

FINANCIAL OVERVIEW

2005
F Y

FISCAL POLICY STATEMENT

City of El Paso Financial Services is committed to the long-term financial stability and sustainability of the city government. Departmental core services are prioritized to guarantee that they are addressed through the budget process and are streamlined for efficiency and cost-effectiveness. Through various forms of communication financial processes, goals and timelines are shared with all stakeholders to ensure involvement and understanding of financial decisions.

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**City of El Paso,
 Texas**

For its Comprehensive Annual
 Financial Report
 for the Fiscal Year Ended
 August 31, 2004

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



Nancy L. Zelle
 President

Jeffrey R. Enos
 Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of El Paso
 Texas**

For the Fiscal Year Beginning

September 1, 2004

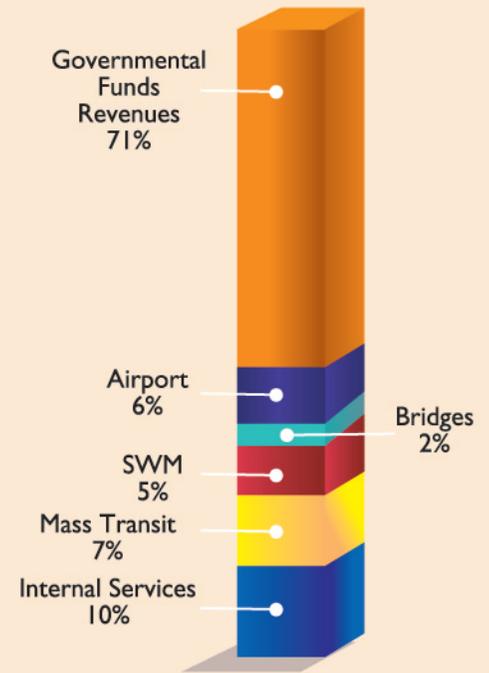
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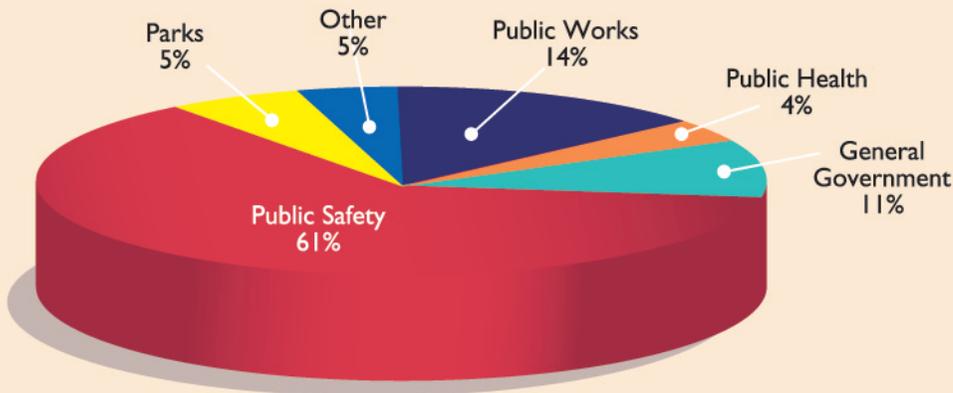
All Funds Operating Expenditures and Other Uses

Category	Amount	% of Total
General Government	28,425,234	4.79%
Airport	31,606,152	5.33%
International Bridges	3,292,340	0.56%
Mass Transit	45,925,169	7.74%
Internal Service	56,075,980	9.45%
Public Safety	169,556,821	28.59%
Public Works	37,250,657	6.28%
Public Health	21,951,974	3.70%
Parks Department	15,134,311	2.55%
Library	5,682,907	0.96%
Non-Departmental	1,771,003	0.30%
Culture and Education	9,029,232	1.52%
Economic Development	2,236,143	0.38%
Solid Waste	14,979,427	2.53%
Community Development	18,967,948	3.20%
Debt Service	39,777,446	6.71%
Capital Outlay	91,455,484	15.42%
Total Operating Expenditures	593,118,228	

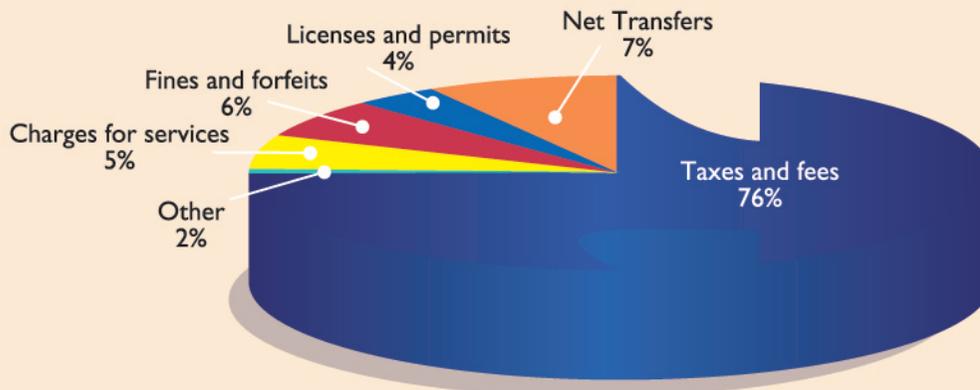
All Funds Operating Revenues and Other Sources



General Fund Operating Expenditures



General Fund Operating Revenues and Other Sources



CITY OF EL PASO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2005

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 25,808,677	166,175	2,335,519	7,329,114	14,311,077	49,950,562
Investments	4,994,500					4,994,500
Receivables - Net of Allowances						
Taxes	16,187,875		2,660,802			18,848,677
Interest	37,875					37,875
Trade	1,079,532			114,130	239,839	1,433,501
Notes		32,006,880				32,006,880
Other	47,527,207			17,711,613		65,238,820
Due from Other Government Agencies	246,301	1,633,652		34,969	3,225,591	5,140,513
Prepaid Items						
Due from Other Funds (Note 6)	1,876,839				1,902,385	3,779,224
Due from Component Unit	940,153	2,960		53,000		996,113
Inventory	3,134,781					3,134,781
Capital Assets						
Construction Work in Process						
Total Assets	\$ 101,833,740	33,809,667	4,996,321	25,242,826	19,678,892	185,561,446
LIABILITIES						
Accounts Payable	\$ 4,850,309	1,694,691	9,945		1,530,453	8,085,398
Accrued Payroll	6,568,672	101,095		6,560	726,688	7,403,015
Due to Other Funds (Note 6)				1,426,671	1,902,385	3,329,056
Taxes Payable	1,312,623					1,312,623
Deferred Revenue	45,596,091	32,013,881			471,414	78,081,386
Deferred Ad Valorem Taxes	7,168,346		2,361,388			9,529,734
Claims and Judgments						
Construction Contracts and Retainage Payable				10,661,607	789,023	11,450,630
Encumbrances Outstanding						
Total Liabilities	65,496,041	33,809,667	2,371,333	12,094,838	5,419,963	119,191,842
FUND BALANCES						
Reserved for:						
Encumbrances						
Cash Reserve	16,000,000					16,000,000
Inventory	3,134,781					3,134,781
Unreserved:						
Designated for Subsequent Years			499,449			499,449
Designated for Contingencies	500,000					500,000
Undesignated-Special Revenue Funds					14,258,929	14,258,929
Undesignated	16,702,918		2,125,539	13,147,988		31,976,445
Total Fund Balances	36,337,699		2,624,988	13,147,988	14,258,929	66,369,604
Total Liabilities and Fund Balances	\$ 101,833,740	33,809,667	4,996,321	25,242,826	19,678,892	185,561,446

CITY OF EL PASO, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the year ended August 31, 2005

	General	Community Development Block Grants	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 107,692,879		33,956,712			141,649,591
Penalties and Interest-Delinquent taxes	1,284,095		421,044			1,705,139
Sales Taxes	54,685,006			2,295,799	4,141,216	61,122,021
Franchise Fees	32,867,495					32,867,495
Charges for Services	13,111,692	214,897	269,904	2,416,411	4,168,280	20,181,184
Fines and Forfeits	14,271,535				886,583	15,158,118
Licenses and Permits	10,119,783					10,119,783
Intergovernmental Revenues	2,148,899	21,950,207		431,058	26,988,858	51,519,022
Interest	1,024,272	295,937	931,531	599,458	21,181	2,872,379
Rents and Other	1,775,961	708,702	467,761	520,500	4,170,638	7,643,562
Net Increase in the Fair Value of Investments	177,142					177,142
Total revenues	239,158,759	23,169,743	36,046,952	6,263,226	40,376,756	345,015,436
EXPENDITURES						
Current:						
General Government	27,696,002	284,062		143,494	301,676	28,425,234
Public Safety	159,692,742				9,864,079	169,556,821
Public Works	35,493,590			1,694,254	62,813	37,250,657
Public Health	9,317,164				12,634,810	21,951,974
Parks Department	12,073,411	147,427			2,913,473	15,134,311
Library	5,335,738				347,169	5,682,907
Non Departmental	1,771,003					1,771,003
Culture and Recreation	4,312,568				4,716,664	9,029,232
Economic Development	817,171	(779)			1,419,751	2,236,143
Solid Waste					25,634	25,634
Community and Human Development	306,381	17,223,012			1,438,555	18,967,948
Debt Service:						
Principal			19,416,716			19,416,716
Interest Expense			15,610,905			15,610,905
Interest Expense - Commercial Paper			1,079,111			1,079,111
Payment to Refunding Bond Escrow Agent			1,508,975			1,508,975
Fiscal Fees			1,720,111	441,628		2,161,739
Capital Outlay	288,470	5,516,021		80,189,374	5,461,619	91,455,484
Total expenditures	257,104,240	23,169,743	39,335,818	82,468,750	39,186,243	441,264,794
Excess (Deficiency) of revenues over expenditures	\$ (17,945,481)		(3,288,866)	(76,205,524)	1,190,513	(96,249,358)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	20,939,913		3,055,848	1,200,700	223,211	25,419,672
Transfers Out	(3,005,699)			(1,854,681)	(19,113)	(4,879,493)
Face Amount of Bonds Issued				17,315,000		17,315,000
Face Amount of Commercial Paper Issued				39,500,000		39,500,000
Face Amount of Refunding Bonds Issued			152,190,000			152,190,000
Premium on Issuance of Bonds			9,643,994	584,019		10,228,013
Payment to Refunding Bond Escrow Agent			(160,486,753)			(160,486,753)
Proceeds from Sale of Capital Assets			1,000,000	1,594,325		2,594,325
Total other financing sources (uses)	17,934,214		5,403,089	58,339,363	204,098	81,880,764
Net change in fund balances	(11,267)		2,114,223	(17,866,161)	1,394,611	(14,368,594)
Fund balances - beginning of year	36,348,966		510,765	31,014,149	12,864,318	80,738,198
Fund balances - end of year	\$ 36,337,699		2,624,988	13,147,988	14,258,929	66,369,604

CITY OF EL PASO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
August 31, 2005

	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Totals	Governmental Activities - Internal Service Funds
ASSETS						
Cash and Cash Equivalents	\$ 16,464,445	6,102,958	21,043,173	73,833	43,684,409	
Investments						
Receivables - Net of Allowances:						
Taxes				4,109,927	4,109,927	
Trade	2,318,266		449,291	46,795	2,814,352	23,873
Due From Component Unit			2,289,553		2,289,553	
Due From Other Government Agencies	4,495,327			573,904	5,069,231	
Prepaid Items	104,518			70,252	174,770	
Due From Other Funds		150,000	1,260,940		1,410,940	15,731
Inventory	720,261		60,971	1,187,795	1,969,027	574,559
Fuel Inventory	9,180			197,526	206,706	57,922
Total current assets	<u>24,111,997</u>	<u>6,252,958</u>	<u>25,103,928</u>	<u>6,260,032</u>	<u>61,728,915</u>	<u>672,085</u>
Restricted Cash and Cash Equivalents	22,553,952				22,553,952	
Restricted Trade Receivables	728,630				728,630	
Capital Assets:						
Land	1,382,217	850,007		6,745,194	8,977,418	
Buildings, Improvements & Equipment, Net	144,802,414	6,458,464	12,061,529	49,907,454	213,229,861	287,616
Construction in Progress	19,473,662	224,150	7,090,710	7,477,700	34,266,222	
Total non-current assets	<u>188,940,875</u>	<u>7,532,621</u>	<u>19,152,239</u>	<u>64,130,348</u>	<u>279,756,083</u>	<u>287,616</u>
TOTAL ASSETS	<u>\$ 213,052,872</u>	<u>13,785,579</u>	<u>44,256,167</u>	<u>70,390,380</u>	<u>341,484,998</u>	<u>959,701</u>
LIABILITIES						
Current liabilities:						
Accounts Payable	\$ 1,605,827	32,256	330,745	1,661,139	3,629,967	589,379
Accrued Payroll	319,527	58,758	372,207	716,792	1,467,284	162,403
Current Portion - Bonds and Notes Payable	460,525	1,023,893	4,388,010		5,872,428	
Certificate of Obligation Bonds - Current						104,181
Due to Other Funds						1,876,839
Hydrocarbon Clean Up - Current				250,000	250,000	
Taxes Payable	33,812		178,240	964	213,016	
Interest Payable on Bonds and Notes	19,071	312,988	84,045		416,104	
Deferred Revenue	405,942			304,743	710,685	
Construction Contracts and Retainage Payable	705,875			53,704	759,579	
Compensated Absences - Current	953,791	55,616	434,064	800,847	2,244,318	120,615
Claims and Judgments - Current				360,000	360,000	
Total current liabilities	<u>4,504,370</u>	<u>1,483,511</u>	<u>5,787,311</u>	<u>4,148,189</u>	<u>15,923,381</u>	<u>2,853,417</u>
Long-term liabilities:						
Certificates of Obligation Bonds		63,690	15,095,374		15,159,064	61,904
Revenue Bonds	9,650,248	1,330,000	20,503,744		31,483,992	
Notes Payable		7,891,146			7,891,146	
Hydrocarbon Clean Up				671,754	671,754	
Compensated Absences	269,018	15,687	122,428	225,880	633,013	34,019
Landfill Closure Costs			18,270,613		18,270,613	
Delta Transfer Station Closure Costs			101,426		101,426	
Claims and Judgments				789,712	789,712	18,332,788
Total non-current liabilities	<u>9,919,266</u>	<u>9,300,523</u>	<u>54,093,585</u>	<u>1,687,346</u>	<u>75,000,720</u>	<u>18,428,711</u>
TOTAL LIABILITIES	<u>14,423,636</u>	<u>10,784,034</u>	<u>59,880,896</u>	<u>5,835,535</u>	<u>90,924,101</u>	<u>21,282,128</u>
NET ASSETS						
Invested in capital assets, net of related debt	155,547,520	2,507,200	5,451,543	64,130,348	227,636,611	137,262
Restricted for:						
Debt Service	7,915,026	419,345			8,334,371	
Airport Operations	12,169,214				12,169,214	
Passenger Facilities	3,218,184				3,218,184	
Unrestricted:						
Unrestricted	19,779,292	75,000	(21,076,272)	424,497	(797,483)	(20,459,689)
Unrestricted net assets	<u>19,779,292</u>	<u>75,000</u>	<u>(21,076,272)</u>	<u>424,497</u>	<u>(797,483)</u>	<u>(20,459,689)</u>
Total net assets (deficit)	<u>198,629,236</u>	<u>3,001,545</u>	<u>(15,624,729)</u>	<u>64,554,845</u>	<u>250,560,897</u>	<u>(20,322,427)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 213,052,872</u>	<u>13,785,579</u>	<u>44,256,167</u>	<u>70,390,380</u>	<u>341,484,998</u>	<u>959,701</u>

CITY OF EL PASO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS(DEFICIT)
PROPRIETARY FUNDS
For the year ended August 31, 2005

	El Paso International Airport	International Bridges	Department of Solid Waste Management	Mass Transit	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES:						
Charges of Rentals and Fee:	\$ 30,121,596		28,609,181		58,730,777	
Charges of Toll:		13,841,261			13,841,261	
Charges of Fares and Fee:				7,123,105	7,123,105	
Sales to Department						12,006,798
Premium Contribution						41,530,802
General Revenue:		351,254	199		351,453	1,161,599
Total Operating Revenues:	30,121,596	14,192,515	28,609,380	7,123,105	80,046,596	54,699,199
OPERATING EXPENSES:						
Personnel Service:	12,278,293	1,375,948	9,791,749	27,516,829	50,962,819	3,854,971
Contractual Service:	265,203		128,092	10,363	403,658	
Professional Services	587,377	4,216	182,481	153,727	927,801	156,030
Outside Contrac:	2,011,220	424,713	327,389	2,034,697	4,798,019	2,672,079
Fuel and Lubricants	173,508		1,361,703	4,628,917	6,164,128	4,382,115
Materials and Supplies	516,215	25,474	3,640,326	2,707,218	6,889,233	3,466,186
Communication:	142,954	10,389	51,521	89,866	294,730	14,860
Utilities	2,060,933	28,028	31,661	422,397	2,543,019	15,736
Operating Lease:	17,505	341,476	5,562	405,681	770,224	63,196
Travel and Entertainmen	79,209	7,274	16,076	17,164	119,723	5,943
Benefits Provided				30,362	30,362	40,553,780
Maintenance and Repairs	744,049	39,974	8,590	112,320	904,933	777,159
Landfill and Transfer Station Utilization			(8,856,508)		(8,856,508)	
Other Operating Expense	1,267,907	6,997	1,578,808	1,145,594	3,999,306	37,211
Depreciator	11,461,779	804,835	5,658,072	6,650,034	24,574,720	62,871
Total Operating Expenses:	31,606,152	3,069,324	13,925,522	45,925,169	94,526,167	56,062,137
Operating Income (Loss)	(1,484,556)	11,123,191	14,683,858	(38,802,064)	(14,479,571)	(1,362,938)
NON-OPERATING REVENUES (EXPENSES):						
Interest Revenue:	1,162,736	257,771	544,623	4,886	1,970,016	
Interest Expense:	(668,952)	(480,787)	(2,042,867)		(3,192,606)	(13,843)
Gain (Loss) on Sale of Equipment and Land	72,212		469,973	1,876	544,061	
Passenger Facility Charge	4,288,683				4,288,683	
Sales Tax				26,679,844	26,679,844	
FTA Subsidy				8,443,567	8,443,567	
Total Non-Operating Revenues (Expenses)	4,854,679	(223,016)	(1,028,271)	35,130,173	38,733,565	(13,843)
Income (Loss) Before Capital Contributions and Transfers:	3,370,123	10,900,175	13,655,587	(3,671,891)	24,253,994	(1,376,781)
Capital Contributions:	8,091,632			11,190,780	19,282,412	
Transfers Out	(1,868,056)	(10,363,095)	(4,939,649)	(3,750,000)	(20,920,800)	
Transfers In	380,621				380,621	
Change in net asset	9,974,320	537,080	8,715,938	3,768,889	22,996,227	(1,376,781)
Total Net Assets(Deficit)-beginning	188,654,916	2,464,465	(24,340,667)	60,785,956	227,564,670	(18,945,646)
Total Net Assets(Deficit)-ending	\$ 198,629,236	3,001,545	(15,624,729)	64,554,845	250,560,897	(20,322,427)

CITY OF EL PASO, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 August 31, 2005

	Pension Trust Funds	Private- Purpose Trusts	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ 22,349,602	10,429,042	1,142,125
Investments:			
United States Government Securities	27,168,851		
Corporate Bonds	75,162,926		
Corporate Stocks	233,122,403		
Fixed Income Securities	304,241,290		
Domestic Equities	212,840,944		
International Equities	163,280,786		
Receivables - Net of Allowances			
Commission Credits Receivable	70,873		
Due from Brokers For Securities Sold	1,759,084		
Employer Contributions	866,127		
Employee Contributions	650,063		
Delinquent Property Taxes			48,862,402
Prepaid Items	16,538		
Due from Other Funds			5,662,096
Capital Assets:			
Buildings, Improvements & Equipment, Net	644,552		
Total assets	<u>1,043,248,069</u>	<u>10,429,042</u>	<u>55,666,623</u>
LIABILITIES			
Accounts Payable	5,028,176	7,984	
Accrued Payroll		4,554	
Payable to other taxing entities			843,545
Due to Other Funds		5,662,096	
Prepaid Property Taxes			1,129,297
Deferred Revenue - Commission Credits	70,873		
Property Taxes Subject to Refund			4,831,379
Foreign Exchange Contract	138,765		
Uncollected Property Taxes			48,862,402
Compensated Absences		4,084	
Total liabilities	<u>5,237,814</u>	<u>5,678,718</u>	<u>55,666,623</u>
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,038,010,255</u>	<u>4,750,324</u>	

CITY OF EL PASO, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the year ended August 31, 2005

	<u>Pension Trust Funds</u>	<u>Private- Purpose Trusts</u>
ADDITIONS (REDUCTIONS)		
Contributions:		
Employer	\$ 30,496,916	
Employee	21,201,750	
Total contributions	<u>51,698,666</u>	
Rental vehicle sales tax		2,385,277
Miscellaneous	225	197,040
Investment earnings (loss):		
Net increase in fair value of investments	121,454,928	
Interest	4,489,722	103,980
Dividends	2,179,770	
Securities lending income	1,451,725	
Securities lending fees	(1,298,830)	
Decrease in commission credits receivable	54,352	
Investment advisor fees	<u>(3,501,620)</u>	
Net investment income	<u>124,830,047</u>	<u>103,980</u>
 Total additions (reductions)	 <u>176,528,938</u>	 <u>2,686,297</u>
DEDUCTIONS		
Benefits paid to participants	56,156,094	
Refunds of contributions	3,442,727	
Administrative expenses	1,695,752	
Benefits paid for other purposes		2,583,143
Total deductions	<u>61,294,573</u>	<u>2,583,143</u>
Change in net assets	115,234,365	103,154
Increase in commission credits receivable		
Transfers Out		
Net assets - beginning of the year	<u>922,775,890</u>	<u>4,647,170</u>
Net assets - end of the year	<u>\$ 1,038,010,255</u>	<u>4,750,324</u>