

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **CITY OF DEL RIO, TEXAS** Del Rio, Texas

Year Ended September 30, 2006

Prepared by the Finance Department

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Manuel B. Chavez	Assistant Finance Director
Jose Rivera, Jr., CPA	Chief Accountant
Lorinda Castillo	Director of Operations
Maria Lopez	Special Grants Accountant
Ana Wilson	Senior Accounting Clerk
Amelia Moreno	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

Rafael Castillo, Jr.	City Manager
David Sorola	City Attorney
Sandra Amende	City Secretary
Filemon Ortiz, Jr.	Municipal Court Judge
Billy Guerra	Assistant City Manager
Waylon Bullard	Police Chief
Harold Bean	Fire Chief
Frances F. Rodriguez	Finance Director
Alejandro Garcia	Public Works/Engineering Director
Lucia Gray	Human Resources Director

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# **INTRODUCTORY SECTION**

**CITY OF DEL RIO, TEXAS**

**LIST OF PRINCIPAL OFFICIALS**

**CITY COUNCIL MEMBERS**

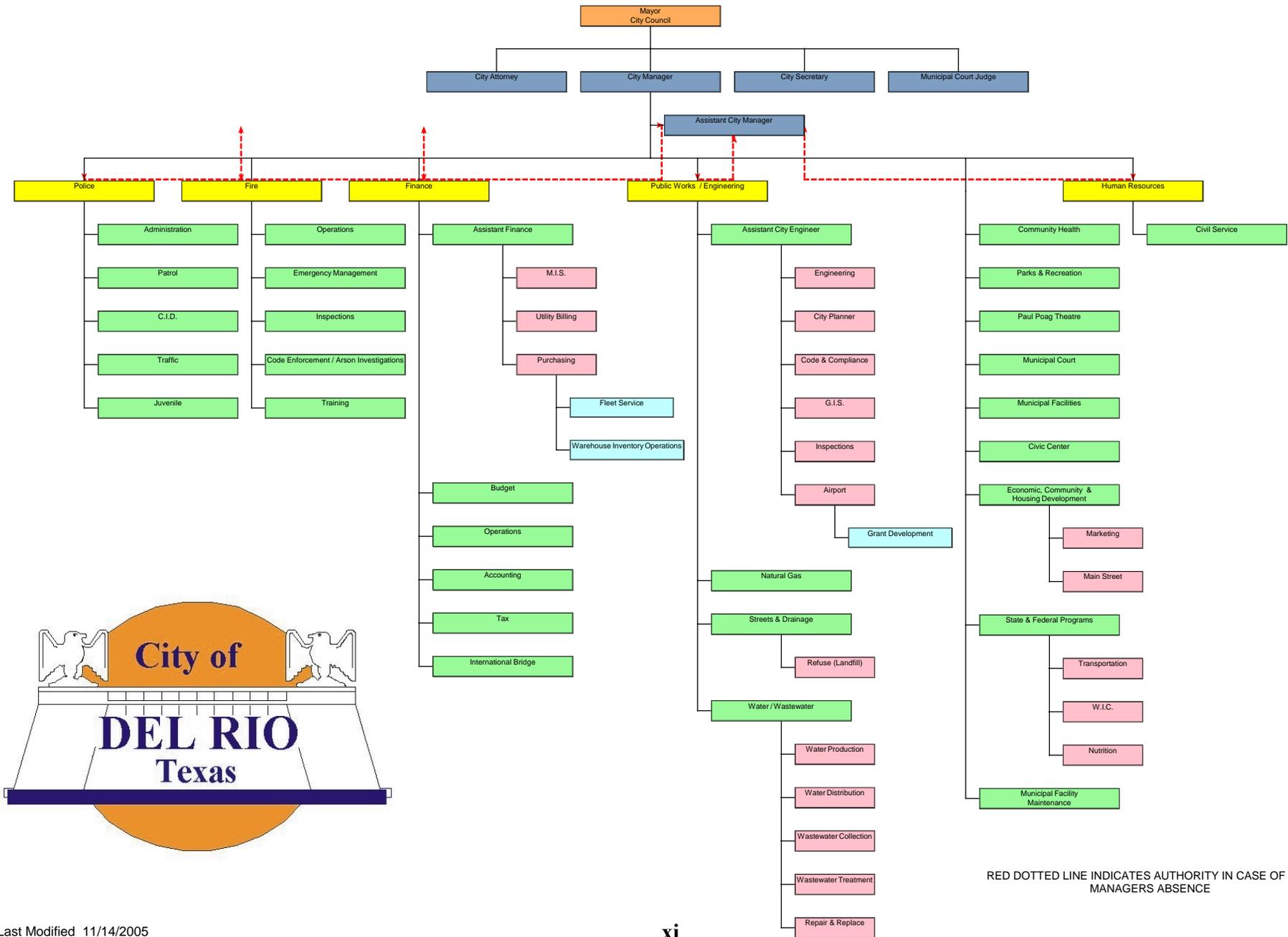
Efrain V. Valdez  
Mayor

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Harold Bean	Fire Chief
Frances F. Rodriguez	Finance Director
Alejandro Garcia	Public Works/Engineering Director
Lucia Gray	Human Resources Director

# City of Del Rio 2005-2006 Fiscal Year Organizational Chart



RED DOTTED LINE INDICATES AUTHORITY IN CASE OF CITY MANAGERS ABSENCE



March 2, 2007

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, 2006, 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, rests 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 costs 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, 2006, 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, 2006, are fairly presented in conformity with GAAP. The independent auditors' 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 35,500. 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 45 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 2005-2006, Del Rio's unemployment rate was 5.3% with a labor force of 15,825 as of September 30, 2006. The top employers are the federal agencies with 1955 employees, San Felipe Del Rio CISD with 1,567 employees and Laughlin Air Force base with 1,327 military personnel and 1,455 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 2,782 employees.

Val Verde County (which includes the City of Del Rio) had as of September 30, 2006, an employed labor force of approximately 20,149, 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.

**Long-term financial planning.** The City of Del Rio's General Fund balance had increases in four of the last five 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 of the City to the Silverlake Wastewater Treatment Plant 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, street paving improvements, the purchase of computer hardware for financial applications, the purchase of police vehicles, and the purchase of rolling stock for various departments.

The City of Del Rio completed the construction of a new airport administration building (terminal) in fiscal year 2003-2004 and completed the expansion of the runway to 6300 linear feet in fiscal year 2005-2006. Other work that continues as part of the airport improvements is the installation of navigational aids which include the Runway Alignment Instrument Landing System (RAILS), the Medium Intensity Approach Light System Runway alignment indicator (MALSR) and the glide slope. An "Economic Development Strategic Plan" was developed for the City of Del Rio as part of the plan to bring airline service to the City of Del Rio. This goal was achieved during fiscal year 2004-2005 when Continental Airlines started serving the City of Del Rio, Texas on March 3, 2005. The airline has done exceptionally well with a load factor that is fairly consistent at 55%. The service has also been expanded to include three outgoing and three incoming flights a day.

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 2007.

The City has contracted with a firm to design a new website. The implementation of this new web site is planned for January 2007. The City will also develop new marketing materials for economic development.

## **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, in securities, in the Texas Local Government Investment Pool (TEXPOOL) and Lone Star Investment Pool.

## **Risk Management**

The City of Del Rio has insurance coverage through the Texas Municipal 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 of 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 \$45,000 per claimant per year. The City of Del Rio purchases 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' claims through Blue Cross Blue Shield Insurance Company.

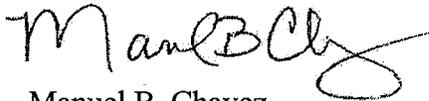
### **Awards and Acknowledgements**

The City of Del Rio was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for 11 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 2005 (six 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, 2006, 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,

A handwritten signature in black ink, appearing to read "Manuel B. Chavez". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Manuel B. Chavez  
Interim Finance Director

CITY OF DEL RIO, TEXAS

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, 2005

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**

**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, 2006, 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, 2006, 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 February 9, 2007, 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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 60 through 61 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 and individual fund 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, individual fund 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.

February 9, 2007

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

## 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, 2006. 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 \$84.3 million, an overall increase of \$7.3 million from last year. Governmental activities contributed \$2.3 million and the business-type activities contributed \$5.0 million to the overall increase.

#### Fund Level

- The governmental funds report a combined deficiency of revenues under expenditures of \$7.0 million of which \$2.8 million is in the General Fund, \$2.6 million is in the Capital Projects Street and Drainage Fund and \$1.6 million is in the other governmental funds. The deficiency in the General Fund is financed through transfers from proprietary funds. The deficiency in the Capital Projects Streets and Drainage Fund 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 and available beginning fund balances.
- The City's governmental funds reported a combined fund balance of \$16.1 million, a decrease of \$2.8 million from last fiscal year. Within the combined fund balance total, \$15.5 million is unreserved, and the remainder is reserved for specific purposes.
- The General Fund reported a fund balance of \$8.3 million, which represents a \$0.3 million decrease from last year. The unreserved balance is \$7.8 million of which \$5.4 million was designated for streets/drainage projects, public safety capital equipment, international bridge construction/improvements and General Fund reserve. The total fund balance represents 46% of General Fund expenditures and transfers out for the fiscal year.

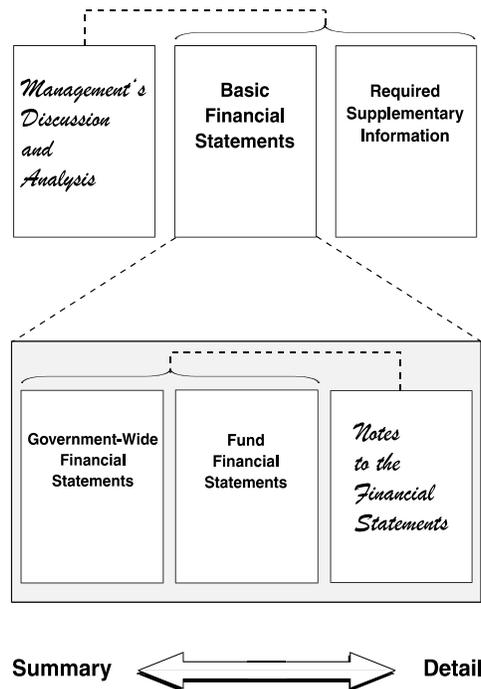
### OVERVIEW OF THE FINANCIAL STATEMENTS

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 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 the 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 \$84,306,454 at year-end.

#### CITY OF DEL RIO'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 20,171,592	\$ 22,122,460	\$ 26,267,240	\$ 25,176,494	\$ 46,438,832	\$ 47,298,954
Capital assets	22,056,793	18,546,427	89,965,255	87,930,323	112,022,048	106,476,750
Total assets	42,228,385	40,668,887	116,232,495	113,106,817	158,460,880	153,775,704
Current liabilities	3,377,646	3,982,709	5,230,652	5,161,895	8,608,298	9,144,604
Long-term liabilities	19,357,849	20,804,809	46,178,279	48,162,725	65,536,128	68,967,534
Total liabilities	22,735,495	24,787,518	51,408,931	53,324,620	74,144,426	78,112,138
Net assets:						
Invested in capital assets, net of related debt	8,199,922	7,509,898	52,695,228	42,390,269	60,895,150	49,900,167
Restricted	4,637,793	917,303	5,012,557	4,976,141	9,650,350	5,893,444
Unrestricted	6,655,175	7,454,168	7,105,779	12,415,787	13,760,954	19,869,955
Total net assets	\$ 19,492,890	\$ 15,881,369	\$ 64,813,564	\$ 59,782,197	\$ 84,306,454	\$ 75,663,566

The City's combined change in net assets was \$7,323,600 .

#### CITY OF DEL RIO'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Net (expenses) revenue	\$( 14,495,981)	\$( 13,481,213)	\$ 8,236,548	\$ 7,933,627	\$( 6,259,433)	\$( 5,547,586)
General revenues	12,592,101	11,119,891	990,932	468,527	13,583,033	11,588,418
Transfers	4,196,113	3,443,668	( 4,196,113)	( 3,443,668)	-	-
Change in net assets	2,292,233	1,082,346	5,031,367	4,958,486	7,323,600	6,040,832
Net assets, beginning	15,881,369	14,799,623	59,782,197	54,823,711	75,663,566	69,623,334
Prior period adjustment	1,319,288	-	-	-	1,319,288	-
Net assets, ending	\$ 19,492,890	\$ 15,881,969	\$ 64,813,564	\$ 59,782,197	\$ 84,306,454	\$ 75,664,166

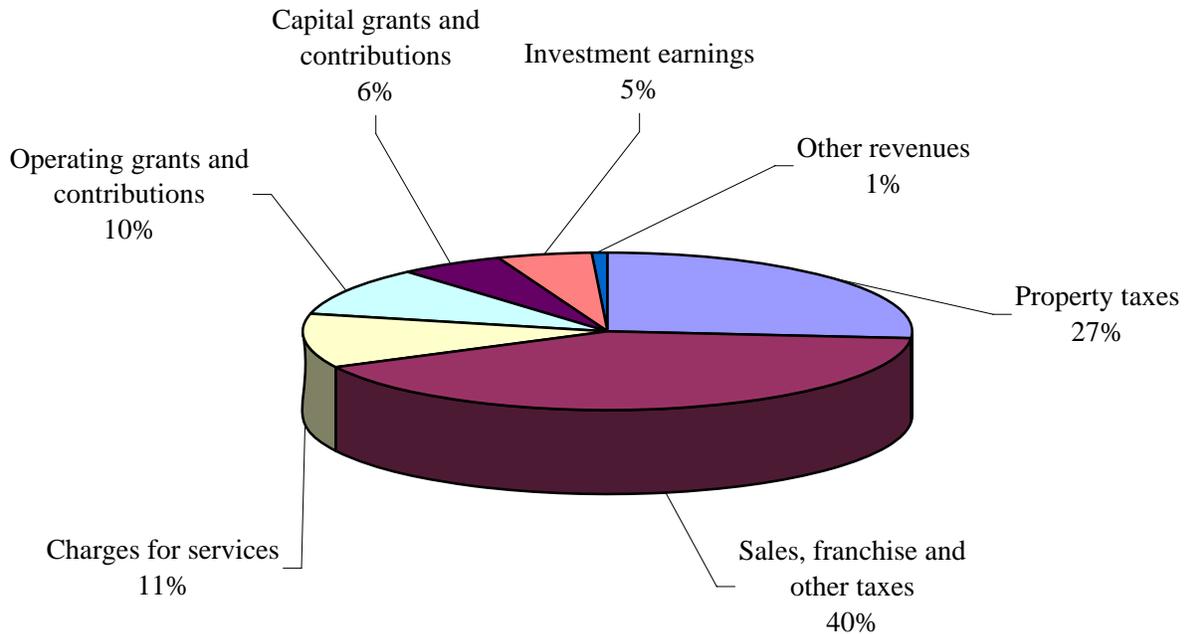
The combined net assets of the City for the primary government increased \$7.3 million compared to last fiscal year. Governmental activities contributed \$2.3 million of this increase while the business-type activities contributed \$5 million of the increase. The largest component of net assets represents 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 \$17,205,337. The revenue was derived from six major sources as listed below and as reflected in Figure A-2.

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
Property taxes	\$ 4,561,255	\$ 4,157,226	\$ 404,029
Sales, franchise and other taxes	7,043,594	6,431,252	612,342
Charges for services	1,936,095	2,278,866	( 342,771)
Operating grants and contributions	1,727,117	1,762,712	( 35,595)
Capital grants and contributions	950,024	232,837	717,187
Investment earning	864,698	497,534	367,164
Other revenues	122,554	33,879	88,675
	<u>\$ 17,205,337</u>	<u>\$ 15,394,306</u>	<u>\$ 1,811,031</u>

**Figure A-2**



- The City's adopted property tax rate for fiscal year 2005-2006 was \$0.52055 per \$100 of valuation. It represents a \$0.015 increase from the prior year's tax rate of \$0.50555.
- Property value increased \$50,696,618 to \$843,592,073 from the prior year's valuation of \$792,895,455.
- Sales tax revenues were \$4,732,125. This represents an increase of \$435,584 from prior year of \$4,296,541.

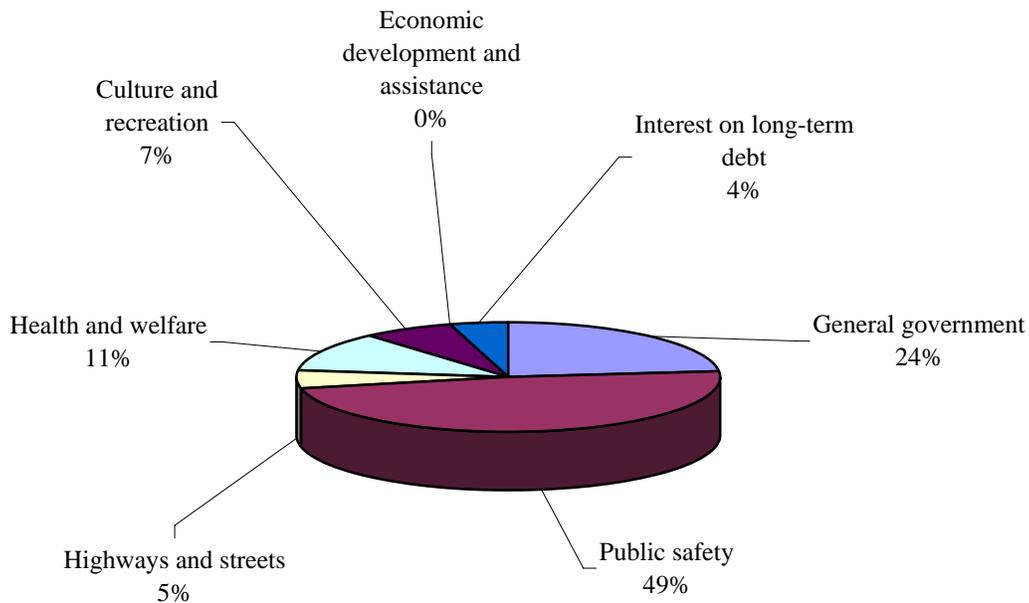
- In addition to the revenue, the City transferred \$4,196,113 from proprietary funds to fund its governmental operations.

Expenses for the City’s governmental activities were \$19,109,217. Expenses were incurred in seven major categories as listed below and as reflected on Figure A-3.

**Functional Expenses by Category:**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
General government	\$ 4,435,554	\$ 3,839,470	\$ 596,084
Public safety	9,249,477	8,802,378	447,099
Highways and streets	1,044,844	1,133,554	( 88,710)
Health and welfare	2,193,550	1,983,877	209,673
Culture and recreation	1,333,113	1,217,415	115,698
Economic development and assistance	3,763	53,652	( 49,889)
Interest in long-term debt	848,916	725,282	123,634
	<u>\$ 19,109,217</u>	<u>\$ 17,755,628</u>	<u>\$ 1,353,589</u>

**Figure A-3**



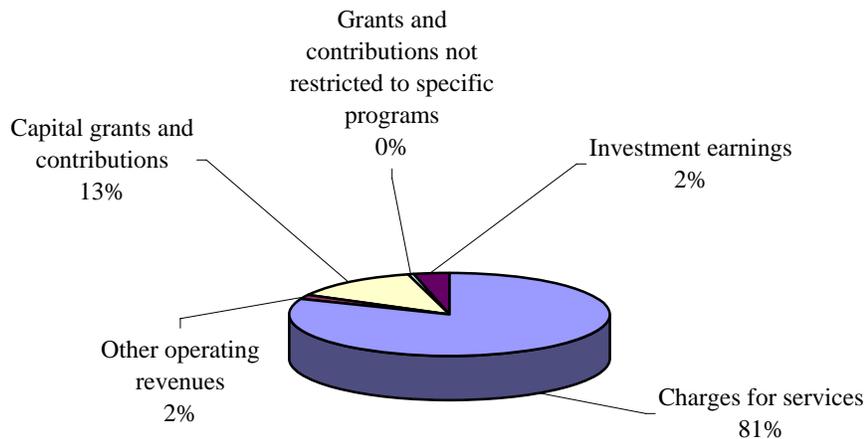
The City monitored its budget very closely during the year in order to ensure that expenses were within budgeted amounts.

## Business-type Activities

Revenues of the City's business-type activities totaled \$27,230,168 as shown on Figure A-4.

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
Charges for services	\$ 22,108,322	\$ 19,962,415	\$ 2,145,907
Other operating revenues	457,464	399,362	58,102
Capital grants and contributions	3,562,130	4,318,020	( 755,890)
Grants and contributions not restricted to specific programs	111,320	213,320	( 102,000)
Investment earnings	990,932	468,526	522,406
Sale of capital assets	<u>-</u>	<u>21,329</u>	<u>( 21,329)</u>
	<u>\$ 27,230,168</u>	<u>\$ 25,382,972</u>	<u>\$ 1,847,196</u>

**Figure A-4**



The amount realized from charges for services for the Gas Fund was \$4,128,472. 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 \$8,017,173, which is an increase of \$1,500,508 from the prior year charges for service of \$6,516,665. The increase is attributed to an overall increase in water consumption of more than 25% from 1.9 billion gallons in the prior year to 2.4 billion gallons in the current year.

The amount realized for international bridge tolls was \$4,609,284. Bridge crossings stabilized in the current year where in prior years the crossings had declined. This was attributed to the economy and to delays caused by additional security checks at the port of entry. Decreases had been consistent with crossings reported at other Texas international bridges.

The amount realized for international airport charges for services is \$46,921 and is for fees for fuel sold at the airport by a commercial vendor.

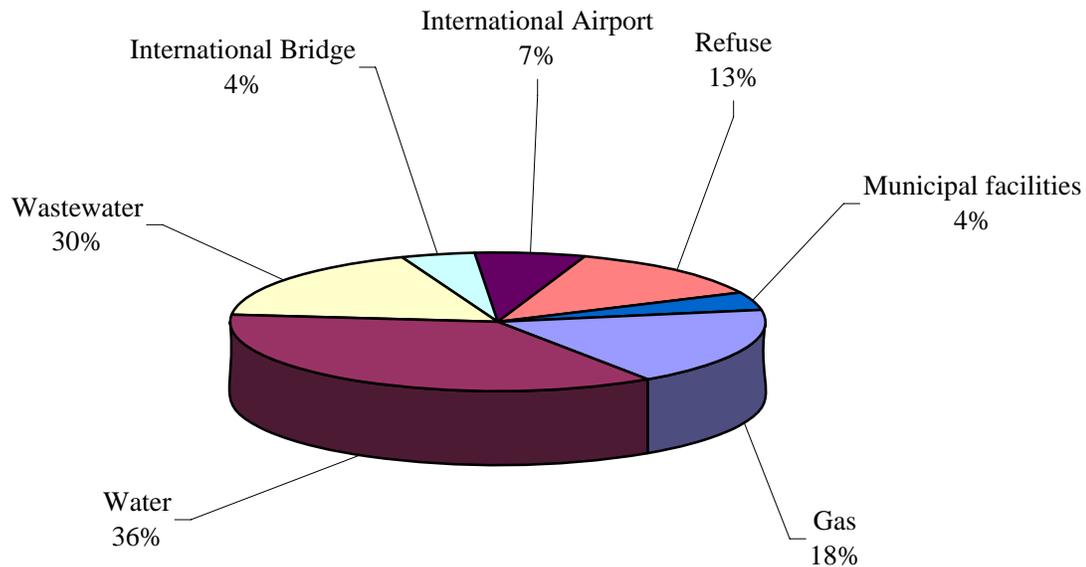
The amount realized for charges for services for the refuse fund was \$2,183,239. This includes \$1,682,592 for residential accounts, \$496,918 for commercial accounts and \$3,729 for recovery of bad debts.

The amount realized for charges for services for the wastewater (sewer) fund was \$3,123,233, an increase of \$224,925 from the prior year charges for service of \$2,898,308. Rates for collection of wastewater are based on the customer's average monthly water usage for the months of December, January and February with a thirty thousand gallons per month maximum. As a result, the increase in the charges for service is attributed to the increase in water consumption discussed above.

The expenses for the business-type activities totaled \$18,002,688, as shown on Figure A-5:

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>
Gas	\$ 3,323,198	\$ 2,904,210	\$ 418,988
Water	6,492,167	6,152,730	339,437
Wastewater	3,160,761	3,151,744	9,017
International Bridge	762,408	867,836	
International Airport	1,196,736	1,310,428	( 113,692)
Refuse	2,310,023	1,909,430	400,593
Municipal facilities	<u>757,395</u>	<u>684,440</u>	<u>72,955</u>
	<u>\$ 18,002,688</u>	<u>\$ 16,980,818</u>	<u>\$ 1,021,870</u>

**Figure A-5**



The difference between revenues, other revenue sources and expenses was \$5,665,350. In addition, the City received \$3,562,130 in capital contributions for the International Bridge and the International Airport Funds. The City transferred from its Enterprise Funds \$5,317,047 to subsidize governmental activities. The City also transferred \$1,120,934 into the Airport, Wastewater and Municipal Facilities Funds to subsidize their operations. The net transfers amounted to \$4,196,113. The City staff monitors all Proprietary 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 reduced their fund balances by \$2.8 million. The General Fund reduced its fund balance by \$0.3 million during the year. The change resulted primarily because the City planned transfers to the Wastewater, the Animal Shelter and the Municipal Facilities Funds to be absorbed by available fund balance rather than current operations.

As part of the City's planned improvements, the Streets and Drainage Fund applied funds available from prior bond issues to upgrade City streets and other infrastructure. As a result, the Streets and Drainage Fund reduced its fund balance by \$2.6 million during the fiscal year ended September 30, 2006. All other governmental funds contributed a net increase in fund balances of \$35 thousand.

The business type funds realized an overall increase in net assets of \$5 million. In total, the business type funds increased their net assets by \$1 million because of investment earnings, double the investment earnings of the previous year. This resulted 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 \$5.3 million overall. The Gas Fund transferred out \$1.1 million, the Water Fund transferred out \$0.4 and the International Bridge transferred out \$3.5 million. The business type funds also received assistance from the other funds. Combined, the International Airport, the Wastewater and the Municipal Facilities Funds received \$1.1 million during the year.

Individually, the Water Fund contributed \$1.5 million of the increase primarily from increased water consumption discussed above. Even though the International Airport Fund had an operating loss for the year, it contributed \$2.8 million of the overall increase in net assets because of capital contributions of \$3.4 million received in the form of grants for the expansion of airport facilities.

### **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 2005.
- 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 \$485,714 in revenues and other financing sources over expenditures and other financing uses attributable to two factors. First, the total revenues exceeded the budget by \$144,052, primarily because general sales taxes and franchise taxes exceeded expectations. The second factor is a positive budget to actual variance of \$341,664 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, 2006 amounted to \$112,022,048. 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, audio visual 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 the financial statements.

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

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 5,178,385	\$ 5,164,385	\$ 2,232,015	\$ 2,108,015	\$ 7,410,400	\$ 7,272,400
Buildings	3,260,570	3,119,215	4,128,206	4,128,206	7,388,776	7,247,421
Improvements other than buildings	190,108	177,140	98,473,886	97,938,826	98,663,994	98,115,966
Equipment	9,075,348	9,572,986	3,570,533	3,199,955	12,645,881	12,772,941
Infrastructure	2,976,990	2,912,092	-	-	2,976,990	2,912,092
Construction in progress	8,236,256	4,148,535	18,136,781	12,683,351	26,373,037	16,831,886
	28,917,657	25,094,353	126,541,421	120,058,353	155,459,078	145,152,706
Total accumulated depreciation	6,860,864	6,547,926	36,576,166	32,128,029	43,437,030	38,675,955
Total capital assets	\$ 22,056,793	\$ 18,546,427	\$ 89,965,255	\$ 87,930,324	\$ 112,022,048	\$ 106,476,751

### Long-term Debt

At year-end the City had \$65,639,000 in bonds and notes payable, a decrease of \$3,981,001 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.

TABLE A-6

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

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
General obligations bonds (backed by the City)	\$ 15.77	\$ 17.04	\$ -	\$ -	\$ 15.77	\$ 17.04
Revenue bonds, certificates of obligation and note (backed by specific tax and fee revenues)	3.30	3.72	46.57	48.86	49.87	52.58
	\$ 19.07	\$ 20.76	\$ 46.57	\$ 48.86	\$ 65.64	\$ 69.62

## **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 approximately \$435,584 from the prior year revenues of \$4,296,541.

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 6,304 persons of an approximate 20,149 work force for Val Verde County.

Unemployment had a decrease from a rate of 5.5 % in fiscal year ending September 30, 2005 to 5.3% in the fiscal year ended in September 30, 2006.

The management of the City considered the local and state economy in preparing the City's budget of fiscal year 2006-2007.

The City's property tax rate remained the same at \$0.52055 per \$100 value for tax year 2006.

The City expects to transfer approximately \$5,724,885 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**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**CITY OF DEL RIO, TEXAS**

**STATEMENT OF NET ASSETS**

**SEPTEMBER 30, 2006**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 16,129,618	\$ 8,011,505	\$ 24,141,123
Receivables, net of allowance	2,593,723	1,973,443	4,567,166
Intergovernmental receivables	533,110	-	533,110
Internal balances	381,314	( 381,314)	-
Inventory	45,806	286,279	332,085
Prepaid items	14,866	10,525	25,391
Deferred charges	473,155	1,390,650	1,863,805
Restricted cash and investments	-	14,966,152	14,966,152
Capital assets, net:			
Land	5,178,385	2,232,015	7,410,400
Construction in progress	8,236,256	18,136,781	26,373,037
Buildings	1,723,477	1,681,936	3,405,413
Improvements other than buildings	176,543	66,441,623	66,618,166
Machinery & equipment	3,941,892	1,472,900	5,414,792
Infrastructure	<u>2,800,240</u>	<u>-</u>	<u>2,800,240</u>
Total capital assets, net of accumulated depreciation	<u>22,056,793</u>	<u>89,965,255</u>	<u>112,022,048</u>
Total assets	<u>42,228,385</u>	<u>116,222,495</u>	<u>158,450,880</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	991,230	860,287	1,851,517
Accrued interest payable	230,554	556,958	787,512
Intergovernmental payables	-	26,960	26,960
Deposits	66,148	415,881	482,029
Noncurrent liabilities due within one year	2,089,714	3,370,566	5,460,280
Noncurrent liabilities due in more than one year	<u>19,357,849</u>	<u>46,178,279</u>	<u>65,536,128</u>
Total liabilities	<u>22,735,495</u>	<u>51,408,931</u>	<u>74,144,426</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,199,922	52,695,228	60,895,150
Restricted for:			
Debt service	1,139,987	3,495,448	4,635,435
Public grants	468,235	116,700	584,935
Construction	3,029,571	1,400,409	4,429,980
Unrestricted	<u>6,655,175</u>	<u>7,105,779</u>	<u>13,760,954</u>
Total net assets	<u>\$ 19,492,890</u>	<u>\$ 64,813,564</u>	<u>\$ 84,306,454</u>

**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, 2006**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,435,554	\$ 866,609	\$ -	\$ -
Public safety	9,249,477	696,364	362,745	399,579
Highways and streets	1,044,844	7,187	-	-
Health and welfare	2,193,550	291,919	1,364,372	550,445
Culture and recreation	1,333,113	74,016	-	-
Economic development	3,763	-	-	-
Interest on long-term debt	848,916	-	-	-
Total governmental activities	<u>19,109,217</u>	<u>1,936,095</u>	<u>1,727,117</u>	<u>950,024</u>
<b>Business-type activities:</b>				
Gas	3,323,198	4,136,167	-	-
Water	6,492,167	8,047,018	-	-
Wastewater	3,160,761	3,123,233	-	-
International bridge	762,408	4,630,932	-	124,000
International airport	1,196,736	202,829	111,320	3,438,130
Refuse	2,310,023	2,188,946	-	-
Municipal facilities	757,395	236,661	-	-
Total business-type activities	<u>18,002,688</u>	<u>22,565,786</u>	<u>111,320</u>	<u>3,562,130</u>
Total	<u>\$ 37,111,905</u>	<u>\$ 24,501,881</u>	<u>\$ 1,838,437</u>	<u>\$ 4,512,154</u>

**General revenues:**

Taxes:

Property

Sales

Franchise

Other

Investment earnings

Miscellaneous

Gain on sale of capital assets

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
\$( 3,568,945)	\$ -	\$( 3,568,945)
( 7,790,789)	-	( 7,790,789)
( 1,037,657)	-	( 1,037,657)
13,186	-	13,186
( 1,259,097)	-	( 1,259,097)
( 3,763)	-	( 3,763)
( 848,916)	-	( 848,916)
<u>( 14,495,981)</u>	<u>-</u>	<u>( 14,495,981)</u>
-	812,969	812,969
-	1,554,851	1,554,851
-	( 37,528)	( 37,528)
-	3,992,524	3,992,524
-	2,555,543	2,555,543
-	( 121,077)	( 121,077)
<u>-</u>	<u>( 520,734)</u>	<u>( 520,734)</u>
<u>-</u>	<u>8,236,548</u>	<u>8,236,548</u>
<u>( 14,495,981)</u>	<u>8,236,548</u>	<u>( 6,259,433)</u>
4,561,255	-	4,561,255
4,732,125	-	4,732,125
1,705,967	-	1,705,967
605,502	-	605,502
864,698	990,932	1,855,630
45,061	-	45,061
77,493	-	77,493
<u>4,196,113</u>	<u>( 4,196,113)</u>	<u>-</u>
<u>16,788,214</u>	<u>( 3,205,181)</u>	<u>13,583,033</u>
2,292,233	5,031,367	7,323,600
15,881,369	59,782,197	75,663,566
<u>1,319,288</u>	<u>-</u>	<u>1,319,288</u>
<u>17,200,657</u>	<u>59,782,197</u>	<u>76,982,854</u>
<u>\$ 19,492,890</u>	<u>\$ 64,813,564</u>	<u>\$ 84,306,454</u>

**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

**CITY OF DEL RIO, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2006**

	<u>General</u>	<u>Capital Projects Streets and Drainage</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 7,373,091	\$ 3,157,974	\$ 4,665,430	\$ 15,196,495
Receivables, net of allowance	2,389,261	1,505	200,971	2,591,737
Due from other funds	589,301	248,978	90,387	928,666
Intergovernmental receivables	146,270	-	386,840	533,110
Inventory	45,806	-	-	45,806
Prepaid items	<u>14,866</u>	<u>-</u>	<u>-</u>	<u>14,866</u>
 Total assets	 <u>\$ 10,558,595</u>	 <u>\$ 3,408,457</u>	 <u>\$ 5,343,628</u>	 <u>\$ 19,310,680</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	291,235	30,555	170,740	492,530
Accrued liabilities	363,337	-	36,260	399,597
Due to other funds	32,491	302,877	245,881	581,249
Deposits	65,648	-	500	66,148
Deferred revenue	<u>1,463,363</u>	<u>-</u>	<u>191,491</u>	<u>1,654,854</u>
Total liabilities	<u>2,216,074</u>	<u>333,432</u>	<u>644,872</u>	<u>3,194,378</u>
Fund balances:				
Reserved for:				
Encumbrances	188,603	45,454	33,941	267,998
Improvements	25,840	-	-	25,840
Insurance	357,132	-	-	357,132
Unreserved, designated, reported in:				
General fund	5,360,725	-	-	5,360,725
Unreserved, undesignated, reported in:				
General fund	2,410,221	-	-	2,410,221
Special revenue funds	-	-	468,235	468,235
Capital projects funds	-	3,029,571	3,248,084	6,277,655
Debt service fund	<u>-</u>	<u>-</u>	<u>948,496</u>	<u>948,496</u>
Total fund balances	<u>8,342,521</u>	<u>3,075,025</u>	<u>4,698,756</u>	<u>16,116,302</u>
 Total liabilities and fund balances	 <u>\$ 10,558,595</u>	 <u>\$ 3,408,457</u>	 <u>\$ 5,343,628</u>	 <u>\$ 19,310,680</u>

**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, 2006**

Total fund balance, governmental funds	\$ 16,116,302
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.	21,772,659
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.	1,654,854
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.	1,013,675
Long-term liabilities, (such as claims payable, long-term 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.	( 21,064,600)
Net assets of governmental activities in the Statement of Net Assets	\$ <u>19,492,890</u>

**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, 2006**

	<u>General</u>	<u>Capital Projects Streets and Drainage</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 9,979,597	\$ -	\$ 1,440,931	\$ 11,420,528
Licenses and permits	397,350	-	-	397,350
Intergovernmental	356,949	-	2,320,192	2,677,141
Charges for services	1,061,408	-	273,919	1,335,327
Fines and forfeitures	669,961	-	-	669,961
Investment earnings	398,524	217,180	198,763	814,467
Rental	30,014	-	18,000	48,014
Miscellaneous	24,802	-	45,061	69,863
Total revenues	<u>12,918,605</u>	<u>217,180</u>	<u>4,296,866</u>	<u>17,432,651</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,822,088	-	338,723	4,160,811
Public safety	8,453,094	-	-	8,453,094
Highways and streets	1,495,074	-	-	1,495,074
Culture and recreation	1,245,095	-	-	1,245,095
Economic development	3,738	-	-	3,738
Health and welfare	-	-	1,940,665	1,940,665
Debt service:				
Principal	25,276	-	1,567,071	1,592,347
Interest and other charges	802	-	753,914	754,716
Capital outlay	<u>691,753</u>	<u>2,768,338</u>	<u>1,339,165</u>	<u>4,799,256</u>
Total expenditures	<u>15,736,920</u>	<u>2,768,338</u>	<u>5,939,538</u>	<u>24,444,796</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>( 2,818,315)</u>	<u>( 2,551,158)</u>	<u>( 1,642,672)</u>	<u>( 7,012,145)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	64,668	-	8,826	73,494
Transfers in	4,943,233	-	1,900,309	6,843,542
Transfers out	<u>( 2,513,336)</u>	<u>-</u>	<u>( 231,734)</u>	<u>( 2,745,070)</u>
Total other financing sources and uses	<u>2,494,565</u>	<u>-</u>	<u>1,677,401</u>	<u>4,171,966</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	( 323,750)	( 2,551,158)	34,729	( 2,840,179)
<b>FUND BALANCES, BEGINNING</b>				
	7,904,113	5,069,053	4,664,027	17,637,193
<b>PRIOR PERIOD ADJUSTMENT</b>				
	762,158	557,130	-	1,319,288
<b>FUND BALANCES, RESTATED</b>				
	<u>8,666,271</u>	<u>5,626,183</u>	<u>4,664,027</u>	<u>18,956,481</u>
<b>FUND BALANCES, ENDING</b>				
	<u>\$ 8,342,521</u>	<u>\$ 3,075,025</u>	<u>\$ 4,698,756</u>	<u>\$ 16,116,302</u>

**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, 2006

Net change in fund balances - total governmental funds:	\$( 2,840,179)
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 (\$4,842,491) exceeded depreciation (\$1,241,250) in the current period.	3,601,241
Governmental funds report the entire net sales price (proceeds) from the sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.	( 100,210)
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	194,962
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.	1,592,347
Governmental funds report the effect of bond issuance costs when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.	( 86,843)
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:	( 162,742)
Accrued interest is not reflected in governmental funds.	( 5,251)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue of Internal Service Funds is reported with governmental activities.	<u>98,908</u>
Change in net assets of governmental activities	<u>\$ 2,292,233</u>

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

**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

# CITY OF DEL RIO, TEXAS

## STATEMENT OF NET ASSETS

### PROPRIETARY FUNDS

**SEPTEMBER 30, 2006**

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
<b>ASSETS</b>				
Current assets:				
Cash and investment:	\$ 2,540,862	\$ 3,452,184	\$ 800,650	\$ 177,189
Restricted cash and investment	452,284	5,945,409	2,004,236	831,724
Accounts receivable, net	273,595	1,019,701	2,237	3,042
Due from other funds	2,565	122,901	-	5,930
Inventory	61,790	224,489	-	-
Prepaid items	-	125	-	-
Total current assets	3,331,096	10,764,809	2,807,123	1,017,885
Non-current assets				
Deferred charges:	23,529	821,061	60,760	-
Capital assets:				
Land	7,800	109,600	476,399	1,080,827
Construction in progress:	766,193	6,374,151	-	9,548,959
Buildings and improvement	2,014,466	62,441,073	4,744,722	6,469,741
Equipment	598,831	1,083,179	259,837	157,667
Less accumulated depreciation	( 1,715,614)	( 14,394,289)	( 2,259,287)	( 2,503,680)
Total capital assets	1,671,676	55,613,714	3,221,671	14,753,514
Total non-current assets	1,695,205	56,434,775	3,282,431	14,753,514
Total assets	\$ 5,026,301	\$ 67,199,584	\$ 6,089,554	\$ 15,771,399
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 102,980	\$ 75,809	\$ 3,159	\$ 25,141
Accrued liabilities	37,264	88,788	24,807	10,871
Due to other funds	10,632	62,753	177,492	156
Intergovernmental payable:	-	16,840	-	-
Other liabilities	27,836	23,904	-	-
Claims payable	-	-	-	-
Deposits	97,660	318,221	-	-
Accrued interest payable	11,292	325,388	44,309	-
Bonds payable	55,000	1,743,212	330,000	-
Total current liabilities	342,664	2,654,915	579,767	36,168
Non-current liabilities				
Compensated absence:	44,409	103,370	13,649	2,099
Landfill closure and postclosure care cost	-	-	-	-
Bonds payable	830,000	28,125,782	2,230,000	-
Total non-current liabilities	874,409	28,229,152	2,243,649	2,099
Total liabilities	1,217,073	30,884,067	2,823,416	38,267
<b>NET ASSETS</b>				
Invested in capital assets, net of related det	1,262,489	30,754,700	722,431	14,753,514
Restricted for public grant:	-	-	-	-
Restricted for debt service	29,625	1,517,307	733,467	-
Restricted for construction	-	930,506	469,903	-
Unrestricted	2,517,114	3,113,004	1,340,337	979,618
Total net assets	\$ 3,809,228	\$ 36,315,517	\$ 3,266,138	\$ 15,733,132

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

Enterprise Funds

	Refuse	Wastewater	Nonmajor Fund		Internal Service
			Municipal Facilities	Total	
	\$ 346,056	\$ 217,668	\$ 476,896	\$ 8,011,505	\$ 933,123
	2,246,040	3,441,060	45,399	14,966,152	-
	226,791	444,855	3,222	1,973,443	1,920
	-	-	119	131,515	67,153
	-	-	-	286,279	-
	-	-	10,400	10,525	-
	<u>2,818,887</u>	<u>4,103,583</u>	<u>536,036</u>	<u>25,379,419</u>	<u>1,002,196</u>
	75,701	401,537	8,062	1,390,650	-
	391,903	76,286	89,200	2,232,015	-
	-	1,447,478	-	18,136,781	-
	3,513,711	20,904,472	2,513,907	102,602,092	61,199
	677,111	570,469	223,439	3,570,533	891,639
	<u>( 2,703,588)</u>	<u>( 11,138,740)</u>	<u>( 1,860,968)</u>	<u>( 36,576,166)</u>	<u>( 668,704)</u>
	1,879,137	11,859,965	965,578	89,965,255	284,134
	1,954,838	12,261,502	973,640	91,355,905	284,134
	<u>\$ 4,773,725</u>	<u>\$ 16,365,085</u>	<u>\$ 1,509,676</u>	<u>\$ 116,735,324</u>	<u>\$ 1,286,330</u>
	\$ 11,654	\$ 415,719	\$ 16,210	\$ 650,672	\$ 37,806
	4,205	26,880	15,688	208,503	55,525
	2,457	259,339	-	512,829	33,190
	-	10,120	-	26,960	-
	17,159	46,472	-	115,371	-
	-	-	-	-	39,810
	-	-	-	415,881	-
	40,084	128,004	7,881	556,958	-
	<u>370,147</u>	<u>722,947</u>	<u>35,000</u>	<u>3,256,306</u>	<u>-</u>
	445,706	1,609,481	74,779	5,743,480	166,331
	8,258	38,987	7,310	218,082	106,324
	2,645,540	-	-	2,645,540	-
	<u>2,539,830</u>	<u>9,009,046</u>	<u>580,000</u>	<u>43,314,658</u>	<u>-</u>
	<u>5,193,628</u>	<u>9,048,033</u>	<u>587,310</u>	<u>46,178,280</u>	<u>106,324</u>
	<u>5,639,334</u>	<u>10,657,514</u>	<u>662,089</u>	<u>51,921,760</u>	<u>272,655</u>
	84,878	4,743,799	373,417	52,695,228	284,134
	-	-	116,700	116,700	-
	210,538	985,380	19,131	3,495,448	-
	-	-	-	1,400,409	-
	<u>( 1,161,025)</u>	<u>( 21,608)</u>	<u>338,339</u>	<u>7,105,779</u>	<u>729,541</u>
	<u>\$( 865,609)</u>	<u>\$ 5,707,571</u>	<u>\$ 847,587</u>	<u>\$ 64,813,564</u>	<u>\$ 1,013,675</u>

**CITY OF DEL RIO, TEXAS**

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

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,128,472	\$ 8,017,173	\$ 4,609,284	\$ 46,921
Intergovernmental	-	-	-	111,320
Miscellaneous	7,695	29,845	9,648	26,980
Rental revenues	-	-	12,000	128,928
Total operating revenues	<u>4,136,167</u>	<u>8,047,018</u>	<u>4,630,932</u>	<u>314,149</u>
<b>OPERATING EXPENSES</b>				
Personnel	532,608	1,164,907	346,678	156,095
Contractual services	321,309	1,658,020	118,060	391,337
Purchases for resale	2,062,442	-	-	-
Supplies	136,989	398,209	9,254	17,873
Bad debt expense	40,145	94,786	-	-
Depreciation	182,482	2,075,923	159,226	631,431
Total operating expenses	<u>3,275,975</u>	<u>5,391,845</u>	<u>633,218</u>	<u>1,196,736</u>
<b>OPERATING INCOME (LOSS)</b>	<u>860,192</u>	<u>2,655,173</u>	<u>3,997,714</u>	<u>( 882,587)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	164,879	388,100	112,010	26,253
Interest expense	( 36,019)	( 1,077,732)	( 129,190)	-
Gain (loss) on sale of capital assets	( 11,204)	( 22,590)	-	-
Total non-operating revenues (expenses)	<u>117,656</u>	<u>( 712,222)</u>	<u>( 17,180)</u>	<u>26,253</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>977,848</u>	<u>1,942,951</u>	<u>3,980,534</u>	<u>( 856,334)</u>
<b>CAPITAL CONTRIBUTIONS</b>	-	-	124,000	3,438,130
Transfers in	-	-	-	235,171
Transfers out	( 1,105,248)	( 360,601)	( 3,514,519)	( 1,193)
<b>CHANGE IN NET ASSETS</b>	<u>( 127,400)</u>	<u>1,582,350</u>	<u>590,015</u>	<u>2,815,774</u>
<b>TOTAL NET ASSETS, BEGINNING</b>	<u>3,936,628</u>	<u>34,733,167</u>	<u>2,676,123</u>	<u>12,917,358</u>
<b>TOTAL NET ASSETS, ENDING</b>	<u>\$ 3,809,228</u>	<u>\$ 36,315,517</u>	<u>\$ 3,266,138</u>	<u>\$ 15,733,132</u>

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

Enterprise Funds

Refuse	Wastewater	Nonmajor Fund Municipal Facilities	Total	Internal Service
\$ 2,183,239	\$ 3,123,233	\$ -	\$ 22,108,322	\$ 2,619,878
-	-	-	111,320	-
5,707	-	12,277	92,152	-
-	-	224,384	365,312	-
<u>2,188,946</u>	<u>3,123,233</u>	<u>236,661</u>	<u>22,677,106</u>	<u>2,619,878</u>
74,167	406,070	238,837	2,919,362	669,017
1,653,043	1,001,195	337,592	5,480,556	1,503,771
-	-	88	2,062,530	-
14,231	83,558	33,379	693,493	391,013
21,419	214,951	-	371,301	-
394,206	972,548	120,374	4,536,190	104,754
<u>2,157,066</u>	<u>2,678,322</u>	<u>730,270</u>	<u>16,063,432</u>	<u>2,668,555</u>
<u>31,880</u>	<u>444,911</u>	<u>( 493,609)</u>	<u>6,613,674</u>	<u>( 48,677)</u>
115,589	164,511	19,590	990,932	50,231
( 152,856)	( 481,309)	( 26,329)	( 1,903,435)	( 4,286)
( 101)	( 1,130)	( 796)	( 35,821)	3,999
( 37,368)	( 317,928)	( 7,535)	( 948,324)	49,944
( 5,488)	126,983	( 501,144)	5,665,350	1,267
-	-	-	3,562,130	-
-	351,774	533,989	1,120,934	100,265
( 331,431)	( 3,101)	( 954)	( 5,317,047)	( 2,624)
( 336,919)	475,656	31,891	5,031,367	98,908
( 528,690)	5,231,915	815,696	59,782,197	914,767
<u>\$( 865,609)</u>	<u>\$ 5,707,571</u>	<u>\$ 847,587</u>	<u>\$ 64,813,564</u>	<u>\$ 1,013,675</u>

**CITY OF DEL RIO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Enterprise Funds			
	Gas System	Water System	International Bridge	International Airport
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 4,140,514	\$ 8,460,369	\$ 4,632,091	\$ 411,798
Cash paid to suppliers for goods and services	( 2,458,688)	( 2,402,891)	( 241,578)	( 460,412)
Cash paid to employees for services	( 536,535)	( 1,153,369)	( 336,756)	( 156,639)
Net cash provided (used) by operating activities	<u>1,145,291</u>	<u>4,904,109</u>	<u>4,053,757</u>	<u>( 205,253)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund borrowings	-	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	-	-	-	235,171
Transfers out	( 1,105,248)	( 360,601)	( 3,514,519)	( 1,193)
Net cash provided (used) by noncapital financing activities	<u>( 1,105,248)</u>	<u>( 360,601)</u>	<u>( 3,514,519)</u>	<u>233,978</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	( 233,484)	( 1,088,592)	-	( 422,736)
Principal paid on debt	( 55,000)	( 878,612)	( 315,000)	-
Interest paid on debt	( 35,615)	( 1,078,294)	( 134,860)	-
Net cash used for capital and related financing activities	<u>( 324,099)</u>	<u>( 3,045,498)</u>	<u>( 449,860)</u>	<u>( 422,736)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Earnings on investments	<u>164,879</u>	<u>388,100</u>	<u>112,010</u>	<u>26,253</u>
Net cash provided by investing activities	<u>164,879</u>	<u>388,100</u>	<u>112,010</u>	<u>26,253</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	( 119,177)	1,886,110	201,388	( 367,758)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>3,112,323</u>	<u>7,511,483</u>	<u>2,603,498</u>	<u>1,376,671</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 2,993,146</u>	<u>\$ 9,397,593</u>	<u>\$ 2,804,886</u>	<u>\$ 1,008,913</u>

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

Enterprise Funds				
Refuse	Wastewater	Nonmajor Fund Municipal Facilities	Total	Internal Service
\$ 2,186,824	\$ 3,342,621	\$ 235,181	\$ 23,409,398	\$ 2,672,373
( 1,168,580)	( 1,198,650)	( 406,101)	( 8,336,900)	( 2,064,166)
( 73,395)	( 399,672)	( 236,042)	( 2,892,408)	( 656,498)
<u>944,849</u>	<u>1,744,299</u>	<u>( 406,962)</u>	<u>12,180,090</u>	<u>( 48,291)</u>
-	227,655	-	227,655	-
-	-	-	-	5,445
-	351,774	533,989	1,120,934	100,265
<u>( 331,431)</u>	<u>( 3,101)</u>	<u>( 954)</u>	<u>( 5,317,047)</u>	<u>( 2,624)</u>
<u>( 331,431)</u>	<u>576,328</u>	<u>533,035</u>	<u>( 3,968,458)</u>	<u>103,086</u>
( 10,521)	( 1,158,944)	( 130,536)	( 3,044,813)	( 115,535)
( 347,146)	( 661,173)	( 30,000)	( 2,286,931)	( 127,002)
<u>( 156,856)</u>	<u>( 492,165)</u>	<u>( 26,751)</u>	<u>( 1,924,541)</u>	<u>( 4,286)</u>
<u>( 514,523)</u>	<u>( 2,312,282)</u>	<u>( 187,287)</u>	<u>( 7,256,285)</u>	<u>( 246,823)</u>
<u>115,589</u>	<u>164,511</u>	<u>19,590</u>	<u>990,932</u>	<u>50,231</u>
<u>115,589</u>	<u>164,511</u>	<u>19,590</u>	<u>990,932</u>	<u>50,231</u>
214,484	172,856	( 41,624)	1,946,279	( 141,797)
<u>2,377,612</u>	<u>3,485,872</u>	<u>563,919</u>	<u>21,031,378</u>	<u>1,074,920</u>
<u>\$ 2,592,096</u>	<u>\$ 3,658,728</u>	<u>\$ 522,295</u>	<u>\$ 22,977,657</u>	<u>\$ 933,123</u>

(continued)

**CITY OF DEL RIO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	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)	\$ 860,192	\$ 2,655,173	\$ 3,997,714	\$( 882,587)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	182,482	2,075,923	159,226	631,431
Changes in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	38,554	( 27,475)	1,159	6,425
Allowance for uncollectibles	-	-	-	-
Inventory	( 3,849)	( 14,595)	-	-
Due from other funds	5,938	440,826	-	( 2,430)
Other assets	2,809	118,006	20,570	93,654
Increase (decrease) in liabilities:				
Accounts payable	69,865	( 370,991)	( 26,127)	( 50,907)
Accrued liabilities	( 392)	6,527	876	( 953)
Due to other funds	5,585	42,595	( 103,037)	155
Compensated absences payable	( 3,535)	5,011	3,376	409
Customer deposits	( 15,865)	( 16,850)	-	( 450)
Other payables	3,507	( 10,041)	-	-
Net cash provided (used) by operations	<u>\$ 1,145,291</u>	<u>\$ 4,904,109</u>	<u>\$ 4,053,757</u>	<u>\$( 205,253)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,000</u>	<u>\$ 3,438,130</u>

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

Enterprise Funds				
<u>Refuse</u>	<u>Wastewater</u>	<u>Nonmajor Fund Municipal Facilities</u>	<u>Total</u>	<u>Internal Service</u>
\$ 31,880	\$ 444,911	\$ ( 493,609)	\$ 6,613,674	\$ ( 48,677)
394,206	972,548	120,374	4,536,190	104,754
( 2,122)	218,646	( 1,611)	233,576	4,133
-	( 74,691)	-	( 74,691)	-
-	-	-	( 18,444)	-
-	742	131	445,207	14,242
21,729	71,009	15,999	343,776	-
( 81,645)	85,943	( 28,584)	( 402,446)	( 60,508)
579,154	983	473	586,668	( 49,523)
1,138	( 15,982)	( 22,457)	( 92,003)	( 18,514)
241	5,415	2,322	13,239	7,231
268	30,693	-	( 2,204)	( 1,429)
<u>-</u>	<u>4,082</u>	<u>-</u>	<u>( 2,452)</u>	<u>-</u>
<u>\$ 944,849</u>	<u>\$ 1,744,299</u>	<u>\$ ( 406,962)</u>	<u>\$ 12,180,090</u>	<u>\$ ( 48,291)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,562,130</u>	<u>\$ -</u>

**FIDUCIARY FUNDS  
FINANCIAL STATEMENTS**

**CITY OF DEL RIO, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2006**

	Total
<b>ASSETS</b>	
Cash and investments	\$ <u>5,572</u>
Total assets	\$ <u><u>5,572</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 56
Intergovernmental payables	1,102
Due to other funds	66
Other liabilities	<u>4,348</u>
Total liabilities	\$ <u><u>5,572</u></u>

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

**NOTES TO  
FINANCIAL STATEMENTS**

# CITY OF DEL RIO, TEXAS

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

### 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Although this statement was adopted in the fiscal year ended September 30, 2003, the City has elected to implement certain provisions of the statement retroactively by reporting infrastructure assets acquired prior to October 1, 2002, in the fiscal year ending September 30, 2007, as permitted.

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.

(continued)

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

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

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.

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:

(continued)

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

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

**Capital Assets** (Continued)

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

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective with the year of implementation. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is effective four years after the effective date of GASB No. 34 for the City. The City elected to implement the general provisions of GASB No. 34 in the fiscal year ended September 30, 2003, and will implement the retroactive infrastructure provisions in the fiscal year ending September 30, 2007.

**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**

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.

**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.

(continued)

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

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

#### **Long-term Liabilities** (Continued)

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

#### **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 \$21,064,600 difference are as follows:

Bonds payable	\$ 19,068,036
Deferred charges for issuance costs (to be amortized over life of debt)	( 473,155)
Claims payable	472,395
Accrued interest payable	230,554
Compensated absences	<u>1,766,770</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 21,064,600</u>

## 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 20<sup>th</sup> day of September if no final ordinance is enacted.

(continued)

### 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

#### **Budget and Budgetary Accounting** (Continued)

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, 2006, consist of the following:

Cash on hand	\$	8,763
Deposits with depository bank		1,937,439
Certificates of deposit		17,021,958
Cash held by others		1,774,031
TexPool		16,328,349
U. S. Government Money Market Mutual Fund		<u>2,042,307</u>
	\$	<u>39,112,847</u>

##### 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, 2006, the carrying amount of the City's deposits (including certificates of deposit) was \$18,959,397 and the bank balance was \$18,576,494. The City's deposits at September 30, 2006, 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](http://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)

The City invests in the American Beacon U. S. Government Money Market Mutual Fund, which is managed by American Beacon Advisors, Inc. This fund's goal is to seek current income, liquidity and the maintenance of a stable \$1.00 net asset value per share by investing in high quality short-term obligations. The fund invests only in issuers or instruments that, at the time of purchase, have received the highest short-term ratings by at least two nationally recognized statistical rating organizations.

*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, 2006, 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, 2006, 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 Activities

	<u>Gross</u>	<u>Estimated Uncollectible</u>	<u>Net</u>
Fines and forfeitures	\$ 1,392,770	\$ 1,114,216	\$ 278,554
General fund - delinquent property taxes receivable	760,474	12,915	747,559
General fund - taxes penalties and interest	404,980	6,425	398,555
General fund - sales taxes	847,302	-	847,302
Debt service - delinquent taxes receivable	140,983	2,394	138,589
Debt service - Texas penalties and interest	53,816	914	52,902
Lot clearing	363,807	327,426	36,381
Streets and drainage	1,505	-	1,505
General fund - miscellaneous	69,850	-	69,850
Non-major governmental funds - miscellaneous	9,480	-	9,480
Paving lien assessment	8,538	7,770	768
Interest receivable	3,635	-	3,635
Returned checks	6,657	-	6,657
	<u>\$ 4,063,797</u>	<u>\$ 1,472,060</u>	<u>\$ 2,591,737</u>
Net receivables	<u>\$ 4,063,797</u>	<u>\$ 1,472,060</u>	<u>\$ 2,591,737</u>

### B. Business-type Activities

	<u>Gas System</u>	<u>Water System</u>	<u>Refuse</u>	<u>Wastewater</u>	<u>International Bridge</u>	<u>International Airport</u>	<u>Nonmajor</u>	<u>Total</u>
Customer charges	\$ 227,729	\$ 708,307	\$ 173,124	\$ 316,500	\$ -	\$ -	\$ -	\$ 1,425,660
Interest	5,315	9,163	70	5,869	2,037	173	-	22,627
Connections and repairs	-	225,052	-	22,549	-	-	-	247,601
Unbilled charges	115,865	360,905	96,432	178,239	-	-	-	751,441
Rental	-	-	-	-	-	-	7,116	7,116
Miscellaneous	200	-	8	992	200	13,698	-	15,098
Estimated uncollectibles	( 75,514)	( 283,726)	( 42,843)	( 79,294)	-	( 10,829)	( 3,894)	( 496,100)
Net receivables	<u>\$ 273,595</u>	<u>\$ 1,019,701</u>	<u>\$ 226,791</u>	<u>\$ 444,855</u>	<u>\$ 2,237</u>	<u>\$ 3,042</u>	<u>\$ 3,222</u>	<u>\$ 1,973,443</u>

## 7. INTERFUND RECEIVABLES AND PAYABLES

	<u>Receivables</u>	<u>Payables</u>
Governmental funds		
Major funds:		
General	\$ 589,301	\$ 32,491
CP streets and drainage	248,978	302,877
Nonmajor funds:		
Special revenue funds:		
MIT-5311-Grant	-	208,028
Women, Infants and Children	1,277	5,008
Nutrition/Social Services	28,238	9,969
ORCA #718197	-	4,725
Economic Development Administration	60,465	7,491
TxDot Section 5310	-	10,427
Total special revenue funds	<u>89,980</u>	<u>245,648</u>
Debt service fund	<u>407</u>	<u>233</u>
Total governmental funds	<u>928,666</u>	<u>581,249</u>
Enterprise funds:		
Major funds		
Gas system	2,565	10,632
Water	122,901	62,753
International bridge	-	177,492
Refuse	-	2,457
Wastewater	-	259,339
International airport	5,930	156
Nonmajor fund:		
Municipal facilities	<u>119</u>	<u>-</u>
Total enterprise funds	<u>131,515</u>	<u>512,829</u>
Internal service funds:		
Utility billing	32,805	321
Fleet maintenance	34,348	32,788
Computer services	-	81
Total internal service funds	<u>67,153</u>	<u>33,190</u>
Agency funds:		
Brown Plaza Association	<u>-</u>	<u>66</u>
Total	<u>\$ 1,127,334</u>	<u>\$ 1,127,334</u>

The outstanding balances as of September 30, 2006, 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	\$ 16,245
Due from other governments	14,844
Federal Emergency Management Assistance	<u>115,181</u>
Total general fund	<u>146,270</u>
Nonmajor funds:	
Special revenue funds	
U. S. Department of Transportation	279,577
USDA - Texas Department of Health	71,966
Middle Rio Grande Development Council	28,072
Office of Rural Community Affairs	<u>7,225</u>
Total nonmajor funds	<u>386,840</u>
Total governmental funds	<u>\$ 533,110</u>

## 9. CAPITAL ASSETS

Capital assets activity of the year ended September 30, 2006, was as follows:

### Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,164,385	\$ 14,000	\$ -	\$ 5,178,385
Construction in progress	<u>4,148,535</u>	<u>4,087,721</u>	<u>-</u>	<u>8,236,256</u>
Total assets not being depreciated	<u>9,312,920</u>	<u>4,101,721</u>	<u>-</u>	<u>13,414,641</u>
Capital assets, being depreciated:				
Buildings	3,119,215	141,355	-	3,260,570
Improvements other than buildings	177,140	12,968	-	190,108
Machinery and equipment	9,572,986	637,085	1,134,723	9,075,348
Infrastructure	<u>2,912,092</u>	<u>64,898</u>	<u>-</u>	<u>2,976,990</u>
Total capital assets being depreciated	<u>15,781,433</u>	<u>856,306</u>	<u>1,134,723</u>	<u>15,503,016</u>
Less accumulated depreciation:				
Buildings	1,444,998	92,095	-	1,537,093
Improvements other than buildings	5,761	7,804	-	13,565
Machinery and equipment	4,999,914	1,166,608	1,033,066	5,133,456
Infrastructure	<u>97,253</u>	<u>79,497</u>	<u>-</u>	<u>176,750</u>
Total accumulated depreciation	<u>6,547,926</u>	<u>1,346,004</u>	<u>1,033,066</u>	<u>6,860,864</u>
Total capital assets being depreciated, net	<u>9,233,507</u>	<u>( 489,698)</u>	<u>101,657</u>	<u>8,642,152</u>
Governmental activities capital assets, net	<u>\$ 18,546,427</u>	<u>\$ 3,612,023</u>	<u>\$ 101,657</u>	<u>\$ 22,056,793</u>

(continued)

## 9. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,108,015	\$ 124,000	\$ -	\$ 2,232,015
Construction in progress	<u>12,683,351</u>	<u>5,453,430</u>	<u>-</u>	<u>18,136,781</u>
Total assets not being depreciated	<u>14,791,366</u>	<u>5,577,430</u>	<u>-</u>	<u>20,368,796</u>
Capital assets, being depreciated:				
Buildings	4,128,206	-	-	4,128,206
Improvements other than buildings	97,938,826	843,480	308,420	98,473,886
Machinery and equipment	<u>3,199,955</u>	<u>494,449</u>	<u>123,871</u>	<u>3,570,533</u>
Total capital assets being depreciated	<u>105,266,987</u>	<u>1,337,929</u>	<u>432,291</u>	<u>106,172,625</u>
Less accumulated depreciation:				
Buildings	2,120,720	325,550	-	2,446,270
Improvements other than buildings	28,285,356	3,746,907	-	32,032,263
Machinery and equipment	<u>1,721,953</u>	<u>463,733</u>	<u>88,053</u>	<u>2,097,633</u>
Total accumulated depreciation	<u>32,128,029</u>	<u>4,536,190</u>	<u>88,053</u>	<u>36,576,166</u>
Total capital assets being depreciated, net	<u>73,138,958</u>	<u>( 3,198,261)</u>	<u>344,238</u>	<u>69,596,459</u>
Business-type activities capital assets, net	<u>\$ 87,930,324</u>	<u>\$ 2,379,169</u>	<u>\$ 344,238</u>	<u>\$ 89,965,255</u>

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

Governmental activities:	
General government	\$ 47,957
Public safety	740,392
Highway and streets	133,102
Welfare	240,029
Culture and recreation	79,770
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	<u>104,754</u>
Total depreciation expense - governmental activities	<u>\$ 1,346,004</u>
Business-type activities:	
Gas	\$ 182,482
Water	2,075,923
Wastewater	972,548
International bridge	159,226
International airport	631,431
Refuse	394,206
Municipal facilities	<u>120,374</u>
Total depreciation expense - business-type activities	<u>\$ 4,536,190</u>

## 10. LONG-TERM DEBT

### A. Changes in Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable:					
Certificates of obligation	\$ 17,042,110	\$ -	\$ 1,269,074	\$ 15,773,036	\$ 1,040,695
Refunding bonds	3,720,000	-	425,000	3,295,000	475,000
	<u>20,762,110</u>	<u>-</u>	<u>1,694,074</u>	<u>19,068,036</u>	<u>1,515,695</u>
Capital leases	25,276	-	25,276	-	-
Compensated absences	1,833,043	1,052,999	978,910	1,907,132	574,019
Claims and judgments	452,169	204,854	184,628	472,395	-
Governmental activities long-term liabilities	<u>\$ 23,072,598</u>	<u>\$ 1,257,853</u>	<u>\$ 2,882,888</u>	<u>\$ 21,447,563</u>	<u>\$ 2,089,714</u>
<b>Business-type activities</b>					
Bonds payable:					
Certificates of obligation	\$ 25,983,891	\$ 680,000	\$ 1,681,927	\$ 24,981,964	\$ 1,925,306
Revenue bonds	1,579,000	-	285,000	1,294,000	306,000
Refunding bonds	21,295,000	-	1,000,000	20,295,000	1,025,000
	<u>48,857,891</u>	<u>680,000</u>	<u>2,966,927</u>	<u>46,570,964</u>	<u>3,256,306</u>
Compensated absences	316,761	197,375	181,795	332,341	114,260
Landfill closure	2,066,917	578,623	-	2,645,540	-
Business-type activities long-term liabilities	<u>\$ 51,241,569</u>	<u>\$ 1,455,998</u>	<u>\$ 3,148,722</u>	<u>\$ 49,548,845</u>	<u>\$ 3,370,566</u>

### B. Certificates of Obligation and Revenue Bonds

The City 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 09/30/05	Issued Current Year	Retired	Amounts Outstanding 09/30/06	Amounts Due Within One Year
Certificates of obligation:							
Series 1997	5.22%	\$ 2,000,000	\$ 1,460,000	\$ -	\$ 85,000	\$ 1,375,000	\$ 90,000
Series 1998	6.15%	10,000,000	1,325,000	-	425,000	900,000	450,000
Series 2000A	.41%	6,173,000	4,421,000	-	316,000	4,105,000	316,000
Series 2001B	4.625-5.50%	1,100,000	970,000	-	40,000	930,000	45,000
Series 2001	3.5-5.25%	6,630,000	5,840,000	-	255,000	5,585,000	265,000
Series 2002A	3.810-5.810%	4,970,000	4,645,000	-	120,000	4,525,000	125,000
Series 2002B	3.5-4.635%	5,335,000	4,500,000	-	305,000	4,195,000	315,000
Series 2002C (1)	1.15-3.95%	6,435,000	5,005,000	680,000	275,000	5,410,000	280,000
Series 2003A	2-5%	1,825,000	1,330,000	-	255,000	1,075,000	115,000
Series 2003B	2-4.25%	1,320,000	980,000	-	185,000	795,000	190,000
Series 2003C	0.85-4.45%	2,190,000	2,105,000	-	85,000	2,020,000	85,000
Series 2004	3.4-4.25%	4,870,000	4,560,000	-	285,000	4,275,000	300,000
Series 2005	3-4.25%	5,885,000	5,885,000	-	320,000	5,565,000	310,000
Revenue bonds:							
Series 1990	7.79%	6,150,000	780,000	-	240,000	540,000	260,000
Series 1995	8.06%	502,000	347,000	-	25,000	322,000	25,000
Series 2000	5.58%	533,000	452,000	-	20,000	432,000	21,000
Refunding bonds:							
Series 1994	3-5.6%	2,980,000	990,000	-	315,000	675,000	330,000
Advance refunding:							
Series 2001	6.25%	5,400,000	4,320,000	-	270,000	4,050,000	270,000
Series 2002	3-4.125%	7,795,000	7,005,000	-	755,000	6,250,000	815,000
Series 2002	3-3.75%	1,885,000	1,885,000	-	-	1,885,000	-
Series 2003	3-4%	4,190,000	4,035,000	-	85,000	3,950,000	85,000
Series 2005	3-4.25%	6,780,000	6,780,000	-	-	6,780,000	80,000
Total			<u>\$ 69,620,000</u>	<u>\$ 680,000</u>	<u>\$ 4,661,000</u>	<u>\$ 65,639,000</u>	<u>\$ 4,772,000</u>

(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. Current Year Issues**

On July 26, 2002, the City sold \$6,435,000 in Combination Tax and Revenue Certificates of Obligation, Series 2002-C to the Texas Water Development Board (TWDB) Drinking Water State Revolving Fund for the purpose of improving and extending the City's Waterworks System. The interest rate for the certificates of obligation will range from 1.15% to 3.95%. The certificates are payable beginning June 1, 2004, in increasing installments of \$265,000 to \$450,000 through June 1, 2022. The certificates are payable from the surplus revenues of the Waterworks System. During the current fiscal year, the City issued \$680,000.

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.

**D.** The annual requirements to amortize the bonds outstanding as of September 30, 2006, are as follows:

**Certificates of Obligation:**

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 1,044,072	\$ 653,388	\$ 1,841,917	\$ 940,938
2008	1,069,336	616,962	1,866,664	749,092
2009	1,117,790	578,281	1,463,210	795,636
2010	1,052,645	537,376	1,493,355	752,512
2011	1,000,759	463,048	1,316,241	540,858
2012-2016	5,573,318	1,795,437	7,231,682	2,791,714
2017-2021	3,606,716	723,850	7,475,284	1,572,101
2022-2026	1,308,400	150,460	2,486,611	434,248
2027	-	-	355,000	20,626
Total	<u>\$ 15,773,036</u>	<u>\$ 5,518,802</u>	<u>\$ 25,529,964</u>	<u>\$ 8,597,725</u>

**Revenue Bonds:**

Year Ending September 30,	Business-type Activities	
	Principal	Interest
2007	\$ 306,000	\$ 87,188
2008	327,000	64,959
2009	48,000	41,138
2010	55,000	38,239
2011	61,000	34,877
2012-2016	336,000	112,523
2017-2020	161,000	25,473
Total	<u>\$ 1,294,000</u>	<u>\$ 404,397</u>

(continued)

**10. LONG-TERM DEBT (Continued)**

**Refunding Bonds:**

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 429,668	\$ 107,823	\$ 1,150,332	\$ 527,599
2008	355,860	96,039	1,164,140	556,159
2009	371,676	85,126	2,013,324	524,187
2010	390,128	73,212	2,069,872	467,439
2011	413,852	59,630	2,256,148	405,609
2012-2016	1,333,816	86,890	8,766,184	935,325
2017-2018	-	-	2,875,000	94,896
Total	<u>\$ 3,295,000</u>	<u>\$ 508,720</u>	<u>\$ 20,295,000</u>	<u>\$ 3,511,214</u>

**E. Defeasance of Debt**

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, 2006, \$19,615,000 of bonds defeased in prior years remained outstanding.

**F. Accrued Compensated Absences**

The accrued vacation and sick leave of the governmental fund types is considered to be payable from future resources from general government activities. Accrued vacation and sick leave recorded from business-type activities is considered to be payable from the respective proprietary fund.

**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 \$2,645,540 reported as landfill closure and postclosure liabilities at September 30, 2006, represents the cumulative amount reported to that date based on the use of 56 percent of the estimated capacity of the operating landfill. The City will recognize the remaining estimated cost of closure and postclosure care of approximately \$2,060,754 for the operating landfill as the remaining estimated capacity is filled. The remaining life of the landfill is 13.4 years. These amounts are based on what it would cost to perform all closure and postclosure care in 2006. Based on current demographic information and engineering estimates of landfill consumption, the City expects to close the landfill in approximately 2018. 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 811 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.

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:	<b>5%</b>
Matching Ratio (City to Employee):	<b>1 to 1</b>
A member is vested after	<b>5 years</b>
Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are:	
<b>5 yrs/age 60, 20 yrs/any age</b>	

(continued)

**11. PENSION PLAN (Continued)**

**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, 2005 valuation is effective for rates beginning January 2007).

**Schedule of Funding Progress**

Actual Valuation Date	12/31/05
Actuarial value of assets	\$ 367,357
Actuarial accrued liability	8,140,368
Unfunded (overfunded) actuarial accrued liability (UAAL)	7,773,011
Funded ratio	4.5%
Annual covered payroll	11,690,364
UAAL as a percentage of covered payroll	66.5%

**Trend Information**

Fiscal year ending	09/30/06
Annual pension cost (APC)	\$ 898,265
Percentage of APC contributed	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 Mail/Female	=	Low/low

Del Rio is one of 811 municipalities having their benefit plan administered by TMRS. Each of the 811 municipalities has an accrual, individual actuarial valuation performed. All assumptions for the 12/31/05 valuations are contained in the 2005 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 eligibility requirements are:

- 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, 8 retirees meet the eligibility requirements. Expenditures for the post-retirement health care benefits are recognized as retirees report claims. During the year, expenditures of \$41,654 were incurred for post-retirement health care.

**13. RESTATEMENT OF BEGINNING EQUITY**

Beginning equity was restated as follows:

	<u>General Fund</u>	<u>Streets and Drainage Fund</u>
Fund balance, October 1, 2005	\$ 7,904,113	\$ 5,069,053
Record sales taxes receivable	762,158	-
Reclassify construction costs	<u>-</u>	<u>557,130</u>
Fund balance, October 1, 2005, restated	<u>\$ 8,666,271</u>	<u>\$ 5,626,183</u>

**14. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

Departmental expenditures exceeded appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
General fund			
General government			
City attorney	\$ 454,842	\$ 474,684	\$( 19,842)
Grant writing	101,522	102,490	( 968)
Public safety			
Stop Wave	40,883	41,580	( 697)
Click it or ticket it	-	7,207	( 7,207)
Fire	3,379,833	3,393,150	( 13,317)
Economic development and assistance			
Main Street project	3,391	3,692	( 301)
Special revenue funds			
MIT 5311 Grant	736,583	756,459	( 19,876)
Room tax	331,200	338,723	( 7,523)
Law enforcement employee continuing education	10,594	11,372	( 778)
LLEBG	-	131	( 131)
Internal service fund			
Fleet maintenance	593,376	622,145	( 28,769)

**15. TRANSFERS**

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 4,943,233	\$ 2,513,336
Nonmajor funds		
Special revenue funds		
Nutrition/social services	8,663	-
Room tax	-	225,816
LLEBG	131	-
ORCA Contract #720189	5,905	-
ORCA Contract #828517	-	5,773
Property and forfeiture	-	-
EDA	215,036	-
Safe Routes to School	30,260	-
Total special revenue funds	<u>259,995</u>	<u>231,589</u>
Debt service fund	<u>1,515,314</u>	<u>-</u>
Capital projects funds		
Animal shelter	125,000	-
San Felipe Neighborhood Center Project	-	145
Total capital projects funds	<u>125,000</u>	<u>145</u>
Total nonmajor funds	<u>1,900,309</u>	<u>231,734</u>
Total governmental activities	<u>6,843,542</u>	<u>2,745,070</u>
Enterprise funds		
Gas system	-	1,105,248
Water system	-	360,601
International bridge	-	3,514,519
International airport	235,171	1,193
Refuse	-	331,431
Wastewater	351,774	3,101
Nonmajor enterprise funds:		
Municipal facilities	533,989	954
Total enterprise funds	<u>1,120,934</u>	<u>5,317,047</u>
Internal service funds		
Utility billing	-	2,147
Computer services	-	477
Fleet services	100,265	-
Total internal service funds	<u>100,265</u>	<u>2,624</u>
Total transfers	<u>\$ 8,064,741</u>	<u>\$ 8,064,741</u>

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:

Enterprise fund	
Refuse fund	\$ 865,609
Internal service fund	
Fleet maintenance	48,899

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, 2006, are as follows:

Streets drainage	\$ 2,971,315
General Fund	767,033
Public safety	258,739
Bridge	<u>1,363,638</u>
	\$ <u>5,360,725</u>

**18. COMMITMENTS AND CONTINGENCIES**

**A. Construction Commitments**

The total contractual commitment for construction in progress by project at September 30, 2006, is as follows:

<u>Fund and Project Description</u>	<u>Commitments</u>
General government	
Fire station	\$ 484,757
Total general government	<u>484,757</u>
Enterprise funds	
Water system	
Water plant projects	190,384
Wastewater	
Wastewater plant projects	2,032,041
Wastewater improvements	<u>66,940</u>
Total enterprise funds	<u>2,289,365</u>
Special revenue funds	
Safe route to school	<u>18,899</u>
Total special revenue funds	<u>18,899</u>

**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, 2006.

## 18. COMMITMENTS AND CONTINGENCIES (Continued)

### C. Litigation

SE Ranch Holdings, Ltd. (“SE Ranch”) filed a lawsuit stemming from the City’s decision not to approve a final project and finance plan for a tax increment reinvestment zone encompassing property purportedly owned by SE Ranch. SE Ranch has asserted claims for a breach of a development agreement and inverse condemnation, and has sought injunctive relief that would require the City to provide it tax increment financing. SE Ranch has also brought a declaratory judgment action claiming the ordinance approving the project and finance plans was not subject to a petition for referendum. SE Ranch filed a notice of claim with the City asserting damages in excess of \$88 million.

On August 30, 2006, the Court held a hearing to address, among other matters, the City’s plea to the jurisdiction asserting sovereign immunity from suit. The Court granted the City’s plea to the jurisdiction and dismissed SE Ranch’s claim against the City for breach of the development agreement. SE Ranch has filed a notice of interlocutory appeal related to the Court’s August 30, 2006, ruling, and the appeal is currently pending in the Court of Appeals. SE Ranch’s inverse condemnation claim, declaratory judgment claim, and claim for injunctive relief remain pending in the trial court. The City is contesting all claims asserted against it in the lawsuit. The City’s attorneys are not able to express an opinion as to the likelihood of a favorable or unfavorable outcome in this lawsuit or the potential extent of any losses in the event of an unfavorable outcome. Accordingly, the amount of any potential loss, if any, has not been recorded in the financial statements.

There are several other pending lawsuits and claims in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance and resulting from such litigation would not materially affect the assets of the City.

## 19. RISK MANAGEMENT

### A. Workers’ Compensation 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. During fiscal year 1990, the City established the Self-insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. That year, management decided to close the Internal Service Fund and to account for the risk management operations in its General Fund.

(continued)

**19. RISK MANAGEMENT (Continued)**

**A. Workers' Compensation and Insurance (Continued)**

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, 2006, the amount of these liabilities was \$122,395. 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, 2003, resulted from the following:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-end</u>
2003 - 2004	\$ 124,945	\$ 111,938	\$( 112,050)	\$ 124,833
2004 - 2005	124,833	189,227	( 211,891)	102,169
2005 - 2006	102,169	204,854	( 184,628)	122,395

**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.

(continued)

**19. RISK MANAGEMENT (Continued)**

**B. Health Insurance (Continued)**

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 \$39,810 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.

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-end</u>
2004 - 2005	\$ 107,313	\$ 1,446,007	\$(1,458,701)	\$ 94,619
2005 - 2006	94,619	716,968	( 771,777)	39,810

**20. SUBSEQUENT EVENT**

On October 12, 2006, the City issued \$8,000,000 in Combination Tax and Revenue Certificates of Obligation, Series 2006. The interest rate ranges from 4 to 4.125 percent and the maturity date is June 1, 2026.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

## 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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,670,614	\$ 9,800,691	\$ 9,979,597	\$ 178,906
Fines and forfeitures	734,705	734,705	669,961	( 64,744)
Charges for services	1,087,391	1,050,237	1,061,408	11,171
Licenses and permits	429,000	382,925	397,351	14,426
Intergovernmental	105,459	344,865	356,949	12,084
Miscellaneous	<u>258,609</u>	<u>461,130</u>	<u>453,340</u>	<u>( 7,790)</u>
Total revenues	<u>12,285,778</u>	<u>12,774,553</u>	<u>12,918,605</u>	<u>144,052</u>
<b>EXPENDITURES</b>				
Current expenditures:				
General government	3,965,758	4,072,993	3,916,476	156,517
Public safety	9,357,577	8,739,418	8,726,442	12,976
Highways and streets	1,698,086	1,705,752	1,601,724	104,028
Culture and recreation	1,459,131	1,275,716	1,207,273	68,443
Economic development and assistance	57,209	3,391	3,692	( 301)
Debt service	<u>-</u>	<u>26,079</u>	<u>26,078</u>	<u>1</u>
Total expenditures	<u>16,537,761</u>	<u>15,823,349</u>	<u>15,481,685</u>	<u>341,664</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 4,251,983)</u>	<u>( 3,048,796)</u>	<u>( 2,563,080)</u>	<u>485,716</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,943,088	4,943,238	4,943,233	( 5)
Transfers out	( 2,093,056)	( 2,513,339)	( 2,513,336)	3
Sale of real estate	100,000	44,000	44,000	-
Sale of capital assets	15,000	20,668	20,668	-
Bonds proceeds	<u>1,290,479</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,255,511</u>	<u>2,494,567</u>	<u>2,494,565</u>	<u>( 2)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$ 3,528</u>	<u>\$ ( 554,229)</u>	<u>( 68,515)</u>	<u>\$ 485,714</u>
<b>CURRENT YEAR ENCUMBRANCES</b>			188,403	
<b>LESS PRIOR YEAR ENCUMBRANCES</b>			<u>( 443,638)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)</b>			<u>( 323,750)</u>	
<b>FUND BALANCE, BEGINNING</b>			<u>8,666,271</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 8,342,521</u>	

**CITY OF DEL RIO, TEXAS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2006**

**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.

## **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 COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 3,391,114	\$ 3,321,873	\$( 69,241)
Attorneys fees	35,000	65,719	30,719
Penalty and interest	95,000	112,950	17,950
General sales	4,600,000	4,732,125	132,125
Franchise	1,649,577	1,705,967	56,390
Mixed beverage	30,000	40,963	10,963
Total taxes	<u>9,800,691</u>	<u>9,979,597</u>	<u>178,906</u>
Fines and forfeitures:			
Municipal court	371,000	330,661	( 40,339)
Dog pound	15,000	6,702	( 8,298)
State violation fines	324,705	310,174	( 14,531)
Time payment fee	24,000	22,424	( 1,576)
Total fines and forfeitures	<u>734,705</u>	<u>669,961</u>	<u>( 64,744)</u>
Charges for services:			
Xerox use fees	5,788	6,382	594
Sale of maps and documents	13,000	13,098	98
Sale of plastic protect	1,325	1,397	72
Police services and fees	20,888	19,546	( 1,342)
Street cut repairs	-	1,678	1,678
Street sign and striping	1,500	5,509	4,009
Other maintenance service fees	550,000	550,000	-
New paving	1,000	70	( 930)
Demolition and lot clearing	14,050	13,198	( 852)
No nuisance ordinance fees	600	578	( 23)
Vital statistics	74,400	79,615	5,215
Buena Vista Pool	18,000	17,719	( 281)
Moore Park Pool	30,000	30,255	255
Recreational uses	21,800	21,717	( 83)
Field light usage	1,500	1,460	( 40)
Adopt A Pet program fee	2,900	3,228	328
Miscellaneous park and recreation	2,700	2,865	165
Inter-administration services	51,074	47,400	( 3,674)
Inter-service charges	58,462	40,212	( 18,250)
Indirect cost - WIC	16,250	24,892	8,642
Inter-administration purchasing	165,000	180,590	15,590
Total charges for services	<u>1,050,237</u>	<u>1,061,408</u>	<u>11,171</u>

(continued)

**CITY OF DEL RIO, TEXAS**

**SCHEDULE OF REVENUES COMPARED TO BUDGET**

**GENERAL FUND**

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>REVENUES (Continued)</b>			
Licenses and permits:			
Building permits	\$ 135,000	\$ 141,648	\$ 6,648
Electrical permits	45,000	44,051	( 949)
Plumbing permits	35,000	41,870	6,870
Gas permits	5,000	2,980	( 2,020)
Health permits	40,000	42,191	2,191
Commercial pet vendors	1,500	610	( 890)
Garage sale permits	13,000	20,750	7,750
Fire alarm permit	1,000	-	( 1,000)
Zoning permits	12,000	16,720	4,720
Plan and specification	12,000	13,516	1,516
Certificates of compliance	5,000	-	( 5,000)
Other permits	40,925	40,925	-
Professional and occupation licenses	17,500	13,130	( 4,370)
Mechanical permits	<u>20,000</u>	<u>18,960</u>	<u>( 1,040)</u>
Total licenses and permits	<u>382,925</u>	<u>397,351</u>	<u>14,426</u>
Intergovernmental:			
State Homeland Security	60,964	60,598	( 366)
FEMA - Assistance to Fire	115,543	115,181	( 362)
Auto theft grant	67,451	57,991	( 9,460)
BP vest - federal revenue	4,344	-	( 4,344)
Step wave grant	36,795	35,167	( 1,628)
FEMA - Hurricane Relief	22,768	22,768	-
Val Verde County - 911 operations	25,000	32,054	7,054
TxDot-Op Seatbelt	-	7,207	7,207
Payments in lieu of taxes	12,000	9,806	( 2,194)
U. S. customs reimbursement	<u>-</u>	<u>16,177</u>	<u>16,177</u>
Total intergovernmental	<u>344,865</u>	<u>356,949</u>	<u>12,084</u>
Miscellaneous:			
Interest	403,350	398,524	( 4,826)
Facilities rental	26,000	27,966	1,966
Miscellaneous donations	9,109	7,500	( 1,609)
Tom Romanelli memorial	-	2,049	2,049
Cash over and short	-	( 439)	( 439)
Vending machine income	4,000	559	( 3,441)
Property tax overpayment	-	( 532)	( 532)
Return check fees	2,000	1,025	( 975)
Miscellaneous income	<u>16,671</u>	<u>16,688</u>	<u>17</u>
Total miscellaneous	<u>461,130</u>	<u>453,340</u>	<u>( 7,790)</u>
Total revenues	<u>\$ 12,774,553</u>	<u>\$ 12,918,605</u>	<u>\$ 144,052</u>

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
City council:			
Personnel services	\$ 18,191	\$ 17,461	\$ 730
Supplies	14,640	14,565	75
Contractual services and other costs	65,072	65,423	( 351)
Capital outlay	21,814	21,814	-
Intergovernmental	34,900	32,504	2,396
Total City council	<u>154,617</u>	<u>151,767</u>	<u>2,850</u>
City attorney:			
Personnel services	173,910	168,846	5,064
Supplies	2,659	1,567	1,092
Capital outlay	1,550	1,485	65
Contractual services and other costs	276,723	302,786	( 26,063)
Total City attorney	<u>454,842</u>	<u>474,684</u>	<u>( 19,842)</u>
City manager:			
City manager:			
Personnel services	317,193	312,824	4,369
Supplies	29,786	30,401	( 615)
Contractual services and other costs	98,440	85,539	12,901
Marketing/promotional	4,540	4,540	-
Capital outlay	31,792	29,289	2,503
Total City manager	<u>481,751</u>	<u>462,593</u>	<u>19,158</u>
City hall maintenance:			
Supplies	15,427	13,733	1,694
Contractual services and other costs	16,625	13,651	2,974
Total City hall maintenance	<u>32,052</u>	<u>27,384</u>	<u>4,668</u>
Total City manager	<u>513,803</u>	<u>489,977</u>	<u>23,826</u>
Personnel:			
Personnel services	115,819	114,662	1,157
Supplies	32,513	22,039	10,474
Contractual services and other costs	98,173	80,444	17,729
Capital outlay	300	256	44
Total personnel	<u>246,805</u>	<u>217,400</u>	<u>29,405</u>

**(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance department:			
Finance			
Personnel services	\$ 221,504	\$ 212,163	\$ 9,341
Supplies	10,192	8,011	2,181
Contractual services and other costs	79,265	50,241	29,024
Capital outlay	<u>900</u>	<u>898</u>	<u>-</u>
Total finance	<u>311,861</u>	<u>271,313</u>	<u>40,548</u>
Operations			
Personnel services	47,431	47,176	255
Supplies	1,093	797	296
Contractual services and other costs	<u>9,577</u>	<u>7,516</u>	<u>2,061</u>
Total operations	<u>58,101</u>	<u>55,490</u>	<u>2,611</u>
Central purchasing			
Personnel services	161,084	162,560	( 1,476)
Supplies	8,596	4,130	4,466
Contractual services and other costs	49,291	45,220	4,071
Capital outlay	<u>20,997</u>	<u>20,671</u>	<u>326</u>
Total central purchasing	<u>239,968</u>	<u>232,581</u>	<u>7,387</u>
Accounting			
Personnel services	237,368	238,849	( 1,481)
Supplies	4,155	3,855	300
Contractual services and other costs	<u>17,684</u>	<u>16,443</u>	<u>1,241</u>
Total accounting	<u>259,207</u>	<u>259,147</u>	<u>60</u>
Tax			
Personnel services	99,630	99,525	105
Supplies	2,745	2,707	39
Contractual services and other costs	238,328	239,683	( 1,355)
Capital outlay	<u>1,254</u>	<u>1,452</u>	<u>( 198)</u>
Total tax	<u>341,957</u>	<u>343,366</u>	<u>( 1,409)</u>
Total finance department	<u>1,211,094</u>	<u>1,161,897</u>	<u>49,197</u>

**(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>GENERAL GOVERNMENT (Continued)</b>			
Planning/code compliance:			
Personnel services	\$ 318,242	\$ 311,861	\$ 6,381
Supplies	9,970	9,668	302
Contractual services and other costs	51,964	52,537	( 573)
Capital outlay	<u>1,200</u>	<u>904</u>	<u>296</u>
Total planning/code compliance	<u>381,376</u>	<u>374,970</u>	<u>6,406</u>
Grant writing:			
Personnel services	94,625	98,208	( 3,583)
Supplies	1,867	218	1,649
Contractual services and other costs	<u>5,030</u>	<u>4,064</u>	<u>966</u>
Total grant writing	<u>101,522</u>	<u>102,490</u>	<u>( 968)</u>
Engineering:			
Personnel services	227,214	228,624	( 1,410)
Supplies	10,284	8,717	1,567
Contractual services and other costs	53,211	39,869	13,342
Capital outlay	<u>430</u>	<u>430</u>	<u>-</u>
Total engineering	<u>291,139</u>	<u>277,640</u>	<u>13,499</u>
GIS engineering:			
Personnel services	46,542	46,026	516
Supplies	4,066	2,151	1,915
Contractual services and other costs	<u>31,816</u>	<u>19,807</u>	<u>12,009</u>
Total GIS engineering	<u>82,424</u>	<u>67,984</u>	<u>14,440</u>
City secretary:			
Personnel services	132,648	131,082	1,566
Supplies	25,987	11,530	14,457
Contractual services and other costs	44,599	36,549	8,050
Capital outlay	<u>3,600</u>	<u>3,142</u>	<u>458</u>
Total City secretary	<u>206,834</u>	<u>182,302</u>	<u>24,532</u>

(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>GENERAL GOVERNMENT (Continued)</b>			
Municipal court:			
Personnel services	\$ 147,022	\$ 137,605	\$ 9,417
Supplies	4,099	1,740	2,359
Contractual services and other costs	264,162	262,767	1,395
Capital outlay	<u>13,254</u>	<u>13,253</u>	<u>1</u>
Total municipal court	<u>428,537</u>	<u>415,365</u>	<u>13,172</u>
 Total general government	 <u>4,072,993</u>	 <u>3,916,477</u>	 <u>156,516</u>
 <b>PUBLIC SAFETY</b>			
Police - patrol:			
Personnel services	3,985,344	3,964,677	20,667
Supplies	218,859	226,963	( 8,104)
Contractual services and other costs	381,069	392,338	( 11,269)
Capital outlay	<u>7,920</u>	<u>8,334</u>	<u>( 414)</u>
Total police - patrol	<u>4,593,192</u>	<u>4,592,312</u>	<u>880</u>
 Auto theft:			
Personnel services	48,115	47,062	1,053
Supplies	5,890	3,209	2,681
Contractual services and other costs	17,525	9,900	7,625
Capital outlay	<u>10,400</u>	<u>12,735</u>	<u>( 2,335)</u>
Total auto theft	<u>81,930</u>	<u>72,906</u>	<u>9,024</u>
 Bullet-proof vest:			
Supplies	<u>8,693</u>	<u>4,366</u>	<u>4,327</u>
Total bullet-proof vest	<u>8,693</u>	<u>4,366</u>	<u>4,327</u>
 StepWave:			
Personnel services	40,883	37,504	3,379
Contractual services and other costs	<u>-</u>	<u>4,076</u>	<u>( 4,076)</u>
Total StepWave	<u>40,883</u>	<u>41,580</u>	<u>( 697)</u>

(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>PUBLIC SAFETY (Continued)</b>			
Click it or ticket:			
Personnel services	\$ -	\$ 6,444	\$( 6,444)
Contractual services and other costs	-	763	( 763)
Total click it or ticket	<u>-</u>	<u>7,207</u>	<u>( 7,207)</u>
Police training academy			
Personnel services	113,380	114,041	( 661)
Supplies	13,120	4,923	8,197
Contractual services and other costs	35,374	28,716	6,658
Total police training academy	<u>161,874</u>	<u>147,680</u>	<u>14,194</u>
Fire:			
Personnel services	2,781,760	2,774,705	7,055
Supplies	134,845	139,078	( 4,233)
Contractual services and other costs	245,072	265,001	( 19,929)
Capital outlay	218,156	214,367	3,789
Total fire	<u>3,379,833</u>	<u>3,393,150</u>	<u>( 13,317)</u>
Emergency management:			
Supplies	3,188	2,148	1,040
Contractual services and other costs	5,525	1,413	4,112
Total emergency management	<u>8,713</u>	<u>3,561</u>	<u>5,152</u>
Community health:			
Personnel services	305,727	302,620	3,107
Supplies	61,337	58,958	2,379
Contractual services and other costs	64,268	73,088	( 8,820)
Capital outlay	32,968	29,014	3,954
Total community health	<u>464,300</u>	<u>463,681</u>	<u>619</u>
Total public safety	<u>8,739,418</u>	<u>8,726,442</u>	<u>12,976</u>

(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>HIGHWAYS AND STREETS</b>			
Public works - streets and drainage:			
Personnel services	\$ 530,600	\$ 524,227	\$ 6,373
Supplies	199,500	154,548	44,952
Contractual services and other costs	216,804	217,317	( 513)
Capital outlay	<u>108,195</u>	<u>104,421</u>	<u>3,774</u>
Total public works - streets and drainage	<u>1,055,099</u>	<u>1,000,513</u>	<u>54,586</u>
Streets reclaiming:			
Personnel services	76,001	73,516	2,485
Contract services/other costs	<u>-</u>	<u>738</u>	<u>( 738)</u>
Total streets reclaiming	<u>76,001</u>	<u>74,255</u>	<u>1,746</u>
Traffic control:			
Personnel services	127,212	123,791	3,421
Supplies	100,595	55,264	45,331
Contractual services and other costs	256,414	269,229	( 12,815)
Capital outlay	<u>30,478</u>	<u>30,838</u>	<u>( 360)</u>
Total traffic control	<u>514,699</u>	<u>479,122</u>	<u>35,577</u>
Communication systems:			
Personnel services	41,230	41,661	( 431)
Supplies	4,013	2,046	1,967
Contractual services and other costs	<u>14,710</u>	<u>4,128</u>	<u>10,582</u>
Total communication systems	<u>59,953</u>	<u>47,835</u>	<u>12,118</u>
 Total highways and streets	 <u>1,705,752</u>	 <u>1,601,724</u>	 <u>104,028</u>

**(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, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>			
<b>CULTURE AND RECREATION</b>			
Parks			
Personnel services	\$ 509,883	\$ 468,414	\$ 41,469
Supplies	66,361	82,938	( 16,577)
Contractual services and other costs	315,203	312,096	3,107
Capital outlay	<u>1,202</u>	<u>( 35,818)</u>	<u>37,020</u>
Total parks	<u>892,649</u>	<u>827,630</u>	<u>65,019</u>
Recreation department			
Personnel services	115,365	108,641	6,724
Supplies	21,220	20,334	886
Contractual services and other costs	21,339	26,285	( 4,946)
Capital outlay	<u>600</u>	<u>1,759</u>	<u>( 1,159)</u>
Total recreation department	<u>158,524</u>	<u>157,018</u>	<u>1,506</u>
Facility maintenance department			
Personnel services	203,989	200,983	3,006
Supplies	10,124	12,950	( 2,826)
Contractual services and other costs	<u>10,430</u>	<u>8,691</u>	<u>1,739</u>
Total facility maintenance department	<u>224,543</u>	<u>222,624</u>	<u>1,919</u>
Total culture and recreation	<u>1,275,716</u>	<u>1,207,273</u>	<u>68,443</u>
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>			
Main Street project			
Personnel services	2,567	2,249	318
Supplies	234	233	1
Contractual services and other costs	<u>590</u>	<u>1,210</u>	<u>( 620)</u>
Total Main Street project	<u>3,391</u>	<u>3,692</u>	<u>( 301)</u>
Total economic development and assistance	<u>3,391</u>	<u>3,692</u>	<u>( 301)</u>

**(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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES (Continued)</b>			
<b>DEBT SERVICE</b>			
Debt service costs :			
Principal:			
Fire	\$ 25,277	\$ 25,276	\$ 1
Total principal	<u>25,277</u>	<u>25,276</u>	<u>1</u>
Interest:			
Fire	802	802	-
Total interest	<u>802</u>	<u>802</u>	<u>-</u>
Total debt service	<u>26,079</u>	<u>26,078</u>	<u>1</u>
Total expenditures	<u>\$ 15,823,349</u>	<u>\$ 15,481,685</u>	<u>\$ 341,664</u>

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>OTHER FINANCING SOURCES</b>			
Other sources:			
Disposal of capital assets	\$ 20,668	\$ 20,668	\$ -
Disposal of real estate property	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Total other financing sources	<u>64,668</u>	<u>64,668</u>	<u>-</u>
Transfers in:			
Gas System	1,100,000	1,100,000	-
International Bridge	3,513,088	3,513,088	-
San Felipe Neighborhood Center Project	150	145	( 5)
Refuse	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Total transfers in	<u>4,943,238</u>	<u>4,943,233</u>	<u>( 5)</u>
Transfers out:			
Nutrition and social services	8,663	8,663	-
Economic	215,036	215,036	-
Debt service	1,289,499	1,289,498	( 1)
International airport	235,171	235,171	-
Safe Routes to School	30,260	30,260	-
Animal Shelter	125,000	125,000	-
Fleet Maintenance	75,456	75,456	-
Municipal Facilities	533,989	533,989	-
ORCA Contract #720189	133	132	( 1)
LLEBG Dept. of Justice Assistance	<u>132</u>	<u>131</u>	<u>( 1)</u>
Total transfers out	<u>2,513,339</u>	<u>2,513,336</u>	<u>( 3)</u>
 Total other financing sources and uses	 <u>\$ 2,494,567</u>	 <u>\$ 2,494,565</u>	 <u>\$( 2)</u>

**NONMAJOR  
GOVERNMENTAL FUNDS**

**CITY OF DEL RIO, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments	\$ 367,317	\$ 948,322	\$ 3,349,791	\$ 4,665,430
Receivables, net of allowance	8,250	191,491	1,230	200,971
Due from other funds	89,980	407	-	90,387
Intergovernmental receivables	<u>386,840</u>	<u>-</u>	<u>-</u>	<u>386,840</u>
Total assets	<u>\$ 852,387</u>	<u>\$ 1,140,220</u>	<u>\$ 3,351,021</u>	<u>\$ 5,343,628</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 67,803	\$ -	\$ 102,937	\$ 170,740
Accrued liabilities	36,260	-	-	36,260
Due to other funds	245,648	233	-	245,881
Deposits	500	-	-	500
Deferred revenue	<u>-</u>	<u>191,491</u>	<u>-</u>	<u>191,491</u>
Total liabilities	<u>350,211</u>	<u>191,724</u>	<u>102,937</u>	<u>644,872</u>
Fund balances:				
Reserved for:				
Encumbrances	33,941	-	-	33,941
Unreserved, reported in:				
Capital projects funds	-	-	3,248,084	3,248,084
Debt service fund	-	948,496	-	948,496
Special revenue funds	<u>468,235</u>	<u>-</u>	<u>-</u>	<u>468,235</u>
Total fund balances	<u>502,176</u>	<u>948,496</u>	<u>3,248,084</u>	<u>4,698,756</u>
Total liabilities and fund balances	<u>\$ 852,387</u>	<u>\$ 1,140,220</u>	<u>\$ 3,351,021</u>	<u>\$ 5,343,628</u>

**CITY OF DEL RIO, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>				
Taxes	\$ 564,539	\$ 876,392	\$ -	\$ 1,440,931
Intergovernmental	1,678,889	-	641,303	2,320,192
Charges for service	273,919	-	-	273,919
Investment earnings	10,932	35,106	152,725	198,763
Rental	18,000	-	-	18,000
Miscellaneous	<u>29,632</u>	<u>15,429</u>	<u>-</u>	<u>45,061</u>
Total revenues	<u>2,575,911</u>	<u>926,927</u>	<u>794,028</u>	<u>4,296,866</u>
<b>EXPENDITURES</b>				
Current:				
General government	338,723	-	-	338,723
Health and welfare	1,940,665	-	-	1,940,665
Capital outlay	303,941	-	1,035,224	1,339,165
Debt service:				
Interest	-	753,914	-	753,914
Principal retirement	<u>-</u>	<u>1,567,071</u>	<u>-</u>	<u>1,567,071</u>
Total expenditures	<u>2,583,329</u>	<u>2,320,985</u>	<u>1,035,224</u>	<u>5,939,538</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 7,418)</u>	<u>( 1,394,058)</u>	<u>( 241,196)</u>	<u>( 1,642,672)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 231,589)	-	( 145)	( 231,734)
Transfers in	259,995	1,515,314	125,000	1,900,309
Sale of capital assets	<u>8,826</u>	<u>-</u>	<u>-</u>	<u>8,826</u>
Total other financing sources (uses)	<u>37,232</u>	<u>1,515,314</u>	<u>124,855</u>	<u>1,677,401</u>
<b>NET CHANGE IN FUND BALANCES</b>	29,814	121,256	( 116,341)	34,729
<b>FUND BALANCES, BEGINNING</b>	<u>472,362</u>	<u>827,240</u>	<u>3,364,425</u>	<u>4,664,027</u>
<b>FUND BALANCES, ENDING</b>	\$ <u>502,176</u>	\$ <u>948,496</u>	\$ <u>3,248,084</u>	\$ <u>4,698,756</u>

# 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-modal 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 Health 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 the 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 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 ***Local Law Enforcement Block Grant Fund*** is used to account for grant funds from the Bureau of Justice Assistance for specific projects for the Police Department.

The ***Office of Rural Community Affairs (ORCA) Contract #720189*** is used to account for the San Felipe Water Improvement Program grant. It is used to increase the amount of water available to the residents of the San Felipe area through the installation of water lines throughout the neighborhood.

The ***Office of Rural Community Affairs (ORCA) Contract #828517*** is used to account for grant proceeds received from the Texas Department of Housing and Community Affairs to carry out activities in the target area identified in its 2000 Disaster Recovery Initiative Fund application. The unmet needs addressed by this grant are sewer facilities and street improvements, repairs to Casa De La Cultura, replacement of Fire Department's pumper unit and rescue unit, and for the acquisition of flooded properties damaged in the 1998 flood, engineering and administrative services.

The ***Office of Rural Community Affairs (ORCA) Contract #718197*** is used to account for grant proceeds received for the purpose of installing new streets, water and sewer lines and drainage facilities in support of a new single family home subdivision. It also includes funds for gas, electricity improvements, engineering and administrative services.

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 Department of Transportation grants.

The ***TxDot Section 5310 Fund*** is used to account for funds received for 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.

**CITY OF DEL RIO, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2006**

	<u>MIT-5311 Grant</u>	<u>Women, Infants and Children</u>	<u>Nutrition/ Social Services</u>	<u>Room Tax</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 54,952	\$ 27,515	\$ 3,904
Due from other funds	-	1,277	28,238	-
Receivables, net	8,085	-	165	-
Intergovernmental receivables	<u>266,497</u>	<u>71,966</u>	<u>28,072</u>	<u>-</u>
Total assets	<u>\$ 274,582</u>	<u>\$ 128,195</u>	<u>\$ 83,990</u>	<u>\$ 3,904</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 12,480	\$ 14,602	\$ 18,240	\$ 1,818
Accrued liabilities	14,630	9,820	6,605	-
Due to other funds	208,028	5,008	9,969	-
Deferred revenue	-	-	-	-
Deposits	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>235,638</u>	<u>29,430</u>	<u>34,814</u>	<u>1,818</u>
Fund balances:				
Reserved for:				
Encumbrances	1,169	27,284	220	-
Debt service	-	-	-	-
Unreserved	<u>37,775</u>	<u>71,481</u>	<u>48,956</u>	<u>2,086</u>
Total fund balances	<u>38,944</u>	<u>98,765</u>	<u>49,176</u>	<u>2,086</u>
Total liabilities and fund balances	<u>\$ 274,582</u>	<u>\$ 128,195</u>	<u>\$ 83,990</u>	<u>\$ 3,904</u>

<u>Loan Repayment</u>	<u>Property and Forfeiture</u>	<u>Law Enforcement Employee Continuing Education</u>	<u>LLEBG Department of Justice Assistance</u>	<u>ORCA Contract #720189</u>	<u>ORCA Contract #828517</u>	<u>ORCA Contract #718197</u>
\$ 217,589	\$ 20,040	\$ 1,799	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,725
<u>\$ 217,589</u>	<u>\$ 20,040</u>	<u>\$ 1,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,725</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	4,725
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,725
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>217,589</u>	<u>20,040</u>	<u>1,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>217,589</u>	<u>20,040</u>	<u>1,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 217,589</u>	<u>\$ 20,040</u>	<u>\$ 1,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,725</u>

(continued)

**CITY OF DEL RIO, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2006**

	TxDOT VCR Grant	TxDOT - Section 5310	Economic Development Administration	Safe Routes to School
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 25,318	\$ 16,200
Due from other funds	-	-	60,465	-
Receivables, net	-	-	-	-
Intergovernmental receivables	-	13,080	-	-
Total assets	\$ -	\$ 13,080	\$ 85,783	\$ 16,200
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 20,663	\$ -
Accrued liabilities	-	-	5,205	-
Due to other funds	-	10,427	7,491	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	10,427	33,359	-
Fund balances:				
Reserved for:				
Encumbrances	-	-	5,268	-
Debt service	-	-	-	-
Unreserved	-	2,653	47,156	16,200
Total fund balances	-	2,653	52,424	16,200
Total liabilities and fund balances	\$ -	\$ 13,080	\$ 85,783	\$ 16,200

<u>Homebuyers Assistance Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 367,317
-	89,980
-	8,250
2,500	386,840
<u>\$ 2,500</u>	<u>\$ 852,387</u>
\$ -	\$ 67,803
-	36,260
-	245,648
-	-
-	500
-	\$ 350,211
-	33,941
-	-
2,500	468,235
2,500	502,176
<u>\$ 2,500</u>	<u>\$ 852,387</u>

**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, 2006**

	<u>MIT-5311 Grant</u>	<u>Women, Infants and Children</u>	<u>Nutrition/ Social Services</u>	<u>Room Tax</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 564,539
Intergovernmental	481,330	393,185	458,770	-
Charges for services	252,013	-	283	-
Investment earnings	-	-	-	138
Rental	18,000	-	-	-
Miscellaneous	-	3,206	26,426	-
Total revenues	<u>751,343</u>	<u>396,391</u>	<u>485,479</u>	<u>564,677</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	338,723
Health and welfare	758,525	397,762	460,144	-
Capital outlay	1,888	6,875	-	-
Total expenditures	<u>760,413</u>	<u>404,637</u>	<u>460,144</u>	<u>338,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 9,070)</u>	<u>( 8,246)</u>	<u>25,335</u>	<u>225,954</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	8,826	-	-	-
Transfers in	-	-	8,663	-
Transfers out	-	-	-	( 225,816)
Total other financing sources and uses	<u>8,826</u>	<u>-</u>	<u>8,663</u>	<u>( 225,816)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 244)</u>	<u>( 8,246)</u>	<u>33,998</u>	<u>138</u>
<b>FUND BALANCES, BEGINNING</b>	<u>39,188</u>	<u>107,011</u>	<u>15,178</u>	<u>1,948</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 38,944</u>	<u>\$ 98,765</u>	<u>\$ 49,176</u>	<u>\$ 2,086</u>

<u>Loan Repayment</u>	<u>Property and Forfeiture</u>	<u>Law Enforcement Employee Continuing Education</u>	<u>LLEBG Department of Justice Assistance</u>	<u>ORCA Contract #720189</u>	<u>ORCA Contract #828517</u>	<u>ORCA Contract #718197</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,796	-	-	-	-
-	-	-	-	-	-	-
9,905	889	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,905</u>	<u>889</u>	<u>5,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	549	131	-	-	-
-	-	10,823	-	-	-	-
<u>-</u>	<u>-</u>	<u>11,372</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>9,905</u>	<u>889</u>	<u>( 5,576)</u>	<u>( 131)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	131	5,905	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 5,773)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>5,905</u>	<u>( 5,773)</u>	<u>-</u>
9,905	889	( 5,576)	-	5,905	( 5,773)	-
<u>207,684</u>	<u>19,151</u>	<u>7,375</u>	<u>-</u>	<u>( 5,905)</u>	<u>5,773</u>	<u>-</u>
<u>\$ 217,589</u>	<u>\$ 20,040</u>	<u>\$ 1,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**CITY OF DEL RIO, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR SPECIAL REVENUE FUNDS  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>TxDOT VCR Grant</u>	<u>TxDOT = Section 5310</u>	<u>Economic Development Administration</u>	<u>Safe Routes to School</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	29,041	-	279,680
Charges for services	11,710	9,913	-	-
Investment earnings	-	-	-	-
Rental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>11,710</u>	<u>38,954</u>	<u>-</u>	<u>279,680</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Health and welfare	-	36,301	258,666	-
Capital outlay	-	-	1,167	283,188
Total expenditures	<u>-</u>	<u>36,301</u>	<u>259,833</u>	<u>283,188</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>11,710</u>	<u>2,653</u>	<u>( 259,833)</u>	<u>( 3,508)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	215,036	30,260
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>215,036</u>	<u>30,260</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,710	2,653	( 44,797)	26,752
<b>FUND BALANCES, BEGINNING</b>	<u>( 11,710)</u>	<u>-</u>	<u>97,221</u>	<u>( 10,552)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ 2,653</u>	<u>\$ 52,424</u>	<u>\$ 16,200</u>

<u>Homebuyers Assistance Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 564,539
31,087	1,678,889
-	273,919
-	10,932
-	18,000
-	<u>29,632</u>
<u>31,087</u>	<u>2,575,911</u>
-	338,723
28,587	1,940,665
-	<u>303,941</u>
<u>28,587</u>	<u>2,583,329</u>
<u>2,500</u>	( <u>7,418</u> )
-	8,826
-	259,995
-	( <u>231,589</u> )
-	<u>37,232</u>
2,500	29,814
-	<u>472,362</u>
<u>\$ 2,500</u>	<u>\$ 502,176</u>

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Transit service	\$ 219,759	\$ 252,012	\$ 32,253
Special grants	493,631	481,330	( 12,301)
Miscellaneous	<u>26,826</u>	<u>26,826</u>	<u>-</u>
Total revenues	<u>740,216</u>	<u>760,168</u>	<u>19,952</u>
<b>EXPENDITURES</b>			
Welfare:			
Transportation			
Personnel services	366,930	371,150	( 4,220)
Supplies	66,890	97,691	( 30,801)
Contractual and other costs	118,515	113,859	4,656
Capital outlay	620	602	18
Administration			
Personnel services	114,076	115,147	( 1,071)
Supplies	8,999	5,726	3,273
Contractual and other costs	60,053	51,854	8,199
Capital outlay	<u>500</u>	<u>430</u>	<u>70</u>
Total expenditures	<u>736,583</u>	<u>756,459</u>	<u>( 19,876)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>3,633</u>	3,709	\$ <u>76</u>
<b>CURRENT YEAR ENCUMBRANCES</b>		1,168	
<b>PRIOR YEAR ENCUMBRANCES</b>		<u>( 5,121)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)</b>		( 244)	
<b>FUND BALANCE, BEGINNING</b>		<u>39,188</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>38,944</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Special grants	\$ 476,336	\$ 393,185	\$( 83,151)
Miscellaneous	<u>2,950</u>	<u>3,206</u>	<u>256</u>
Total revenues	<u>479,286</u>	<u>396,391</u>	<u>( 82,895)</u>
<b>EXPENDITURES</b>			
Welfare:			
WIC - immunization			
Personnel services	324,347	295,923	28,424
Supplies	61,813	50,097	11,716
Contractual and other costs	<u>75,707</u>	<u>61,584</u>	<u>14,123</u>
Total expenditures	<u>461,867</u>	<u>407,604</u>	<u>54,263</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>17,419</u>	( 11,213)	\$ <u>( 28,632)</u>
<b>CURRENT YEAR ENCUMBRANCES</b>		27,283	
<b>PRIOR YEAR ENCUMBRANCES</b>		<u>( 24,316)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)</b>		( 8,246)	
<b>FUND BALANCE, BEGINNING</b>		<u>107,011</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>98,765</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Fees	\$ -	\$ 283	\$ 283
Special grants	473,927	458,770	( 15,157)
Miscellaneous	<u>30,000</u>	<u>26,426</u>	<u>( 3,574)</u>
Total revenues	<u>503,927</u>	<u>485,479</u>	<u>( 18,448)</u>
<b>EXPENDITURES</b>			
Welfare:			
Nutrition and social services			
Personnel services	202,486	180,957	21,529
Supplies	265,026	232,986	32,040
Contractual and other costs	<u>48,217</u>	<u>46,325</u>	<u>1,892</u>
Total expenditures	<u>515,729</u>	<u>460,268</u>	<u>55,461</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 11,802)</u>	<u>25,211</u>	<u>37,013</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	<u>11,802</u>	<u>8,663</u>	<u>( 3,139)</u>
Total other financing sources	<u>11,802</u>	<u>8,663</u>	<u>( 3,139)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>\$ -</u>	33,874	<u>\$ 33,874</u>
<b>CURRENT YEAR ENCUMBRANCES</b>		220	
<b>PRIOR YEAR ENCUMBRANCES</b>		<u>( 96)</u>	
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)</b>		33,998	
<b>FUND BALANCE, BEGINNING</b>		<u>15,178</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 49,176</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Taxes	\$ 552,000	\$ 564,539	\$ 12,539
Interest income	<u>50</u>	<u>138</u>	<u>88</u>
Total revenues	<u>552,050</u>	<u>564,677</u>	<u>12,627</u>
<b>EXPENDITURES</b>			
General government:			
Room tax			
Contractual and other costs	226,320	231,461	( 5,141)
Intergovernmental	<u>104,880</u>	<u>107,262</u>	<u>( 2,382)</u>
Total expenditures	<u>331,200</u>	<u>338,723</u>	<u>( 7,523)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>220,850</u>	<u>225,954</u>	<u>5,104</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	<u>( 220,800)</u>	<u>( 225,816)</u>	<u>( 5,016)</u>
Total other financing uses	<u>( 220,800)</u>	<u>( 225,816)</u>	<u>( 5,016)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	\$ <u>50</u>	138	\$ <u>88</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)</b>		138	
<b>FUND BALANCE, BEGINNING</b>		<u>1,948</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>2,086</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Miscellaneous	\$ <u>8,000</u>	\$ <u>9,905</u>	\$ <u>1,905</u>
Total revenues	<u>8,000</u>	<u>9,905</u>	<u>1,905</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>8,000</u>	9,905	\$ <u>1,905</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS OF REVENUES OVER EXPENDITURES (GAAP BASIS)</b>		9,905	
<b>FUND BALANCE, BEGINNING</b>		<u>207,684</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>217,589</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Special grants	\$ 4,000	\$ -	\$( 4,000)
Miscellaneous	<u>-</u>	<u>889</u>	<u>889</u>
Total revenues	<u>4,000</u>	<u>889</u>	<u>( 3,111)</u>
 <b>EXPENDITURES</b>			
Capital outlay	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>4,000</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>-</u>	<u>889</u>	<u>889</u>
 <b>ENCUMBRANCES</b>		<u>-</u>	
 <b>EXCESS OF REVENUES OVER EXPENDITURES (GAAP BASIS)</b>		889	
 <b>FUND BALANCE, BEGINNING</b>		<u>19,151</u>	
 <b>FUND BALANCE, ENDING</b>		<u>\$ 20,040</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Special grants	\$ <u>5,796</u>	\$ <u>5,796</u>	\$ <u>-</u>
Total revenues	<u>5,796</u>	<u>5,796</u>	<u>-</u>
<b>EXPENDITURES</b>			
Supplies	615	549	66
Capital outlay	<u>9,979</u>	<u>10,823</u>	<u>( 844)</u>
Total expenditures	<u>10,594</u>	<u>11,372</u>	<u>( 778)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)</b>	<u>( 4,798)</u>	<u>( 5,576)</u>	<u>( 778)</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES (GAAP BASIS)</b>		<u>( 5,576)</u>	
<b>FUND BALANCE, BEGINNING</b>		<u>7,375</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 1,799</u>	

**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 - LLEBG**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>EXPENDITURES</b>			
Miscellaneous	<u>-</u>	<u>131</u>	<u>( 131)</u>
Total expenditures	<u>-</u>	<u>131</u>	<u>( 131)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>( 131)</u>	<u>( 131)</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	<u>131</u>	<u>131</u>	<u>-</u>
Total other financing sources	<u>131</u>	<u>131</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>131</u>	<u>-</u>	<u>( 131)</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)</b>		<u>-</u>	
<b>FUND BALANCE, BEGINNING</b>		<u>-</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>-</u>	

**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 - ORCA CONTRACT #720189**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	<u>5,905</u>	<u>5,905</u>	<u>-</u>
Total other financing sources	<u>5,905</u>	<u>5,905</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>5,905</u>	5,905	<u>-</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)</b>		5,905	
<b>FUND BALANCE, BEGINNING</b>		<u>( 5,905)</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>-</u>	

**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 - ORCA CONTRACT #828517**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	<u>( 5,773)</u>	<u>( 5,773)</u>	<u>-</u>
Total other financing uses	<u>( 5,773)</u>	<u>( 5,773)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$( 5,773)</u>	<u>( 5,773)</u>	<u>-</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES (GAAP BASIS)</b>		<u>( 5,773)</u>	
<b>FUND BALANCE, BEGINNING</b>		<u>5,773</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ -</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Transit service	\$ <u>11,710</u>	\$ <u>11,710</u>	\$ <u>-</u>
Total revenues	<u>11,710</u>	<u>11,710</u>	<u>-</u>
<b>EXPENDITURES</b>	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>11,710</u>	11,710	\$ <u>-</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)</b>		11,710	
<b>FUND BALANCE, BEGINNING</b>		<u>( 11,710)</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>-</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Transit service - local	\$ 9,913	\$ 9,913	\$ -
Special grants	<u>39,652</u>	<u>29,041</u>	<u>( 10,611)</u>
Total revenues	<u>49,565</u>	<u>38,954</u>	<u>( 10,611)</u>
<b>EXPENDITURES</b>			
Welfare:			
Contractual and other costs	<u>49,565</u>	<u>36,301</u>	<u>13,264</u>
Total expenditures	<u>49,565</u>	<u>36,301</u>	<u>13,264</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>\$ -</u>	2,653	<u>\$ 2,653</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)</b>		2,653	
<b>FUND BALANCE, BEGINNING</b>		<u>-</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 2,653</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Personnel services	113,279	99,702	13,577
Supplies	14,110	13,827	283
Contractual and other costs	86,479	52,965	33,514
Capital outlay	<u>1,168</u>	<u>1,167</u>	<u>1</u>
Total expenditures	<u>215,036</u>	<u>167,661</u>	<u>47,375</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 215,036)</u>	<u>( 167,661)</u>	<u>47,375</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>215,036</u>	<u>215,036</u>	<u>-</u>
Total other financing sources	<u>215,036</u>	<u>215,036</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>\$ -</u>	47,375	<u>\$ 47,375</u>
<b>PRIOR YEAR ENCUMBRANCES</b>		<u>( 92,172)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (GAAP BASIS)</b>		<u>( 44,797)</u>	
<b>FUND BALANCE, BEGINNING</b>		<u>97,221</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 52,424</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Texas Department of Transportation	\$ 279,680	\$ 279,680	\$ -
Total revenues	<u>279,680</u>	<u>279,680</u>	<u>-</u>
<b>EXPENDITURES</b>			
Capital outlay	283,189	283,188	1
Total expenditures	<u>283,189</u>	<u>283,188</u>	<u>1</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 3,509)</u>	<u>( 3,508)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	30,260	30,260	-
Total other financing sources	<u>30,260</u>	<u>30,260</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>\$ 26,751</u>	26,752	<u>\$ 1</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)</b>		26,752	
<b>FUND BALANCE, BEGINNING</b>		<u>( 10,552)</u>	
<b>FUND BALANCE, ENDING</b>		<u><u>\$ 16,200</u></u>	

**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 - HOMEBUYERS ASSISTANCE PROGRAM**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Special grants	\$ 28,587	\$ 31,087	\$ 2,500
Total revenues	<u>28,587</u>	<u>31,087</u>	<u>2,500</u>
<b>EXPENDITURES</b>			
Contractual and other costs	<u>28,587</u>	<u>28,587</u>	<u>-</u>
Total expenditures	<u>28,587</u>	<u>28,587</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<u>\$ -</u>	2,500	<u>\$ 2,500</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (GAAP BASIS)</b>		2,500	
<b>FUND BALANCE, BEGINNING</b>		<u>-</u>	
<b>FUND BALANCE, ENDING</b>		<u>\$ 2,500</u>	

## **DEBT SERVICE FUND**

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

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 869,793	\$ 876,392	\$ 6,599
Miscellaneous	49,030	50,535	1,505
Total revenues	<u>918,823</u>	<u>926,927</u>	<u>8,104</u>
<b>EXPENDITURES</b>			
Debt service	<u>2,362,020</u>	<u>2,320,985</u>	41,035
Total expenditures	<u>2,362,020</u>	<u>2,320,985</u>	<u>41,035</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,443,197)</u>	<u>(1,394,058)</u>	<u>49,139</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>1,494,545</u>	<u>1,515,314</u>	20,769
Total other financing sources	<u>1,494,545</u>	<u>1,515,314</u>	<u>20,769</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (BUDGETARY BASIS)</b>	\$ <u>51,348</u>	121,256	\$ <u>69,908</u>
<b>ENCUMBRANCES</b>		<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (GAAP BASIS)</b>		121,256	
<b>FUND BALANCE, BEGINNING</b>		<u>827,240</u>	
<b>FUND BALANCE, ENDING</b>		\$ <u>948,496</u>	

# 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.

The *San Felipe Neighborhood Center Fund* is the reconstruction of the building which was heavily damaged during the 1998 flood. This project is to be funded with insurance proceeds received from Texas Municipal League.

**CITY OF DEL RIO, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**SEPTEMBER 30, 2006**

	<u>Animal Shelter</u>	<u>Bicycle and Walking Trail</u>	<u>Police Station</u>	<u>Fire Station</u>
<b>ASSETS</b>				
Cash and investments	\$ 173,430	\$ 25,866	\$ 2,591,015	\$ 559,480
Receivables, net	<u>-</u>	<u>-</u>	<u>1,086</u>	<u>144</u>
Total assets	<u>\$ 173,430</u>	<u>\$ 25,866</u>	<u>\$ 2,592,101</u>	<u>\$ 559,624</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,937</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,937</u>
Fund balances:				
Unreserved	<u>173,430</u>	<u>25,866</u>	<u>2,592,101</u>	<u>456,687</u>
Total fund balances	<u>173,430</u>	<u>25,866</u>	<u>2,592,101</u>	<u>456,687</u>
Total liabilities and fund balances	<u>\$ 173,430</u>	<u>\$ 25,866</u>	<u>\$ 2,592,101</u>	<u>\$ 559,624</u>

<u>San Felipe Neighborhood Center Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ 3,349,791
<u>-</u>	<u>1,230</u>
<u>\$ -</u>	<u>\$ 3,351,021</u>
\$ -	\$ 102,937
<u>-</u>	<u>102,937</u>
<u>-</u>	<u>3,248,084</u>
<u>-</u>	<u>3,248,084</u>
<u>\$ -</u>	<u>\$ 3,351,021</u>

**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, 2006**

	<u>Animal Shelter</u>	<u>Bicycle and Walking Trail</u>	<u>Police Station</u>	<u>Fire Station</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 241,724	\$ -	\$ 399,579
Investment earnings	<u>2,440</u>	<u>1,990</u>	<u>120,150</u>	<u>28,025</u>
Total revenues	<u>2,440</u>	<u>243,714</u>	<u>120,150</u>	<u>427,604</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>-</u>	<u>280,555</u>	<u>35,666</u>	<u>719,003</u>
Total expenditures	<u>-</u>	<u>280,555</u>	<u>35,666</u>	<u>719,003</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,440</u>	<u>( 36,841)</u>	<u>84,484</u>	<u>( 291,399)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	125,000	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	127,440	<u>( 36,841)</u>	84,484	<u>( 291,399)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>45,990</u>	<u>62,707</u>	<u>2,507,617</u>	<u>748,086</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 173,430</u>	<u>\$ 25,866</u>	<u>\$ 2,592,101</u>	<u>\$ 456,687</u>

<u>San Felipe Neighborhood Center Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ 641,303
<u>120</u>	<u>152,725</u>
<u>120</u>	<u>794,028</u>
<u>-</u>	<u>1,035,224</u>
<u>-</u>	<u>1,035,224</u>
<u>120</u>	<u>( 241,196)</u>
<u>-</u>	<u>125,000</u>
<u>( 145)</u>	<u>( 145)</u>
<u>( 145)</u>	<u>124,855</u>
<u>( 25)</u>	<u>( 116,341)</u>
<u>25</u>	<u>3,364,425</u>
<u>\$ -</u>	<u>\$ 3,248,084</u>

# **PROPRIETARY FUNDS**

# 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:

<u>Fund</u>	<u>Service</u>
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:

<u>Fund</u>	<u>Service</u>
Municipal facilities	Rental of City facilities

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services			
Utility charges	\$ 4,150,474	\$ 4,128,472	\$( 22,002)
Miscellaneous:			
Interest	170,300	164,879	( 5,421)
Other	<u>6,000</u>	<u>7,695</u>	<u>1,695</u>
Total revenues	<u>4,326,774</u>	<u>4,301,046</u>	<u>( 25,728)</u>
<b>EXPENSES</b>			
Personnel	549,183	532,608	16,575
Supplies	124,727	137,469	( 12,742)
Contractual services and other costs	332,350	321,648	10,702
Purchases for resale	2,186,462	2,068,456	118,006
Debt charges	95,274	91,019	4,255
Capital outlay	<u>18,392</u>	<u>135,682</u>	<u>( 117,290)</u>
Total expenses	<u>3,306,388</u>	<u>3,286,882</u>	<u>19,506</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>1,020,386</u>	<u>1,014,164</u>	<u>( 6,222)</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>( 1,105,248)</u>	<u>( 1,105,248)</u>	<u>-</u>
Total other financing uses	<u>( 1,105,248)</u>	<u>( 1,105,248)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$( 84,862)</u>	<u>( 91,084)</u>	<u>\$( 6,222)</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		228,049	
Bond principal		55,000	
Current year encumbrances		7,464	
Less:			
Prior year encumbrances		( 92,998)	
Loss on disposal of assets		( 11,204)	
Depreciation		( 182,482)	
Bad debts		<u>( 40,145)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$( 127,400)</u>	

**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, 2006**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services:			
Metered water sales	\$ 7,270,000	7,546,930	\$ 276,930
Interest income	350,000	388,100	38,100
Miscellaneous	2,500	36,607	34,107
Special grants	847,726	463,481	( 384,245)
Total revenues	8,470,226	8,435,118	( 35,108)
<b>EXPENSES</b>			
Water production:			
Personnel	391,677	374,588	17,089
Supplies	214,807	185,238	29,569
Contractual services and other costs	1,274,442	1,184,483	89,959
Debt charges	1,846,437	1,922,663	( 76,226)
Capital outlay	146,153	103,366	42,787
Water distribution:			
Personnel	797,852	790,320	7,532
Supplies	252,260	224,824	27,436
Contractual services and other costs	511,163	479,713	31,450
Debt charges	757,161	713,675	43,486
Capital outlay	272,023	254,602	17,421
Repairs and replacement:			
Supplies	246,500	242,184	4,316
Total expenses	6,710,475	6,475,656	234,819
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>1,759,751</b>	<b>1,959,462</b>	<b>199,711</b>
<b>OTHER FINANCING USES</b>			
Transfers out	( 360,601)	( 360,601)	-
Total other financing uses	( 360,601)	( 360,601)	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<b>\$ 1,399,150</b>	<b>1,598,861</b>	<b>\$ 199,711</b>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		465,621	
Bond principal		1,558,607	
Current year encumbrances		169,367	
Less:			
Depreciation		( 2,075,923)	
Prior year encumbrances		( 16,807)	
Loss on disposal of assets		( 22,590)	
Bad debts		( 94,786)	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<b>\$ 1,582,350</b>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Charges for services			
Bridge tolls	\$ 4,595,100	\$ 4,609,284	\$ 14,184
Miscellaneous			
Interest income	89,166	112,010	22,844
Other	<u>22,379</u>	<u>21,648</u>	<u>( 731)</u>
Total revenues	<u>4,706,645</u>	<u>4,742,942</u>	<u>36,297</u>
<b>EXPENSES</b>			
Personnel	344,014	346,678	( 2,664)
Supplies	20,678	10,556	10,122
Contractual services and other costs	161,649	120,044	41,605
Debt charges	425,213	444,190	( 18,977)
Capital outlay	<u>28,425</u>	<u>28,424</u>	<u>1</u>
Total expenses	<u>979,979</u>	<u>949,892</u>	<u>30,087</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>			
	<u>3,726,666</u>	<u>3,793,050</u>	<u>66,384</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>( 3,514,519)</u>	<u>( 3,514,519)</u>	<u>-</u>
Total other financing uses	<u>( 3,514,519)</u>	<u>( 3,514,519)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>			
	<u>\$ 212,147</u>	278,531	<u>\$ 66,384</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Principal on revenue bonds		315,000	
Current year encumbrances		31,807	
Capital contributions		124,000	
Less:			
Depreciation		( 159,226)	
Prior year encumbrances		<u>( 97)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$ 590,015</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services			
Aviation fuel fees	\$ 45,184	\$ 46,921	\$ 1,737
Rental	133,341	128,928	( 4,413)
Miscellaneous	25,000	26,980	1,980
Interest income	25,800	26,253	453
Intergovernmental	<u>116,240</u>	<u>111,320</u>	<u>( 4,920)</u>
Total revenues	<u>345,565</u>	<u>340,402</u>	<u>( 5,163)</u>
<b>EXPENSES</b>			
International Airport:			
Personnel	134,245	137,853	( 3,608)
Supplies	26,266	18,353	7,913
Contractual services and other costs	114,691	115,137	( 446)
Capital outlay	19,100	9,841	9,259
Airport marketing:			
Personnel	25,381	18,242	7,139
Contractual services and other costs	249,176	274,093	( 24,917)
Ramp program			
Capital outlay	<u>4,921</u>	<u>-</u>	<u>4,921</u>
Total expenses	<u>573,780</u>	<u>573,519</u>	<u>261</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>( 228,215)</u>	<u>( 233,117)</u>	<u>( 4,902)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	( 1,193)	( 1,193)	-
Transfers in	<u>235,171</u>	<u>235,171</u>	<u>-</u>
Total other financing sources (uses)	<u>233,978</u>	<u>233,978</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES AND OTHER FINANCING USES</b>	<u>\$ 5,763</u>	861	<u>\$( 4,902)</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		15,731	
Current year encumbrances		3,453	
Capital contributions		3,438,130	
Less:			
Prior year encumbrances		( 10,970)	
Depreciation		<u>( 631,431)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$ 2,815,774</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services			
Refuse collections	\$ 2,169,463	\$ 2,183,239	\$ 13,776
Miscellaneous:			
Other income	7,708	5,707	( 2,001)
Interest	<u>100,218</u>	<u>115,589</u>	<u>15,371</u>
Total revenues	<u>2,277,389</u>	<u>2,304,535</u>	<u>27,146</u>
<b>EXPENSES</b>			
Refuse:			
Personnel	78,598	74,167	4,431
Supplies	26,874	14,214	12,660
Contractual services and other costs	1,170,654	1,152,454	18,200
Debt service	505,136	500,002	5,134
Capital outlay	10,652	10,521	131
Reserves and other	<u>158,880</u>	<u>-</u>	<u>158,880</u>
Total expenses	<u>1,950,794</u>	<u>1,751,358</u>	<u>199,436</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>326,595</u>	<u>553,177</u>	<u>226,582</u>
<b>OTHER FINANCING USES</b>			
Transfers out	( 331,431)	( 331,431)	-
Total other financing uses	<u>( 331,431)</u>	<u>( 331,431)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$( 4,836)</u>	221,746	<u>\$ 226,582</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Bond principal payment		347,146	
Capital outlay		10,521	
Current year encumbrances		78,198	
Less:			
Depreciation		( 394,206)	
Prior year encumbrances		( 181)	
Increase to landfill closure - post closure costs		( 578,623)	
Loss on disposal of assets		( 101)	
Bad debt expense		<u>( 21,419)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$( 336,919)</u>	

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ENTERPRISE FUND - WASTEWATER**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services			
Metered water sales	\$ 2,767,884	\$ 3,081,931	\$ 314,047
Service charges	30,000	41,302	11,302
Interest income	35,000	164,511	129,511
Total revenues	2,832,884	3,287,744	454,860
<b>EXPENSES</b>			
Wastewater collections:			
Personnel	404,236	406,070	( 1,834)
Supplies	102,960	82,919	20,041
Contractual services and other costs	304,642	260,712	43,930
Debt charges	211,135	113,787	97,348
Capital outlay	8,122	10,657	( 2,535)
Wastewater treatment:			
Contractual services and other costs	857,787	740,114	117,673
Debt charges	821,320	1,028,696	( 207,376)
Wastewater repairs and replacement:			
Capital outlay	61,300	65,285	( 3,985)
Total expenses	2,771,502	2,708,240	63,262
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>61,382</b>	<b>579,504</b>	<b>518,122</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	351,774	351,774	-
Transfers out	( 3,101)	( 3,101)	-
Total other financing sources (uses)	348,673	348,673	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<b>\$ 410,055</b>	<b>928,177</b>	<b>\$ 518,122</b>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		73,614	
Bond principal payments		661,174	
Current year encumbrances		5,639	
Less:			
Prior year encumbrances		( 4,319)	
Loss on disposal of assets		( 1,130)	
Depreciation		( 972,548)	
Bad debts		( 214,951)	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<b>\$ 475,656</b>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Facility rentals	\$ 231,695	\$ 224,384	\$( 7,311)
Miscellaneous:			
Interest income	17,570	19,590	2,020
Miscellaneous	<u>20,220</u>	<u>12,277</u>	<u>( 7,943)</u>
Total revenues	<u>269,485</u>	<u>256,251</u>	<u>( 13,234)</u>
<b>EXPENSES</b>			
Civic center:			
Personnel	151,140	155,415	( 4,275)
Supplies	22,422	21,111	1,311
Contractual services and other costs	201,306	184,210	17,096
Debt charges	65,786	56,329	9,457
Capital outlay	65,149	64,949	200
San Felipe Center:			
Supplies	500	597	( 97)
Contractual services and other costs	2,570	-	2,570
Chihuahua Center:			
Supplies	3,635	1,301	2,334
Contractual services and other costs	41,093	30,274	10,819
Joe Ramos Center:			
Contractual services and other costs	16,440	13,445	2,995
Paul Poag facility:			
Personnel	91,182	83,422	7,760
Supplies	11,510	10,255	1,255
Contractual services and other costs	43,298	46,148	( 2,850)
Purchases for resale	300	88	212
Capital outlay	13,295	11,714	1,581
DRCA - fire station:			
Supplies	2,885	1,900	985
Contractual services and other costs	36,328	30,172	6,156
SER - fire station:			
Contractual services and other costs	5,278	3,974	1,304
Casa De La Cultura:			
Contractual services and other costs	9,738	5,317	4,421
Brown Plaza:			
Supplies	2,000	1,364	636
Contractual services and other costs	150	202	( 52)
Whitehead Museum:			
Contractual services and other costs	16,942	17,970	( 1,028)

(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, 2006**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENSES (Continued)</b>			
VV Shelter - fire station:			
Contractual services and other costs	\$ 6,490	\$ 8,036	\$( 1,546)
AARP building:			
Contractual services and other costs	-	196	( 196)
Legal aid/Guzman building:			
Supplies	100	22	78
Contractual services and other costs	1,465	1,500	( 35)
Total expenses	811,002	749,911	61,091
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	( 541,517)	( 493,660)	47,857
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	( 954)	( 954)	-
Transfers in	533,989	533,989	-
Total other financing sources (uses)	533,035	533,035	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	\$( 8,482)	39,375	\$ 47,857
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		127,473	
Bond principal payments		30,000	
Current year encumbrances		79,406	
Less:			
Depreciation		( 120,374)	
Loss on disposal of assets		( 796)	
Prior year encumbrances		( 123,193)	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		\$ 31,891	

# 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:

<u>Fund</u>	<u>Service</u>
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, 2006**

	<u>Utility Billing</u>	<u>Computer Services</u>	<u>Fleet Maintenance</u>	<u>Health Claims Self-insurance</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 71,875	\$ 59,137	\$ -	\$ 802,111	\$ 933,123
Accounts receivables, net	80	1,770	-	70	1,920
Due from other funds	<u>32,805</u>	<u>-</u>	<u>34,348</u>	<u>-</u>	<u>67,153</u>
Total current assets	<u>104,760</u>	<u>60,907</u>	<u>34,348</u>	<u>802,181</u>	<u>1,002,196</u>
Non-current assets:					
Capital assets:					
Buildings and improvements	10,478	-	50,721	-	61,199
Equipment	251,617	566,157	73,865	-	891,639
Less accumulated depreciation	<u>( 161,455)</u>	<u>( 396,703)</u>	<u>( 110,546)</u>	<u>-</u>	<u>( 668,704)</u>
Total capital assets, net	<u>100,640</u>	<u>169,454</u>	<u>14,040</u>	<u>-</u>	<u>284,134</u>
Total noncurrent assets	<u>100,640</u>	<u>169,454</u>	<u>14,040</u>	<u>-</u>	<u>284,134</u>
Total assets	<u>\$ 205,400</u>	<u>\$ 230,361</u>	<u>\$ 48,388</u>	<u>\$ 802,181</u>	<u>\$ 1,286,330</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 5,084	\$ 1,586	\$ 31,136	\$ -	\$ 37,806
Accrued liabilities	33,349	10,450	11,726	-	55,525
Claims payable	-	-	-	39,810	39,810
Due to other funds	<u>321</u>	<u>81</u>	<u>32,788</u>	<u>-</u>	<u>33,190</u>
Total current liabilities	<u>38,754</u>	<u>12,117</u>	<u>75,650</u>	<u>39,810</u>	<u>166,331</u>
Non-current liabilities:					
Compensated absences	<u>65,755</u>	<u>18,932</u>	<u>21,637</u>	<u>-</u>	<u>106,324</u>
Total non-current liabilities	<u>65,755</u>	<u>18,932</u>	<u>21,637</u>	<u>-</u>	<u>106,324</u>
Total liabilities	<u>104,509</u>	<u>31,049</u>	<u>97,287</u>	<u>39,810</u>	<u>272,655</u>
<b>NET ASSETS</b>					
Invested in capital assets	100,640	169,454	14,040	-	284,134
Unrestricted	<u>251</u>	<u>29,858</u>	<u>( 62,939)</u>	<u>762,371</u>	<u>729,541</u>
Total net assets	<u>\$ 100,891</u>	<u>\$ 199,312</u>	<u>\$( 48,899)</u>	<u>\$ 762,371</u>	<u>\$ 1,013,675</u>

**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, 2006**

	Utility Billing	Computer Service	Fleet Maintenance	Health Claims Self-Insurance	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 579,598	\$ 328,178	\$ 531,720	\$ 1,180,382	\$ 2,619,878
Total operating revenues	<u>579,598</u>	<u>328,178</u>	<u>531,720</u>	<u>1,180,382</u>	<u>2,619,878</u>
<b>OPERATING EXPENSES</b>					
Personnel	395,987	110,886	162,144	-	669,017
Contractual services	92,296	124,952	97,979	1,188,544	1,503,771
Supplies	22,313	24,878	343,822	-	391,013
Depreciation	19,378	72,213	13,163	-	104,754
Total operating expenses	<u>529,974</u>	<u>332,929</u>	<u>617,108</u>	<u>1,188,544</u>	<u>2,668,555</u>
<b>OPERATING INCOME (LOSS)</b>	49,624	( 4,751)	( 85,388)	( 8,162)	( 48,677)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment earnings	2,604	10,549	-	37,078	50,231
Gain (loss) on disposal of assets	-	( 1,446)	5,445	-	3,999
Interest expense	-	( 4,286)	-	-	( 4,286)
Total non-operating revenue (expenses)	<u>2,604</u>	<u>4,817</u>	<u>5,445</u>	<u>37,078</u>	<u>49,944</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
	<u>52,228</u>	<u>66</u>	<u>( 79,943)</u>	<u>28,916</u>	<u>1,267</u>
Transfers in	-	-	100,265	-	100,265
Transfers out	( 2,147)	( 477)	-	-	( 2,624)
<b>CHANGE IN NET ASSETS</b>	50,081	( 411)	20,322	28,916	98,908
<b>TOTAL NET ASSETS, BEGINNING</b>	<u>50,810</u>	<u>199,723</u>	<u>( 69,221)</u>	<u>733,455</u>	<u>914,767</u>
<b>TOTAL NET ASSETS, ENDING</b>	<u>\$ 100,891</u>	<u>\$ 199,312</u>	<u>\$ ( 48,899)</u>	<u>\$ 762,371</u>	<u>\$ 1,013,675</u>

**CITY OF DEL RIO, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Utility Billing	Computer Services	Fleet Maintenance	Health Claims Self-insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 547,221	\$ 379,370	\$ 561,267	\$ 1,184,515	\$ 2,672,373
Cash paid to suppliers for goods and services	( 115,967)	( 154,522)	( 488,872)	( 1,304,805)	( 2,064,166)
Cash paid to employees for services	( 385,717)	( 109,897)	( 160,884)	-	( 656,498)
Net cash provided (used) by operating activities	<u>45,537</u>	<u>114,951</u>	<u>( 88,489)</u>	<u>( 120,290)</u>	<u>( 48,291)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	100,265	-	100,265
Transfers out	( 2,147)	( 477)	-	-	( 2,624)
Insurance proceeds	-	-	5,445	-	5,445
Net cash provided (used) by noncapital financing activities	<u>( 2,147)</u>	<u>( 477)</u>	<u>105,710</u>	<u>-</u>	<u>103,086</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	( 83,096)	( 15,218)	( 17,221)	-	( 115,535)
Principal paid on debt	-	( 127,002)	-	-	( 127,002)
Interest paid on debt	-	( 4,286)	-	-	( 4,286)
Net cash used for capital and related financing activities	<u>( 83,096)</u>	<u>( 146,506)</u>	<u>( 17,221)</u>	<u>-</u>	<u>( 246,823)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Earnings on investments	2,604	10,549	-	37,078	50,231
Net cash provided by investing activities	<u>2,604</u>	<u>10,549</u>	<u>-</u>	<u>37,078</u>	<u>50,231</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	( 37,102)	( 21,483)	-	( 83,212)	( 141,797)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>108,977</u>	<u>80,620</u>	<u>-</u>	<u>885,323</u>	<u>1,074,920</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 71,875</u>	<u>\$ 59,137</u>	<u>\$ -</u>	<u>\$ 802,111</u>	<u>\$ 933,123</u>

(continued)

**CITY OF DEL RIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Utility Billing</u>	<u>Computer Services</u>	<u>Fleet Maintenance</u>	<u>Health Claims Self-insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 49,624	\$( 4,751)	\$( 85,388)	\$( 8,162)	\$( 48,677)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	19,378	72,213	13,163	-	104,754
Changes in assets and liabilities:					
Decrease (increase) in assets:					
Accounts receivable	-	-	-	4,133	4,133
Due from other funds	( 32,377)	49,741	( 3,122)	-	14,242
Increase (decrease) in liabilities:					
Accounts payable	( 1,679)	( 269)	2,892	( 61,452)	( 60,508)
Accrued liabilities	2,857	1,451	978	( 54,809)	( 49,523)
Due to other funds	321	( 1,543)	( 17,292)	-	( 18,514)
Compensated absences payable	7,413	( 462)	280	-	7,231
Customer deposits	<u>-</u>	<u>( 1,429)</u>	<u>-</u>	<u>-</u>	<u>( 1,429)</u>
Net cash provided (used) by operations	<u>\$ 45,537</u>	<u>\$ 114,951</u>	<u>\$( 88,489)</u>	<u>\$( 120,290)</u>	<u>\$( 48,291)</u>

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Charges for service	\$ 580,254	\$ 579,598	\$( 656)
Interest	<u>-</u>	<u>2,604</u>	<u>2,604</u>
Total revenues	<u>580,254</u>	<u>582,202</u>	<u>1,948</u>
<b>EXPENSES</b>			
Billing:			
Personnel services	399,317	395,987	3,330
Supplies	23,508	24,898	( 1,390)
Contractual and other costs	128,253	92,270	35,983
Capital outlay	<u>26,372</u>	<u>32,291</u>	<u>( 5,919)</u>
Total expenses	<u>577,450</u>	<u>545,446</u>	<u>32,004</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>2,804</u>	<u>36,756</u>	<u>33,952</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>( 2,147)</u>	<u>( 2,147)</u>	<u>-</u>
Total other financing uses	<u>( 2,147)</u>	<u>( 2,147)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$ 657</u>	34,609	<u>\$ 33,952</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		83,096	
Current year encumbrances		2,585	
Less:			
Depreciation		( 19,378)	
Prior year encumbrances		<u>( 50,831)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$ 50,081</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services	\$ 324,902	\$ 328,178	\$ 3,276
Interest	<u>10,000</u>	<u>10,549</u>	<u>549</u>
Total revenues	<u>334,902</u>	<u>338,727</u>	<u>3,825</u>
<b>EXPENSES</b>			
M.I.S.			
Personnel services	115,432	110,886	4,546
Supplies	22,834	23,195	( 361)
Contractual and other costs	134,037	122,513	11,524
Debt charges	132,816	131,287	1,529
Capital outlay	<u>4,863</u>	<u>4,923</u>	<u>( 60)</u>
Total expenses	<u>409,982</u>	<u>392,804</u>	<u>17,178</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>( 75,080)</u>	<u>( 54,077)</u>	<u>21,003</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>( 477)</u>	<u>( 477)</u>	<u>-</u>
Total other financing uses	<u>( 477)</u>	<u>( 477)</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES AND OTHER FINANCING USES (BUDGETARY BASIS)</b>	<u>\$( 75,557)</u>	<u>( 54,554)</u>	<u>\$ 21,003</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		15,218	
Bond principal payments		127,001	
Current year encumbrances		11,389	
Less:			
Depreciation		( 72,212)	
Prior year encumbrances		( 25,807)	
Loss on disposal of assets		<u>( 1,446)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$( 411)</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services	\$ 564,967	\$ 531,720	\$( 33,247)
Insurance proceeds	<u>5,445</u>	<u>5,445</u>	<u>-</u>
Total revenues	<u>570,412</u>	<u>537,165</u>	<u>( 33,247)</u>
<b>EXPENSES</b>			
Maintenance shop			
Personnel services	165,660	162,144	3,516
Supplies	314,614	343,762	( 29,148)
Contractual and other costs	90,038	99,018	( 8,980)
Capital outlay	<u>23,064</u>	<u>17,221</u>	<u>5,843</u>
Total expenses	<u>593,376</u>	<u>622,145</u>	<u>( 28,769)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>( 22,964)</u>	<u>( 84,980)</u>	<u>( 62,016)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>100,273</u>	<u>100,265</u>	<u>( 8)</u>
Total other financing sources	<u>100,273</u>	<u>100,265</u>	<u>( 8)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES (BUDGETARY BASIS)</b>	<u>\$ 77,309</u>	15,285	<u>\$( 62,024)</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>			
Add:			
Capital outlay		17,221	
Current year encumbrances		1,065	
Less:			
Depreciation		( 13,163)	
Prior year encumbrances		<u>( 86)</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		<u>\$ 20,322</u>	

**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, 2006**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services	\$ 1,283,832	\$ 1,180,382	\$( 103,450)
Interest	<u>32,000</u>	<u>37,078</u>	<u>5,078</u>
Total revenues	<u>1,315,832</u>	<u>1,217,460</u>	<u>( 98,372)</u>
<b>EXPENSES</b>			
Contractual and other costs	<u>1,544,348</u>	<u>1,188,544</u>	<u>355,804</u>
Total expenses	<u>1,544,348</u>	<u>1,188,544</u>	<u>355,804</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	\$ <u>( 228,516)</u>	28,916	\$ <u>257,432</u>
<b>RECONCILIATION TO CHANGE IN NET ASSETS</b>		<u>-</u>	
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>		\$ <u>28,916</u>	

# 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.

**CITY OF DEL RIO, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2006**

	<u>Val Verde Migratory</u>	<u>Retirement Loan</u>	<u>Brown Plaza Association</u>	<u>Familias Unidas</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ <u>1,102</u>	\$ <u>56</u>	\$ <u>1,726</u>	\$ <u>2,688</u>	\$ <u>5,572</u>
Total assets	\$ <u><u>1,102</u></u>	\$ <u><u>56</u></u>	\$ <u><u>1,726</u></u>	\$ <u><u>2,688</u></u>	\$ <u><u>5,572</u></u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 56	\$ -	\$ -	\$ 56
Intergovernmental payables	1,102	-	-	-	1,102
Due to other funds	-	-	66	-	66
Other liabilities	<u>-</u>	<u>-</u>	<u>1,660</u>	<u>2,688</u>	<u>4,348</u>
Total liabilities	\$ <u><u>1,102</u></u>	\$ <u><u>56</u></u>	\$ <u><u>1,726</u></u>	\$ <u><u>2,688</u></u>	\$ <u><u>5,572</u></u>

**CITY OF DEL RIO, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**AGENCY FUNDS**

**SEPTEMBER 30, 2006**

	Balance September 30, 2005	Additions	Deductions	Balance September 30, 2006
<b>VAL VERDE MIGRATORY</b>				
Assets:				
Cash and investments	\$ 1,102	\$ -	\$ -	\$ 1,102
Liabilities:				
Intergovernmental payables	\$ 1,102	\$ -	\$ -	\$ 1,102
<b>RETIREMENT LOAN</b>				
Assets:				
Cash and investments	\$ 9,520	\$ 1,003	\$ 10,467	\$ 56
Liabilities:				
Accounts payable	\$ 9,520	\$ 1,003	\$ 10,467	\$ 56
<b>BROWN PLAZA ASSOCIATION</b>				
Assets:				
Cash and investments	\$ -	\$ 19,825	\$ 18,099	\$ 1,726
Liabilities:				
Due to other funds	-	66	-	66
Other liabilities	-	19,759	18,099	1,660
Total liabilities	\$ -	\$ 19,825	\$ 18,099	\$ 1,726
<b>FAMILIAS UNIDAS FUND</b>				
Assets:				
Cash and investments	\$ 2,361	\$ 327	\$ -	\$ 2,688
Liabilities:				
Other liabilities	\$ 2,361	\$ 327	\$ -	\$ 2,688
<b>TOTALS ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 12,983	\$ 21,155	\$ 28,566	\$ 5,572
Liabilities:				
Accounts payable	\$ 9,520	\$ 1,003	\$ 10,467	\$ 56
Intergovernmental payables	1,102	-	-	1,102
Due to other funds	-	66	-	66
Other liabilities	2,361	20,086	18,099	4,348
Total liabilities	\$ 12,983	\$ 21,155	\$ 28,566	\$ 5,572

# **STATISTICAL SECTION**

## CITY OF DEL RIO, TEXAS

## NET ASSETS BY COMPONENT

## LAST FOUR FISCAL YEARS

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

## Note:

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

## CITY OF DEL RIO, TEXAS

CHANGES IN NET ASSETS  
LAST FOUR FISCAL YEARS

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

(continued)

TABLE 2

## CITY OF DEL RIO, TEXAS

**CHANGES IN NET ASSETS**  
**(Continued)**  
**LAST FOUR FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	\$(13,173,552)	\$( 12,840,979)	\$( 13,481,213)	\$( 14,495,981)
Business-type activities	<u>6,164,236</u>	<u>3,484,811</u>	<u>7,933,627</u>	<u>8,236,548</u>
Total primary government net expense	<u>( 7,009,316)</u>	<u>( 9,356,168)</u>	<u>( 5,547,586)</u>	<u>( 6,259,433)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>				
Governmental activities:				
Property taxes	3,508,992	3,769,546	4,157,226	4,561,255
Sales taxes	3,997,270	4,152,974	4,296,541	4,732,125
Franchise taxes	1,578,781	1,516,110	1,585,572	1,705,967
Other	527,087	522,182	549,139	605,502
Miscellaneous revenue	16,602	22,615	31,562	45,061
Investment earnings	209,428	168,034	497,534	864,698
Gain (loss) on sale of capital assets	82,994	47,069	2,317	77,493
Transfers	<u>3,981,392</u>	<u>4,475,174</u>	<u>3,443,668</u>	<u>4,196,113</u>
Total governmental activities	<u>13,902,546</u>	<u>14,673,704</u>	<u>14,563,559</u>	<u>16,788,214</u>
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
Transfers	<u>( 3,981,392)</u>	<u>( 4,475,174)</u>	<u>( 3,443,668)</u>	<u>( 4,196,113)</u>
Total business-type activities	<u>( 3,729,054)</u>	<u>( 4,006,020)</u>	<u>( 2,975,141)</u>	<u>( 3,205,181)</u>
Total primary government	<u>10,173,492</u>	<u>10,667,684</u>	<u>11,588,418</u>	<u>13,583,033</u>
<b>CHANGE IN NET ASSETS</b>				
Governmental activities	728,994	1,832,725	1,082,346	2,292,233
Business-type activities	<u>2,435,182</u>	<u>( 521,209)</u>	<u>4,958,486</u>	<u>5,031,367</u>
Total primary government	<u>\$ 3,164,176</u>	<u>\$ 1,311,516</u>	<u>\$ 6,040,832</u>	<u>\$ 7,323,600</u>

Note:

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

CITY OF DEL RIO, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	\$ 91,298	\$ 24,211	\$ 117,242	\$ 2,138,458	\$ 382,871	\$ 825,575	\$ 423,742	\$ 629,074	\$ 823,506	\$ 571,575
Unreserved	<u>1,420,005</u>	<u>144,107</u>	<u>2,256,055</u>	<u>3,187,411</u>	<u>5,671,722</u>	<u>6,539,395</u>	<u>6,745,503</u>	<u>7,579,802</u>	<u>7,080,607</u>	<u>7,770,946</u>
Total general fund	<u>\$ 1,511,303</u>	<u>\$ 168,318</u>	<u>\$ 2,373,297</u>	<u>\$ 5,325,869</u>	<u>\$ 6,054,593</u>	<u>\$ 7,364,970</u>	<u>\$ 7,169,245</u>	<u>\$ 8,208,876</u>	<u>\$ 7,904,113</u>	<u>\$ 8,342,521</u>
All other governmental funds										
Reserved	\$ 3,121	\$ 15,258	\$ 2,613	\$ 46,448	\$ 87,086	\$ 111,472	\$ 285,210	\$ 154,492	\$ 182,647	\$ 79,395
Unreserved, reported in:										
Special revenue funds	396,912	198,547	937,114	946,362	899,477	654,254	206,406	292,095	343,537	468,235
Capital projects funds	913,797	182,521	140,986	226,554	1,388,828	5,873,234	4,778,263	6,887,134	8,379,656	6,277,655
Debt service funds	<u>480,572</u>	<u>448,043</u>	<u>452,620</u>	<u>460,725</u>	<u>455,392</u>	<u>523,747</u>	<u>650,285</u>	<u>639,916</u>	<u>827,240</u>	<u>948,496</u>
Total all other governmental funds	<u>\$ 1,794,402</u>	<u>\$ 844,369</u>	<u>\$ 1,533,333</u>	<u>\$ 1,680,089</u>	<u>\$ 2,830,783</u>	<u>\$ 7,162,707</u>	<u>\$ 5,920,164</u>	<u>\$ 7,973,637</u>	<u>\$ 9,733,080</u>	<u>\$ 7,773,781</u>

## CITY OF DEL RIO, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>REVENUES</b>										
Taxes	\$ 7,090,667	\$ 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
Licenses, fees and permits	194,537	260,047	251,907	344,828	384,400	524,800	402,271	363,476	438,592	397,350
Intergovernmental	2,386,398	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
Charges for services	1,719,833	1,912,940	1,060,440	496,541	369,032	361,398	585,024	1,159,618	1,297,217	1,335,327
Fines and forfeitures	482,841	593,563	380,371	475,098	552,888	547,182	592,495	712,666	731,120	669,961
Investment earnings	-	-	-	-	-	-	193,846	155,764	464,321	814,467
Rental revenues	-	-	-	-	-	-	41,814	35,219	55,333	48,014
Miscellaneous	560,426	167,447	240,453	872,389	506,527	529,040	61,672	256,037	98,524	69,863
Total revenues	<u>12,434,702</u>	<u>12,197,122</u>	<u>12,290,723</u>	<u>18,280,547</u>	<u>14,816,168</u>	<u>14,188,817</u>	<u>12,512,725</u>	<u>14,044,738</u>	<u>15,629,166</u>	<u>17,432,651</u>
<b>EXPENDITURES</b>										
General government	1,893,239	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
Public safety	5,532,932	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
Highway and streets	2,922,476	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
Culture and recreation	126,479	176,355	206,138	189,416	1,136,461	1,096,966	1,129,729	1,066,098	1,147,504	1,245,095
Health and welfare	953,829	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
Economic development and assistance	-	-	-	-	-	-	42,880	49,838	50,044	3,738
Debt service	461,949	595,120	579,449	687,443	859,526	1,025,715	-	-	-	-
Administrative charges	-	-	-	-	-	-	701	699	2,999	-
Interest	-	-	-	-	-	-	594,711	561,848	611,333	754,716
Principal	-	-	-	-	-	-	1,077,414	1,209,916	1,530,066	1,592,347
Capital outlay	4,359,016	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
Total expenditures	<u>16,249,920</u>	<u>13,482,092</u>	<u>12,330,061</u>	<u>20,944,785</u>	<u>18,359,339</u>	<u>18,934,817</u>	<u>19,620,008</u>	<u>18,751,782</u>	<u>23,050,442</u>	<u>24,444,796</u>

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

(continued)

CITY OF DEL RIO, TEXAS

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>EXCESS OF REVENUES OVER (UNDER)</b>										
<b>EXPENDITURES</b>	\$( 3,815,218)	\$( 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)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfer in	1,548,523	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
Transfer out	( 922,132)	( 951,742)	( 804,387)	( 750,432)	( 1,059,877)	( 917,099)	( 2,087,748)	( 1,449,914)	( 2,993,634)	( 2,745,070)
Sale of capital assets	26,280	36,040	-	70,612	27,106	56,391	96,044	107,974	99,119	73,494
Payments of refunded debt	1,065,905	-	-	-	-	-	( 4,155,000)	-	-	-
Proceeds from insurance	139,796	125,012	154,445	-	-	1,154,446	-	-	-	-
Bonds issued	481,321	-	-	772,992	1,273,217	5,150,000	5,768,058	3,217,000	5,333,171	-
Total other financing sources (uses)	2,339,693	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
<b>NET CHANGE IN FUND BALANCES</b>	\$( 1,475,525)	\$( 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)
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>3.9%</u>	<u>4.7%</u>	<u>4.9%</u>	<u>3.8%</u>	<u>5.4%</u>	<u>6.2%</u>	<u>10.3%</u>	<u>10.2%</u>	<u>11.6%</u>	<u>11.9%</u>

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			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
		Residential Property	Agricultural Property	Commercial Property						
1997	1996	\$ 207,518,133	\$ 1,837,210	\$ 259,334,711	\$ 78,635,060	\$ 42,898,362	\$ 504,426,752	0.00000	\$ 547,325,114	92.16%
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%

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**

Fiscal Year Ended September 30,	Tax Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Debt
		Maintenance and Operations	General Obligation Debt Service	Total Direct Rate	San Felipe Del Rio School District	Val Verde County	Val Verde Regional Hospital	
1997	1996	0.41575	0.04973	0.46548	1.30500	0.37040	0.22140	2.82776
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

Source: Val Verde County Appraisal District

**CITY OF DEL RIO, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2006			1997		
	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.	\$ 11,307,390	1	1.34%	\$ 6,059,180	4	1.14%
Wal-Mart Stores #01-0447	8,895,350	2	1.05%	6,481,420	3	1.22%
DL Del rio I, L.P.	8,835,890	3	1.05%	-		- %
Wal-Mart Real Estate	8,716,290	4	1.03%	-		- %
Verizon Southwest	7,830,660	5	0.93%	8,518,350	1	1.60%
Mall Shopping Center, Inc.	7,444,920	6	0.88%	7,174,837	2	1.35%
Brown Automotive Center	5,901,970	7	0.70%	-		- %
Ram Country Chrysler/Dodge/Toyota	4,357,250	8	0.52%	-		- %
H,.E. Butt Grocery Co.	4,228,640	9	0.50%	2,623,030	5	0.49%
Del Rio Ford Lincoln Mercury	3,909,460	10	0.46%	-		- %
Max & Max, Inc.	-		- %	2,244,845	6	0.42%
Dominion Leasing, Inc.	-		- %	2,158,860	7	0.41%
La Villita Partnership	-		- %	2,069,927	8	0.39%
Milton Ricks	-		- %	1,971,600	9	0.37%
David C. Ohlson	-		- %	1,964,710	10	0.37%
Total	\$ <u>71,427,820</u>		<u>8.47%</u>	\$ <u>41,266,759</u>		<u>7.75%</u>
Total taxable assessed value	\$ <u>843,592,073</u>			\$ <u>532,247,986</u>		

Source: Val Verde County Appraisal District

## 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	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1999	1998	\$ 2,661	\$ 2,474	92.97%	\$ 168	\$ 2,642	99.29%
2000	1999	2,653	2,485	93.67%	147	2,632	99.21%
2001	2000	2,792	2,601	93.16%	154	2,755	98.67%
2002	2001	3,142	2,911	92.65%	163	3,074	97.84%
2003	2002	3,344	3,073	91.90%	176	3,249	97.16%
2004	2003	3,610	3,309	91.66%	170	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%	-	3,984	90.73%

Source: City of Del Rio Tax Division

Note: Year 1997 and 1998 not available

## 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			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less Debt Service	Total		
1997	\$ 5,865	\$ 350	\$ 5,515	1.09%	\$ 158
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

## 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.

CITY OF DEL RIO, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2006  
 (amounts expressed in thousands)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Del Rio	\$ 19,068	100.00%	\$ 19,068
San Felipe Del Rio Independent School District	26,075	85.37%	22,260
Val Verde County	1,941	70.59%	<u>1,370</u>
 Total direct and overlapping debt			 <u>\$ 42,698</u>

Sources: School District information provided by the San Felipe Del Rio Consolidated Independent School District;  
 County information provided by the Val Verde County Auditor's office.

**CITY OF DEL RIO, TEXAS**  
**DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

		Debt Margin Calculation for Fiscal Year 2006									
				Assessed value				\$		843,592	
				Debt limit (10% of assessed value)						84,359	
				Debt applicable to limit:							
				General obligation bonds				19,068			
				Less: Amount set aside for repayment of general obligation debt				( 948)			
				Total net debt applicable to limit						18,120	
				Debt margin						\$ 66,239	
		Fiscal Year Ended September 30,									
		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit		\$ 72,144	\$ -	\$ 82,943	\$ 81,511	\$ 85,685	\$ 91,785	\$ 77,125	\$ 84,443	\$ 85,743	\$ 84,359
Total net debt applicable to limit		5,515	-	5,314	5,146	6,849	11,756	13,381	16,077	20,762	18,120
Debt margin		\$ 66,629	\$ -	\$ 77,629	\$ 76,365	\$ 78,836	\$ 80,029	\$ 63,744	\$ 68,366	\$ 64,981	\$ 66,239
Total net debt applicable to the limit as a percentage of debt limit		8.0%	- %	6.0%	6.0%	8.0%	13.0%	17.0%	19.0%	24.0%	21.0%

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.

## CITY OF DEL RIO, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Obligation	Refunding Bonds Note (1)	Capital Leases	Certificates of Obligation	Revenue Bonds Note (1)	Refunding Bonds Note (1)	Capital Leases			
1997	\$ 1,250	\$ 4,615	\$ 118	\$ 3,375	\$ 15,727	\$ -	\$ 578	\$ 25,663	9.28%	\$ 733
1998	1,285	4,545	182	2,790	25,452	-	475	34,729	8.47%	901
1999	1,160	4,460	252	2,710	24,512	-	451	33,545	8.02%	853
2000	1,025	4,355	874	8,165	24,035	-	681	39,135	8.33%	940
2001	3,021	4,220	862	10,254	28,034	-	529	46,920	11.62%	1,386
2002	8,710	4,075	1,262	26,383	6,883	10,985	202	58,500	14.35%	1,727
2003	9,512	4,255	813	27,191	2,286	15,960	64	60,081	13.59%	1,774
2004	12,477	4,010	425	30,735	1,948	15,275	19	64,889	14.48%	1,916
2005	17,042	3,720	25	25,984	1,579	21,295	-	69,645	14.66%	1,962
2006	15,773	3,295	-	24,982	1,294	20,295	-	65,639	13.95%	1,849

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.

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

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 will separate it into two statistical data tables, the bond coverage for the Water Fund and the Wastewater Fund.

## 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	
1997	(1)	\$ 4,852	\$ 4,073	\$ 779	\$ -	\$ -	\$ 1,104	\$ 0.71
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

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 will separate it into two statistical data tables, the bond coverage for the Water Fund and the Wastewater Fund.

## 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	
1997	\$ 2,364	\$ 609	\$ 1,755	\$ 200	\$ 281	\$ 1,104	\$ 3.65
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

CITY OF DEL RIO, TEXAS

PLEGDED 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	
1997	\$ 1,174	\$ 1,297	\$ ( 123)	\$ 35	\$ 68	\$ 1,104	\$ ( 1.19)
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

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

## CITY OF DEL RIO, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## LAST TEN FISCAL YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1997	35,000	\$ 7,904	28.5	11.4	9,978	10.9%
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	31.1	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%

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.

## CITY OF DEL RIO, TEXAS

## PRINCIPAL EMPLOYERS

Employer	2006	
	Employees	Percentage of Total City Employment
Laughlin Airforce Base	2,782	13.81%
Federal Agencies	1,955	9.70%
San Felipe Del Rio CISD	1,567	7.78%
Val Verde Regional Medical Center	500	2.48%
City of Del Rio	485	2.41%
Wal-Mart Supercenter	473	2.35%
Plaza Del Sol Mall	445	2.21%
HEB Grocery	256	1.27%
Texas State Agencies	222	1.10%
Val Verde County	206	1.02%
The GEO Group Correctional Facility	198	0.98%
Home Depot	79	0.39%
Total	<u>9,168</u>	<u>45.50%</u>

Source: Del Rio Chamber of Commerce Website

Note: Information for nine years ago is not available.

## 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
1997	42,034	252,204	1,806,915	1,789,623	61,434	6,143
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

Fiscal Year Ended	Recreational Vehicles		Buses/Trucks		Motorcycles & Carts	
	Number	Revenue	Number	Revenue	Number	Revenue
1997	0	0	14,563	44,454	-	-
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	-	-

Fiscal Year Ended	Total		
	Number of Vehicles	Number of People	Revenue
1997	1,863,512	61,434	2,091,659
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

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

**CITY OF DEL RIO, TEXAS**  
**FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
**FISCAL YEAR ENDED SEPTEMBER 30,**

<u>Function/Program</u>	<u>2006</u>
General government	78
Public safety	165
Highway and streets	28
Health and welfare	38
Culture and recreation	35
Gas	19
Water	43
Bridge	14
Airport	6
Refuse	2
Municipal facilities	9
Wastewater	<u>16</u>
Total	<u>453</u>

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.

## CITY OF DEL RIO, TEXAS

OPERATING INDICATORS  
BY FUNCTION/PROGRAM

FISCAL YEAR ENDED SEPTEMBER 30,

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

Note: Information prior to 2006 is not available.

Source: Various City departments

## CITY OF DEL RIO, TEXAS

CAPITAL ASSET STATISTICS  
BY FUNCTION/PROGRAM

FISCAL YEAR ENDED SEPTEMBER 30,

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

Note: Information prior to 2006 is not available.

Source: Various City departments

# **SINGLE AUDIT SECTION**



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, as of and for the year ended September 30, 2006, which collectively comprise the City of Del Rio, Texas' basic financial statements and have issued our report thereon dated February 9, 2007. 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 of Del Rio, Texas' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Del Rio, Texas' 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 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 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 February 9, 2007.

That report is intended solely for the information and use of management, 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.

February 9, 2007



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

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

To the Honorable Mayor and  
Members of the City of 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 each of its major federal programs for the year ended September 30, 2006. The City of Del Rio, Texas' major federal programs are 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 each of its major federal programs 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 each of its major federal programs for the year ended September 30, 2006.

## Internal Control Over Compliance

The management of the City of Del Rio, Texas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Del Rio, Texas' internal control over compliance with 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, 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.*

February 9, 2007

**CITY OF DEL RIO, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U. S. Department of Agriculture</u></b>			
Passed through Texas Department of Health:			
Women, Infants and Children	10.557	C4000543	\$ <u>382,959</u>
Total Passed through Texas Department of Health			<u>382,959</u>
Total U. S. Department of Agriculture			<u>382,959</u>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
Passed through Office of Rural Community Affairs:			
Homebuyers Assistance Program	14.228	716207	31,087
Fire Protection Facilities	14.228	724219	<u>399,579</u>
Total Passed through Office of Rural Community Affairs			<u>430,666</u>
Total U. S. Department of Housing and Urban Development			<u>430,666</u>
<b><u>U. S. Department of Transportation</u></b>			
Passed through Texas Department of Transportation:			
Routine Airport Maintenance Program	20.100	M522DLRIO	5,890
Airport Expansion Project	20.106	0422DelRio	3,452,821
Safe Route to School	20.205	CSJ-0922-11-020	283,188
Bicycle and Walking Trail	20.205	CSJ-0922-11-018 &022	280,555
Section 5310 Elderly Disabled Transportation	20.500	51622F7197	4,583
Section 5310 Elderly Disabled Transportation	20.500	51522F7188	24,458
Public Transportation Non-urbanized Areas	20.509	51722F7016	40,166
Public Transportation Non-urbanized Areas	20.509	51622F7104	195,110
Public Transportation Non-urbanized Areas	20.509	51522F7114	39,267
Public Transportation Non-urbanized Areas	20.509	51622F7016	236,676
Texas Traffic Safety Program - Circle 4 or Ticket	20.600	586XXF6175	<u>7,207</u>
Total Passed through Texas Department of Transportation			<u>4,569,921</u>
Passed through Texas Department of Transportation			
Public Transportation for Non-urbanized Areas:			
Texas Traffic Safety Program - Step Wave	20.600	586XXF6036	<u>35,167</u>
Total Passed through Texas Department of Transportation			
Public Transportation for Non-urbanized Areas			<u>35,167</u>
Direct Program:			
Small Community Air Service Development Pilot Program	20.930	N/A	<u>140,573</u>
Total Direct Program			<u>140,573</u>
Total U. S. Department of Transportation			<u>4,745,661</u>

(continued)

**CITY OF DEL RIO, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>Federal Emergency Management Assistance</u></b>			
Fire Operations and Firefighters Safety	83.554	EMW-2005-FG-20810	\$ <u>115,181</u>
Total Federal Emergency Management Assistance			<u>115,181</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
Passed through Middle Rio Grande Development Council:			
Transportation IIIB	93.044	N/A	5,583
Part CI, CII and Participant Assessment	93.045	N/A	<u>132,062</u>
Total Passed through Middle Rio Grande Development Council			<u>137,645</u>
Passed through Office of Rural Community Affairs:			
Title XIX and XX	93.667	N/A	<u>332,424</u>
Total Passed through Office of Rural Community Affairs			<u>332,424</u>
Total U. S. Department of Health and Human Services			<u>470,069</u>
<b><u>U. S. Department of Homeland Security</u></b>			
Passed through the Texas Engineering Extension Service:			
State Homeland Security Grant	97.004	SHSP - 19792	<u>60,598</u>
Total Passed through Texas Engineering Extension Service			<u>60,598</u>
Passed through Texas Department of Public Safety:			
Hurricane Katrina Public Assistance	97.036	PW-121-0	3,784
Hurricane Katrina Public Assistance	97.036	PW-429-0	7,762
Hurricane Rita Public Assistance	97.036	PW-1172-0	<u>11,222</u>
Total Passed through Texas Department of Public Safety			<u>22,768</u>
Total U. S. Department of Homeland Security			<u>83,366</u>
Total Expenditures of Federal Awards			\$ <u>6,227,902</u>

**CITY OF DEL RIO, TEXAS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR YEAR ENDED SEPTEMBER 30, 2006**

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. The City of Del Rio was approved by the Texas Department of Housing and Community Affairs to expend funds for various approved projects. Below is a reconciliation of the Loan Repayment Fund.

Beginning fund balance	\$ 207,684
Add:	
Program income - interest	<u>9,905</u>
Ending fund balance	<u>\$ 217,589</u>

3. Expenditures reported for the Section 5311 Grant are reported to the extent they match federal grant receipts since the projects are financed by multiple sources.

## CITY OF DEL RIO, TEXAS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Reportable condition(s) identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Reportable condition(s) 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	Airport Improvement Program, CFDA #20.106  Title XIX and XX, CFDA #93.667  Bicycle and Walking Trail, CFDA #20.205  Fire Protection Facilities, CFDA #14.228

#### 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, 2006**

None

**SCHEDULES OF  
GRANT RECEIPTS AND EXPENDITURES**

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Nutrition/Social Services  
**CFDA** Various (10.550, 93.044, 93.045 and 93.667)  
**FUND SOURCE** Texas Department of Aging and Disability Services  
**GRANT NO.** AAA-2005-024-01  
**PERIOD** October 1, 2005 - September 30, 2006

	<u>Actual</u>
<b>REVENUES</b>	
Middle Rio Grande Development Council:	
Congregate Meals (CI)	\$ 57,829
Home Delivered Meals (CII)	71,275
Transportation (IIIB)	5,583
Participant Assessment	2,958
Title XIX	104,486
Title XX	<u>227,939</u>
Total revenues from Middle Rio Grande Development Council	470,070
Donations	13,252
Donations - Joe Ramos Center Rental	13,174
Transfers from the City of Del Rio General Fund	8,663
In-kind contributions	<u>30,000</u>
Total revenues	<u>535,159</u>
<b>EXPENDITURES</b>	
Personnel	192,921
Travel	895
Utilities	15,385
Raw food	217,883
Supplies and materials	4,427
Gas and oil	9,880
Repair and maintenance	9,249
Other	9,506
In-kind contributions	<u>30,000</u>
Total expenditures	<u>490,146</u>
<b>EXCESS (DEFICIT) REVENUES</b>	
<b>OVER EXPENDITURES</b>	<u>\$ 45,013</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Special Supplemental Food Program for W.I.C.  
**CFDA** 10.557  
**FUND SOURCE** U.S.D.A. - Texas Department of Health  
**GRANT NO.** C4000543  
**PERIOD** October 1, 2004 - September 30, 2005

		Actual	
	Prior Year	Current Year	Total
<b>RECEIPTS</b>			
TDH contract	\$ <u>271,919</u>	\$ <u>157,244</u>	\$ <u>429,163</u>
Total receipts	<u>271,919</u>	<u>157,244</u>	<u>429,163</u>
<b>EXPENDITURES</b>			
Personnel	232,150	-	232,150
Fringe benefits	63,954	-	63,954
Travel	4,419	-	4,419
Equipment	264	-	264
Supplies	15,078	15,055	30,133
Other	65,597	6,665	72,262
Cost allocation	<u>25,981</u>	<u>-</u>	<u>25,981</u>
Total expenditures	<u>407,443</u>	<u>21,720</u>	<u>429,163</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>			
	<u>\$ ( 135,524)</u>	<u>\$ 135,524</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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

	<u>Actual</u>
<b>RECEIPTS</b>	
TDH contract	\$ <u>327,598</u>
Total receipts	<u>327,598</u>
<b>EXPENDITURES</b>	
Personnel	235,525
Fringe benefits	61,441
Travel	11,101
Equipment	-
Supplies	19,280
Other	47,325
Cost allocation	<u>24,892</u>
Total expenditures	<u>399,564</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u><u>\$ ( 71,966)</u></u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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 - May 6, 2006

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Year</u>	<u>Current Year</u>	
<b>RECEIPTS</b>				
State (TDHCA)	\$ 399,579	\$ -	\$ 399,579	\$ 399,579
Certificate of obligation proceeds	700,781	700,871	-	700,871
Investment income	35,387	7,533	28,025	35,558
Other local income	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total receipts	<u>1,185,747</u>	<u>758,404</u>	<u>427,604</u>	<u>1,186,008</u>
<b>EXPENDITURES</b>				
Engineering/architectural contract	73,776	10,317	60,983	71,300
Construction	1,107,400	-	658,020	658,020
Equipment	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,231,176</u>	<u>10,317</u>	<u>719,003</u>	<u>729,320</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ ( 45,429)</u>	<u>\$ 748,087</u>	<u>\$ ( 291,399)</u>	<u>\$ 456,688</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
State (TDHCA)	\$ 445,245	\$ 292,725	\$ 28,587	\$ 321,312
Total receipts	<u>445,245</u>	<u>292,725</u>	<u>28,587</u>	<u>321,312</u>
<b>EXPENDITURES</b>				
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	26,434	31,087	57,521
General administration	<u>25,000</u>	<u>22,500</u>	<u>-</u>	<u>22,500</u>
Total expenditures	<u>445,245</u>	<u>292,725</u>	<u>31,087</u>	<u>323,812</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ ( 2,500)</u>	<u>\$ ( 2,500)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal	\$ 7,870,000	\$ 4,303,270	\$ 3,438,130	\$ 7,741,400
Local	<u>1,230,000</u>	<u>478,141</u>	<u>382,015</u>	<u>860,156</u> (a)
Total receipts	<u>9,100,000</u>	<u>4,781,411</u>	<u>3,820,145</u>	<u>8,601,556</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>9,100,000</u>	<u>4,781,411</u>	<u>3,820,145</u>	<u>8,601,556</u>
Total expenditures	<u>9,100,000</u>	<u>4,781,411</u>	<u>3,820,145</u>	<u>8,601,556</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(a) The City has sent in \$1,229,660 in local contributions to TxDot.

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM**      Routine Airport Maintenance Program Grant  
**CFDA**            20.100  
**FUND SOURCE**   Texas Department of Transportation - Division of Aviation  
**TxDOT CSJ**      M522DLRIO

		Actual		
	Budget	Prior Year	Current Year	Total
<b>RECEIPTS</b>				
Federal	\$ 30,000	\$ -	\$ 5,890	\$ 5,890
Local	<u>30,000</u>	<u>-</u>	<u>5,890</u>	<u>5,890</u>
Total receipts	<u>60,000</u>	<u>-</u>	<u>11,780</u>	<u>11,780</u>
<b>EXPENDITURES</b>				
Operating	<u>60,000</u>	<u>-</u>	<u>11,780</u>	<u>11,780</u>
Total expenditures	<u>60,000</u>	<u>-</u>	<u>11,780</u>	<u>11,780</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
TxDot	\$ 519,648	\$ -	\$ 241,724	\$ 241,724
Local	129,912	111,600	-	111,600
Interest income	-	107	1,990	2,097
Total receipts	<u>649,560</u>	<u>111,707</u>	<u>243,714</u>	<u>355,421</u>
<b>EXPENDITURES</b>				
Administrative	108,260	31,944	-	31,944
Engineering	40,000	17,056	-	17,056
Construction	<u>501,300</u>	<u>-</u>	<u>280,555</u>	<u>280,555</u>
Total expenditures	<u>649,560</u>	<u>49,000</u>	<u>280,555</u>	<u>329,555</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 62,707</u>	<u>\$ ( 36,841)</u>	<u>\$ 25,866</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM**           Section 5311 Grant  
**CFDA**                20.500  
**FUND SOURCE**    U. S. Department of Transportation - Transit - TxDot  
**GRANT NO.**        51622F7104  
**PROJECT NO.**     RPT 603 (22)  
**PERIOD**            March 1, 2006 - August 31, 2007

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Federal (TxDot contract)	\$ 210,548	\$ 14,835
Local fares and contract	219,759	81,101
Insurance claim proceeds	8,826	8,826
Building rental	18,000	7,500
State funding	243,816	-
Federal 2005 funding	<u>39,267</u>	<u>-</u>
Total receipts	<u>740,216</u>	<u>112,262</u>
<b>EXPENDITURES</b>		
Federal - capital	-	-
Federal - administrative	78,161	62,723
Federal - operations	132,387	132,387
Local - operations	422,068	101,693
Local - administrative	<u>107,600</u>	<u>15,681</u>
Total expenditures	<u>740,216</u>	<u>312,484</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 200,222)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Section 5311 Grant  
**CFDA** 20.500  
**FUND SOURCE** U. S. Department of Transportation - Transit - TxDot  
**GRANT NO.** 51522F7114  
**PROJECT NO.** RPT 0503 (22) 28  
**PERIOD** April 7, 2005 - April 6, 2006

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal (TxDot contract)	\$ 166,231	\$ 23,000	\$ 182,499	\$ 205,499
State TxDot contract)	-	-	-	
State (TDH contract)	304,676	-	-	
City match	<u>538,343</u>	<u>1,500</u>	<u>-</u>	
Total receipts	<u>1,009,250</u>	<u>24,500</u>	<u>182,499</u>	<u>206,999</u>
<b>EXPENDITURES</b>				
Capital	-	-	-	-
Administrative	74,087	64,564	-	64,564
Operations	92,144	101,668	39,267	140,935
Transit service	<u>843,019</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>1,009,250</u>	<u>167,732</u>	<u>39,267</u>	<u>206,999</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$( 143,232)</u>	<u>\$ 143,232</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Section 5311 Grant  
**CFDA** 20.500  
**FUND SOURCE** U. S. Department of Transportation - Transit - TxDot  
**GRANT NO.** 51622F7016  
**PROJECT NO.** RPT 0601 (22)  
**PERIOD** September 1, 2005 - August 31, 2006

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Year</u>	<u>Current Year</u>	
<b>RECEIPTS</b>				
Federal (TxDot contract)	\$ 243,816	\$ -	\$ 199,527	\$ 199,527
State (TDH contract)	-	-	135,034	135,034
City match	-	-	13,863	13,863
Total receipts	<u>243,816</u>	<u>-</u>	<u>348,424</u>	<u>348,424</u>
<b>EXPENDITURES</b>				
Capital	5,600	-	602	602
Administrative	108,200	-	97,851	97,851
Operations	130,016	7,140	138,223	145,363
Transit service	-	-	130,719	130,719
Total expenditures	<u>243,816</u>	<u>7,140</u>	<u>367,395</u>	<u>374,535</u>
<b>EXCESS (DEFICIT) RECEIPTS</b>				
<b>OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 7,140)</u>	<u>\$ ( 18,971)</u>	<u>\$ ( 26,111)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM**           Section 5311 Grant  
**CFDA**               20.500  
**FUND SOURCE**    U. S. Department of Transportation - Transit - TxDot  
**GRANT NO.**       51722F7016  
**PROJECT NO.**     RPT 701 (22)  
**PERIOD**           September 1, 2006 - August 31, 2007

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Federal (TxDot contract)	\$ 221,327	\$ -
City match	<u>-</u>	<u>-</u>
Total receipts	<u>221,327</u>	<u>-</u>
<b>EXPENDITURES</b>		
Capital	-	428
Administrative	-	-
Operations	-	39,738
City match	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>40,166</u>
<b>EXCESS (DEFICIT) RECEIPTS</b>		
<b>OVER EXPENDITURES</b>	<u>\$ 221,327</u>	<u>\$ ( 40,166)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Section 5311 Grant  
**CFDA** 20.500  
**FUND SOURCE** U. S. Department of Transportation - Transit - TxDot  
**GRANT NO.** 51522F7020  
**PROJECT NO.** RPT 0501 (22)  
**PERIOD** September 1, 2004 - August 31, 2005

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
State (TxDot contract)	\$ 494,492	\$ 363,061	\$ 129,095	\$ 492,156
State (TDH contract)	210,933	188,026	-	188,026
City match	<u>18,000</u>	<u>29,430</u>	<u>-</u>	<u>29,430</u>
Total receipts	<u>723,425</u>	<u>580,517</u>	<u>129,095</u>	<u>709,612</u>
<b>EXPENDITURES</b>				
Capital	199,000	196,664	-	196,664
Operations	228,603	228,603	-	228,603
Administrative	66,889	66,889	-	66,889
Transit service	18,000	127,456	-	127,456
Transit to other funds	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total expenditures	<u>602,492</u>	<u>709,612</u>	<u>-</u>	<u>709,612</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>				
	<u>\$ 120,933</u>	<u>\$ ( 129,095)</u>	<u>\$ 129,095</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Federal (TxDot)	\$ 64,344	\$ -
Local match	<u>16,086</u>	<u>1,146</u>
Total receipts	<u>80,430</u>	<u>1,146</u>
<b>EXPENDITURES</b>		
Capital	<u>80,430</u>	<u>5,729</u>
Total expenditures	<u>80,430</u>	<u>5,729</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 4,583)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal (TxDot)	\$ 44,000	\$ -	\$ 18,657	\$ 18,657
Local match	<u>11,000</u>	<u>1,087</u>	<u>6,115</u>	<u>7,202</u>
Total receipts	<u>55,000</u>	<u>1,087</u>	<u>24,772</u>	<u>25,859</u>
<b>EXPENDITURES</b>				
Capital	<u>-</u>	<u>5,435</u>	<u>30,573</u>	<u>36,008</u>
Total expenditures	<u>-</u>	<u>5,435</u>	<u>30,573</u>	<u>36,008</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ 55,000</u>	<u>\$ ( 4,348)</u>	<u>\$ ( 5,801)</u>	<u>\$ ( 10,149)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal (TxDot)	\$ 46,011	\$ 14,881	\$ 31,130	\$ 46,011
Local match	<u>11,503</u>	<u>11,089</u>	<u>-</u>	<u>11,089</u>
Total receipts	<u>57,514</u>	<u>25,970</u>	<u>31,130</u>	<u>57,100</u>
<b>EXPENDITURES</b>				
Capital	<u>-</u>	<u>55,448</u>	<u>-</u>	<u>55,448</u>
Total expenditures	<u>-</u>	<u>55,448</u>	<u>-</u>	<u>55,448</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ 57,514</u>	<u>\$ ( 29,478)</u>	<u>\$ 31,130</u>	<u>\$ 1,652</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Vehicle Capital Replacement Grant (VCR)  
**CFDA** 20.500  
**FUND SOURCE** U. S. Department of Transportation - Transit - TXDot  
**GRANT NO.** 51422F7214  
**PROJECT NO.** RPT 0402 (22) 26  
**PERIOD** June 11, 2004 - October 31, 2005

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal (TxDot contract)	\$ 48,504	\$ -	\$ 46,842	\$ 46,842
State (TxDot contract)	-	-	-	-
State (TDH contract)	-	-	-	-
City match	<u>12,126</u>	<u>-</u>	<u>11,710</u>	<u>11,710</u>
Total receipts	<u>60,630</u>	<u>-</u>	<u>58,552</u>	<u>58,552</u>
<b>EXPENDITURES</b>				
Capital	6,030	58,552	-	58,552
Operations	-	-	-	-
Administrative	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,030</u>	<u>58,552</u>	<u>-</u>	<u>58,552</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ 54,600</u>	<u>\$( 58,552)</u>	<u>\$ 58,552</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Small Community AirService Development Pilot Program  
**CFDA** 20.930  
**FUND SOURCE** U. S. Department of Transportation  
**GRANT NO.** N/A  
**PERIOD** September 23, 2004 - March 23, 2007

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Federal	\$ 318,750	\$ 168,320	\$ 150,430	\$ 318,750
Local	106,250	71,107	35,143	106,250
Interest income	-	-	-	-
Total receipts	<u>425,000</u>	<u>239,427</u>	<u>185,573</u>	<u>425,000</u>
<b>EXPENDITURES</b>				
Operating expenses	<u>425,000</u>	<u>284,427</u>	<u>140,573</u>	<u>425,000</u>
Total expenditures	<u>425,000</u>	<u>284,427</u>	<u>140,573</u>	<u>425,000</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 45,000)</u>	<u>\$ 45,000</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Federal	\$ 115,543	\$ -
City match	<u>12,838</u>	<u>12,798</u>
Total receipts	<u>128,381</u>	<u>12,798</u>
<b>EXPENDITURES</b>		
Equipment	<u>128,381</u>	<u>127,979</u>
Total expenditures	<u>128,381</u>	<u>127,979</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$( 115,181)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** State Homeland Security Grant  
**CFDA** 97.004  
**FUND SOURCE** Office of Domestice Preparedness  
 Pass-through Texas Engineering Extension Service  
**GRANT NO.** 2004 HSGP-19792  
**PERIOD** December 1, 2003 - February 28, 2006

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Federal	\$ 60,964	\$ 60,598
Local match	<u>-</u>	<u>732</u>
Total receipts	<u>60,964</u>	<u>61,330</u>
<b>EXPENDITURES</b>		
Communication equipment	<u>60,964</u>	<u>61,330</u>
Total expenditures	<u>60,964</u>	<u>61,330</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** FEMA - Hurricane Rita Public Assistance  
**CFDA** 97.036  
**FUND SOURCE** Texas Department of Public Safety Division of Emergency Management  
**GRANT NO.** PW-1172-0  
**PERIOD** October 2005 - September 2006

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
FEMA	\$ 11,222	\$ -	\$ 11,222	\$ 11,222
Total receipts	<u>11,222</u>	<u>-</u>	<u>11,222</u>	<u>11,222</u>
<b>EXPENDITURES</b>				
Labor	7,982	-	7,982	7,982
Equipment usage	2,913	-	2,913	2,913
Administrative fees	<u>327</u>	<u>-</u>	<u>327</u>	<u>327</u>
Total expenditures	<u>11,222</u>	<u>-</u>	<u>11,222</u>	<u>11,222</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** FEMA - Hurricane Katrina Public Assistance  
**CFDA** 97.036  
**FUND SOURCE** Texas Department of Public Safety Division of Emergency Management  
**GRANT NO.** PW-429-0  
**PERIOD** October 2005 - September 2006

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
FEMA	\$ 7,762	\$ -	\$ 7,762	\$ 7,762
Total receipts	<u>7,762</u>	<u>-</u>	<u>7,762</u>	<u>7,762</u>
<b>EXPENDITURES</b>				
Labor	422	-	422	422
Materials	3,343	-	3,343	3,343
Contract services	3,772	-	3,772	3,772
Administrative fees	<u>225</u>	<u>-</u>	<u>225</u>	<u>225</u>
Total expenditures	<u>7,762</u>	<u>-</u>	<u>7,762</u>	<u>7,762</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** FEMA - Hurricane Katrina Public Assistance  
**CFDA** 97.036  
**FUND SOURCE** Texas Department of Public Safety Division of Emergency Management  
**GRANT NO.** PW-121-0  
**PERIOD** October 2005 - September 2006

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
FEMA	\$ 3,784	\$ -	\$ 3,784	\$ 3,784
Total receipts	<u>3,784</u>	<u>-</u>	<u>3,784</u>	<u>3,784</u>
<b>EXPENDITURES</b>				
Labor	2,490	-	2,490	2,490
Equipment	1,184	-	1,184	1,184
Administrative fees	<u>110</u>	<u>-</u>	<u>110</u>	<u>110</u>
Total expenditures	<u>3,784</u>	<u>-</u>	<u>3,784</u>	<u>3,784</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	Budget	Actual
<b>RECEIPTS</b>		
Grant contract	\$ 56,089	\$ -
Local	<u>14,024</u>	<u>1,024</u>
Total receipts	<u>70,113</u>	<u>1,024</u>
<b>EXPENDITURES</b>		
Personnel	51,263	3,493
Prof. & cont.	1,200	-
Travel	2,150	-
Equipment	-	272
Construction	-	-
Supplies and DOE	15,500	1,355
Indirect cost	<u>-</u>	<u>-</u>
Total expenditures	<u>70,113</u>	<u>5,120</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 4,096)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>
		<u>Prior Year</u>	<u>Current Year</u>	
<b>RECEIPTS</b>				
Grant contract	\$ 67,451	\$ -	\$ 52,764	\$ 52,764
Local	<u>16,863</u>	<u>754</u>	<u>13,481</u>	<u>14,235</u>
Total receipts	<u>84,314</u>	<u>754</u>	<u>66,245</u>	<u>66,999</u>
<b>EXPENDITURES</b>				
Personnel	46,899	3,444	42,591	46,035
Prof. & cont.	2,000	-	-	-
Travel	2,975	-	3,088	3,088
Equipment	8,500	-	13,168	13,168
Construction	-	-	-	-
Supplies and DOE	23,940	437	8,549	8,986
Indirect cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>84,314</u>	<u>3,881</u>	<u>67,396</u>	<u>71,277</u>
<b>EXCESS (DEFICIT) RECEIPTS</b>				
<b>OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 3,127)</u>	<u>\$ ( 1,151)</u>	<u>\$ ( 4,278)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**PROGRAM** Auto Theft Prevention and Recovery Unit  
**CFDA** N/A  
**FUND SOURCE** Texas Department of Transportation  
**GRANT NO.** SA-T01-10048-05  
**PERIOD** September 1, 2004 - August 31, 2005

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
Grant contract	\$ 51,886	\$ 36,491	\$ 8,901	\$ 45,392
Local	<u>12,973</u>	<u>11,348</u>	<u>-</u>	<u>11,348</u>
Total receipts	<u>64,859</u>	<u>47,839</u>	<u>8,901</u>	<u>56,740</u>
<b>EXPENDITURES</b>				
Personnel	42,239	42,843	-	42,843
Prof. & cont.	3,000	-	-	-
Travel	2,850	1,509	-	1,509
Equipment	-	498	-	498
Construction	-	-	-	-
Supplies and DOE	16,770	11,891	-	11,891
Indirect cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>64,859</u>	<u>56,741</u>	<u>-</u>	<u>56,741</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$( 8,902)</u>	<u>\$ 8,901</u>	<u>\$( 1)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	Budget	Prior Year	Actual Current Year	Total
<b>RECEIPTS</b>				
State (TDHCA)	\$ 500,000	\$ 495,275	\$ -	\$ 495,275
Total receipts	500,000	495,275	-	495,275
<b>EXPENDITURES</b>				
Water facilities	73,038	-	-	-
Sewer facilities	77,834	-	-	-
Other pubic 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
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>				
	\$ 101,000	\$( 4,725)	\$ -	\$( 4,725)

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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

	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
TxDOT	\$ 8,000	\$ -
Total receipts	<u>8,000</u>	<u>-</u>
<b>EXPENDITURES</b>		
Salaries - overtime	8,000	6,444
Other	<u>-</u>	<u>763</u>
Total expenditures	<u>8,000</u>	<u>7,207</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$( 7,207)</u>

**CITY OF DEL RIO, TEXAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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

	<u>Budget</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>
<b>RECEIPTS</b>				
TxDOT	\$ 306,800	\$ 12,420	\$ 279,679	\$ 292,099
Local	<u>76,700</u>	<u>75,000</u>	<u>30,260</u>	<u>105,260</u>
Total receipts	<u>383,500</u>	<u>87,420</u>	<u>309,939</u>	<u>397,359</u>
<b>EXPENDITURES</b>				
Engineering	34,862	31,560	-	31,560
Construction	<u>348,638</u>	<u>66,412</u>	<u>283,188</u>	<u>349,600</u>
Total expenditures	<u>383,500</u>	<u>97,972</u>	<u>283,188</u>	<u>381,160</u>
<b>EXCESS (DEFICIT) RECEIPTS OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ ( 10,552)</u>	<u>\$ 26,751</u>	<u>\$ 16,199</u>