be recognized as a reduction in the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Other amounts reported as deferred outflows or deferred inflows of resources related to the plan will be recognized in pension expense as follows:

Fiscal Year Ending August 31,	Policemen Division	Firemen Division	FPPF Total
2025	\$ 20,728,824	\$ 11,341,849	\$ 32,070,673
2026	25,165,500	16,770,028	41,935,528
2027	41,684,290	27,073,401	68,757,691
2028	(7,707,812)	(3,152,718)	(10,860,530)
2029	—	126,544	126,544
Total	<u>\$ 79,870,802</u>	<u>\$ 52,159,104</u>	<u>\$ 132,029,906</u>

2. DEFERRED COMPENSATION PLANS

The City offers eligible employees two Deferred Compensation Plans created in accordance with the Internal Revenue Code Section 457 (one pre-tax, and one after tax – a “Roth” plan), which are entirely funded by employee contributions, and a Defined Contribution Plan created in accordance with Internal Revenue Code 401(a), which is funded by employer contributions.

All assets and income earned thereon are held in trust for the exclusive benefit of Plan participants and their beneficiaries; therefore these plans are not reported in the financial statements of the City. The Plans are administered by Empower Retirement, which also serves as trustee of the assets.

NOTE 14. TAX ABATEMENTS

The City provides Chapter 380, 351, and 312 type incentive agreement opportunities for new, expanding, and/or retaining business projects. Consideration for financial incentives is given to any business or commercial development project with the possibility of substantially enhancing the economic health of the City. An incentive is proposed if the project results in a net increase and/or retention of quality jobs, adds to the tax base, improves and/or enhances economic welfare of residents or businesses of the City, and/or demonstrates the potential to generate revenues to the City which outweigh costs associated with incentives. Projects must demonstrate public purpose, economic benefit, increase private capital investment in the community, or encourage development in targeted City locations, businesses or clusters that enhance the City's economy.

Through the State of Texas, the City receives Chapter 351 Hotel Occupancy Tax (HOT) Rebates to disburse to hotels participating in the Chapter 380 Agreements upon completion of certain criteria. Per State Code, hotel projects in certain municipalities can receive rebates of the state hotel occupancy tax and sales tax revenue they collect, as well as their collections of local hotel taxes, sales taxes, mixed beverage taxes and property taxes. To be eligible, these hotel projects must be within 1,000 feet of a convention center facility, and the hotel or its land must be owned by the city. Tax receipts from meeting spaces, restaurants and shops, convention center entertainment-related facilities, parking facilities and water and sewer systems may be eligible for the rebates as well. The hotel owners can receive these rebates for 10 years after opening. As of the end of the fiscal year, three hotels were participating in this program.

Applicants must provide solid evidence of financial stability and capacity to complete the project, be compliant with all local, state and federal laws, and be current on all City taxes and any other obligation to the City.

The City has not entered into agreements with other governments that would reduce the reporting government's tax revenues. Other governments are not authorized to enter into tax abatement agreements that reduce the City's tax revenue without the City's consent.

The City's Incentives Policy, Guidelines and Criteria**• Qualification Criteria**

Projects are required to meet qualifying standards in at least one of four (4) categories detailed in the City of El Paso Incentives Policy - Guidelines and Criteria (Incentive Policy) to be eligible for incentives:

- Category 1: Related to Quality Jobs, is eligible for a 40% grant.
- Category 2: Related to Business-Type, is eligible for a grant up to 50%.
- Category 3: Related to Capital Intensive Projects. Policy guidelines for specified percentage of jobs above the Median County Wage and specified ranges of Capital Investment, companies may be eligible for grants ranging between 60% to 70%.
- Category 4: Related to Increased Productive Capacity, is eligible for a 50% grant.
- Category 5: Related to Retail Development / Destination Retail / Retail Distribution Center to be eligible for up to a 100% rebate on the city's portion of property taxes (incremental to base year value) and/or up to 100% rebate on the City's portion of sales taxes.

NOTE 14. TAX ABATEMENTS (continued)

- **Bonus Incentives**

An additional 10% rebate amount, not to exceed 100% may also be available to those companies that meet at least one of the criteria detailed in the Incentive Policy related to company location, corporate headquarter operations and minimum personnel employed, research and development, employment of veterans, collaboration or business partnerships with higher education institutions or technical institutions, and wages.

- **Economic Development Incentives**

Upon completion of an economic impact analysis, the Economic & International Development Department will consider and recommend projects for incentives. The majority of incentives are based on the Chapter 380 Agreement. However, the City reserves the right to use any other non restricted source in the award of incentives.

- **Ineligible and Restricted Areas and Use**

Projects that have been issued a building permit, including any conditional permits or projects that do not meet the wage requirements, except as specified in the Incentive Policy are not eligible for incentives.

Incentive Programs Available

1. Infill Development Programs (380 and 312)

Program Policy - project consideration includes the potential impact of the reinvestment project on the immediate and surrounding area. Revitalization strategy for future growth and results in the creation of additional jobs in the City, the value of such benefits to the City outweighing the amount of the rebate the City will provide under the agreement.

Eligibility Criteria - the property must meet the definition for infill development per Section 20.02.471 of the City Code, located within the jurisdiction limits of the City and must meet the location criteria, as per Subsection 20.10.280(B) of the City Code.

Recapture - if a project is not completed as specified or if the terms of the agreement are not met, the City has the right to cancel or amend the incentive agreement, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously secured by City liens against the property.

City Commitment – release of liens, if approved, as the result of condemnation, demolition, sanitation, or other city-imposed non-property tax liens, excluding Community Development or other federally-funded liens.

Infill 380 Agreements:

Purpose - facilitates loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City. It also provides financial incentives to develop vacant and underutilized properties within the city limits, in accordance with Title 20 of the City Code.

Tax Incentive - rebate 100% of the City's 1% portion of sales tax.

Authority - Chapter 380 of the Texas Local Government Code.

NOTE 14. TAX ABATEMENTS (continued)

Rebate Determination - a rebate package must be submitted no more than once a year during the term of the contract along with documentation of qualified expenditures incurred in the construction of the development and the applicant has paid or caused to be paid all the City's local sales and use taxes associated with the qualified expenditures in accordance with their specific agreement.

Recipient Commitment – meet all the requirements of the agreement and demonstrate they have not incurred any delinquent taxes by providing certified city tax certificates for each parcel of property owned in the City of El Paso.

Infill 312 Agreements:

Purpose - provides financial incentives to develop vacant and underutilized properties within the city limits, in accordance with Title 20 of the City Code.

Tax Incentive - a percentage based upon the increased value of the Real Property over the value in the base year.

Authority - State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.

Abatement Determination - submit a detailed site development plan in accordance with Title 20 of the City Code to be reviewed by the City's Planning Division. If approved, must submit yearly application to CAD and report of compliance, the percentage of the incentive will be based on the project.

Recipient Commitment - meet all of the general and qualifying criteria in the City's Incentive Policy, and provide "added value" to a property in which the minimum property value is established by the provision in that policy.

2. 380 Strategic Agreements

Purpose - the majority of Strategic Agreements are for the purpose of retention and quality job creation, expansion, and promote tourism. Also designed to provide employment and training to residents and economically disadvantaged individuals.

Eligibility Criteria - mainly to create, expand, and retain quality jobs.

Tax Incentive - a rebate of a percentage of personal and real property taxes and/or a rebate of a percentage of City's 1% sales and use tax revenues.

Authority - Chapter 380 of the Texas Local Government Code and State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.

Rebate Determination - a rebate package must be submitted no more than once a year during the term of the contract along with documentation of qualified expenditures incurred and the applicant has paid or caused to be paid all the City's local sales and use taxes associated with the qualified expenditures in accordance with their specific agreement. Incentives will be considered on a project-by-project basis. In relation to rebate of personal and real property taxes, applicant must submit a detailed site development plan in accordance with Title 20 of the City Code to be reviewed by the City's Planning Division. If approved, the percentage of the incentive will be based on the project.

NOTE 14. TAX ABATEMENTS (continued)

Recapture - the City has the right to cancel or amend the incentive agreement, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously secured by City liens against the property.

Recipient Commitments - varies by agreement, including investment in real and personal property, to create quality job opportunities, to retain jobs, create a workforce which provides training that leads to a Bachelor's or Associates degree and/or Licensed Certification. Commitment to maintain business activities for a period of time.

City Commitment - after approval of the applicant's submitted package, payments will be processed within ninety (90) days.

3. Multi-Family

Incentives under this policy are no longer available. However, the City continues to make payments for incentives established prior to the expiration of this policy.

Purpose - to establish a short-term city-wide multi-family housing needs incentive policy and accompanying Chapter 380 grant program that promotes and stimulates business activity, resulting in immediate construction of large-scale multi-family housing developments, alleviating the critical housing needs of the City related to Fort Bliss expansion.

Eligibility Criteria - project must construct one or more new multi-family housing structure each consisting of at least 150 housing units.

Tax Incentive - rebate 100% of the property tax increment for 5 years not to exceed the City's portion.

Abatement Authority - Texas Constitution and Chapter 380, Texas Local Government Code.

Rebate Determination - If approved, applicant shall be eligible for an annual grant payment in an amount not to exceed 100% of the total value of the city's portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value for the Development for the Grant Period. Incentives will be considered on a project-by-project basis.

Recapture - the City has the right to cancel or amend the incentive agreement, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously secured by City liens against the property.

Recipient Commitments - subject to requirements specified in the Multi-Family Housing Needs Incentive Policy and Chapter 380 Grant Program, pursuant to Chapter 380, Texas Local Government Code. Minimum construction requirements, site development plan, businesses or individuals must be current on all city taxes or any other obligation to the City, demonstrate approved permits have been obtained under Federal, State, and local laws.

City Commitment - after approval of the applicant's submitted package, payments will be processed within ninety (90) days.

4. Transit Oriented Development (TOD)

Purpose - encourage the growth and development of a mix of commercial, residential, office and entertainment centered around or located near a transit station. To spur economic development and improve the quality of life for the City residents while reducing the City's carbon footprint.

NOTE 14. TAX ABATEMENTS (continued)

Program Policy - project consideration includes the potential impact of project on the immediate and surrounding area. To be considered for incentives under this policy, the proposed infill development project must comply with the mandatory design requirements and no less than three of the selective design requirements as identified in Subsection 20.10.280 (C) of the City Code.

Eligibility Criteria - project must be located within TOD incentive areas, meet mandatory design requirements and the project must be in compliance with all local, state and federal laws. TOD incentive areas are in accordance with the policy.

Tax Incentive – includes rebates of building and planning permit fees, lien waivers, construction materials sales tax, property and/or sales and use tax.

Authority – Chapter 312 of the Texas Tax Code.

Rebate Determination – the City Manager or designee will consider requests for financial incentives in accordance with these policies, the City Code, the Texas Tax Code, and the Texas Local Government Code.

Recapture – if a project is not completed as specified, or if the terms of the agreement are not met, the City has the right to cancel or amend the incentive agreement, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously paid, which can be secured by City liens against the property and all previously waived fees and abated taxes shall become due to the City.

Recipient Commitments – comply with procedural guidelines, submit a detailed site development plan in accordance with Title 20 of the City Code. Show financial stability and capacity to complete the project. Demonstrate compliance with all local, state and federal laws.

City Commitment - release of liens, if approved, as the result of condemnation, demolition, sanitation, or other city-imposed non-property tax liens, excluding Community Development or other federally-funded liens.

<u>Incentive Programs</u>	<u>Amount of Tax Incentives during the Fiscal Year</u>
380 Strategic Incentive	\$ 10,991,565
Infill Development Incentive	328,242
Transit Oriented Development Incentive	3,453
Total	<u>\$ 11,323,260</u>

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

Department	Total
Fire	\$ 4,379,096
City Attorney	605,548
Non Departmental	588,549
Human Resources	375,128
Police	450,696
Zoo	226,545
Public Health	165,676
Office of the Comptroller	20,726

Expenditures exceeding appropriations were funded through revenue surplus received during the year. As mentioned in the MD&A, there were several revenue collections that were received higher as expected and hence, were utilized to cover these shortages in expenditures.

The overages in Fire, Non Departmental, Police, Zoo, and the Office of the Comptroller departments were primarily caused by higher than expected payroll costs. The City Attorney's department exceeded its budget due to underestimation of costs for outside legal counsel. Additionally the Human Resources Department exceeded its appropriations by allocating additional tuition assistance funds to employees pursuing an advanced education along with higher than expected payroll costs. Finally, Public Health surpassed its budget due to unforeseen expenses for equipment and supplies along with higher than expected payroll costs. It's important to note while these departments exceeded appropriations, savings in other departments offset these overages. The General Fund's total expenditures did not exceed its appropriations by \$2.5 million.

According to the City Code Sections 7.2 and 7.3, City Council shall reduce appropriations if they are exceeding income. Expenditures in excess of gross revenues during the fiscal year is prohibited. As of August 31, 2024 total expenditures for the general fund did not exceed revenues collected for the year.

The Community Development Block Grants exceeded appropriations by \$2.0 million, primarily due to projects approved in a prior fiscal year that will be completed in the future. Notably, the Community Development Block Grant revenues surpassed appropriations by \$3.3 million, helping to offset the expenditure overage.

NOTE 16. IMPLEMENTATION OF FUTURE GASB STANDARDS

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements which are not yet effective.

Statement No. 101: *Compensated Absences*

This Statement was issued June 2022 to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The application of this Statement becomes effective for the City in fiscal year 2025.

Statement No. 102: *Certain Risk Disclosures*

This Statement was issued December 2023 to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The application of this Statement becomes effective for the City in fiscal year 2025.

Statement No. 103: *Financial Reporting Model Improvements*

This Statement was issued in April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The application of this Statement becomes effective for the City in fiscal year 2026.

Statement No. 104: *Disclosure of Certain Capital Assets*

This Statement was issued in September 2024 to provide users of government financial statements with essential information about certain types of capital assets. The application of this Statement becomes effective for the City in fiscal year 2026.

The City of El Paso will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements.

NOTE 17. SUBSEQUENT EVENTS

1. A special election was ordered on November 5, 2024 for the purpose of determining whether to revoke the City's authority to issue the remaining \$128,455,636 general obligation bonds approved by the voters in the City's November 6, 2012 election for the Multipurpose Performing Arts and Entertainment Facility to be located in Downtown El Paso. The voters approved this revocation during the November 5, 2024 election and by Resolution the authority to issue the remaining general obligation bonds has been revoked.
2. Due to the unpredictable fluctuation of migrant traffic, the City had secured federal assistance to quickly and adequately respond to the humanitarian services needed. The funding use availability ended on December 31, 2024. The migrant influx decreased in the last few months of 2024. As a result, the City is required to return all the unexpended funds back to FEMA via the United Way non-profit organization. The total amount to be returned to the agency is approximately \$13.4 million. This amount is recorded as unearned revenue in the Statement of Net Position for governmental activities.
3. On January 20, 2025, United States President Donald J. Trump declared a national emergency at the southern border. The Secretary of Defense shall take all appropriate action to facilitate the needs of the Secretary of Homeland Security along the southern border, including through the provision of appropriate detention space, transportation (including aircraft), and other logistics services in support of civilian-controlled law enforcement operations. The City of El Paso will continue to work with federal, state and local agencies to ensure our City remains one of the safest cities in the country and continue to invest in public safety as one of our major budget priorities.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF EL PASO, TEXAS
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
General Fund
For the Year Ended August 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	% of Budget
	Original	Final			
Resources (Inflows):					
Property Taxes	\$ 264,719,112	\$ 264,719,112	\$ 264,776,059	\$ 56,947	100.02 %
Penalties and Interest-Delinquent Taxes	—	—	1,582,472	1,582,472	100.00 %
Sales Taxes	137,439,887	137,439,887	137,424,692	(15,195)	99.99 %
Franchise Fees	67,031,423	67,031,423	58,936,543	(8,094,880)	87.92 %
Licenses and Permits	12,712,880	12,712,880	12,906,974	194,094	101.53 %
Fines and Forfeitures	7,087,584	7,087,584	7,066,949	(20,635)	99.71 %
Charges for Services	29,242,052	29,242,052	34,941,421	5,699,369	119.49 %
Intergovernmental Revenues	1,478,809	1,478,809	5,261,278	3,782,469	355.78 %
Rents and Other	14,323,173	14,323,173	14,343,451	20,278	100.14 %
Investment Earnings (Losses)	500,000	500,000	9,079,397	8,579,397	1,815.88 %
Leases (as Lessee)	—	—	1,675,586	1,675,586	100.00 %
Transfers in	38,785,505	39,228,173	35,209,535	(4,018,638)	89.76 %
Amounts Available for Appropriation from Current Year Resources	573,320,425	573,763,092	583,204,357	9,441,265	101.65 %
Charges to Appropriations (Outflows):					
General Government:					
Mayor and Council	2,333,466	2,333,466	2,077,074	256,392	89.01 %
City Manager	3,220,658	3,220,658	2,716,121	504,537	84.33 %
City Clerk	922,507	1,365,175	1,235,298	129,877	90.49 %
Office of the Comptroller	3,447,858	3,572,631	3,593,357	(20,726)	100.58 %
Purchasing and Strategic Sourcing	2,044,665	2,044,665	1,918,530	126,135	93.83 %
Information Technology	24,676,524	24,676,524	24,203,424	473,100	98.08 %
Internal Audit	1,161,620	1,161,620	952,544	209,076	82.00 %
City Attorney	6,089,120	6,089,120	6,694,668	(605,548)	109.94 %
Human Resources	4,041,014	4,153,348	4,528,475	(375,128)	109.03 %
Public Safety and Community Services:					
Police Department	182,855,781	183,128,449	183,579,145	(450,696)	100.25 %
Fire Department	141,786,883	141,786,883	146,165,979	(4,379,096)	103.09 %
Municipal Court	6,370,086	6,370,086	6,027,009	343,077	94.61 %
Public Health	7,673,941	8,333,342	8,499,018	(165,676)	101.99 %
Transportation and Public Works:					
Capital Improvement Department	7,611,562	7,611,562	6,981,509	630,053	91.72 %
Streets and Maintenance	63,767,529	63,767,529	60,999,086	2,768,443	95.66 %
Development and Tourism:					
City Development:					
Planning and Inspections	8,945,379	8,945,379	8,463,720	481,659	94.62 %
Economic Development	3,219,430	3,219,430	2,872,021	347,409	89.21 %
Community and Human Development	2,337,178	2,337,178	1,887,359	449,819	80.75 %
Culture and Recreation:					
Museums and Cultural Affairs	7,020,401	7,020,401	5,473,218	1,547,183	77.96 %
Zoo	7,204,374	7,313,521	7,540,066	(226,545)	103.10 %
Library	10,439,109	10,820,826	10,727,582	93,244	99.14 %
Parks Department	45,783,651	45,783,651	44,822,879	960,772	97.90 %
Non Departmental:					
Non Departmental	30,367,689	28,707,649	29,296,198	(588,549)	102.05 %
Total Charges to Appropriations	573,320,425	573,763,092	571,254,280	2,508,812	99.56 %
Increase in Fund Balance:	—	—	11,950,077	11,950,077	
Fund Balance - Beginning of Year	—	—	156,542,653	—	
Fund Balance - End of Year	\$ —	\$ —	\$ 168,492,730	\$ 11,950,077	

CITY OF EL PASO, TEXAS
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Community Development Block Grants Fund
For the Year Ended August 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 10,655,587	\$ 12,790,309	\$ 15,208,410	\$ 2,418,101
Charges for Services	1,972,903	1,972,903	1,885,659	(87,244)
Investment Earnings	—	—	811,438	811,438
Rents and other	—	22,000	213,590	191,590
Total Revenues	12,628,490	14,785,212	18,119,097	3,333,885
EXPENDITURES				
Current				
General Government	50,638	61,860	87,111	(25,251)
Community and Human Development	12,577,852	14,723,353	16,351,941	(1,628,588)
Capital Outlay	—	—	390,944	(390,944)
Total Expenditures	12,628,490	14,785,212	16,829,996	(2,044,783)
Net Change in Fund Balance	—	—	1,289,101	(1,289,101)
Fund Balance - Beginning of Year	—	—	12,240,035	—
Fund Balance - End of Year	\$ —	\$ —	\$ 13,529,136	\$ (1,289,101)

CITY OF EL PASO, TEXAS
Notes to the Required Supplementary Information
Budget to Actual Schedules
For the Year Ended August 31, 2024

General Budget Policies

The City adopts an annual budget for the General Fund, CDBG, Debt Service Fund, Internal Service Funds and the operations of the enterprise funds. Unexpended appropriations for these funds lapse at the fiscal year end. Capital project funds are generally budgeted on a project basis that allows spending beyond the fiscal year end until the project is complete. Other special revenue funds such the COVID-19 Relief Grants Funds, do not have appropriated budgets since other means control the use of these resources (e.g. grant awards) and sometimes span a period of more than one fiscal year. The level of budgetary compliance is at the object level for appropriations and every City department is responsible for staying within budget constraints.

The budgets for all funds are prepared on a modified accrual basis. Purchases of materials, supplies, and equipment are considered expended when bought and depreciation/amortization expense for budgetary purposes is excluded. Encumbrances are considered obligations when the commitment is incurred. All appropriations and encumbrances in all governmental funds, with the exception of certain special revenue and capital projects funds, are considered lapsed at the end of the fiscal year. However, some encumbrances can be re-committed in the following year with proper approval.

The City uses the performance budgeting concept, which focuses on goals, objectives, evidence, and results, such as the City's Strategic Plan. Departments prepare their budget based on their prior year budget while utilizing the Budget Manual. Revenue generating departments must also include revenue estimates in their requested budget submittals. The City Manager establishes parameters for the upcoming fiscal year and provides programmatic direction to the departments in preparing their operating and capital budget requests in accordance with the City's Strategic Plan and City Council's guidance. The City Manager's Proposed Budget is filed with the City Clerk and the County Clerk in July and distributed to City Council, directors, the media, and posted on the City's website.

Review sessions and public hearings are scheduled during July and August to provide an opportunity for City Council and the citizens to ask questions, make recommendations, and gain a better understanding of the operations of each department. Budget policy dictates the budget be balanced meaning the appropriations from each fund may not exceed the resources available for the fiscal year. These resources include estimated revenues and the unassigned balance in the fund at the beginning of the year. The budget is adopted by resolution, subject to the Mayor's veto, no later than the day before the first day of the fiscal year.

Department heads are authorized to request budget transfers not to exceed \$50,000 within the same department. Budget transfers exceeding \$50,000 that are within the same department may be approved by the City Manager. The City Manager is also authorized to make budget transfers between departments not to exceed \$100,000. Budget transfers between departments exceeding \$100,000 shall require City Council approval. A budget transfer must be approved prior to the occurrence of the expenditure, except for emergency expenditures when approved by the City Manager and ratified by the City Council. The legal level of budgetary compliance is at the object level for the use of appropriations.

Budgetary Compliance

While in the General Fund the overall expenditures of the funds did not exceed the total appropriation, in CDBG Funds the excess revenues were sufficient to cover the expenditures that were in excess of appropriations. More information can be found in Note 15.

CITY OF EL PASO, TEXAS
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
August 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 4,329,820	\$ 4,765,003	\$ 3,744,222	\$ 3,314,888	\$ 5,363,765	\$ 4,505,048	\$ 4,225,901
Interest	4,793,299	4,817,669	3,319,879	3,694,724	4,687,371	5,708,937	5,513,502
Differences Between Expected and Actual Experience	(5,451,080)	(1,498,590)	13,857,255	(387,816)	(17,648,291)	(20,369,370)	238,818
Changes in Assumptions or Other Inputs	25,584,138	(11,000,869)	(65,584,361)	8,637,180	(6,674,574)	25,010,447	—
Benefit Payments	(4,477,893)	(3,455,572)	(3,453,305)	(3,628,953)	(4,017,852)	(4,404,581)	(4,681,165)
Net Change in Total OPEB Liability	<u>24,778,284</u>	<u>(6,372,359)</u>	<u>(48,116,310)</u>	<u>11,630,023</u>	<u>(18,289,581)</u>	<u>10,450,481</u>	<u>5,297,056</u>
Total OPEB Liability - Beginning	113,927,493	120,299,852	168,416,162	156,786,139	175,075,720	164,625,239	159,328,183
Total OPEB Liability - Ending	<u>\$138,705,777</u>	<u>\$113,927,493</u>	<u>\$120,299,852</u>	<u>\$168,416,162</u>	<u>\$156,786,139</u>	<u>\$175,075,720</u>	<u>\$164,625,239</u>
Covered Employee Payroll	\$285,494,090	\$249,919,235	\$242,052,528	\$233,789,649	\$226,430,653	\$293,866,493	\$284,616,458
Total OPEB Liability as a Percentage of Covered Employee Payroll	48.6 %	45.6 %	49.7 %	72.0 %	69.2 %	59.6 %	57.8 %

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's measurement date.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF EL PASO, TEXAS
Notes to the Required Supplementary Information
OPEB Plan
August 31, 2024

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year	Discount Rate
2018	3.42%
2019	2.63%
2020	2.33%
2021	1.95%
2022	3.91%
2023	4.13%
2024	3.99%

The following changes were made to assumptions since the prior year and are all considered components of changes in inputs and assumptions.

- Discount Rate: The discount rate decreased from 4.13% to 3.99%. This resulted in an increase in the Total OPEB Liability of approximately \$1.97 million.
- Retirement Rates: The retirement and termination rates were updated to reflect the rates in the 2023 Experience Study for City employees. This resulted in an increase in the Total OPEB Liability of approximately \$120,000.
- Age-Adjusted Premium Rates: The age-adjusted premium rates were updated to reflect current rates and demographics. This resulted in an increase in the Total OPEB Liability of approximately \$17.9 million.
- Retiree Contribution Rates: The retiree contributions were updated to current levels. This resulted in an increase in the Total OPEB Liability of approximately \$7.2 million.
- Medical Trend Rates: The medical trend rates were updated which resulted in a decrease in the Total OPEB Liability of approximately \$1.6 million.

EPWater (PSB) Retirees:

The PSB retirees were excluded from this valuation because the PSB is responsible for the cost of the benefits, not the City.

Methods and assumptions used to determine the total OPEB Liability for the most recent year include:

- a. Valuation date: August 31, 2024
- b. Inflation: 2.40%
- c. Salary increases, including inflation: 3.25%
- d. Discount rate: 3.99% for 2024, 4.13% for 2023
- e. Medicare eligibility: All current and future retirees are assumed to be eligible for Medicare at age 65
- f. Mortality Rates: Mortality rates for active employees were based on the PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Employee and Retiree Mortality Tables for males or females, Generational with Projection Scale MP-2021.
- f. Actuarial cost method: Entry age, level percent of pay method
- g. Amortization method: Experience gains and losses are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive members) determined as of the beginning of the measurement period.

CITY OF EL PASO, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
City Employees Retirement Trust

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 21,447,197	\$ 21,360,553	\$ 20,839,564	\$ 21,392,493	\$ 20,769,411	\$ 20,418,111	\$ 20,418,111	\$ 23,021,764	\$ 22,243,250	\$ 20,691,396
Interest (on the Total Pension Liability)	79,707,205	73,932,733	81,834,164	78,045,365	75,886,822	72,439,238	70,199,486	66,845,529	64,244,529	61,812,817
Difference Between Expected and Actual Experience	56,863,598	—	1,526,057	—	—	16,640,620	—	(22,728,241)	115,295	4,691,256
Change in Assumptions	—	—	20,343	—	—	—	—	37,572,898	—	—
Benefit Payments, Including Refunds of Plan Member Contributions	(81,066,555)	(84,876,133)	(79,617,251)	(70,348,910)	(66,648,577)	(61,114,382)	(60,394,115)	(54,383,629)	(50,788,937)	(52,592,834)
Net Change in Total Pension Liability	76,951,445	10,417,153	24,602,877	29,088,948	30,007,656	48,383,587	30,223,482	50,328,321	35,814,137	34,602,635
Total Pension Liability - Beginning	1,118,495,801	1,108,078,646	1,083,475,771	1,054,386,823	1,024,379,167	975,995,580	945,772,098	895,443,777	859,629,640	825,027,005
Total Pension Liability - Ending (a)	1,195,447,246	1,118,495,801	1,108,078,646	1,083,475,771	1,054,386,823	1,024,379,167	975,995,580	945,772,098	895,443,777	859,629,640
Plan Fiduciary Net Position:										
Employer Contributions	33,055,632	26,096,411	25,603,188	25,296,642	26,424,696	25,651,488	25,327,071	23,370,111	22,916,913	21,830,044
Plan Member Contributions	18,582,860	16,665,780	15,099,360	16,114,139	15,746,549	15,540,713	15,154,341	14,886,249	14,595,935	14,039,600
Net Investment Income	37,732,148	(87,579,875)	202,050,667	102,470,526	12,819,847	65,372,489	75,370,973	40,260,073	(17,872,916)	107,723,189
Benefit Payments, Including Refunds of Plan Member Contributions	(81,066,555)	(83,659,658)	(79,617,251)	(70,376,992)	(66,571,770)	(61,114,382)	(61,077,565)	(54,383,629)	(50,788,937)	(52,592,834)
Administrative Expense	(2,266,105)	(1,932,893)	(2,441,214)	(2,138,910)	(1,761,619)	(2,036,643)	(1,325,640)	(1,417,530)	(1,355,351)	(1,143,272)
Net Change in Plan Fiduciary Net Position	6,037,980	(130,410,235)	160,694,750	71,365,405	(13,342,297)	43,413,665	53,449,180	22,715,274	(32,504,356)	89,856,727
Plan Fiduciary Net Position - Beginning	908,273,911	1,038,684,146	877,989,396	806,623,991	819,966,288	776,552,623	723,103,443	700,388,169	732,892,525	643,035,798
Plan Fiduciary Net Position - Ending (b)	914,311,891	908,273,911	1,038,684,146	877,989,396	806,623,991	819,966,288	776,552,623	723,103,443	700,388,169	732,892,525
Net Pension Liability - Ending (a) - (b)	\$281,135,355	\$210,221,890	\$69,394,502	\$205,486,375	\$247,762,832	\$204,412,879	\$199,442,957	\$222,668,655	\$195,055,608	\$126,737,115
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.48%	81.20%	93.74%	81.03%	76.50%	80.05%	79.57%	76.46%	78.22%	85.26%
Covered Payroll	\$187,753,242	\$176,284,754	\$171,985,126	\$177,409,564	\$172,242,295	\$167,255,529	\$161,026,109	\$156,336,028	\$158,990,084	\$153,613,608
Net Pension Liability as a Percentage of Covered Payroll	149.74%	119.25%	40.35%	115.83%	143.85%	122.22%	123.86%	142.43%	122.68%	82.50%

CITY OF EL PASO, TEXAS
Schedule of Contributions
City Employees Retirement Trust

For the Year Ended August 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Determined Contribution	\$ 23,824,948	\$ 20,690,409	\$ 18,423,047	\$ 19,812,687	\$ 17,568,714	\$ 16,488,437	\$ 16,086,508	\$ 16,274,581	\$ 18,306,287	\$ 18,848,390
Contribution in Relation of the Statutorily Determined Contribution	34,170,525	33,055,632	26,096,411	25,603,188	27,369,717	25,761,130	25,651,488	25,327,071	23,370,111	22,916,913
Contribution Deficiency (Excess)	<u>\$ (10,345,577)</u>	<u>\$ (12,365,223)</u>	<u>\$ (7,673,364)</u>	<u>\$ (5,790,501)</u>	<u>\$ (9,801,003)</u>	<u>\$ (9,272,693)</u>	<u>\$ (9,564,980)</u>	<u>\$ (9,052,490)</u>	<u>\$ (5,063,824)</u>	<u>\$ (4,068,523)</u>
Covered Payroll	\$ 192,447,073	\$ 187,753,242	\$ 176,284,754	\$ 171,985,126	\$ 172,242,295	\$ 167,225,529	\$ 161,026,108	\$ 156,336,028	\$ 158,990,084	\$ 153,613,608
Contributions as a Percentage of Covered Payroll	17.76%	17.61%	14.80%	14.89%	15.89%	15.41%	15.93%	16.20%	14.70%	14.92%

The actuarial report is completed at December 31 each year. Due to the fund not having an actuarial determined contribution, the actuarial valuation does not include the report described in paragraph 32 (c) of GASB Statement No. 67. The amounts listed above are the actual employer contributions. The City contribution rates are established by ordinance.

CITY OF EL PASO, TEXAS
Schedule of Investment Returns
City Employees Retirement Trust

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.23 %	(9.37)%	19.72 %	12.08 %	1.95 %	8.74 %	10.29 %	6.36 %	(2.86)%	17.22 %

See Notes to Required Supplementary Information

CITY OF EL PASO, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
El Paso Firemen and Policemen's Pension Fund

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 26,359,869	\$ 25,654,374	\$ 28,381,134	\$ 27,554,499	\$ 29,172,060	\$ 28,322,389	\$ 30,906,245	\$ 30,006,063	\$ 30,756,259	\$ 31,190,891
Interest	167,989,040	162,883,818	155,917,833	150,599,259	145,436,515	139,974,624	130,243,528	124,822,922	120,637,037	114,784,700
Changes of Benefit Provisions	—	—	—	—	—	—	5,894,216	—	—	—
Difference Between Expected and Actual Experience	34,331,772	—	(2,436,556)	—	(1,649,602)	—	41,029,076	—	(1,046,830)	—
Assumption Changes	—	—	27,389,706	—	—	—	13,676,358	—	(18,572,463)	—
Benefit Payments, Including Refunds of Employee Contributions	(126,717,086)	(120,022,630)	(113,260,707)	(107,446,519)	(102,004,266)	(95,337,066)	(91,869,027)	(79,702,684)	(72,960,745)	(68,454,463)
Net Change in Total Pension Liability	101,963,595	68,515,562	95,991,410	70,707,239	70,954,707	72,959,947	129,880,396	75,126,301	58,813,258	77,521,128
Total Pension Liability - Beginning	2,204,599,190	2,136,083,628	2,040,092,218	1,969,384,979	1,898,430,272	1,825,470,325	1,695,589,929	1,620,463,628	1,561,650,370	1,484,129,242
Total Pension Liability - Ending (a)	2,306,562,785	2,204,599,190	2,136,083,628	2,040,092,218	1,969,384,979	1,898,430,272	1,825,470,325	1,695,589,929	1,620,463,628	1,561,650,370
Plan Fiduciary Net Position:										
Contributions - Employer	34,533,106	32,891,506	33,077,528	31,725,315	30,417,063	28,322,837	27,057,772	25,782,192	25,539,747	25,629,900
Contributions - Employee	34,323,927	31,704,100	30,164,041	27,718,990	25,281,131	22,759,105	21,304,017	20,264,708	20,480,839	19,647,491
Net Investment Income	192,551,065	(221,716,594)	274,287,273	189,119,838	278,867,510	(77,038,648)	222,422,437	85,665,945	2,979,897	50,655,743
Benefit Payments, Including Refunds of Employee Contributions	(126,717,086)	(120,022,630)	(113,260,707)	(107,446,519)	(102,004,266)	(95,337,065)	(91,869,027)	(79,702,684)	(72,960,745)	(68,454,463)
Administrative Expense	(2,148,739)	(1,955,870)	(1,925,888)	(1,885,485)	(1,839,963)	(1,679,204)	(1,908,159)	(1,783,698)	(1,685,929)	—
Net Change in Plan Fiduciary Net Position	132,542,273	(279,099,488)	222,342,247	139,232,139	230,721,475	(122,972,975)	177,007,040	50,226,463	(25,646,191)	27,478,671
Plan Fiduciary Net Position - Beginning	1,662,672,626	1,941,772,114	1,719,429,867	1,580,197,728	1,349,476,253	1,472,449,228	1,295,442,188	1,245,215,725	1,270,861,916	1,243,383,245
Plan Fiduciary Net Position - Ending (b)	1,795,214,899	1,662,672,626	1,941,772,114	1,719,429,867	1,580,197,728	1,349,476,253	1,472,449,228	1,295,442,188	1,245,215,725	1,270,861,916
Net Pension Liability - Ending (a) - (b)	\$ 511,347,886	\$ 541,926,564	\$ 194,311,514	\$ 320,662,351	\$ 389,187,251	\$ 548,954,019	\$ 353,021,097	\$ 400,147,741	\$ 375,247,903	\$ 290,788,454
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.83%	75.42%	90.90%	84.28%	80.24%	71.08%	80.66%	76.40%	76.84%	81.38%
Covered Payroll	\$ 190,688,483	\$ 181,020,801	\$ 179,421,940	\$ 172,158,538	\$ 164,020,461	\$ 154,679,681	\$ 147,089,266	\$ 139,880,043	\$ 141,468,604	\$ 135,720,392
Net Pension Liability as a Percentage of Covered Payroll	268.16%	299.37%	108.30%	186.26%	237.28%	354.90%	240.00%	286.06%	265.25%	214.26%

CITY OF EL PASO, TEXAS
Schedule of Contributions
El Paso Firemen and Policemen's Pension Fund

For the Year Ended August 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Determined Contribution	\$36,810,683	\$33,597,003	\$32,638,785	\$32,882,991	\$30,983,084	\$28,342,670	\$27,822,699	\$26,691,529	\$25,559,372	\$26,594,001
Contribution in Relation of the Statutorily Determined Contribution	36,810,683	33,597,003	32,638,785	32,882,991	30,983,084	28,342,670	27,822,699	26,691,529	25,559,372	26,594,001
Contribution Deficiency (Excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$199,457,057	\$181,766,728	\$176,149,294	\$177,369,219	\$167,276,821	\$158,200,191	\$136,408,941	\$131,427,196	\$125,371,067	\$124,305,117
Contributions as a Percentage of Covered Payroll	18.46 %	18.55 %	18.84 %	18.84 %	18.52 %	17.92 %	20.40 %	20.31 %	20.39 %	21.39 %

The actuarial report is completed at December 31 each year. Due to the fund not having an actuarial determined contribution, the actuarial valuation does not include the report described in paragraph 32(c) of GASB Statement No. 67. The amounts listed above are the actual employer contributions. The City contribution rates are established by ordinance.

CITY OF EL PASO, TEXAS
Schedule of Investment Returns
El Paso Firemen and Policemen's Pension Fund

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money- Weighted										
Rate of Return, Net of Investment Expense	11.79 %	(11.59)%	16.20 %	12.16 %	20.69 %	5.62 %	16.56 %	7.20 %	0.57 %	4.27 %

See Notes to Required Supplementary Information

CITY OF EL PASO, TEXAS
Notes to the Required Supplementary Information
El Paso Firemen and Policemen's Pension Fund

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Valuation Date	January 1, 2024
Measurement Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	The unfunded actuarial accrued liability is amortized over 40 years assuming current contribution rates continue.
Remaining Amortization Period	15 years for Police and 16 years for Fire
Asset Valuation Method	Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.
Assumptions	
Inflation	2.75%
Discount Rate	7.75%
Salary Increases	2.75% plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7.75% net of pension plan investment expense, including inflation
Retirement Age	<i>Base Plan</i> - Retirement upon the completion of 20 years of service and the attainment of age 45 or more. <i>Second-Tier Plan</i> - Retirement upon the completion of 20 years of service and the attainment of age 45 more.
Mortality	Mortality rates were based on the PubS-2010 (public safety) total dataset tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the scale MP-2020.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL 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 from federal sources for transportation, human services, environmental, cultural, public safety, and homeland security activities.

STATE GRANTS – This fund accounts for grants received from state departments and agencies for transportation, human services, environmental, cultural, and public safety activities.

OTHER GRANTS – This fund accounts for grants which are not state or federal grants.

PUBLIC HEALTH GRANTS – This fund accounts for grants received from the state for public health services.

PUBLIC HEALTH WAIVER PROGRAM - This fund accounts for Medicaid waiver funding which under the state program allows for improvement in the quality of health services and the reduction of care costs. The City uses the program receipts to expand preventive health services and collaborate with community partners.

DESTINATION EL PASO - This fund accounts for the destination marketing, venue, convention and event management for the City.

ECONOMIC DEVELOPMENT - This fund accounts for activities associated with business development, redevelopment and advocacy services to the El Paso regional and international community to create jobs, increase the local tax base and expand existing businesses.

TAX INCREMENT FUNDS - This fund accounts for activities to pay for improvements in geographic areas designated as a Tax Increment Reinvestment Zone or a Transportation Reinvestment Zone. Ad valorem property taxes are redirected to each designated geographic area.

NONGRANTS – This fund accounts for funds received that are restricted by the donor (in the case of donation), City Council action, or other legislation. Funds received include donations, hotel occupancy tax, proceeds from police enforcement activities, environmental fees, park fees, animal shelter fees, repayment of business rehab loans (local program), and blended component units.

CITY OF EL PASO, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2024

	Special Revenue Funds									
	Federal Grants	State Grants	Other Grants	Public Health	Public Health Waiver Program	Destination El Paso	Economic Development	Tax Increment Funds	Nongrants	Total
ASSETS										
Cash	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 710,131	\$ —	\$ 6,433,285	\$ 7,143,416
Cash with Fiscal Agent	—	—	—	—	—	5,666,785	—	—	—	5,666,785
Investments	—	—	—	—	—	—	42,872,312	—	28,007,876	70,880,188
Receivables - Net of Allowances										
Taxes	—	—	—	—	—	—	—	—	3,116,879	3,116,879
Interest	71,655	—	140	1,780	80,210	—	205,518	13,790	330,231	703,324
Trade	1,345	—	18,172	12,887	5,556	—	4,280	388	373,212	415,840
Notes	—	—	—	—	—	—	8,000,000	—	2,412,750	10,412,750
Other	—	—	—	—	—	7,905,785	2,714,581	—	929,150	11,549,516
Due from Other Government Agencies	4,232,691	2,363,100	—	3,371,268	—	—	—	8,780	7	9,975,846
Due from Component Unit	—	—	—	—	—	—	—	—	2,172,061	2,172,061
Prepaid Items	—	—	—	—	—	451,661	—	—	—	451,661
Inventory	—	—	—	—	—	133,483	—	—	—	133,483
Leases Receivable	—	—	—	—	—	—	—	—	8,025,601	8,025,601
Restricted Cash	311,137	470,319	71,188	4,129	157,677	500,886	—	2,848,485	—	4,363,821
Restricted Investments	13,468,696	3	47,873	471,880	17,960,456	—	—	3,715,662	30,421,405	66,085,975
Total Assets	\$ 18,085,524	\$ 2,833,422	\$ 137,373	\$ 3,861,944	\$ 18,203,899	\$ 14,658,600	\$ 54,506,822	\$ 6,587,105	\$ 82,222,457	\$ 201,097,146
LIABILITIES										
Accounts Payable	\$ 358,456	\$ 457,414	\$ 966	\$ 388,621	\$ 274,717	\$ 3,595,513	\$ 1,063,862	\$ —	\$ 2,656,227	\$ 8,795,776
Accrued Payroll	109,542	48,044	—	94,563	14,702	—	—	—	179,094	445,945
Due to Other Funds	2,712,076	2,085,840	35,177	2,595,121	—	—	1,000,000	8,780	2,879,734	11,316,728
Taxes Payable	22,846	10,471	—	27,312	3,688	—	567	—	54,192	119,076
Unearned Revenue	13,892,750	188,501	117,997	483,688	—	4,180,642	—	—	92,913	18,956,491
Due to Other Government Agencies	582,544	—	—	26,188	—	—	—	—	398	609,130
Total Liabilities	17,678,214	2,790,270	154,140	3,615,493	293,107	7,776,155	2,064,429	8,780	5,862,558	40,243,146
Deferred Inflows of Resources										
Leases	—	—	—	—	—	—	—	—	7,521,616	7,521,616
Grants	2,763,621	1,305,303	—	1,752,533	—	—	—	—	—	5,821,457
Total Deferred Inflows of Resources	2,763,621	1,305,303	—	1,752,533	—	—	—	—	7,521,616	13,343,073
FUND BALANCES (Deficits)										
Nonspendable	—	—	—	—	—	585,144	—	—	—	585,144
Restricted	—	—	—	—	17,910,792	6,297,301	—	6,578,325	30,421,405	61,207,823
Committed	—	—	—	—	—	—	52,442,393	—	41,554,737	93,997,130
Unassigned	(2,356,311)	(1,262,151)	(16,767)	(1,506,082)	—	—	—	—	(3,137,859)	(8,279,170)
Total Fund Balances (Deficits)	(2,356,311)	(1,262,151)	(16,767)	(1,506,082)	17,910,792	6,882,445	52,442,393	6,578,325	68,838,283	147,510,927
Total Liabilities and Fund Balances	\$ 18,085,524	\$ 2,833,422	\$ 137,373	\$ 3,861,944	\$ 18,203,899	\$ 14,658,600	\$ 54,506,822	\$ 6,587,105	\$ 82,222,457	\$ 201,097,146

CITY OF EL PASO, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended August 31, 2024

Special Revenue Funds										
	Federal Grants	State Grants	Other Grants	Public Health	Public Health Waiver Program	Destination El Paso	Economic Development	Tax Increment Funds	Nongrants	Total
REVENUES										
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,642,065	\$ 470,437	\$ 8,112,502
Penalties and Interest-Delinquent taxes	—	—	—	—	—	—	—	—	1,729	1,729
Sales Taxes	—	—	—	—	—	—	687,932	—	—	687,932
Hotel Occupancy Taxes	—	—	—	—	—	—	1,508,626	—	13,344,252	14,852,878
Rental Vehicle Taxes	—	—	—	—	—	—	—	—	4,401,305	4,401,305
Franchise Fees	—	—	—	—	—	—	15,443,342	—	3,558,747	19,002,089
Charges for Services	—	—	—	19,055	—	9,603,424	96,490	—	23,036,224	32,755,193
Fines and Forfeitures	—	—	—	—	—	—	—	—	677,934	677,934
Licenses and Permits	—	—	—	—	—	—	—	—	1,161,209	1,161,209
Ticket Sales	—	—	—	—	—	—	—	—	303,941	303,941
Intergovernmental Revenues	17,164,092	10,285,855	406,971	10,591,323	4,749	—	—	—	543,131	38,996,121
Investment Earnings (Losses)	484,424	—	2,326	21,121	1,066,997	—	2,525,524	148,767	2,607,770	6,856,929
Rents and Other	—	—	2,395	—	—	1,721,330	381,359	—	2,756,840	4,861,924
Total Revenues	17,648,516	10,285,855	411,692	10,631,499	1,071,746	11,324,754	20,643,273	7,790,832	52,863,519	132,671,686
EXPENDITURES										
Current										
General Government	49,447	3,129,683	25,748	—	—	—	—	1,467,998	7,753,838	12,426,714
Public Safety	19,185,388	4,956,789	37,138	—	908,036	—	—	—	10,727,726	35,815,077
Public Works	—	—	—	—	—	—	—	—	7,339,975	7,339,975
Public Health	—	—	328,852	11,977,707	1,849,862	—	—	—	12,744,747	26,901,168
Culture and Recreation	49,121	372,734	—	—	—	20,278,161	—	—	5,419,012	26,119,028
Economic Development	—	—	—	—	—	—	13,246,972	177,300	1,184,899	14,609,171
Community and Human Development	—	574,696	—	—	—	—	—	—	154,787	729,483
Debt Service:										
Principal	9,628	414,824	—	250,995	—	—	—	—	1,700,644	2,376,091
Interest	71,374	27,747	—	114,887	—	—	—	—	2,489,094	2,703,102
Fiscal Fees	—	—	—	—	—	—	—	—	21,425	21,425
Capital Outlay	152,778	2,028,354	—	1,660,625	152,672	—	—	—	500,934	4,495,363
Total Expenditures	19,517,736	11,504,827	391,738	14,004,214	2,910,570	20,278,161	13,246,972	1,645,298	50,037,081	133,536,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,869,220)	(1,218,972)	19,954	(3,372,715)	(1,838,824)	(8,953,407)	7,396,301	6,145,534	2,826,438	(864,911)
OTHER FINANCING SOURCES (USES)										
Transfers In	—	—	—	—	—	10,277,843	4,259,472	—	15,854,357	30,391,672
Transfers Out	—	—	—	—	—	—	(150,000)	(3,312,343)	(18,209,900)	(21,672,243)
Proceeds from Sale of Capital Assets	—	—	—	—	—	—	—	—	1,808,799	1,808,799
Leases (as Lessee)	—	—	—	1,557,253	—	—	—	—	—	1,557,253
Total Other Financing Sources (Uses)	—	—	—	1,557,253	—	10,277,843	4,109,472	(3,312,343)	(546,744)	12,085,481
Net Change in Fund Balances	(1,869,220)	(1,218,972)	19,954	(1,815,462)	(1,838,824)	1,324,436	11,505,773	2,833,191	2,279,694	11,220,570
Fund Balances (Deficits) - Beginning	(487,091)	(43,179)	(36,721)	309,380	19,749,616	5,558,009	40,936,620	3,745,134	66,558,589	136,290,357
Fund Balances (Deficits) - Ending	<u>\$(2,356,311)</u>	<u>\$(1,262,151)</u>	<u>\$(16,767)</u>	<u>\$(1,506,082)</u>	<u>\$17,910,792</u>	<u>\$6,882,445</u>	<u>\$52,442,393</u>	<u>\$ 6,578,325</u>	<u>\$68,838,283</u>	<u>\$147,510,927</u>

DEBT SERVICE FUND



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

CITY OF EL PASO, TEXAS
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Debt Service Funds
For the Year Ended August 31, 2024

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 120,879,900	\$ 120,879,900	\$ 120,318,772	\$ (561,128)
Penalties and Interest-Delinquent Taxes	—	—	739,161	739,161
Charges for Services	820,202	820,202	833,304	13,102
Investment Earnings	—	—	2,905,934	2,905,934
Total Revenues	<u>121,700,102</u>	<u>121,700,102</u>	<u>124,797,171</u>	<u>3,097,069</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal	54,400,000	54,880,000	68,847,594	(13,967,594)
Interest	67,648,792	67,168,792	62,825,086	4,343,706
Fiscal Fees	35,358	35,358	600,004	(564,646)
Total Expenditures	<u>122,084,150</u>	<u>122,084,150</u>	<u>132,272,684</u>	<u>(10,188,534)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(384,048)</u>	<u>(384,048)</u>	<u>(7,475,513)</u>	<u>(7,091,465)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	384,048	384,048	4,266,638	(3,882,590)
Payment to Refunding Bond Escrow Agent	—	—	(65,382,406)	65,382,406
Face Amount of Refunding Bonds Issued	—	—	60,710,000	(60,710,000)
Premium on Issuance of Bonds	—	—	5,236,757	(5,236,757)
Transfers Out	—	—	(755,384)	755,384
Total Other Financing Sources (Uses)	<u>384,048</u>	<u>384,048</u>	<u>4,075,605</u>	<u>(3,691,557)</u>
Net Change in Fund Balance	—	—	(3,399,908)	(3,399,908)
Fund Balances - Beginning of Year	—	—	15,495,458	—
Fund Balances - End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,095,550</u>	<u>\$ (3,399,908)</u>

INTERNAL SERVICE FUNDS



Internal Service Funds are used to account for the financing of goods or services provided by one City department to other City departments on a cost reimbursement basis.

Supply and Support – This fund accounts for the Fleet Maintenance Department which operates the City motor pool and maintains/repairs City owned vehicles. Facility Maintenance activities are also included 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 Statement of Net Position
Internal Service Funds
August 31, 2024

	Supply and Support	Self Insurance	Total
ASSETS:			
Current Assets:			
Cash	\$ 12,704	\$ 437,448	\$ 450,152
Investments	1,447,376	49,828,367	51,275,743
Receivables - Net of Allowances			
Interest	5,408	187,945	193,353
Trade	30,082	4,975	35,057
Inventory	970,396	—	970,396
Total Current Assets	2,465,966	50,458,735	52,924,701
Noncurrent Assets:			
Capital Assets:			
Buildings, Improvements and Equipment, Net	190,635	—	190,635
Total Noncurrent Assets	190,635	—	190,635
Total Assets	2,656,601	50,458,735	53,115,336
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Contributions Subsequent to Measurement Date	583,245	169,583	752,828
Difference in Projected and Actual Earnings on Pension Investments	908,059	264,024	1,172,083
Difference in Expected and Actual Pension Experience	824,000	239,584	1,063,584
Change in Assumptions for Pensions	183	54	237
Change in Assumptions for OPEB	508,877	24,534	533,411
Difference in Expected and Actual OPEB Experience	150,851	17,588	168,439
Total Deferred Outflows of Resources	2,975,215	715,367	3,690,582
Total Assets and Deferred Outflows of Resources	\$ 5,631,816	\$ 51,174,102	\$ 56,805,918
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 1,269,436	\$ 241,092	\$ 1,510,528
Accrued Payroll	56,362	21,612	77,974
Taxes Payable	16,802	7,342	24,144
Compensated Absences	178,318	51,973	230,291
Claims and Judgements	—	6,721,729	6,721,729
Total OPEB Liability	71,375	8,433	79,808
Total Current Liabilities	1,592,293	7,052,181	8,644,474
Noncurrent Liabilities:			
Compensated Absences	416,076	121,270	537,346
Total OPEB Liability	2,565,890	303,180	2,869,070
Net Pension Liability	4,804,821	1,397,035	6,201,856
Claims and Judgments	—	15,684,035	15,684,035
Total Noncurrent Liabilities	7,786,787	17,505,520	25,292,307
Total Liabilities	9,379,080	24,557,701	33,936,781
DEFERRED INFLOWS OF RESOURCES:			
Difference in Expected and Actual OPEB Experience	170,167	(20,805)	149,362
Change in Assumptions for OPEB	861,357	99,736	961,093
Total Deferred Inflows of Resources	1,031,524	78,931	1,110,455
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	190,635	—	190,635
Unrestricted	(4,969,423)	26,537,470	21,568,047
Total Net Position (Deficit)	(4,778,788)	26,537,470	21,758,682
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	\$ 5,631,816	\$ 51,174,102	\$ 56,805,918

CITY OF EL PASO, TEXAS
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
For the Year Ended August 31, 2024

	Supply and Support	Self Insurance	Total
OPERATING REVENUES:			
Sales to Departments	\$ 19,404,698	\$ —	\$ 19,404,698
Premium Contributions	—	75,796,710	75,796,710
General Revenues	11,006	885,798	896,804
Total Operating Revenues	<u>19,415,704</u>	<u>76,682,508</u>	<u>96,098,212</u>
OPERATING EXPENSES:			
Personnel Services	6,126,123	3,070,509	9,196,632
Outside Contracts	211,634	3,040,968	3,252,602
Professional Services	—	1,095,754	1,095,754
Fuel and Lubricants	7,483,399	—	7,483,399
Materials and Supplies	4,147,907	11,936	4,159,843
Utilities	28,663	—	28,663
Travel and Training	6,320	—	6,320
Benefits Provided	—	62,801,825	62,801,825
Maintenance and Repairs	2,545,076	—	2,545,076
Other Operating Expenses	37,696	8,818	46,514
Depreciation	27,490	—	27,490
Total Operating Expenses	<u>20,614,308</u>	<u>70,029,810</u>	<u>90,644,118</u>
Operating Income (Loss)	<u>(1,198,604)</u>	<u>6,652,698</u>	<u>5,454,094</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Gains	109,882	2,355,187	2,465,069
Total Nonoperating Revenues (Expenses)	<u>109,882</u>	<u>2,355,187</u>	<u>2,465,069</u>
Income (Loss) Before Transfers	<u>(1,088,722)</u>	<u>9,007,885</u>	<u>7,919,163</u>
Transfers In	<u>—</u>	<u>193,101</u>	<u>193,101</u>
Increase (Decrease) in Net Position	(1,088,722)	9,200,986	8,112,264
Net Position (Deficit) - Beginning of Year	(3,690,066)	17,336,484	13,646,418
Net Position (Deficit) - End of Year	<u>\$ (4,778,788)</u>	<u>\$ 26,537,470</u>	<u>\$ 21,758,682</u>

CITY OF EL PASO, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended August 31, 2024

	Supply and Support	Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 11,006	\$ 76,682,474	\$ 76,693,480
Receipts from Interfund Services	19,394,172	—	19,394,172
Payments to Suppliers	(14,684,386)	(66,525,497)	(81,209,883)
Payments to Employees	(6,150,651)	(3,049,976)	(9,200,627)
Net Cash Provided by (Used for) Operating Activities	<u>(1,429,859)</u>	<u>7,107,001</u>	<u>5,677,142</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	—	193,101	193,101
Net Cash Provided by Noncapital Financing Activities	<u>—</u>	<u>193,101</u>	<u>193,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(227,966)	—	(227,966)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(227,966)</u>	<u>—</u>	<u>(227,966)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(76,087,605)	(410,967,527)	(487,055,132)
Sale of Investments	77,660,613	402,643,416	480,304,029
Interest	11,865	303,075	314,940
Net Cash Provided by (Used for) Investing Activities	<u>1,584,873</u>	<u>(8,021,036)</u>	<u>(6,436,163)</u>
Net Decrease in Cash	(72,952)	(720,934)	(793,886)
Cash - Beginning of the Year	85,656	1,158,382	1,244,038
Cash - End of the Year	<u>\$ 12,704</u>	<u>\$ 437,448</u>	<u>\$ 450,152</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (1,198,604)	\$ 6,652,698	\$ 5,454,094
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation Expense	27,490	—	27,490
Compensated Absences	7,024	19,586	26,610
Total OPEB Liability and Related Outflows and Inflows	(91,935)	(10,645)	(102,580)
Net Pension Liability and Related Outflows and Inflows	169,217	49,201	218,418
Change in Assets and Liabilities:			
Receivables	(10,526)	—	(10,526)
Inventories	77,177	—	77,177
Accounts and Other Payables	(409,702)	396,161	(13,541)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,429,859)</u>	<u>\$ 7,107,001</u>	<u>\$ 5,677,142</u>
Schedule of Non-Cash Capital and Related Financing Activities:			
Purchase of Capital Assets on Account	\$ 11,530	\$ —	\$ 11,530
Increase in Fair Value of Investments	65,920	827,250	893,170

PENSION TRUST FUNDS



Pension Trust Funds are comprised of money intended to pay for pension benefits. This money is contributed by the employer and employee.

CITY OF EL PASO, TEXAS
Combining Statement of Fiduciary Net Position
Pension Trust Funds
August 31, 2024

	City Employees Retirement Trust	Firemen and Policemen's Pension Fund (As of December 31, 2023)		Total	Total Pension Trust Funds
		Firemen Division	Policemen Division		
ASSETS					
Cash and Cash Equivalents	\$ 8,990,085	\$ 13,382,470	\$ 19,430,349	\$ 32,812,819	\$ 41,802,904
Investments:					
Commingled Funds	207,032,520	—	—	—	207,032,520
U.S. Government Securities	10,223,415	—	—	—	10,223,415
Bank Collective Investment Funds	534,280,655	—	—	—	534,280,655
Private Equities	144,790,553	184,894,182	160,218,633	345,112,815	489,903,368
Real Estate Investment Funds	83,351,202	67,449,661	97,986,569	165,436,230	248,787,432
Fixed Income Securities	—	142,805,091	207,458,133	350,263,224	350,263,224
Domestic Equities	—	163,103,610	345,330,374	508,433,984	508,433,984
International Equities	—	193,385,086	280,937,525	474,322,611	474,322,611
Securities Lending Collateral	—	10,843,127	15,752,203	26,595,330	26,595,330
Receivables - Net of Allowances					
Employer Contributions	865,748	695,331	844,453	1,539,784	2,405,532
Employee Contributions	551,491	695,331	844,306	1,539,637	2,091,128
Accrued Interest and Dividends	157,498	—	—	—	157,498
Other Receivables	—	85	86	171	171
Prepaid Items	25,445	—	—	—	25,445
Capital Assets:					
Land	521,174	—	—	—	521,174
Buildings, Improvements & Equipment, Net	1,287,197	747,527	747,528	1,495,055	2,782,252
TOTAL ASSETS	992,076,983	778,001,501	1,129,550,159	1,907,551,660	2,899,628,643
LIABILITIES					
Accounts Payable	—	576,053	749,218	1,325,271	1,325,271
Accrued Expenses	1,141,480	37,141,970	73,869,520	111,011,490	112,152,970
TOTAL LIABILITIES	1,141,480	37,718,023	74,618,738	112,336,761	113,478,241
NET POSITION:					
Restricted for Pensions	\$ 990,935,503	\$ 740,283,478	\$ 1,054,931,421	\$ 1,795,214,899	\$ 2,786,150,402

CITY OF EL PASO, TEXAS
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended August 31, 2024

	City Employees Retirement Trust	Firemen and Policemen's Pension Fund (As of December 31, 2023)			Total Pension Trust Funds
		Firemen Division	Policemen Division	Total	
ADDITIONS:					
Contributions:					
Employer	\$ 34,170,525	\$ 14,844,489	\$ 19,688,617	\$ 34,533,106	\$ 68,703,631
Employee	21,776,219	14,645,760	19,678,167	34,323,927	56,100,146
Total Contributions	<u>55,946,744</u>	<u>29,490,249</u>	<u>39,366,784</u>	<u>68,857,033</u>	<u>124,803,777</u>
Investment Income:					
Net Change in Fair Value of Investments	103,144,695	68,306,003	99,212,341	167,518,344	270,663,039
Interest	2,205,574	6,009,570	8,731,732	14,741,302	16,946,876
Dividends	5,172,263	5,859,122	8,513,099	14,372,221	19,544,484
Securities Lending Income	—	120,633	175,229	295,862	295,862
Less Investment Expenses	(1,975,655)	(1,839,643)	(2,537,021)	(4,376,664)	(6,352,319)
Miscellaneous Income	583	—	—	—	583
Net Investment Income	<u>108,547,460</u>	<u>78,455,685</u>	<u>114,095,380</u>	<u>192,551,065</u>	<u>301,098,525</u>
Total Additions	<u>164,494,204</u>	<u>107,945,934</u>	<u>153,462,164</u>	<u>261,408,098</u>	<u>425,902,302</u>
DEDUCTIONS:					
Benefit Payments	81,434,508	43,000,661	67,839,168	110,839,829	192,274,337
Refunds of Contributions	3,777,606	7,482,831	8,394,426	15,877,257	19,654,863
Administrative Expenses	2,416,290	993,822	994,530	1,988,352	4,404,642
Depreciation/Amortization Expense	242,188	80,194	80,193	160,387	402,575
Total Deductions	<u>87,870,592</u>	<u>51,557,508</u>	<u>77,308,317</u>	<u>128,865,825</u>	<u>216,736,417</u>
Net Increase in Fiduciary Net Position	76,623,612	56,388,426	76,153,847	132,542,273	209,165,885
Net Position - Beginning of Year	<u>914,311,891</u>	<u>683,895,052</u>	<u>978,777,574</u>	<u>1,662,672,626</u>	<u>2,576,984,517</u>
Net Position - End of Year	<u>\$ 990,935,503</u>	<u>\$ 740,283,478</u>	<u>\$ 1,054,931,421</u>	<u>\$ 1,795,214,899</u>	<u>\$ 2,786,150,402</u>

CUSTODIAL FUNDS



Custodial Funds – Custodial funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations, and other governmental units. Custodial funds include the Camino Real Regional Mobility Authority (CRRMA) and the Metropolitan Planning Organization (MPO).

CITY OF EL PASO, TEXAS
Combining Statement of Fiduciary Net Position
Custodial Funds
August 31, 2024

	Camino Real Regional Mobility Authority (CRRMA)	El Paso Metropolitan Planning Organization (MPO)	Total
ASSETS			
Cash and Cash Equivalents	\$ 57,602,149	\$ —	\$ 57,602,149
Investments	13,046,927	—	13,046,927
Receivables:			
Interest	95,524	—	95,524
Due from Other Government Agencies	7,528,321	1,090,679	8,619,000
Lease ROU, Net of Accumulated Amortization	—	756,950	756,950
Capital Assets:			
Construction in Progress	3,427,864	—	3,427,864
TOTAL ASSETS	81,700,785	1,847,629	83,548,414
LIABILITIES			
Accounts Payable	4,452,542	160,603	4,613,145
Accrued Expenses	930,770	16,896	947,666
Taxes Payable	—	4,483	4,483
Lease Liability	—	778,314	778,314
Unearned Revenue	29,818,388	138,305	29,956,693
Due to Other Government Agencies	—	571,955	571,955
Compensated Absences	—	115,962	115,962
Bonds and Notes Payable	90,476,866	—	90,476,866
TOTAL LIABILITIES	125,678,566	1,786,518	127,465,084
DEFERRED INFLOW OF RESOURCES			
Sale of Future Revenue	3,529,049	—	3,529,049
Deferred Gain on Bond Refunding	2,120,501	—	2,120,501
TOTAL DEFERRED INFLOW OF RESOURCES	5,649,550	—	5,649,550
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	3,427,864	(21,364)	3,406,500
Restricted for:			
Debt Service	495,809	—	495,809
Unrestricted (Deficit)	(53,551,004)	82,475	(53,468,529)
TOTAL NET POSITION (DEFICIT)	\$ (49,627,331)	\$ 61,111	\$ (49,566,220)

CITY OF EL PASO, TEXAS
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended August 31, 2024

	Camino Real Regional Mobility Authority (CRRMA)	El Paso Metropolitan Planning Organization (MPO)	Total
ADDITIONS:			
Federal Grant Proceeds	\$ —	\$ 2,324,972	\$ 2,324,972
State Grant Proceeds	11,247,942	153,168	11,401,110
Bike Share Revenues	145,200	—	145,200
Local Governments	22,214,306	12,933	22,227,239
Interest Revenue	3,578,018	—	3,578,018
Total Additions	<u>37,185,466</u>	<u>2,491,073</u>	<u>39,676,539</u>
DEDUCTIONS:			
Salaries and Benefits	296,683	1,081,302	1,377,985
Professional Services	421,013	105,535	526,548
Contract Services	422,449	510,704	933,153
Supplies and Other	15,926	7,926	23,852
Administrative Expenses	1,963	121,557	123,520
Interest Expense	3,678,307	32,661	3,710,968
Intergovernmental Transfer of Capital Assets	26,363,558	—	26,363,558
Grants - Subrecipients	—	591,774	591,774
Bond Issuance Costs	540,329	—	540,329
Depreciation/Amortization Expense	—	91,966	91,966
Total Deductions	<u>31,740,228</u>	<u>2,543,425</u>	<u>34,283,653</u>
Increase (Decrease) in Fiduciary Net Position	5,445,238	(52,352)	5,392,886
Net Position (Deficit) - Beginning of Year, as Previously Presented	(55,072,569)	(710,193)	(55,782,762)
Error Correction	—	823,656	823,656
Net Position - Beginning of Year, As Restated	<u>(55,072,569)</u>	<u>113,463</u>	<u>(54,959,106)</u>
Net Position (Deficit) - End of Year	<u>\$ (49,627,331)</u>	<u>\$ 61,111</u>	<u>\$ (49,566,220)</u>

STATISTICAL SECTION
(unaudited)



The Statistical Section of the City’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information is in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 145

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, primarily property tax. 151

Debt Capacity

These schedules present information to help the reader assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 152

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 160

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 165

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports through fiscal year 2024.

CITY OF EL PASO, TEXAS
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 433,047,977	\$ 372,695,839	\$ 347,659,026	\$ 336,158,823	\$ 277,770,615	\$ 221,856,514	\$ 197,561,266	\$ 158,948,296	\$ 186,813,209	\$ 126,063,774
Restricted	179,047,228	155,015,187	153,089,966	150,448,935	393,243,785	119,317,145	125,662,159	181,218,370	127,478,301	93,862,608
Unrestricted	(409,144,843)	(475,284,365)	(516,244,279)	(664,332,917)	(1,019,971,717)	(743,840,972)	(713,195,827)	(660,546,184)	(609,526,733)	(509,631,709)
Total Governmental Activities Net Position (Deficit)	202,950,362	52,426,661	(15,495,287)	(177,725,159)	(348,957,317)	(402,667,313)	(389,972,402)	(320,379,518)	(295,235,223)	(289,705,327)
Business-Type Activities										
Net Investment in Capital Assets	472,841,905	456,304,604	457,903,988	448,511,221	471,534,592	451,377,465	409,465,951	360,989,685	346,918,484	345,990,881
Restricted	34,772,784	30,078,572	22,109,340	19,494,720	19,215,338	15,493,147	7,586,344	19,934,227	26,658,122	23,067,473
Unrestricted	207,087,909	180,079,513	120,977,392	61,204,387	(4,936,807)	(16,072,627)	(46,044,377)	(46,820,387)	(38,504,913)	(44,450,522)
Total Business-Type Activities Net Position	714,702,598	666,462,689	600,990,720	529,210,328	485,813,123	450,797,985	371,007,918	334,103,525	335,071,693	324,607,832
Primary Government										
Net Investment in Capital Assets	905,889,882	829,000,443	805,563,014	784,670,044	749,305,207	673,233,979	607,027,217	519,937,981	533,731,693	472,054,655
Restricted	213,820,012	185,093,759	175,199,306	169,943,655	412,459,123	134,810,292	133,248,503	201,152,597	154,136,423	116,930,081
Unrestricted	(202,056,934)	(295,204,852)	(395,266,887)	(603,128,530)	(1,024,908,524)	(759,913,599)	(759,240,204)	(707,366,571)	(648,031,646)	(554,082,231)
Total Primary Government Net Position (Deficit)	\$ 917,652,960	\$ 718,889,350	\$ 585,495,433	\$ 351,485,169	\$ 136,855,806	\$ 48,130,672	\$ (18,964,484)	\$ 13,724,007	\$ 39,836,470	\$ 34,902,505

CITY OF EL PASO, TEXAS
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
General Government	\$ 79,308,418	\$ 125,475,631	\$ 66,715,406	\$ 70,369,798	\$ 83,024,157	\$ 76,481,860	\$ 87,872,880	\$ 59,192,090	\$ 93,447,706	\$ 39,517,748
Public Safety	369,785,368	363,710,314	261,182,070	303,382,283	299,637,681	322,600,351	282,425,339	278,648,815	241,548,165	244,856,205
Public Works	91,063,387	89,633,781	90,220,966	78,982,444	77,967,798	98,063,309	86,876,259	76,780,581	67,038,656	76,506,248
Public Health	39,979,939	36,964,643	34,512,832	30,714,066	31,560,770	28,202,328	28,819,169	33,794,360	21,849,467	20,341,813
Culture and Recreation	107,927,970	92,424,983	77,731,919	66,077,729	66,382,955	76,360,009	73,704,832	77,116,618	69,445,600	59,510,545
Community and Economic Development	53,235,197	51,334,131	54,901,514	84,996,653	33,065,629	23,657,159	46,626,758	37,843,697	34,224,066	32,531,231
Interest on Long-term Debt	53,048,301	55,599,155	56,870,614	52,889,844	51,954,912	52,659,367	50,537,493	55,962,214	36,191,595	51,314,447
Total Governmental Activities Expenses	794,348,580	815,142,638	642,135,321	687,412,817	643,593,902	678,024,383	656,862,730	619,338,375	563,745,255	524,578,237
Business-Type Activities:										
El Paso International Airport	64,147,108	57,952,745	57,868,145	57,286,940	57,656,974	57,746,493	53,136,402	53,963,454	50,650,315	43,740,554
Industrial Park and Other	—	—	—	—	—	—	—	—	1,576,761	5,817,711
International Bridges	9,685,217	8,232,542	7,639,240	6,756,399	8,193,778	8,802,505	9,254,913	10,002,271	8,508,327	6,988,024
Environmental Services	61,563,923	48,285,009	37,658,000	43,414,609	46,086,734	46,066,221	48,576,855	45,701,064	51,150,988	45,596,671
Tax Office	2,710,087	2,367,113	2,262,277	2,113,309	2,001,413	2,112,412	2,178,819	2,015,098	1,931,979	—
Mass Transit	94,317,709	84,018,899	73,355,170	73,942,270	86,637,090	90,664,188	83,693,650	80,848,329	80,975,092	81,173,227
Total Business-Type Activities Expenses	232,424,044	200,856,308	178,782,832	183,513,527	200,575,989	205,391,819	196,840,639	192,530,216	194,793,462	183,316,187
Total Primary Government Expenses	\$1,026,772,624	\$1,015,998,946	\$ 820,918,153	\$ 870,926,344	\$ 844,169,891	\$ 883,416,202	\$ 853,703,369	\$ 811,868,591	\$ 758,538,717	\$ 707,894,424
Program Revenues										
Governmental Activities:										
General Government	\$ 43,359,941	\$ 37,472,582	\$ 37,589,851	\$ 39,745,995	\$ 37,981,838	\$ 49,572,136	\$ 44,792,119	\$ 36,978,957	\$ 20,771,995	\$ 11,023,551
Public Safety	24,999,205	22,823,345	23,402,339	21,437,628	18,654,033	21,557,152	22,590,477	20,496,087	31,069,511	32,250,982
Public Works	9,249,881	5,152,927	3,944,832	4,367,550	11,139,452	7,690,356	9,118,180	8,223,634	26,872,475	31,475,932
Public Health	6,546,547	2,777,997	9,258,924	8,706,321	9,477,748	8,846,478	9,047,438	18,352,936	6,617,347	10,847,368
Culture and Recreation	20,798,716	19,759,257	15,537,484	12,094,246	8,742,998	15,980,911	15,505,948	18,063,239	14,134,268	14,536,875
Community and Economic Development	13,019,614	14,744,603	14,664,876	16,312,534	15,164,091	16,885,295	17,159,703	18,918,679	24,670,968	31,385,413
Operating Grants and Contributions	85,039,059	78,656,652	88,545,829	150,571,837	56,164,682	37,320,031	46,814,154	38,597,485	33,822,176	24,911,878
Capital Grants and Contributions	23,751,321	8,880,055	9,433,180	33,459,616	5,025,818	4,266,151	4,913,457	2,950,231	7,168,957	2,186,539
Total Governmental Activities Program Revenues	226,764,284	190,267,418	202,377,315	286,695,727	162,350,660	162,118,510	169,941,476	162,581,248	165,127,697	158,618,538
Business-Type Activities:										
Charges for Services:										
El Paso International Airport	55,848,491	55,725,065	52,710,247	43,374,670	43,796,776	52,844,705	49,502,621	46,671,121	35,998,919	28,228,439
Industrial Park and Other	—	—	—	—	—	—	—	—	5,102,322	8,804,354
International Bridges	29,103,117	29,400,362	27,836,875	25,199,633	21,855,561	22,954,862	23,849,831	21,731,391	22,338,527	21,584,262
Environmental Services	69,429,984	68,423,753	69,063,037	68,296,782	71,660,591	59,495,038	47,838,414	48,094,965	52,182,776	48,964,695
Mass Transit	8,331,773	7,350,569	6,718,602	5,348,609	7,804,722	7,765,237	9,754,726	9,253,342	12,313,314	12,795,418
Tax Office	2,491,997	2,402,544	2,372,158	2,229,964	2,092,030	1,702,537	1,879,016	1,843,339	—	—
Operating Grants and Contributions	24,475,411	19,325,910	23,595,235	35,248,952	33,844,334	10,365,071	11,015,533	11,606,771	16,430,744	179,089
Capital Grants and Contributions	27,450,216	43,964,931	40,721,264	15,166,100	26,811,433	97,095,322	65,509,253	17,942,703	16,137,628	25,183,118
Total Business-Type Activities Program Revenues	217,130,989	226,593,134	223,017,418	194,864,710	207,865,747	252,222,772	209,349,394	157,143,632	160,504,230	145,739,375
Total Primary Government Program Revenues	\$ 443,895,273	\$ 416,860,552	\$ 425,394,733	\$ 481,560,437	\$ 370,216,407	\$ 414,341,282	\$ 379,290,870	\$ 319,724,880	\$ 325,631,927	\$ 304,357,913

CITY OF EL PASO, TEXAS
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense) Revenue										
Governmental Activities	\$ (567,584,296)	\$ (624,875,220)	\$ (439,758,006)	\$ (400,717,090)	\$ (481,243,242)	\$ (515,905,873)	\$ (486,921,254)	\$ (456,757,127)	\$ (398,617,558)	\$ (365,959,699)
Business-Type Activities	(15,293,055)	25,736,826	44,234,586	11,351,183	7,289,758	46,830,953	12,508,755	(35,386,584)	(34,289,232)	(37,576,812)
Total Primary Government Net Expense	\$ (582,877,351)	\$ (599,138,394)	\$ (395,523,420)	\$ (389,365,907)	\$ (473,953,484)	\$ (469,074,920)	\$ (474,412,499)	\$ (492,143,711)	\$ (432,906,790)	\$ (403,536,511)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Ad Valorem Taxes	\$ 397,607,298	\$ 381,907,345	\$ 355,708,990	\$ 343,435,074	\$ 333,335,059	\$ 301,548,114	\$ 271,100,422	\$ 254,897,464	\$ 237,442,459	\$ 225,042,726
Sales Taxes	138,112,624	137,347,739	130,515,883	114,178,931	99,591,904	96,649,171	92,109,776	87,704,730	100,080,666	97,088,308
Hotel Occupancy Tax	19,960,641	21,584,145	17,929,931	13,132,233	11,664,791	15,353,411	15,270,465	13,415,214	—	—
Franchise Taxes	77,938,632	79,824,644	81,030,858	70,760,604	60,824,072	58,804,220	58,426,721	58,295,404	55,986,614	54,402,456
Gain on Disposal of Capital Assets	10,533,401	10,423,367	2,701	6,900	13,640	8,079	—	28,103	91,638	1,753,589
BAB Tax Credit	—	—	—	—	754,593	1,684,503	1,996,608	2,058,173	—	—
Transfers	24,443,495	36,165,108	34,355,126	29,761,814	22,389,224	20,401,711	15,177,810	12,345,926	(1,164,070)	5,831,028
Investment Earnings (Loss)	49,511,906	25,544,820	(17,555,611)	673,692	6,556,806	8,761,753	4,503,973	2,867,819	650,355	1,495,386
Total Government Activities	718,107,997	692,797,168	601,987,878	571,949,248	535,130,089	503,210,962	458,585,775	431,612,834	393,087,662	385,613,493
Business-Type Activities:										
Taxes										
Ad Valorem Taxes	—	—	—	55,001,787	521,982	3,996,798	7,327,325	3,894,131	2,099,835	—
Sales Taxes	65,830,787	64,826,796	62,500,961	—	47,833,635	46,459,737	44,096,838	42,098,342	41,236,405	40,533,736
Investment Earnings (Loss)	22,145,672	11,021,494	(913,975)	160,407	1,654,910	2,729,197	810,298	511,087	276,231	96,962
Gain on Disposal of Capital Assets	—	51,961	313,946	6,645,642	42,908	42,908	50,046	31,858	(23,448)	3,256
BAB Federal Tax Credit	—	—	—	—	61,169	175,093	226,884	228,925	—	240,551
Transfers	(24,443,495)	(36,165,108)	(34,355,126)	(29,761,814)	(22,389,224)	(20,401,711)	(15,177,810)	(12,345,926)	1,164,070	(5,831,028)
Total Business-Type Activities	63,532,964	39,735,143	27,545,806	32,046,022	27,725,380	33,002,022	37,333,581	34,418,416	44,753,093	35,043,477
Total Primary Government	\$ 781,640,961	\$ 732,532,311	\$ 629,533,684	\$ 603,995,270	\$ 562,855,469	\$ 536,212,984	\$ 495,919,356	\$ 466,031,250	\$ 437,840,755	\$ 420,656,970
Change in Net Position (Deficit)										
Governmental Activities	\$ 150,523,701	\$ 67,921,948	\$ 162,229,872	\$ 171,232,158	\$ 53,886,847	\$ (12,694,911)	\$ (28,335,479)	\$ (25,144,293)	\$ (5,529,896)	\$ 19,653,794
Business-Type Activities	48,239,909	65,471,969	71,780,392	43,397,205	35,015,138	79,832,975	49,842,336	(968,168)	10,463,861	(2,533,335)
Total Change in Net Position (Deficit)-Primary Government	\$ 198,763,610	\$ 133,393,917	\$ 234,010,264	\$ 214,629,363	\$ 88,901,985	\$ 67,138,064	\$ 21,506,857	\$ (26,112,461)	\$ 4,933,965	\$ 17,120,459

CITY OF EL PASO, TEXAS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 7,244,631	\$ 4,618,926	\$ 5,296,137	\$ 4,202,298	\$ 4,403,372	\$ 3,155,070	\$ 6,946,182	\$ 3,798,045	\$ 3,887,550	\$ 4,027,347
Restricted	25,683,429	23,811,543	22,099,714	22,897,246	21,429,890	19,098,290	19,098,290	18,370,749	18,008,119	17,506,277
Committed	92,786,737	87,909,086	72,376,924	16,818,794	14,004,647	—	—	—	—	—
Assigned	2,200,000	—	—	—	—	—	—	—	—	—
Unassigned	40,577,933	40,203,098	50,780,166	60,183,708	32,396,508	29,356,910	20,334,896	22,651,640	22,688,252	21,410,712
Total General Fund	\$ 168,492,730	\$ 156,542,653	\$ 150,552,941	\$ 104,102,046	\$ 72,234,417	\$ 51,610,270	\$ 46,379,368	\$ 44,820,434	\$ 44,583,921	\$ 42,944,336
Other Governmental Funds										
Nonspendable	\$ 585,144	\$ 376,773	\$ 249,659	\$ 207,979	\$ 156,057	\$ 2,909,540	\$ 219,924	\$ 170,824	\$ 90,954	\$ 40,574
Restricted	378,215,448	431,037,667	471,217,165	387,152,614	332,424,295	272,969,084	225,508,221	324,126,634	364,762,511	98,880,854
Committed	139,294,890	76,540,563	69,861,840	50,817,423	33,081,740	28,946,260	20,304,680	14,486,568	13,232,672	10,480,770
Assigned	—	38,553,089	30,347,489	19,393,008	2,466,056	—	—	—	—	—
Unassigned	(8,279,170)	(1,286,087)	(4,920,866)	(1,283,173)	(928,341)	—	—	(1,943,669)	—	(447,167)
Total Other Governmental Funds	\$ 509,816,312	\$ 545,222,005	\$ 566,755,287	\$ 456,287,851	\$ 367,199,807	\$ 304,824,884	\$ 246,032,825	\$ 336,840,357	\$ 378,086,137	\$ 108,955,031

Note: The deficit in Unassigned fund balance reported in Other Governmental Funds is a result of pending grant reimbursement requests not yet submitted to the granting agencies.

CITY OF EL PASO, TEXAS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Property Taxes	\$ 395,530,695	\$ 379,522,441	\$ 355,185,331	\$ 343,562,871	\$ 330,643,159	\$ 298,776,727	\$ 269,678,074	\$ 253,954,797	\$ 238,672,585	\$ 226,873,791
Sales Taxes	138,112,624	137,347,739	130,515,883	114,178,931	99,591,904	96,649,171	92,109,776	87,704,730	100,080,666	97,088,308
Hotel Occupancy Tax	19,960,641	21,584,145	17,929,931	13,132,233	11,664,791	15,353,411	15,270,465	13,415,214	—	—
Rental Vehicle Tax	4,401,305	4,280,535	4,533,413	3,200,483	3,057,666	3,888,667	3,493,005	—	—	—
Franchise Fees	77,938,632	79,824,644	81,030,858	70,760,604	60,824,072	58,804,220	58,426,721	58,295,404	55,986,614	54,402,456
Charges for Services	70,415,577	66,906,766	63,487,883	56,221,205	52,112,347	78,427,981	83,496,763	79,822,423	83,049,680	75,194,030
Fines and Forfeitures	7,744,883	8,159,597	8,193,341	7,745,830	7,293,272	10,795,911	9,774,838	9,413,787	12,412,161	12,749,773
Licenses and Permits	14,068,183	15,667,254	15,021,194	15,232,351	14,676,592	16,038,722	15,482,770	15,957,687	14,022,575	13,031,581
Intergovernmental Revenues	108,172,470	85,761,008	101,832,964	181,938,058	69,782,789	39,786,388	47,683,949	38,519,710	40,521,964	40,915,113
County Participation	—	—	—	—	—	—	—	469,169	469,169	630,388
Investment Earnings	47,046,837	24,368,894	(16,599,080)	631,222	6,096,635	8,761,753	4,503,973	2,867,819	650,355	76,262
Rents and Other	26,646,157	16,576,374	18,538,497	21,071,364	23,967,562	11,216,147	9,733,582	9,188,925	4,387,685	5,123,475
Ticket Sales	303,941	331,664	284,439	168,679	17,863	279,534	224,042	258,657	250,197	262,528
Total Revenues	910,341,945	840,331,061	779,954,654	827,843,831	679,728,652	638,778,632	609,877,958	569,868,322	550,503,651	526,347,705
EXPENDITURES										
General Government	84,749,497	128,703,229	76,625,773	65,681,332	62,840,762	59,578,383	57,431,321	49,461,319	50,660,341	40,744,541
Public Safety	363,676,194	336,819,359	310,857,394	328,153,721	275,795,385	264,332,611	247,173,723	238,199,701	222,217,391	224,923,432
Public Works	66,265,565	63,343,240	61,916,359	57,731,931	57,244,705	71,442,974	66,134,502	52,448,429	42,915,474	29,683,273
Public Health	39,545,294	37,080,910	32,745,964	29,451,915	30,404,843	27,548,611	27,527,389	26,825,197	18,969,169	18,834,233
Facilities Maintenance	—	—	—	—	—	—	—	—	—	16,917,017
Culture and Recreation	93,989,070	79,694,376	64,775,100	54,795,322	58,043,484	67,909,423	62,670,710	60,480,652	58,248,690	46,987,728
Economic Development	28,766,499	37,207,265	20,338,351	39,883,596	18,923,656	17,035,889	17,908,249	21,112,765	19,308,546	17,433,872
Environmental Code Compliance	—	—	—	—	—	—	—	—	454,255	429,833
Community and Human Development	23,267,656	11,374,547	35,287,271	41,098,063	14,140,914	8,221,108	10,272,765	10,181,310	12,381,817	12,734,484
Capital Outlay	132,647,038	138,917,701	124,514,325	138,041,554	157,044,476	131,140,474	108,567,827	68,702,638	43,418,678	39,127,619
Debt Service:										
Principal	72,937,625	59,979,708	56,448,355	60,195,279	54,186,238	54,688,450	57,199,348	44,817,444	45,906,018	42,179,730
Interest	65,707,931	66,418,620	66,797,048	73,926,623	61,518,835	58,147,917	58,896,511	62,953,393	59,073,451	56,338,365
Fiscal Fees	621,429	977,271	1,470,244	2,148,213	2,033,273	1,781,315	47,152	76,325	3,606,688	1,497,328
Total Expenditures	972,173,798	960,516,226	851,776,184	891,107,549	792,176,571	761,827,155	713,829,497	635,259,173	577,160,518	547,831,455
(Deficiency) of Revenues (Under) Expenditures	\$ (61,831,853)	\$ (120,185,165)	\$ (71,821,530)	\$ (63,263,718)	\$ (112,447,919)	\$ (123,048,523)	\$ (103,951,539)	\$ (65,390,851)	\$ (26,656,867)	\$ (21,483,750)

CITY OF EL PASO, TEXAS
Changes in Fund Balances of Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OTHER FINANCING SOURCES (Uses):										
Transfers In	\$95,397,226	\$123,335,491	\$ 84,942,581	\$ 73,842,926	\$ 67,385,867	\$ 66,398,319	\$ 53,374,017	\$ 34,009,467	\$ 42,002,719	\$ 26,630,983
Transfers Out	(71,146,832)	(87,271,159)	(50,915,267)	(44,843,313)	(46,469,856)	(46,569,068)	(38,700,207)	(22,128,627)	(47,159,166)	(20,799,995)
Face Amount of Bonds Issued	—	44,735,000	157,520,000	119,165,000	144,995,000	151,580,000	—	—	254,575,000	87,810,000
Face Amount of Refunding Bonds Issued	60,710,000	16,935,000	—	108,590,000	72,640,000	35,820,000	—	—	138,925,000	82,790,000
Premium on Issuance of Bonds	5,236,757	3,234,964	23,907,482	22,322,593	42,124,325	16,964,114	—	—	61,219,655	19,707,406
Payment to Refunded Bond Escrow Agent	(65,382,406)	(17,695,999)	—	(96,928,534)	(86,180,000)	(40,585,000)	—	—	(152,930,000)	(88,780,000)
Proceeds from Sale of Capital Assets	10,739,989	13,083,865	1,902,762	2,070,719	1,128,504	2,030,071	29,131	46,183	137,900	—
Capital Contributions	(411,336)	—	—	—	—	1,433,048	—	512,096	—	—
Leases (as lessee)	3,232,839	2,874,388	11,382,303	—	—	—	—	—	—	—
SBITAs	—	5,410,045	—	—	—	—	—	—	—	—
Loan Proceeds	—	—	—	—	—	—	—	3,500,000	656,449	—
Other Sources (Uses)	—	—	—	—	—	—	—	8,442,467	—	—
Total Other Financing Sources (Uses)	38,376,237	104,641,595	228,739,861	184,219,391	195,623,840	187,071,484	14,702,941	24,381,586	297,427,557	107,358,394
Net Change in Fund Balance	\$(23,455,616)	\$(15,543,570)	\$ 156,918,331	\$ 120,955,673	\$ 83,175,921	\$ 64,022,961	\$ (89,248,598)	\$ (41,009,265)	\$ 270,770,690	\$ 85,874,644
 Debt Service as a Percentage of Noncapital Expenditures	16.51 %	15.38 %	16.95%	17.81%	18.22%	17.89%	19.18%	19.02%	19.67%	19.37%

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

Fiscal Year Ended August 31,	Residential Property	Commercial Property	Industrial Property	Other Property	Actual Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2024	\$41,791,847,664	\$14,063,361,793	\$3,337,394,915	\$1,974,857,050	\$61,167,461,422	\$12,130,656,056	\$49,036,805,366	1.629131
2023	38,003,878,303	12,553,725,020	2,835,313,734	2,000,718,111	55,393,635,168	10,201,429,095	45,192,206,073	1.646451
2022	30,786,928,985	11,434,447,672	2,505,285,963	1,859,208,104	46,585,870,724	6,696,194,012	39,889,676,712	1.770387
2021	27,113,076,380	12,136,693,625	2,649,054,238	1,774,178,592	43,673,002,835	5,408,546,599	38,264,456,236	1.803904
2020	26,376,085,496	11,352,944,244	2,597,845,258	1,760,543,155	42,087,418,153	5,240,701,602	36,846,716,551	1.764034
2019	25,588,960,594	10,625,028,653	2,550,844,630	1,783,569,542	40,548,403,419	4,840,628,474	35,707,774,945	1.688242
2018	24,332,615,305	10,777,755,564	2,105,281,875	1,848,642,264	39,064,295,008	4,764,239,650	34,300,055,358	1.649708
2017	23,972,664,865	10,406,526,832	2,217,943,601	1,813,864,033	38,410,999,331	4,636,833,496	33,774,165,835	1.581715
2016	23,533,540,600	10,211,030,657	2,200,132,726	1,743,005,474	37,687,709,457	4,565,372,605	33,122,336,852	1.536912
2015	23,208,036,438	10,018,692,898	1,812,792,274	1,739,684,839	36,779,206,449	4,032,061,588	32,747,144,861	1.481713

Source: El Paso Central Appraisal District

CITY OF EL PASO, TEXAS
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of Assessed Value)

Fiscal Year	City Direct Rates						Overlapping Rates				Total Direct and Overlapping
	City of El Paso		County of El Paso	University Medical Center	El Paso Community College	Total Direct	Canutillo Independent School District	El Paso Independent School District	Socorro Independent School District	Ysleta Independent School District	
	Maintenance & Operations Rate	Debt Service Rate									
2024	0.562409	0.256466	0.458889	0.235650	0.115717	1.629131	1.160500	1.137100	1.249712	1.281300	6.457743
2023	0.585269	0.277129	0.426289	0.235153	0.122611	1.646451	1.302900	1.313700	1.249712	1.458900	6.971663
2022	0.621636	0.285665	0.470181	0.258145	0.134760	1.770387	1.342400	1.354200	1.275454	1.527000	7.269441
2021	0.623847	0.283454	0.488997	0.267747	0.139859	1.803904	1.390100	1.318350	1.343354	1.446600	7.302308
2020	0.610139	0.297162	0.447819	0.267747	0.141167	1.764034	1.428350	1.268350	1.368954	1.353300	7.182988
2019	0.557239	0.286093	0.452694	0.251943	0.140273	1.688242	1.530000	1.310000	1.380594	1.455000	7.363836
2018	0.522982	0.280451	0.452694	0.251943	0.141638	1.649708	1.530000	1.310000	1.274794	1.460000	7.224502
2017	0.485641	0.274015	0.452694	0.234456	0.134909	1.581715	1.530000	1.235000	1.274794	1.475000	7.096509
2016	0.478130	0.251595	0.452694	0.220682	0.133811	1.536912	1.530000	1.235000	1.274794	1.360000	6.936706
2015	0.460937	0.238847	0.433125	0.220682	0.128122	1.481713	1.530000	1.235000	1.274794	1.360000	6.881507

Source: City of El Paso Consolidated Tax Office

CITY OF EL PASO, TEXAS
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value **
Western Refining Company LP	1	\$ 505,268,637	1.03%	1	\$ 488,902,139	1.49%
El Paso Electric Co	2	357,107,929	0.73%	2	246,189,427	0.75%
Walmart Stores Texas LLC	3	262,611,259	0.54%	3	231,367,138	0.71%
River Oaks Properties LTD	4	211,318,230	0.43%	6	159,409,787	0.49%
Texas Gas Service	5	208,032,030	0.42%	8	84,200,393	0.26%
Sierra Providence Physical Rehabilitation Hospital	6	131,494,477	0.27%	4	223,488,767	0.68%
Union Pacific Railroad Co	7	119,230,690	0.24%	9	72,384,983	0.22%
Simon Property Group	8	103,742,658	0.21%	5	177,170,273	0.54%
Tenet Hospitals Limited	9	100,000,000	0.20%			
Hawkins & I-10 Acquisition Co LP	10	82,029,512	0.17%	7	101,325,248	0.31%
Southwestern Bell Telephone				10	68,584,430	0.21%
TOTAL:		<u>\$ 2,080,835,422</u>	<u>4.24%</u>		<u>\$ 1,853,022,585</u>	<u>5.66%</u>
Total Assessed Taxable Value:		\$ 49,036,805,366			\$ 32,747,144,861	

** Real and Personal Property
Source: El Paso Tax Office

CITY OF EL PASO, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended August 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections/Adj in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 397,174,433	\$ 389,795,236	98.14%	\$ —	\$ 389,795,236	98.14%
2023	381,249,358	374,896,688	98.33%	2,911,875	377,808,563	99.10%
2022	357,525,330	352,481,602	98.59%	2,814,263	355,295,865	99.38%
2021	338,770,282	337,622,658	98.54%	(526,849)	337,095,809	99.51%
2020	329,671,189	326,349,242	98.99%	1,848,792	328,198,034	99.55%
2019	296,596,993	294,068,171	99.15%	1,423,209	295,491,380	99.63%
2018	270,057,007	267,637,693	99.10%	1,470,994	269,108,687	99.65%
2017	251,319,468	250,162,385	99.54%	393,728	250,556,113	99.70%
2016	237,629,167	236,073,290	99.35%	878,934	236,952,224	99.72%
2015	226,255,569	224,134,549	99.06%	1,521,586	225,656,135	99.74%

Source: City of El Paso Consolidated Tax Office

Note: Presented as cash basis.

*Schedule is updated to reflect collections and adjustments from subsequent years.

CITY OF EL PASO, TEXAS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands, except per capita)

Governmental Activities										
Fiscal Year	General Obligation Bonds	Special Revenue Bonds	Special Revenue Bonds - Direct Placement	Certificates of Obligations	Net Unamortized Premium on Bonds	Note Payable	Financed Purchases	Right-of-Use Obligations	Total Governmental Activities	
2024	\$ 927,950	\$ 59,375	\$ —	\$ 438,775	\$ 120,165	\$ —	\$ —	\$ 15,454	\$ 1,561,719	
2023	961,005	61,045	—	478,710	131,552	530	—	15,209	1,648,051	
2022	961,525	61,810	655	490,980	141,833	1,050	—	10,193	1,668,046	
2021	925,585	62,480	655	423,478	131,507	1,560	—	—	1,545,265	
2020	847,986	58,810	655	421,106	126,560	7,059	7,552	—	1,469,728	
2019	749,167	59,475	—	437,772	95,856	8,677	10,808	—	1,361,755	
2018	682,672	60,120	—	404,449	88,193	10,888	15,644	—	1,261,966	
2017	716,727	60,685	—	419,397	97,525	13,049	21,115	—	1,328,498	
2016	738,454	60,995	—	435,085	108,053	11,200	26,405	—	1,380,192	
2015	545,374	60,785	—	427,760	57,428	4,425	31,509	—	1,127,281	
Business-Type Activities							Total Primary Government			
Fiscal Year	General Obligation Bonds	Special Revenue Bonds	Certificates of Obligations	Net Unamortized Premium (Discount) on Bonds	Right-of-Use Obligations	Total Business-Type Activities	Total Outstanding Debt	Percentage of Actual Property Value (1)	Debt Per Capita (2)	
2024	\$ 39,135	\$ 27,370	\$ 38,840	\$ 5,127	\$ 4,194	\$ 114,666	\$ 1,676,385	3.419%	\$ 2,469	
2023	31,585	32,330	52,355	5,708	4,534	126,512	1,774,563	3.927%	2,619	
2022	34,330	37,050	54,840	6,965	3,884	137,069	1,805,115	4.525%	2,661	
2021	36,550	41,545	57,662	8,394	—	144,151	1,689,416	4.415%	2,434	
2020	20,754	45,825	76,604	10,565	—	153,748	1,623,476	4.406%	2,347	
2019	18,158	52,610	85,213	8,351	—	164,332	1,526,087	4.274%	2,235	
2018	16,088	14,940	93,336	3,910	—	128,274	1,390,240	4.053%	2,034	
2017	18,453	15,650	96,123	4,431	—	134,657	1,463,155	4.332%	2,142	
2016	20,746	16,330	98,745	4,982	—	140,803	1,520,995	4.592%	2,233	
2015	22,996	17,635	95,375	4,447	—	140,453	1,267,734	3.871%	1,867	

(1) Property value is disclosed on Assessed Value and Actual Value

(2) Population is disclosed on Ratios of Net General Bonded Debt Outstanding

CITY OF EL PASO, TEXAS
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands, except per capita)

Fiscal Year Ended August 31	Population*	Taxable Assessed Value	Gross Bonded Debt ⁽¹⁾	Less: Amounts Available in Debt Service Fund ⁽²⁾	Total	Percentage of Actual Taxable Value of Property	Per Capita
2024	678,958	\$ 49,025,200	\$ 1,444,700	\$ 12,096	\$ 1,432,604	2.922 %	\$ 2,110
2023	677,456	45,174,366	1,524,185	15,495	1,508,690	3.340 %	2,227
2022	678,415	39,889,677	1,542,725	11,890	1,530,835	3.838 %	2,256
2021	694,033	38,207,596	1,444,835	19,586	1,425,249	3.730 %	2,054
2020	691,610	36,846,717	1,368,510	16,368	1,352,142	3.670 %	1,955
2019	682,669	34,194,367	1,290,310	9,222	1,281,088	3.746 %	1,877
2018	683,577	33,787,418	1,196,545	1,848	1,194,697	3.536 %	1,748
2017	683,080	34,636,839	1,250,700	6,986	1,243,714	3.591 %	1,821
2016	681,124	32,832,476	1,293,031	4,003	1,289,028	3.926 %	1,893
2015	679,036	32,513,071	1,091,505	3,598	1,087,907	3.346 %	1,602

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(*) Population information obtained from US Census Bureau.

(1) This is the gross bonded debt of both governmental and business-type activities.

(2) This is the amount restricted for debt service principal payments.

CITY OF EL PASO, TEXAS
Direct and Overlapping Governmental Activities Debt
Year Ended August 31, 2024
(in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Overlapping Debt</u>			
Canutillo Independent School District	\$ 72,589	80.54 %	\$ 58,463
El Paso County	233,221	81.03 %	188,979
El Paso County Hospital District*	356,599	81.06 %	289,059
El Paso Independent School District	1,014,924	99.50 %	1,009,849
Socorro Independent School District	841,954	62.81 %	528,831
Ysleta Independent School District	845,997	99.97 %	845,743
Total Overlapping Debt	<u>3,365,284</u>		<u>2,920,925</u>
<u>City Direct Debt</u>	1,564,655	100.00 %	<u>1,564,655</u>
Total Direct and Overlapping Debt			<u><u>\$ 4,485,580</u></u>

* Known as University Medical Center of El Paso

Source: Governmental Unit 2023 ACFR, their respective Financial Department, and El Paso Central Appraisal District

⁽¹⁾ The percentage of overlapping debt is calculated by dividing the total assessed value of the overlapping area by the total assessed value of the city.

CITY OF EL PASO, TEXAS
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024

Total Taxable Assessed Value	\$ 49,025,199,583	
Legal Debt Limit (10 Percent of Assessed Value)		4,902,519,958
Debt Applicable to Limit:		
General Obligation Bonds & Other Property Tax Supported Debt	1,444,700,000	
Less: Self Supported Debt	(77,975,000)	
Amount Set Aside for Repayment of Tax Supported Debt	(12,095,550)	
Total Net Debt Applicable to Limit		1,354,629,450
Legal Debt Margin		\$ 3,547,890,508

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$4,902,519,958	\$4,517,436,580	\$3,988,967,671	\$3,826,445,624	\$3,684,671,655	\$3,524,887,268	\$3,818,501,816	\$3,721,234,565	\$3,283,247,603	\$3,251,307,136
Total Net Debt Applicable to Limit	1,354,629,450	1,424,749,544	1,441,665,348	1,331,037,485	1,254,782,928	1,177,716,991	1,077,477,784	1,255,006,158	1,277,589,949	1,087,904,887
Legal Debt Margin	\$3,547,890,508	\$3,092,687,036	\$2,547,302,323	\$2,495,408,139	\$2,429,888,727	\$2,347,170,277	\$2,741,024,032	\$2,466,228,407	\$2,005,657,654	\$2,163,402,249
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.6%	31.5%	36.1%	34.8%	33.4%	28.2%	33.7%	38.9%	33.5%	32.2%

Source: City of El Paso Financial Statements 2015-2024

CITY OF EL PASO, TEXAS
Pledged Revenue Coverage
Last Ten Fiscal Years

Revenue Bond Coverage						
El Paso International Airport						
Fiscal Year	Gross Revenue	Less: Operating Expenses⁽¹⁾	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2024	\$ 52,513,548	\$ 43,229,083	\$ 9,284,465	\$ 4,960,000	\$ 1,616,500	1.41
2023	52,379,725	36,462,115	15,917,610	4,720,000	1,852,500	2.42
2022	49,320,190	35,501,752	13,818,438	4,495,000	2,077,250	2.10
2021	40,714,526	34,682,294	6,032,232	4,280,000	2,291,250	0.92
2020	41,124,641	34,322,088	6,802,553	4,245,000	2,409,417	1.02
2019	51,272,991	36,006,888	15,266,103	3,805,000	2,475,838	2.43
2018	45,974,542	32,693,652	13,280,890	710,000	736,225	9.18
2017	37,871,864	32,068,091	5,803,773	680,000	763,425	4.02
2016	37,666,024	31,343,762	6,322,262	1,305,000	823,781	2.97
2015	37,032,793	30,062,592	6,970,201	1,245,000	879,806	3.28

Source: City of El Paso Financial Statements 2015-2024

⁽¹⁾ Does not include depreciation/amortization

CITY OF EL PASO, TEXAS
Demographics and Economic Statistics
Last Ten Calendar Years

Year	Population ⁽¹⁾				Per Capita Personal Income ⁽¹⁾			City of El Paso Unemployment Rate ⁽²⁾
	U.S.	Change from prior Period	State of Texas	Change from prior Period	U.S.	State of Texas	Texas as a Percentage of U.S.	
2024	336,446,219	0.3563%	30,930,513	1.0031%	\$72,964	\$68,481	93.75%	4.7%
2023	335,251,780	0.7690%	30,623,333	2.6319%	68,717	65,390	95.16%	5.2%
2022	332,693,300	0.7274%	29,838,025	0.5808%	64,993	61,780	95.06%	4.6%
2021	330,290,763	(0.0549)%	29,665,740	2.3102%	62,215	57,794	92.89%	5.8%
2020	330,472,101	1.0101%	28,995,881	1.0244%	61,842	57,231	92.54%	8.7%
2019	327,167,434	(0.5390)%	28,701,845	(2.2632)%	57,652*	57,051*	98.96%	3.7%
2018	328,940,583	1.0989%	29,366,479	1.9765%	51,640	47,362	91.72%	4.4%
2017	325,365,189	0.6925%	28,797,290	3.3547%	49,246	46,274	93.96%	4.8%
2016	323,127,513	0.5316%	27,862,596	1.4325%	48,112	46,947	97.58%	5.0%
2015	321,418,820	0.8034%	27,469,114	1.8999%	46,049	45,669	99.17%	4.6%

Data Sources:

⁽¹⁾ Bureau of Economic Analysis

⁽²⁾ U.S. Bureau of Labor and Statistics

* www.ephomesearch.com projections

CITY OF EL PASO, TEXAS
Personal Income by Industry
Last Eight Calendar Years

Line Title	2023	2022	2021	2020	2019	2018	2017	2016
Personal Income (In Thousands) (1)	\$ 40,669,240	\$ 38,397,840	\$ 38,245,050	\$ 35,312,908	\$ 31,651,549	\$ 30,145,813	\$ 28,781,887	\$ 27,923,881
Population (Persons) (2)	869,880	868,763	867,947	846,192	839,238	840,758	840,545	838,014
Per Capita Personal Income	46,753	44,198	44,064	41,732	37,715	35,856	34,242	33,321
Derivation of Personal Income								
Earnings by Place of Work	27,111,280	25,239,785	24,263,908	23,114,555	21,874,412	20,910,071	20,074,340	19,285,331
Less: Contributions for Government Social Insurance (3)	2,934,214	2,704,670	2,531,584	2,417,028	2,279,109	2,187,190	2,122,976	2,035,685
Employee and Self-Employed Contributions for Government Social Insurance	1,560,640	1,416,064	1,327,100	1,260,704	1,176,505	1,125,478	1,067,389	1,016,155
Employer Contributions for Government Social Insurance	1,373,574	1,288,606	1,204,484	1,156,324	1,102,604	1,061,712	1,055,587	1,019,530
Plus: Adjustment for Residence (4)	(31,269)	(218,237)	(223,729)	(193,022)	(156,053)	(265,822)	(312,764)	(258,387)
Equals: Net Earnings by Place of Residence	24,145,797	22,316,878	21,508,595	20,504,505	19,439,250	18,457,059	17,638,600	16,991,259
Plus: Dividends, Interest, and Rent (5)	6,333,579	6,103,164	5,219,777	5,025,962	4,937,034	4,779,721	4,515,446	4,411,753
Plus: Personal Current Transfer Receipts	10,189,864	9,977,798	11,516,678	9,782,441	7,275,265	6,909,033	6,627,841	6,520,869
Earnings by Place of Work								
Components of Earnings								
Wages and Salaries	18,983,222	17,981,702	16,747,425	15,717,000	15,216,187	14,505,589	13,949,307	13,463,254
Supplements to Wages and Salaries	4,942,740	4,653,176	4,618,436	4,494,191	4,387,463	4,164,240	4,007,798	3,873,859
Employer Contributions for Employee Pension and Insurance Funds (6)	3,569,166	3,364,570	3,413,952	3,337,867	3,284,859	3,102,528	2,952,211	2,854,329
Employer Contributions for Government Social Insurance	1,373,574	1,288,606	1,204,484	1,156,324	1,102,604	1,061,712	1,055,587	1,019,530
Proprietors' Income (7)	3,185,318	2,604,907	2,898,047	2,903,364	2,270,762	2,240,242	2,117,235	1,948,218
Farm Proprietors' Income	(8,281)	(15,660)	(6,854)	8,116	(5,358)	(2,173)	(2,458)	(5,784)
Nonfarm Proprietors' Income	3,193,599	2,620,567	2,904,901	2,895,248	2,276,120	2,242,415	2,119,693	1,954,002
Earnings by Industry								
Farm Earnings	510	(7,574)	3,422	18,085	5,662	10,526	8,175	4,880
Nonfarm Earnings	27,110,770	25,247,359	24,260,486	23,096,470	21,868,750	20,899,545	20,066,165	19,280,451
Private Nonfarm Earnings	18,431,263	17,018,140	16,183,879	15,180,755	14,159,682	13,389,140	12,779,972	12,176,110
Forestry, Fishing, and Related Activities	20,376	19,238	16,568	253	10,864	10,953	11,000	10,917
Mining	10,910	7,401	8,946	10,661	8,128	10,051	7,930	3,037
Utilities	216,813	202,941	223,025	236,544	197,637	184,315	180,669	171,672
Construction	1,785,149	1,720,534	1,693,774	462,204	1,416,123	1,174,375	1,117,234	932,728
Manufacturing	1,743,378	1,433,020	1,261,691	1,180,221	1,143,721	1,089,018	1,091,300	1,054,275
Durable Goods Manufacturing	785,981	757,750	663,055	633,523	605,290	590,818	628,027	616,258
Nondurable Goods Manufacturing	957,397	675,270	598,636	546,698	538,431	498,200	463,273	438,017
Wholesale Trade	1,266,449	1,145,063	1,066,566	—	908,770	842,052	819,387	766,957
Retail Trade	2,030,770	1,954,128	1,776,164	1,556,158	1,588,444	1,561,596	1,506,261	1,468,377
Transportation and Warehousing	1,868,216	1,590,891	1,627,248	203,825	1,325,904	1,257,083	1,147,084	1,099,376
Information	370,669	353,641	348,456	166,850	286,270	280,270	319,417	309,386
Finance and Insurance	768,080	718,219	704,766	112,016	676,266	652,024	614,254	532,805
Real Estate and Rental and Leasing	359,598	394,254	596,886	187,350	395,170	449,774	436,496	501,851
Professional, Scientific, and Technical Services	1,165,916	1,029,419	873,869	785,994	733,105	672,590	672,322	679,108
Management of Companies and Enterprises	162,689	141,571	118,670	123,824	106,636	103,833	97,806	87,471
Administrative and Waste Management Services	1,406,726	1,425,210	1,360,111	38,067	1,178,992	1,138,464	972,136	896,026
Educational Services	226,983	223,411	215,824	191,141	172,466	148,208	147,507	154,292
Health Care and Social Assistance	2,864,542	2,673,552	2,470,998	2,133,541	2,287,982	2,173,001	2,098,225	2,002,335
Arts, Entertainment, and Recreation	155,525	93,041	70,752	60,709	98,588	86,351	74,575	61,355
Accommodation and Food Services	1,067,475	984,619	923,714	672,493	818,154	774,776	732,084	710,332
Other Services, Except Public Administration	941,004	907,987	828,354	451,974	808,478	780,406	734,285	733,810
Government and Government Enterprises	8,679,507	8,229,219	8,076,607	7,915,715	7,709,068	7,510,405	7,286,193	7,104,341
Federal, Civilian	1,786,967	1,622,705	1,583,230	1,585,794	1,481,010	1,453,388	1,390,970	1,348,277
Military	2,829,468	2,765,197	2,740,542	2,652,304	2,601,832	2,527,641	2,456,555	2,410,354
State and Local	4,063,072	3,841,317	3,752,835	3,677,617	3,626,226	3,529,376	3,438,668	3,345,710
State Government	756,899	708,770	705,385	713,702	719,277	704,708	683,513	656,555
Local Government	3,306,173	3,132,547	3,047,450	2,963,915	2,906,949	2,824,668	2,755,155	2,689,155

CITY OF EL PASO, TEXAS
Personal Income by Industry (continued)
Last Eight Calendar Years

Notes:

- (1) The estimates of earnings for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2011 forward are based on the 2012 NAICS. The estimates for 2017 forward are based on the 2017 NAICS.
- (2) Census Bureau midyear population estimate. BEA produced intercensal annual county population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020. BEA developed intercensal population statistics because this data was not published when Census released county population data for 2020 through 2022, which are based on the 2020 decennial counts. BEA used the Census Bureau Das Gupta method (see <https://www2.census.gov/programs-surveys/popest/technical-documentation/methodology/intercensal/2000-2010-intercensal-estimates-methodology.pdf>), modified to account for an extra leap year day, to produce the intercensal population figures that will be used until Census releases its official intercensal population data.
- (3) Employer contributions for government social insurance are included in earnings by industry and earnings by place of work, but they are excluded from net earnings by place of residence and personal income. Employee and self-employed contributions are subtractions in the calculation of net earnings by place of residence and all of the income measures.
- (4) The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers and US residents employed by international organizations and foreign embassies.
- (5) Rental income of persons includes the capital consumption adjustment.
- (6) Includes actual employer contributions and actuarially imputed employer contributions to reflect benefits accrued by defined benefit pension plan participants through service to employers in the current period.
- (7) Proprietors' income includes the inventory valuation adjustment and capital consumption adjustment.
- (8) Under the 2007 NAICS, internet publishing and broadcasting was reclassified to other information services. Metropolitan Areas are defined (geographically delineated) by the Office of Management and Budget (OMB) bulletin no. 20-01 issued March 6, 2020.

Note. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Statistics presented in thousands of dollars do not indicate more precision than statistics presented in millions of dollars.

Last updated: November 14, 2024, new statistics for 2023; revised statistics for 2019-2022

Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce
CAINC5N Footnotes; Personal Income by Major Component and Earnings by NAICS industry; Bureau of Economic Analysis November 2021

CITY OF EL PASO, TEXAS
Taxable Sales by Category
Last Ten Calendar Years*
(in thousands)
(Modified Accrual Basis of Accounting)

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agriculture, Forestry, Fishing	\$ 3	\$ 16	\$ 26	\$ 33	\$ 236	\$ 176	\$ 215	\$ 346	\$ 467	\$ 407
Mining	3,293	5,614	7,574	5,796	3,947	6,744	7,513	6,533	1,190	154
Construction	206,922	337,114	393,504	233,389	102,775	222,080	201,106	191,951	186,236	171,640
Manufacturing	125,903	258,406	264,884	229,836	94,706	183,997	164,128	157,751	144,511	151,530
Transportation, Communications & Utilities	201,273	314,405	373,231	322,201	4,133	7,793	266,047	266,845	259,643	243,795
Wholesale Trade	293,800	594,164	602,823	498,458	218,056	421,235	400,578	393,976	368,614	339,688
Retail Trade	2,488,914	5,258,933	5,312,919	5,044,192	1,891,363	4,211,206	4,070,103	3,943,639	3,914,344	3,932,959
Finance, Insurance & Real Estate	41,450	88,638	91,706	80,665	42,228	85,944	78,430	74,913	75,331	73,806
Public Administration	1,383	2,657	2,417	2,241	929	3,755	3,377	3,457	4,039	4,213
Management of Companies/Enterprises	53	178	245	190	89	68	130	91	80	79
Admin/Support/Waste Mgmt/Remediation Services	126,327	204,695	235,823	187,786	165,483	162,062	160,016	157,705	146,364	137,857
Arts/Entertainment/Recreation	69,474	132,639	120,142	103,157	51,691	94,650	95,914	79,850	75,978	75,666
Educational Services	5,282	10,629	9,564	8,650	8,113	8,853	8,152	9,341	8,989	9,887
Accommodation/Food Services	1,023,703	1,999,261	1,881,974	1,709,582	1,204,083	1,466,884	1,374,609	1,308,111	1,265,603	1,215,817
Information	62,541	135,346	120,952	106,365	72,410	167,183	185,873	172,565	167,285	162,385
Health Care/Social Assistance	24,624	47,571	45,959	71,229	63,571	59,154	46,908	39,561	41,689	34,045
Professional/Scientific/Technical Services	31,007	50,241	45,930	40,973	34,010	43,499	39,672	30,958	31,769	31,355
Other	3,016	74	77	191	27	82	89	49	82	36
Total	\$ 4,708,968	\$ 9,440,581	\$ 9,509,750	\$ 8,644,934	\$ 3,957,850	\$ 7,145,365	\$ 7,102,860	\$ 6,837,642	\$ 6,692,214	\$ 6,585,319

* Based on 1st calendar quarter of 2024

Source: Texas Comptroller of Public Accounts

CITY OF EL PASO, TEXAS
Principal Employers
Current Year and Nine Years Ago

Employer	2024 ⁽¹⁾			Employer	2015 ⁽³⁾		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Fort Bliss	47,628	1	14.38 %	Fort Bliss	41,250	1	12.86 %
El Paso Independent School District	8,478	2	2.56 %	El Paso Independent School District	8,579	2	2.67 %
Socorro Independent School District	8,120	3	2.45 %	City of El Paso	6,570	3	2.05 %
T&T Staffing Management, Inc	7,606	4	2.30 %	Ysleta Independent School District	6,241	4	1.95 %
Ysleta Independent School District	7,383	5	2.23 %	T&T Staffing	5,900	5	1.84 %
City of El Paso	6,095	6	1.84 %	Tenet Hospitals (fka Sierra Providence Health)	5,267	6	1.64 %
Wal-Mart	5,511	7	1.66 %	Socorro Independent School District	4,568	7	1.42 %
The Hospitals of Providence	4,400	8	1.33 %	WBAMC Internal Medicine Clinic	3,700	8	1.15 %
GC Services	4,324	9	1.31 %	El Paso Healthcare System, LTD	3,000	9	0.94 %
University Medical Center of El Paso	3,272	10	0.99 %	County of El Paso	2,768	10	0.86 %
Total:	<u>102,817</u>		<u>31.04 %</u>	Total:	<u>87,843</u>		<u>27.38 %</u>
Total Employed ⁽²⁾		<u>331,226</u>	⁽²⁾			<u>320,800</u>	

⁽¹⁾ Source: List generated by El Paso Inc, provided by City of El Paso, Economic Development, Staff (March 2024)

⁽²⁾ Source: US Bureau of Labor Statistics

⁽³⁾ Source: List generated by Hoovers and verified by City of El Paso, Economic Development, Staff (December 2015)

CITY OF EL PASO, TEXAS
Employees by Funding Source and Function
Last Ten Fiscal Years

Funding Source	2024			2023			2022			2021			2020			2019			2018			2017			2016			2015		
	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire	Non uniformed	Police	Fire
General Fund	1,569	1,278	1,023	1,461	1,253	1,006	1,681	1,088	820	1,789	1,099	820	1,525	1,121	782	1,946	1,162	869	1,855	1,010	864	1,770	990	855	1,696	962	853	1,701	971	817
Community Development Block Grants	27	—	—	24	—	—	23	—	—	24	—	—	34	—	—	37	—	—	70	—	—	32	—	—	36	—	—	31	—	—
Capital Projects	8	—	—	9	—	—	9	—	—	6	—	—	8	—	—	25	—	—	13	—	—	15	—	—	18	—	—	24	—	—
Federal Grants	—	40	94	57	31	161	190	15	44	19	15	1	105	15	68	13	14	7	7	16	3	8	15	2	9	16	3	16	15	3
State Grants	—	25	—	—	24	—	11	9	—	12	10	—	11	10	—	1	10	—	12	10	—	8	10	—	8	11	—	7	12	—
Other Grants	41	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—
Public Health Waiver Program	33	—	10	13	—	7	20	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health Grants	143	—	—	136	—	—	145	—	—	154	—	—	164	—	—	204	—	—	164	—	—	175	—	—	190	—	—	192	—	—
Nongrants	191	35	20	175	40	20	255	—	20	253	—	18	269	—	14	16	2	—	156	1	—	197	2	20	28	1	—	31	1	—
Supply and Support	87	—	—	81	—	—	74	—	—	88	—	—	90	—	—	2	—	—	104	—	—	95	—	—	95	1	—	98	—	—
SIF-Health Benefits	22	—	—	24	—	—	20	—	—	37	—	2	16	—	—	22	—	—	16	—	—	16	—	—	18	—	—	15	—	—
Airport	254	—	—	248	—	—	185	24	32	178	24	28	193	21	30	234	23	32	203	21	31	213	22	31	221	22	29	224	21	27
International Bridges	72	—	—	68	—	—	61	—	—	64	—	—	60	—	—	69	—	—	62	—	—	62	—	—	61	—	—	60	—	—
Environmental Svc	413	—	—	401	—	—	330	—	—	340	—	—	317	—	—	391	—	20	347	—	—	353	—	—	498	—	20	473	—	20
Mass Transit	489	—	—	483	—	—	470	—	—	460	—	—	529	—	—	718	—	—	556	—	—	559	—	—	556	—	—	586	—	—
Tax Office	21	—	—	22	—	—	20	—	—	18	—	—	20	—	—	25	—	—	20	—	—	19	—	—	21	—	—	—	—	—
Private-Purpose Trusts	8	—	—	9	—	—	8	—	—	18	—	—	17	—	—	17	—	—	7	—	—	1	—	—	5	—	—	5	—	—
Custodial Funds	2	—	—	11	—	—	2	—	—	10	—	—	2	—	—	2	—	—	8	—	—	17	—	—	8	—	—	7	—	—
Total	3,380	1,378	1,147	3,222	1,348	1,194	3,504	1,136	916	3,470	1,148	869	3,360	1,167	894	3,722	1,211	928	3,600	1,058	898	3,540	1,039	908	3,468	1,013	905	3,471	1,020	867

CITY OF EL PASO, TEXAS
Employees by Funding Source and Function (continued)
Last Ten Fiscal Years

Full-Time Equivalent Employees as of August 31, 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety	2,525	2,542	2,577	2,617	2,548	2,604	2,312	2,395	2,297	2,308
Public Works	301	285	290	312	397	284	369	399	317	319
Public Health	362	334	260	254	225	274	368	425	348	300
Parks Department	398	319	271	232	249	428	332	274	258	264
General Government	411	431	438	425	331	244	328	302	294	348
Library	172	145	143	90	26	159	152	155	145	149
Culture and Recreation	178	160	142	133	111	153	154	145	216	154
Community and Human Development	40	46	38	34	34	44	36	35	48	35
Facilities Maintenance	16	13	45	51	90	71	70	69	65	64
Planning	120	119	112	88	101	137	135	17	27	27
Economic Development	14	23	14	16	14	21	21	18	16	21
Supply and Support	87	81	74	88	90	2	104	95	96	97
Self Insurance Funds	22	24	20	15	16	22	16	—	—	—
Sun Metro	489	483	470	460	529	718	556	560	551	583
Solid Waste	413	401	330	340	317	391	347	277	344	370
Airport	254	248	241	230	244	234	255	223	272	257
International Bridges	72	68	61	64	60	69	62	61	60	55
Tax Office	21	22	20	18	20	25	20	19	21	—
Private-Purpose Trusts	8	9	8	18	17	17	9	9	5	—
Custodial Funds	2	11	2	2	2	2	2	2	6	7
Total	5,905	5,764	5,556	5,487	5,421	5,899	5,648	5,480	5,386	5,358

CITY OF EL PASO, TEXAS
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety										
Police										
Number of Dispatch Calls*	271,560	175,038	361,749	388,846	390,323	393,033	374,439	310,104	337,676	396,874
Number of Citations Issued	140,631	192,315	111,134	122,803	191,370	226,514	223,796	216,428	246,866	289,900
Fire										
Number of Service Calls-Fire	40,921	37,102	34,735	34,484	32,470	32,601	30,283	29,222	26,766	25,978
Number of Service Calls-EMS	65,436	63,858	60,922	55,320	52,343	53,039	53,479	52,679	53,199	52,267
Public Works										
Miles of Street Resurfacing	24	22	12	4	2	62	31	10	14	16
Public Health										
Number of Clients Served	350,638	346,181	391,478	397,146	376,263	398,849	612,945	1,886,861	1,406,226	660,359
Parks										
Number of Athletic Field Permits Issued	16,401	16,179	17,169	7,584	5,350	6,546	5,331	4,293	4,874	2,437
Number of Users	455,664	447,528	343,380	91,008	66,875	81,825	79,965	53,125	52,125	51,000
Library										
Average Monthly Circulation	113,324	98,794	78,233	132,150	157,913	159,586	171,257	190,669	179,134	133,677
Culture and Recreation										
Number of Museums	3	3	3	3	3	3	3	3	3	3
Number of Users	129,088	114,390	95,422	30,430	155,845	510,673	197,635	156,972	182,779	137,320
Planning and Inspections										
Number of Permits Issued	29,161	33,291	42,628	39,710	41,087	43,565	40,907	47,206	41,274	35,115
International Airport Operations										
Number of Takeoff and Landings	98,614	96,060	92,287	84,115	78,944	82,936	81,725	76,136	80,309	83,990
Solid Waste Disposal Operations										
Refuse Collection (Tons)	406,650	488,363	508,690	538,381	487,707	456,049	438,346	474,403	434,570	401,058
Recyclables Collected (Tons)	17,082	19,388	21,607	21,282	25,100	25,801	28,281	31,540	32,446	33,290
Mass Transit Operations										
Number of Passengers	6,190,874	5,818,612	4,979,302	3,825,460	8,320,846	12,719,904	13,403,058	13,670,000	14,696,000	15,954,000
International Bridges Operations										
Number of Pedestrian Crossings	3,416,692	2,986,219	2,799,489	1,972,154	3,089,487	4,617,358	4,324,681	4,422,551	4,426,791	4,281,618
Number of Vehicle Crossings	5,415,511	5,584,532	5,192,732	4,566,706	3,776,568	3,932,865	4,364,654	4,167,034	4,539,972	4,462,625
Zoo										
Annual Attendance	296,024	300,892	334,925	233,284	126,354	292,246	315,846	318,864	344,309	358,166
Component Unit										
El Paso Water Utility										
Customers (Retail)	221,659	220,397	218,160	216,238	213,146	209,624	206,609	204,140	201,807	198,767
Water Pumped (Million Gallons)	40,375	39,665	40,590	40,944	37,914	38,390	37,958	37,693	37,487	37,324

* Beginning in FY 2023, dispatched calls are now counted once regardless of how many units are dispatched to the call.

CITY OF EL PASO, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety										
Police										
Number of Police Vehicles	968	959	935	934	922	831	787	774	775	814
Number of Stations	5 Regions and HQ									
Fire										
Number of Fire Engines	144	140	99	97	97	97	97	99	99	67
Number of Fire Stations	36	35	35	35	35	35	35	35	35	35
Public Works										
Paved Streets (Lane Miles)	2,861	2,383	2,293	2,258	2,253	2,262	2,311	2,264	2,243	2,280
Traffic Signals	707	701	701	701	700	681	660	656	656	655
Parks										
Number of Parks	311	307	307	307	297	295	292	288	261	258
Number of Swimming Pools	15	15	15	15	15	15	15	14	14	14
Number of Recreation Centers	21	21	20	20	16	16	16	16	16	16
Number of Water Parks	4	4	4	4	—	—	—	—	—	—
Library										
Number of Branch Libraries	15	15	15	15	13	13	13	13	13	13
Book Stock	936,203	893,028	848,898	812,738	796,705	793,969	793,396	784,565	749,270	709,982
Culture and Recreation										
Number of Exhibits	41	34	18	18	25	25	29	31	38	35
International Airport Operations										
Number of Hangars	257	257	253	253	253	253	253	253	236	203
Solid Waste Disposal Operations										
Number of Collection Trucks	107	152	122	114	116	110	113	118	120	115
Mass Transit Operations										
Number of Buses	167	157	161	161	195	186	169	162	169	169
Component Unit										
El Paso Water Utility										
Capitalize Miles of Water Mains	2,801	2,773	2,767	2,752	2,733	2,706	2,692	2,670	2,635	2,615



Dia de Los Muertos Parade

