COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF DEL RIO, TEXAS
Del Rio, Texas

Year Ended September 30, 2007

Prepared by the Finance Department

Manuel B. Chavez	Finance Director
Jose Rivera, Jr., CPA	Chief Accountant
Lorinda Castillo	Risk Manager
Maria Lopez	Special Grants Accountant
Ana Wilson	Senior Accounting Clerk
Estela Hernandez	Accounting Clerk
Dora Garcia	Accounts Receivable Clerk
Cecilia Zapata	Accounts Payable Clerk
Maria D. Martinez	Payroll Clerk
Sylvia Y. Castillo	Finance Clerk

CITY OF DEL RIO, TEXAS

LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL MEMBERS

Efrain V. Valdez
Mayor

Rudy Chapa	Councilperson-At-Large	Place A
Mike Wrob	Councilperson-At-Large	Place B
Claudio Sotelo	Councilperson-At-Large	Place C
Lisa Cadena Craig	Councilperson	District 1
Pat Cole	Councilperson	District 2
Ernestina Martinez	Councilperson	District 3

CITY STAFF

Frances F. Rodriguez	City Manager
David Sorola	City Attorney
Linda Weaver	City Secretary
Filemon Ortiz, Jr.	Municipal Court Judge
Monique Vernon	Assistant City Manager
Waylon Bullard	Police Chief
Harold Bean	Fire Chief
Manuel B. Chavez	Finance Director
Robert C. Parker	Public Works/Engineering Director
Mary Rodriguez	Human Resources Director

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2007

	Page Number
Table of Contents	i - ix
INTRODUCTORY SECTION	
List of Principal Officials	x
Organizational Structure	xi
Letter of Transmittal	xii – xviii
Certificates of Achievement for Excellence in Financial Reporting	xix
FINANCIAL SECTION	
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 14
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16 – 17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
FINANCIAL SECTION (Continued)	
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued)	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Assets – Proprietary Funds	22 – 23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	24 – 25
Statement of Cash Flows – Proprietary Funds	26 – 29
Statement of Fiduciary Net Assets	30
Notes to Financial Statements	31 – 58
Required Supplementary Information	
Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis)	59
Notes to the Required Supplementary Information	60

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds and Budget Schedules	
General Fund	
Schedule of Revenues, Compared to Budget	61 – 62
Schedule of Expenditures and Encumbrances Compared to Budget (Non-GAAP Budgetary Basis)	63 – 69
Schedule of Other Financing Sources (Uses) Compared to Budget (Non-GAAP Budgetary Basis	70
Nonmajor Governmental Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72
Nonmajor Special Revenue Funds	
Combining Balance Sheet	73 – 74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	75 – 76

(continued)

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Statements and Schedules (Continued)	
Nonmajor Special Revenue Funds (Continued)	
Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Compared to Budget (Non-GAAP Budgetary Basis)	
MIT 5311 Grant	77
Women, Infants and Children	78
Nutrition and Social Services	79
Room Tax	80
Loan Repayment	81
Property and Forfeiture	82
Law Enforcement Employee Continuing Education	83
TxDOT VCR Grant	84
TxDOT Section 5310	85
Economic Development Administration	86
Safe Routes to School	87
JARC Colonias Grant	88
Nonmajor Debt Service Funds	
Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance – Compared to Budget (Non-GAAP Budgetary Basis)	89

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Statements and Schedules (Continued)	
Nonmajor Capital Projects Funds	
Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91
Nonmajor Enterprise Funds	
Schedule of Revenues and Expenses – Budget and Actual (Non-GAAP Budgetary Basis)	
Gas System	92
Water System	93
International Bridge	94
International Airport	95
Refuse	96
Wastewater	97
Municipal Facilities	98 – 99
Nonmajor Internal Service Funds	
Combining Statement of Net Assets	100
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	101
Combining Statement of Cash Flows	102 – 103

(continued)

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Statements and Schedules (Continued)	
Nonmajor Internal Service Funds (Continued)	
Schedule of Revenues and Expenses – Budget and Actual (Non-GAAP Budgetary Basis)	
Utility Billing	104
Computer Services	105
Fleet Maintenance	106
Health Claims Self-insurance	107
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets	108
Combining Statement Changes in Assets and Liabilities – Agency Funds	109

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Table	Page Number
STATISTICAL SECTION		
Net Assets by Component	1	110
Changes in Net Assets	2	111 – 112
Fund Balances – Governmental Funds	3	113
Changes in Fund Balances – Governmental Funds	4	114 – 115
Assessed Value and Estimated Actual Value of Taxable Property	5	116
Direct and Overlapping Property Tax Rates	6	117
Principal Property Taxpayers	7	118
Property Tax Levies and Collections	8	119
Water Pumped and Water Billed	9	120
New Water and Sewer Connections	10	121
Number of Water and Sewer Customers	11	122
Water and Sewer Rates	12	123
Water Billed by User	13	124
Ratios of Net General Bonded Debt Outstanding	14	125
Direct and Overlapping Governmental Activities Debt	15	126
Legal Debt Margin Information	16	127
Ratios of Outstanding Debt by Type	17	128

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Table	Page Number
STATISTICAL SECTION (Continued)		
Pledged Revenue Coverage:		
Wastewater Fund Bonded Debt	18	129
Utility Commission/Water Fund Bonded Debt	19	130
International Bridge Fund Bonded Debt	20	131
Refuse Fund Bonded Debt	21	132
Gas Fund Bonded Debt	22	133
Demographic and Economic Statistics	23	134
Principal Employers	24	135
Schedule of International Bridge Fund Traffic and Revenue	25	136
Fulltime Equivalent City Government Employees	26	137
Operating Indicators	27	138
Capital Asset Statistics	28	139
SINGLE AUDIT SECTION		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		140 – 141
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		142 – 143
Schedule of Expenditures of Federal Awards		144

(continued)

CITY OF DEL RIO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2007

	Page Number
SINGLE AUDIT SECTION (Continued)	
Notes to Schedule of Expenditures of Federal Awards	145
Schedule of Findings and Questioned Costs	146
Summary of Schedule of Prior Audit Findings	147
Schedules of Grant Receipts and Expenditures	
Special Supplemental Food Program for W.I.C.	148 – 149
Homebuyers Assistance Program	150
Airport Expansion Project	151
Airport Improvement	152
Del Rio San Felipe Bicycle and Walking Trail	153
Safe Route to School	154
Section 5310 Elderly and Disabled Transportation Program	155 – 158
Texas Traffic Safety Program – Click It or Ticket It	159
Texas Traffic Safety Program – Step-Wave	160
Texas Traffic Safety Program – Step-Comprehensive	161
Section 5311 Grant	162– 166
Nutrition/Social Services	167
Auto Theft Prevention and Recovery Unit	168 – 170
Office of Rural Community Affairs	171
Housing Infrastructure Grant	172
Assistance to Firefighters Act Grant	173

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INTRODUCTORY SECTION

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CITY OF DEL RIO, TEXAS

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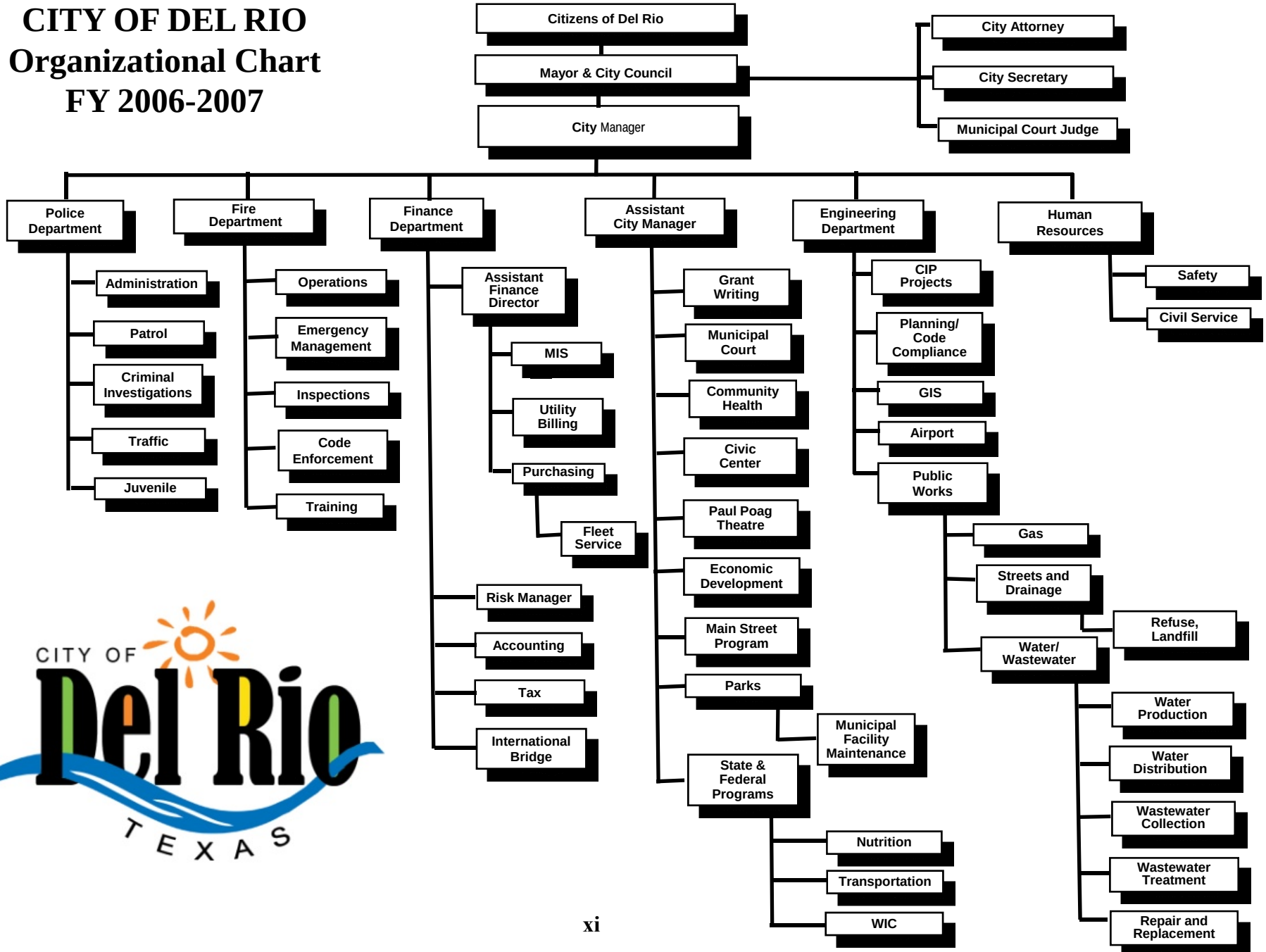
Harold Bean	Fire Chief
Manuel B. Chavez	Finance Director
Robert C. Parker	Public Works/Engineering Director
Mary Rodriguez	Human Resources Director

CITY OF DEL RIO
Organizational Chart
FY 2006-2007



City of Del Rio
109 West Broadway
Del Rio, Texas 78840

March 18, 2008

Honorable Mayor and Council Members
Citizens of the City of Del Rio, Texas

The Comprehensive Annual Financial Report of the City of Del Rio for the fiscal year ended September 30, 2007 is hereby submitted. This report has been prepared pursuant to, and to demonstrate compliance with, Article II, Section 31, of the City Charter.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's management has established and maintained an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Del Rio's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Del Rio's financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Del Rio for the fiscal year ended September 30, 2007, are free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Del Rio's financial statements for the fiscal year ended September 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Del Rio is also required to undergo a mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Del Rio's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Del Rio was originally incorporated as a municipality in 1905, but was reincorporated in 1911. The City of Del Rio is located on the Rio Grande Plains of Southwest Texas, 150 miles due west of San Antonio, Texas. The most southern perimeter borders the Rio Grande River, one of the natural boundaries separating the United States and Mexico. The City of Del Rio incorporated area encompasses 16.09 square miles of the Val Verde County's 3,240.04 square miles of total area. The City of Del Rio serves a population of approximately 36,500. The City of Del Rio is empowered to levy tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs occasionally when deemed appropriate by the governing council.

The City of Del Rio is a home-rule town with a "*Council-Manager*" form of government. The first version of its present charter was initially adopted in 1967, and was subsequently revised in 1981 and 1998. Policy-making and legislative authority are vested in its city council consisting of the mayor and six other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing citizens to serve on advisory boards, and hiring the city manager, attorney, city secretary and municipal court judge. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the city, and for appointing the heads of various departments subject to the approval of council. The council is elected on a non-partisan basis. The mayor's term of office is for two years. The council members serve four years staggered terms, with three council members elected every two years. The mayor and three council members are elected at large. The other three council members are residents of and elected from one of the three numbered districts. The mayor can serve no more than four consecutive terms and the council members no more than two consecutive terms.

The City of Del Rio provides a full range of services, including police and fire protection; the construction and maintenance of streets, and other infrastructure; and recreational activities and cultural events. The City of Del Rio provides water and natural gas through its water and gas system. It also provides sanitation services through a sanitary sewer

system. The City of Del Rio has its own landfill and provides for handling and disposition of garbage, trash and rubbish through a private contract and through its health department. These systems are included as integral parts of the City of Del Rio's financial statements.

The annual budget serves as the foundation for the City of Del Rio's financial planning and control. All departments of the City of Del Rio are required to submit requests for appropriations to the city manager as specified on the budget process time-line. The city manager uses the requests, historical data and trends information as a starting point for developing a proposed budget. The city manager then presents this proposed budget to the council at least forty-five days prior to the beginning of each budget year. The city council is required to hold a public hearing on the budget and to adopt a final budget no later than September 30, which is the close of the City of Del Rio's fiscal year. The appropriated budget is prepared by fund, department/division (e.g., personnel costs, supplies, contractual, capital outlay). The city manager may at any time transfer up to ten thousand dollars in budget allocations between one-line item and another among departments and divisions within the same fund. The authority may be delegated by the city manager in the interest of efficiency. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report. For proprietary funds with appropriated annual budgets, this comparison is presented in the proprietary funds subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is condensed from the broader perspective of the specific environment within which the City of Del Rio operates.

Local Economy. The City of Del Rio's economy is in good shape. At the end of the fiscal year 2006-2007 Del Rio's unemployment rate was 4.9% with a labor force of 14,908 as of September 30, 2007. The top employers are the federal agencies with 2,132 employees, San Felipe Del Rio CISD with 1,412 employees and Laughlin Air Force base with 1,574 military personnel and 1,232 civilian employees. Laughlin Air Force Base (LAFB) located six miles east of Del Rio on U.S. Highway 90 has a significant positive impact on the local economy. It represents the largest flying training operation in the U.S. Air Force. The base is the largest employer in Val Verde County where the City of Del Rio is located with about 2,806 employees.

Val Verde County (which includes the City of Del Rio) had as of September 30, 2007 an employed labor force of approximately 19,958 which is anticipated to grow slightly in the next two to three years. The City's business district continues to grow. The low unemployment rate combined with an increase of business indicates that the City of Del Rio is having steady growth.

The City continues to build and strengthen its economy not only by expanding existing businesses, but also by working to attract new businesses and industries to the city. The primary goal is to assist businesses both small and large in developing and enhancing working relationships among economic development practitioners throughout the city. By supporting the growth of the existing business core and marketing its competitive advantages to attract new businesses, the City will continue to modernize its economy.

Long-term financial planning. The City of Del Rio's General fund balance had increases in five of the last six fiscal years. In fiscal year 2002-2003 the fund balance had a small decrease due to the defeasance of bonds. At the end of fiscal year 2003-2004 the General Fund balance represented 59.89% of expenditures. In fiscal year 2004 -2005 the City invested some of the funds for the purchase of capital equipment for fire, parks, health, airport, and nutrition departments and new seating for the Paul Poag Theater. In fiscal year 2005-2006 the City invested in the purchase of a new records management system for the Police Department, purchase of new police vehicles, improvements at the Water Treatment Plant, a new wastewater collection trunk line from the north side if the City to the Silverlake Wastewater Treatment Plant and the purchase of rolling stock for various departments. In fiscal year 2006-2007, the City invested in improvements to park systems and the purchase of rolling stock for various departments.

The City of Del Rio has a Five-Year Capital Improvement Plan which is updated annually and approved by City Council. Future projects include water distribution line improvements, upgrades and repairs to wastewater lift stations, the purchase of a new Vactor truck for wastewater, the purchase of two new software packages for the Tax department and the Code Compliance department (permits), the purchase and installation of new hardware and software to upgrade the City's financial accounting system, the purchase of police vehicles and communication equipment, the purchase of a Pumper truck for the Fire department, street paving improvements, park improvements, the relocation of the international toll bridge plaza, and the purchase of rolling stock for various departments.

The City has contracted with a consulting firm for the development of a "Comprehensive Master Plan" for better management, control, sustainable development and planning within the City of Del Rio. The plan is expected to be completed in 2008.

The City also plans to develop marketing materials for a new economic development strategy.

Cash Management Policies and Practices

The City of Del Rio's investment policy is to strive to earn the highest rate of return on invested funds without sacrificing either safety or liquidity. All deposits and investments with the official City of Del Rio depository are secured by the Federal Deposit Insurance Corporation and/or pledged securities. Cash temporarily idle during the year was invested in certificates of deposits purchased at the local depository bank and Texas Local Government Investment Pool (TEXPOOL).

Debt Management

The primary goal of the City's debt management practices is to access capital markets at the lowest possible cost (interest rate) without endangering its ability to finance essential services. The City's conservative financial practices have earned its general obligation debt the ratings available from national bond rating services as follows:

Moody's Investor Services – A3
Fitch Rating – A

Risk Management

The City is exposed to various risks of loss related to torts; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City of Del Rio has insurance coverage through the Texas Municipal League Intergovernmental Risk Pool for claims in excess of the deductible. Under this pool the City of Del Rio provides coverage for up to a maximum of $25,000 for each workers' compensation claim, $1,000 for each general liability claim, $2,500 for law enforcement liability, $2,500 for errors and omissions liability, $10,000 for each property damage claim, $500 for automobile physical damage, $1,000 for each automobile liability claim, $1,000 for boiler and machinery loss, and $500 for mobile equipment loss. Costs related to workers' compensation claims are accounted for in the fund under which the affected employee is classified. Other claims are accounted for in the fund related to the property or liability claim.

The Health Claims Self-Insurance Fund (an Internal Service Fund) accounts for and finances its uninsured risk of loss from health and dental claims of eligible City of Del Rio employees, their spouses and dependents. Under this program, the Fund provides coverage for up to a maximum of $85,000 per claimant per year. The City of Del Rio purchase health stop loss insurance from a private carrier for claims in excess of coverage provided by the fund.

All City of Del Rio employees participate in these programs and pay their share of insurance premiums for dependents.

Pension and Other Post Employment Benefits

The City of Del Rio entered into a defined contribution plan on August 1, 1970 with the ING Life Insurance and Annuity Company, the Plan Administrator (formally Aetna Life Insurance Annuity Company and the Participating Annuity Life Insurance Company), to provide pension benefits for all full-time employees with six months continuous service. The plan was restated effective October 1, 1989. The City Council on September 13, 2005 by Resolution No. R:2005-134 resolved that the City of Del Rio Employees Retirement Plan (as restated effective October 1, 1989) be frozen effective October 1, 2005 and that all Employer and Employee contributions to the Plan shall continue for compensation earned through September 30, 2005 and shall then cease, and that all

Employer Contribution Accounts under the Plan held for participants (other than those whose last date of termination was more than five years prior to September 30, 2005) shall be fully vested as of that date.

The City Council on August 23, 2005 passed an ordinance to participate in the Texas Municipal Retirement System and the supplemental death benefits fund by the City of Del Rio, Texas; and to make current service and prior service contributions to the City's account in the Municipal Accumulation Fund of the Texas Municipal Retirement System at the Actuarially determined rate of total employee compensation; and allowing certain employees of the city, who performed or hereafter perform active service in the armed forces (or their reserves or auxiliaries) of the United States under honorable conditions, to apply and receive special credit with the Texas Municipal Retirement System for limited portions of such military service.

Under the plan, all eligible employees are required to participate and contribute at the rate of five percent of the full earnings and the City of Del Rio is required to match participating employee current contributions and prior service contributions.

Each employee of the City who is a member of the TMRS is eligible to retire and receive a service retirement annuity if the member has at least 20 years of credited service in the System performed for one or more municipalities that have adopted a like provision under Section 854.202(g) of the TMRS Act.

The City of Del Rio elected to provide post-retirement group medical insurance coverage for eligible retirees. This coverage became available for individuals who retired on or after February 14, 2001. The City of Del Rio will be responsible for the entire cost of these post-retirement benefits.

Expenditures for the post-retirement health care benefits are recognized as retirees' incur claims through the City's health insurance program.

Awards and Acknowledgements

The City of Del Rio was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Governments Finance Officers Association for eleven consecutive years up to 1996. For the fiscal years ending in 1997 and 1998, the City did not participate in this program. For the fiscal year ending in 1999 the City applied for the Certificate of Achievement for the City's Comprehensive Annual Financial report but was not successful. For the fiscal years ending 2000 through 2006 (seven consecutive years) the City applied for the Certificate of Achievement for the City's Comprehensive Annual Financial Report and was awarded the Certificate. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. A certificate of Achievement is valid for a period of one year only. This report satisfies both generally accepted accounting principles and applicable legal requirements. We believe that the City of Del

Rio September 30, 2007 Comprehensive Annual Financial Report meets the Certificate of Achievement program requirements.

The preparation of the Comprehensive Annual Financial Report involves the entire staff. The discipline of the budget and other financial plans of the various funds involve management and the departmental supervisors. We are grateful for their participation in making this system work smoothly and efficiently.

Without the interest and support of the members of the City Council in planning and conducting the affairs of the City of Del Rio in a responsible and progressive manner, preparation of this report would not have been possible.

Respectfully submitted,

Manuel B. Chavez
Interim Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Del Rio Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

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.

President

Executive Director

FINANCIAL SECTION

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PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Member of the City of Council
City of Del Rio, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Rio, Texas, as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Del Rio, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Rio, Texas, as of September 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2008, on our consideration of the City of Del Rio, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

401 WEST HIGHWAY 6 ■ P. O. BOX 20725 ■ WACO, TX 76702-0725 ■ (254) 772-4901 ■ FAX: (254) 772-4920 ■ www.pbhcpa.com
AFFILIATE OFFICES: BROWNSVILLE, TX (956) 544-7778 ■ HILLSBORO, TX (254) 582-2583
TEMPLE, TX (254) 791-3460 ■ WHITNEY, TX (254) 694-4600 ■ ALBUQUERQUE, NM (505) 266-5904

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 59 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Del Rio, Texas' basic financial statements. The introductory section, combining fund financial statements, supplementary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the basic financial statements of the City of Del Rio, Texas. The combining fund financial statements, supplementary schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pattillo, Brown & Hill, L.L.P.

March 18, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Del Rio's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2007. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- The net assets of the City of Del Rio exceeded its liabilities by $114.0 million, an increase of $2.7 million from last year. Governmental activities contributed $1.0 million and the business-type activities contributed $1.7 million to the overall increase. The City of Del Rio also implemented the retroactive infrastructure provisions of GASB 34 during the fiscal year updating both the capital assets reported with governmental activities and business-type activities resulting in an increase of $27.1 million. The governmental activities increased by $12 million and the business-type activities increased by $15.1 million.

Fund Level

- The Governmental Funds report a combined deficiency of revenues under expenditures of $6.7 million of which $3.9 is in the General Fund, $0.7 million is in the Capital Project Street and Drainage Fund and $2.2 is in other governmental funds. The deficiency in the General Fund is financed through proprietary fund transfers. The deficiency in the Capital Projects Streets and Drainage is financed by the beginning fund balance funded with bond proceeds in prior years. The deficiency in the other governmental funds is financed by transfers from the General Fund, bond proceeds and available beginning fund balances.

- The City's governmental funds reported a combined fund balance of $23.8 million, an increase of $7.7 million from last fiscal year. Within the combined fund balance total, $22.2 million is unreserved and the remainder is reserved for specific purposes.

- The General Fund reported a fund balance of $9.9 million, which represents a $1.5 million increase from last year. The unreserved balance is $8.5 million of which $5.6 million was designated for streets/drainage projects, public safety capital equipment, international bridge construction/improvements, General Fund reserve and for future personnel costs. The total fund balance represents 50% of General Fund expenditures and other financing uses for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

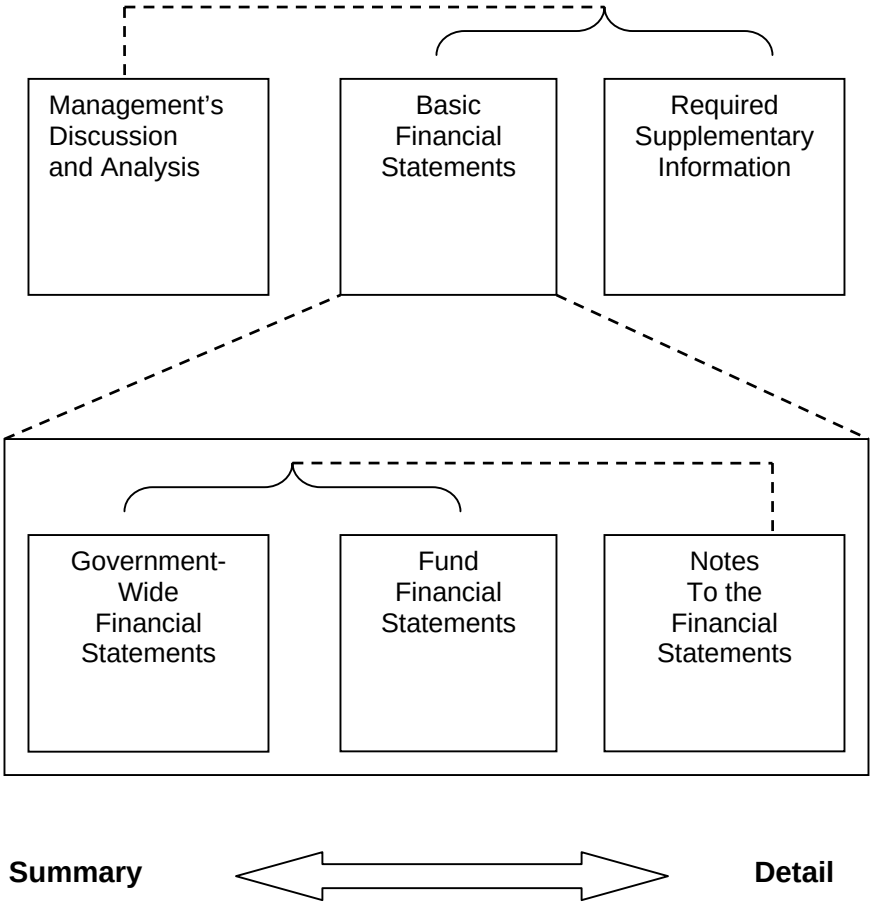
This annual report consists of four parts—Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor Enterprise Funds and Internal Service Funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required statements, we have included a section with combining statements that provide details about our nonmajor Enterprise Funds and Internal Service Funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1
Required Components of
City of Del Rio's Annual Financial Report



Below is a summary of the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statements of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City one needs to consider additional non-financial factors such as changes in the City's property tax base, level of economy and international bridge crossings.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities* – Most of the City's basic services are included here, such as the general government, health and welfare, public safety, highways and streets, culture and recreation, and economic development and assistance. Property taxes, sales taxes, franchise taxes, state grants and transfers from business-type activities and state and federal grants finance most of these activities.

- *Business-type activities* – The City charges fees to customers to help it cover the costs of certain services it provides. The City's gas, water and sewer system, landfill, international bridge, international airport, and municipal facilities are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by City Charter, state law and by bond covenants.

- The City Council establishes other funds to control and manage money for particular purposes or show that it is properly using certain taxes and grants (like aid from the Texas Department of Transportation).

The City has three kinds of funds:

- *Governmental funds* – Most of the City's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the governmental funds statement, there is a reconciliation on the subsequent page that explains the relationship (of differences) between the governmental fund statements and the government-wide statements

- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

    - In fact, the City's Enterprise Funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

    - The City uses Internal Service Funds (the other kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities – such as the Utility Billing fund.

- *Fiduciary funds* – The City's fiduciary funds consist of various Agency Funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

The City's combined net assets were $114,094,014 at year-end.

CITY OF DEL RIO'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 28,838,316	$ 20,171,592	$ 29,432,727	$ 26,267,240	$ 58,271,043	$ 46,438,832
Capital assets	34,447,790	22,056,793	104,749,852	89,965,255	139,197,642	112,022,048
Total assets	63,286,106	42,228,385	134,182,579	116,232,495	197,468,685	158,460,880
Current liabilities	4,681,428	3,377,646	5,853,255	5,230,652	10,534,683	8,608,298
Long-term liabilities	26,094,712	19,357,849	46,745,276	46,178,279	72,839,988	65,536,128
Total liabilities	30,776,140	22,735,495	52,598,531	51,408,931	83,374,671	74,144,426
Net assets:						
Invested in capital assets, net of related debt	23,019,074	8,199,922	70,638,087	52,695,228	93,657,161	60,895,150
Restricted	1,484,209	4,637,793	5,118,297	5,012,557	6,602,506	9,650,350
Unrestricted	8,006,683	6,655,175	5,827,664	7,105,779	13,834,347	13,760,954
Total net assets	$ 32,509,966	$ 19,492,890	$ 81,584,048	$ 64,813,564	$ 114,094,014	$ 84,306,454

The City's combined change in net assets was $2,675,568.

CITY OF DEL RIO'S CHANGES IN NET ASSETS

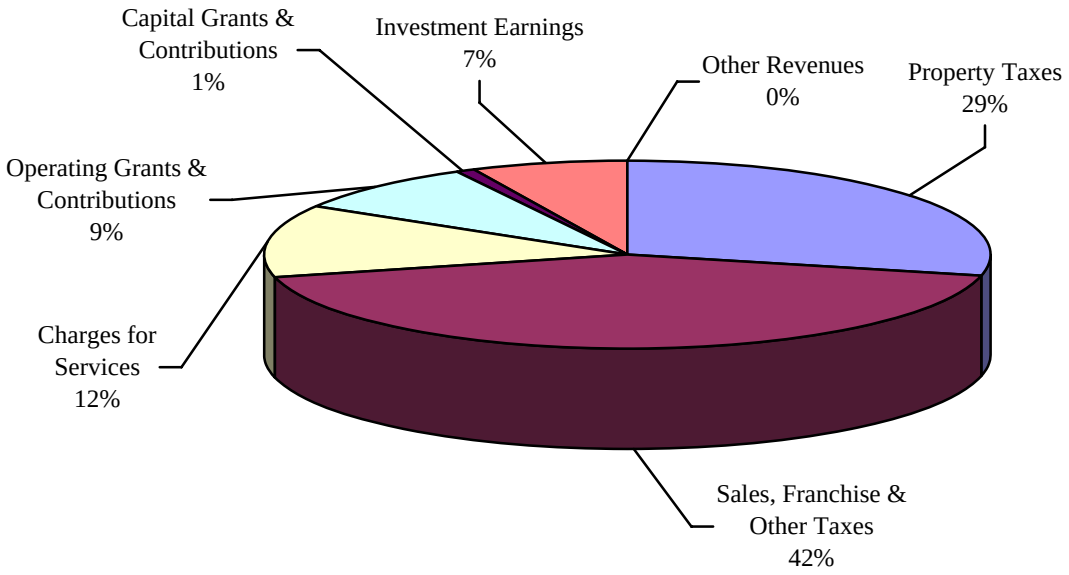
	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Net (expenses) revenue	$(17,545,310)	$(14,495,981)	$ 5,404,290	$ 8,236,548	$(12,141,020)	$(6,259,433)
General revenues	13,521,125	12,592,101	1,295,463	990,932	14,816,588	13,583,033
Transfers	5,034,899	4,196,113	(5,034,899)	(4,196,113)	-	-
Change in net assets	1,010,714	2,292,233	1,664,854	5,031,367	2,675,568	7,323,600
Net assets, beginning	19,492,890	15,881,369	64,813,564	59,782,197	84,306,454	75,663,566
Prior period adjustment	12,006,362	1,319,288	15,105,630	-	27,111,992	1,319,288
Net assets, ending	$ 32,509,966	$ 19,492,890	$ 81,584,048	$ 64,813,564	$ 114,094,014	$ 84,306,454

The combined net assets of the City for the primary government increased $2.7 million compared to last fiscal year. Governmental activities contributed $1.0 million of this increase while the business-type activities contributed $1.7 million of the increase. The largest component of net assets represents the City's investment in capital assets, net of related debt. The second largest component of net assets represents unrestricted net assets, while the final component of net assets is restricted.

Governmental Funds

Revenues for the City's governmental activities were $17,339,352. The revenue was derived from seven major sources as listed below and as reflected on Figure A-2.

	Current Year	Prior Year	Variance
Property taxes	$ 4,957,331	$ 4,561,255	$ 396,076
Sales, franchise and other taxes	7,366,814	7,043,594	323,220
Charges for services	2,153,438	1,936,095	217,343
Operating grants and contributions	1,493,750	1,727,117	(233,367)
Capital grants and contributions	171,039	950,024	(778,985)
Investment earning	1,172,883	864,698	308,185
Other revenues	24,097	122,554	(98,457)
	$ 17,339,352	$ 17,205,337	$ 134,015



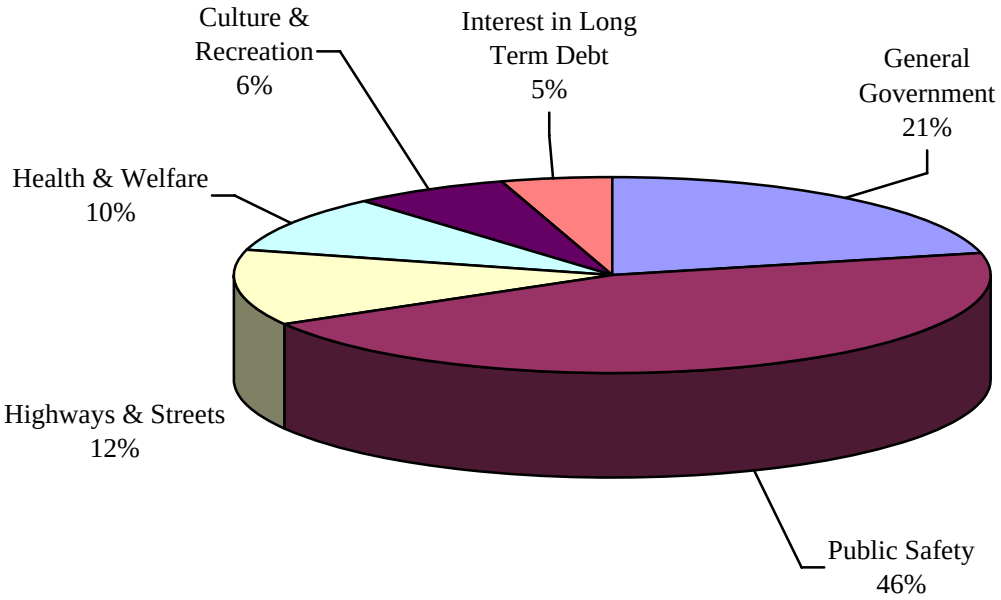
- The City's adopted property tax rate for fiscal year 2006-2007 remained the same as that of the previous at $0.52055 per $100 of valuation.
- Property value increased $65,892,852 to $909,484,925 from the prior year's valuation of $843,592,073.
- Sales tax revenues were $4,967,765. This represents an increase of $406,510 from prior year of $4,561,255.
- In addition to the revenue, the City transferred $5,034,899 from propriety funds to fund its governmental operations.

Expenses for the City's governmental activities were $21,363,537. Expenses were incurred in seven major categories as listed below and as reflected on Figure A-3.

Functional Expenses by Category:

	Current Year	Prior Year	Variance
General government	$ 4,641,023	$ 4,435,554	$ 205,469
Public safety	9,608,589	9,249,477	359,112
Highways and streets	2,669,845	1,044,844	1,625,001
Health and welfare	1,896,712	2,193,550	(296,838)
Culture and recreation	1,393,745	1,333,113	60,632
Economic development and assistance	104,242	3,763	100,479
Interest in long-term debt	1,049,381	848,916	200,465
	$ 21,363,537	$ 19,109,217	$ 2,254,320

Figure A-3



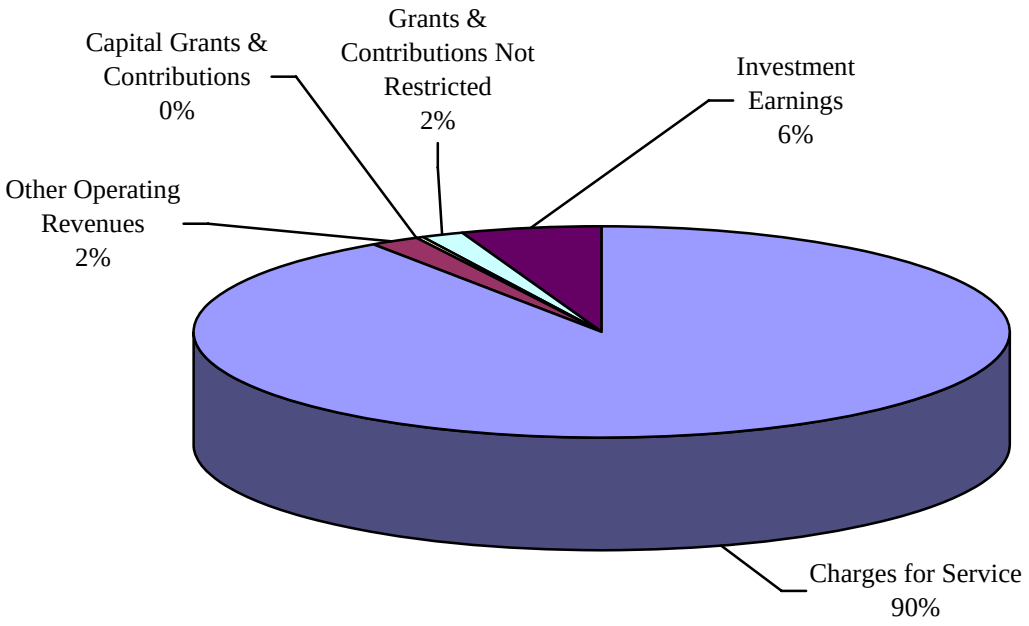
The City monitored its budget very closely during the year in order to ensure that expenses were within budgeted amounts.

Business-type Activities

Revenues of the City's business-type activities totaled $23,482,390 as shown on Figure A-4.

	Current Year	Prior Year	Variance
Charges for services	$ 21,160,059	$ 22,108,322	$(948,263)
Other operating revenues	486,347	457,464	28,883
Capital grants and contributions	59,400	3,562,130	(3,502,730)
Grants and contributions not restricted to specific programs	481,121	111,320	369,801
Investment earnings	1,295,463	990,932	304,531
	$ 23,482,390	$ 27,230,168	$(3,747,778)

Figure A-4



The amount realized from charges for services for the gas fund was $4,191,674. The gas rates fluctuated during the year due to the increase in price of natural gas purchased for resale.

The amount realized for charges for services for the water fund was $6,023,182 which is a decrease of $1,993,991 from the prior year charges for service of $8,017,173. The decrease is attributed a change in the local climate. During the year ended 2006, the climate was exceptionally dry while during the fiscal year ended in 2007 the City experienced a much wetter period.

The amount realized for international bridge tolls was $5,268,885, an increase of $659,601 from the prior year. Bridge crossings stabilized in the current year where in prior years the crossings had declined.

The amount realized for international airport charges for services is $63,300 and is for fees for fuel sold at the airport by a commercial vendor.

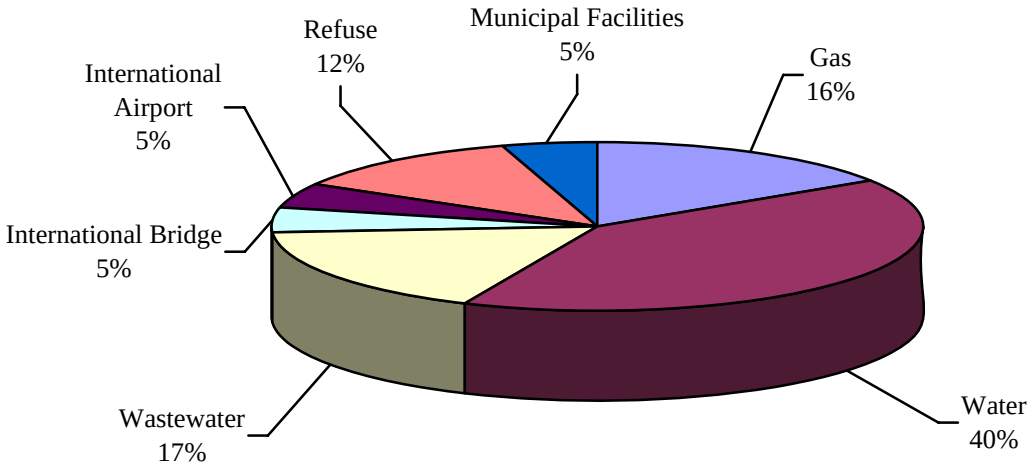
The amount realized for charges for services for the refuse fund was $2,141,268. This includes $1,675,496 for residential accounts, $462,890 for commercial accounts and $2,882 for recovery of bad debts.

The amount realized for charges for services for the wastewater (sewer) fund was $3,471,750, an increase of $348,517 from the prior year charges for service of $3,123,233. Rates for collection of wastewater are based on the customer's average monthly water usage for the months of December, January and February with three thousand gallons per month maximum. Although there was a decrease in the water consumption during the year, the increase in wastewater revenues is attributable to an increase in wastewater rates applicable as of the beginning of the fiscal year.

The expenses for the business type activities totaled $16,782,637 as shown on figure A-5:

	Current Year	Prior Year	Variance
Gas	$ 2,656,139	$ 3,323,198	$(667,059)
Water	6,845,309	6,492,167	353,142
Wastewater	2,906,194	3,160,761	(254,567)
International Bridge	792,628	762,408	
International Airport	763,646	1,196,736	(433,090)
Refuse	2,033,810	2,310,023	(276,213)
Municipal facilities	784,911	757,395	27,516
	$ 16,782,637	$ 18,002,688	$(1,220,051)

Figure A-5



The difference between revenues, other revenue sources and expenses was $6,598,452. The City transferred from its Enterprise Funds $5,724,885 to subsidize governmental activities. The City also transferred $689,986 into the Airport and Municipal Facilities Funds to subsidize their operations. The net transfers amounted to $5,034,899. The City staff monitors all Propriety Funds to ensure that operating expenses are maintained within budget. All revenue sources are checked monthly to ensure that the budget is realized or to adjust the budget as necessary.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Significant Changes in Fund Balances/Net Assets

Overall, the governmental funds increased their fund balances by $7.7 million. The General Fund increased its fund balance by $1.5 million during the year. The change resulted primarily because the City realized proceeds from bonds for which the related expenditures will not be incurred until the subsequent year.

As part of the City's planned improvements, the Streets and Drainage Fund continues to apply funds available from prior bond issues to upgrade City streets and other infrastructure. In addition, the Streets and Drainage Fund realized proceeds from bonds issued in the current year to which the related improvements will not occur until subsequent years resulting in an increase to its fund balance of $2.7 million.

All other governmental funds contributed a net increase in fund balances of $3.5 million. The increase resulted primarily from bond proceeds for a new police station expected to be constructed in the subsequent year.

The business type funds realized an overall increase in net assets of $1.6 million. In part, the business type funds increased their net assets by $1.3 million because of investment earnings resulting from the careful and prudent investment strategies employed by the City. In addition, the business type funds contributed to other City operations by transferring out $5.7 million overall. The Gas Fund transferred out $1.1 million, the International Bridge transferred out $4.3 million and the Refuse Fund transferred out $0.3 million. The business type funds also received assistance from the other funds. Combined, the International Airport and the Municipal Facilities Funds received $0.7 million during the year.

Individually, the Gas Fund contributed $0.6 million, the Water Fund $0.1 million, the International Bridge Fund $0.3 million and the Wastewater $0.7 million of the increase. The International Airport Fund and the Municipal Facilities Fund had operating losses for the year. The loss, in part, was offset by the transfers in referred to above and intergovernmental revenues.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget several times. These amendments fall into six categories:

- Supplemental appropriations revising the budget adopted in September 2006.
- Amendments to appropriate funds maintained in reserve at the beginning of the year.
- Changes in appropriations for grant matching funds and other contracted services.
- Increases in appropriations to cover anticipated budget overruns.
- Decrease in appropriations because of budget unexpended balances.
- Changes in the amount budgeted for transfer of funds to General Fund from other funds.

The City monitors its budget to ensure that anticipated revenues are realized and to ensure that expenditures remain within budgeted amounts. For the year, the General Fund realized a positive variance of $550,476 in revenues and other financing sources over expenditures and other financing uses. The positive variance is attributable to a positive variance of $594,893 in expenditures. While the City experienced both positive and negative variances, expenditures on an overall basis remained under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's combined capital assets at the end of fiscal year September 30, 2007 amounted to $139,197,642. It is the City's policy to capitalize only purchases of $5,000 or over and some high-risk items such as data processing equipment, audiovisual equipment, small motorized items and other items on the "hot items list". Additional information related to the City's capital assets is included in Note 9 to financial statements.

CITY OF DEL RIO'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	$ 5,178,385	$ 5,178,385	$ 2,232,016	$ 2,232,015	$ 7,410,401	$ 7,410,400
Buildings	3,262,404	3,260,570	4,138,685	4,128,206	7,401,089	7,388,776
Improvements other than buildings	267,522	190,108	106,348,002	98,473,886	106,615,524	98,663,994
Equipment	9,315,130	9,075,348	4,045,163	3,570,533	13,360,293	12,645,881
Infrastructure	50,793,873	2,976,990	-	-	50,793,873	2,976,990
Construction in progress	9,737,286	8,236,256	20,536,436	18,136,781	30,273,722	26,373,037
	78,554,600	28,917,657	137,300,302	126,541,421	215,854,902	155,459,078
Total accumulated depreciation	44,106,810	6,860,864	32,550,450	36,576,166	76,657,260	43,437,030
Total capital assets	$ 34,447,790	$ 22,056,793	$ 104,749,852	$ 89,965,255	$ 139,197,642	$ 112,022,048

Long-term Debt

At year-end the City had $73,707,000 in bonds and notes payable, an increase of $8,068,000 from last year as shown in Table A-6. More detail information about the City's long-term debt is presented in Note 10 to the financial statements.

Figure A-6

CITY OF DEL RIO'S OUTSTANDING DEBT AT YEAR-END
(in million dollars)

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
General obligations bonds (backed by the City)	$ 23.34	$ 15.77	$ -	$ -	$ 23.34	$ 15.77
Revenue bonds, certificates of obligation and note (backed by specific tax and fee revenues)	3.25	3.30	47.12	46.57	50.37	49.87
	$ 26.59	$ 19.07	$ 47.12	$ 46.57	$ 73.71	$ 65.64

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's economy during the fiscal year remained stable as reflected by some key indicators.

Sales tax revenues had an increase of $406,510 from the prior year revenues of $4,732,125.

Employment at the three major employers of City residents remains at approximately the same level. The major employers are federal government agencies such as the border patrol, the school district and Laughlin Air Force Base. These three major employers employ approximately 6,415 persons of an approximate 19,958 work force for Val Verde County.

Unemployment had a decrease from a rate of 5.3 % in fiscal year ending September 30, 2006 to 4.9% in the fiscal year ended in September 30, 2007.

The management of the City considered the local and state economy in preparing the City's budget of fiscal year 2007-2008.

The City's property tax rate increased to $0.54055 per $100 value for tax year 2008. The City expects to realize $3.7 million in property tax revenues to operate its General Fund and realize $1.5 million for its Debt Service Fund.

The City expects to transfer approximately $5.9 million from propriety funds in order to finance the cost of its governmental activities.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Del Rio Finance Department Office at 830-774-8555 Del Rio, Texas 78840.

BASIC
FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF DEL RIO, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 24,716,145	$ 9,602,449	$ 34,318,594
Receivables, net	2,689,210	1,931,597	4,620,807
Intergovernmental receivables	370,487	-	370,487
Internal balances	274,279	(274,279)	-
Inventory	40,740	289,431	330,171
Prepaid items	46,124	125	46,249
Deferred charges	701,331	1,983,031	2,684,362
Restricted cash and investments	-	15,900,373	15,900,373
Capital assets, net:			
Land	5,178,385	2,232,016	7,410,401
Construction in progress	9,737,286	20,536,436	30,273,722
Buildings	1,625,294	1,617,738	3,243,032
Improvements other than buildings	245,145	78,921,578	79,166,723
Machinery and equipment	3,752,108	1,442,084	5,194,192
Infrastructure	13,909,572	-	13,909,572
Total capital assets, net of accumulated depreciation	34,447,790	104,749,852	139,197,642
Total assets	63,286,106	134,182,579	197,468,685
LIABILITIES			
Accounts payable and other current liabilities	1,389,758	1,019,519	2,409,277
Accrued interest payable	376,743	657,794	1,034,537
Due to other governments	97,421	31,517	128,938
Deposits	53,484	450,968	504,452
Noncurrent liabilities due within one year	2,764,022	3,693,457	6,457,479
Noncurrent liabilities due in more than one year	26,094,712	46,745,276	72,839,988
Total liabilities	30,776,140	52,598,531	83,374,671
NET ASSETS			
Invested in capital assets, net of related debt	23,019,074	70,638,087	93,657,161
Restricted for:			
Debt service	1,177,811	3,565,716	4,743,527
Public grants	306,398	116,700	423,098
Construction	-	1,435,881	1,435,881
Unrestricted	8,006,683	5,827,664	13,834,347
Total net assets	$ 32,509,966	$ 81,584,048	$ 114,094,014

The notes to the financial statements are an integral part of this statement.

CITY OF DEL RIO, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 4,641,023	$ 1,041,319	$ -	$ -
Public safety	9,608,589	751,591	194,517	-
Highways and streets	2,669,845	6,611	-	-
Economic development	104,242	-	-	-
Health and welfare	1,896,712	269,962	1,295,093	171,039
Culture and recreation	1,393,745	83,955	4,140	-
Interest on long-term debt	1,049,381	-	-	-
Total governmental activities	21,363,537	2,153,438	1,493,750	171,039
Business-type activities:				
Gas	2,656,139	4,234,652	-	-
Water	6,845,309	6,024,928	384,244	-
Wastewater	2,906,194	3,471,750	-	-
International bridge	792,628	5,299,526	-	-
International airport	763,646	222,820	96,877	59,400
Refuse	2,033,810	2,141,641	-	-
Municipal facilities	784,911	251,089	-	-
Total business-type activities	16,782,637	21,646,406	481,121	59,400
Total	$ 38,146,174	$ 23,799,844	$ 1,974,871	$ 230,439

General revenues:
- Taxes:
  - Property
  - Sales
  - Franchise
  - Other
- Investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning

Prior period adjustment

Net assets, beginning, restated

Net assets, ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$(3,599,704)	$ -	$(3,599,704)
(8,662,481)	-	(8,662,481)
(2,663,234)	-	(2,663,234)
(104,242)	-	(104,242)
(160,618)	-	(160,618)
(1,305,650)	-	(1,305,650)
(1,049,381)	-	(1,049,381)
(17,545,310)	-	(17,545,310)
-	1,578,513	1,578,513
-	(436,137)	(436,137)
-	565,556	565,556
-	4,506,898	4,506,898
-	(384,549)	(384,549)
-	107,831	107,831
-	(533,822)	(533,822)
-	5,404,290	5,404,290
(17,545,310)	5,404,290	(12,141,020)
4,957,331	-	4,957,331
4,967,765	-	4,967,765
1,712,242	-	1,712,242
686,807	-	686,807
1,172,883	1,295,463	2,468,346
24,097	-	24,097
5,034,899	(5,034,899)	-
18,556,024	(3,739,436)	14,816,588
1,010,714	1,664,854	2,675,568
19,492,890	64,813,564	84,306,454
12,006,362	15,105,630	27,111,992
31,499,252	79,919,194	111,418,446
$ 32,509,966	$ 81,584,048	$ 114,094,014

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF DEL RIO, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2007

	General	Capital Projects Streets and Drainage	Other Governmental	Total Governmental Funds
ASSETS				
Cash and investments	$ 9,297,268	$ 5,937,685	$ 8,345,769	$ 23,580,722
Receivables, net	2,432,851	3,763	250,760	2,687,374
Due from other funds	950,421	260,548	108,140	1,319,109
Intergovernmental receivables	77,322	-	293,165	370,487
Inventory	40,740	-	-	40,740
Prepaid items	46,124	-	-	46,124
Total assets	$ 12,844,726	$ 6,201,996	$ 8,997,834	$ 28,044,556
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	660,445	54,115	133,833	848,393
Accrued payroll	397,169	-	33,256	430,425
Due to other governments	163	-	97,258	97,421
Due to other funds	337,020	346,271	315,810	999,101
Deposits	52,984	-	500	53,484
Deferred revenue	1,528,696	-	238,435	1,767,131
Accrued interest payable	-	-	20,570	20,570
Total liabilities	2,976,477	400,386	839,662	4,216,525
Fund balances:				
Reserved for:				
Encumbrances	1,053,250	26,310	237,329	1,316,889
Improvements	61,463	-	-	61,463
Insurance	204,887	-	-	204,887
Unreserved, designated, reported in:				
General fund	5,556,357	-	-	5,556,357
Unreserved, undesignated, reported in:				
General fund	2,992,292	-	-	2,992,292
Special revenue funds	-	-	93,097	93,097
Capital projects funds	-	5,775,300	6,538,962	12,314,262
Debt service fund	-	-	1,288,784	1,288,784
Total fund balances	9,868,249	5,801,610	8,158,172	23,828,031
Total liabilities and fund balances	$ 12,844,726	$ 6,201,996	$ 8,997,834	$ 28,044,556

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

CITY OF DEL RIO, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2007

Total fund balance, governmental funds	$ 23,828,031
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	34,307,956
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	1,767,131
The assets and liabilities of certain Internal Service Funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	747,446
Long-term liabilities, (such as claims payable, compensated absences, accrued interest payable, and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	(28,140,598)
Net assets of governmental activities in the Statement of Net Assets	$ 32,509,966

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

CITY OF DEL RIO, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	General	Capital Projects Streets and Drainage	Other Governmental	Total Governmental Funds
REVENUES				
Taxes	$ 10,411,579	$ -	$ 1,822,842	$ 12,234,421
Intergovernmental	188,483	-	1,471,836	1,660,319
Charges for services	930,600	-	251,962	1,182,562
Fines and forfeitures	708,683	-	-	708,683
Licenses and permits	512,538	-	-	512,538
Investment earnings	490,733	186,664	438,231	1,115,628
Rental	42,133	-	34,888	77,021
Miscellaneous	60,862	-	12,988	73,850
Total revenues	13,345,611	186,664	4,032,747	17,565,022
EXPENDITURES				
Current:				
General government	4,105,402	-	383,676	4,489,078
Public safety	9,116,826	-	1,390	9,118,216
Highways and streets	1,668,361	-	-	1,668,361
Culture and recreation	1,303,430	-	-	1,303,430
Economic development	-	-	104,242	104,242
Health and welfare	-	-	1,752,965	1,752,965
Debt service:				
Principal	-	-	1,860,695	1,860,695
Interest and fiscal charges	-	-	879,729	879,729
Bond issuance costs	65,398	102,525	97,665	265,588
Capital outlay	951,211	766,087	1,115,143	2,832,441
Total expenditures	17,210,628	868,612	6,195,505	24,274,745
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,865,017)	(681,948)	(2,162,758)	(6,709,723)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	2,308,822	3,420,000	4,021,563	9,750,385
Payment to refunded bond escrow agent	(422,055)	-	-	(422,055)
Discount on issuance of debt	(7,012)	(11,467)	-	(18,479)
Premium on issuance of debt	3,398	-	17,113	20,511
Proceeds from sale of capital assets	56,191	-	-	56,191
Transfers in	5,821,266	-	1,992,164	7,813,430
Transfers out	(2,369,865)	-	(408,666)	(2,778,531)
Total other financing sources (uses)	5,390,745	3,408,533	5,622,174	14,421,452
NET CHANGE IN FUND BALANCES	1,525,728	2,726,585	3,459,416	7,711,729
FUND BALANCES, BEGINNING	8,342,521	3,075,025	4,698,756	16,116,302
FUND BALANCES, ENDING	$ 9,868,249	$ 5,801,610	$ 8,158,172	$ 23,828,031

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

CITY OF DEL RIO, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

Net change in fund balances - total governmental funds:	$ 7,711,729
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays ($2,810,808) exceeded depreciation ($2,224,449) in the current period.	586,359
In the Statement of Activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(57,424)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	112,277
Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	1,860,695
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds. However, this transaction has no effect on net assets.	(9,750,385)
Governmental funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.	640,285
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	173,407
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain Internal Service Funds is reported with governmental activities.	(266,229)
Change in net assets of governmental activities	$ 1,010,714

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

CITY OF DEL RIO, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2007

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
ASSETS				
Current assets:				
Cash and investments	$ 3,159,212	$ 3,428,196	$ 1,105,705	$ 175,141
Restricted cash and investment	419,043	7,466,143	1,641,313	832,143
Accounts receivable, ne	272,800	875,839	2,242	66,659
Due from other funds	5,853	165,996	221,019	1,301
Inventory	60,247	229,184	-	-
Prepaid items	-	125	-	-
Total current assets	3,917,155	12,165,483	2,970,279	1,075,244
Non-current assets				
Deferred charges	22,224	1,353,256	41,312	-
Capital assets:				
Land	7,800	109,600	476,399	1,080,827
Construction in progres	805,212	6,374,151	-	9,716,936
Buildings and improvement	733,242	68,087,751	4,744,722	6,510,427
Equipment	621,447	1,237,211	289,876	157,667
Less accumulated depreciation	(805,480)	(12,901,689)	(2,411,828)	(2,861,745)
Total capital assets	1,362,221	62,907,024	3,099,169	14,604,112
Total non-current assets	1,384,445	64,260,280	3,140,481	14,604,112
Total assets	5,301,600	76,425,763	6,110,760	15,679,356
LIABILITIES				
Current liabilities:				
Accounts payable	95,640	260,432	13,046	84,417
Accrued payroll	15,774	39,601	11,867	6,165
Due to other funds	8,912	75,056	160,701	6,278
Due to other governments	-	16,840	-	-
Other liabilities	28,103	19,565	-	-
Claims payable	-	-	-	-
Deposits	103,835	347,133	-	-
Accrued interest payable	10,596	400,828	38,259	-
Compensated absences	20,757	52,552	16,854	7,365
Bonds payable	60,000	1,840,345	400,000	-
Total current liabilities	343,617	3,052,352	640,727	104,225
Non-current liabilities				
Compensated absences	49,282	114,860	31,785	14,019
Landfill closure and postclosure care cost	-	-	-	-
Bonds payable	770,000	28,185,788	1,830,000	-
Total non-current liabilities	819,282	28,300,648	1,861,785	14,019
Total liabilities	1,162,899	31,353,000	2,502,512	118,244
NET ASSETS				
Invested in capital assets, net of related debt	837,425	41,505,574	910,481	14,604,112
Restricted for public grants	-	-	-	-
Restricted for debt servic	30,596	1,513,256	750,917	-
Restricted for constructio	-	930,506	505,375	-
Unrestricted	3,270,680	1,123,427	1,441,475	957,000
Total net assets	$ 4,138,701	$ 45,072,763	$ 3,608,248	$ 15,561,112

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

Enterprise Funds				
		Nonmajor Fund		
Refuse	Wastewater	Municipal Facilities	Total	Internal Service
$ 375,782	$ 800,376	$ 523,737	$ 9,568,149	$ 1,169,723
2,489,468	3,001,893	50,370	15,900,373	-
233,434	478,182	2,361	1,931,517	1,850
405	19,967	362	414,903	154,799
-	-	-	289,431	-
-	-	-	125	-
3,099,089	4,300,418	576,830	28,104,498	1,326,372
111,146	443,580	11,513	1,983,031	9,455
391,903	76,286	89,200	2,232,015	-
-	3,583,344	56,793	20,536,436	-
3,513,711	24,372,449	2,513,907	110,476,209	61,199
678,583	578,023	219,399	3,782,206	931,922
(3,070,576)	(8,378,473)	(1,957,022)	(32,386,813)	(743,488)
1,513,621	20,231,629	922,277	104,640,053	249,633
1,624,767	20,675,209	933,790	106,623,084	259,088
4,723,856	24,975,627	1,510,620	134,727,582	1,585,460
145,439	135,879	59,361	794,214	46,208
1,942	12,266	7,122	94,737	22,092
5,250	484,036	59	740,292	149,352
-	14,677	-	31,517	-
17,284	47,347	-	112,299	-
-	-	-	-	60,909
-	-	-	450,968	-
46,141	153,755	8,215	657,794	4,501
2,280	13,800	5,873	119,481	34,718
385,732	830,052	40,386	3,556,515	55,000
604,068	1,691,812	121,016	6,557,817	372,780
9,105	41,753	7,879	268,683	108,933
2,856,036	-	-	2,856,036	-
2,209,761	10,023,212	543,538	43,562,299	255,000
5,074,902	10,064,965	551,417	46,687,018	363,933
5,678,970	11,756,777	672,433	53,244,835	736,713
390,017	11,930,813	349,866	70,528,288	243,124
-	-	116,700	116,700	-
212,454	1,038,337	20,156	3,565,716	22,834
-	-	-	1,435,881	-
(1,557,585)	249,700	351,465	5,836,162	582,789
$(955,114)	$ 13,218,850	$ 838,187	81,482,747	$ 848,747
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			101,301	
Net assets of business-type activities			$ 81,584,048	

CITY OF DEL RIO, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
OPERATING REVENUES				
Charges for services	$ 4,191,674	$ 6,023,182	$ 5,268,885	$ 63,300
Rental revenues	-	-	12,000	159,518
Miscellaneous	42,978	1,746	18,641	2
Total operating revenues	4,234,652	6,024,928	5,299,526	222,820
OPERATING EXPENSES				
Personnel	559,959	1,316,056	373,433	191,698
Contractual services	309,372	2,176,141	144,530	239,598
Purchases for resale	1,554,778	-	-	-
Supplies	138,235	454,552	13,956	21,446
Depreciation	79,198	1,744,631	153,981	317,378
Total operating expenses	2,641,542	5,691,380	685,900	770,120
OPERATING INCOME (LOSS)	1,593,110	333,548	4,613,626	(547,300)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	163,016	566,220	134,423	29,538
Gain (loss) on disposal of assets	-	-	(960)	-
Intergovernmental	-	384,244	-	96,877
Interest and amortization expense	(34,760)	(1,188,556)	(110,094)	-
Total non-operating revenues (expenses)	128,256	(238,092)	23,369	126,415
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,721,366	95,456	4,636,995	(420,885)
Capital contributions	-	-	-	59,400
Transfers in	-	-	-	189,465
Transfers out	(1,100,000)	-	(4,294,885)	-
CHANGE IN NET ASSETS	621,366	95,456	342,110	(172,020)
TOTAL NET ASSETS, BEGINNING	3,809,228	36,315,517	3,266,138	15,733,132
PRIOR PERIOD ADJUSTMENT	(291,893)	8,661,790	-	-
TOTAL NET ASSETS, BEGINNING, RESTATED	3,517,335	44,977,307	3,266,138	15,733,132
TOTAL NET ASSETS, ENDING	$ 4,138,701	$ 45,072,763	$ 3,608,248	$ 15,561,112

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

Enterprise Funds				
		Nonmajor Fund		
Refuse	Wastewater	Municipal Facilities	Total	Internal Service
$ 2,141,268	$ 3,471,750	$ -	$ 21,160,059	$ 2,815,605
-	-	239,456	410,974	-
373	-	11,633	75,373	-
2,141,641	3,471,750	251,089	21,646,406	2,815,605
73,647	447,799	218,122	3,180,714	727,237
1,441,018	1,342,663	417,274	6,070,596	1,863,268
-	-	-	1,554,778	-
16,509	66,713	25,902	737,313	351,510
367,198	526,251	100,095	3,288,732	96,049
1,898,372	2,383,426	761,393	14,832,133	3,038,064
243,269	1,088,324	(510,304)	6,814,273	(222,459)
147,032	225,270	26,349	1,291,848	60,870
(7)		-	(967)	(131)
-	-	-	481,121	-
(149,799)	(538,048)	(25,966)	(2,047,223)	(3,208)
(2,774)	(312,778)	383	(275,221)	57,531
240,495	775,546	(509,921)	6,539,052	(164,928)
-	-	-	59,400	-
-	-	500,521	689,986	-
(330,000)	-	-	(5,724,885)	-
(89,505)	775,546	(9,400)	1,563,553	(164,928)
(865,609)	5,707,571	847,587		1,013,675
-	6,735,733	-		-
(865,609)	12,443,304	847,587		1,013,675
$(955,114)	$ 13,218,850	$ 838,187		$ 848,747
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			101,301	
Change in net assets of business-type activities			$ 1,664,854	

CITY OF DEL RIO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 4,241,622	$ 6,193,363	$ 5,299,521	$ 159,203
Payments to suppliers for goods and services	(2,007,915)	(2,450,765)	(148,599)	(201,768)
Payments to employees	(555,819)	(1,301,201)	(351,383)	(177,119)
Net cash provided (used) by operating activities	1,677,888	2,441,397	4,799,539	(219,684)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from interfund borrowings	-	12,303	-	4,629
Payments for interfund borrowings	(5,008)	(43,095)	(237,810)	6,122
Receipts from noncapital grants	-	384,244		96,877
Transfers from other funds	-	-	-	189,465
Transfers to other funds	(1,100,000)	-	(4,294,885)	-
Net cash provided (used) by noncapital financing activities	(1,105,008)	353,452	(4,532,695)	297,093
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(61,636)	(376,151)	(32,439)	(167,976)
Receipts from capital grants	-	-	-	59,400
Proceeds from debt	-	6,887,509	-	-
Principal paid on debt	(55,000)	(6,730,370)	(330,000)	-
Interest and fiscal charges paid on debt	(34,151)	(1,645,311)	(96,696)	-
Net cash provided (used) by capital and related financing activities	(150,787)	(1,864,323)	(459,135)	(108,576)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from earnings on investments	163,016	566,220	134,423	29,538
Net cash provided by investing activities	163,016	566,220	134,423	29,538
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	585,109	1,496,746	(57,868)	(1,629)
CASH AND CASH EQUIVALENTS, BEGINNING	2,993,146	9,397,593	2,804,886	1,008,913
CASH AND CASH EQUIVALENTS, ENDING	$ 3,578,255	$ 10,894,339	$ 2,747,018	$ 1,007,284

The notes to the financial statements are an integral part of this statement.

Enterprise Funds				
		Nonmajor Fund		
Refuse	Wastewater	Municipal Facilities	Total	Internal Service
$ 2,135,123	$ 3,442,980	$ 251,950	$ 21,723,762	$ 2,821,205
(1,323,742)	(1,688,341)	(389,625)	(8,210,755)	(2,191,276)
137,713	(445,847)	(220,246)	(2,913,902)	(722,872)
949,094	1,308,792	(357,921)	10,599,105	(92,943)
-	224,697	59	241,688	130,890
2,388	(19,967)	(243)	(297,613)	(102,374)
-	-	-	481,121	-
-	-	500,521	689,986	-
(330,000)	-	-	(5,724,885)	-
(327,612)	204,730	500,337	(4,609,703)	28,516
(1,689)	(2,162,182)	(56,794)	(2,858,867)	(61,681)
-	-	-	59,400	
754,832	2,748,351	58,924	10,449,616	310,000
(1,069,316)	(1,627,080)	(90,000)	(9,901,766)	-
(179,187)	(554,340)	(29,083)	(2,538,768)	(8,162)
(495,360)	(1,595,251)	(116,953)	(4,790,385)	240,157
147,032	225,270	26,349	1,291,848	60,870
147,032	225,270	26,349	1,291,848	60,870
273,154	143,541	51,812	2,490,865	236,600
2,592,096	3,658,728	522,295	22,977,657	933,123
$ 2,865,250	$ 3,802,269	$ 574,107	$ 25,468,522	$ 1,169,723

(continued)

CITY OF DEL RIO, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 1,593,110	$ 333,548	$ 4,613,626	$(547,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	79,198	1,744,631	153,981	317,378
Changes in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	795	143,862	(5)	(63,617)
Inventory	1,543	(4,695)	-	-
Prepaid items	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(7,340)	184,623	9,887	59,276
Accrued liabilities	(2,290)	156	2,020	1,499
Compensated absences payable	6,430	14,699	20,030	13,080
Customer deposits	6,175	28,912	-	-
Other payables	267	(4,339)	-	-
Net cash provided (used) by operating activities	$ 1,677,888	$ 2,441,397	$ 4,799,539	$(219,684)

The notes to the financial statements are an integral part of this statement.

Enterprise Funds				
		Nonmajor Fund		
Refuse	Wastewater	Municipal Facilities	Total	Internal Service
$ 243,269	$ 1,088,324	$(510,304)	$ 6,814,273	$(222,459)
367,198	526,251	100,095	3,288,732	96,049
(6,643)	(33,327)	861	41,926	70
-	-	-	(3,152)	-
-	-	10,400	10,400	-
133,785	(279,840)	43,151	143,542	8,404
210,176	10	(582)	210,989	21,706
1,184	1,942	(1,542)	55,823	3,287
125	875	-	36,087	-
-	4,557	-	485	-
$ 949,094	$ 1,308,792	$(357,921)	$ 10,599,105	$(92,943)

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FIDUCIARY FUNDS
FINANCIAL STATEMENT

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CITY OF DEL RIO, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

SEPTEMBER 30, 2007

	Total
ASSETS	
Cash and investments	$ 9,715
Total assets	$ 9,715
LIABILITIES	
Accounts payable	$ 162
Due to other governments	1,102
Due to other funds	66
Other liabilities	8,385
Total liabilities	$ 9,715

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

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NOTES TO
FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Del Rio, Texas, operates under a council-manager form of City government, with all powers of the City vested in an elective City Council, and provides the following services as authorized by its charter: general administrative services, public safety, public works (streets, bridge, airport and utilities), cultural and educational, planning and zoning, and health and social services.

B. Basic Financial Statements – Government-wide Statements and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identified with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, fines, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period when determined to be both measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Streets and Drainage Fund*** is the City's capital projects fund that accounts for the construction and improvement of the City's streets and drainage projects.

The City reports the following major proprietary funds:

The ***Gas Fund*** accounts for the activities of the natural gas distribution system.

The ***Water Fund*** accounts for the activities of the water distribution system.

The ***International Bridge Fund*** accounts for the activities of the Toll Bridge between the City and Mexico.

The ***International Airport Fund*** accounts for the activities of the airport.

The ***Refuse Fund*** accounts for the activities for collection of solid waste and landfill use.

The ***Wastewater Fund*** accounts for the activities of the sewer system.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Internal Service Funds account for utility billings, computer services, fleet management services, and self-insurance provided to other departments on a cost reimbursement basis.

Agency Funds are used to report taxes and federal program funds held in a custodial capacity for certain non-profit organizations and funds held in a custodial capacity for the City's pension plan.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and Enterprise Funds, the City has chosen not to do so.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Gas System, Water System, Wastewater System, and Refuse Collection Services and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include (1) charges to customer or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agents, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value, based on publicly quoted market prices or the best available estimate.

Inventories

Inventories consist of expendable supplies held for the City's use and are carried at cost using the weighted average method.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. In addition, items with a cost below $5,000 included in a "hot items" list (computer, software, etc.) are also capitalized. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred since these amounts do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Buildings and building improvements	25-40
Improvements	20-50
Park and other improvements	5-10
Equipment	2-20

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination in the government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination in the government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Fund Equity

Governmental Funds

In the fund financial statements, governmental fund types report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets Invested in Capital Assets, Net of Related Debt

In accordance with GASB Statement No. 34, the unspent proceeds of capital debt are not considered to be a capital asset until they are actually spent. Accordingly, only the portion of debt equal to the amount spent is included in the calculation of *net assets invested in capital assets, net of related debt.* Upon completion of the project, all of the remaining debt will be considered to be capital-related and included as part of future calculations of *net assets invested in capital assets, net of related debt.*

Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used as an extension of formal budgetary integration in the budgeted funds.

Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed commitments are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and, therefore, are presented in the financial statements as reservations of fund balances as of the end of the fiscal year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Accumulated Unpaid Vacation and Sick Pay

The personnel policies allow employees to accrue sick leave and vacation leave at various rates during the fiscal year. Accumulated leave vested with the employee is leave which is allowed to be used by the employee or may be paid to the employee upon termination. Vested sick leave for all employees, with the exception of public safety employees, is limited to 90 days and vested vacation leave is limited to 15 days. Public safety employees, with the exception of certain public safety positions which accumulate leave as other civilian employees do, accumulate leave as stated under the Civil Service laws. Vested sick leave for the public safety employees is limited to 90 days and vested personal leave is limited to 45 days.

A liability for these amounts has been accrued in the government-wide and proprietary fund financial statements.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $28,140,598 difference are as follows:

(continued)

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Bonds payable	$ 26,278,186
Deferred charges for issuance costs (to be amortized over life of debt)	(691,876)
Deferred gain on refunding	257,981
Claims payable	112,290
Accrued interest payable	351,672
Compensated absences	1,832,345
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ 28,140,598

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds." The details of this $173,407 difference are as follows:

Claims and judgments	$ 360,105
Conmpensated absences	(65,580)
Accrued interest	(121,118)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 173,407

Another element of that reconciliation states that "Governmental funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities." The details of this $640,285 difference are as follows:

Payment to escrow agent for refunding	$ 422,055
Premiums from current year issues	(20,511)
Discounts from current year issues	18,479
Current year bond issuance costs	265,588
Amortization of issuance costs, discounts, premiums and deferred charge on refunding	(45,326)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 640,285

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget and Budgetary Accounting

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department or agency cannot legally exceed the final departmental budget as amended and legally enacted.

The City follows these procedures in establishing the budgetary date reflected in the financial statements.

1. At least 45 days prior to the beginning of the fiscal year, the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The budget includes proposed expenditures and the means of financing them.

2. Public hearings are held to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through passage of an ordinance or alternatively the budget submitted by the City Manager on or before the 20th day of September if no final ordinance is enacted.

4. The City Manager may, with City Council approval, transfer any unencumbered appropriation between classifications of expenditures (object class) within an office, department or agency except for transfers of $10,000 or less. The legal level of budgetary control is the department level. The City Council may authorize the transfer of any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

5. The City can appropriate an amount of not more than three percent of the total general and utility funds expenditure appropriations for contingent use by the City Manager with the approval of the City Council. These contingent appropriations are distributed to other departmental appropriations and can only be transferred on an established emergency basis.

6. Formal budgetary integration is required by the City Charter as a management control device for all funds. Capital projects are budgeted on a project-length basis or remaining project-length basis. Annual budgets are adopted on a basis consistent with generally accepted accounting principles plus encumbrances except for certain transfer outs classified as expenditures.

   Annual budgets for certain proprietary funds are adopted on a basis consistent with generally accepted accounting principles except that the City includes bond proceeds, bond principal payments, and capital asset acquisitions in its annual budget and does not include depreciation expenses. Since comparative budget and actual data is not required in the basic financial statements for proprietary funds, comparative data is not presented in the City's basic financial statements.

7. All appropriations lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Supplemental budgetary appropriations were necessary during the year, and were approved through resolution by the City Council.

4. CASH AND INVESTMENTS

The City's cash and investments as of September 30, 2007, consist of the following:

Cash on hand	$ 7,107
Deposits with financial institutions	3,177,339
Certificates of deposit	21,881,000
Cash held by others	442,372
TexPool	24,720,864
	$ 50,228,682

A. Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract. Under Texas State law, a bank serving as the depository must have a bond or in lieu thereof, deposited or pledged securities with the City or independent third party agent, an amount equal to the highest daily balance of all deposits the City may have during the term of the depository contract, less an applicable federal depository insurance (FDIC). Cash held by others is subject to custodial credit risk since the amounts are not held by the City's financial institutions and are not collateralized or secured.

At September 30, 2007, the carrying amount of the City's deposits (including certificates of deposit) was $25,500,711 and the bank balance was $25,745,819. The City's deposits at September 30, 2007, and during the year then ended were fully insured by FDIC insurance or collateralized with securities pledged to the City and/or by a depository bond pledged to the City's agent in the City's name.

B. Investments

The City's investments are reported at cost, amortized cost, or fair value. Money market investments may be reported at amortized cost if the remaining maturity at time of purchase is one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Accordingly, the City's money market investments are reported at amortized cost and do not include any unrealized gains and losses. The fair value of the position in the government investment pools is the same as the value of the pool shares. With the exception of the funds held in governmental investment pools, the City's investments are insured, registered or held by the City or its agent in the City's name.

(continued)

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

The City is required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA) to adopt and implement an investment policy. That policy must address the following areas: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investments staff quality and capabilities and bid solicitation preferences for certificates of deposit. State statutes and Board policy authorize the City to invest in the following investment types meeting criteria and eligibility requirements established by Texas Government Code 2256: obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, fully collateralized repurchase agreements, a securities lending program, banker's acceptances, commercial paper, no-load money market mutual funds and no-load mutual funds, guaranteed investment contracts as an investment vehicle for bond proceeds and public funds investment pools.

The PFIA also requires the City to have independent auditors perform procedures related to investment practices as provided by the PFIA. The City is in substantial compliance with the requirements of the PFIA and with local policies.

The investment pools used by the City are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The public fund investment pools were created to provide a safe environment for the placement of local government funds in authorized short-term investments. The City's investments in investment pools are exempt from regulation by the Securities and Exchange Commission.

Texas Local Government Investment Pool (TexPool) operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's investment policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise Texpool. Financial information on Texpool can be obtained from the Internet website, www.texpool.com. TexPool uses amortized cost rather than market value to report assets to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of the shares in each pool.

(continued)

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk. In accordance with state law and the City's investment policy, investments in investment pools must be rated at least AAA or AAA-m or have an equivalent rating by at least one nationally recognized rating service while the mutual fund must have a minimum rating of A. As of September 30, 2007, TexPool was rated AAAm by Standard & Poor's. The U. S. Government Money Market Mutual Fund was rated A-1+ by Standard & Poor's.

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer, rather investments are governed by the objectives of preservation and safety principal and liquidity. In addition, the City mitigates risk by limiting investments to those allowed by the Public Funds Investment Act, avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds to one year, avoidance of over-concentration of assets in other than U. S. Treasury securities or collateralized certificates of deposit, and the liquidity risk shall be controlled by the selection of securities dealers.

Interest Rate Risk. State law does not permit investments with maturities greater than five (5) years. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the average maturity of investments to one (1) year from the time of purchase. City policy limits the maximum stated maturity of any investment to three (3) years. As of September 30, 2007, all investments held by the City have maturities of less than one (1) year.

5. PROPERTY TAX

Property taxes are assessed on the appraised value of taxable property on January 1 and levied on October 1 of the tax year. Property taxes are payable on or before January 31 following the levy date. Unpaid property taxes attach as an enforceable lien on property as of January 1. The appraisal of property values is performed by the Val Verde County Appraisal District jointly for the City and other local taxing entities. The billing and collecting of tax levies are the responsibility of the City and the other taxing entities individually.

6. CUSTOMER AND OTHER RECEIVABLE BALANCES

A. Governmental Funds

	Gross	Estimated Uncollectible	Net
General fund - fines and forfeitures	$ 1,476,820	$ 1,181,456	$ 295,364
General fund - delinquent property taxes	785,730	13,344	772,386
General fund - taxes, penalties and interest	423,704	7,196	416,508
General fund - sales taxes	832,409	-	832,409
General fund - lot clearing	421,264	379,138	42,126
General fund - miscellaneous	62,023	-	62,023
General fund - paving lien assessments	7,654	6,888	766
General fund - returned checks	5,471	-	5,471
Debt service - delinquent taxes	174,149	2,958	171,191
Debt service - taxes, penalties and interest	68,405	1,162	67,243
Other non-major governmental funds - miscellaneous	1,672	-	1,672
Interest receivable	20,215	-	20,215
Net receivables	$ 4,279,516	$ 1,592,142	$ 2,687,374

B. Enterprise Funds

	Gas System	Water System	Refuse	Wastewater	International Bridge	International Airport	Nonmajor	Total
Customer charges	$ 296,523	$ 773,245	$ 203,273	$ 403,325	$ -	$ -	$ -	$ 1,676,366
Interest	5,379	12,182	1,856	4,436	2,242	308	-	26,403
Connections and repairs	-	167,977	-	22,549	-	-	-	190,526
Unbilled charges	105,765	308,326	95,455	181,722	-	-	-	691,268
Rental	-	-	-	-	-	-	6,255	6,255
Miscellaneous	170	-	8	920	-	77,180	-	78,278
Estimated uncollectibles	(135,037)	(385,891)	(67,158)	(134,770)	-	(10,829)	(3,894)	(737,579)
Net receivables	$ 272,800	$ 875,839	$ 233,434	$ 478,182	$ 2,242	$ 66,659	$ 2,361	$ 1,931,517

7. INTERFUND RECEIVABLES AND PAYABLES

	Receivables	Payables
Governmental funds		
Major funds:		
General	$ 950,421	$ 337,020
CP streets and drainage	260,548	346,271
Nonmajor funds:		
Special revenue funds:		
MIT-5311-Grant	45,517	272,882
Women, Infants and Children	486	4,062
Nutrition/Social Services	29,134	17,083
Economic Development Administration	10,346	679
TxDot Section 5310	3,021	11,910
JARC Colonias Grant	-	5,432
Total special revenue funds	88,504	312,048
Capital projects fund:		
Police station	1,226	-
Debt service fund	18,410	3,762
Total governmental funds	1,319,109	999,101
Enterprise funds:		
Major funds		
Gas system	5,853	8,912
Water	165,996	75,056
International bridge	221,019	160,701
Refuse	405	5,250
Wastewater	19,967	484,036
International airport	1,301	6,278
Nonmajor fund:		
Municipal facilities	362	59
Total enterprise funds	414,903	740,292
Internal service funds:		
Utility billing	134,211	2,941
Fleet maintenance	19,620	134,075
Computer services	968	12,336
Total internal service funds	154,799	149,352
Agency funds:		
Brown Plaza Association	-	66
Total	$ 1,888,811	$ 1,888,811

The outstanding balances as of September 30, 2007, result mainly from short-term loans between funds which are caused by differences between the date that transactions are recorded in the accounting system and the payment between funds are made.

8. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments include:

Governmental funds:	
General fund	
Texas Department of Transportation	$ 77,322
Total general fund	77,322
Nonmajor funds:	
Special revenue funds	
Texas Department of Transportation	172,763
Texas Department of State Health Services	120,402
Total nonmajor funds	293,165
Total governmental funds	$ 370,487

9. CAPITAL ASSETS

Capital assets activity of the year ended September 30, 2007, was as follows:

	Capital Assets 09/30/06	Additions	Deletions	Adjustments	Capital Assets 09/30/07
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,178,385	$ -	$ -	$ -	$ 5,178,385
Construction in progress	8,236,256	1,882,190	(381,160)	-	9,737,286
Total capital assets not being depreciated	13,414,641	1,882,190	(381,160)	-	14,915,671
Capital assets, being depreciated:					
Buildings and building improvements	3,250,091	12,313	-	-	3,262,404
Improvements other than buildings	190,108	77,414	-	-	267,522
Machinery and equipment	8,823,731	869,857	(378,458)	-	9,315,130
Infrastructure	2,976,990	381,160	-	47,435,723	50,793,873
Total capital assets being depreciated	15,240,920	1,340,744	(378,458)	47,435,723	63,638,929
Less accumulated depreciation:					
Buildings and building improvements	1,533,774	103,336	-	-	1,637,110
Improvements other than buildings	13,565	8,812	-	-	22,377
Machinery and equipment	4,975,319	908,604	(320,901)	-	5,563,022
Infrastructure	176,750	1,278,190	-	35,429,361	36,884,301
Total accumulated depreciation	6,699,408	2,298,942	(320,901)	35,429,361	44,106,810
Total capital assets being depreciated, net	8,541,512	(958,198)	(57,557)	12,006,362	19,532,119
Total governmental activities capital assets, net	$ 21,956,153	$ 923,992	$(438,717)	$ 12,006,362	$ 34,447,790

During the fiscal year, the City implemented the retroactive reporting of infrastructure provisions required by GASB Statement No. 34. Accordingly, the historical cost and related accumulated depreciation of infrastructure assets constructed, acquired or donated prior to October 1, 2002, are included in the adjustments column above.

(continued)

9. CAPITAL ASSETS (Continued)

	Capital Assets 09/30/06	Additions	Deletions	Adjustments	Capital Assets 09/30/07
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 2,232,016	$ -	$ -	$ -	$ 2,232,016
Construction in progress	18,136,781	2,399,655	-	-	20,536,436
Total capital assets not being depreciated	20,368,797	2,399,655	-	-	22,768,452
Capital assets, being depreciated:					
Buildings	4,138,685	-	-	-	4,138,685
Improvements other than buildings	98,473,886	240,618	-	7,633,498	106,348,002
Machinery and equipment	3,822,148	249,046	(26,031)	-	4,045,163
Total capital assets being depreciated	106,434,719	489,664	(26,031)	7,633,498	114,531,850
Less accumulated depreciation:					
Buildings	2,449,588	71,359	-	-	2,520,947
Improvements other than buildings	32,032,263	2,866,291	-	(7,472,130)	27,426,424
Machinery and equipment	2,255,771	372,635	(25,327)	-	2,603,079
Total accumulated depreciation	36,737,622	3,310,285	(25,327)	(7,472,130)	32,550,450
Total capital assets being depreciated, net	69,697,097	(2,820,621)	(704)	15,105,628	81,981,400
Total business-type activities capital assets, net	$ 90,065,894	$(420,966)	$(704)	$ 15,105,628	$ 104,749,852

During the fiscal year, the City performed a physical inventory of capital assets. Consequently, the capital asset balances were adjusted to agree to the physical inventory records. The results of this adjustment are reflected in the adjustments column above.

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental activities:	
General government	$ 47,933
Public safety	575,860
Highway and streets	1,344,541
Health and welfare	199,785
Culture and recreation	56,328
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	74,495
Total depreciation expense - governmental activities	$ 2,298,942
Business-type activities:	
Gas	$ 79,198
Water	1,744,631
Wastewater	526,251
International bridge	153,981
International airport	317,378
Refuse	367,198
Municipal facilities	100,095
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	21,553
Total depreciation expense - business-type activities	$ 3,310,285

10. LONG-TERM DEBT

A. Changes in Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
Certificates of obligation	$ 15,768,036	$ 9,635,000	$ 2,060,235	$ 23,342,801	$ 1,787,419
Refunding bonds	3,295,000	425,385	475,000	3,245,385	284,068
	19,063,036	10,060,385	2,535,235	26,588,186	2,071,487
Compensated absences	1,820,234	1,208,853	1,128,810	1,900,277	580,245
Claims and judgments	472,395	171,112	531,217	112,290	112,290
Governmental activities long-term liabilities	$ 21,355,665	$ 11,440,350	$ 4,195,262	$ 28,600,753	$ 2,764,022
Business-type activities					
Bonds payable:					
Certificates of obligation	$ 24,981,964	$ 3,180,000	$ 8,490,766	$ 19,671,198	$ 1,993,582
Revenue bonds	1,294,000	-	306,000	988,000	327,000
Refunding bonds	20,295,000	7,269,616	1,105,000	26,459,616	1,235,933
	46,570,964	10,449,616	9,901,766	47,118,814	3,556,515
Compensated absences	419,238	251,725	207,080	463,883	136,942
Landfill closure	2,645,540	210,496	-	2,856,036	-
Business-type activities long-term liabilities	$ 49,635,742	$ 10,911,837	$ 10,108,846	$ 50,438,733	$ 3,693,457

B. Certificates of Obligation and Revenue Bonds

The City has issued certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation have been issued for both general government and proprietary activities. These certificates therefore are reported in both business-type activities and the governmental activities long-term debt.

(continued)

10. LONG-TERM DEBT (Continued)

B. Certificates of Obligation and Revenue Bonds (Continued)

Description	Interest Rate	Original Issue	Amounts Outstanding 09/30/06	Issued Current Year	Retired	Amounts Outstanding 09/30/07	Amounts Due Within One Year
Certificates of obligation:							
Series 1997	5.22%	$ 2,000,000	$ 1,375,000	$ -	$ 825,000	$ 550,000	$ 95,000
Series 1998	6.15%	10,000,000	900,000	-	450,000	450,000	450,000
Series 2000A	.41%	6,173,000	4,105,000	-	316,000	3,789,000	316,000
Series 2001B	4.625-5.50%	1,100,000	930,000	-	45,000	885,000	45,000
Series 2001	3.5-5.25%	6,630,000	5,585,000	-	3,365,000	2,220,000	275,000
Series 2002A	3.810-5.810%	4,970,000	4,525,000	-	3,475,000	1,050,000	130,000
Series 2002B	3.5-4.635%	5,335,000	4,195,000	-	315,000	3,880,000	325,000
Series 2002C (1)	1.15-3.95%	6,435,000	5,410,000	-	280,000	5,130,000	285,000
Series 2003A	2-5%	1,825,000	1,075,000	-	115,000	960,000	130,000
Series 2003B	2-4.25%	1,320,000	795,000	-	195,000	600,000	195,000
Series 2003C	0.85-4.45%	2,190,000	2,020,000	-	85,000	1,935,000	85,000
Series 2004	3.4-4.25%	4,870,000	4,275,000	-	300,000	3,975,000	280,000
Series 2005	3-4.25%	5,885,000	5,565,000	-	310,000	5,255,000	325,000
Series 2006	4%-4.125%	8,000,000	-	8,000,000	480,000	7,520,000	415,000
Series 2007	4%-4.5%	4,815,000	-	4,815,000	-	4,815,000	430,000
Revenue bonds:							
Series 1990	7.79%	6,150,000	540,000	-	260,000	280,000	280,000
Series 1995	8.06%	502,000	322,000	-	25,000	297,000	25,000
Series 2000	5.58%	533,000	432,000	-	21,000	411,000	22,000
Refunding bonds:							
Series 1994	3-5.6%	2,980,000	675,000	-	330,000	345,000	345,000
Advance refunding:							
Series 2001	6.25%	5,400,000	4,050,000	-	270,000	3,780,000	270,000
Series 2002	3-4.125%	7,795,000	6,250,000	-	815,000	5,435,000	675,000
Series 2002	3-3.75%	1,885,000	1,885,000	-	-	1,885,000	55,000
Series 2003	3-4%	4,190,000	3,950,000	-	85,000	3,865,000	95,000
Series 2005	3-4.25%	6,780,000	6,780,000	-	80,000	6,700,000	80,000
Series 2007	4%-4.45%	7,695,000	-	7,695,000	-	7,695,000	-
Total			$ 65,639,000	$ 20,510,000	$ 12,442,000	$ 73,707,000	$ 5,628,000

(1) There is a difference of $548,000 between the Certificate of Obligation Amortization schedule and this schedule representing bond proceeds not yet drawn down from TWDB.

(continued)

10. LONG-TERM DEBT (Continued)

C. Advance Refundings

During the fiscal year, the City issued $7,695,000 of general obligation refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $674,541 of governmental activities certificates of obligation and $6,510,459 of business-type activities certificates of obligation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by $517,695. This amount is being netted against the new debt and is being amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by $350,387 and resulted in an economic gain of $287,462.

In prior years, the City defeased certain certificates of obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On September 30, 2007, $16,875,000 of bonds defeased in prior years remained outstanding.

D. There are a number of limitations and restrictions contained in the bond indentures for the Certificates of Obligation, Revenue, and Refunding Bonds and City ordinances authorizing the bond indentures. The City is in compliance with all significant debt limitations and restrictions.

E. The annual requirements to amortize the bonds outstanding as of September 30, 2007, are as follows:

Certificates of Obligation:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2008	$ 1,787,419	$ 962,580	$ 1,993,582	$ 648,577
2009	1,865,006	886,832	1,590,995	569,178
2010	1,737,592	816,465	1,638,408	520,516
2011	1,484,316	749,583	1,447,684	468,235
2012	1,481,903	692,061	1,490,094	423,902
2013-2017	7,246,565	2,503,905	6,023,435	1,486,159
2018-2022	4,505,000	1,258,110	4,840,000	714,303
2023-2027	3,235,000	360,824	1,195,000	113,196
Total	$ 23,342,801	$ 8,230,360	$ 20,219,198	$ 4,944,066

(continued)

10. LONG-TERM DEBT (Continued)

Revenue Bonds:

Year Ending September 30,	Business-type Activities Principal	Business-type Activities Interest
2008	$ 327,000	$ 64,959
2009	48,000	41,138
2010	55,000	38,239
2011	61,000	34,877
2012	62,000	31,102
2013-2017	311,000	91,288
2018-2022	124,000	15,606
Total	$ 988,000	$ 317,209

Refunding Bonds:

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2008	$ 284,068	$ 125,488	$ 1,235,932	$ 863,818
2009	286,009	114,077	2,098,991	817,999
2010	306,009	102,971	2,153,991	760,443
2011	346,009	89,952	2,323,991	698,049
2012	371,009	74,802	2,403,991	625,605
2013-2017	1,317,048	162,427	9,832,952	2,009,876
2018-2022	335,233	36,337	4,779,768	746,795
2023-2027	-	-	1,630,000	226,575
Total	$ 3,245,385	$ 706,054	$ 26,459,616	$ 6,749,160

F. Accrued Compensated Absences

For the governmental activities, claims and judgments are generally liquidated by the General Fund. Compensated absences are generally liquidated by the General Fund, the MIT-5311 Grant Fund, the Women, Infants and Children Fund, the Nutrition/Social Services Fund and the Economic Development Administration Fund.

(continued)

10. LONG-TERM DEBT (Continued)

G. Landfill Closure and Postclosure Care Costs

The City currently operates one active landfill site. State and federal laws and regulations require the City to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid only near or after the date that a landfill site stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date. The $2,856,036 reported as landfill closure and postclosure liabilities at September 30, 2007, represents the cumulative amount reported to that date based on the use of 59 percent of the estimated capacity of the operating landfill. The City will recognize the remaining estimated cost of closure and postclosure care of approximately $1,945,373 for the operating landfill as the remaining estimated capacity is filled. The remaining life of the landfill is 12.4 years. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. Based on current demographic information and engineering estimates of landfill consumption, the City expects to close the landfill in approximately 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

11. PENSION PLAN

A. Plan Description

The City provides pension benefits for all of its fulltime employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), one of 821 currently administered by TMRS, an agent multiple-employer public employee retirement system.

B. Benefits

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

(continued)

11. PENSION PLAN (Continued)

B. Benefits (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit Rate:	**5%**
Matching Ratio (City to Employee):	**1 to 1**
A member is vested after	**5 years**

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: **5 yrs/age 60, 20 yrs/any age**

C. Contributions

Under the state law governing TMRS, the actuary annual determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2006 valuation is effective for rates beginning January 2008).

Schedule of Actuarial Liabilities and Funding Progress

Actual Valuation Date	12/31/06	12/31/05
Actuarial value of assets	$ 1,862,626	$ 367,357
Actuarial accrued liability	10,284,435	8,140,368
Unfunded (overfunded) actuarial accrued liability (UAAL)	8,421,809	7,773,011
Funded ratio	18.11%	4.51%
Annual covered payroll	12,459,374	11,690,364
UAAL as a percentage of covered payroll	67.59%	66.49%

Annual Pension Cost

Fiscal year ending	09/30/06	09/30/05
Annual pension cost (APC)	$ 898,633	$ 898,265
Percentage of APC contributed	100.00%	100.00%
Net pension obligation	-	-

(continued)

11. PENSION PLAN (Continued)

C. Contributions (Continued)

General System-wide Actuarial Assumptions

Actuarial Cost Method	-	Unit Credit
Amortization Method	-	Level Percent of Payroll
Remaining Amortization Period	-	25 Years - Open Period
Asset Valuation Method	-	Amortized Cost (to accurately reflect the requirements of GASB Statement No. 25, paragraphs 36e and 138)
Investment Rate of Return	-	7%
Projected Salary Increases	-	None
Includes Inflation at	-	3.5%
Cost-of-living Adjustments	-	None

In addition to the general system-wide assumptions stated above, the following actuarial assumptions were used for the City:

Payroll growth assumption	=	3%
Remaining amortization period	=	25years
Withdrawal rates (low, mid or high) for Male/Female	=	Low/low

Del Rio is one of 821 municipalities having their benefit plan administered by TMRS. Each of the 821 municipalities has an accrual, individual actuarial valuation performed. All assumptions for the December 31, 2006, valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin, Texas 78714-9153.

12. POST-EMPLOYMENT BENEFITS

The City provides post-retirement group medical insurance coverage for eligible retirees. The City will be responsible for the entire cost of these post-retirement benefits. The original eligibility requirements were:

- Retired on or after February 14, 2002;
- Must be at least 62 years of age and have 25 years of service with the City at the time of retirement, or any combination of age and years of service that equal the benchmark figure of 87; and
- Retirees will only be eligible for group coverage until the age of 65 or when the retiree becomes eligible for Medicare, Medicaid, or becomes a Social Security recipient.

On April 12, 2005, the City revised the requirements to allow employees retiring prior to December 31, 2005, at least 55 years of age and 25 years of service with the City at the time of retirement, or any combination of age and years of service that equal the benchmark figure of 80, to be eligible for post-employment benefits.

(continued)

12. POST-EMPLOYMENT BENEFITS (Continued)

Currently, 9 retirees meet the eligibility requirements. Expenditures for the post-retirement health care benefits are recognized as retirees report claims. During the year, expenditures of $30,173 were incurred for post-retirement health care.

13. RESTATEMENT OF BEGINNING EQUITY

During the year, the City performed a physical inventory of capital assets. Consequently, the capital asset balances were adjusted to agree to the physical inventory records. The effects of these adjustments on beginning equity are provided below:

	Gas System Fund	Water System Fund	Wastewater Fund	Governmental Activities	Business-type Activities
Equity, October 1, 2006	$ 3,809,228	$ 36,315,517	$ 5,707,571	$ 19,492,890	$ 64,813,564
Capital asset adjustment	(291,893)	8,661,790	6,735,733	12,006,362	15,105,630
Equity, October 1, 2006, restated	$ 3,517,335	$ 44,977,307	$ 12,443,304	$ 31,499,252	$ 79,919,194

14. EXPENDITURES IN EXCESS OF APPROPRIATIONS

Departmental expenditures exceeded appropriations as follows:

	Appropriations	Expenditures	Excess Expenditures
General fund			
General government			
City secretary	$ 143,016	$ 144,689	$(1,673)
Municipal court	450,787	472,570	(21,783)
Public safety			
Police - patrol	6,095,744	6,121,015	(25,271)
Community health	456,061	456,674	(613)
Highways and streets			
Traffic control	573,308	588,117	(14,809)
Economic development			
Mainstreet project	-	711	(711)
Special revenue funds			
General government			
Room tax	383,400	383,676	(276)
Debt service fund	2,739,613	2,740,425	(812)
Enterprise funds			
International bridge	973,534	997,275	(23,741)
Internal service fund			
Health claims self-insurance	1,179,227	1,479,112	(299,885)

15. TRANSFERS

	Transfers in	Transfers out
General fund	$ 5,821,266	$ 2,369,865
Nonmajor funds		
Special revenue funds		
Nutrition/social services	11,802	-
Room tax	-	255,785
Loan repayment	-	86,681
EDA	129,772	-
Safe Routes to School	-	16,200
Total special revenue funds	141,574	358,666
Debt service fund	1,831,666	-
Capital projects funds		
Animal shelter	18,924	-
Fire station	-	50,000
Total capital projects funds	18,924	50,000
Total nonmajor funds	1,992,164	408,666
Total governmental funds	7,813,430	2,778,531
Enterprise funds		
Gas system	-	1,100,000
International bridge	-	4,294,885
International airport	189,465	-
Refuse	-	330,000
Nonmajor enterprise funds:		
Municipal facilities	500,521	-
Total enterprise funds	689,986	5,724,885
Total transfers	$ 8,503,416	$ 8,503,416

The City of Del Rio made significant transfers from the Enterprise Funds to the General Fund to subsidize the operations of general government functions. Conversely, the General Fund contributed to the operations of various programs accounted for as Special Revenue Funds and transfers to subsidize the Airport Fund and Municipal Facilities Fund.

16. DEFICIT NET ASSETS AND DEFICIT FUND BALANCES

The following funds have deficit net assets or fund balances:

Special revenue funds	
MIT-5311 Grant	$ 126,810
JARC Colonias Grant	5,432
Enterprise fund	
Refuse fund	955,114
Internal service fund	
Fleet maintenance	179,439

The MIT-5311 Grant Fund deficit is expected to be recovered from non-federal revenues (passenger fares) in future periods.

The Refuse Fund deficit net assets results from estimated costs related to the landfill closure and post closure costs. All deficits will be reduced in future years by subsidies from the General Fund and/or increases in rates to meet budgeted expenditures for landfill improvements.

The Fleet Maintenance Fund deficit is due to increased costs of repair and maintenance in excess of calculated expected billings and the effect of depreciation.

17. GENERAL FUND – DESIGNATED FUND BALANCE

The City has designated a portion of its General Fund fund balance in accordance with Ordinance 2001-02 and various other ordinances. These ordinances require that certain toll bridge increases be transferred to the General Fund. The designated net assets at September 30, 2007, are as follows:

Designated net assets from bridge toll increases:	
Streets and drainage	$ 3,038,281
General fund	762,946
Public safety	288,793
Bridge	1,363,638
Total designated net assets from bridge toll increases	5,453,658
Designated net assets for future personnel costs	102,699
Total designated net assets	$ 5,556,357

18. COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The total contractual commitment for construction in progress by project at September 30, 2007, is as follows:

Fund and Project Description	Commitments
General government	
Police station	$ 66,100
Total general government	66,100
Enterprise funds	
Water system	
Water plant projects	190,384
Total enterprise funds	190,384

B. Contingent Liabilities

The City has received significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material adverse effect on the City's financial position at September 30, 2007.

C. Litigation

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 counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

19. RISK MANAGEMENT

A. Workers' Compensation, Tort Claims and Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for these risk management operations in its General Fund.

(continued)

19. RISK MANAGEMENT (Continued)

A. Workers' Compensation, Tort Claims and Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool Insurance Program. The City is a member of the Texas Municipal League (TML), an unincorporated association of political subdivisions of the State of Texas. The TML is not intended to operate as an insurance company, but rather is intended to be a contracting mechanism, which the City, as a member, utilizes to administer its self-insurance program. Under this program, the City retains risk for up to a maximum of $25,000 for each workers' compensation claim, $1,000 for each general liability claim, $5,000 for each property damage claim, $2,500 for law enforcement liability, $2,500 for errors and omissions liability, $10,000 for each property damage claim, $500 for automobile physical damage, $1,000 for each automobile liability claim, $5,000 for public employee dishonesty loss, and $500 for mobile equipment loss. The City purchases TML insurance for claims in excess of coverage provided by the City and for all other risks of loss. Settled claims have not exceeded this TML coverage in any of the past five (5) fiscal years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At September 30, 2007, the amount of these liabilities was $112,290. This liability, which is recorded as long-term debt, is the City's best estimate based on available information. Changes in the reported liability since October 1, 2004, resulted from the following:

	Workers' Compensation Claims			
	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end
2004 - 2005	$ 124,833	$ 189,227	$(211,891)	$ 102,169
2005 - 2006	102,169	204,854	(184,628)	122,395
2006 - 2007	122,395	171,112	(181,217)	112,290

	Tort Claims			
	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments and Changes in Estimates	Balance at Fiscal Year-end
2004 - 2005	$ 350,000	$ -	$ -	$ 350,000
2005 - 2006	350,000	-	-	350,000
2006 - 2007	350,000	-	(350,000)	-

(continued)

19. RISK MANAGEMENT (Continued)

B. Health Insurance

The City has established the Health Claims Self-insurance Fund, an internal service fund, to account for and finance its uninsured risk of loss from health claims of eligible City employees, their spouses and dependents. Under this program, the City provides coverage for up to a maximum of $45,000 per claimant per year. The City purchases health insurance from a private carrier for claims in excess of coverage provided by the Fund.

All funds of the City participate in these programs and make payments to the Self-insurance Fund based on management's estimates of the amounts needed to pay current year claims. The claims liabilities of $60,908 for the Health Claims Self-insurance Fund are based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Health insurance claims are not considered long-term liabilities and, accordingly, are not included in the changes in long-term debt disclosure in Note 10.

Change in claims payable for the last two years were as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-end	Amount Due Within One Year
2005 - 2006	$ 94,619	$ 716,968	$(771,777)	$ 39,810	$ 39,810
2006 - 2007	39,810	1,180,189	1,159,091	60,908	60,908

REQUIRED
SUPPLEMENTARY INFORMATION

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GENERAL FUND

The ***General Fund*** is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund and its resources finance a wider range of activities. The resources of the General Fund are generally expended and replenished on an annual basis.

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 10,270,614	$ 10,440,255	$ 10,411,579	$(28,676)
Fines and forfeitures	734,705	741,924	708,683	(33,241)
Charges for services	990,325	906,717	930,600	23,883
Licenses and permits	429,000	505,848	512,538	6,690
Intergovernmental	89,857	192,346	188,483	(3,863)
Investment income	375,000	475,000	490,733	15,733
Rental	26,000	29,000	42,133	13,133
Miscellaneous	22,609	51,722	60,862	9,140
Total revenues	12,938,110	13,342,812	13,345,611	2,799
EXPENDITURES				
Current expenditures:				
General government	4,076,096	4,341,739	4,124,814	216,925
Public safety	9,045,167	9,166,854	9,159,900	6,954
Highways and streets	1,721,422	1,710,187	1,678,795	31,392
Culture and recreation	1,302,137	1,360,099	1,314,037	46,062
Economic development	-	-	711	(711)
Debt service:				
Bond issuance costs	-	72,954	65,398	7,556
Capital outlay	4,752,433	2,026,241	1,738,526	287,715
Total expenditures	20,897,255	18,678,074	18,082,181	595,893
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,959,145)	(5,335,262)	(4,736,570)	598,692
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	4,710,000	2,308,822	2,308,822	-
Payment to refunded bond escrow agent	-	(422,435)	(422,055)	380
Transfers in	5,724,885	5,821,266	5,821,266	-
Transfers out	(2,249,732)	(2,322,805)	(2,369,865)	(47,060)
Premium on issuance of debt	-	3,398	3,398	-
Bond discount	-	(6,476)	(7,012)	(536)
Proceeds from sale of capital assets	15,000	56,191	56,191	-
Total other financing sources (uses)	8,200,153	5,437,961	5,390,745	(47,216)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	$ 241,008	$ 102,699	$ 654,175	$ 551,476
ADD CURRENT YEAR ENCUMBRANCES			1,049,716	
LESS PRIOR YEAR ENCUMBRANCES			(178,163)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)			1,525,728	
FUND BALANCE, BEGINNING			8,342,521	
FUND BALANCE, ENDING			$ 9,868,249	

SUMMARY OF BUDGET AND BUDGETARY BASIS OF ACCOUNTING

Budgets and Budgetary Accounting

Formal budgetary integration is required by the City Charter as a management control device. An annual budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles except for the recognition of encumbrances as expenditures.

All appropriations lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered. Supplemental budgetary appropriations were necessary during the year, and were approved through resolution by the City Council. Amounts budgeted for other financing uses are included in budget amounts.

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES COMPARED TO BUDGET

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	$ 3,498,340	$ 3,486,615	$(11,725)
Sales	4,982,658	4,967,765	(14,893)
Franchise	1,719,298	1,712,242	(7,056)
Attorneys fees	74,300	76,431	2,131
Penalty and interest	118,314	121,181	2,867
Mixed beverage	47,345	47,345	-
Total taxes	10,440,255	10,411,579	(28,676)
Fines and forfeitures:			
Municipal court	351,000	343,554	(7,446)
State violation fines	355,924	331,533	(24,391)
Dog pound	8,000	6,891	(1,109)
Time payment fee	27,000	26,705	(295)
Total fines and forfeitures	741,924	708,683	(33,241)
Charges for services:			
Xerox use fees	2,000	1,263	(737)
Sale of maps and documents	11,200	12,525	1,325
Sale of plastic protectors	1,275	1,485	210
Police services and fees	26,850	26,098	(752)
Street cut repairs	3,100	2,899	(201)
Street sign and striping	2,900	2,827	(73)
Street heavy equipment	400,000	395,202	(4,798)
New paving	1,000	885	(115)
Demolition and lot clearing	20,300	20,245	(55)
Vital statistics	101,600	108,448	6,848
Concession stand income	500	-	(500)
Buena Vista Pool	21,195	21,145	(50)
Moore Park Pool	22,758	22,758	-
Recreational uses	18,000	17,724	(276)
Field light usage	1,000	1,210	210
Adopt A Pet program fee	1,900	1,930	30
Miscellaneous park and recreation	3,800	4,229	429
Inter-administration services	51,074	47,393	(3,681)
Inter-service charges	29,396	29,421	25
Indirect cost - WIC	21,869	23,404	1,535
Inter-administration purchasing	165,000	189,509	24,509
Total charges for services	906,717	930,600	23,883

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES COMPARED TO BUDGET

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES (Continued)			
Licenses and permits:			
Building permits	$ 246,000	$ 247,109	$ 1,109
Electrical permits	51,400	53,544	2,144
Plumbing permits	53,700	56,303	2,603
Other permits	42,148	42,148	-
Health permits	33,000	31,658	(1,342)
Garage sale permits	18,100	19,575	1,475
Mechanical permits	20,000	21,398	1,398
Professional and occupation licenses	15,000	14,683	(317)
Zoning permits	12,000	13,025	1,025
Plan and specification	12,000	11,645	(355)
Gas permits	2,000	1,450	(550)
Sewage removal license	500	-	(500)
Total licenses and permits	505,848	512,538	6,690
Intergovernmental:			
Auto theft grant	107,569	103,494	(4,075)
STEP Wave grant	48,769	48,560	(209)
Val Verde County - 911 operations	25,000	26,754	1,754
Other	11,008	9,675	(1,333)
Total intergovernmental	192,346	188,483	(3,863)
Investment income	475,000	490,733	15,733
Rental:			
Pavilion rentals	4,000	4,137	137
Other rentals	25,000	37,996	12,996
	29,000	42,133	13,133
Miscellaneous:			
Miscellaneous donations	10,109	10,330	221
Tom Romanelli memorial	4,080	4,140	60
Cash over and short	-	6,130	6,130
Property tax overpayments	-	1,109	1,109
Vending machine income	100	100	-
Return check fees	2,000	865	(1,135)
Miscellaneous income	35,433	38,188	2,755
Total miscellaneous	51,722	60,862	9,140
Total revenues	$ 13,342,812	$ 13,345,611	$ 2,799

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES			
GENERAL GOVERNMENT			
City council:			
Personnel services	$ 19,424	$ 17,489	$ 1,935
Supplies	9,277	7,794	1,483
Contractual services and other costs	93,700	90,382	3,318
Capital outlay	110	110	-
Intergovernmental	80,360	76,045	4,315
Total City council	202,871	191,820	11,051
City attorney:			
Personnel services	168,712	167,750	962
Supplies	3,894	3,082	812
Contractual services and other costs	412,631	379,423	33,208
Total City attorney	585,237	550,255	34,982
City manager:			
City manager:			
Personnel services	489,027	463,096	25,931
Supplies	20,923	20,637	286
Contractual services and other costs	85,490	77,933	7,557
Capital outlay	8,789	8,742	47
Reserves	1,986	-	1,986
Total City manager	606,215	570,408	35,807
Marketing/promo:			
Contractual services and other costs	6,500	6,419	81
Total marketing/promo	6,500	6,419	81
City hall maintenance:			
Supplies	22,506	10,974	11,532
Contractual services and other costs	8,600	5,082	3,518
Total City hall maintenance	31,106	16,056	15,050
Total City manager	643,821	592,883	50,938
City secretary:			
Personnel services	104,622	106,061	(1,439)
Supplies	9,767	9,024	743
Contractual services and other costs	26,413	27,390	(977)
Capital outlay	2,214	2,214	-
Total City secretary	143,016	144,689	(1,673)

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
GENERAL GOVERNMENT (Continued)			
Municipal court:			
Personnel services	$ 169,735	$ 167,688	$ 2,047
Supplies	3,885	1,477	2,408
Contractual services and other costs	277,167	303,405	(26,238)
Total municipal court	450,787	472,570	(21,783)
Code compliance:			
Code compliance:			
Personnel services	324,366	314,422	9,944
Supplies	14,513	15,050	(537)
Contractual services and other costs	51,036	52,298	(1,262)
Capital outlay	3,250	1,576	1,674
Total code compliance	393,165	383,346	9,819
Grant writing:			
Personnel services	80,293	80,853	(560)
Supplies	2,517	50	2,467
Contractual services and other costs	4,080	1,595	2,485
Total grant writing	86,890	82,498	4,392
Total code compliance	480,055	465,844	14,211
Engineering:			
Engineering:			
Personnel services	241,502	240,190	1,312
Supplies	10,867	10,461	406
Contractual services and other costs	50,109	40,228	9,881
Total engineering	302,478	290,879	11,599
GIS:			
Personnel services	43,441	37,056	6,385
Supplies	5,616	4,041	1,575
Contractual services and other costs	32,861	32,830	31
Capital outlay	18,000	17,996	4
Total GIS	99,918	91,923	7,995
Total engineering	402,396	382,802	19,594

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
GENERAL GOVERNMENT (Continued)			
Personnel:			
Personnel:			
Personnel services	$ 128,658	$ 124,734	$ 3,924
Supplies	37,992	30,432	7,560
Contractual services and other costs	120,680	85,818	34,862
Capital outlay	18,098	15,410	2,688
Total personnel	305,428	256,394	49,034
Civil service:			
Personnel services	4,002	3,886	116
Total civil service	4,002	3,886	116
Total personnel	309,430	260,280	49,150
Finance department:			
Finance:			
Personnel services	206,006	194,388	11,618
Supplies	9,862	7,947	1,915
Contractual services and other costs	58,865	57,287	1,578
Capital outlay	260	442	(182)
Total finance	274,993	260,064	14,929
Accounting:			
Personnel services	252,504	248,116	4,388
Supplies	4,472	4,403	69
Contractual services and other costs	24,231	20,887	3,344
Capital outlay	4,806	4,414	392
Total accounting	286,013	277,820	8,193
Tax:			
Personnel services	100,570	99,380	1,190
Supplies	5,560	3,667	1,893
Contractual services and other costs	235,420	225,380	10,040
Total tax	341,550	328,427	13,123

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
GENERAL GOVERNMENT (Continued)			
Operations:			
Personnel services	$ 42,141	$ 22,532	$ 19,609
Supplies	758	474	284
Contractual services and other costs	8,290	5,274	3,016
Capital outlay	500	500	-
Total operations	51,689	28,780	22,909
Central purchasing:			
Personnel services	171,679	170,913	766
Supplies	6,481	2,631	3,850
Contractual services and other costs	47,748	46,440	1,308
Total central purchasing	225,908	219,984	5,924
Total finance	1,180,153	1,115,075	65,078
Total general government	4,397,766	4,176,218	221,548
CULTURE AND RECREATION			
Parks and recreation:			
Parks:			
Personnel services	532,466	537,306	(4,840)
Supplies	89,823	85,400	4,423
Contractual services and other costs	317,762	340,198	(22,436)
Debt service	17,726	17,285	441
Capital outlay	334,906	221,101	113,805
Total parks	1,292,683	1,201,290	91,393
Recreation:			
Personnel services	128,698	82,974	45,724
Supplies	23,355	22,577	778
Contractual services and other costs	19,942	19,058	884
Capital outlay	75,000	-	75,000
Total recreation	246,995	124,609	122,386
Facility maintenance:			
Personnel services	218,271	201,464	16,807
Supplies	15,460	15,649	(189)
Contractual services and other costs	14,322	9,411	4,911
Total facility maintenance	248,053	226,524	21,529
Total parks and recreation	1,787,731	1,552,423	235,308
Total culture and recreation	1,787,731	1,552,423	235,308

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
PUBLIC SAFETY			
Police:			
Patrol:			
Personnel services	$ 4,297,797	$ 4,342,862	$(45,065)
Supplies	245,228	246,318	(1,090)
Contractual services and other costs	377,012	377,893	(881)
Debt service	45,840	39,442	6,398
Capital outlay	1,129,867	1,114,500	15,367
Total patrol	6,095,744	6,121,015	(25,271)
Auto theft:			
Personnel services	54,523	53,442	1,081
Supplies	3,900	2,447	1,453
Contractual services and other costs	14,650	10,860	3,790
Capital outlay	53,270	51,834	1,436
Total auto theft	126,343	118,583	7,760
Bullet-proof vest program:			
Supplies	11,916	9,634	2,282
Total bullet-proof vest program	11,916	9,634	2,282
STEP Wave program:			
Personnel services	49,322	49,053	269
Contractual services and other costs	4,865	4,629	236
Total STEP Wave program	54,187	53,682	505
Police training academy:			
Personnel services	123,173	122,649	524
Supplies	13,120	10,607	2,513
Contractual services and other costs	41,135	41,629	(494)
Total police training academy	177,428	174,885	2,543
Total police	6,465,618	6,477,799	(12,181)

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
PUBLIC SAFETY (Continued)			
Fire:			
Fire:			
Personnel services	$ 3,041,315	$ 3,008,781	$ 32,534
Supplies	113,932	114,390	(458)
Contractual services and other costs	263,043	282,320	(19,277)
Capital outlay	24,702	24,501	201
Total fire	3,442,992	3,429,992	13,000
Emergency management:			
Supplies	3,553	1,098	2,455
Contractual services and other costs	5,525	3,722	1,803
Capital outlay	46,381	-	46,381
Total emergency management	55,459	4,820	50,639
Fire station - airport:			
Supplies	20,304	17,830	2,474
Contractual services and other costs	28,480	4,870	23,610
Capital outlay	16,970	2,890	14,080
Total fire station - airport	65,754	25,590	40,164
Total fire	3,564,205	3,460,402	103,803
Community health:			
Personnel services	327,021	326,385	636
Supplies	54,087	54,368	(281)
Contractual services and other costs	72,953	74,113	(1,160)
Capital outlay	2,000	1,808	192
Total community health	456,061	456,674	(613)
Total public safety	10,485,884	10,394,875	91,009
HIGHWAYS AND STREETS			
Streets and drainage:			
Streets and drainage:			
Personnel services	599,496	600,915	(1,419)
Supplies	215,080	176,511	38,569
Contractual services and other costs	241,899	224,804	17,095
Debt service	9,388	8,671	717
Capital outlay	252,300	257,851	(5,551)
Total streets and drainage	1,318,163	1,268,752	49,411

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED TO BUDGET
(NON-GAAP BUDGETARY BASIS)

GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)			
HIGHWAYS AND STREETS (Continued)			
Streets reclaiming:			
Personnel services	$ 87,402	$ 74,595	$ 12,807
Contractual services and other costs	1,465	1,201	264
Total streets reclaiming	88,867	75,796	13,071
Traffic control:			
Personnel services	135,821	135,038	783
Supplies	78,231	55,727	22,504
Contractual services and other costs	346,256	384,898	(38,642)
Capital outlay	13,000	12,454	546
Total traffic control	573,308	588,117	(14,809)
Communication systems:			
Personnel services	20,698	19,821	877
Supplies	894	752	142
Contractual services and other costs	4,578	4,533	45
Capital outlay	185	183	2
Total communication systems	26,355	25,289	1,066
Total streets and drainage	2,006,693	1,957,954	48,739
Total highways and streets	2,006,693	1,957,954	48,739
ECONOMIC DEVELOPMENT			
Mainstreet project:			
Personnel services	-	55	(55)
Contractual services and other costs	-	656	(656)
Total mainstreet project	-	711	(711)
Total economic development	-	711	(711)
Total expenditures	$ 18,678,074	$ 18,082,181	$ 595,893

CITY OF DEL RIO, TEXAS

SCHEDULE OF OTHER FINANCING SOURCES (USES) COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES AND USES			
Other financing sources:			
Proceeds from sale of capital assets	$ 56,191	$ 56,191	$ -
Proceeds from bonds	2,308,822	2,308,822	-
Premium on issuance of debt	3,398	3,398	-
Transfers in:			
Gas System	1,100,000	1,100,000	-
International Bridge	4,294,885	4,294,885	-
Safe Routes to School	16,200	16,200	-
Fire Station	50,000	50,000	-
Loan Repayment	30,181	30,181	-
Refuse	330,000	330,000	-
Total transfers in	5,821,266	5,821,266	-
Total other financing sources	8,189,677	8,189,677	-
Other financiang uses:			
Bond discount	6,476	7,012	(536)
Payment to refunded bond escrow agent	422,435	422,055	380
Transfers out:			
Nutrition and social services	11,802	11,802	-
Economic	129,772	129,772	-
Debt service	1,528,821	1,575,881	(47,060)
International airport	189,465	189,465	-
Animal Shelter	18,924	18,924	-
Facilities	444,021	444,021	-
Total transfers out	2,322,805	2,369,865	(47,060)
Total other financing uses	2,751,716	2,798,932	(47,216)
Total other financing sources and uses	$ 5,437,961	$ 5,390,745	$(47,216)

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NONMAJOR
GOVERNMENTAL FUNDS

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CITY OF DEL RIO, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments	$ 381,548	$ 1,294,700	$ 6,669,521	$ 8,345,769
Receivables, net of allowance	1,665	238,441	10,654	250,760
Due from other funds	88,504	18,410	1,226	108,140
Intergovernmental receivables	293,165	-	-	293,165
Total assets	$ 764,882	$ 1,551,551	$ 6,681,401	$ 8,997,834
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 87,000	$ -	$ 46,833	$ 133,833
Accrued payroll	33,256	-	-	33,256
Due to other governments	1,652	-	95,606	97,258
Due to other funds	312,048	3,762	-	315,810
Deposits	500	-	-	500
Accrued interest payable	-	20,570	-	20,570
Deferred revenue	-	238,435	-	238,435
Total liabilities	434,456	262,767	142,439	839,662
Fund balances:				
Reserved for:				
Encumbrances	237,329	-	-	237,329
Unreserved, reported in:				
Capital projects funds	-	-	6,538,962	6,538,962
Debt service fund	-	1,288,784	-	1,288,784
Special revenue funds	93,097	-	-	93,097
Total fund balances	330,426	1,288,784	6,538,962	8,158,172
Total liabilities and fund balances	$ 764,882	$ 1,551,551	$ 6,681,401	$ 8,997,834

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Taxes	$ 639,462	$ 1,183,380	$ -	$ 1,822,842
Intergovernmental	1,355,578	-	116,258	1,471,836
Charges for services	251,962	-	-	251,962
Investment earnings	13,466	65,666	359,099	438,231
Rental	34,888	-	-	34,888
Miscellaneous	12,988	-	-	12,988
Total revenues	2,308,344	1,249,046	475,357	4,032,747
EXPENDITURES				
Current:				
General government	383,676	-	-	383,676
Public safety	1,390	-	-	1,390
Economic development	104,242	-	-	104,242
Health and welfare	1,752,965	-	-	1,752,965
Debt service:				
Interest and fiscal charges	-	879,729	-	879,729
Principal retirement	-	1,860,695	-	1,860,695
Bond issuance costs	-	-	97,665	97,665
Capital outlay	20,729	-	1,094,414	1,115,143
Total expenditures	2,263,002	2,740,424	1,192,079	6,195,505
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	45,342	(1,491,378)	(716,722)	(2,162,758)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	-	-	4,021,563	4,021,563
Premium on issuance of debt	-	-	17,113	17,113
Transfers in	141,574	1,831,666	18,924	1,992,164
Transfers out	(358,666)	-	(50,000)	(408,666)
Total other financing sources (uses)	(217,092)	1,831,666	4,007,600	5,622,174
NET CHANGE IN FUND BALANCES	(171,750)	340,288	3,290,878	3,459,416
FUND BALANCES, BEGINNING	502,176	948,496	3,248,084	4,698,756
FUND BALANCES, ENDING	$ 330,426	$ 1,288,784	$ 6,538,962	$ 8,158,172

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specified purposes.

The ***MIT-5311 Grant Fund*** is used to account for funds received from the Texas Department of Transportation through the Section 5311 Grant Program. The City of Del Rio operates and maintains a public transportation center by utilizing grant funds. These funds originally provided for the renovation and expansion of the existing Southern Pacific Depot in order to create a multi-model transportation center. The current center (which opened in November 1994) presently houses Kerrville Bus Lines, Amtrak Services, and the City of Del Rio Transportation Department. Presently, the City of Del Rio Transportation Department provided transportation services to individuals of the community that are generally categorized as being physically impaired, minority, elderly, or low income.

The ***Women, Infants and Children Fund*** is used to account for the cost reimbursement program funded by the U. S. D. A. and the Texas Department of State Health Services and the City of Del Rio through the Val Verde County Health Department. Under the program, the City provides special supplemental food and nutrition education to qualified recipients.

The ***Nutrition and Social Services Fund*** is used to account for a 90% federal – 10% local matching grant program. The program provides nutritious meals in a group and home setting, encourages social interaction and makes needed supportive services available to participants. Qualifying participants are over age 60 and low income.

The ***Room Tax Fund*** is used to account to account for revenues received from the City's hotels and motels occupancy tax. This tax is at the rate of 7% of gross receipts and is restricted in use by state law and by City ordinance. Ordinance 83-48 specifies how revenues will be expended.

The ***Loan Repayment Fund*** is currently being used to account for funds for contract #705512 funded by the Office of Rural Community Affairs. Revolving loan funds are utilized to provide first time water and sewer services, streets and electricity for the Villarreal sub-division and infrastructure improvements in support of new economic development in the City.

The ***Property and Forfeiture Fund*** is used to account for property seized during police operations against illegal activities. Seized property is held by and accounted for in this fund, pending final determination of related alleged illegal acts.

The ***Law Enforcement Employee Continuing Education Fund*** is used to account for funds received from Texas State Comptroller as per Senate Bill 1135 passed in 1991. The funds are used to augment training and acquisition of equipment for police officers' training.

The ***TxDot VCR Grant Fund*** is used to account for funds received to purchase capital assets for the provisions of transportation services. This grant enhances funds provided through other Texas Department of Transportation grants.

The ***TxDot Section 5310 Fund*** is used to account for certain funds received from the Texas Department of Transportation. The purpose of the grant is to provide funds for preventive maintenance cost associated with Elderly and Disabled Transportation in Val Verde County. The Section 5310 Grant provides this funding for the vehicles utilized in the Section 5311 Grant, which provides elderly and disabled transportation to the citizens of Val Verde County.

The ***EDA Fund*** is used to account for funds received from the U. S. Department of Commerce Economic Development Administration. The funds were used for consultant services. The consultant was to develop an economic strategies plan for the City.

The ***Safe Routes to School Fund*** is used to account for sidewalk improvements for five schools within the San Felipe Del Rio Consolidated Independent School District. It is to be funded by a federal award to the City through the Texas Department of Transportation and by cost sharing by the City of Del Rio.

The ***Homebuyers Assistance Program Fund*** is used to account for grant proceeds received from the Office of Rural Community Affairs.

The ***JARC Colonias Grant Fund*** is used to account for funds received to provide job access transportation to Colonias areas in Val Verde County.

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CITY OF DEL RIO, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2007

	MIT-5311 Grant	Women, Infants and Children	Nutrition/ Social Services	Room Tax	Loan Repayment
ASSETS					
Cash and investments	$ -	$ 51,303	$ 76,015	$ 4,760	$ 142,473
Due from other funds	45,517	486	29,134	-	-
Receivables, net	1,500	-	165	-	-
Intergovernmental receivables	145,109	82,092	38,310	-	-
Total assets	$ 192,126	$ 133,881	$ 143,624	$ 4,760	$ 142,473
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 29,887	$ 10,636	$ 27,250	$ 1,818	$ -
Accrued payroll	15,667	9,649	7,248	-	-
Due to other funds	272,882	4,062	17,083	-	-
Due to other governments	-	-	-	-	-
Deposits	500	-	-	-	-
Total liabilities	318,936	24,347	51,581	1,818	-
Fund balances:					
Reserved for:					
Encumbrances	60,748	55,495	2,429	-	-
Unreserved	(187,558)	54,039	89,614	2,942	142,473
Total fund balances	(126,810)	109,534	92,043	2,942	142,473
Total liabilities and fund balances	$ 192,126	$ 133,881	$ 143,624	$ 4,760	$ 142,473

Property and Forfeiture	Law Enforcement Employee Continuing Education	TxDOT VCR Grant	TxDOT - Section 5310	Economic Development Administration	Safe Routes to School	Homebuyers Assistance Program	JARC Colonias Grant	Total Nonmajor Special Revenue Funds
$ 21,086	$ 6,113	$ 10,521	$ -	$ 69,277	$ -	$ -	$ -	$ 381,548
-	-	-	3,021	10,346	-	-	-	88,504
-	-	-	-	-	-	-	-	1,665
-	-	-	27,654	-	-	-	-	293,165
$ 21,086	$ 6,113	$ 10,521	$ 30,675	$ 79,623	$ -	$ -	$ -	$ 764,882
$ -	$ -	$ -	$ 13,216	$ 4,193	$ -	$ -	$ -	$ 87,000
-	-	-	-	692	-	-	-	33,256
-	-	-	11,910	679	-	-	5,432	312,048
-	-	-	1,652	-	-	-	-	1,652
-	-	-	-	-	-	-	-	500
-	-	-	26,778	5,564	-	-	5,432	434,456
-	-	57,373	-	3,911	-	-	57,373	237,329
21,086	6,113	(46,852)	3,897	70,148	-	-	(62,805)	93,097
21,086	6,113	10,521	3,897	74,059	-	-	(5,432)	330,426
$ 21,086	$ 6,113	$ 10,521	$ 30,675	$ 79,623	$ -	$ -	$ -	$ 764,882

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	MIT-5311 Grant	Women, Infants and Children	Nutrition/ Social Services	Room Tax	Loan Repayment
REVENUES					
Taxes	$ -	$ -	$ -	$ 639,462	$ -
Intergovernmental	355,487	436,432	503,174	-	-
Charges for services	226,501	-	-	-	-
Investment earnings	-	-	-	855	11,565
Rental	18,000	-	16,888	-	-
Miscellaneous	-	-	12,988	-	-
Total revenues	599,988	436,432	533,050	640,317	11,565
EXPENDITURES					
Current:					
General government	-	-	-	383,676	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Health and welfare	762,124	425,663	501,985	-	-
Capital outlay	3,618	-	-	-	-
Total expenditures	765,742	425,663	501,985	383,676	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(165,754)	10,769	31,065	256,641	11,565
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	11,802	-	-
Transfers out	-	-	-	(255,785)	(86,681)
Total other financing sources (uses)	-	-	11,802	(255,785)	(86,681)
NET CHANGE IN FUND BALANCES	(165,754)	10,769	42,867	856	(75,116)
FUND BALANCES, BEGINNING	38,944	98,765	49,176	2,086	217,589
FUND BALANCES, ENDING	$(126,810)	$ 109,534	$ 92,043	$ 2,942	$ 142,473

Property and Forfeiture	Law Enforcement Employee Continuing Education	TxDOT VCR Grant	TxDOT Section 5310	Economic Development Administration	Safe Routes to School	Homebuyers Assistance Program	JARC Colonias Grant	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 639,462
-	5,704	-	54,781	-	-	-	-	1,355,578
-	-	10,521	14,940	-	-	-	-	251,962
1,046	-	-	-	-	-	-	-	13,466
-	-	-	-	-	-	-	-	34,888
-	-	-	-	-	-	-	-	12,988
1,046	5,704	10,521	69,721	-	-	-	-	2,308,344
-	-	-	-	-	-	-	-	383,676
-	1,390	-	-	-	-	-	-	1,390
-	-	-	-	104,242	-	-	-	104,242
-	-	-	55,261	-	-	2,500	5,432	1,752,965
-	-	-	13,216	3,895	-	-	-	20,729
-	1,390	-	68,477	108,137	-	2,500	5,432	2,263,002
1,046	4,314	10,521	1,244	(108,137)	-	(2,500)	(5,432)	45,342
-	-	-	-	129,772	-	-	-	141,574
-	-	-	-	-	(16,200)	-	-	(358,666)
-	-	-	-	129,772	(16,200)	-	-	(217,092)
1,046	4,314	10,521	1,244	21,635	(16,200)	(2,500)	(5,432)	(171,750)
20,040	1,799	-	2,653	52,424	16,200	2,500	-	502,176
$ 21,086	$ 6,113	$ 10,521	$ 3,897	$ 74,059	$ -	$ -	$(5,432)	$ 330,426

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - MIT 5311 GRANT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Transit service	$ 225,000	$ 226,501	$ 1,501
Special grants	590,691	355,487	(235,204)
Miscellaneous	18,000	18,000	-
Total revenues	833,691	599,988	(233,703)
EXPENDITURES			
Welfare:			
Transportation			
Personnel services	353,375	370,374	(16,999)
Supplies	87,394	96,092	(8,698)
Contractual and other costs	131,497	125,277	6,220
Capital outlay	84,318	62,025	22,293
Administration			
Personnel services	125,644	129,265	(3,621)
Supplies	9,000	3,126	5,874
Contractual and other costs	51,399	39,164	12,235
Total expenditures	842,627	825,323	17,304
EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	$(8,936)	(225,335)	$(216,399)
CURRENT YEAR ENCUMBRANCES		60,288	
PRIOR YEAR ENCUMBRANCES		(707)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)		(165,754)	
FUND BALANCE, BEGINNING		38,944	
FUND BALANCE, ENDING		$(126,810)	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - WOMEN, INFANTS AND CHILDREN

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special grants	$ 548,268	$ 436,432	$(111,836)
Total revenues	548,268	436,432	(111,836)
EXPENDITURES			
Welfare:			
WIC			
Personnel services	345,529	321,196	24,333
Supplies	65,845	44,102	21,743
Contractual and other costs	82,733	69,669	13,064
Capital outlay	27,000	24,245	2,755
Total expenditures	521,107	459,212	61,895
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	$ 27,161	(22,780)	$(49,941)
CURRENT YEAR ENCUMBRANCES		55,495	
PRIOR YEAR ENCUMBRANCES		(21,946)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)		10,769	
FUND BALANCE, BEGINNING		98,765	
FUND BALANCE, ENDING		$ 109,534	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - NUTRITION AND SOCIAL SERVICES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special grants	$ 471,343	$ 503,174	$ 31,831
Miscellaneous	32,187	29,876	(2,311)
Total revenues	503,530	533,050	29,520
EXPENDITURES			
Welfare:			
Nutrition and social services			
Personnel services	217,359	213,945	3,414
Supplies	238,870	240,077	(1,207)
Contractual and other costs	48,212	50,211	(1,999)
Total expenditures	504,441	504,233	208
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(911)	28,817	29,728
OTHER FINANCING SOURCES			
Operating transfers in	11,802	11,802	-
Total other financing sources	11,802	11,802	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)	$ 10,891	40,619	$ 29,728
CURRENT YEAR ENCUMBRANCES		2,429	
PRIOR YEAR ENCUMBRANCES		(181)	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)		42,867	
FUND BALANCE, BEGINNING		49,176	
FUND BALANCE, ENDING		$ 92,043	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - ROOM TAX

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	$ 639,000	$ 639,462	$ 462
Miscellaneous income	850	855	5
Total revenues	639,850	640,317	467
EXPENDITURES			
General government:			
Room tax			
Contractual and other costs	261,990	262,178	(188)
Intergovernmental	121,410	121,498	(88)
Total expenditures	383,400	383,676	(276)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	256,450	256,641	191
OTHER FINANCING USES			
Operating transfers out	(255,600)	(255,785)	185
Total other financing uses	(255,600)	(255,785)	(185)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	$ 850	856	$ 6
ENCUMBRANCES		-	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)		856	
FUND BALANCE, BEGINNING		2,086	
FUND BALANCE, ENDING		$ 2,942	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - LOAN REPAYMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Miscellaneous	$ 11,100	$ 11,565	$ 465
Total revenues	11,100	11,565	465
EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	11,100	11,565	465
OTHER FINANCING USES			
Operating transfers out	(86,681)	(86,681)	-
Total other financing uses	(86,681)	(86,681)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	$(75,581)	(75,116)	$ 465
ENCUMBRANCES		-	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)		(75,116)	
FUND BALANCE, BEGINNING		217,589	
FUND BALANCE, ENDING		$ 142,473	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - PROPERTY AND FORFEITURE

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special grants	$ 4,000	$ -	$(4,000)
Miscellaneous	500	1,046	546
Total revenues	4,500	1,046	(3,454)
EXPENDITURES			
Capital outlay	4,000	-	4,000
Total expenditures	4,000	-	4,000
EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	$ 500	1,046	$ 546
ENCUMBRANCES		-	
EXCESS OF REVENUES OVER EXPENDITURES (GAAP BASIS)		1,046	
FUND BALANCE, BEGINNING		20,040	
FUND BALANCE, ENDING		$ 21,086	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - LAW ENFORCEMENT EMPLOYEE CONTINUING EDUCATION

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special grants	$ 6,500	$ 5,704	$(796)
Total revenues	6,500	5,704	(796)
EXPENDITURES			
Contractual and other costs	6,500	1,390	5,110
Total expenditures	6,500	1,390	5,110
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	$ -	4,314	$ 4,314
ENCUMBRANCES		-	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)		4,314	
FUND BALANCE, BEGINNING		1,799	
FUND BALANCE, ENDING		$ 6,113	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - TEXAS DEPARTMENT OF TRANSPORTATION VCR GRANT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Transit service	$ 10,521	$ 10,521	$ -
Special revenues	51,367	-	(51,367)
Total revenues	61,888	10,521	(51,367)
EXPENDITURES			
Capital outlay	61,888	57,373	4,515
Total expenditures	61,888	57,373	4,515
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	$ -	(46,852)	$(46,852)
CURRENT YEAR ENCUMBRANCES		57,373	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)		10,521	
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		$ 10,521	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - TXDOT SECTION 5310

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Transit service - local	$ 14,940	$ 14,940	$ -
Special grants	59,761	54,781	(4,980)
Total revenues	74,701	69,721	(4,980)
EXPENDITURES			
Welfare:			
Contractual and other costs	59,701	55,261	4,440
Capital outlay	15,000	13,216	1,784
Total expenditures	74,701	68,477	6,224
EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	$ -	1,244	$ 1,244
ENCUMBRANCES		-	
EXCESS OF REVENUES OVER EXPENDITURES (GAAP BASIS)		1,244	
FUND BALANCE, BEGINNING		2,653	
FUND BALANCE, ENDING		$ 3,897	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT ADMINISTRATION

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	$ -	$ -	$ -
EXPENDITURES			
Economic Community and Housing Development:			
Personnel services	39,045	38,909	136
Supplies	7,352	3,667	3,685
Contractual and other costs	51,947	38,727	13,220
Capital outlay	3,542	3,895	(353)
Total	101,886	85,198	16,688
Main Street:			
Personnel services	21,606	17,259	4,347
Supplies	2,730	2,291	439
Contractual and other costs	3,550	2,033	1,517
Total	27,886	21,583	6,303
Total expenditures	129,772	106,781	22,991
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	(129,772)	(106,781)	22,991
OTHER FINANCING SOURCES			
Transfers in	129,772	129,772	-
Total other financing sources	129,772	129,772	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)	$ -	22,991	$ 22,991
PRIOR YEAR ENCUMBRANCES		(5,268)	
CURRENT YEAR ENCUMBRANCES		3,912	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)		21,635	
FUND BALANCE, BEGINNING		52,424	
FUND BALANCE, ENDING		$ 74,059	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - SAFE ROUTES TO SCHOOL

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	$ -	$ -	$ -
EXPENDITURES	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING USES			
Transfers out	(16,200)	(16,200)	-
Total other financing uses	(16,200)	(16,200)	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)	$(16,200)	(16,200)	$ -
ENCUMBRANCES		-	
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)		(16,200)	
FUND BALANCE, BEGINNING		16,200	
FUND BALANCE, ENDING		$ -	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

SPECIAL REVENUE FUND - JARC COLONIAS GRANT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Service fees	$ 108,859	$ -	$(108,859)
Special grants	108,859	-	(108,859)
Total revenues	217,718	-	(217,718)
EXPENDITURES			
Transportation services:			
Personnel	56,479	4,696	51,783
Supplies	3,975	-	3,975
Contractual and other costs	5,112	736	4,376
Capital outlay	122,380	57,373	65,007
Total staff expenditures	187,946	62,805	125,141
Administration:			
Supplies	4,500	-	4,500
Contractual and other costs	25,272	-	25,272
Total administration expenditures	29,772	-	29,772
Total expenditures	217,718	62,805	154,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)	$ -	(62,805)	$(62,805)
ENCUMBRANCES		57,373	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)		(5,432)	
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		$(5,432)	

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DEBT SERVICE FUND

The ***Debt Service Fund*** is used to account for the accumulation of resources for the repayment of general long-term debt.

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CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	$ 1,180,476	$ 1,183,380	$ 2,904
Miscellaneous	65,000	65,667	667
Total revenues	1,245,476	1,249,047	3,571
EXPENDITURES			
Debt service	2,739,613	2,740,425	(812)
Total expenditures	2,739,613	2,740,425	(812)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,494,137)	(1,491,378)	2,759
OTHER FINANCING SOURCES			
Transfers in	1,784,421	1,831,666	47,245
Total other financing sources	1,784,421	1,831,666	47,245
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)	$ 290,284	340,288	$ 50,004
ENCUMBRANCES		-	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)		340,288	
FUND BALANCE, BEGINNING		948,496	
FUND BALANCE, ENDING		$ 1,288,784	

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CAPITAL PROJECTS FUNDS

The ***Capital Projects Funds*** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The ***Animal Shelter Fund*** is for donations and other financial resources to be used for capital improvements to the animal shelter at the Health Department for the City of Del Rio.

The ***Bicycle and Walking Trail Fund*** is the construction of a trail from a point near (1/4 mile) Brown Plaza to the Regional Transportation Center located at the intersection of South Main and Ogden Avenue in Del Rio. This project is funded by the Texas Department of Transportation and the City of Del Rio.

The ***Police Station Fund*** is for the improvements and repairs to the City's new Police Department building. The project is funded with the Combination Tax and Revenue Certificates of Obligation, Series 2003A.

The ***Fire Station Fund*** is to construct a fire station and City-wide emergency communications center with required communications equipment to be located near the City's international airport. Funding for this project is to be through the Texas Community Development Program administered by the Office of Rural Community Affairs and by cost sharing by the City of Del Rio.

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CITY OF DEL RIO, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2007

	Animal Shelter	Bicycle and Walking Trail	Police Station	Fire Station	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and investments	$ 200,378	$ 190,267	$ 6,109,227	$ 169,649	$ 6,669,521
Receivables, net	-	371	10,283	-	10,654
Due from other funds	-	-	1,226	-	1,226
Total assets	$ 200,378	$ 190,638	$ 6,120,736	$ 169,649	$ 6,681,401
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 13,932	$ 32,901	$ 46,833
Due to other governments	-	95,606	-	-	95,606
Total liabilities	-	95,606	13,932	32,901	142,439
Fund balances:					
Unreserved	200,378	95,032	6,106,804	136,748	6,538,962
Total fund balances	200,378	95,032	6,106,804	136,748	6,538,962
Total liabilities and fund balances	$ 200,378	$ 190,638	$ 6,120,736	$ 169,649	$ 6,681,401

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Animal Shelter	Bicycle and Walking Trail	Police Station	Fire Station	Total Nonmajor Capital Projects Funds
REVENUES					
Intergovernmental	$ -	$ 116,258	$ -	$ -	$ 116,258
Investment earnings	8,024	7,820	312,752	30,503	359,099
Total revenues	8,024	124,078	312,752	30,503	475,357
EXPENDITURES					
Debt service:					
Bond issuance costs	-	6,302	86,135	5,228	97,665
Capital outlay	-	230,946	312,169	551,299	1,094,414
Total expenditures	-	237,248	398,304	556,527	1,192,079
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,024	(113,170)	(85,552)	(526,024)	(716,722)
OTHER FINANCING SOURCES (USES)					
Proceeds from bonds	-	181,563	3,585,000	255,000	4,021,563
Premium on issuance of debt	-	773	15,255	1,085	17,113
Transfers in	18,924	-	-	-	18,924
Transfers out	-	-	-	(50,000)	(50,000)
Total other financing sources (uses)	18,924	182,336	3,600,255	206,085	4,007,600
NET CHANGE IN FUND BALANCES	26,948	69,166	3,514,703	(319,939)	3,290,878
FUND BALANCES, BEGINNING	173,430	25,866	2,592,101	456,687	3,248,084
FUND BALANCES, ENDING	$ 200,378	$ 95,032	$ 6,106,804	$ 136,748	$ 6,538,962

PROPRIETARY FUNDS

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ENTERPRISE FUNDS

The ***Enterprise Funds*** are used to account for the provision of specified services to the residents of the City and in some cases to residents of the County. All activities necessary to provide such services are accounted for in the respective funds including administration, maintenance, financing and related debt service, billing and collection.

The major Enterprise Funds and the related services are as follows:

Fund	Service
Gas system	Gas service
Water system	Water service
International bridge	Operation of toll bridge
International airport	Operation of airport
Refuse/landfill	Refuse collection service
Wastewater	Sewer service

The nonmajor Enterprise Fund operated by the City and the related services are as follows:

Fund	Service
Municipal facilities	Rental of City facilities

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PROPRIETARY FUND
FINANCIAL STATEMENTS

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CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - GAS SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services:			
Utility charges	$ 4,275,118	$ 4,191,674	$(83,444)
Miscellaneous:			
Interest	156,000	163,016	7,016
Other	45,170	42,978	(2,192)
Total revenues	4,476,288	4,397,668	(78,620)
EXPENSES			
Personnel	556,719	559,959	(3,240)
Supplies	145,529	140,209	5,320
Contractual services and other costs	339,123	309,007	30,116
Purchases for resale	1,952,015	1,559,462	392,553
Debt charges	89,877	89,760	117
Capital outlay	272,000	55,102	216,898
Total expenses	3,355,263	2,713,499	641,764
EXCESS OF REVENUES OVER EXPENSES	1,121,025	1,684,169	563,144
OTHER FINANCING USES			
Transfers out	(1,100,000)	(1,100,000)	-
Total other financing uses	(1,100,000)	(1,100,000)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)	$ 21,025	584,169	$ 563,144
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		61,636	
Bond principal		55,000	
Current year encumbrances		13,603	
Less:			
Prior year encumbrances		(13,844)	
Depreciation		(79,198)	
CHANGE IN NET ASSETS (GAAP BASIS)		$ 621,366	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - WATER SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services:			
Metered water sales	$ 6,095,480	$ 6,023,182	$(72,298)
Interest income	543,000	566,220	23,220
Miscellaneous	5,251	1,746	(3,505)
Special grants	384,244	384,244	-
Total revenues	7,027,975	6,975,392	(52,583)
EXPENSES			
Water production:			
Personnel	420,528	420,328	200
Supplies	240,307	202,746	37,561
Contractual services and other costs	1,622,468	1,713,394	(90,926)
Debt charges	2,093,147	2,123,177	(30,030)
Capital outlay	700,000	-	700,000
Water distribution:			
Personnel	897,760	895,728	2,032
Supplies	279,348	266,262	13,086
Contractual services and other costs	497,718	457,311	40,407
Debt charges	722,392	863,591	(141,199)
Capital outlay	23,072	29,232	(6,160)
Repairs and replacement:			
Supplies	277,000	193	276,807
Total expenses	7,773,740	6,971,962	801,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(745,765)	3,430	749,195
OTHER FINANCING SOURCES			
Proceeds from the issuance of bonds	1,300,000	1,300,000	-
Total other financing sources	1,300,000	1,300,000	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES (BUDGETARY BASIS)	$ 554,235	1,303,430	$ 749,195
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		154,033	
Bond principal		1,798,212	
Current year encumbrances		43,682	
Less:			
Proceeds from the issuance of bonds		(1,300,000)	
Depreciation		(1,744,631)	
Prior year encumbrances		(159,270)	
CHANGE IN NET ASSETS (GAAP BASIS)		$ 95,456	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - INTERNATIONAL BRIDGE

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services:			
Bridge tolls	$ 5,308,547	$ 5,268,885	$(39,662)
Miscellaneous:			
Interest income	130,000	134,423	4,423
Other	30,000	30,641	641
Total revenues	5,468,547	5,433,949	(34,598)
EXPENSES			
Personnel	350,332	373,433	(23,101)
Supplies	18,767	14,497	4,270
Contractual services and other costs	170,688	158,336	12,352
Debt charges	422,633	440,094	(17,461)
Capital outlay	11,114	10,915	199
Total expenses	973,534	997,275	(23,741)
EXCESS OF REVENUES OVER EXPENSES	4,495,013	4,436,674	(58,339)
OTHER FINANCING USES			
Transfers out	(4,294,885)	(4,294,885)	-
Total other financing uses	(4,294,885)	(4,294,885)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)	$ 200,128	141,789	$(58,339)
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Principal on revenue bonds		330,000	
Current year encumbrances		24,585	
Capital outlay		32,439	
Less:			
Loss on disposal of assets		(960)	
Depreciation		(153,981)	
Prior year encumbrances		(31,762)	
CHANGE IN NET ASSETS (GAAP BASIS)		$ 342,110	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - INTERNATIONAL AIRPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services:			
Aviation fuel fees	$ 84,000	$ 63,300	$(20,700)
Special grants	447,956	156,277	291,679
Rental	159,000	159,518	518
Miscellaneous	3,341	2	(3,339)
Interest income	45,000	29,538	(15,462)
Total revenues	739,297	408,635	(330,662)
EXPENSES			
International Airport:			
Personnel	154,466	151,436	3,030
Supplies	25,226	21,411	3,815
Contractual services and other costs	111,902	118,428	(6,526)
Airport marketing:			
Personnel	22,951	20,632	2,319
Contractual services and other costs	56,698	56,171	527
Ramp program:			
Contractual services and other costs	200,000	-	200,000
CO Series 2004:			
Contractual services and other costs	-	25,273	(25,273)
Capital outlay	289,189	-	289,189
JLUS Study:			
Personnel	49,548	19,630	29,918
Contractual services and other costs	362,956	36,028	326,928
Capital outlay	15,000	-	15,000
FAA Grant:			
Contractual services and other costs	7,000	6,111	889
Capital outlay	93,000	101,977	(8,977)
Total expenses	1,387,936	557,097	830,839
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(648,639)	(148,462)	500,177
OTHER FINANCING SOURCES			
Transfers in	254,465	189,465	(65,000)
Total other financing sources	254,465	189,465	(65,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES	$(394,174)	41,003	$ 435,177
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		101,977	
Current year encumbrances		5,682	
Less:			
Prior year encumbrances		(3,304)	
Depreciation		(317,378)	
CHANGE IN NET ASSETS (GAAP BASIS)		$(172,020)	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - REFUSE

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services:			
Refuse collections	$ 2,164,332	$ 2,141,268	$(23,064)
Miscellaneous:			
Other income	2,000	373	(1,627)
Interest	145,218	147,032	1,814
Total revenues	2,311,550	2,288,673	(22,877)
EXPENSES			
Refuse:			
Personnel	78,265	73,647	4,618
Supplies	25,750	17,148	8,602
Contractual services and other costs	1,301,035	1,155,868	145,167
Debt service	516,185	519,946	(3,761)
Capital outlay	1,600	1,689	(89)
Total expenses	1,922,835	1,768,298	154,537
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	388,715	520,375	131,660
OTHER FINANCING USES			
Transfers out	(330,000)	(330,000)	-
Total other financing uses	(330,000)	(330,000)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)	$ 58,715	190,375	$ 131,660
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Bond principal payment		370,147	
Capital outlay		1,689	
Current year encumbrances		4,183	
Less:			
Depreciation		(367,198)	
Prior year encumbrances		(78,198)	
Increase to landfill closure - post closure costs		(210,496)	
Loss on disposal of assets		(7)	
CHANGE IN NET ASSETS (GAAP BASIS)		$(89,505)	

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CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - WASTEWATER FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 3,417,340	$ 3,471,750	$ 54,410
Interest	220,000	225,270	5,270
Total revenues	3,637,340	3,697,020	59,680
EXPENSES			
Wastewater collections:			
Personnel services	457,854	447,799	10,055
Supplies	103,760	72,755	31,005
Contractual services and other costs	472,388	416,777	55,611
Debt charges	222,913	236,041	(13,128)
Capital outlay	1,811,000	7,555	1,803,445
Wastewater treatment:			
Contractual services and other costs	892,495	781,924	110,571
Debt charges	1,030,629	1,104,953	(74,324)
Wastewater repairs and replacement:			
Supplies	127,300	4,891	122,409
Total expenses	5,118,339	3,072,695	2,045,644
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(1,480,999)	624,325	2,105,324
OTHER FINANCING SOURCES			
Proceeds from issuance of bonds	1,800,000	1,800,000	-
Total other financing sources	1,800,000	1,800,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES	$ 319,001	2,424,325	$ 2,105,324
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		7,555	
Bond principal payments		802,946	
Current year encumbrances		17,931	
Less:			
Proceeds from issuance of bonds		(1,800,000)	
Prior year encumbrances		(150,960)	
Depreciation		(526,251)	
CHANGE IN NET ASSETS (GAAP BASIS)		$ 775,546	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - MUNICIPAL FACILITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Facility rentals	$ 239,618	$ 239,456	$(162)
Miscellaneous:			
Interest income	26,650	26,349	(301)
Miscellaneous	19,120	11,633	(7,487)
Total revenues	285,388	277,438	(7,950)
EXPENSES			
Civic Center:			
Personnel	165,374	163,630	1,744
Supplies	20,583	17,507	3,076
Contractual services and other costs	236,067	243,274	(7,207)
Debt charges	60,283	60,966	(683)
Capital outlay	26,657	17,450	9,207
San Felipe Center:			
Supplies	500	-	500
Contractual services and other costs	1,820	309	1,511
Chihuahua Center:			
Personnel	469	469	-
Supplies	500	99	401
Contractual services and other costs	43,838	31,641	12,197
Capital outlay	56,500	-	56,500
Joe Ramos Center:			
Supplies	990	-	990
Contractual services and other costs	19,155	16,839	2,316
Paul Poag facility:			
Personnel	62,531	54,023	8,508
Supplies	4,692	4,578	114
Contractual services and other costs	49,055	51,409	(2,354)
Purchases for resale	200	99	101
DPS building:			
Contractual services and other costs	10	10	-
DRCA - fire station:			
Supplies	143	142	1
Contractual services and other costs	16,688	15,179	1,509
SER - fire station:			
Contractual services and other costs	6,028	5,503	525
Casa De La Cultura:			
Supplies	750	-	750
Contractual services and other costs	10,393	6,542	3,851
Brown Plaza:			
Supplies	750	9	741
Contractual services and other costs	400	301	99
Whitehead Museum:			
Contractual services and other costs	20,137	23,572	(3,435)

(continued)

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

ENTERPRISE FUND - MUNICIPAL FACILITIES (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENSES (Continued)			
VV Shelter - fire station:			
Contractual services and other costs	$ 8,878	$ 10,927	$(2,049)
AARP building:			
Contractual services and other costs	160	231	(71)
Legal aid:			
Supplies	3,325	2,977	348
Contractual services and other costs	200	3	197
Total expenses	817,076	727,689	89,387
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(531,688)	(450,251)	81,437
OTHER FINANCING SOURCES			
Transfers in	500,521	500,521	-
Total other financing sources	500,521	500,521	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES (BUDGETARY BASIS)	$(31,167)	50,270	$ 81,437
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		56,793	
Bond principal payments		35,000	
Current year encumbrances		2,560	
Less:			
Depreciation		(100,095)	
Prior year encumbrances		(53,928)	
CHANGE IN NET ASSETS (GAAP BASIS)		$(9,400)	

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INTERNAL SERVICE FUNDS

The ***Internal Service Funds*** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The Internal Service Funds operated by the City and their related services are as follows:

Fund	Service
Utility billing	Operations of the utility billing office
Computer services	Operation of in-house data processing system
Fleet maintenance	Operation of the maintenance shop
Health claims self-insurance	Operation of the health claims self-insurance program

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2007

	Utility Billing	Computer Services	Fleet Maintenance	Health Claims Self-insurance	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 34,300	$ 408,575	$ -	$ 726,848	$ 1,169,723
Accounts receivable, net	80	1,770	-	-	1,850
Due from other funds	134,211	968	19,620	-	154,799
Total current assets	168,591	411,313	19,620	726,848	1,326,372
Non-current assets:					
Deferred charges	-	9,455	-	-	9,455
Capital assets:					
Buildings and improvements	10,478	-	50,721	-	61,199
Equipment	262,956	592,733	76,233	-	931,922
Less accumulated depreciation	(163,635)	(466,711)	(113,142)	-	(743,488)
Total capital assets, net	109,799	126,022	13,812	-	249,633
Total noncurrent assets	109,799	135,477	13,812	-	259,088
Total assets	278,390	546,790	33,432	726,848	1,585,460
LIABILITIES					
Current liabilities:					
Accounts payable	7,487	6,150	32,571	-	46,208
Accrued payroll	10,782	4,609	6,701	-	22,092
Claims payable	-	-	-	60,909	60,909
Due to other funds	2,941	12,336	134,075	-	149,352
Compensated absences	17,461	7,113	10,144	-	34,718
Accrued interest payable	-	4,501	-	-	4,501
Bonds payable	-	55,000	-	-	55,000
Total current liabilities	38,671	89,709	183,491	60,909	372,780
Non-current liabilities:					
Compensated absences	58,258	21,295	29,380	-	108,933
Bonds payable	-	255,000	-	-	255,000
Total non-current liabilities	58,258	276,295	29,380	-	363,933
Total liabilities	96,929	366,004	212,871	60,909	736,713
NET ASSETS					
Invested in capital assets, net of related debt	109,799	119,513	13,812	-	243,124
Restricted for debt service	-	22,834	-	-	22,834
Unrestricted	71,662	38,439	(193,251)	665,939	582,789
Total net assets	$ 181,461	$ 180,786	$(179,439)	$ 665,939	$ 848,747

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Utility Billing	Computer Services	Fleet Maintenance	Health Claims Self-Insurance	Total
OPERATING REVENUES					
Charges for services	$ 582,236	$ 325,958	$ 551,222	$ 1,356,189	$ 2,815,605
Total operating revenues	582,236	325,958	551,222	1,356,189	2,815,605
OPERATING EXPENSES					
Personnel	372,638	147,186	207,413	-	727,237
Contractual services	91,156	115,618	156,283	1,500,211	1,863,268
Supplies	19,933	16,354	315,223	-	351,510
Depreciation	21,554	71,783	2,712	-	96,049
Total operating expenses	505,281	350,941	681,631	1,500,211	3,038,064
OPERATING INCOME (LOSS)	76,955	(24,983)	(130,409)	(144,022)	(222,459)
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings	3,615	9,665	-	47,590	60,870
Gain (loss) on disposal of assets	-	-	(131)	-	(131)
Interest expense	-	(3,208)	-	-	(3,208)
Total non-operating revenues (expenses)	3,615	6,457	(131)	47,590	57,531
CHANGE IN NET ASSETS	80,570	(18,526)	(130,540)	(96,432)	(164,928)
TOTAL NET ASSETS, BEGINNING	100,891	199,312	(48,899)	762,371	1,013,675
TOTAL NET ASSETS, ENDING	$ 181,461	$ 180,786	$(179,439)	$ 665,939	$ 848,747

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Utility Billing	Computer Services	Fleet Maintenance	Health Claims Self-insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from users	$ 582,236	$ 329,593	$ 553,117	$ 1,356,259	$ 2,821,205
Payments to suppliers for goods and services	(108,686)	(131,972)	(471,506)	(1,479,112)	(2,191,276)
Payments to employees	(385,241)	(142,622)	(195,009)	-	(722,872)
Net cash provided (used) by operating activities	88,309	54,999	(113,398)	(122,853)	(92,943)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipts from interfund borrowings	2,620	12,255	116,015	-	130,890
Payments for interfund borrowings	(101,406)	(968)	-	-	(102,374)
Net cash provided (used) by noncapital financing activities	(98,786)	11,287	116,015	-	28,516
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(30,713)	(28,351)	(2,617)	-	(61,681)
Proceeds from debt	-	310,000	-	-	310,000
Interest and fiscal charges paid on debt	-	(8,162)	-	-	(8,162)
Net cash provided (used) by capital and related financing activities	(30,713)	273,487	(2,617)	-	240,157
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts from earnings on investments	3,615	9,665	-	47,590	60,870
Net cash provided by investing activities	3,615	9,665	-	47,590	60,870
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,575)	349,438	-	(75,263)	236,600
CASH AND CASH EQUIVALENTS, BEGINNING	71,875	59,137	-	802,111	933,123
CASH AND CASH EQUIVALENTS, ENDING	$ 34,300	$ 408,575	$ -	$ 726,848	$ 1,169,723

(continued)

CITY OF DEL RIO

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Utility Billing	Computer Services	Fleet Maintenance	Health Claims Self-insurance	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 76,955	$(24,983)	$(130,409)	$(144,022)	$(222,459)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	21,554	71,783	2,712	-	96,049
Changes in assets and liabilities:					
Decrease (increase) in assets:					
Accounts receivable	-	-	-	70	70
Increase (decrease) in liabilities:					
Accounts payable	2,403	4,564	1,437	-	8,404
Accrued liabilities	(1,424)	136	1,895	21,099	21,706
Compensated absences	(11,179)	3,499	10,967	-	3,287
Net cash provided (used) by operations	$ 88,309	$ 54,999	$(113,398)	$(122,853)	$(92,943)

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

INTERNAL SERVICE FUND - UTILITY BILLING

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 582,236	$ 582,236	$ -
Interest	3,450	3,615	165
Total revenues	585,686	585,851	165
EXPENSES			
Billing:			
Personnel services	413,190	372,638	40,552
Supplies	18,854	19,338	(484)
Contractual and other costs	119,882	91,171	28,711
Capital outlay	28,338	30,713	(2,375)
Total expenses	580,264	513,860	66,404
EXCESS OF REVENUES OVER EXPENSES	$ 5,422	71,991	$ 66,569
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		30,713	
Current year encumbrances		2,005	
Less:			
Depreciation		(21,554)	
Prior year encumbrances		(2,585)	
CHANGE IN NET ASSETS (GAAP BASIS)		$ 80,570	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

INTERNAL SERVICE FUND - COMPUTER SERVICES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 326,558	$ 325,958	$(600)
Interest	5,000	9,665	4,665
Total revenues	331,558	335,623	4,065
EXPENSES			
M.I.S.			
Personnel services	142,739	147,186	(4,447)
Supplies	20,140	17,955	2,185
Contractual and other costs	133,448	117,380	16,068
Debt charges	-	3,208	(3,208)
Capital outlay	336,548	303,073	33,475
Total expenses	632,875	588,802	44,073
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(301,317)	(253,179)	48,138
OTHER FINANCING SOURCES			
Proceeds from issuance of bonds	310,000	310,000	-
Total other financing sources	310,000	310,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES (BUDGETARY BASIS)	$ 8,683	56,821	$ 48,138
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		28,351	
Current year encumbrances		289,474	
Less:			
Depreciation		(71,783)	
Prior year encumbrances		(11,389)	
Proceeds from issuance of bonds		(310,000)	
CHANGE IN NET ASSETS (GAAP BASIS)		$(18,526)	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

INTERNAL SERVICE FUND - FLEET MAINTENANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 747,704	$ 551,222	$(196,482)
Total revenues	747,704	551,222	(196,482)
EXPENSES			
Maintenance shop			
Personnel services	197,550	207,413	(9,863)
Supplies	373,078	319,223	53,855
Contractual and other costs	172,446	155,932	16,514
Capital outlay	5,300	3,710	1,590
Total expenses	748,374	686,278	62,096
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES (BUDGETARY BASIS)	$(670)	(135,056)	$(134,386)
RECONCILIATION TO CHANGE IN NET ASSETS			
Add:			
Capital outlay		1,830	
Current year encumbrances		6,594	
Less:			
Depreciation		(2,712)	
Prior year encumbrances		(1,065)	
Loss on disposal of assets		(131)	
CHANGE IN NET ASSETS (GAAP BASIS)		$(130,540)	

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENSES
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

INTERNAL SERVICE FUND - HEALTH CLAIMS SELF-INSURANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 1,424,428	$ 1,356,189	$(68,239)
Interest	32,000	47,590	15,590
Total revenues	1,456,428	1,403,779	(52,649)
EXPENSES			
Contractual and other costs	1,179,227	1,500,211	(320,984)
Total expenses	1,179,227	1,500,211	(320,984)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	$ 277,201	(96,432)	$(373,633)
RECONCILIATION TO CHANGE IN NET ASSETS		-	
CHANGE IN NET ASSETS (GAAP BASIS)		$(96,432)	

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FIDUCIARY FUNDS

AGENCY FUNDS

The ***Val Verde Migratory Fund*** is used to retain funds of a federal program that was completed in preceding periods but is awaiting final distribution of funds.

The ***Retirement Loan Fund*** is used to account for employee loans against their vested pension benefits, employee loan proceeds provided by the pension plan and collections on behalf of the pension plan.

The ***Brown Plaza Association Fund*** is used to account for Hotels Occupancy Taxes allocated to the Brown Plaza Association for the purpose of historical preservation and restoration.

The ***Familias Unidas Fund*** is used to account for funds provided by the City of Del Rio to Familias Unidas of Val Verde County, Inc., a Texas nonprofit corporation, to develop a self-help home ownership project.

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CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

SEPTEMBER 30, 2007

	Val Verde Migratory	Retirement Loan	Brown Plaza Association	Familias Unidas	Total
ASSETS					
Cash and investments	$ 1,102	$ -	$ 5,791	$ 2,822	$ 9,715
Total assets	$ 1,102	$ -	$ 5,791	$ 2,822	$ 9,715
LIABILITIES					
Accounts payable	$ -	$ -	$ 162	$ -	$ 162
Due to other governments	1,102	-	-	-	1,102
Due to other funds	-	-	66	-	66
Other liabilities	-	-	5,563	2,822	8,385
Total liabilities	$ 1,102	$ -	$ 5,791	$ 2,822	$ 9,715

CITY OF DEL RIO, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2007

	Balance September 30, 2006	Additions	Deductions	Balance September 30, 2007
VAL VERDE MIGRATORY				
Assets:				
Cash and investments	$ 1,102	$ -	$ -	$ 1,102
Liabilities:				
Due to other governments	$ 1,102	$ -	$ -	$ 1,102
RETIREMENT LOAN				
Assets:				
Cash and investments	$ 56	$ -	$ 56	$ -
Liabilities:				
Accounts payable	$ 56	$ -	$ 56	$ -
BROWN PLAZA ASSOCIATION				
Assets:				
Cash and investments	$ 1,726	$ 22,381	$ 18,316	$ 5,791
Liabilities:				
Accounts payable	-	162	-	162
Due to other funds	66	-	-	66
Other liabilities	1,660	22,219	18,316	5,563
Total liabilities	$ 1,726	$ 22,381	$ 18,316	$ 5,791
FAMILIAS UNIDAS FUND				
Assets:				
Cash and investments	$ 2,688	$ 134	$ -	$ 2,822
Liabilities:				
Other liabilities	$ 2,688	$ 134	$ -	$ 2,822
TOTALS ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 5,572	$ 22,515	$ 18,372	$ 9,715
Liabilities:				
Accounts payable	$ 56	$ 162	$ 56	$ 162
Due to other governments	1,102	-	-	1,102
Due to other funds	66	-	-	66
Other liabilities	4,348	22,353	18,316	8,385
Total liabilities	$ 5,572	$ 22,515	$ 18,372	$ 9,715

STATISTICAL SECTION
(Unaudited)

This portion of the City of Del Rio, Texas' comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information available in the financial statements, note disclosures, and required supplementary information and for assessing the City's overall financial health.

Contents **Page**

Financial Trends 110

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 116

These schedules contain trend information to help the reader assess the City's most significant own-source revenues. Water revenues are the City's most significant own-source revenue. Additionally, information about another significant own-source revenue, the property tax, is provided.

Debt Capacity 125

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 134

These schedules contain demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 137

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.

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TABLE 1

CITY OF DEL RIO, TEXAS

NET ASSETS BY COMPONENT

LAST FIVE FISCAL YEARS

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	$ 814,849	$ 846,131	$ 7,509,898	$ 8,199,922	$ 23,019,074
Restricted	6,092,470	7,973,654	917,303	4,637,793	1,484,209
Unrestricted	9,683,684	7,078,583	7,454,168	6,655,175	8,006,683
Total governmental activities net assets	$ 16,591,003	$ 15,898,368	$ 15,881,369	$ 19,492,890	$ 32,509,966
Business-type activities:					
Invested in capital assets, net of related debt	$ 37,679,248	$ 34,360,833	$ 42,390,269	$ 52,695,228	$ 70,638,087
Restricted	4,045,051	4,045,051	4,976,141	5,012,557	5,118,297
Unrestricted	13,348,353	16,017,827	12,415,787	7,105,779	5,827,664
Total business-type activities net assets	$ 55,072,652	$ 54,423,711	$ 59,782,197	$ 64,813,564	$ 81,584,048
Primary government:					
Invested in capital assets, net of related debt	$ 38,494,097	$ 35,206,964	$ 49,900,167	$ 60,895,150	$ 93,657,161
Restricted	10,137,521	12,018,705	5,893,444	9,650,350	6,602,506
Unrestricted	23,032,037	23,096,410	19,869,955	13,760,954	13,834,347
Total primary government net assets	$ 71,663,655	$ 70,322,079	$ 75,663,566	$ 84,306,454	$ 114,094,014

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

TABLE 2

CITY OF DEL RIO, TEXAS

CHANGES IN NET ASSETS

LAST FIVE FISCAL YEARS

	Fiscal Year				
	2003	2004	2005	2006	2007
EXPENSES					
Governmental activities:					
General government	$ 3,363,001	$ 3,695,073	$ 3,839,470	$ 4,435,554	$ 4,641,023
Public safety	8,773,534	8,502,128	8,802,378	9,249,477	9,608,589
Highways and streets	1,160,942	1,054,279	1,133,554	1,044,844	2,669,845
Health and welfare	1,379,786	1,746,705	1,983,877	2,193,550	1,896,712
Culture and recreation	1,225,644	1,141,002	1,217,415	1,333,113	1,393,745
Economic development and assistance	43,097	52,936	53,652	3,763	104,242
Debt service	797,172	582,151	725,282	848,916	1,049,381
Total governmental activities expenses	16,743,176	16,774,274	17,755,628	19,109,217	21,363,537
Business-type activities:					
Gas system	2,663,044	2,563,779	2,904,210	3,323,198	2,656,139
Water	5,137,591	6,323,336	6,152,730	6,492,167	6,845,309
Wastewater	2,812,963	3,115,354	3,151,744	3,160,761	2,906,194
International bridge	777,383	865,131	867,836	762,408	792,628
International airport	759,307	690,262	1,310,428	1,196,736	763,646
Refuse	1,585,337	2,133,973	1,909,430	2,310,023	2,033,810
Municipal facility	712,395	653,039	684,440	757,395	784,911
Total business-type activities expenses	14,448,020	16,344,874	16,980,818	18,002,688	16,782,637
Total primary government expenses	$ 31,191,196	$ 33,119,148	$ 34,736,446	$ 37,111,905	$ 38,146,174
PROGRAM REVENUES					
Governmental activities:					
Charges for services	$ 2,407,278	$ 2,401,322	$ 2,278,866	$ 1,936,095	$ 2,153,438
Operating grants and contributions	1,093,675	1,477,708	1,762,712	1,727,117	1,493,750
Capital grants and contributions	68,671	54,265	232,837	950,024	171,039
Total governmental activities program revenues	3,569,624	3,933,295	4,274,415	4,613,236	3,818,227
Business-type activities:					
Charges for services	19,340,725	19,387,372	20,383,105	22,565,786	21,646,406
Operating grants and contributions	-	-	213,320	111,320	481,121
Capital grants and contributions	1,271,531	442,313	4,318,020	3,562,130	59,400
Total business-type activities program revenues	20,612,256	19,829,685	24,914,445	26,239,236	22,186,927
Total primary government program revenues	$ 24,181,880	$ 23,762,980	$ 29,188,860	$ 30,852,472	$ 26,005,154

(continued)

TABLE 2

CITY OF DEL RIO, TEXAS

CHANGES IN NET ASSETS
(Continued)
LAST FIVE FISCAL YEARS

	Fiscal Year				
	2003	2004	2005	2006	2007
NET (EXPENSE) REVENUES					
Governmental activities	$(13,173,552)	$(12,840,979)	$(13,481,213)	$(14,495,981)	$(17,545,310)
Business-type activities	6,164,236	3,484,811	7,933,627	8,236,548	5,404,290
Total primary government net expense	(7,009,316)	(9,356,168)	(5,547,586)	(6,259,433)	(12,141,020)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental activities:					
Property taxes	3,508,992	3,769,546	4,157,226	4,561,255	4,957,331
Sales taxes	3,997,270	4,152,974	4,296,541	4,732,125	4,967,765
Franchise taxes	1,578,781	1,516,110	1,585,572	1,705,967	1,712,242
Other	527,087	522,182	549,139	605,502	686,807
Miscellaneous revenue	16,602	22,615	31,562	45,061	24,097
Investment earnings	209,428	168,034	497,534	864,698	1,172,883
Gain (loss) on sale of capital assets	82,994	47,069	2,317	77,493	-
Transfers	3,981,392	4,475,174	3,443,668	4,196,113	5,034,899
Total governmental activities	13,902,546	14,673,704	14,563,559	16,788,214	18,556,024
Business-type activities:					
Grants and contributions not restricted to specific programs	22,250	269,534	-	-	-
Investment earnings	230,088	199,620	468,527	990,932	1,295,463
Transfers	(3,981,392)	(4,475,174)	(3,443,668)	(4,196,113)	(5,034,899)
Total business-type activities	(3,729,054)	(4,006,020)	(2,975,141)	(3,205,181)	(3,739,436)
Total primary government	10,173,492	10,667,684	11,588,418	13,583,033	14,816,588
CHANGE IN NET ASSETS					
Governmental activities	728,994	1,832,725	1,082,346	2,292,233	1,010,714
Business-type activities	2,435,182	(521,209)	4,958,486	5,031,367	1,664,854
Total primary government	$ 3,164,176	$ 1,311,516	$ 6,040,832	$ 7,323,600	$ 2,675,568

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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TABLE 3

CITY OF DEL RIO, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Reserved	$ 24,211	$ 117,242	$ 2,138,458	$ 382,871	$ 825,575	$ 423,742	$ 629,074	$ 823,506	$ 571,575	$ 1,319,600
Unreserved	144,107	2,256,055	3,187,411	5,671,722	6,539,395	6,745,503	7,579,802	7,080,607	7,770,946	8,548,649
Total general fund	$ 168,318	$ 2,373,297	$ 5,325,869	$ 6,054,593	$ 7,364,970	$ 7,169,245	$ 8,208,876	$ 7,904,113	$ 8,342,521	$ 9,868,249
All other governmental funds										
Reserved	$ 15,258	$ 2,613	$ 46,448	$ 87,086	$ 111,472	$ 285,210	$ 154,492	$ 182,647	$ 79,395	$ 263,639
Unreserved, reported in:										
Special revenue funds	198,547	937,114	946,362	899,477	654,254	206,406	292,095	343,537	468,235	93,097
Capital projects funds	182,521	140,986	226,554	1,388,828	5,873,234	4,778,263	6,887,134	8,379,656	6,277,655	12,314,262
Debt service funds	448,043	452,620	460,725	455,392	523,747	650,285	639,916	827,240	948,496	1,288,784
Total all other governmental funds	$ 844,369	$ 1,533,333	$ 1,680,089	$ 2,830,783	$ 7,162,707	$ 5,920,164	$ 7,973,637	$ 9,733,080	$ 7,773,781	$ 13,959,782

TABLE 4

CITY OF DEL RIO, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Taxes	$ 7,514,386	$ 7,832,919	$ 8,071,092	$ 8,585,224	$ 9,126,219	$ 9,473,258	$ 9,869,525	$ 10,457,768	$ 11,420,528	$ 12,234,421
Licenses, fees and permits	260,047	251,907	344,828	384,400	524,800	402,271	363,476	438,592	397,350	512,538
Intergovernmental	1,748,739	2,524,633	8,020,599	4,418,097	3,100,178	1,162,345	1,492,433	2,086,291	2,677,141	1,660,319
Charges for services	1,912,940	1,060,440	496,541	369,032	361,398	585,024	1,159,618	1,297,217	1,335,327	1,182,562
Fines and forfeitures	593,563	380,371	475,098	552,888	547,182	592,495	712,666	731,120	669,961	708,683
Investment earnings	-	-	-	-	-	193,846	155,764	464,321	814,467	1,115,628
Rental revenues	-	-	-	-	-	41,814	35,219	55,333	48,014	77,021
Miscellaneous	167,447	240,453	872,389	506,527	529,040	61,672	256,037	98,524	69,863	73,850
Total revenues	12,197,122	12,290,723	18,280,547	14,816,168	14,188,817	12,512,725	14,044,738	15,629,166	17,432,651	17,565,022
EXPENDITURES										
General government	1,957,027	1,863,589	2,298,665	3,043,733	3,437,811	3,335,825	3,579,351	3,794,923	4,160,811	4,489,078
Public safety	5,548,153	5,592,803	6,749,241	7,158,590	7,672,647	7,717,481	7,909,777	8,200,423	8,453,094	9,118,216
Highway and streets	2,758,586	2,251,731	2,795,385	1,669,011	1,983,542	1,138,831	1,372,482	1,439,312	1,495,074	1,668,361
Culture and recreation	176,355	206,138	189,416	1,136,461	1,096,966	1,129,729	1,066,098	1,147,504	1,245,095	1,303,430
Health and welfare	1,627,339	1,409,553	5,137,764	1,930,905	1,266,333	1,232,157	1,561,777	1,698,972	1,940,665	1,752,965
Economic development and assistance	-	-	-	-	-	42,880	49,838	50,044	3,738	104,242
Debt service	595,120	579,449	687,443	859,526	1,025,715	-	-	-	-	-
Administrative charges	-	-	-	-	-	701	699	2,999	-	1,860,695
Interest	-	-	-	-	-	594,711	561,848	611,333	754,716	879,729
Principal	-	-	-	-	-	1,077,414	1,209,916	1,530,066	1,592,347	265,588
Capital outlay	819,512	426,798	3,086,871	2,561,113	2,451,803	3,350,279	1,439,996	4,574,866	4,799,256	2,832,441
Total expenditures	13,482,092	12,330,061	20,944,785	18,359,339	18,934,817	19,620,008	18,751,782	23,050,442	24,444,796	24,274,745

Note: Detailed information on debt service expenditures not available in this format prior to 2003.

(continued)

TABLE 4

CITY OF DEL RIO, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$(1,284,970)	$(39,338)	$(2,664,238)	$(3,543,171)	$(4,746,000)	$(7,107,283)	$(4,707,044)	$(7,421,276)	$(7,012,145)	$(6,709,723)
OTHER FINANCING SOURCES (USES)										
Transfer in	1,504,217	3,649,944	4,781,946	5,290,066	5,165,648	6,069,139	5,925,088	6,437,302	6,843,542	7,813,430
Transfer out	(951,742)	(804,387)	(750,432)	(1,059,877)	(917,099)	(2,087,748)	(1,449,914)	(2,993,634)	(2,745,070)	(2,778,531)
Sale of capital assets	36,040	-	70,612	27,106	56,391	96,044	107,974	99,119	73,494	56,191
Payments of refunded debt	-	-	-	-	-	(4,155,000)	-	-	-	(422,055)
Proceeds from insurance	125,012	154,445	-	-	1,154,446	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-	-	-	-	-	(18,479)
Premium on issuance of debt	-	-	-	-	-	-	-	-	-	20,511
Bonds issued	-	-	772,992	1,273,217	5,150,000	5,768,058	3,217,000	5,333,171	-	9,750,385
Total other financing sources (uses)	713,527	3,000,002	4,875,118	5,530,512	10,609,386	5,690,493	7,800,148	8,875,958	4,171,966	14,421,452
NET CHANGE IN FUND BALANCES	$(571,443)	$ 2,960,664	$ 2,210,880	$ 1,987,341	$ 5,863,386	$(1,416,790)	$ 3,093,104	$ 1,454,682	$(2,840,179)	$ 7,711,729
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.9%	5.1%	4.0%	5.8%	6.6%	7.4%	7.8%	9.4%	9.2%	12.8%

TABLE 5

CITY OF DEL RIO, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Tax Year	Real Property: Residential Property	Real Property: Agricultural Property	Real Property: Commercial Property	Personal Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1998	1997	$ 234,002,277	$ 1,284,110	$ 262,492,438	$ 74,178,708	$ 39,709,547	$ 532,247,986	0.00000	$ 571,957,533	93.06%
1999	1998	265,320,388	1,776,710	258,557,408	80,228,497	40,519,925	565,363,078	0.00000	605,883,003	93.31%
2000	1999	289,916,470	1,880,810	241,389,699	77,292,682	23,513,532	586,966,129	0.00000	610,479,661	96.15%
2001	2000	437,486,823	7,724,565	113,692,709	80,308,711	39,437,570	599,775,238	0.00000	639,212,808	93.83%
2002	2001	494,677,590	6,225,310	114,867,710	114,319,620	61,557,365	668,532,865	0.00000	730,090,230	91.57%
2003	2002	520,270,610	5,952,840	115,048,430	129,977,430	59,858,480	711,390,830	0.00000	771,249,310	92.24%
2004	2003	548,864,500	8,043,420	125,146,000	162,376,740	76,347,445	768,083,215	0.00000	844,430,700	90.96%
2005	2004	576,958,680	8,246,980	125,606,450	149,825,670	64,182,156	796,455,624	0.00000	860,637,780	92.54%
2006	2005	587,341,790	8,210,570	142,805,070	167,547,740	62,313,097	843,592,073	0.52055	905,905,170	93.12%
2007	2006	656,285,904	9,645,230	160,516,430	158,049,890	75,012,529	909,484,925	0.52055	984,497,454	92.38%

Source: Val Verde County Appraisal District certified totals for the year indicated

Note: Property in Val Verde County is reassessed once every three years on average. Tax rates are per $100 of assessed value.

TABLE 6

CITY OF DEL RIO, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

		City Direct Rates			Overlapping Rates			
Fiscal Year Ended September 30,	Tax Year	Maintenance and Operations	General Obligation Debt Service	Total Direct Rate	San Felipe Del Rio School District	Val Verde County	Val Verde Regional Hospital	Total Direct and Overlapping Debt
1998	1997	0.42284	0.04264	0.46548	1.34220	0.37040	0.21540	2.85896
1999	1998	0.42312	0.04236	0.46548	1.35220	0.38200	0.21790	2.88306
2000	1999	0.42519	0.04029	0.46548	1.44860	0.37560	0.20910	2.96426
2001	2000	0.41942	0.05058	0.47000	1.44820	0.97000	0.19010	3.54830
2002	2001	0.41900	0.05100	0.47000	1.44200	0.38970	0.14450	2.91620
2003	2002	0.39659	0.07341	0.47000	1.44550	0.46900	0.15200	3.00650
2004	2003	0.42466	0.08089	0.50555	1.51260	0.46600	0.15020	3.13990
2005	2004	0.41238	0.10817	0.52055	1.51200	0.46600	0.14630	3.16540
2006	2005	0.38904	0.13151	0.52055	1.43180	0.46600	0.13800	3.07690
2007	2006	0.38904	0.13151	0.52055	1.43185	0.46600	0.13420	2.55260

Source: San Felipe Del Rio Consolidated Independent School District
Val Verde County Appraisal District

TABLE 7

CITY OF DEL RIO, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2007			1998		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AEP TEXAS CENTRAL CO	$ 12,140,330	1	1.33%	$ -		- %
WAL MART REAL ESTATE	8,934,020	2	0.98%	-		- %
WAL-MART STORES #01-0447	8,563,640	3	0.94%	4,701,420	4	0.87%
VERIZON SOUTHWEST	7,356,300	4	0.81%	-		- %
MALL SHOPPING CTR INC	6,438,810	5	0.71%	7,474,837	2	1.39%
H E BUTT GROCERY CO	4,414,630	6	0.49%	2,623,030	5	0.49%
DL DEL RIO I L P	3,524,030	7	0.39%	-		- %
LAREDO NATIONAL BANK	3,353,230	8	0.37%	-		- %
MAX & MAX INC.	3,337,110	9	0.37%	2,244,845	6	0.42%
H E BUTT GROCERY CO	3,248,730	10	0.36%	-		- %
GENERAL TEL CO OF SW	-		- %	8,518,350	1	1.58%
CENTRAL POWER & LIGHT	-		- %	6,059,180	3	1.12%
DOMINION LEASING INC	-		- %	2,158,860	7	0.40%
LA VILLITA PARTNERSHIP	-		- %	2,069,927	8	0.38%
RICKS MILTON	-		- %	1,971,600	9	0.37%
OLSON DAVID C	-		- %	1,964,710	10	0.36%
Total	$ 61,310,830		6.74%	$ 39,786,759		7.37%
Total taxable assessed value	$ 909,484,925			$ 539,482,566		

Source: Val Verde County Appraisal District

TABLE 8

CITY OF DEL RIO, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Tax Year	Taxes Levied for the Fiscal Year	Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Adjustments	Total Collections to Date	
			Amount	Percentage of Levy			Amount	Percentage of Levy
1999	1998	$ 2,661	$ 2,474	92.97%	$ 168	$(1)	$ 2,642	99.29%
2000	1999	2,653	2,485	93.67%	147	(1)	2,632	99.21%
2001	2000	2,792	2,601	93.16%	154	(7)	2,755	98.67%
2002	2001	3,142	2,911	92.65%	163	(3)	3,074	97.84%
2003	2002	3,344	3,073	91.90%	176	(7)	3,249	97.16%
2004	2003	3,610	3,309	91.66%	170	(18)	3,479	96.37%
2005	2004	4,008	3,695	92.19%	128	-	3,823	95.38%
2006	2005	4,391	3,984	90.73%	139	(87)	3,984	90.73%
2007	2006	4,736	4,399	92.88%	-	(31)	4,399	92.88%

Source: City of Del Rio Tax Division

Note: Year 1997 and 1998 not available

TABLE 9

CITY OF DEL RIO, TEXAS

WATER PUMPED AND WATER BILLED

LAST TWO FISCAL YEARS

Fiscal Year Ended Sept. 30	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Total Direct Rate Water	
					Base Rate (1)	Usage Rate (2)
2006	3,089,820,000	2,419,552,100	670,267,900	21.69%	$ 8.90	$ 2.62
2007	2,398,180,000	1,897,272,400	500,907,600	20.89%	8.90	2.77

Note: (1) Base rate shown is for 5/8" and 3/4" meters.
(2) The usage rate shown is for residential customers.

Note: Information prior to 2006 is not available.

TABLE 10

CITY OF DEL RIO, TEXAS

NEW WATER AND SEWER CONNECTIONS

LAST TWO FISCAL YEARS

Fiscal Year Ended Sept. 30	New Water Connections	New Sewer Connections	Total New Connections
2006	242	-	242
2007	348	97	445

Note: Information prior to 2006 is not available.

TABLE 11

CITY OF DEL RIO, TEXAS

NUMBER OF WATER AND SEWER CUSTOMERS

Fiscal Year Ended Sept. 30	Water						Sewer
	Residential		Commercial (1)				
	Inside City	Outside City	Inside City	Outside City	Cemeteries	Total	
2007	11,474	1,197	1,317	75	9	14,072	12,269

Note: (1) Commercial meter counts include governments.

Note: Information prior to 2007 is not available.

TABLE 12

CITY OF DEL RIO, TEXAS

WATER AND SEWER RATES

LAST TWO FISCAL YEARS

Water Rates (per meter size)	Fiscal Year Ended September 30, 2006	Fiscal Year Ended September 30, 2007
5/8"	$ 8.90	$ 8.90
3/4"	8.90	8.90
1"	13.28	13.28
1.5"	22.28	22.28
2"	34.88	34.88
3"	70.86	70.86
4"	121.25	121.25
6"	276.22	276.22
8"	466.70	466.70
10"	725.81	725.81
12"	1,042.48	1,042.48
Water Usage Rates (per 1,000 gallons)		
Residences	2.62	2.77
Business House	2.62	2.77
Cemeteries	2.62	2.77
Governments		
Inside City	3.02	3.17
Outside City	3.62	3.62
Laughlin AFB	1.89	1.89
Sprinkler	3.61	3.76
Sewer Rates		
Minimum (3,00 gallons)	8.19	8.19
Per 1,000 gallons over minimum		
Residential	1.98	2.49
Duplexes	1.98	2.49
All other	1.98	2.49
High-strength	As computed	As computed

Note: Information prior to 2006 is not available.

TABLE 13

CITY OF DEL RIO, TEXAS

WATER BILLED BY USER

LAST TWO FISCAL YEARS

Fiscal Year Ended Sept. 30	Residential	Commercial	Industrial	Cemeteries	Governments						Gallons of Water Billed
					City of Del Rio	Laughlin AFB	School District	Val Verde County	State of Texas	Federal	
2006	1,584,569,300	365,581,100	11,259,600	12,439,700	70,453,900	233,504,000	87,640,800	39,034,200	4,062,500	11,007,000	2,419,552,100
2007	1,195,748,000	326,046,800	12,645,100	9,142,300	46,022,300	216,207,000	48,941,100	33,460,400	3,882,500	5,176,900	1,897,272,400

Note: Information prior to 2006 is not available.

TABLE 14

CITY OF DEL RIO, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding: General Obligation Bonds	Less Debt Service	Total	Percentage of Actual Taxable Value of Property	Per Capita
1998	$ 5,830	$ 287	$ 5,543	1.03%	$ 144
1999	5,620	306	5,314	0.93%	135
2000	5,380	234	5,146	0.90%	123
2001	7,241	392	6,849	1.14%	202
2002	12,255	498	11,757	1.76%	347
2003	13,381	674	12,707	1.79%	375
2004	16,077	664	15,413	2.01%	453
2005	20,762	859	19,903	2.51%	569
2006	19,068	948	18,120	2.00%	510
2007	26,588	1,289	25,299	2.78%	693

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 5 for property value data.

Population data can be found in Table 12.

TABLE 15

CITY OF DEL RIO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2007
(amounts expressed in thousands)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Del Rio	$ 26,278	100.00%	$ 26,278
San Felipe Del Rio Independent School District	45,785	85.37%	39,087
Val Verde County	1,941	70.59%	1,370
Total direct and overlapping debt			$ 66,735

Sources: San Felipe Del Rio Consolidated Independent School District
Val Verde County Auditor's Office

TABLE 16

CITY OF DEL RIO, TEXAS

DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Debt Margin Calculation for Fiscal Year 2007		
Assessed value		$ 909,485
Debt limit (10% of assessed value)		90,949
Debt applicable to limit:		
General obligation bonds	26,588	
Less: Amount set aside for repayment of general obligation debt	(1,289)	
Total net debt applicable to limit		25,299
Debt margin		$ 65,650

	Fiscal Year Ended September 30,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	$ -	$ 82,943	$ 81,511	$ 85,685	$ 91,785	$ 77,125	$ 84,443	$ 85,743	$ 84,359	$ 90,949
Total net debt applicable to limit	-	5,314	5,146	6,849	11,756	13,381	16,077	20,762	18,120	26,278
Debt margin	$ -	$ 77,629	$ 76,365	$ 78,836	$ 80,029	$ 63,744	$ 68,366	$ 64,981	$ 66,239	$ 64,671
Total net debt applicable to the limit as a percentage of debt limit	- %	6.0%	6.0%	8.0%	13.0%	17.0%	19.0%	24.0%	21.0%	29.0%

Notes: (1) Starting in the fiscal year ended in 2003, the City computes its debt limit as 10% of assessed valuation as a guide for itself. The City operates under a home-rule charter as authorized by the Constitution of the State of Texas. The Constitution and the City Charter provide that taxes levied for general purposes and for paying debt cannot exceed $2.50 of assessed valuation. There is no constitutional or statutory limitation within the $2.50 for interest and sinking fund purposes. However, the Texas Attorney General adopted an administrative policy prohibiting issuance of debt if the issuance produces debt service requirements exceeding that which can be paid from $1.50 of the $2.50 tax rate calculated at 90% collection.

(2) For the fiscal year ended 1998, the City did not compute a debt limit.

TABLE 17

CITY OF DEL RIO, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	Governmental Activities			Business-type Activities								
Fiscal Year Ended September 30,	Certificates of Obligation	Refunding Bonds Note (1)	Capital Leases	Certificates of Obligation	Revenue Bonds Note (1)	Refunding Bonds Note (1)	Capital Leases	Total Primary Government	Per Capita Income	Percentage of Personal Income	Population	Per Capita
1998	$ 1,285	$ 4,545	$ 182	$ 2,790	$ 25,452	$ -	$ 475	$ 34,729	$ 10,633	8.47%	38,552	$ 901
1999	1,160	4,460	252	2,710	24,512	-	451	33,545	10,633	8.02%	39,323	853
2000	1,025	4,355	874	8,165	24,035	-	681	39,135	11,277	8.33%	41,637	940
2001	3,021	4,220	862	10,254	28,034	-	529	46,920	11,919	11.62%	33,865	1,386
2002	8,710	4,075	1,262	26,383	6,883	10,985	202	58,500	12,039	14.35%	33,865	1,727
2003	9,512	4,255	813	27,191	2,286	15,960	64	60,081	13,053	13.59%	33,865	1,774
2004	12,477	4,010	425	30,735	1,948	15,275	19	64,889	13,234	14.48%	33,865	1,916
2005	17,042	3,720	25	25,984	1,579	21,295	-	69,645	13,378	14.66%	35,500	1,962
2006	15,773	3,295	-	24,982	1,294	20,295	-	65,639	13,255	13.95%	35,500	1,849
2007	23,343	3,245	-	19,671	988	26,460	-	73,707	13,306	15.18%	36,491	2,020

Notes: (1) Prior to the fiscal year ending in 2002, the City did not separate its bond outstanding into revenue or refunding type bonds.

(2) See Schedule 18 for personal income and population data.

TABLE 18

CITY OF DEL RIO, TEXAS

PLEDGED REVENUE COVERAGE - WASTEWATER FUND BONDED DEBT

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	$ 2,794	$ 1,458	$ 1,336	$ 436	$ 405	$ 841	$ 1.59
2004	2,556	1,619	937	447	462	909	1.12
2005	2,898	1,666	1,232	568	468	1,036	1.19
2006	3,123	1,706	1,417	662	625	1,287	1.10
2007	3,472	1,857	1,615	803	535	1,338	1.21

Notes: Prior to the fiscal year ended September 30, 2003, the City combined the Water and Wastewater funds into one bond coverage statistical data table. Starting with fiscal year ended September 30, 2003, the City separated it into two statistical data tables, the bond coverage for the Water Fund and the Wastewater Fund.

TABLE 19

CITY OF DEL RIO, TEXAS

PLEDGED REVENUE COVERAGE - UTILITY COMMISSION/WATER FUND BONDED DEBT

(amounts expressed in thousands)

Fiscal Year Ended September 30,		Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1998		$ 6,112	$ 4,477	$ 1,635	$ -	$ -	$ 2,023	$ 0.81
1999	(1)	6,182	2,911	3,271	-	-	2,041	1.60
2000	(1)	7,032	3,231	3,801	-	-	2,050	1.85
2001	(1)	7,493	3,803	3,690	-	-	2,776	1.33
2002	(1)	8,780	3,620	5,160	-	-	2,975	1.73
2003		6,407	3,150	3,257	1,145	1,233	2,378	1.37
2004		5,941	3,265	2,676	1,447	1,215	2,662	1.01
2005		6,704	3,015	3,689	1,501	1,154	2,655	1.39
2006		8,047	3,316	4,731	1,558	984	2,542	1.86
2007		6,025	3,947	2,078	1,798	1,185	2,983	0.70

Notes: (1) Prior to the fiscal year ended September 30, 2003, the City combined the Water and Wastewater funds into one bond coverage statistical table. Starting with fiscal year ended September 30, 2003, the City separated it into two statistical data tables, the bond coverage for the Water Fund and the Wastewater Fund.

TABLE 20

CITY OF DEL RIO, TEXAS

PLEDGED REVENUE COVERAGE - INTERNATIONAL BRIDGE FUND BONDED DEBT

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	$ 2,450	$ 677	$ 1,773	$ 220	$ 267	$ 2,023	$ 3.64
1999	3,769	551	3,218	230	255	2,041	6.63
2000	4,780	418	4,362	240	244	2,050	9.01
2001	4,684	479	4,205	255	232	2,776	8.63
2002	4,960	462	4,498	270	220	2,975	9.19
2003	4,746	448	4,298	270	206	476	9.04
2004	4,567	552	4,015	285	141	426	9.43
2005	4,610	566	4,044	295	126	421	9.61
2006	4,631	474	4,157	315	110	425	9.79
2007	5,300	532	4,768	330	105	435	10.95

TABLE 21

CITY OF DEL RIO, TEXAS

PLEDGED COVERAGE - REFUSE FUND BONDED DEBT

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	$ 1,401	$ 1,642	$(241)	$ 35	$ 68	$ 2,023	$(2.34)
1999	1,466	1,037	429	70	126	2,041	2.20
2000	1,495	1,168	327	75	120	2,050	1.67
2001	1,698	879	819	80	115	2,776	4.20
2002	1,897	1,156	741	96	174	2,975	2.75
2003	2,207	1,148	1,059	113	130	243	4.35
2004	2,503	1,584	919	283	168	451	2.04
2005	2,154	1,349	805	296	145	441	1.83
2006	2,189	1,763	426	367	137	504	0.85
2007	2,142	1,531	611	370	149	519	1.18

TABLE 22

CITY OF DEL RIO, TEXAS

PLEDGED REVENUE COVERAGE - GAS FUND BONDED DEBT

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	$ 3,947	$ 2,694	$ 1,253	$ 35	$ 22	$ 1,104	$ 21.98
2006	4,136	3,093	1,043	55	39	2,023	11.06
2007	4,235	2,562	1,673	55	34	89	18.69

TABLE 23

CITY OF DEL RIO, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Calendar Year	Population	Per Capita Personal Income	Median Age	Education Level years of Formal Schooling	School Enrollment	Unemployment Rate
1998	38,552	$ 10,633	29	11.4	10,621	7.3%
1999	39,323	10,633	29	11.4	10,656	7.3%
2000	41,637	11,277	31	11.4	10,046	5.9%
2001	33,865	11,919	30	11.4	10,171	5.0%
2002	33,865	12,039	31	11.4	10,296	7.0%
2003	33,865	13,053	32	11.4	10,501	7.4%
2004	33,865	13,234	33	11.4	10,304	6.4%
2005	35,500	13,378	33	11.4	10,376	5.5%
2006	35,500	13,255	33	11.4	10,461	5.3%
2007	36,491	13,306	34	11.4	10,162	4.9%

Sources: Population, per capita personal income and median age information provided by the CBL & Associates Properties, Inc. report. Education level information and school enrollment provided by the San Felipe Del Rio Consolidated Independent School District. Unemployment rate provided by the Texas Workforce Commission.

TABLE 24

CITY OF DEL RIO, TEXAS

PRINCIPAL EMPLOYERS

Employer	2006 Employees	2006 Percentage of Total City Employment	2007 Employees	2007 Percentage of Total City Employment
Laughlin Airforce Base	2,782	13.81%	2,806	13.93%
Federal Agencies	1,955	9.70%	2,132	10.58%
San Felipe Del Rio CISD	1,567	7.78%	1,412	7.01%
City of Del Rio	485	2.41%	485	2.41%
Plaza Del Sol Mall	445	2.21%	445	2.21%
Wal-Mart Supercenter	473	2.35%	434	2.15%
Val Verde Regional Medical Center	500	2.48%	380	1.89%
The GEO Group Correctional Facility	198	0.98%	298	1.48%
HEB Grocery	256	1.27%	256	1.27%
Texas State Agencies	222	1.10%	222	1.10%
Val Verde County	206	1.02%	206	1.02%
Union Pacific Railroad	150	0.74%	142	0.70%
Home Depot	79	0.39%	92	0.46%
Total	9,318	46.25%	9,310	46.21%

Source: Del Rio Chamber of Commerce Website

Note: Information for nine years ago is not available.

TABLE 25

CITY OF DEL RIO, TEXAS

SCHEDULE OF INTERNATIONAL BRIDGE FUND TRAFFIC AND REVENUE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Trucks		Automobiles		Pedestrians/Bicycles	
	Number	Revenue	Number	Revenue	Number	Revenue
1998	34,445	290,576	1,861,504	2,096,709	61,103	7,527
1999	33,682	373,831	1,988,045	3,287,853	50,626	12,657
2000	63,329	705,915	1,956,335	3,912,670	59,738	14,934
2001	62,373	687,084	1,922,537	3,845,074	59,105	14,776
2002	71,413	796,830	2,025,881	4,051,762	66,468	16,617
2003	70,431	791,853	1,935,818	3,871,636	68,202	17,051
2004	65,381	760,458	1,871,726	3,743,452	88,867	22,217
2005	65,957	766,977	1,708,646	3,713,675	66,912	43,910
2006	70,955	816,192	1,709,980	3,729,188	55,205	35,593
2007	70,071	799,455	1,739,030	4,403,178	57,767	43,325

Fiscal Year Ended	Recreational Vehicles		Buses/Trucks		Motorcycles & Carts	
	Number	Revenue	Number	Revenue	Number	Revenue
1998	44	155	145	519	9,618	1,166
1999	39	156	168	683	5,044	1,261
2000	44	176	7,370	33,165	- (1)	- (1)
2001	71	284	7,336	33,012	- (1)	- (1)
2002	88	352	6,576	29,592	- (1)	- (1)
2003	50	200	4,341	19,535	- (1)	- (1)
2004	41	164	182	819	- (1)	- (1)
2005	42	168	2,494	11,223	- (1)	- (1)
2006	49	196	3,512	15,804	- (1)	- (1)
2007	41	164	3,495	15,728	- (1)	- (1)

Fiscal Year Ended	Total		
	Number of Vehicles	Number of People	Revenue
1998	1,905,756	61,103	2,396,652
1999	2,026,978	50,626	3,676,441
2000	2,027,078	59,738	4,666,860
2001	1,992,317	59,105	4,580,230
2002	2,103,958	66,468	4,895,153
2003	2,010,640	68,202	4,700,274
2004	1,937,330	88,867	4,527,110
2005	1,777,139	66,912	4,535,953
2006	1,784,496	55,205	4,596,973
2007	1,812,637	57,767	5,261,850

Note: (1) Motorcycles & Carts are now included with the figures for automobiles.

TABLE 26

CITY OF DEL RIO, TEXAS

FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

FISCAL YEARS ENDED SEPTEMBER 30,

Function/Program	2007	2006
General government	78	77
Public safety	165	169
Highway and streets	28	27
Health and welfare	38	37
Culture and recreation	35	34
Gas	19	20
Water	43	44
Bridge	14	13
Airport	6	8
Refuse	2	2
Municipal facilities	9	9
Wastewater	16	17
Total	453	457

Notes: Generally, fulltime employees are scheduled to work 80 hours bi-weekly. Fulltime equivalents were computed by dividing the total hours paid for the year by 2,080 hours for those positions. Firefighters other than administrative personnel are scheduled to work 106 hours bi-weekly. Fulltime equivalents for those firefighters are computed by dividing the total hours paid for the year by 2,756 hours.

Information prior to 2006 is not available.

TABLE 27

CITY OF DEL RIO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS ENDED SEPTEMBER 30,

Function/Program	2007	2006
General government		
Building permits issued	710	705
Police		
Physical arrests	1,970	2,094
Parking violations	12	115
Traffic violations	4,639	6,978
Fire		
Emergency responses	1,046	1,170
Fires extinguished	78	133
Inspections	515	756
Refuse collection		
Refuse collected (tons per day)	159	398
Other public works		
Street resurfacing (miles)	3	12
Potholes repaired	4,003	2,422
Water		
New connections	348	242
Water main breaks	998	921
Average daily consumption (thousands of gallons)	12,280	15,790
Peak daily consumption (thousands of gallons)	14,520	16,190
Wastewater		
Average daily sewage treatment (thousands of gallons)	3,810	3,655

Note: Information prior to 2006 is not available.

Source: Various City departments

TABLE 28

CITY OF DEL RIO, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

FISCAL YEARS ENDED SEPTEMBER 30,

Function/Program	2007	2006
Police		
Stations	1	1
Patrol units	47	32
Fire		
Stations	4	3
Other public works		
Streets (miles)	225	224
Streetlights	1,900	1,750
Traffic signals	15	15
Parks and recreation		
Acreage	276	163
Swimming pools	2	2
Tennis courts	2	2
Community centers	1	1
Water		
Water mains (miles)	250	235
Fire hydrants	1,115	1,137
Wastewater		
Sanitary sewers (miles)	210	196
Storm sewers (miles)	1	1

Note: Information prior to 2006 is not available.

Source: Various City departments

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SINGLE AUDIT SECTION

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PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the City of Council
City of Del Rio, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Del Rio, Texas, (the "City") as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Del Rio, Texas, in a separate letter dated March 18, 2008.

This report is intended solely for the information and use of management, the City Council, and federal and state awarding agencies and pass-through entities and is not included to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

March 18, 2008

PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and
Members of the City Council
City of Del Rio, Texas

Compliance

We have audited the compliance of the City of Del Rio, Texas, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2007. The City of Del Rio, Texas' major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Del Rio, Texas' management. Our responsibility is to express an opinion on the City of Del Rio, Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Del Rio, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Del Rio, Texas' compliance with those requirements.

In our opinion, the City of Del Rio, Texas complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2007.

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Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

March 18, 2008

CITY OF DEL RIO, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Agriculture			
Passed through Texas Department of State Health Services:			
Women, Infants and Children	10.557	C4000543	$ 423,862
Total Passed through Texas Department of State Health Services			423,862
Total U. S. Department of Agriculture			423,862
U. S. Department of Transportation			
Direct Program:			
Airport Improvement	20.106	3-48-0066-006-2007	96,877
Total Direct Program			96,877
Passed through Texas Department of Transportation:			
Airport Expansion Project	20.106	0422DLRIO	59,400
Bicycle and Walking Trail	20.205	CSJ-0922-11-018 and 0922-11-022	116,258
Section 5310 Elderly Disabled Transportation	20.500	51622F7197	51,626
Section 5310 Elderly Disabled Transportation	20.500	51722F7144	3,155
Public Transportation Non-urbanized Areas	20.509	51622F7104	15,438
Public Transportation Non-urbanized Areas	20.509	51722F7241	69,728
Selective Traffic Enforcement Program (STEP) Wave	20.600	587XXF6053	48,560
Total Passed through Texas Department of Transportation			364,165
Total U. S. Department of Transportation			461,042
U. S. Department of Health and Human Services			
Passed through Middle Rio Grande Development Council:			
Transportation IIIB	93.044	AAA-2005-024-01	10,309
Part CI, CII and Participant Assessment	93.045	AAA-2005-024-01	151,234
Total Passed through Middle Rio Grande Development Council			161,543
Passed through Texas Department of Aging and Disability Services:			
Title XX - Social Services Block Grant	93.667	AAA-2005-024-01	227,354
Title XIX - Medical Assistance Program	93.778	AAA-2005-024-01	43,521
Total Passed through Texas Department of Aging and Disability Services			270,875
Total U. S. Department of Health and Human Services			432,418
Total Expenditures of Federal Awards			$ 1,317,322

CITY OF DEL RIO, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR YEAR ENDED SEPTEMBER 30, 2007

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *"Audits of States, Local Governments and Nonprofit Organization."* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

   For programs which require a local match, the amount reported as expenditures does not include expenditures paid with local matching funds.

2. Expenditures reported for the Section 5310 grant (CFDA # 20.500) and the Section 5311 Grant (CFDA # 20.509) are reported to the extent they match federal grant receipts since the projects are financed by multiple sources.

3. Title XIX funding (CFDA # 93.778) is 45% federal and 55% state. Only the federal portion of the expenditures is reported in this schedule.

CITY OF DEL RIO, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133 disclosed	None
Dollar threshold considered between Type A and Type B federal programs	$300,000
Low risk auditee statement	The City was classified as a low-risk auditee in the context of OMB Circular A-133.
Major federal program	Women, Infants and Children CFDA #10.557

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

CITY OF DEL RIO, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2007

None

SCHEDULES OF
GRANT RECEIPTS AND EXPENDITURES

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CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Special Supplemental Food Program for W.I.C.
CFDA	10.557
FUND SOURCE	U.S.D.A. - Texas Department of State Health Services
GRANT NO.	C4000543
PERIOD	October 1, 2005 - September 30, 2006

	Actual		
	Prior Year	Current Year	Total
RECEIPTS			
TDSHS contract	$ 327,598	$ 102,419	$ 430,017
Total receipts	327,598	102,419	430,017
EXPENDITURES			
Personnel	235,525	-	235,525
Fringe benefits	61,441	(690)	60,751
Travel	11,101	30	11,131
Supplies	19,280	25,603	44,883
Other	47,325	5,510	52,835
Cost allocation	24,892	-	24,892
Total expenditures	399,564	30,453	430,017
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$(71,966)	$ 71,966	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Special Supplemental Food Program for W.I.C.
CFDA	10.557
FUND SOURCE	U.S.D.A. - Texas Department of State Health Services
GRANT NO.	C4000543
PERIOD	October 1, 2006 - September 30, 2007

	Actual
RECEIPTS	
TDSHS contract	$ 342,217
TDSHS contract - dietician	4,777
TDSHS contract - vendor liaison	297
Total receipts	347,291
EXPENDITURES	
Personnel	246,263
Fringe benefits	77,415
Travel	4,534
Supplies	15,003
Other	62,765
Indirect	23,404
Total expenditures	429,384
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$(82,093)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Homebuyers Assistance Program
CFDA	14.228
FUND SOURCE	Office of Rural Community Affairs
GRANT NO.	718207
PERIOD	June 11, 2001 - September 10, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
State (ORCA)	$ 445,245	$ 321,312	$ 2,500	$ 323,812
Total receipts	445,245	321,312	2,500	323,812
EXPENDITURES				
Water facilities	6,900	6,900	-	6,900
Sewer facilities	22,000	22,000	-	22,000
Street improvements	162,991	162,991	-	162,991
Flood and drainage facilities	51,900	51,900	-	51,900
Public housing modernization	176,454	57,521	-	57,521
General administration	25,000	22,500	-	22,500
Total expenditures	445,245	323,812	-	323,812
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(2,500)	$ 2,500	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM Airport Expansion Project
CFDA 20.106
FUND SOURCE Texas Department of Transportation
GRANT NO. 0422DLRIO

		Actual			
	Budget	Prior Year	Current Year	Total	
RECEIPTS					
Federal	$ 7,870,000	$ 7,741,400	$ 59,400	$ 7,800,800	
Local	1,230,000	860,156	6,600	866,756	(a)
Total receipts	9,100,000	8,601,556	66,000	8,667,556	
EXPENDITURES					
Capital outlay	9,100,000	8,601,556	66,000	8,667,556	
Total expenditures	9,100,000	8,601,556	66,000	8,667,556	
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$ -	$ -	$ -	

(a) The City has sent in $1,259,660 in local contributions to TxDot.

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Airport Improvement
CFDA	20.106
FUND SOURCE	Texas Department of Transportation
GRANT NO.	3-48-0066-006-2007
PERIOD	August 1, 2007 - February 1, 2008

	Budget	Actual
RECEIPTS		
Federal	$ 1,000,000	$ 96,877
Local	52,632	5,099
Total receipts	1,052,632	101,976
EXPENDITURES		
Capital outlay	1,052,632	101,976
Total expenditures	1,052,632	101,976
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Del Rio San Felipe Bicycle and Walking Trail
CFDA	20.205
FUND SOURCE	Texas Department of Transportation
GRANT NO.	CSJ-0922-11-018 and 0922-11-022
PERIOD	September 30, 2001 -

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
TxDot	$ 519,648	$ 241,724	$ 116,258	$ 357,982
Local	129,912	111,600	176,033	287,633
Interest income	-	2,097	7,819	9,916
Total receipts	649,560	355,421	300,110	655,531
EXPENDITURES				
Administrative	108,260	31,944	-	31,944
Engineering	40,000	17,056	-	17,056
Construction	501,300	280,555	230,946	511,501
Total expenditures	649,560	329,555	230,946	560,501
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$ 25,866	$ 69,164	$ 95,030

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Safe Route to School
CFDA	20.205
FUND SOURCE	Texas Department of Transportation
GRANT NO.	CSJ-0922-11-020
PERIOD	October 1, 2005 - September 30, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
TxDOT	$ 306,800	$ 292,099	$ -	$ 292,099
Local	76,700	105,260	(16,199)	89,061
Total receipts	383,500	397,359	(16,199)	381,160
EXPENDITURES				
Engineering	34,862	31,560	-	31,560
Construction	348,638	349,600	-	349,600
Total expenditures	383,500	381,160	-	381,160
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$ 16,199	$(16,199)	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5310 Elderly & Disabled Transportation Program
CFDA	20.500
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51422F7160
PROJECT NO.	ED 0403 (22) 41
PERIOD	May 1, 2004 - August 31, 2005

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Federal (TxDot)	$ 46,011	$ 46,011	$ -	$ 46,011
Local match	11,503	11,089	-	11,089
Total receipts	57,514	57,100	-	57,100
EXPENDITURES				
Capital	-	55,448	-	55,448
Total expenditures	-	55,448	-	55,448
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ 57,514	$ 1,652	$ -	$ 1,652

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5310 Elderly & Disabled Transportation Program
CFDA	20.500
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51522F7188
PROJECT NO.	ED 0503 (22) 42
PERIOD	September 13, 2005 - August 31, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Federal (TxDot)	$ 44,000	$ 18,657	$ 10,149	$ 28,806
Local match	11,000	7,202	-	7,202
Total receipts	55,000	25,859	10,149	36,008
EXPENDITURES				
Capital	-	36,008	-	36,008
Total expenditures	-	36,008	-	36,008
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ 55,000	$(10,149)	$ 10,149	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5310 Elderly & Disabled Transportation Program
CFDA	20.500
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51622F7197
PROJECT NO.	602 (22)
PERIOD	March 15, 2006 - August 31, 2007

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Federal (TxDot)	$ 64,344	$ -	$ 31,709	$ 31,709
Local match	16,086	1,146	12,906	14,052
Total receipts	80,430	1,146	44,615	45,761
EXPENDITURES				
Capital	80,430	5,728	64,533	70,261
Total expenditures	80,430	5,728	64,533	70,261
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(4,582)	$(19,918)	$(24,500)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5310 Elderly & Disabled Transportation Program
CFDA	20.500
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51722F7144
PROJECT NO.	ED 0702 (22) 02
PERIOD	September 1, 2007 - August 31, 2008

	Budget	Actual
RECEIPTS		
Federal (TxDot)	$ 65,824	$ -
Local match	16,456	789
Total receipts	82,280	789
EXPENDITURES		
Capital	58,280	-
Preventive maintenance	24,000	3,944
Total expenditures	82,280	3,944
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(3,155)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Texas Traffic Safety Program - Click It or Ticket It
CFDA	20.600
FUND SOURCE	Texas Department of Transportation
GRANT NO.	586XXF6175
PERIOD	May 1, 2006 - June 30, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
TxDot	$ 8,000	$ -	$ 7,207	$ 7,207
Total receipts	8,000	-	7,207	7,207
EXPENDITURES				
Salaries - overtime	8,000	6,444	-	6,444
Other	-	763	-	763
Total expenditures	8,000	7,207	-	7,207
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(7,207)	$ 7,207	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM Texas Traffic Safety Program - Step-Wave
CFDA 20.600
FUND SOURCE Texas Department of Transportation
GRANT NO. 586XXF6036
PERIOD October 1, 2005 - September 30, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
TxDot	$ 36,795	$ 27,275	$ 7,892	$ 35,167
Local match	4,088	6,413	-	6,413
Total receipts	40,883	33,688	7,892	41,580
EXPENDITURES				
Salaries - overtime	31,450	33,629	-	33,629
Fringe benefits	7,862	3,875	-	3,875
Travel	1,571	4,076	-	4,076
Total expenditures	40,883	41,580	-	41,580
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(7,892)	$ 7,892	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Texas Traffic Safety Program - Step-Comprehensive
CFDA	20.600
FUND SOURCE	U. S. Department of Transportation
GRANT NO.	587XXF6053
PERIOD	October 1, 2006 - September 30, 2007

	Budget	Actual
RECEIPTS		
Federal (TxDot)	$ 48,769	$ 36,436
Local match	5,418	5,122
Total receipts	54,187	41,558
EXPENDITURES		
Salaries - overtime	40,100	42,522
Fringe benefits	9,222	6,531
Travel	4,865	4,629
Total expenditures	54,187	53,682
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(12,124)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5311 Grant
CFDA	20.509
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51622F7104
PROJECT NO.	RPT 0603 (22)
PERIOD	March 1, 2006 - August 31, 2007

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Federal (TxDot contract)	$ 210,548	$ 14,835	$ 195,713	$ 210,548
Local fares and contract revenue	219,759	81,101	22,223	103,324
Insurance claim proceeds	8,826	8,826	-	8,826
Building rental	18,000	7,500	-	7,500
State funding	243,816	-	-	-
Federal 2005 funding	39,267	-	-	-
Total receipts	740,216	112,262	217,936	330,198
EXPENDITURES				
Federal - administrative	78,161	62,723	15,438	78,161
Federal - operations	132,387	132,387	-	132,387
Local - operations	422,068	101,693	-	101,693
Local - administrative	107,600	15,681	2,276	17,957
Total expenditures	740,216	312,484	17,714	330,198
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(200,222)	$ 200,222	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5311 Grant
CFDA	20.509
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51722F7241
PROJECT NO.	RPT 705 (22)
PERIOD	March 1, 2007 - August 31, 2008

	Budget	Actual
RECEIPTS		
Federal (TxDot contract)	$ 257,211	$ 45,517
City match	-	16,697
State (TDSHS contract)	-	68,905
Building rental	-	9,000
Total receipts	257,211	140,119
EXPENDITURES		
Administrative	71,442	25,189
Operations	185,769	103,299
Local - capital	-	1,249
Local - operations	-	146,018
Total expenditures	257,211	275,755
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(135,636)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5311 Grant
CFDA	N/A
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51622F7016
PROJECT NO.	RPT 0601 (22)
PERIOD	September 1, 2005 - August 31, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
State (TxDot contract)	$ 243,816	$ 199,527	$ 44,289	$ 243,816
State (TDSHS contract)	-	135,034	(18,178)	116,856
City match	-	13,863	-	13,863
Total receipts	243,816	348,424	26,111	374,535
EXPENDITURES				
Capital	5,600	602	-	602
Administrative	108,200	97,851	-	97,851
Operations	130,016	145,363	-	145,363
Transit service	-	130,719	-	130,719
Total expenditures	243,816	374,535	-	374,535
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(26,111)	$ 26,111	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5311 Grant
CFDA	N/A
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51722F7016
PROJECT NO.	RPT 701 (22)
PERIOD	September 1, 2006 - August 31, 2007

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
State (TxDot contract)	$ 221,327	$ -	$ 221,327	$ 221,327
City match	-	-	30,581	30,581
State (TDSHS contract)	-	-	58,553	58,553
Building rental	-	-	7,500	7,500
Total receipts	221,327	-	317,961	317,961
EXPENDITURES				
Capital	-	428	-	428
Administrative	44,265	-	44,265	44,265
Operations	177,062	39,738	137,323	177,061
Local - operations	-	-	96,207	96,207
Total expenditures	221,327	40,166	277,795	317,961
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(40,166)	$ 40,166	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Section 5311 Grant
CFDA	N/A
FUND SOURCE	U. S. Department of Transportation - Transit - TxDot
GRANT NO.	51822F7016
PROJECT NO.	RPT 801 (22)
PERIOD	September 27, 2007 - August 31, 2008

	Budget	Actual
RECEIPTS		
State (TxDot contract)	$ 234,887	$ -
Total receipts	234,887	-
EXPENDITURES		
State - administrative	62,267	10,972
State - operations	172,620	-
Total expenditures	234,887	10,972
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(10,972)

CITY OF DEL RIO, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Nutrition/Social Services
CFDA	Various (93.044, 93.045, 93.667 and 93.778)
FUND SOURCE	Texas Department of Aging and Disability Services
GRANT NO.	AAA-2005-024-01
PERIOD	October 1, 2006 - September 30, 2007

	Actual
REVENUES	
Middle Rio Grande Development Council:	
Congregate Meals (CI)	$ 64,854
Home Delivered Meals (CII)	83,009
Transportation (IIIB)	10,309
Participant Assessment	3,372
Title XIX	97,239
Title XX	227,862
Total revenues from Middle Rio Grande Development Council	486,645
Donations	12,985
Transfers from the City of Del Rio General Fund	11,802
In-kind contributions	30,000
Total revenues	541,432
EXPENDITURES	
Personnel	204,819
Travel	1,173
Utilities	21,348
Raw food	223,304
Supplies and materials	3,427
Gas and oil	10,387
Repair and maintenance	5,905
Other	31,171
In-kind contributions	30,000
Total expenditures	531,534
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	$ 9,898

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Auto Theft Prevention and Recovery Unit
CFDA	N/A
FUND SOURCE	Texas Department of Transportation
GRANT NO.	SA-T01-10048-06
PERIOD	September 1, 2005 - August 31, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Grant contract	$ 67,451	$ 52,764	$ 4,257	$ 57,021
Local	16,863	14,255	-	14,255
Total receipts	84,314	67,019	4,257	71,276
EXPENDITURES				
Personnel	46,899	46,034	-	46,034
Prof. and cont	2,000	-	-	-
Travel	2,975	3,088	-	3,088
Equipment	8,500	13,168	-	13,168
Construction	-	-	-	-
Supplies and DOE	23,940	8,986	-	8,986
Indirect cost	-	-	-	-
Total expenditures	84,314	71,276	-	71,276
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(4,257)	$ 4,257	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM Auto Theft Prevention and Recovery Unit
CFDA N/A
FUND SOURCE Texas Department of Transportation
GRANT NO. SA-T01-10048-07
PERIOD September 1, 2006 - August 31, 2007

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Grant contract	$ 109,809	$ -	$ 42,392	$ 42,392
Local	14,024	1,024	11,942	12,966
Total receipts	123,833	1,024	54,334	55,358
EXPENDITURES				
Personnel	51,263	3,493	48,059	51,552
Prof. and cont	1,200	-	-	-
Travel	2,150	-	1,702	1,702
Equipment	53,270	272	51,834	52,106
Construction	-	-	-	-
Supplies and DOE	15,950	1,355	9,949	11,304
Indirect cost	-	-	-	-
Total expenditures	123,833	5,120	111,544	116,664
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(4,096)	$(57,210)	$(61,306)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Auto Theft Prevention and Recovery Unit
CFDA	N/A
FUND SOURCE	Texas Department of Transportation
GRANT NO.	SA-T01-10048-08
PERIOD	September 1, 2007 - August 31, 2008

	Budget	Actual
RECEIPTS		
Grant contract	$ 74,026	$ -
Local	18,528	973
Total receipts	92,554	973
EXPENDITURES		
Personnel	49,583	4,354
Prof. and cont.	2,400	-
Travel	3,320	-
Equipment	-	-
Construction	-	-
Supplies and DOE	18,723	511
Indirect cost	-	-
Total expenditures	74,026	4,865
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ 18,528	$(3,892)

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Office of Rural Community Affairs
CFDA	14.228
FUND SOURCE	Texas Community Development Program Fire Protection Facilities
GRANT NO.	#724219
PERIOD	May 7, 2004 through May 6, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
State (ORCA)	$ 399,579	$ 399,579	$ -	$ 399,579
Certificate of obligation proceeds	700,781	700,871	286,589	987,460
Investment income	35,387	35,558	-	35,558
Other local income	50,000	50,000	-	50,000
Total receipts	1,185,747	1,186,008	286,589	1,472,597
EXPENDITURES				
Engineering/architectural contract	73,776	71,300	8,541	79,841
Construction	1,107,400	658,020	502,847	1,160,867
Equipment	50,000	-	45,140	45,140
Total expenditures	1,231,176	729,320	556,528	1,285,848
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$(45,429)	$ 456,688	$(269,939)	$ 186,749

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Housing Infrastructure Grant
CFDA	14.228
FUND SOURCE	Office of Rural Community Affairs
GRANT NO.	#718197
PERIOD	November 17, 2000 through November 16, 2003

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
State (ORCA)	$ 500,000	$ 495,275	$ 4,725	$ 500,000
Total receipts	500,000	495,275	4,725	500,000
EXPENDITURES				
Water facilities	73,038	-	-	-
Sewer facilities	77,834	-	-	-
Other public utilities (electric)	46,676	-	-	-
Street improvements	67,132	370,680	-	370,680
Flood and drainage facilities	5,000	-	-	-
Engineering/architectural services	72,926	72,926	-	72,926
General administration	56,394	56,394	-	56,394
Total expenditures	399,000	500,000	-	500,000
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ 101,000	$(4,725)	$ 4,725	$ -

CITY OF DEL RIO, TEXAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2007

PROGRAM	Assistance to Firefighters Act Grant
CFDA	83.554
FUND SOURCE	Federal Emergency Management Agency
GRANT NO.	EMW-2005-FG-20810
PERIOD	August 26, 2005 - August 25, 2006

		Actual		
	Budget	Prior Year	Current Year	Total
RECEIPTS				
Federal	$ 115,543	$ -	$ 115,181	$ 115,181
City match	12,838	12,798	-	12,798
Total receipts	128,381	12,798	115,181	127,979
EXPENDITURES				
General administration	128,381	127,979	-	127,979
Total expenditures	128,381	127,979	-	127,979
EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES	$ -	$(115,181)	$ 115,181	$ -