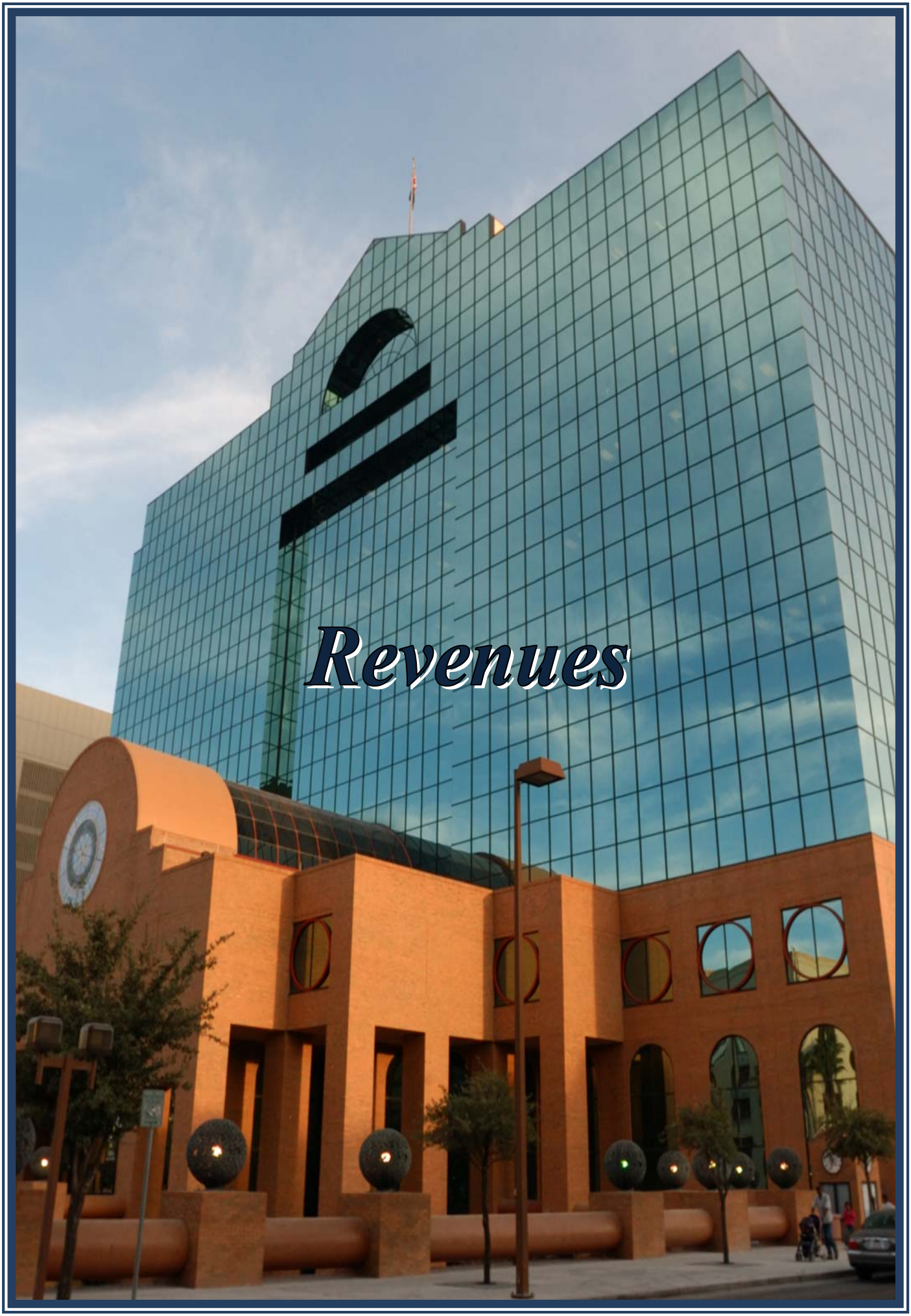


Revenues

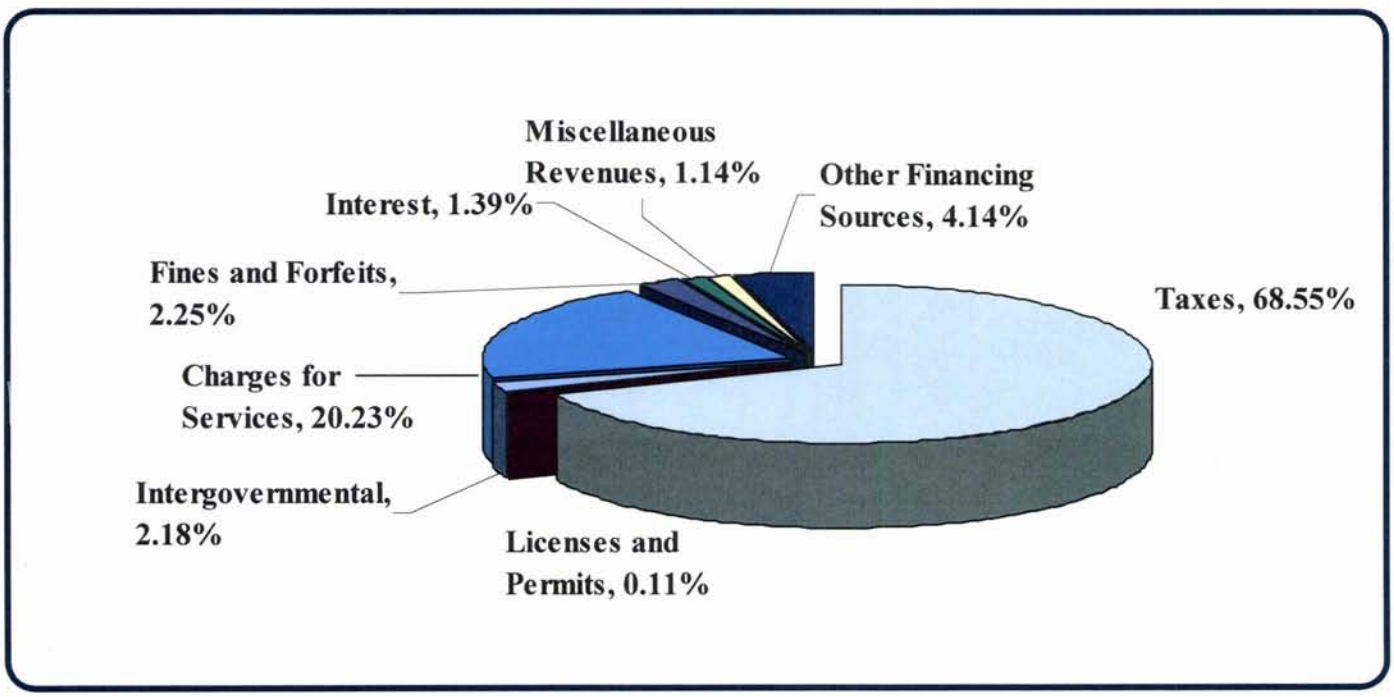
All Fund Types

Revenue Comparison with Fiscal Year 2008 Actuals

	FY 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Revenues (Sources):					
Taxes	$147,733,352	$152,215,130	$152,491,059	$275,929	0.18%
Licenses and Permits	229,677	228,800	248,500	19,700	8.61%
Intergovernmental	26,756,028	35,589,062	4,843,208	(30,745,854)	-86.39%
Charges for Services	47,918,423	49,134,908	45,014,568	(4,120,340)	-8.39%
Fines and Forfeits	5,558,094	5,796,227	5,015,000	(781,227)	-13.48%
Interest	7,181,833	5,410,968	3,088,158	(2,322,810)	-42.93%
Miscellaneous Revenues	2,595,009	2,436,467	2,544,600	108,133	4.44%
Other Financing Sources	140,662,231	20,096,657	9,214,938	(10,881,719)	-54.15%
Total Revenues and Other Financing Sources	378,634,647	270,908,219	222,460,031	(48,448,188)	-17.88%
Beginning Fund Balances, Retained Earnings, Deferred Revenues and Carryover	117,952,017	179,402,185	160,739,631	(18,662,554)	-10.40%
Total Available Resources	$496,586,664	$450,310,404	$383,199,662	($67,110,742)	-14.90%

Fiscal Year 2010

Revenues (Sources) – All Fund Types - $222,460,031



Overview and Description of Major Revenue Sources

Methodologies Used to Estimate Revenues

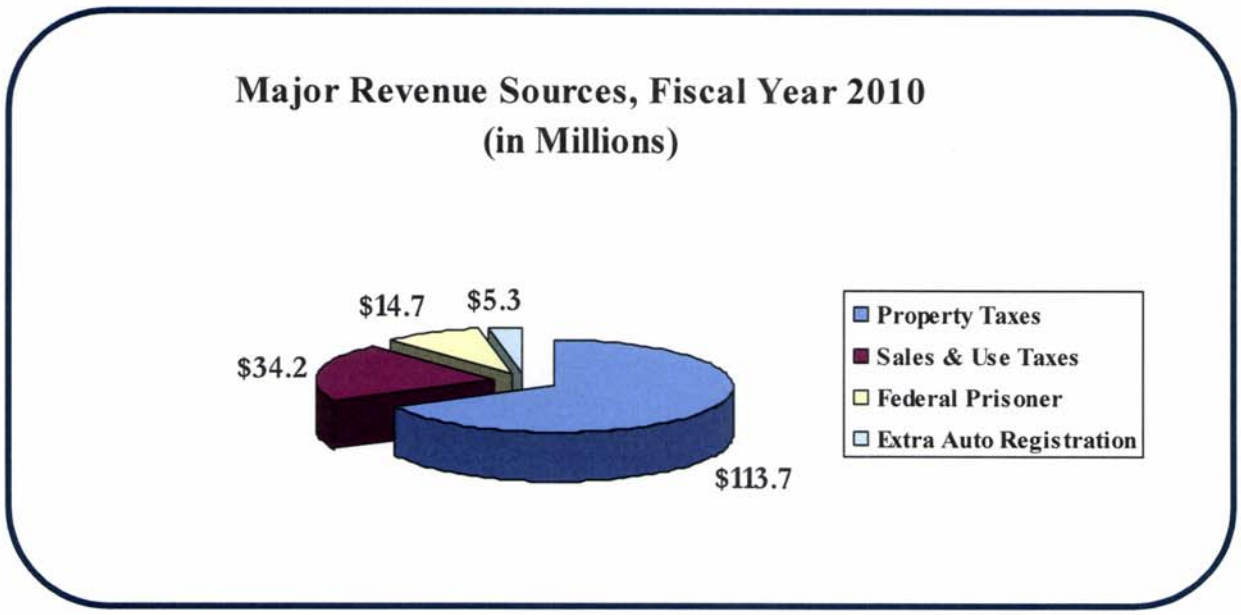
During the second half of each fiscal year, the County Auditor and his staff project revenues for the next two fiscal years. Most revenue sources are estimated based on the following three methodologies:

1) Time series techniques: moving averages and historical revenue trends;
2) Informed/expert judgment: advice of department heads, such as the County Auditor or the Chief Juvenile Probation Officer; and
3) Statutory provisions and limitations: Truth in Taxation Guidelines for the State of Texas and Local Government Code.

The County of El Paso's revenue sources are classified into one of eight categories: Charges for Services, Fines and Forfeits, Interest, Intergovernmental, Licenses and Permits, Miscellaneous, Other Financing Sources, and Tax Revenues. For fiscal year 2010, total budgeted revenues are $222,460,031, which represent a decrease of $48,448,188, or 17.88%, over budgeted revenues for fiscal year 2009. Details of this change are discussed below.

Major Revenue Sources

As discussed above, there are numerous revenue sources for the County of El Paso. However, the four revenue sources shown on the graph below add up to $167,912,247, or 75.48% of total revenues of all appropriated funds. For fiscal year 2010, these four categories are the major sources of revenue for the County.



Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(1) Property Taxes—51.13% of all budgeted revenues

The Property Taxes revenue category for the County of El Paso has four components, as shown in the table below. In the aggregate, these four components represent the main revenue source for the County.

Revenue Source	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amounts	%
Current Taxes	$101,794,454	$107,858,840	$109,362,123	$1,503,283	1.39%
Delinquent Taxes	4,283,098	3,465,598	3,057,702	(407,896)	-11.77%
Excess Property Taxes	270,480	250,000	300,000	50,000	20.00%
Penalties and Interest	1,433,871	1,273,692	1,019,234	(254,458)	-19.98%
Totals	$107,781,903	$112,848,130	$113,739,059	$890,929	0.79%

Methodology Used to Project Revenue: Truth in Taxation Guidelines for the State of Texas are used to calculate the property tax rate each year. Revenue projections are based on the adopted tax rate and then factored by historical calculation trends, which show that about 99.5% of the property tax levy will be collected. Property valuations, as determined by the Central Appraisal District, also have an impact on projected tax revenues.

In January 2007, three new members of Commissioners Court, including the County Judge, were sworn into office. Each new member won his/her respective election based on a platform that promised no new or increased taxes to an already heavily taxed community. Those members of Commissioners Court are still in office and have committed to not increase property taxes for fiscal year 2010 and encouraged all department heads and elected officials to reduce appropriations by 3% overall for fiscal year 2010. Since Property Taxes are the primary revenue source for the County, the effect of the Court's decision was mainly reflected in budgeted revenues from this source.

Other Information: For fiscal year 2010, Commissioners Court adopted an ad valorem tax rate of $0.338258 per $100 valuation. The maintenance and operations component of the tax rate is set at the discretion of the Court and is influenced by the desired level of operations and services. Any maintenance and operations rate above the lower of the effective or rollback rates may trigger a possible rollback election. The other component of the property tax rate is used to make principal and interest payments on the County's outstanding debt during the fiscal year and is, therefore, not flexible. For fiscal year 2010, the principal and interest tax rate is $0.035697 per $100 valuation.

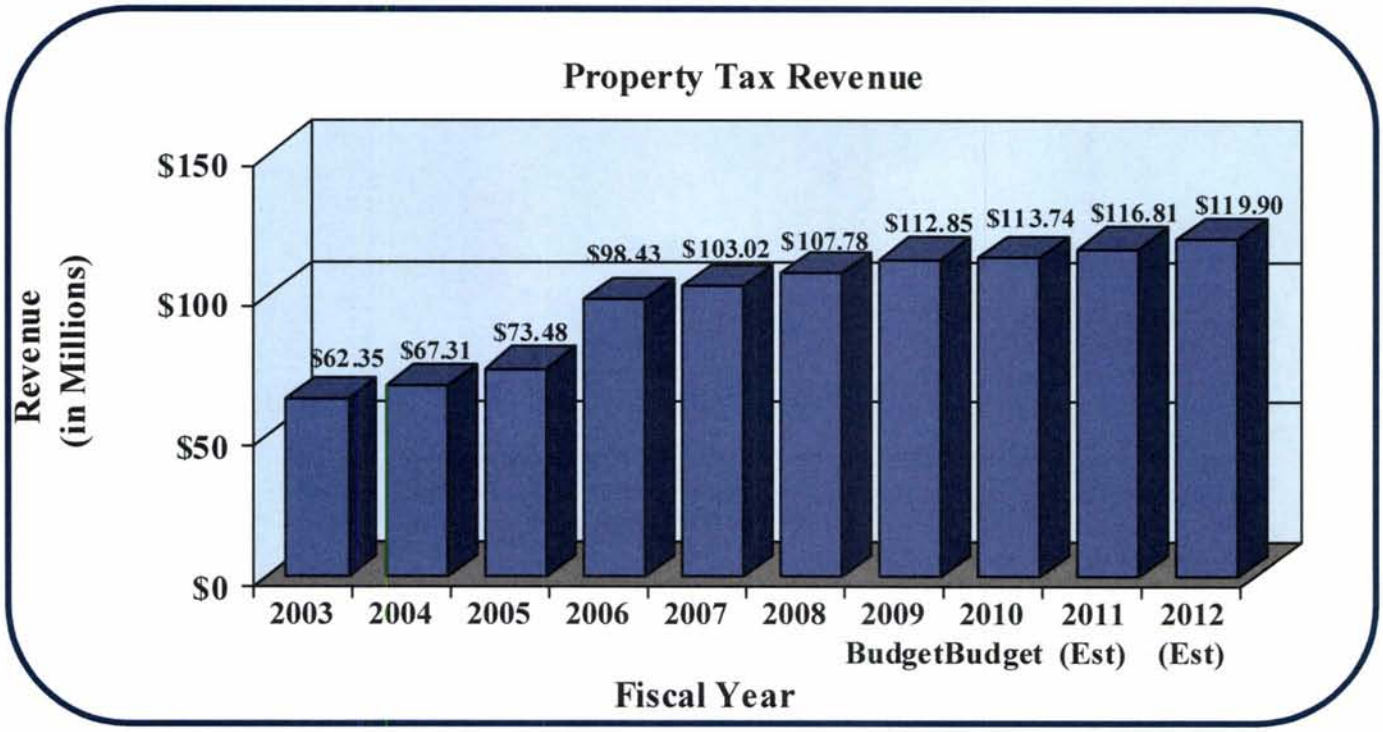
Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(1) Property Taxes, Continued

As shown on the table on the previous page, fiscal year 2010 budgeted revenues from Excess Property Taxes increased by $50,000 over budget figures for fiscal year 2009. That increase of 20.0% was based on historical over payments received by the County. Based on preliminary figures for fiscal year 2009 of $393.64 thousand, it is estimated that the upward trend in this component will continue into fiscal years 2010 and 2011, though at a lesser rate.

The Future: In a non-appraisal year, the County can historically expect to see an increase of 2.7% in property tax revenues over the previous year, which is the basis for projecting revenue for fiscal years 2011 and 2012. During an appraisal year, when property values will most likely increase, the anticipated increase in property tax revenues is closer to 5%. For fiscal year 2010, the County is projecting an increase of less than $1 million in property tax revenues resulting from a minimal increase in the total taxable value of property located within the County. The graph below shows the upward trend exhibited by actual property tax collections for the fiscal period 2003 through 2008. In the past, these increases have allowed the County to maintain the current level of services for most departments, as well as provided funding for various projects, such as the renovating and equipping of the County's two detention facilities, the renovation of the County Administration Offices, and upgrades to County equipment to keep pace with technology.



Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(1) Property Taxes, Continued

As a result of the Department of Defense's Base Realignment and Closure (BRAC) Program, there has been an increase in the need for off-base housing, leading to an increase in property tax revenue collections in the recent past. However, any change in troop levels at Fort Bliss will also impact the housing market and the County's overall property tax collections.

Though the housing market in the County of El Paso remained relatively strong during the early stages of the national housing crisis, the impact of the sluggish economy was inevitable and was finally felt during fiscal year 2009. As a result, the increase in property tax revenues for fiscal year 2010 is projected at only 0.79% as opposed to a projected increase of 7.84% for fiscal year 2009.

Inevitably, when property values are appraised the tax levy will change accordingly. Even though the County may not increase its tax rate, property tax collections rise when property values increase.

As the County's population growth continues, the demand for services will also increase. Based on the need to meet those demands, the County may need to adjust its tax rate accordingly. If the tax base decreases or remains stagnant, the County may have to increase its tax rate in order to, at a minimum, maintain the current service level. Regardless of what future property tax collections are, this is going to remain the most important revenue source for the County of El Paso.

(2) Sales and Use Taxes—15.37% of all budgeted revenues

Sales and use taxes represent the second largest source of County revenue and are the only substantial elastic revenue source.

Revenue Source	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amounts	%
Sales and Use Tax	$35,308,357	$35,000,000	$34,200,000	($800,000)	-2.29%

Methodology Used to Project Revenue: Historical revenue trends are the best tool available for projecting Sales and Use Tax revenues. This type of revenue is tied to El Paso's border economy and is anticipated to increase as population growth continues. The projected growth for fiscal year 2009 was 9.38% but was scaled back to a decrease in growth of 2.29% for fiscal year 2010 due to the region's stagnant economy. Since this revenue source is closely tied to consumer spending, it will not rebound until the economy recovers and stabilizes.

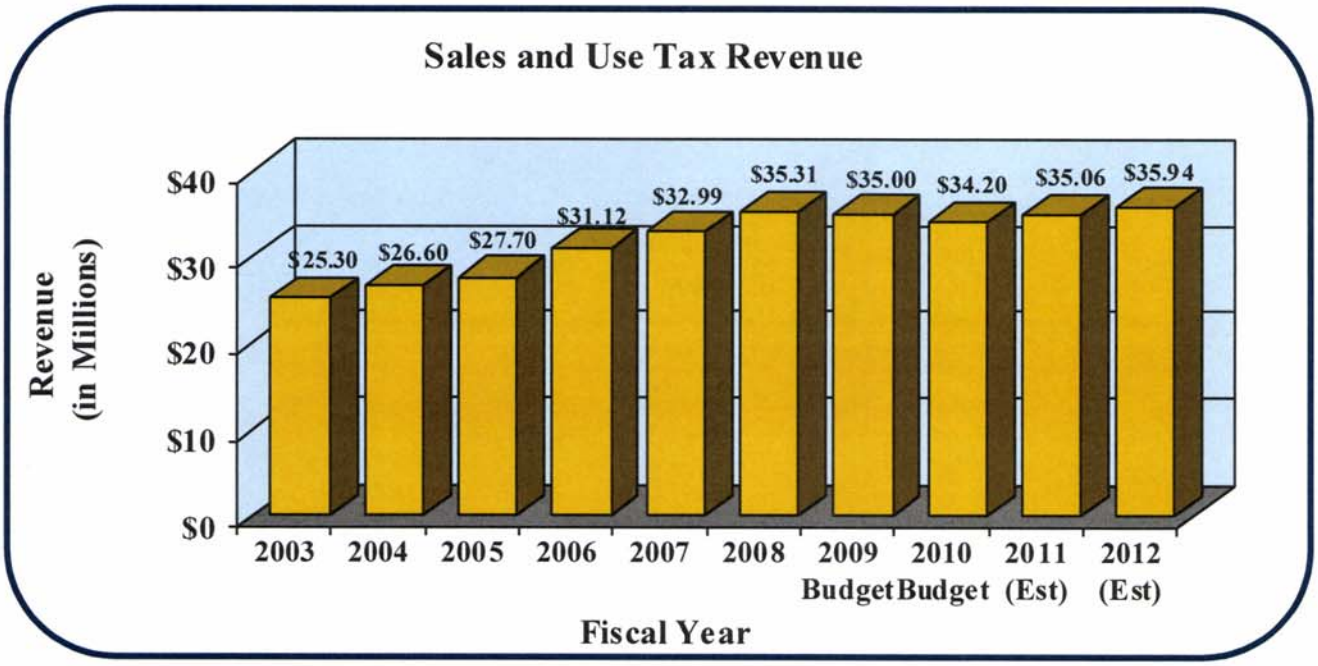
Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(2) Sales and Use Taxes, Continued

Other Information: A sales tax of 0.5%, which is collected by the State of Texas, was approved by voters in El Paso County and went into effect on January 1, 1988. This tax is imposed on the value of taxable items sold and is collected by the State and redistributed to the County. When the local portion of the sales tax is redistributed, it goes to fund operations and allows the County to lessen the tax burden placed on taxpayers by not having to increase the property tax rate. Even though estimated actual revenue receipts for fiscal year 2009 are estimated at $35.0 million, the County is expecting a decrease of $800,000 in collections for fiscal year 2010. A graphic representation of the trend in revenue collections from this revenue source is presented below.

The Future: In fiscal years 2004 and 2005, an additional $1 million was collected from Sales and Use Taxes. In spite of those increases and receipts of $35.3 million for fiscal year 2008, estimates for fiscal year 2010 reflect a decrease. Accordingly, revenues for fiscal years 2011 and 2012 are estimated conservatively at $35.0 and $36.0 million respectively.



Another factor to keep an eye on is the local unemployment rate, which affects the amount of disposable income available. The unemployment rate of 9.8% in the County of El Paso as of the end of fiscal year 2009 represents an increase of only 0.1% over the fiscal year 2003 rate but a 3.3% increase over the 6.5% unemployment rate at the end of fiscal year 2008. Further, it is important to note that the unemployment rate for the City of El Paso was 8.6% at the end of fiscal year 2003 and 8.9% at the end of fiscal year 2009 for an overall increase of only

Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(2) Sales and Use Taxes, Continued

0.3%. Additionally, the unemployment rate for the State of Texas increased by only 1.5% from the end of fiscal year 2003 (6.7%) to the end of fiscal year 2009 (8.2%). At the nationwide level, the unemployment rate increased by 3.7% from fiscal year 2003 to fiscal year 2009.

It is important to note that fiscal year 2008 saw some of the highest gas prices in recent history, with the price per gallon going to as high as $3.75 at some gas stations. Though gas prices never went down to their pre-2008 level, they certainly did not go as high as $3.75 during fiscal year 2009 giving consumers a bit more of disposable income. Unfortunately, that increase in disposable income was not enough to offset the impact of the regional economy on consumer confidence.

Just like with property tax collections, population growth in the County of El Paso is also expected to impact actual sales and use tax collections.

(3) Federal Prisoner Revenue—6.62% of all budgeted revenues

The County's third major revenue source is related to the housing of prisoners for whom the County of El Paso is not financially responsible. Those inmates are housed in the County's two detention facilities on behalf of federal government agencies, such as the United States Marshals Service, and the City of El Paso. The table below shows actual Federal Prisoner Revenue collections for the fiscal year ended September 2008 as well as budget figures for fiscal years 2009 and 2010.

Revenue Source	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Federal Prisoner Revenue	$12,819,784	$16,000,000	$14,723,188	($1,276,812)	-7.98%

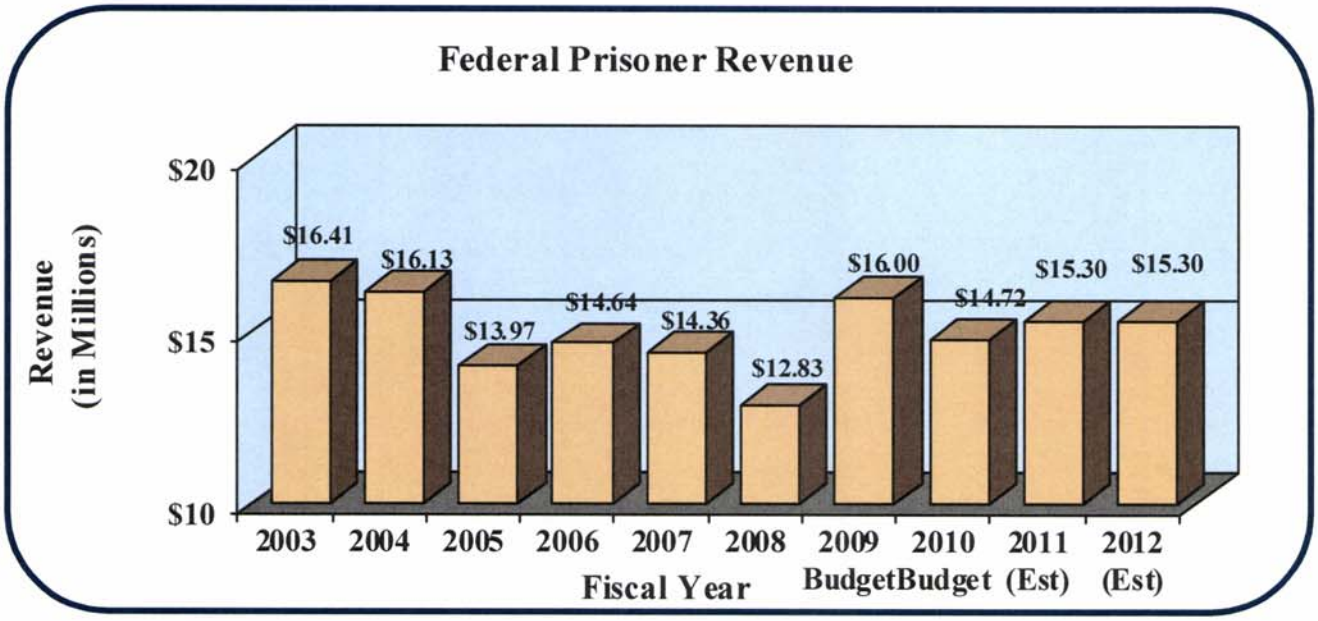
Methodology Used to Project Revenue: Revenues received for this category are projected based on historical trends which are in turn based on jail population trends. Even though the number of County prisoners will obviously limit the number of federal prisoners that can be housed in our jails, the agreement with the federal government the County is contractually obligated to guarantee 500 inmate beds for the federal government which have historically been occupied but may not always be. Preliminary plans are in the works for new construction and expansion for detention, with the anticipation that this will lead to an increase in federal prisoner revenues received in the future.

Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(3) Federal Prisoner Revenue, Continued

Other Information: For a period of approximately ten years, the County of El Paso was part of an agreement with the federal government whereby we received reimbursement of $57.98 per day for each inmate housed in our jails on behalf of the United States Marshals Service. The graph below shows revenues received from this source for fiscal years 2003 through 2008 as well as budgeted and/or estimated revenues for fiscal years 2009 through 2012.



The decrease in Federal Prisoner Revenue received from fiscal year 2004 to 2005 was due to the fact that a new detention facility opened in southern New Mexico, thus reducing the number of prisoners sent to the County of El Paso's detention facilities. However, the new facility's rates were not as cost-effective as those of El Paso's facilities, and the federal government decided it was more reasonable to send prisoners to El Paso County rather than taking them to Otero County, New Mexico. Another factor contributing to a decrease in Federal Prisoner Revenue is the County's obligation to house prisoners with non-adjudicated State charges. Because of that obligation, the County may occasionally forced to actually limit the number of inmates facing federal charges to 500 so as to make a bed available for the State prisoner.

For fiscal years 2010 through 2012, Federal Prisoner Revenue is budgeted conservatively since the number of inmates facing federal charges fluctuates and because the federal government does not guarantee that a set number of prisoners will be sent to detention facilities in the County of El Paso. The conservative approach taken in estimating this revenue source is further justified by preliminary revenues of $13.18 million for fiscal year 2009. The $1.4 million

Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(3) Federal Prisoner Revenue, Continued

increase in Federal Prisoner Revenue projected at the beginning of fiscal year 2009 did not materialize because the new rate did not go into effect until the third quarter of fiscal year 2009. Further, the number of federal prisoners housed during fiscal year 2009 averaged 584, a decrease from the 628 average for fiscal year 2008. For several years, the shower facilities at the detention facilities were not up to par and the only way to repair them was by vacating one housing unit at a time and turning away federal prisoners. Repair work on the showers at the County's detention facilities began toward the end of fiscal year 2009; stainless steel will be used to replace the existing facilities. Once completed, the new facilities will allow the Sheriff's Department to increase its federal prisoner population and the corresponding federal reimbursement.

The Future: The County of El Paso concluded negotiations with the United States Marshals Service to increase the daily reimbursement rate per prisoner during the last month of fiscal year 2008. When the negotiations started, the County expected an increase of about $10 per day per prisoner based on the actual cost of running the County's detention facilities during fiscal year 2006. Fortunately, the increase agreed to by the County and the federal government came in slightly higher, at $12.02 per prisoner per day. By agreeing to the new daily reimbursement rate of $70 and as per new guidelines adopted by the Department of Justice, the County of El Paso agreed to lock the new rate for at least thirty-six months. Therefore, a new rate will not be negotiated until late fiscal year 2011 or early fiscal year 2012. In the past, a new daily reimbursement rate could be negotiated every twelve months opening the possibility for a yearly increase in revenues received for housing prisoners for other entities. Now, unless the County expands its detention facilities to increase the number of beds available to the federal government or unless the average daily federal prisoner population increases, this revenue source will remain stable.

(4) Extra Auto Registration—2.36% of all budgeted revenues

Projected revenues from Extra Auto Registrations represent the fourth major revenue source for the County of El Paso for fiscal year 2010. This is the first time in the last four fiscal years that this revenue source is considered a major one for the County of El Paso.

Revenue Source	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amounts	%
Extra Auto Registration	$5,255,644	$5,000,000	$5,250,000	$250,000	5.00%

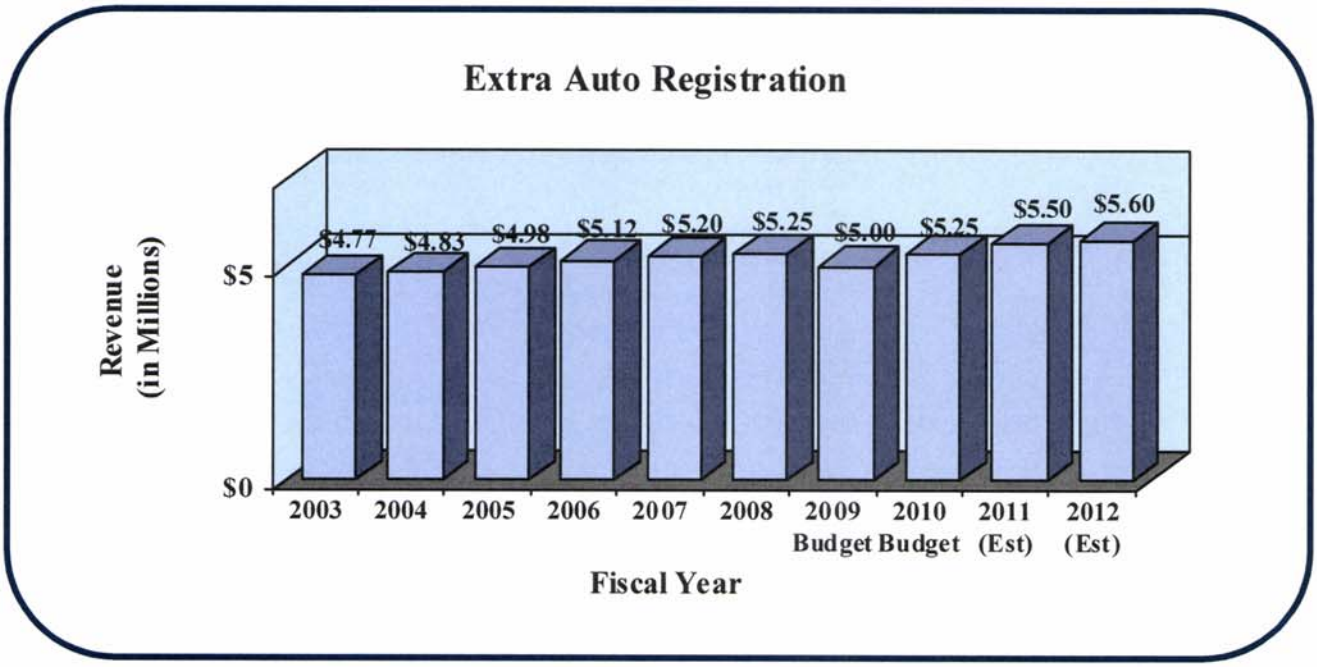
Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(4) Extra Auto Registration, Continued

Methodology Used to Project Revenue: Historical trends are the most common method used to project this type of revenue since collections are based on a fixed fee assessed on each vehicle registration. The fee is assessed by the County Tax Assessor-Collector and turned over to the Road and Bridge Department; it is used to offset a portion of the costs of maintaining and/or improving County roads. Even though it is State law that allows for the assessment of this local fee, it is the El Paso County Commissioners Court that sets the actual fee at $10/registration.

Other Information: As with other revenue sources, Extra Auto Registration collections vary in accordance with population growth. Below is a graphical representation of revenue collections from this source for fiscal years 2003 through 2008 as well as budgeted revenues for fiscal years 2009 and 2010 and estimates for fiscal years 2011 and 2012.



The graph above shows that actual revenue collections from this source have remained pretty stable during the last six fiscal years with an increase of less than $500,000. It is expected that Extra Auto Registration revenue will not decrease and will continue to grow steadily as the County's population also grows steadily. During fiscal year 2008, for example, vehicle registrations in the County numbered 525,000 which is an increase of 43,000 registrations over the number of registrations processed during fiscal year 2003.

Overview and Description of Major Revenue Sources

Major Revenue Sources, Continued

(4) Extra Auto Registration, Continued

The Future: As mentioned in the previous paragraph, the revenue collected for Extra Auto Registrations keeps pace with population growth. The number of vehicles on the road is also expected to increase as the County's median age continues to increase (31.2 for fiscal year 2009 versus 30.0 for fiscal year 2003). Even though County residents may wait longer between vehicle purchases thus reducing the total registration fee, the $10 Extra Auto Registration fee is fixed and not contingent upon the value of the vehicle. Additionally the Enforcement Division of the Tax Assessor-Collector's Office is responsible for the Vehicle Registration Abuse Program (VRAP). The VRAP is designed to reduce the number of vehicles in the County of El Paso with out-of-state or out-of-the-county registrations. As the number of registration violators decreases, the registration revenue collected by the County will increase.

A portion of the increase in auto registrations process by the County during fiscal year 2009 is due to the Cash for Clunkers program implemented by the federal government. Even though the County benefitted greatly from that program, it was a windfall that cannot be relied on for future revenue.

Overview and Description of Non-Major Revenue Sources

Methodologies used to Estimate Revenues

The remaining revenue sources for the County of El Paso, which are not described above, are considered to be non-major and constitute only 24.52% of all budgeted revenues for fiscal year 2010. These revenue sources are budgeted using the following techniques:

1) Time series techniques: moving averages and historical revenue trends;
2) Informed/expert judgment: advice of department heads, such as the County Auditor;
3) Statutory provisions and limitations: Truth in Taxation Guidelines for the State of Texas and Local Government Code; and
4) Contractual agreements: terms of contracts with other governmental entities for services provided to the public or grant contracts with other entities.

(1) Interest Earnings

Interest revenue is the result of aggressive investment of the County's public funds in a variety of investment options as authorized by law.

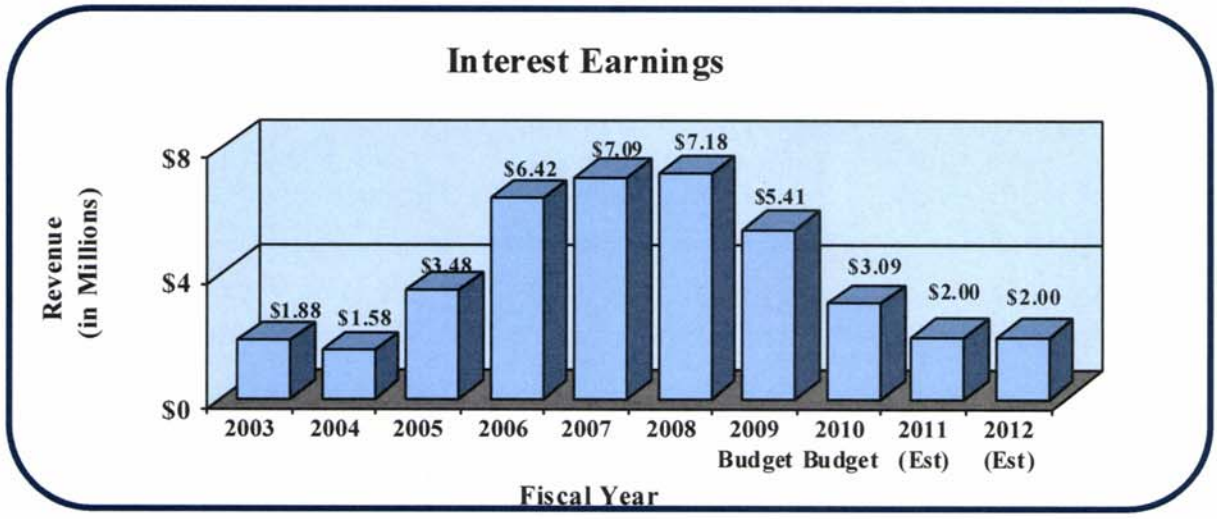
Overview and Description of Non-Major Revenue Sources

(1) Interest Earnings, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Interest Earnings-Investments	$3,243,939	$1,935,295	$378,900	($1,556,395)	-80.42%
Interest Earnings-N. O. W.	3,933,590	3,475,673	2,709,258	(766,415)	-22.05%
Interest Earnings-Program Loans	4,304				
Totals	$7,181,833	$5,410,968	$3,088,158	($2,322,810)	-42.93%

Methodology Used to Project Revenue: Projections for this revenue category are perhaps the most cautious ones made since changes in the economy or in the Federal Reserve's monetary policies have a direct impact on interest rates. The County of El Paso relies on historical trends which show a decrease in interest received during fiscal years 2003 and 2004 and then a marked recovery as a result of a strengthening economy. National economic conditions indicate that the downward trend is expected to continue into the foreseeable future.

Other Information: Aside from interest received from TexPool, the County of El Paso also receives interest from the bank it does business with as per the existing contract which guarantees 20 basis points over TexPool's rate. When the County's depository institution contract goes out to bid, the interest rate received may change depending on whom the bid is awarded to, thus affecting future interest revenue projections.



Overview and Description of Non-Major Revenue Sources

(1) Interest Earnings, Continued

The table also on the previous page shows actual Interest Earnings for fiscal year 2008 as well as the budgeted revenues for fiscal years 2009 and 2010. The graph on the previous page shows actual Interest Earnings revenue for the period 2003 through 2008 as well as the budget figures for fiscal years 2009 and 2010 and estimates for fiscal years 2011 and 2012. The fact that Interest Earnings for fiscal year 2008 are $1.79 million higher than budgeted Interest Earnings revenue for fiscal year 2009 reflects the conservative approach taken when projecting this revenue source so as to avoid an overstatement of revenues.

The Future: For fiscal years 2011 and 2012, revenues from this source are estimated at $2.0 despite preliminary estimates of $5.16 million received for fiscal year 2009. A new depository institution contract will be awarded during fiscal year 2011 and the interest rate is expected to go down. Though the preliminary figures for 2009 are higher than estimates for 2010 and 2011, Interest Earnings will decrease as the County completes work on various capital projects thus exhausting bond proceeds. More importantly, one must remember that it is the County's policy to budget conservatively so as to not overstate its revenues. This is evidenced by the fact that budgeted revenues for fiscal year 2010 are $2.3 million less than budgeted revenues for fiscal year 2009.

The greatest factor that will impact the Interest Earnings received by the County of El Paso in the future is the nation's economy. When the economy falters, as it did during fiscal years 2008 and 2009, the Federal Reserve is more likely to make interest cuts that will have an impact on the County's return on investment. Worldwide factors, such as increasing oil prices and developing economies, such as India and China, also affect the performance of the stock market. The dollar remains weakened by the low interest rates set by the Federal Reserve but that helps to narrow the trade gap as the demand for our exports increases. In the long run, this will help the stock market and trickle down to interest revenues.

(2) Charges for Services

The Charges for Services revenue category is used to account for service fees charged to the public by various County departments. Such services include, but are not limited to, birth or death certificates, auto registrations, concessions at recreational facilities, and parking for the public. Most fees are set by Local Government Code and typically are only meant to offset a portion of the cost of providing each service. The table on the following pages shows all the revenue types that are considered Charges for Services as well as actual receipts for fiscal year 2008 and budget figures for 2009 and 2010.

Methodology Used to Project Revenue: Typically, historical revenue trends are used to project Charges for Services revenue. Some service revenues, such as commissions and concessions, are received in accordance with contracts that establish the amount that can be charged. .

Overview and Description of Non-Major Revenue Sources

(2) Charges for Services, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Alternative Dispute Resolution	$204,298	$225,000	$225,000		
Ascarate Park Food Concession	5,071	5,000	5,000		
Ascarate Swimming Pool	67,478	60,000	75,000	$15,000	25.00%
Ascarate Traffic Control	108,936	110,000	125,000	15,000	13.64%
Auto Registration Fee	360,000	360,000	360,000		
Auto Sales Tax	3,810,765	3,500,000	3,500,000		
Bad Check Collections	169,801				
CA Summons Fees	18,018	18,000	15,000	(3,000)	-16.67%
Canutillo Swimming Pool	3,531	3,500	4,000	500	14.29%
Coliseum Food Concession	173,807	160,000	220,000	60,000	37.50%
Coliseum Parking	41,237	50,000	70,000	20,000	40.00%
Coliseum Rental	266,803	250,000	375,000	125,000	50.00%
Coliseum Ticketmaster	4,889	5,000	3,000	(2,000)	-40.00%
Commissary Concession	641,623	650,000	625,000	(25,000)	-3.85%
Consolidated Data Processing	9,063	10,000	10,000		
Constable No. 1	146,959	144,000	128,000	(16,000)	-11.11%
Constable No. 2	78,204	75,000	81,000	6,000	8.00%
Constable No. 3	165,038	160,000	90,000	(70,000)	-43.75%
Constable No. 4	143,014	142,000	150,000	8,000	5.63%
Constable No. 5	62,261	55,000	60,000	5,000	9.09%
Constable No. 6	70,182	70,000	75,000	5,000	7.14%
Constable No. 7	53,437	52,000	62,000	10,000	19.23%
County Attorney Commissions	72,317	70,000	40,000	(30,000)	-42.86%
County Clerk Fees	4,673,928	4,900,000	4,100,000	(800,000)	-16.33%
County Service Evaluation	276,274	310,000	280,000	(30,000)	-9.68%
County Sheriff Fees	1,142,073	1,200,000	1,100,000	(100,000)	-8.33%
County Tax Collector	2,147,175	2,200,000	2,100,000	(100,000)	-4.55%
Court Reporter Fees	187,686	186,000	440,000	254,000	136.56%
Courthouse Cafeteria Concessions	26,673	27,000	21,000	(6,000)	-22.22%
Courthouse Security	211,527	220,000	200,000	(20,000)	-9.09%
Courthouse Security-Justice Courts	118,231	115,000	118,000	3,000	2.61%
Criminal Alien Housing	869,231	500,000	440,000	(60,000)	-12.00%
Criminal Prosecution Fees	78,129	81,000	73,000	(8,000)	-9.88%
District Clerk Fees	1,717,512	1,850,000	1,447,000	(403,000)	-21.78%
DPS Arrest Fees	70,208	71,000	54,000	(17,000)	-23.94%
Driving Golf Range Fees	30,818	32,000	45,000	$13,000	40.63%
DRO Filing Fees	$537,233	$600,000	$600,000		

Continued on next page.

Overview and Description of Non-Major Revenue Sources

(2) Charges for Services, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
DWI Drug Court Fees	$30,700	$40,000	$48,000	$8,000	20.00%
El Paso Bar Attorney Exemption	127,200	175,000	105,000	(70,000)	-40.00%
Extradition Prisoner	2,200	2,000	2,000		
Fabens Swimming Pool	4,421	4,000	5,000	1,000	25.00%
Federal Detainee			25,000	25,000	100.00%
Fines and Forfeits	109,654	100,000	120,000	20,000	20.00%
Gallegos Park Rental	2,170				
Golf Car Fees	327,135	340,000	320,000	(20,000)	-5.88%
Golf Course Food Concession	42,073	55,000	45,000	(10,000)	-18.18%
Graffiti Eradication	592	500	1,260	760	152.00%
Green Fees	580,347	640,000	580,000	(60,000)	-9.38%
Guardianship Fees	26,640	20,000	30,000	10,000	50.00%
Incentive Payments-Soc. Sec.	29,400	30,000	20,000	(10,000)	-33.33%
JP No. 1	28,242	27,500	33,500	6,000	21.82%
JP No. 2	60,414	60,500	69,000	8,500	14.05%
JP No. 3	77,646	73,000	68,500	(4,500)	-6.16%
JP No. 4	59,707	59,000	54,000	(5,000)	-8.47%
JP No. 5	45,125	43,500	53,000	9,500	21.84%
JP No. 6	198,810	200,000	242,000	42,000	21.00%
JP No. 7	61,303	56,000	55,000	(1,000)	-1.79%
Jury Fees	22,753	22,000	22,000		
Juvenile Housing/Support Fees	69,374	75,000	60,000	(15,000)	-20.00%
Juvenile Probation Supervision	59,577	60,000	55,000	(5,000)	-8.33%
Law Library Fees	485,589	480,000	500,000	20,000	4.17%
Lessons	60				
Loan Processing Fees	451	1,200	600	(600)	-50.00%
Medical Examiner Fees	3,123	3,000	1,500	(1,500)	-50.00%
Motor Carrier Overweight	4,217	3,000	2,000	(1,000)	-33.33%
Parking Garage Commissions	642,141	650,000	750,000	100,000	15.38%
Pavilion Rental	17,066	15,000	10,000	(5,000)	-33.33%
Prisoner Maintenance-City	3,529,725	2,500,000	346,000	(2,154,000)	-86.16%
Pro-Shop Sales	28,902	30,000	30,000		
Probate Court Fees	8,674	9,250	8,500	(750)	-8.11%
Program Income	45,613				
Program Participants	1,100,511	814,458	877,020	62,562	7.68%
Protective Order Applications	$4,865	$5,000	$5,500	$500	10.00%

Continued on next page.

Overview and Description of Non-Major Revenue Sources

(2) Charges for Services, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Records Archives Fees	$592,330	$575,000	$630,000	$55,000	9.57%
Records Mgmt and Preservation	863,280	695,000	880,000	185,000	26.62%
Scofflaw Fee	16,078	15,000	20,000	5,000	33.33%
Sewage Inspection Fees	(825)	45,000	52,000	7,000	15.56%
Sheriff Food Concession	259	0	2,500	2,500	100.00%
Special Probate Court Fees	8,030	7,500	6,000	(1,500)	-20.00%
Sportspark Commissions	69,118	60,000	70,000	10,000	16.67%
Sportspark Fees/Rentals	382,192	300,000	375,000	75,000	25.00%
State A G Child Support	1,118,169	1,200,000	1,000,000	(200,000)	-16.67%
Subdivision Fees	65,586	65,000	37,000	(28,000)	-43.08%
Technology Fee			4,000	4,000	100.00%
Teen Court Filing Fee	2,644	2,000	2,500	500	25.00%
Vital Statistics Fee	120,746	105,000	100,000	(5,000)	-4.76%
Weekender Prisoner (Self-Pay)	5,538	5,000	2,000	(3,000)	-60.00%
Totals	$29,842,995	$28,134,908	$25,041,380	($3,093,528)	-11.00%

Other Information: The Charges for Services category also accounts for recreational revenues charged to the public for the use of County facilities, such as parks, pools, the golf course and the coliseum. Those fees are based on established rates set by Commissioners Court as deemed appropriate. This revenue source has remained relatively stable since the Court makes every possible effort to keep costs to the public as low as possible.

During fiscal year 2006, Western Playland re-located to Doña Ana County, New Mexico; but the true impact of the move was reflected in actual revenue collections during fiscal year 2007. Because Western Playland's relocation had the potential to affect other revenue sources, such as Ascarate Traffic Control, Commissioners Court increase the entrance fee by $1 per car. That small increase allowed for Ascarate Traffic Control revenue to remain relatively stable at $108,375 in fiscal year 2007 and $108,936 in fiscal year 2008. For fiscal year 2010, the Ascarate Traffic Control line item shows an increase 13.64% because Commissioners Court has moved to stop granting entrance fee waivers for events held at the park, such as walks and fishing days and has approved to increase the fees per vehicle on certain holidays.

Commissioners Court continues to look at the County's parks in an attempt to improve facilities to make them more appealing to the public while minimizing the County resources spent on their operation. One of the ideas entertained by the Court was to turn control of the parks over to the City of El Paso. Another idea that has been explored is the privatization of the Sportspark. Although the revenue generated by the Sportspark would decrease or disappear

Overview and Description of Non-Major Revenue Sources

(2) Charges for Services, Continued

entirely, this is not expected to impact the General Fund as the Sportspark has not received financial support for the past two fiscal years. For fiscal year 2010, it is important to note that projected revenue generated by the County's swimming pools is expected to increase, possibly due to the fact that more people are spending their free time close to home because of the decrease in disposable income.

Also included in this category are several fees of a miscellaneous nature imposed through the judiciary or by departments due to changes in State laws or other contracts unrelated to the other previously defined categories. This category includes departments such as the District Clerk and County Clerk. Budgeted revenues for fiscal year 2010 represent a decrease of $800,000 in County Clerk Fees and a decrease of $403,000 in District Clerk Fees. The difference is due to the fact that the District Clerk's Office took over a portion of its fee collections duties during the second quarter of fiscal year 2009. Those collections duties were previously performed by the County Clerk's Office. Fiscal year 2010 will include a full year's worth of fee collections by the District Clerk's Office.

Budgeted Court Reporter Fees for fiscal year 2010 are $254,000, or 136.56%, higher than the 2009 budget figure. The increase is due to a change in the fee charged per case as per changes in State law. The Technology Fee budgeted at $4,000 for fiscal year 2010 is also a result of the changes in State law; this is the first time that the County will receive revenue for this concept.

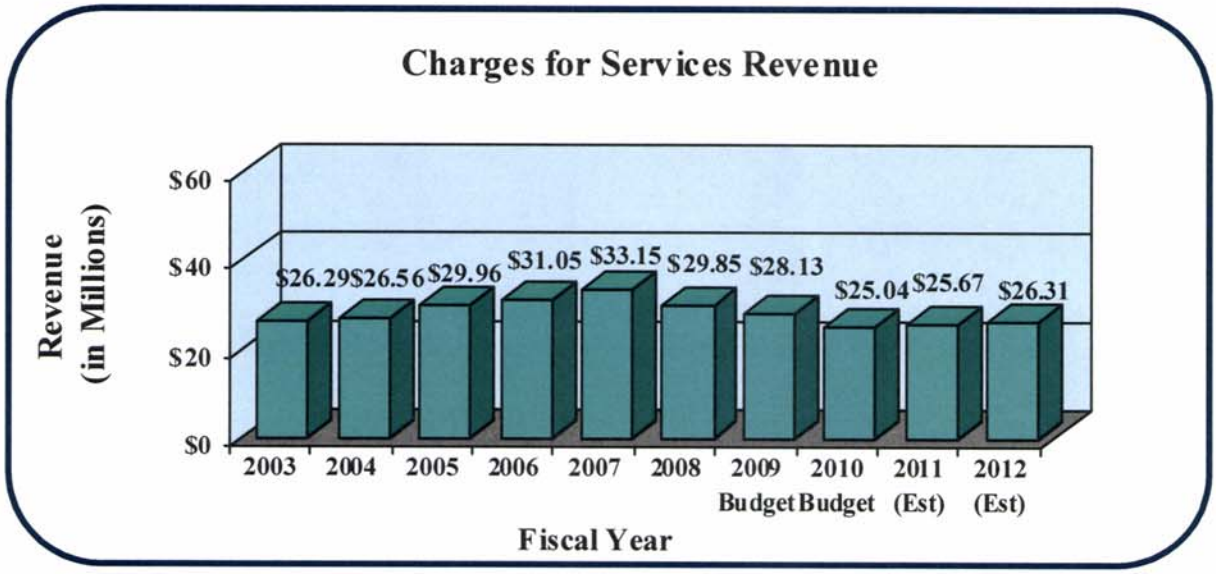
The greatest decrease in budgeted revenues for fiscal year 2010 is in the Prisoner Maintenance-City line item. The decrease of $2.154 million is due to a change in the contract negotiated with the City of El Paso, for the housing of State prisoners in the County's detention facilities.

An increase in population will inevitably place a higher demand on County departments allowing for revenue collections to increase or to at least remain stable. Parking fees, for example, are imposed on members of the general public and on County employees who use the parking facilities and are governed by a contract. As of the beginning of fiscal year 2008, the second parking garage is used solely by individuals who pay for the service they receive on a monthly basis as well as by the El Paso Police Department. The old parking garage continues to function on a pay-as-you-go basis, and daily rates were reduced during fiscal year 2007 to allow the County to remain competitive with other parking facilities in the Downtown area. The rate change has increased the number of patrons, especially during weekends. In January 2010, the County is taking over the daily operations of the two parking garages and will set a fixed daily rate; it is expected that parking revenue will increase since all revenue will go to the County and not to a contractor.

Overview and Description of Non-Major Revenue Sources

(2) Charges for Services, Continued

Below is a graphical representation of Charges for Services revenue received or budgeted during the period 2003 through 2010, as well as revenue estimates for fiscal years 2011 and 2012 based on an average annual increase of 2.5%.



The Future: Fiscal year 2010 budgeted revenues for Constables are expected to decrease an average of 0.82% due in part to the staffing changes authorized by Commissioners Court. However, Justice of the Peace revenues are expected to increase an average of 8.90% which supports the County Auditor's recommendation that some of the Constable offices were overstaffed. In the future and as operating costs continue to increase, fees for the use of other recreational facilities, such as the golf course, will also increase, thus affecting future revenue received from the sources listed under this section. Coliseum Rental fees, for example, show a 50.0% increase from fiscal year 2009 to 2010 due to an increase in events held at the venue.

A plan to put the land where Western Playland once stood into use is still in the works. One of the many ideas considered by Commissioners Court is the development of another amusement park with restaurants that would in essence revitalize the area and increase revenues.

The County of El Paso executed a contract with Lumar Enterprises for the operation of the cafeteria at the Jail Annex. Because that contract went into effect until August 2008, revenue was not budgeted for fiscal year 2009. Fiscal year 2010 is the first time that the County is budgeting revenue from this source, thus the 100% increase in budgeted revenues.

Finally, the increase of 152% in Graffiti Eradication revenues must also be mentioned since the County Attorney's Office has planned to work in conjunction with the Adult Probation

Overview and Description of Non-Major Revenue Sources

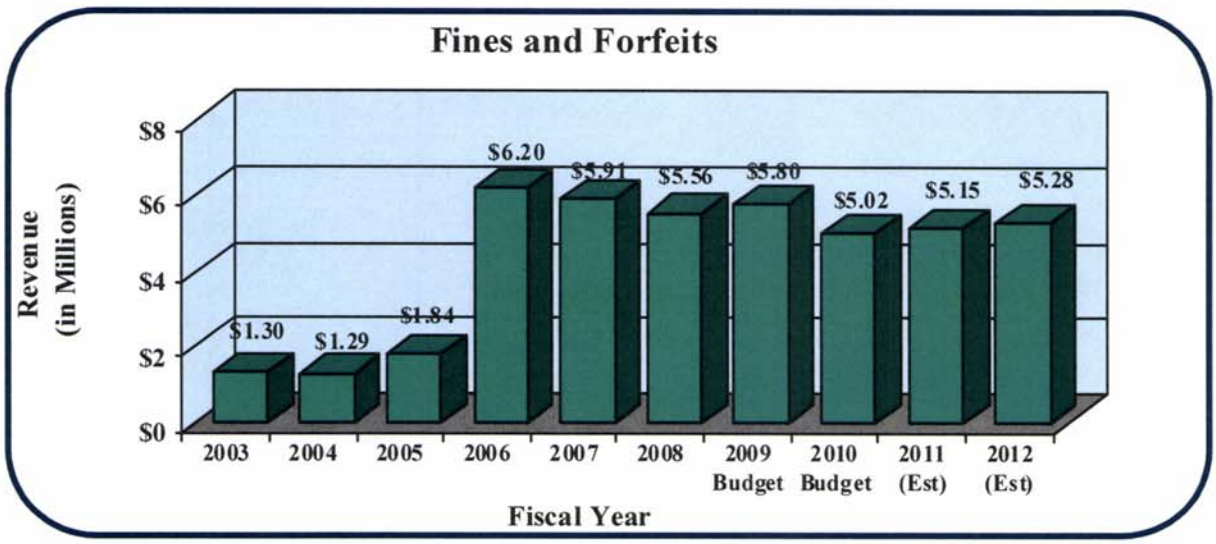
(2) Charges for Services, Continued

Department to enforce anti-graffiti ordinances that allow the County to fine offenders in order to fund wipe out programs.

(3) Fines and Forfeits

The Fines and Forfeits revenue category is attributable to the funds generated by various elected officials who assess fines or collect on forfeitures as a result of the County's judicial process. As a non-major source of revenue, it has seven sub-components with actual revenue collection figures for fiscal year 2008 as well as seven sub-components with budgeted and estimated revenues for fiscal years 2009 and 2010. The table below gives a numerical comparison of all revenues that fall under this category.

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Child Safety Fees	$64,708	$63,000	$65,000	$2,000	3.17%
County Attorney Bond	958,952	1,000,000	600,000	(400,000)	-40.00%
County Traffic Fees	61,792	62,000	53,000	(9,000)	-14.52%
Fines and Forfeits	4,381,003	4,588,227	4,200,000	(388,227)	-8.46%
Judgments	15,625	17,000	15,000	(2,000)	-11.76%
Juror Fines	69,221	60,000	72,000	12,000	20.00%
State Drug Forfeitures	6,793	6,000	10,000	4,000	66.67%
Totals	$5,558,094	$5,796,227	$5,015,000	($781,227)	-13.48%



Overview and Description of Non-Major Revenue Sources

(3) Fines and Forfeits, Continued

Methodology Used to Project Revenue: Projected revenue from Fines and Forfeits is based on historical revenue trends. Assessment amounts set forth by statute also impact revenue projections. The graph on the previous page shows revenue received or budgeted for this source for the period 2003 through 2010, as well as revenue estimates for 2011 and 2012.

Other Information: Actual collections classified as Fines and Forfeits for fiscal year 2006 show a dramatic increase of approximately $4.36 million over collections in fiscal year 2005. However, that increase is due to the fact that, in the past, revenues coded directly to the Fines and Forfeits sub-object were sufficient to constitute a major revenue source for the County. Since fiscal year 2008, however, Fines and Forfeits no longer met the necessary criteria to be considered one of the County's major revenue sources. This revenue source now includes all collections stemming from child safety fees, county attorney bond forfeitures, county traffic fees, fines and forfeits, juror fines and state drug forfeitures.

Aside from the increase described in the paragraph above, fluctuations in this revenue source are directly linked to the County's collection efforts. Without a doubt, joint efforts to collect on outstanding fines, fees and bond forfeitures by the Constables and their deputies, Sheriff's deputy warrant officers, the County Clerk's collections department, the County Attorney's office, all Justices of the Peace and all District and County Courts resulted in substantial increases in revenues collected for prior years. However, that also means that less fines, fees and bond forfeitures are outstanding and available to collect on for fiscal year 2010. For that reason, the County of El Paso is expecting a decrease of $781,227 in collections for fiscal year 2010. The greatest component of that decline is the County Attorney Bond line item with a projected decrease of $400,000, or 40%, in collections for fiscal year 2010.

As was the case in fiscal year 2008, State Drug Forfeitures revenue is shown with a projected decrease for fiscal year 2009 due to the decrease in fund balance available for use in subsequent years. As per Texas Legislative House Bill Number 1185, ten percent of the gross amount received by the District Attorney from forfeitures is deposited in a special account. That forfeiture money is then allocated as determined by Commissioners Court to fund drug abuse and prevention programs through several Drug Courts in the County.

The Future: As mentioned in a previous paragraph, aggressive collection efforts in the past have resulted in less outstanding items to collect on in the future. Starting in fiscal year 2006 and continuing through fiscal year 2009, Constables have held warrant roundups that target citizens with outstanding warrants. Each person whose name appears on the warrants list published in the local newspaper has the option of paying the fines assessed or may be imprisoned. Because the results have been extremely positive, it is to be expected that the roundups will continue, thus reducing the number of outstanding warrants that are carried on the County's books from year to year. Despite the reduction in force that affected their offices, Constables are also expected to continue their participation in randomly scheduled warrant roundups at international ports of entry to collect on outstanding traffic warrants issued to

Overview and Description of Non-Major Revenue Sources

(3) Fines and Forfeits, Continued

Mexican nationals. Increased policing efforts are also expected to continue throughout the County, resulting in increased collections pertaining to violation of child safety laws. Finally, we must keep in mind that population growth in El Paso County will continue playing a major role in the increase in collections for this revenue source.

(4) Intergovernmental Revenue

The Intergovernmental Revenue category is used to account for all funds received from other governmental entities, mostly in the form of grants or reimbursements. As of the beginning of fiscal year 2010, the County of El Paso is anticipating that this revenue source will make up about 2.18% of its total budgeted revenues. The table below and on the next page show actual collections during fiscal year 2008 as well as budget figures for fiscal years 2009 and 2010.

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Bi-National Funding	$47,231				
Congregate Meals	458,997	$400,000		($400,000)	-100.00%
Contribution-City	274,592	286,123		(286,123)	-100.00%
Contribution-Local	9,016				
Federal Grant	7,559,515	4,228,840		(4,228,840)	-100.00%
Federal Prisoner	9,960				
Food Stamp Fraud	37,800	35,000	$32,000	(3,000)	-8.57%
Homebound Meals-Title III	222,610	300,000		(300,000)	-100.00%
Judiciary Supp Govt Code 51	836,250	1,030,000	1,069,370	39,370	3.82%
Lateral Road	33,872	34,000	35,000	1,000	2.94%
Prosecutor Longevity	162,486	200,000	200,000	0	0.00%
Reimb-A. G. Child Support	303,148	350,000	350,000	0	0.00%
Reimb-City Computer	36,097	38,000	36,000	(2,000)	-5.26%
Reimb-City Utilities	34,942	27,000	40,000	13,000	48.15%
Reimb-County Archives Bldg.	42,452	42,000	35,000	(7,000)	-16.67%
Reimb-Elections	487,220	$295,000	$300,000	$5,000	1.69%
Reimb-Exp Prior Year	$20				

Continued on next page.

Overview and Description of Non-Major Revenue Sources

(4) Intergovernmental Revenue, Continued

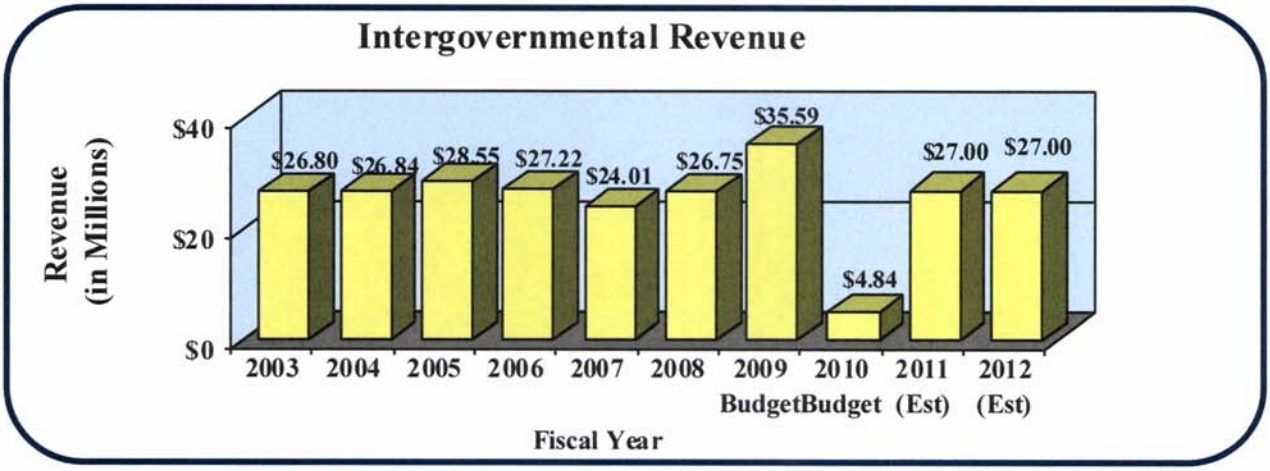
Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Reimb-Federal Drug Cases	$1,391,992	$1,000,000		($1,000,000)	-100.00%
Reimb-Fed School Lunch Prog	118,122	125,000	$125,000		
Reimb-Indigent Defense	608,729	500,000	800,000	300,000	60.00%
Reimb-Inmate Transportation	46,541	45,000	37,000	(8,000)	-17.78%
Reimb-Juror	213,758	280,000	265,000	(15,000)	-5.36%
Reimb-Legal Fees	190,578	225,000	180,000	(45,000)	-20.00%
Reimb-Medical	63				
Reimb-Post Secure	28,490				
Reimb-R. E. Thomason	626,601	735,856	735,856		
Reimb-Salaries	180,639	175,000	180,000	5,000	2.86%
Reimb-State Witness Claims	63,106	50,000	65,000	15,000	30.00%
Reimb-Tobacco Settlement	227,124	225,000	110,000	(115,000)	-51.11%
Reimb-Utilities	101,006	7,000	6,000	(1,000)	-14.29%
Revenue Sharing	153,573	1,067,440		(1,067,440)	-100.00%
State Agency	1,406,025	(733,160)	182,700	915,860	-124.92%
State Agency Supplement	33,632	46,138	40,282	(5,856)	-12.69%
State Grant	10,497,962	24,259,825		(24,259,825)	-100.00%
State Service Fees	1,232				
Supp. of the Judiciary Cnty Fee	18,989	15,000	19,000	4,000	26.67%
USDA Cash	291,658	300,000		(300,000)	-100.00%
Totals	$26,756,028	$35,589,062	$4,843,208	($30,745,854)	-86.39%

Methodology Used to Project Revenue: Intergovernmental Revenue estimates are based on historical revenue trends for line items such as Federal School Lunch Reimbursements, which depend on the juvenile population housed at the Juvenile Probation Department. Other revenue, such as the Tobacco Settlement Reimbursement, is pre-determined by contracts that the County has entered into. It is based on those contracts that projections are also made.

Other Information: It is the County's policy to aggressively seek funding sources that will improve the quality of life for its citizens without necessarily increasing the financial burden on the General Fund. Budgeted revenues for fiscal year 2010 are significantly less than those budgeted or received in prior fiscal years. Though drastic, that difference is due to the fact that grant revenues are not budgeted at the beginning of the fiscal year but until an actual grant award is received. By using this approach, the County of El Paso avoids overstating its budgeted Intergovernmental Revenues, particularly as it pertains to Federal and State grants.

Overview and Description of Non-Major Revenue Sources

(4) Intergovernmental Revenue, Continued



From time to time, the County of El Paso receives one-time funding from other governmental entities and this revenue source is used to account for those special funds. Such as was the case during fiscal year 2006 when the area was hit by a severe storm that caused severe flooding and property damage. In response to the unprecedented situation, the Federal Emergency Management Agency (FEMA) issued funding in the amount of $217,564 to offset a portion of the clean-up and repair costs incurred by the County.

Federal Drug Case Reimbursement revenues are not budgeted for fiscal year 2010 since the exact amount received is contingent on factors such as the number of cases handled within a fiscal year and hours spent by prosecutors. Those cases must meet the guidelines of the Southwest Border Prosecution Initiative (SWBPI) which reimburses local government entities for the prosecution of drug cases turned down by the federal government, usually because the amount in question is small in comparison with other cases. In the past, other contributing factors were: whether a defendant was prosecuted and incarcerated or only prosecuted and the number of days between the arrest date and the case disposal date. These factors: the availability of federal funds for this program; the time period during which cases, compiled on a quarterly basis, can be billed online; and the time between billing and receipt of reimbursement still continue to impact revenues projected. Because there is no set timeline for the SWBPI to submit reimbursement and because the amount of available funds is divided amongst multiple agencies, receivables are not booked so as to not overstate revenues. Federal drug case reimbursements received during fiscal year 2009 amount to $1.17 million and pertained to cases billed for the first two quarters of fiscal year 2008. Reimbursement for the last two quarters of fiscal year 2008 is still pending as of the start of fiscal year 2010.

The graph above shows the revenue trend for the period 2003 through 2008 as well as budget figures for 2009 and 2010 and estimates for fiscal years 2011 and 2012. Preliminary receipts for fiscal year 2009 are used to conservatively estimate Intergovernmental Revenues for fiscal years 2011 and 2012 at $27.0 million for each year.

Overview and Description of Non-Major Revenue Sources

(4) Intergovernmental Revenue, Continued

The Future: In the future, it is expected that this revenue source will remain stable. In most instances governmental entities do not guarantee funding of any sort, so any decision that is made at other levels of government will trickle down to impact the County's revenue stream. For example, the federal government's intense focus on anti-terrorism has shifted funding to other areas which are not the County's forte. As has happened with other revenue sources, the economic turmoil faced by the United States will affect the amount of Intergovernmental Revenue received. Historically, the County of El Paso has received large grant awards from the Office of National Drug Control Policy to support anti-drug efforts in the area. If the federal administration shifts its focus to infrastructure projects which are more likely to jumpstart the economy, funding for the war on drugs may decrease. As of the first quarter of fiscal year 2010, the County of El Paso is awaiting the results of an audit of the Southwest Border Prosecution Initiative program conducted in fiscal year 2007. Depending on the final outcome of that audit, the County of El Paso may choose to end its participation in the program, thus reducing the revenue received for the prosecution of drug cases. Based on the preliminary audit findings, the County is no longer requesting reimbursement for cases initiated by the Tribal Police nor for cases originating from bond forfeitures. Finally, the current program guidelines which were revised during fiscal year 2009, drastically reduced the maximum amount billed per case. The number of prosecutor hours worked on each case is now a major factor in the reimbursement calculation.

Two new District Courts began operations in the County of El Paso during fiscal year 2008, increasing the number of case filings as well as the reimbursement received for support of the judiciary under government code 51. The trend is expected to continue during fiscal year 2010 since two new County Criminal Courts at Law created by the passage of House Bill No. 4008 began operations in January 2009 and will record revenue for a full year in 2010.

(5) Licenses and Permits

Budgeted revenues for Licenses and Permits represent only 0.11% of the County's budgeted revenues for fiscal year 2010. This category is used to account for all revenue received from the issuance of operating licenses and business permits, whether they are new or renewals. The table on the following page shows the four individual components of this revenue category, as well as the change in budget from 2009 to 2010.

Methodology Used to Project Revenue: Because this revenue source fluctuates from year to year, historical revenue trends are the best tool for making for projections. Revenue received from renewals is easier to project, but new permits or licenses are based solely on history. The graph on the following page shows actual revenue received for the period 2003 through 2008 as well as budgeted revenues for 2009 and 2010. For fiscal years 2011 and 2012, it is expected that this revenue source will remain stable as the County continues to grow and there is increased demand for services.

Overview and Description of Non-Major Revenue Sources

(5) Licenses and Permits, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Alcoholic Beverage Licenses	$178,972	$175,000	$200,000	$25,000	14.29%
Bail Bond Permits	6,000	7,000	7,000		
Occupational Licenses	37,799	40,000	34,500	(5,500)	-13.75%
Title Runner License	6,906	6,800	7,000	200	2.94%
Totals	$229,677	$228,800	$248,500	$19,700	8.61%

Other Information: The amount charged for issuing a license or a permit is set by the State. This is to establish a maximum amount that can be charged to encourage applicants to obtain legitimate permits. By having a legitimate permit on file for all establishments, the County can better track the type and quality of services provided to the public.

As set forth in *Texas Local Government Code, §243.009*, the cost of issuing or renewing a license or permit is based not only on the cost of processing the application but also on the cost of investigating the applicants. As the costs associated with issuing licenses and permits increase, the State may revise the maximum fees allowed and projected revenues generated by these sources will have to change accordingly.

The Future: Because the maximum amount that can be charged for any and all licenses and permits is set by the State, this revenue source will most likely remain stable until the statutes are revised, thus resulting in very conservative projected revenues for fiscal years 2011 and 2012. It is the County's belief that an increase in the indirect cost of processing all license and permit applications, mainly due to salary and operating expense increases, will warrant a revision of

Overview and Description of Non-Major Revenue Sources

(5) Licenses and Permits, Continued

government code. In the future, the County may consider the possibility of having inspectors visit all establishments in the outlying areas to verify that all permits are current and legitimate to maximize revenue collections. Also, as the County continues to grow eastward, more services are needed and more establishments that need a license and/or permit will begin operations thus increasing revenue collections that fall under this category. It is important to note that the increase of 8.61% in budgeted Licenses and Permits revenue is the highest increase in budgeted revenues for fiscal year 2010. As in the past, Alcoholic Beverage Licenses is the sub-component with the highest increase at $25,000 or 14.29% for fiscal year 2010.

(6) Miscellaneous Revenues

The sixth non-major source of revenue is used to account for Miscellaneous Revenues, or revenues that do not fit the description of other revenue categories. It is important to note that these revenue sources sometimes do not fit the description of other revenue categories because they are of an infrequent nature. In many instances, these revenues may not be budgeted at the beginning of the fiscal year because they may be unexpected. For fiscal year 2010, Miscellaneous Revenues make up approximately 1.14% of budgeted revenues, which is an increase of approximately 0.09% from 2009's budget. The table below and on the following page shows the multiple components of this source as well as actual collections for fiscal year 2009, budget figures for fiscal years 2009 and 2010.

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
C-1 Program Income	$132,523	$125,000		($125,000)	-100.00%
CA Teen Crt-Restricted		1,000		(1,000)	-100.00%
Commissions	2,304	2,500	$3,500	1,000	40.00%
Contributions-Juror	38,190				
Contributions/Donations-Genera	4,081	32,297	10,000	(22,297)	-69.04%
Contributions-Other	311,100	200,000	16,100	(183,900)	-91.95%
Foundation Funding	255,986	283,361		(283,361)	-100.00%
Indirect Services	392,302	438,161	250,000	(188,161)	-42.94%
Jury Donation Revenue	2,598	1,880	2,600	720	38.30%
NSF Check Fees	13,430	15,000	15,000		
Open Records Fees	1,900	2,000	1,000	(1,000)	-50.00%
Phone Commissions-Local	$399,358	$300,000	$700,000	$400,000	133.33%

Continued on next page.

Overview and Description of Non-Major Revenue Sources

(6) Miscellaneous Revenues, Continued

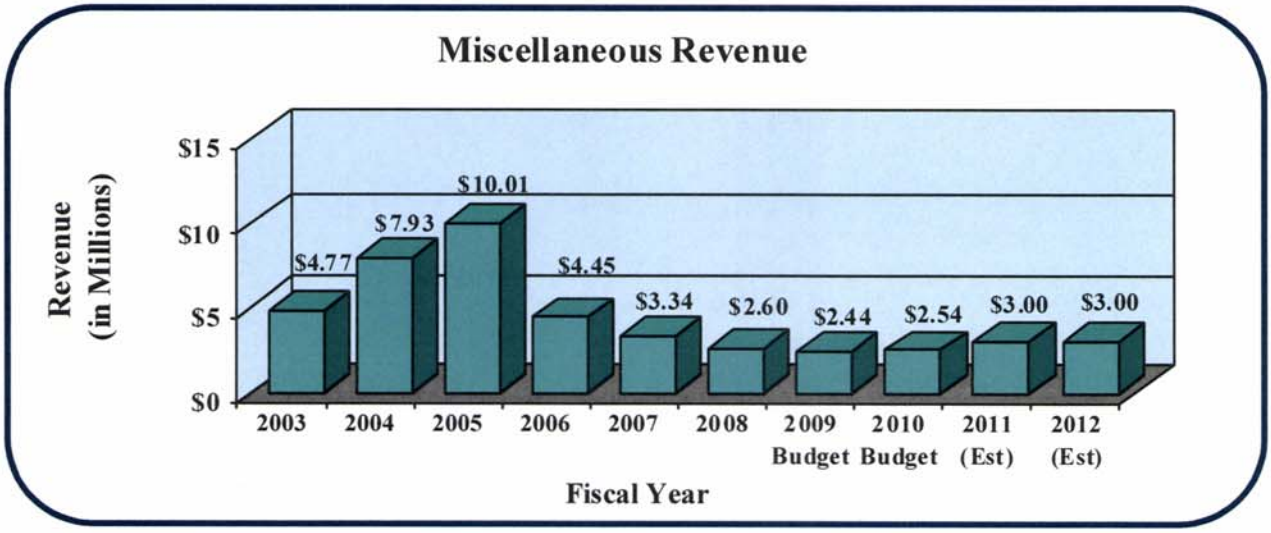
Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Program Income	($41,406)	$113,992		($113,992)	-100.00%
Program Income-Transportation	2,782	2,650		(2,650)	-100.00%
Program Participants		244,513	$9,200	(235,313)	-96.24%
Purchasing Copies/Postage	44,959	38,000	45,000	7,000	18.42%
Purchasing Stock Sales	57,730	55,000	65,000	10,000	18.18%
Reimb.-Expenditures Prior Yr	97,301	100,000	650,000	550,000	550.00%
Reimb.-Post Secure		(375,500)		375,500	-100.00%
Reimb.-RMS Licenses EPCC	10,000		10,000	10,000	100.00%
Reimb-RMS Licenses EPISD	20,000		20,000	20,000	100.00%
Reimb.-Travel Prior Year	11,946		8,000	8,000	100.00%
Reimb.-Miscellaneous	54,779	45,000	70,000	25,000	55.56%
Reimb.-Salaries	94				
Rentals/Leases	232,350	240,000	220,000	(20,000)	-8.33%
Stale Dated Checks	18,636	18,000	20,000	2,000	11.11%
State Service Fees	249,198	245,000	250,000	5,000	2.04%
Time Payment Fee-10%	16,586	15,000	15,500	500	3.33%
Time Payment Fee-40%	66,343	65,000	63,000	(2,000)	-3.08%
Unclassified Revenue	199,939	228,613	100,700	(127,913)	-55.95%
Totals	$2,595,009	$2,436,467	$2,544,600	$108,133	4.44%

Methodology Used to Project Revenue: Because the revenue accounts listed are highly unpredictable, the County of El Paso relies heavily on historical revenue trends to make estimates for future years. One-time revenue sources are the most difficult to estimate since they may be unexpected and not easily identified until very late in the fiscal year. The County of El Paso makes every effort to budget any revenues that may result from anticipated legislative changes. For fiscal years 2010 through 2012, the County will once again budget on the conservative side, based on the unpredictable nature of grants and one-time sources of revenue.

Other Information: The graph on the next page shows activity classified as Miscellaneous Revenues for the period 2003 through 2008 as well as budget figures for 2009 and 2010 and estimates for 20111 and 2012. That same graph shows that in fiscal year 2004, the County of El Paso received approximately 66.32% more miscellaneous revenues than in fiscal year 2003 due to the sale of property in the Capital Projects fund. In fiscal year 2005, actual Miscellaneous Revenues registered another increase over fiscal year 2004 due in large part to a lawsuit settlement that awarded the County of El Paso $5.22 million. However, the graph shows an increase from 2004 from 2004 to 2005 of $2.08 million mainly because this revenue source also

Overview and Description of Non-Major Revenue Sources

(6) Miscellaneous Revenues, Continued



includes a decrease in program income which is generated by some grants in effect that year. The decrease registered from 2005 to 2006 is due to the fact that the lawsuit settlement received in 2005 was a one-time revenue source not available to the County in subsequent years. Starting in 2006, budgeted Miscellaneous Revenues show a slight downward trend mainly attributable to one-time sources available in previous years and re-classification of some revenue sources into more appropriate line items.

The Miscellaneous Revenues category also includes some categories that are generated by grants, such as C-1 Program Income which is attributable to the Nutrition grant. Because of its nature, that revenue source is not budgeted.

The Future: As shown on the graph above, the County of El Paso expects budgeted Miscellaneous Revenues to remain stable into the near future, specifically fiscal years 2011 and 2012. It is important to reiterate that revenues classified as miscellaneous can be one-time sources that cannot be predicted before they are received.

On the other hand, some of the revenues are somewhat easier to predict ahead of time, such as phone commissions which are based on a contract signed by the County and the current phone service provider. That revenue source is expected to register an increase during fiscal year 2010 due to a new contract signed between the County and the phone company. As mentioned under the Federal Prisoner Revenue heading, there are plans to expand the detention facilities, which may also impact phone commission revenue. Furthermore, the use of pre-paid telephone cards will also affect the level of phone commissions received by the County.

Overview and Description of Non-Major Revenue Sources

(7) Other Financing Sources

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amount	%
Desig. for Subs. Yrs Expend		$1,738,110	$2,335,640	$597,530	34.38%
Proceeds of Bonds Sold	$69,775,010				
Proceeds of Bonds Sold-Prem.	2,892,925				
Property Sales	38,938	1,132,000	25,000	(1,107,000)	-97.79%
Refinancing Proceeds	48,550,000				
Transfers In	14,989,390	13,212,471	1,185,000	(12,027,471)	-91.03%
Trsfrs In-Court Reporter Fees	185,000	198,000	400,000	202,000	102.02%
Trsfrs In-Excess Grant Match	617,642	550,000	250,000	(300,000)	-54.55%
Trsfrs In-Grants	3,613,326	3,266,076		(3,266,076)	-100.00%
Trsfrs In-Hotel Motel Reimb			19,298	19,298	100.00%
Trsfrs In-Road and Bridge			5,000,000	5,000,000	100.00%
Totals	$140,662,231	$20,096,657	$9,214,938	($10,881,719)	

The County's seventh non-major revenue source is used to account for transfers among funds that will be made during the fiscal year.

The five sub-components of this revenue source are shown in the table above and on the previous page. Three of those components are budgeted for fiscal year 2009 and four of them are budgeted for fiscal year 2010. The Transfers In-Road and Bridge line item is budgeted only for fiscal year 2010 since the $5 million budgeted is to be a one-time transfer. In addition to supplementing the County's General Fund in a time of budgetary difficulties, the transfer is also meant to offset a portion of the costs incurred by the County in policing roads that fall under the jurisdiction of the Road and Bridge Department.

The biggest decrease in budgeted revenues for fiscal year 2010 can be found in the Transfers In line item. That decrease of $12,027,471 is due mainly to the reclassification of the Juvenile Probation Department to the General Fund. In previous years, the Juvenile Probation Department was under the Special Revenue Fund

For fiscal year 2010, the Transfers In-Court Reporter Fees line item shows the biggest increase in budgeted revenues. That change is reflective of the change in budgeted Court Reporter Fees in the Charges for Services revenue source and is a result of the change in State law that allows for a higher fee charged per case.

Methodology Used to Project Revenue: Revenue projections for this source are made using revenue trends over the past eight years. During the preparation of the budget, some grant match requirements are budgeted but only if the grant award period has already started.

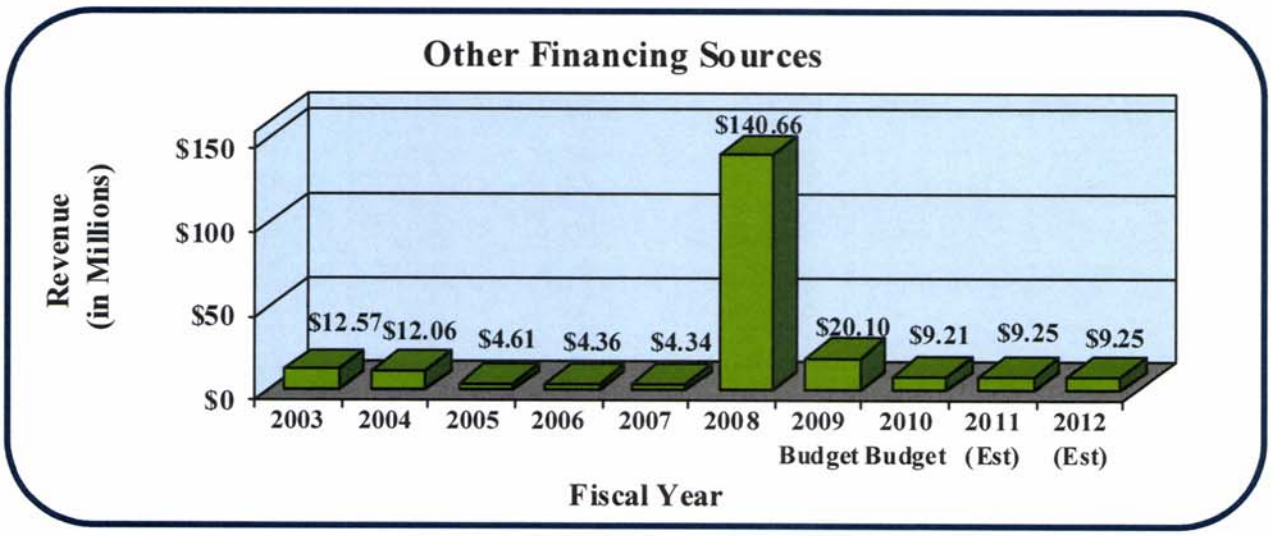
Overview and Description of Non-Major Revenue Sources

(7) Other Financing Sources, Continued

Other Information: Because grant matches are a large portion of this revenue source, Other Financing Sources are also affected by the way in which grants are budgeted. Match requirements are typically not budgeted until a grant award is received, which is why the budget figure for fiscal year 2008 is probably around 50% less than what actual revenue collections will be.

The Future: In the future, it is projected that Other Financing Sources will continue to decrease because County departments are strongly encouraged by Commissioners Court to pursue grants only if there are no match requirements. In fact, Transfers In-Grants was one of the areas under intense scrutiny during budget hearings for fiscal year 2010.

The graph below shows the variations in Other Financing Sources for the period 2003 through 2010 as well as estimates for fiscal years 2011 and 2012.



(8) Non-Major Tax Revenues

Aside from Property and Sales and Use Taxes, the County also receives a portion of the Bingo Tax, the State Mixed Beverage Tax, and the Hotel/Motel Occupancy Tax collected. The three components of this non-major revenue source are shown on the following page.

Methodology Used to Project Revenue: Historical revenue trends are the most important tools used in estimating revenues to be received from Bingo, State Mixed Beverage and Hotel Occupancy Taxes for fiscal year 2009. Those revenue trends are directly affected by population growth and indirectly by a decrease in the unemployment rate. Tax rates for non-major tax revenues are determined by the State, and projections are affected by any rate changes approved in Austin. The number of events geared towards increasing tourism to the El Paso area is expected to increase and that will also impact the Hotel Occupancy Tax revenue collected.

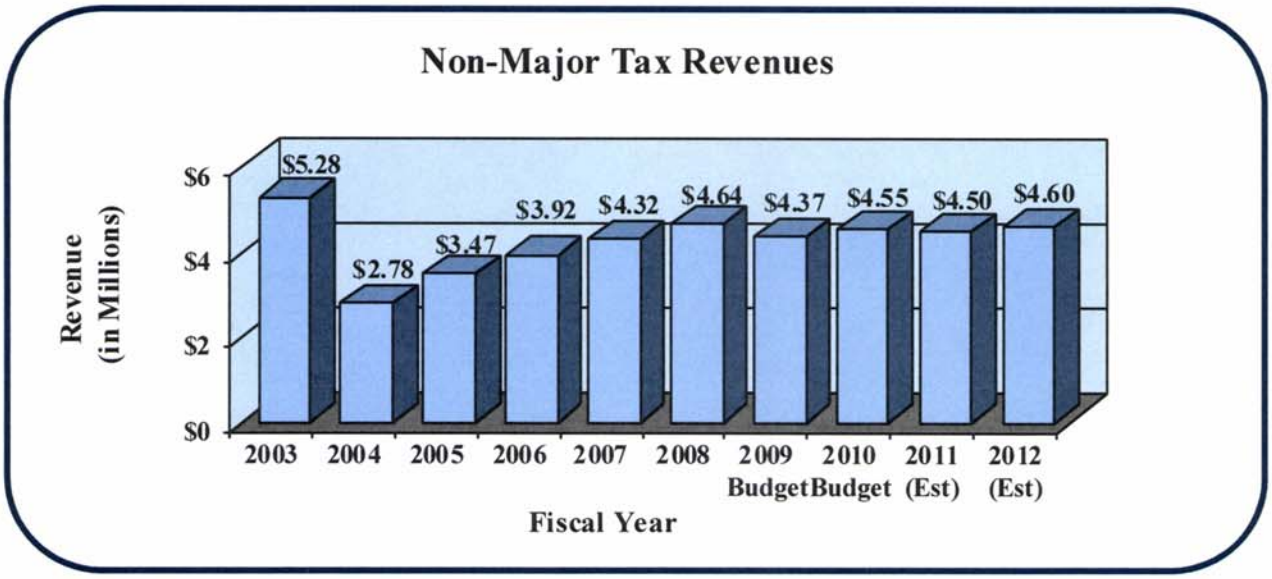
Overview and Description of Non-Major Revenue Sources

(8) Non-Major Tax Revenues, Continued

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amounts	%
Bingo Tax	$78,225	$67,000	$52,000	($15,000)	-22.39%
State Mixed Beverage	1,474,576	1,400,000	1,500,000	100,000	7.14%
Hotel Occupancy Taxes 1.25%	3,090,291	2,900,000	3,000,000	100,000	3.45%
Totals	$4,643,092	$4,367,000	$4,552,000	$185,000	4.24%

Other Information: The State of Texas assesses all taxes accounted for in this category. Currently, the State Mixed Beverage Tax is 14% of gross receipts and the Hotel Occupancy Tax rate is 6% of amount charged for each occupant. In addition, the County Tax Assessor-Collector collects a tax of 2.5% on the rental of hotel or motel rooms to individuals who are not permanent residents of the facility.

The Future: Every year, the amount of funding provided for cultural and recreational events increases in an attempt to increase the number of tourists who visit the County of El Paso. In exchange for that increased funding, Commissioners Court expects increased spending in El Paso and that includes money spent on hotel/motel room rentals and on mixed beverages. However, the national and international economy will also affect the Hotel Occupancy Tax revenue stream as people are less likely to travel in uncertain economic times.



As mentioned earlier in this section, all funding requests are evaluated before any funding from hotel/motel occupancy taxes is allocated. The ten-year commitment made to the Texas vs.

Overview and Description of Non-Major Revenue Sources

(8) Non-Major Tax Revenues, Continued

The Nation football game is a prime example of an event that is likely to have a very positive effect on tax revenue collections in the future. The graph on the prior page shows the revenues received from Non-Major Tax Revenues for the period 2003 through 2008 as well as budgeted revenues for fiscal years 2009 and 2010. For fiscal years 2011 and 2012 revenues are estimated at $4.5 and $4.6 million, respectively, based on actual receipt estimates as of the end of fiscal year 2009.

Total Revenues and Fund Balances

One of the duties of the County Auditor is to estimate and certify all revenues for the County of El Paso before providing those estimates to the County Commissioners Court in preparation for each budget cycle.

Revenue collections are continually monitored throughout the fiscal year to ensure that revenue estimates made at the beginning of the fiscal year are in fact being realized. It is because of that continuous monitoring that the County Auditor's Office determined during the third quarter of the year that revenue projections for fiscal year 2009 were not going to materialize. For fiscal year 2010, total estimated revenues from all sources decreased from $270,908,219 in 2009 to $222,460,031 in 2010, as reflected on the table on the next page.

Of the County's four major revenue sources, only two reveal an increase in budgeted revenues for fiscal year 2010. Property Taxes show an increase of only 0.79% and Extra Auto Registration's increase is estimated at 5.00%. Of the non-major revenue sources, only the budgeted revenues under Licenses and Permits, Miscellaneous Revenue and Non-Major Tax Revenues reflect an increase in fiscal year 2010.

On the other hand, the budget figures for Sales and Use Tax revenues reflect a decrease of 2.29% and the decrease for budgeted Federal Prisoner Revenues is an astonishing 7.98%. Of the County's non-major revenue sources, five (Interest Earnings, Charges for Services, Fines and Forfeits, Intergovernmental Revenue and Other Financing Sources) show a budget that is lower for fiscal year 2010 than in fiscal year 2009.

Just like in fiscal year 2009, the most significant increase in budgeted revenues for fiscal year 2010 is in the area of Licenses and Permits, for which the County of El Paso is projecting an increase of approximately 8.61% as a result of a 14.29% increase in the area of Alcoholic Beverage Licenses. The second largest increase in budgeted revenues is in the Extra Auto Registration category which is projected to increase by 5.00% as a result of the County's population growth and increasing number of vehicles on the road. .

Concurrently, budgeted revenues for fiscal year 2009 declined in the areas of Sales and Use Taxes, Federal Prisoner Revenue, Interest Earnings, Charges for Services, Fines and Forfeits, Intergovernmental Revenue and Other Financing Sources. For fiscal year 2010, the highest decrease in budgeted revenues is in the Intergovernmental Revenue category (86.39%)

Overview and Description of Non-Major Revenue Sources

Total Revenues and Fund Balances, Continued

followed by Other Financing Sources (54.15%) and Interest Earnings (42.93%). The decrease in budgeted Intergovernmental Revenues is dues in large part to the Reimbursement-Federal Drug Cases revenue which was budgeted for 2009 but not for 2010. In fiscal year 2009, the most significant reduction in budgeted revenues was in the area of Other Financing Sources. The number of revenue sources with budgeted decreases for fiscal year 2010 are a good indicator of the tough economic times facing the County of El Paso.

Revenue Account Title	Fiscal Year 2008 Actuals	Operating Budgets		Changes	
		Total Budget FY 2009	Total Budget FY 2010	Amounts	%
Grand Totals	$378,634,647	$270,908,219	$222,460,031	($48,448,188)	-17.88%
Beginning Fund Balances, Deferred Revenues and Retained Earnings	117,952,017	179,402,185	160,739,631	(18,662,554)	-10.40%
Totals	$496,586,664	$450,310,404	$383,199,662	($67,110,742)	-14.90%

Fund Balances

Fund balance represents accumulated funds estimated to be available on the first day of the fiscal year that may be used to cover future appropriations. In many cases, designation of fund balance represents funds designated for a specific purpose for which the exact amount was not known during the budget process and may be estimated by the County Auditor. As a result of the County's annual financial audit, fund balances are subsequently included in the budget for expenditure in the new fiscal year along with other revenue estimates. This category (fund balance designation) decreased by 10.40% for fiscal year 2010. This change is attributed to the Commissioners Court commitment to maintain adequate reserves.

County of El Paso

Texas